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Management review guide : a do-it-yourself practice analysis

Mark F. Murray

American Institute of Certified Public Accountants. Management of an Accounting Practice
Committee

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**A Do-It-Yourself
Practice
Analysis**

MANAGEMENT REVIEW GUIDE

Mark F. Murray, J. D.

**Issued by
the AICPA
Management of an
Accounting Practice Committee**

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AICPA

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Introduction

CPA partners often differ about their firm's practice management policies and procedures. This opposition can deter the firm from achieving its goals. To increase efficiency and profits, partners must agree on the most important practice management issues, such as marketing, firm growth, and new areas of practice. Partners need to know other partners' positions on an issue, what they expect in the future, and how they intend to achieve their goals.

When partners express opinions on practice management issues to other partners, they can, as a group, determine whether to maintain the firm's current position on important issues or work together to improve the management practices of the firm. The *Management Review Guide* provides the vehicle for partners to voice their opinions and reach a consensus on the best direction for the firm.

With the *Management Review Guide*, you and your firm's partners can thoroughly assess your firm's practice management policies and procedures. By using the book's fast-paced question-and-answer format, you can analyze:

- Your partners' marketing efforts — and which efforts are most successful.
- Your partners' opinions regarding a new management structure.
- The clients or client industries that make the best candidates for new services.
- Accounting specialties that will be in demand during the next three to five years.
- Methods of improving billing and collection.
- The quality of your firm's services.
- Office technology that is most appropriate for your firm.
- The quality of your firm's CPAs compared with CPAs generally.
- Methods for avoiding employment-related litigation.
- Partners' satisfaction with their quality of life.

You don't have to hire an outside consultant to initiate positive change. You can literally take the practice management pulse of your firm by tapping into one of the firm's most valuable assets—its partners. Because they have the combined technical ability and hands-on knowledge of how the firm currently operates, partners are in the best possible position to identify practice management problems, make recommendations, and see that positive changes are implemented.

Unique among other publications, the *Management Review Guide* is for partners in firms of all sizes. Not intended as a reference guide or to be read from cover to cover, the *Management Review Guide*'s interactive nature encourages firms to adopt a team approach in identifying today's foremost practice management issues and problems. This method prompts partners to share information, advice, and opinions that will enable firms to capitalize on their strengths and address any weaknesses in their practice management policies and procedures.

The goal of the *Management Review Guide* is to make partners aware that they all share common problems and can learn from each other. With the *Management Review Guide*, you will see that the answers to the most pressing practice management problems can be found right inside your own firm.

How to Use the *Management Review Guide*

Since practitioners have wide-ranging management philosophies, the ways in which you use this guide and select members of your firm who will participate in the review may vary. However, you may want to consider the following general guidelines.

1. Ask partners to answer questions included in a designated chapter(s) and submit their responses to the managing partner by a specific date. Although the review is primarily directed toward partners, some chapters, such as those on purchases and mergers of practices, client service, information systems, and staff assignments, are equally applicable to nonpartner staff. By obtaining the nonpartner perspective on particular issues that affect staff directly, you will be better able to make effective management decisions.
2. Have participants answer questions privately. To achieve the full benefits of the review, questions should be answered in an honest and open manner with as much detail and explanation as possible. Some questions ask for a response based on forms or checklists that have been helpful when providing professional services. If you use any forms or checklists that are not used by all members of the firm, bring the materials with you when you discuss responses with the partner group.
3. Include in your management review questions that currently apply to your firm, may imminently apply to your firm, or affect the CPA profession as a whole. Keep in mind that some questions may not apply to your firm but, having been considered, may serve as the impetus for change.
4. Have participants take as much time as necessary to answer each question. Because chapter lengths vary, there is no uniform time period for completing each section. The same philosophy applies to the ensuing discussion of responses. Base discussion time on the length of the covered chapter, the nature of the questions, and the relevance of the issues to your firm.
5. Discuss responses with the partner group. The discussions can coincide with partner meetings, firm retreats, strategic planning meetings, or breakfast meetings. Some of the responses may surprise you. Follow-up discussions might reveal that partners are united on an issue on which everyone thought they were divided. Such information often provides the impetus for initiating reforms or even perpetuating the status quo.

6. Recognize that some questions address sensitive and possibly divisive issues. Create an environment where partners feel comfortable discussing any issue that improves the quality of the practice.
7. Acknowledge participants' need for confidentiality. Some participants may prefer anonymity in order to honestly and fully answer questions. In these instances, it may be advisable to have participants skip the participant profile on page xi.
8. Keep the tone of your dialogue relaxed, informal, and conducive to a candid discussion of the issues.
9. Appoint one person, such as the managing partner or an outside consultant, to moderate your discussion.
10. Answer questions and discuss responses on a chapter-by-chapter basis.
11. Respect the confidentiality of partner responses to questions and positions taken on each issue. Partners will make their most honest, candid contribution when they provide opinions in a trustful, confidential environment.

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Participant Profile

1. Name: _____
2. Area of practice: _____
3. Number of years as a partner (if applicable): _____
4. Position (if nonpartner): _____
5. Number of years in current position: _____
6. Number of years with the firm: _____

PART I
Practice Development

Philosophy of Practice

1. What is our firm's philosophy of practice and how does it differ from the philosophy of other firms in the community?

2. How important are the following personal and professional goals? (1 = very important; 2 = somewhat important; 3 = somewhat unimportant; 4 = very unimportant)

<i>Goal</i>	<i>Rating</i>
• Financial compensation	_____
• Professional recognition	_____
• Career advancement	_____
• Job security	_____
• Retirement planning	_____
• Job satisfaction	_____
• Quality of life	_____
• Challenging professional responsibilities	_____
• Other (please specify):	_____
_____	_____
_____	_____

3. How important are each of the following characteristics in formulating our firm's philosophy of practice? (1 = very important; 2 = somewhat important; 3 = somewhat unimportant; 4 = very unimportant)

<i>Characteristic</i>	<i>Rating</i>
• Client service	_____
• Profitability	_____
• Growth	_____
• Practice development	_____
• Specialization	_____
• Wide range of services	_____
• Image and stature in the community	_____
• Innovative management	_____
• Quality of life	_____
• Staff development	_____
• Other (please specify):	_____
_____	_____
_____	_____

4. How effectively does each of the following methods communicate a firm's philosophy of practice to staff and to others, e.g., clients, bankers, and attorneys? (1 = very effective; 2 = somewhat effective; 3 = somewhat ineffective; 4 = very ineffective)

<i>Method</i>	<i>Staff</i>	<i>Others</i>
• Staff meetings	_____	N/A
• Internal memoranda	_____	N/A
• Firm newsletter	_____	_____
• Outside publications	_____	_____
• Personnel manual	_____	N/A
• Advertising	_____	_____
• Speeches	_____	_____
• Other (please specify):	_____	_____
_____	_____	_____
_____	_____	_____

5. What are the three predominant obstacles you encounter in achieving your professional goals?

- a. _____
- b. _____
- c. _____

6. a. Are you satisfied with how the firm is managed?

- Yes
- No

b. If no, what recommendation would you make as to how members of the firm's management can improve their management skills?

7. a. Has the quality of our firm's work environment changed?

- Yes
- No

b. If yes, please describe.

