



CPA Firm Critical Issues Report: Meeting Today's Top Owner Challenges

- Firm governance & structure
- Partner compensation & retirement
- Succession
- Staff development & retention
- CPA profession & ownership

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ISBN: 978-1-58673-377-3

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Introduction

For most CPA firm leaders, solving problems and helping clients are the reasons why they went into the profession. Managing a CPA firm often takes second place. However, only by spending time and energy on a range of firm-management issues will CPA firm leaders continue to be in a position to help their clients.

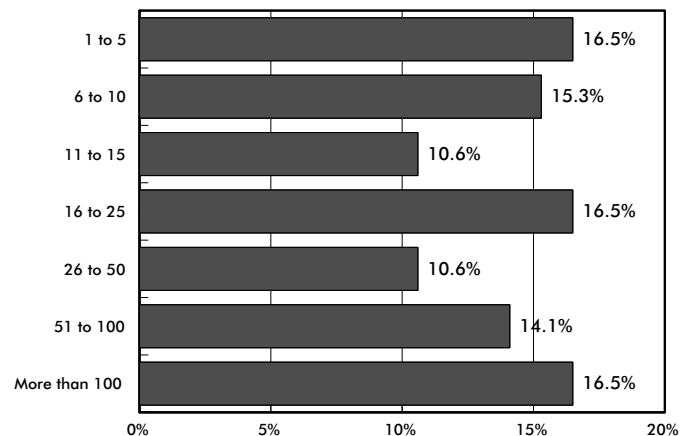
This report provides CPA firm leaders with important insights into how their peers are handling five of the most critical issues in firm management:

- The structure and governance models firms are using to manage their operations;
- The partner compensation and retirement programs firms have developed to ensure that partners and other key firm members receive fair rewards;
- Leadership development and succession;
- Recruiting, retaining, and developing talented staff;
- Future issues facing CPA firms, including economic pressures, the challenges facing the profession, globalization, and the outsourcing question.

Finally, a series of five case studies explains how specific CPA firms are dealing with each of these issues.

Information presented in this report comes from the results of the *CPA Firm Critical Issues Survey*, which was conducted from the fall of 2008 to early 2009. The survey received 87 responses from owners and other leaders at CPA firms around the U.S.; in some cases, multiple re-

Figure 1. Respondents by Number of Employees (FTEs*)



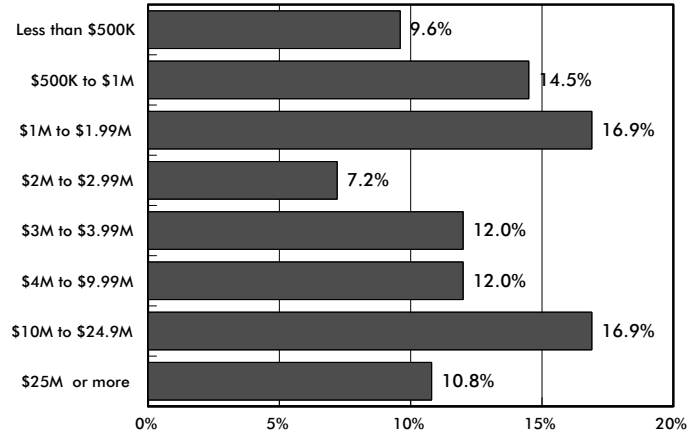
* Full-time equivalents

(Source: CPA Firm Critical Issues Survey)

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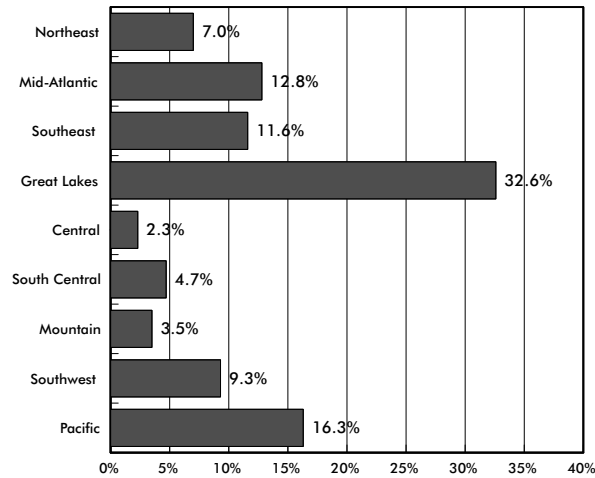
sponses were received from the same firm so that more than one owner's viewpoint could be represented. The following are the key demographics of the survey respondents:

Figure 2. Respondents by Gross Fees*



* Gross fees = revenues before adjustments are made for write-ups or write-downs
(Source: CPA Firm Critical Issues Survey)

Figure 3. Respondents by Geographic Region



(Source: CPA Firm Critical Issues Survey)

Figure 4. States Within Each Geographic Region

Northeast	Mid-Atlantic	Southeast	Great Lakes	Central	South Central	Mountain	Southwest	Pacific
CT	DE	AL	IL	IA	AR	CO	AZ	AK
MA	MD	FL	IN	KS	KY	ID	NM	CA
ME	NJ	GA	MI	MO	LA	MT	OK	HI
NH	NY	NC	MN	ND	MS	NV	TX	OR
RI	PA	SC	OH	NE	TN	UT		WA
VT	VA		WI	SD	WV	WY		

(Source: CPA Firm Critical Issues Survey)

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