8. If you could change just one aspect of our firm, what would it be?

9. a. How is our firm's image perceived by:

- *Staff*

- *Clients*

- *General public*

b. If a discrepancy exists in the responses for the three groups, how would you explain it?

10. When responding to the following two questions, please avoid general terms such as "professional" and "quality" and be as specific as possible.

a. What three words or phrases would you use to describe our firm?

(1)

(2)

(3)

b. What are the three highest compliments anyone could make about a CPA firm?

(1)

(2)

(3)

11. a. What is the best compliment you could pay our firm?

b. What is your major criticism of our firm?

12. a. If clients could pay one compliment to the firm, what would it be?

b. If clients could make one criticism of our firm, what do you think it would be?

13. a. Is there an accounting firm in the community that you believe provides a more positive work environment than ours?

Yes

No

b. If yes, which firm? Why is its work environment more positive?

14. Overall, what firm in the community is most like ours in terms of staff size, professional services, number of clients, types of clients, and philosophy of practice?

15. How does our firm compare with your previous employers?

Operational and Strategic Planning

1. a. Please indicate, in order of importance, with (1) being the most important, the five key issues facing the firm in the next five years.

(1) _____
(2) _____
(3) _____
(4) _____
(5) _____

- b. (1) Is the firm effectively addressing these issues?

Yes

No

- (2) If no, what can the firm do to better address these issues?

2. Please indicate, in order of importance, the firm's three most important goals.

a. _____
b. _____
c. _____

3. What are the three most important local and national influences on the firm?

	<i>Local</i>	<i>National</i>
a.	_____	_____
b.	_____	_____
c.	_____	_____

4. Please rate the importance of the following goals. (1 = very important; 2 = somewhat important; 3 = somewhat unimportant; 4 = very unimportant)

<i>Goal</i>	<i>Rating</i>
• To be one of the top 100 regional CPA firms in terms of revenue	_____
• To provide a financial return for partners comparable to firms of similar size	_____
• To diversify the firm's professional services	_____
• To provide growth and development opportunities for partners and staff	_____
• To achieve a high quality of life	_____
• Other (please specify):	
_____	_____
_____	_____

5. Which of the following efforts warrant more attention by the firm and why? (Check all that apply.)

<i>Effort</i>	<i>Comments</i>
<input type="checkbox"/> Service expansion	_____ _____
<input type="checkbox"/> Niche development	_____ _____
<input type="checkbox"/> New client development	_____ _____

Motivation of partners
and staff to increase
marketing efforts

International
opportunities

Staff productivity

Staff supervision

Staff workload

Staff evaluation

Staff performance
problems

Staff motivation

Staff compensation

Staff benefits

(Continued)

<i>Effort</i>	<i>Comments</i>
<input type="checkbox"/> Women and family issues	<hr/> <hr/>
<input type="checkbox"/> Partner productivity	<hr/> <hr/>
<input type="checkbox"/> Partner harmony	<hr/> <hr/>
<input type="checkbox"/> Continuing professional education	<hr/> <hr/>
<input type="checkbox"/> Partner workload	<hr/> <hr/>
<input type="checkbox"/> Partner evaluation	<hr/> <hr/>
<input type="checkbox"/> Partner performance problems	<hr/> <hr/>
<input type="checkbox"/> Partner compensation	<hr/> <hr/>
<input type="checkbox"/> Partner benefits	<hr/> <hr/>
<input type="checkbox"/> Partner retirement	<hr/> <hr/>

- Partner selection

- Professional opportunities for nonpartners

- Client evaluation before and during an engagement

- Client termination procedures

- Malpractice exposure

- Succession planning

- Practice continuation

- Administrative support

- Recruiting

(Continued)

<i>Effort</i>	<i>Comments</i>
<input type="checkbox"/> Employee termination procedures	<hr/> <hr/>
<input type="checkbox"/> Client service	<hr/> <hr/>
<input type="checkbox"/> Cost containment	<hr/> <hr/>
<input type="checkbox"/> Internal communication	<hr/> <hr/>
<input type="checkbox"/> External communication	<hr/> <hr/>
<input type="checkbox"/> Office location	<hr/> <hr/>
<input type="checkbox"/> Office facilities	<hr/> <hr/>
<input type="checkbox"/> Office technology	<hr/> <hr/>
<input type="checkbox"/> Billing and collection procedures	<hr/> <hr/>
<input type="checkbox"/> Firm image	<hr/> <hr/>

6. a. Have leadership's actions and decisions been consistent with the firm's policies and goals?
- Yes
 - No

b. If no, please describe.

7. a. Should the firm hold a strategic planning meeting?

- Yes
- No

b. Why or why not?

8. a. If the firm holds a strategic planning meeting, who should participate? (Check all that apply.)

- Partners
- Managers
- Senior professional staff
- Junior professional staff
- Administrative staff
- Secretarial staff

b. How frequently should our strategic planning meeting be held?

- Annually
- Every two years
- Every three years
- Other (please specify):

c. How long should the meeting last?

- One day
- Two days
- Three days
- Other (please specify):

d. (1) Where should the meeting convene?

- At the firm's offices
- Off site

(2) Why?

e. (1) Should we have an outside facilitator?

- Yes
- No

(2) If yes, who would you recommend and why?

(3) If no, who should oversee the meeting?

- Managing partner
- Firm administrator
- Controller
- Administrative partner
- Other (please specify):

f. What time of year should we hold our meeting? (Please explain your answer.)

g. Should strategic planning meetings be held on their own or as part of our annual partner meetings and firm retreats?

- On their own
- Part of partner meetings
- Part of firm retreats

9. How important are the following as agenda items at a strategic planning meeting? (1 = very important; 2 = somewhat important; 3 = somewhat unimportant; 4 = very unimportant)

<i>Item</i>	<i>Rating</i>
• Developing a firm mission statement	_____
• Analyzing and discussing the firm's current situation	_____
• Envisioning the firm's desired future	_____
• Determining the goals, objectives, strategies, and tactics for the strategic plan	_____
• Other (please specify):	_____
_____	_____
_____	_____

Decision Making

1. a. Is the organization chart sufficiently detailed so that the staff knows “who does what”?
 Yes
 No
- b. If no, do you think there should be one general organization chart of the entire firm and detailed organization charts of each department?
 Yes
 No

2. a. Does the organization chart accurately reflect the daily chains of command and decision-making structure of the firm?
 Yes
 No
- b. If no, please list the most significant differences between the organization chart and the firm’s actual operations.

3. a. Are you satisfied with the frequency with which the firm’s organization chart is reviewed, and, if necessary, revised?
 Yes
 No

b. If no, how often should our organization chart be reviewed and, if necessary, revised?

- Annually
- Semiannually
- Quarterly
- As needed (unscheduled)
- Other (please specify):

4. a. Should we change our system of reviewing the firm's organization chart?

- Yes
- No

b. If yes, how?

5. Who should revise the organization chart?

- Managing partner
- Human resources director
- No one specifically
- Other (please specify):

6. Who should ensure that a new employee receives a copy of the organization chart?

- Immediate supervisor
- Human resources contact
- Other (please specify):

7. How effective are each of the following methods of communicating the firm's organization chart to the staff? (1 = very effective; 2 = somewhat effective; 3 = somewhat ineffective; 4 = very ineffective)

<i>Method</i>	<i>Rating</i>
• Bulletin board	_____
• Employee manual	_____
• Firm meetings	_____
• Memoranda	_____
• Other (please specify):	
_____	_____
_____	_____

8. a. Are there any staff members who have influence on firm decisions who are not named in our organization chart?

- Yes
- No

b. If yes, please identify.

9. If you were managing partner, what changes, if any, would you make to our organizational structure in terms of decision making and supervisory relationships?

Decision making

Supervisory relationships

10. a. How many of the firm's major decisions are made by:

	<i>Most</i>	<i>Many</i>	<i>Some</i>	<i>None</i>
• A large committee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• A small group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• A few partners	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• One partner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Partners and managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

b. Do you agree with this method of decision making?

- Yes
- No

11. How effectively could our firm adapt to the following changes? (1 = very effectively; 2 = somewhat effectively; 3 = somewhat ineffectively; 4 = very ineffectively)

<i>Change</i>	<i>Rating</i>
• Increased competition	_____
• New services	_____
• Change in workload	_____
• Loss of a partner	_____
• New technology	_____
• Opening a new office	_____
• Merger with another practice	_____
• Purchase of another practice	_____

12. How would you improve the process of major decision making?

13. a. Does the firm need reorganization?

- Yes
- No

b. If yes, please list, in order of importance, with (1) being the most important, the changes you would recommend.

- (1) _____
- (2) _____
- (3) _____
- (4) _____
- (5) _____

14. How does the firm respond to suggestions for change?

- Very positively
- Somewhat positively
- Somewhat negatively
- Very negatively

15. What person or group in the firm is the primary source for change?

16. What aspects of our organization and structure prevent you from being able to do your job better?

Marketing

1. Please check the marketing and networking methods you use and rate how effective they are. (1 = very effective; 2 = somewhat effective; 3 = somewhat ineffective; 4 = very ineffective)

<i>Method</i>	<i>Rating</i>
<input type="checkbox"/> Community organizations	_____
<input type="checkbox"/> Professional associations	_____
<input type="checkbox"/> Media contacts	_____
<input type="checkbox"/> Referral system with present and former clients	_____
<input type="checkbox"/> Referral system with staff	_____
<input type="checkbox"/> Referral system with other professionals, i.e., attorneys, bankers, real estate brokers, and agents	_____
<input type="checkbox"/> Speeches	_____
<input type="checkbox"/> Advertising and public relations professionals	_____
<input type="checkbox"/> Books and articles	_____
<input type="checkbox"/> Client newsletter	_____
<input type="checkbox"/> Client seminars	_____
<input type="checkbox"/> Client satisfaction survey	_____
<input type="checkbox"/> Firm brochure	_____
<input type="checkbox"/> Direct mail	_____
<input type="checkbox"/> Telemarketing	_____
<input type="checkbox"/> Teaching	_____
<input type="checkbox"/> Sales staff	_____
<input type="checkbox"/> Special promotions	_____
<input type="checkbox"/> Trade shows	_____
<input type="checkbox"/> Other (please specify):	_____
_____	_____
_____	_____

2. a. Is the firm successful in its marketing efforts?

Yes

No

b. If no, what do you believe are the obstacles to our successful marketing efforts? (Check all that apply.)

Insufficient time and resources devoted to marketing

Insufficient time and resources available for marketing

Staff's negative attitude toward marketing

Staff's inability to market effectively

Other (please specify):

3. Should the firm conduct a client satisfaction survey?

Yes

No

4. Identify the marketing activities in which you would like to become involved?

5. a. Which of our marketing methods are the most successful?

b. Why are they successful?

6. a. Which of our marketing methods are the least successful?

b. Why are they unsuccessful?

7. a. What is your opinion of a policy requiring you to periodically provide a report that identifies your marketing efforts and analyzes your results?

- Strongly favor
- Moderately favor
- Moderately oppose
- Strongly oppose
- No opinion

b. If you favor providing a periodic report, please suggest what the report should include and how frequently it should be provided.

8. Have your successful marketing efforts ever been recognized by the managing partner or by the other partners?

	<i>Yes</i>	<i>No</i>
• Managing partner	<input type="checkbox"/>	<input type="checkbox"/>
• Other partners	<input type="checkbox"/>	<input type="checkbox"/>

9. a. Should the firm increase its marketing efforts?

Yes

No

b. If yes, in which marketing efforts should we become more involved?

10. Should the firm provide formal marketing training to partners and staff?

Yes

No

11. a. Have you been effective in your marketing efforts?

Yes

No

b. If no, how can you improve your marketing efforts?

12. a. Should our firm have a marketing director or marketing coordinator?

Yes

No

b. If yes, what qualifications should he or she have and what responsibilities should he or she assume?

- *Qualifications*

- *Responsibilities*

13. a. Would you support appointing a partner in charge of marketing to whom the marketing director would report?

- Yes
- No

b. If yes, who should serve as the partner in charge of marketing?

- Managing partner
- Another partner (please identify):

14. If you oppose appointing a marketing director, would you recommend appointing an administrative assistant or professional staff member to implement the marketing plan?

- | | <i>Yes</i> | <i>No</i> |
|-----------------------------|--------------------------|--------------------------|
| • Administrative assistant | <input type="checkbox"/> | <input type="checkbox"/> |
| • Professional staff member | <input type="checkbox"/> | <input type="checkbox"/> |

15. Should our firm hire a marketing consultant?

- Yes
- No

16. Should our firm hire a professional salesperson?

- Yes
- No

17. What percentage of the firm's total budget should we allocate for marketing?

____%

18. a. Are you involved in a referral system with other professionals, such as bankers, attorneys, insurance agents, and securities underwriters, to attract new clients?

- Yes
- No

b. If yes, how successful has the system been?

- Very successful
- Somewhat successful
- Somewhat unsuccessful
- Very unsuccessful

19. a. Does the firm need to grow?

- Yes
- No

b. If yes, how should we grow as a firm? (Check all that apply.)

- Acquire new clients
- Increase services to existing clients
- Purchase or merge with another practice
- Move into new markets, e.g. international markets or new industries
- Acquire new services, e.g. business appraisal and pension plan administration
- Other (please specify):

20. Some marketing efforts can be combined with client service. In which of the following activities are you involved? (Check all that apply.)

- Reminding clients to begin accumulating the necessary information for the current year's tax return
- Sending clients questionnaires or checklists to help them accumulate tax data
- Preparing a constructive, creative management letter
- Periodically contacting clients to discuss their present and future needs
- Entertaining valued clients, e.g., meals, theater, sport events
- Ensuring frequent client contact using a manual or computer-reminder system
- Maintaining multiple personal contacts with significant clients
- Assigning backup partners for important clients to reduce client dissatisfaction and, ultimately, client loss
- Alerting clients to new tax laws
- Sending reprints of articles of interest to clients
- Inquiring whether clients need new tax-planning ideas
- Acknowledging client birthdays, business anniversaries, and other occasions
- Inviting clients to our offices for tours, meetings, and receptions
- Other (please specify):

21. Who are the three largest-billing clients you have lost, and why do you believe they left the firm?

	<i>Client</i>	<i>Reason for Leaving Firm</i>
a.	_____	_____
b.	_____	_____
c.	_____	_____

22. Should marketing results become part of the performance evaluation for partners, managers, and other CPAs on staff?

	<i>Yes</i>	<i>No</i>
• Partners	<input type="checkbox"/>	<input type="checkbox"/>
• Managers	<input type="checkbox"/>	<input type="checkbox"/>
• Other CPAs	<input type="checkbox"/>	<input type="checkbox"/>

23. a. How satisfied are you with the firm's marketing incentive plan?

- Very satisfied
- Somewhat satisfied
- Somewhat dissatisfied
- Very dissatisfied

b. Under the plan, should the firm reward results, efforts, or both?

- Results
- Efforts
- Both

c. How effective are the following marketing incentives? (1 = very effective; 2 = somewhat effective; 3 = somewhat ineffective; 4 = very ineffective)

<i>Incentive</i>	<i>Rating</i>
• Cash	_____
• Partnership offer	_____
• Recognition	_____
• Gifts, e.g., leather portfolio, pen set, lunch/dinner, all-expense-paid trip, store gift certificate	_____

d. What firm incentive would best motivate you to market the firm's services?

24. a. Does the firm have a target market?

- Yes
- No

b. If yes, please define it.

25. a. Does the firm have a niche market?

- Yes
- No

b. If yes, please define it.

Expanding Services to Clients

1. In the table below, please enter your five highest-billing clients, whether you have worked more, less, or about the same for them over the past three years, and whether you expect professional services to them to increase, decrease, or remain the same over the next three years.

<i>Client</i>		<u><i>Past Three Years</i></u>			<u><i>Next Three Years</i></u>		
(Include type of business and services being provided)		<i>More</i>	<i>Less</i>	<i>Same</i>	<i>Increase</i>	<i>Decrease</i>	<i>Same</i>
a.	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

b.	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

c.	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

d.	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

e.	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. a. How effective are the following activities in planning new services? (1 = very effective; 2 = somewhat effective; 3 = somewhat ineffective; 4 = very ineffective)

<i>Activity</i>	<i>Rating</i>
• Reviewing competitors' brochures that describe their specializations	_____
• Discussing with bankers and attorneys what special services they believe businesses in our area need	_____
• Reviewing business newsletters, trade periodicals, and chamber of commerce publications for business growth trends and industry problems	_____
• Soliciting ideas from clients through surveys or focus groups	_____
• Engaging an outside marketing consultant	_____
• Attending local, state and national Management of an Accounting Practice (MAP) Committee roundtables, meetings, and conferences	_____

- b. What other activities should we consider, if any?

3. How would each type of client and client industry rate as candidates for new services? (1 = excellent; 2 = good; 3 = fair; 4 = poor)

<i>Client or Client Industry</i>	<i>Rating</i>
• Start-ups	_____
• Not-for-profit	_____
• Senior citizens	_____
• Law	_____
• Banking	_____
• Healthcare	_____
• Insurance	_____
• High technology	_____

- Finance _____
- Government _____
- Real estate _____
- Construction _____
- Manufacturing _____
- Retail _____
- Distribution _____
- Other (please specify):

4. What is the dollar volume of additional services you have sold in the last year?

\$ _____

5. How do your clients respond to your offer of new services?

- Very positively
- Somewhat positively
- Somewhat negatively
- Very negatively

6. To what percentage of your clients do we provide:

- 100% of their accounting needs _____%
- 75% of their accounting needs _____%
- 50% of their accounting needs _____%
- 25% of their accounting needs _____%
- Less than 25% of their accounting needs _____%
- Unable to determine accurately _____

7. In the next three to five years, do you see more demand, the same demand, or less demand for the following services? Where you project less demand, should the specialty be dropped?

<i>Specialty</i>	<i>More Demand</i>	<i>Same Demand</i>	<i>Less Demand</i>	<i>If Less Demand, Drop Specialty</i>	
				<i>Yes</i>	<i>No</i>
• Tax	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Accounting and auditing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Management consulting services (MCS)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Personal financial planning (PFP)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Economic analysis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Succession planning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Business turnaround	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Government engagements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Litigation support	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Business valuation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Not-for-profit consulting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Computer consulting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Joint audit engagements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Alternative dispute resolution (ADR)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Retirement planning/ administration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Negotiation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Regulatory compliance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Quality control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Benchmarking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Other (please specify):					
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. How do you inform your clients of our additional services? (Check all that apply.)

- Emphasizing the firm's strengths that are not currently used by the client
- Explaining the benefits of other reporting options, i.e., review or audit reports
- Hosting a client conference to assess the need for additional services
- Holding seminars for groups of clients, bankers, or attorneys to describe the firm's expertise in areas of mutual interest
- Inquiring about management plans or areas needing corrective action
- Maintaining high visibility through frequent contact with clients
- Including additional services in our firm newsletter
- Sending mailings to clients

9. In what specialties, if any, should the firm become involved? In what specialties, if any, would you like to become involved? (Check all that apply.)

	<i>Firm Interest</i>	<i>Your Interest</i>
• Management consulting services (MCS)	<input type="checkbox"/>	<input type="checkbox"/>
• Personal financial planning (PFP)	<input type="checkbox"/>	<input type="checkbox"/>
• Government engagements	<input type="checkbox"/>	<input type="checkbox"/>
• Litigation support	<input type="checkbox"/>	<input type="checkbox"/>
• Business valuation	<input type="checkbox"/>	<input type="checkbox"/>
• Not-for-profit consulting	<input type="checkbox"/>	<input type="checkbox"/>
• Computer consulting	<input type="checkbox"/>	<input type="checkbox"/>
• Joint audit engagements	<input type="checkbox"/>	<input type="checkbox"/>
• Retirement planning/administration	<input type="checkbox"/>	<input type="checkbox"/>
• Industry specialties, e.g., manufacturing, construction, retail	<input type="checkbox"/>	<input type="checkbox"/>
• Other (please specify):		
_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>

10. Which social, economic, or political trends are most likely to result in new opportunities for the firm?

- *Social*

- *Economic*

- *Political*

Purchasing an Accounting Practice

1. To what extent would the firm benefit if it purchased another accounting practice?

- Great extent
 Moderate extent
 Minor extent
 Not at all
 Negative effective

2. How extensively would the purchase of another accounting practice benefit the firm in each of the following areas? (1 = major benefit; 2 = moderate benefit; 3 = minor benefit; 4 = no benefit; 5 = negative effect)

<i>Area</i>	<i>Rating</i>
• Acquiring or expanding client base	_____
• Adding specially trained staff	_____
• Broadening existing services	_____
• Acquiring new services	_____
• Creating growth opportunities for staff	_____
• Enhancing the firm's image in the community	_____
• Entering new geographic areas	_____
• Funding retirement	_____
• Increasing profitability	_____
• Increasing the income base of the firm	_____
• Increasing the potential financial growth of partners	_____
• Spreading administrative costs	_____
• Strengthening partnership ranks	_____
• Surviving the unexpected loss of a key member of the firm	_____

(Continued)

- Surviving the unexpected loss of a key client _____
- Other (please specify):

3. When considering a firm to purchase, how important are the following factors? (1 = very important; 2 = somewhat important; 3 = somewhat unimportant; 4 = very unimportant)

<i>Factor</i>	<i>Rating</i>
• Compatibility of professional services	_____
• Likelihood of retaining clients	_____
• Billing and collection policies	_____
• Fee structure	_____
• Profitability	_____
• Professional liability	_____
• Size of client base	_____
• Client demographics	_____
• Operating policies and procedures	_____
• Professional staff	_____
• Administrative staff	_____

4. Based on your personal experiences, how effective are the following in yielding the best results for a firm that is interested in purchasing or selling a CPA practice? (1 = very effective; 2 = somewhat effective; 3 = somewhat ineffective; 4 = very ineffective)

<i>Method</i>	<i>Rating</i>
• Classified ads in professional publications	_____
• Business brokers	_____
• Professional activities	_____
• Referral sources	_____
• Other (please specify): _____ _____	_____ _____

5. Who on staff is best qualified to negotiate the purchase of another practice and why?

6. How effective are the following methods for informing our staff and clients of the purchase of an accounting practice? (1 = very effective; 2 = somewhat effective; 3 = somewhat ineffective; 4 = very ineffective)

Staff

<i>Method</i>	<i>Rating</i>
• Interoffice memo	_____
• Staff meeting	_____
• Other (please specify): _____	_____
• Communication depends on circumstances of the purchase	_____

Clients

<i>Method</i>	<i>Rating</i>
• Telephone call	_____
• Personal meeting	_____
• Letter	_____
• Firm newsletter	_____
• Formal written announcement	_____
• Advertisements in local newspapers and business publications	_____
• Other (please specify): _____	_____
• Communication depends on circumstances of the purchase	_____

7. When should the firm inform its staff and clients of the purchase of another accounting practice?

	<i>When Sale Is Apparent But Before It Is Complete</i>	<i>Immediately After Purchase</i>	<i>1 Week After Purchase</i>	<i>2 Weeks After Purchase</i>
• Staff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Clients	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. a. How likely are each of the following issues to become a problem if we purchased another firm? (1 = very likely; 2 = somewhat likely; 3 = somewhat unlikely; 4 = very unlikely)

<i>Issue</i>	<i>Rating</i>
• Partner compatibility	_____
• Staff compatibility	_____
• Partner-staff integration	_____
• Partner-client compatibility	_____
• Staffing philosophy	_____
• Billing and collection	_____
• Quality of services	_____
• Quality of life	_____
• Partner compensation	_____
• Partner turnover	_____
• Staff turnover	_____
• Change in status of younger partners	_____
• Change in personal independence of senior or other partners	_____
• Change in authority of senior or other partners	_____
• Frequency of direct partner contact with clients	_____
• Loss of clients	_____
• Name of the new firm	_____
• Administrative procedures	_____

- Productivity immediately following purchase _____
- Overhead immediately following purchase _____
- Office relocation _____
- Staff relocation _____
- Other (please specify):

b. How should the firm resolve problems identified in 8a?

	<i>Problem</i>	<i>Solution</i>
(1)	_____	_____
(2)	_____	_____
(3)	_____	_____
(4)	_____	_____
(5)	_____	_____
(6)	_____	_____
(7)	_____	_____
(8)	_____	_____

9. What would be your greatest personal concern if we purchased another CPA firm?

10. a. Are you satisfied with the firm's practice continuation agreement?

Yes

No

b. If no, how would you recommend we improve it?

Merging Accounting Practices

1. To what extent would the firm benefit if it merged with another accounting practice?

- Great extent
- Moderate extent
- Minor extent
- Not at all
- Negative effect

2. How extensively would a merger with another accounting practice benefit the firm in each of the following areas? (1 = major benefit; 2 = moderate benefit; 3 = minor benefit; 4 = no benefit; 5 = negative effect)

<i>Area</i>	<i>Rating</i>
• Acquiring or expanding client base	_____
• Adding specially trained staff	_____
• Broadening existing services	_____
• Acquiring new services	_____
• Creating growth opportunities for staff	_____
• Enhancing the firm's image in the community	_____
• Entering new geographic areas	_____
• Funding retirement	_____
• Increasing profitability	_____
• Increasing the income base of the firm	_____
• Increasing the potential financial growth of partners	_____
• Spreading administrative costs	_____
• Strengthening partnership ranks	_____

(Continued)

<i>Area</i>	<i>Rating</i>
• Surviving the unexpected loss of a key member of the firm	_____
• Surviving the unexpected loss of a key client	_____
• Other (please specify):	
_____	_____
_____	_____

3. When considering a merger candidate, how important are the following factors? (1 = very important; 2 = somewhat important; 3 = somewhat unimportant; 4 = very unimportant)

<i>Factor</i>	<i>Rating</i>
• Compatibility of professional services	_____
• Likelihood of retaining clients	_____
• Billing and collection policies	_____
• Fee structure	_____
• Profitability	_____
• Professional liability	_____
• Size of client base	_____
• Client demographics	_____
• Operating policies and procedures	_____
• Professional staff	_____
• Administrative staff	_____

4. Based on your own personal experiences, how effective are the following in yielding the best results for a firm that is interested in merging with another CPA practice? (1 = very effective; 2 = somewhat effective; 3 = somewhat ineffective; 4 = very ineffective)

<i>Method</i>	<i>Rating</i>
• Classified ads in professional publications	_____
• Business brokers	_____
• Professional activities	_____

- Referral sources _____
- Other (please specify):

5. Who on staff is best qualified to negotiate a merger and why?

6. What is the most suitable time period for the “escape clause” that would restore each firm, as much as possible, to its premerger position should the merger be unsuccessful?

- 3 months
- 6 months
- 9 months
- 1 year
- Other (please specify):

7. How effective are the following methods for informing our staff and clients of a merger with another accounting practice?

Staff

<i>Method</i>	<i>Rating</i>
• Interoffice memo	_____
• Staff meeting	_____
• Other (please specify): _____	_____
• Communication depends on circumstances of the merger	_____

Clients

<i>Method</i>	<i>Rating</i>
• Telephone call	_____
• Personal meeting	_____
• Letter	_____
• Firm newsletter	_____
• Formal written announcement	_____
• Advertisements in local newspapers and business publications	_____
• Other (please specify): _____	_____
• Communication depends on circumstances of the merger	_____

8. When should staff and clients be informed of the merger?

	<i>When Merger Is Apparent But Before It Is Complete</i>	<i>Immediately After Merger</i>	<i>1 Week After Merger</i>	<i>2 Weeks After Merger</i>
• Staff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Clients	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9. a. How likely are each of the following issues to become a problem if we merged with another firm? (1 = very likely; 2 = somewhat likely; 3 = somewhat unlikely; 4 = very unlikely)

<i>Issue</i>	<i>Rating</i>
• Partner compatibility	_____
• Staff compatibility	_____
• Partner-staff integration	_____
• Partner-client compatibility	_____

- Staffing philosophy _____
- Billing and collection _____
- Quality of services _____
- Quality of life _____
- Partner compensation _____
- Partner turnover _____
- Staff turnover _____
- Change in status of younger partners _____
- Change in personal independence
of senior or older partners _____
- Change in authority of senior
or other partners _____
- Frequency of direct partner
contact with clients _____
- Loss of clients _____
- Name of the new firm _____
- Administrative procedures _____
- Productivity immediately
following merger _____
- Overhead immediately following
merger _____
- Office relocation _____
- Staff relocation _____
- Other (please specify):

b. How should the firm resolve problems identified in 9a?

	<i>Problem</i>	<i>Solution</i>
(1)	_____	_____
(2)	_____	_____
(3)	_____	_____
(4)	_____	_____
(5)	_____	_____
(6)	_____	_____
(7)	_____	_____
(8)	_____	_____

10. What would be your greatest personal concern if we merged with another firm?

Additional Offices

1. Would the firm and its members benefit by opening an additional office?
 - Yes
 - No

2. Which factors would most influence your decision to open an additional office? (Check all that apply.)
 - Servicing existing clients more efficiently
 - Broadening the firm's geographic base
 - Better insulating the firm as a whole from economic downturns that could adversely affect a single office
 - Making better use of specialized personnel by rotating them among offices for special engagements or transferring them to fill a service niche at a new location
 - Achieving market dominance by penetrating new markets, protecting a market area from competitors, or going "head-to-head" with a competitor in response to a market threat
 - Bringing the firm's expertise closer to long-distance clients
 - Providing challenges and expanded growth for staff
 - Fulfilling the firm's merger objectives by acquiring an existing practice in the new market area
 - Other (please specify):

3. How likely are each of the following issues to become a problem if we opened an additional office? (1 = very likely; 2 = somewhat likely; 3 = somewhat unlikely; 4 = very unlikely)

<i>Issue</i>	<i>Rating</i>
• Unequal quality of work product among offices	_____
• Conflict over location choice	_____
• Shift to a more formal, standardized operating structure	_____
• Switch from a centralized to a decentralized management structure	_____
• Increased costs and overhead	_____
• Inefficient staff utilization	_____
• Staff relocation	_____
• Other (please specify):	_____
_____	_____
_____	_____

4. If the firm decided opening an additional office was in its best interest, how should we proceed?

- Start from scratch
- Acquire an existing practice in the desired location
- Acquire an existing practice and supplement it with existing clients and personnel
- Other (please specify):

5. What procedures should we implement to ensure smooth interoffice communications?

6. What would our major start-up costs include? (Check all that apply.)

- Facilities
- Equipment and furniture
- Deposits for utilities and leases
- Initial supplies
- Association dues
- Placement fees for employees
- Membership fees
- Practice development
- Promotion expenses
- Marketing expenses
- Other (please specify):

7. If we opened an additional office, what management and reporting structure would you recommend?

8. *For one-office firms:* If we become a multioffice firm, how much attention would the following areas require? (1 = great amount; 2 = moderate amount; 3 = small amount; 4 = none)

<i>Area</i>	<i>Rating</i>
• Billing and collection	_____
• Financial operation	_____
• Office administration	_____
• Staff utilization	_____
• Quality control	_____
• Report processing	_____
• Staff scheduling	_____
• Other (please specify):	
_____	_____
_____	_____

9. How much decision-making authority and autonomy should the regional office have? Why?

10. What responsibilities should be centralized, decentralized, or a combination of both?

<i>Responsibility</i>	<i>Centralized</i>	<i>Decentralized</i>	<i>Combination</i>
• Billing and collection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Processing time and billing reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Marketing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Quality control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Financial administration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Report processing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Human resources	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Staff scheduling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Other (please specify):			
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

11. a. If we acquire an additional office outside our firm's current market area and thus had to relocate some staff, how would the staff react?

- Very positively
- Somewhat positively
- Somewhat negatively
- Very negatively
- I don't know

b. I would expect ___% of staff to object to the move.

c. How can we avoid or minimize staff turnover resulting from the move?

12. a. Should we open a satellite office (one staffed on a part-time basis) to provide a limited range of services or to meet the needs of a limited client base?

- Yes
- No

b. Why or why not?

c. Would opening a satellite office serve the same purpose as opening an additional office without causing financial, administrative, and personnel problems?

- Yes
- No

13. What is the best way to inform clients of the opening of an additional office?

- Telephone call
- Personal meeting
- Letter
- Firm newsletter
- Formal written announcement
- Combination of the above:

14. a. Do you believe that opening an additional office would jeopardize your or another partner's position in the firm?

- | | <i>Yes</i> | <i>No</i> |
|------------------------------|--------------------------|--------------------------|
| • Your position | <input type="checkbox"/> | <input type="checkbox"/> |
| • Another partner's position | <input type="checkbox"/> | <input type="checkbox"/> |

b. If yes, please explain why.

PART II
Administration

Revenue Controls

1. What are the three major advantages to using standard billing rates?

- a. _____
- b. _____
- c. _____

2. On what should we base our standard billing rates? (Check one only.)

- Individual's total projected compensation
- Multiple of an individual's salary
- Percentage of individual's monthly base pay
- Market rates prevailing in firm's geographic area
- Other (please specify):

3. a. Which types of services usually have the highest standard billing rates? (Check all that apply.)

- Tax planning
- Tax research
- Management consulting services (MCS)
- Expert witness work
- Contract negotiations
- Buy-sell negotiations
- Mergers and acquisitions
- Bankruptcies and liquidations
- Special investigations, i.e., fraud or embezzlement

(Continued)

- Casualty loss determinations and other insurance claims
- Other (please specify):

b. How are the higher billing rates justified?

4. a. Should the firm create a policy for performing “discounted” services for specific clients, e.g., not-for-profit clients?

- Yes
- No

b. If yes, what would the policy be?

5. How strongly would you agree or disagree if the firm were to perform specialized services?

- Strongly agree
- Moderately agree
- Moderately disagree
- Strongly disagree
- No opinion

6. a. Should we change the design, content, and submission requirements of our time reports?

- Yes
- No

b. If yes, how?

7. a. Should we change the design, content, and submission requirements of our expense reports?

- Yes
- No

b. If yes, how?

8. a. Should we change our cash advance and reimbursement procedures?

- Yes
- No

b. If yes, how?

9. How effective are productivity ratios for professional staff?

- Very effective
- Moderately effective
- Somewhat ineffective
- Very ineffective

10. a. Would you use chargeable time to available time for calculating productivity ratios?

Yes

No

b. If no, what ratio would you use?

11. What suggestions would you make for improving the firm's assignment ledger?

12. a. Can our work-in-process ledger be improved?

Yes

No

b. If yes, how?

Billing and Collection

1. a. Should we improve our billing and collection policies and procedures?

Yes

No

b. If yes, please explain.

2. a. Are our billing and collection policies and procedures followed?

Yes

No

b. If no, what are the three primary areas in which violations occur?

(1)

(2)

(3)

3. Please describe any special techniques you use throughout an engagement that make your billing and collection efforts successful.

4. a. How clear and complete are the firm's invoices?

- Very clear and complete
- Somewhat clear and complete
- Somewhat unclear and incomplete
- Very unclear and incomplete

b. What improvements, if any, would you make to the firm's invoices?

5. How should the firm describe professional services in the client's bill?

- In detail
- In general

6. Do you address the following items in your engagement letter?

<i>Item</i>	<i>Yes</i>	<i>No</i>
• Billing rates	<input type="checkbox"/>	<input type="checkbox"/>
• Payment terms	<input type="checkbox"/>	<input type="checkbox"/>
• Clause stating that binding arbitration will apply to fee disputes	<input type="checkbox"/>	<input type="checkbox"/>

7. When establishing a billing rate for a client, how important are the following factors?
(1 = very important; 2 = somewhat important; 3 = somewhat unimportant; 4 = very unimportant)

<i>Factor</i>	<i>Rating</i>
• Staff member's skill and experience	_____
• Responsibility assumed by the firm	_____
• Value of services to client	_____
• Difficulty of engagement	_____
• Size and character of the community	_____
• Working conditions	_____
• Ability to pay	_____

- Other (please specify):

8. How successful are the following methods of announcing fee and billing rate increases to clients? (1 = very successful; 2 = somewhat successful; 3 = somewhat unsuccessful; 4 = very unsuccessful)

<i>Method</i>	<i>Rating</i>
• Face-to-face consultation	_____
• Telephone consultation	_____
• Written notice	_____
• Combination of the above:	_____

9. How often has a client done the following when presented with a bill for professional services? (1 = often; 2 = sometimes; 3 = seldom; 4 = never)

<i>Client Response</i>	<i>Rating</i>
• Client made no comment on the bill and paid it.	_____
• Client commented about how low the bill was and paid it.	_____
• Client casually mentioned that the bill appeared high and paid it.	_____
• Client complained about how high the bill was and paid it.	_____
• Client made no comment on the bill and paid only part of the bill.	_____
• Client casually mentioned that the bill appeared high and paid only part of the bill.	_____
• Client complained about how high the bill was and paid only part of the bill.	_____
• Client complained about how high the bill was and did not pay it.	_____

10. How do you address a client's dissatisfaction with a bill?

11. a. What percentage of your billings results in write-downs?

- Less than 5%
- 5%
- 10%
- 15%
- 20%
- 25%
- 30%
- More than 30%
- Other (please specify):
_____%

b. What percentage of your billings results in write-ups?

- Less than 5%
- 5%
- 10%
- 15%
- 20%
- 25%
- 30%
- More than 30%
- Other (please specify):
_____%

12. How long after a bill is due do you begin collection efforts?

- Immediately
- 15 days
- 30 days
- 60 days
- 90 days
- 120 days
- Other (please specify):

13. a. In the appropriate circumstances, would you recommend the following collection procedures?

<i>Collection Procedure</i>	<i>Yes</i>	<i>No</i>
• Charging interest or service fees on past-due accounts	<input type="checkbox"/>	<input type="checkbox"/>
• Offering discounts for prompt payment of fees	<input type="checkbox"/>	<input type="checkbox"/>
• Following up on past-due accounts by telephone	<input type="checkbox"/>	<input type="checkbox"/>
• Following up on past-due accounts by letter	<input type="checkbox"/>	<input type="checkbox"/>
• Allowing payment by credit card	<input type="checkbox"/>	<input type="checkbox"/>
• Making a personal visit to a client who has not paid	<input type="checkbox"/>	<input type="checkbox"/>
• Offering the option of a deferred-payment plan with a specific installment due on a specific day of each month	<input type="checkbox"/>	<input type="checkbox"/>
• Using a collection agency on past-due accounts	<input type="checkbox"/>	<input type="checkbox"/>
• Shifting collection responsibility to a partner not responsible for the client	<input type="checkbox"/>	<input type="checkbox"/>
• Accepting postdated checks	<input type="checkbox"/>	<input type="checkbox"/>
• Converting the account to a note	<input type="checkbox"/>	<input type="checkbox"/>
• Compromising the bill and acknowledging in writing the reason for the compromise, i.e., the client's financial condition	<input type="checkbox"/>	<input type="checkbox"/>
• Implementing a system of progress billing	<input type="checkbox"/>	<input type="checkbox"/>
• Requesting a retainer	<input type="checkbox"/>	<input type="checkbox"/>

b. Which collection procedure listed in 13a is the most successful with your clients?

14. a. In addition to your own efforts, who else on staff is involved in collecting unpaid fees?

b. What do their efforts consist of and how successful are they?

15. a. What is the profile of the clients that have been most reluctant to pay for professional services?

b. What behavior did these clients exhibit throughout the engagement and before their unwillingness to pay became an issue?

16. Would you recommend suing a client for an unpaid bill?

- Yes, under any circumstance
- Depends on situation
- Depends on client
- Depends on the amount of the unpaid bill
- Never

17. a. Has a counterclaim against you for professional liability ever resulted because you sued a client to collect a past-due account?

- Yes
- No

b. If yes, briefly describe the claim and outcome.

18. a. How many practitioners do you know who have been sued for malpractice as a result of their suing a client for an unpaid bill?

b. To your knowledge, how many of these same practitioners would ever again sue a client for an unpaid bill?

19. What procedures would you recommend for reviewing and terminating clients that present collection problems?

20. Should the ability to prepare and review bills become part of the performance evaluation for partners, managers, and other CPAs on staff?

<i>Staff</i>	<i>Yes</i>	<i>No</i>
• Partners	<input type="checkbox"/>	<input type="checkbox"/>
• Managers	<input type="checkbox"/>	<input type="checkbox"/>
• Other CPAs	<input type="checkbox"/>	<input type="checkbox"/>

Client Engagements

1. What changes, if any, would you recommend to the following phases of our proposal process?

<i>Stage</i>	<i>Recommended Change</i>	<i>No Change</i>
• Initial assessment	_____ _____ _____	<input type="checkbox"/>
• Preliminary investigation	_____ _____ _____	<input type="checkbox"/>
• Reassessment	_____ _____ _____	<input type="checkbox"/>
• Proposal letter	_____ _____ _____	<input type="checkbox"/>
• Presentation	_____ _____ _____	<input type="checkbox"/>
• Follow-up	_____ _____ _____	<input type="checkbox"/>

2. a. On what percentage of the following engagements do you use an engagement letter?

<i>Engagement</i>	<i>Percentage</i>
• Accounting	_____
• Tax	_____
• Audit	_____
• Business and investment advice	_____
• Fiduciary	_____
• Management consulting services (MCS)	_____
• SEC engagements	_____
• Other (please specify):	_____
_____	_____
_____	_____

b. If your answer to 2a is less than 100% for any engagement, how do you determine when an engagement letter is unnecessary? (Check all that apply.)

Type of services. If so, on what type of services do you not use an engagement letter?

Type of client. If so, what is the profile of a client with whom you do not use an engagement letter?

Length of time the client has been with you or the firm. If so, how long is the client with you or the firm when you decide not to use an engagement letter?

Personal relationship with the client. If so, what type of personal relationship do you have with the client before you decide not to use an engagement letter?

3. How frequently do you review your engagement letter to reflect changes in the engagement?

- Biannually
- Annually
- Other (please specify):

4. Which of the following items do you routinely include in an engagement letter? (Check all that apply.)

- Professional services to be performed
- Responsibilities assumed by the client
- Extent of the accountant's responsibilities
- Anticipated dates the engagement will begin and end
- Engagement limitations
- Type of report to be produced and number of copies to be provided
- Amount of fee
- Payment requirements
- Billing procedures
- Right to suspend work-in-process until unpaid balances are cleared
- Willingness to attend board/finance/audit meetings
- Client's ability to reproduce the report
- Arbitration clause
- Indemnification clause
- Other (please specify):

5. a. How frequently do clients resist signing an engagement letter?

- Often
- Sometimes
- Seldom
- Never

b. How do you overcome any client resistance?

6. a. Is there one specific issue in the engagement letter that clients object to most frequently?

- Yes
- No

b. If yes, please identify the issue and explain what makes it a sensitive issue for clients.

7. a. When accepting a new client, do you create a client data sheet listing engagement-related facts?

- Always
- Sometimes
- Never

b. If sometimes, under what circumstances do you create a record?

8. When you create a record, what client information do you include?

- Full name, address, and telephone and fax numbers
- Affiliated companies
- Names of officers or principals
- Description of business
- Net income
- Description of work required

- Description of potential additional services
- Other (please specify):

9. a. If a client data sheet is created, where is it filed?

b. How do you and other members of the firm use it?

10. a. What procedures, if any, do you use to screen and evaluate potential clients before accepting an engagement?

b. What percentage of potential clients do you ultimately accept?

____%

c. List the three major reasons why you would not accept a potential client.

- (1) _____
- (2) _____
- (3) _____

Client Evaluation

1. a. How often are clients evaluated?

- Semiannually
- Annually
- After the completion of each engagement
- Other (please specify):

b. What client evaluation procedures do you follow to ensure a mutually beneficial professional relationship?

2. Which of the following factors do you include in your client evaluation form? (Check all that apply.)

- Financial condition
- Bill payment history
- Attitude toward:
 - Internal Revenue Service
 - Engagement-related expenses
 - Our staff
- Nature and extent of professional services
- Condition of client records
- Legal risk
- Total annual fee

(Continued)

- Potential client growth
- Reaction to fees
- Profitability of services
- Referral source
- Value to the firm
- Working conditions for staff
- Other (please specify):

3. a. Have you ever assigned client evaluation responsibilities to a manager?
- Yes
 - No

b. If yes, please describe the results of this decision.

4. a. What percentage of existing clients do you evaluate?

____%

b. If your answer is less than 100%, how do you determine which clients will be evaluated? (Check all that apply.)

- Type of services.* If so, on what type of services do you evaluate a client?

- Type of client.* If so, what is the profile of a client that you evaluate?

Length of time the client has been with you or the firm. If so, how long is the client with you or the firm when you decide not to evaluate it?

Personal relationship with the client. If so, what type of personal relationship do you have with the client before you decide not to evaluate it?

5. On an average, what percentage of clients do you terminate annually?
____%

6. What are the three major reasons for terminating a client?

- a. _____
- b. _____
- c. _____

7. What procedures are followed when terminating a client?

8. How did the terminated clients react? How did you respond?

	<i>Client Reaction</i>	<i>Your Response</i>
a.	_____	_____
	_____	_____
b.	_____	_____
	_____	_____
c.	_____	_____
	_____	_____

9. a. Do you have any clients who are possible candidates for termination?

- Yes
- No

b. If yes, please list three candidates.

	<i>Client</i>	<i>Reasons for Termination</i>
(1)	_____	_____
(2)	_____	_____
(3)	_____	_____

Engagement Assignment and Control

1. a. Are you satisfied with how engagements are assigned to you and other partners?

- Very satisfied
- Somewhat satisfied
- Somewhat dissatisfied
- Very dissatisfied

b. If you are not very satisfied, what changes would you recommend?

2. a. Do you use an engagement team system consisting of an engagement partner, engagement supervisor, and engagement staff?

- Yes
- No

b. If yes, what are the greatest advantages to the system?

c. If no, what system do you use?

3. a. Can the firm improve its engagement review procedures?

Yes

No

b. If yes, how?

4. What is your opinion of the firm's procedures for keeping track of staff when they are working outside the office?

5. a. Have you ever been unable to locate staff at a client site?

Yes

No

b. If yes, please describe.

6. a. Have you ever been unable to transmit information to and from the firm while at a client site?

Yes

No

b. If yes, please describe.

7. a. Would you change the firm's procedures for tracking staff at a client site?

Yes

No

b. If yes, what changes would you make?

8. What changes, if any, would you make to the firm's call-in system for field staff?

9. List five activities in which you are involved during your slow period(s).

a. _____

b. _____

c. _____

d. _____

e. _____

10. How many months before each January 1 do you plan the tax preparation and processing function?

8 months

6 months

4 months

2 months

1 month

Other (please specify):

11. How many months before January 1 do you:

- Remind clients to begin accumulating the necessary information _____ months
- Alert clients to the new tax laws _____ months
- Inquire about the need for new tax planning _____ months
- Send clients tax information, questionnaires and checklists _____ months

12. a. Are you satisfied with our tax processing system?

- Yes
- No

b. If no, why not?

13. If you prepare basic tax returns manually, what procedures do you follow?

14. What problems do you encounter most often when preparing tax returns? How do you resolve them?

	<i>Problem</i>	<i>Solution</i>
a.	_____	_____
b.	_____	_____
c.	_____	_____
d.	_____	_____
e.	_____	_____

15. What procedures do you follow when reviewing tax returns?

16. What problems do you encounter most often when reviewing tax returns? How do you resolve them?

	<i>Problem</i>	<i>Solution</i>
a.	<hr/>	<hr/>
b.	<hr/>	<hr/>
c.	<hr/>	<hr/>
d.	<hr/>	<hr/>
e.	<hr/>	<hr/>

17. List three ways you control appointments during your busy periods.

a.

b.

c.

Client Service

1. How would you define quality client service?

2. a. Are we delivering quality service to our clients?

- Yes
 No

b. If no, how should we improve our service?

3. a. How do you rate the following aspects of our firm and how would your clients rate the same aspects? (1 = excellent; 2 = good; 3 = fair; 4 = poor)

<i>Aspect</i>	<i>Your Rating</i>	<i>Clients' Rating</i>
• Technical competence of partners	_____	_____
• Communications skills of partners	_____	_____
• Human relations skills of partners	_____	_____
• Accessibility of partners	_____	_____
• Technical competence of managers	_____	_____
• Communications skills of managers	_____	_____
• Human relations skills of managers	_____	_____
• Accessibility of managers	_____	_____

(Continued)

<i>Aspect</i>	<i>Your Rating</i>	<i>Clients' Rating</i>
• Technical competence of staff	_____	_____
• Communications skills of staff	_____	_____
• Human relations skills of staff	_____	_____
• Accessibility of staff	_____	_____
• Responsiveness to clients' needs	_____	_____
• Firm's reputation in the community	_____	_____
• Range of professional services	_____	_____
• Consciousness of engagement-related costs	_____	_____
• Timely delivery of professional services	_____	_____
• Billing rates	_____	_____
• Billing and collection procedures	_____	_____
• Knowledge of specialties	_____	_____
• Knowledge of the client's industry	_____	_____
• Keeping the client up-to-date on the progress of the engagement	_____	_____
• Informing the client of changes in the engagement	_____	_____
• Informing the client of changes in tax laws, accounting standards, and other technical developments	_____	_____
• Quality of the firm's work product	_____	_____

b. What discrepancies exist between your ratings and the clients' ratings?

c. What suggestions would you make to improve low ratings (either yours or the clients)?

4. a. *For firms with a specialty:* Do you agree that the firm's areas of specialization help maintain quality of service and enable growth?

- Strongly agree
- Moderately agree
- Moderately disagree
- Strongly disagree

b. If you do not strongly agree, why not?

5. a. Does the use of a practice manual help maintain uniformity of service?

- Yes
- No

b. How do you ensure that the manual is adhered to?

6. a. Do you use a client scheduling and time budget system to manage engagements and improve the quality of services?

- Yes
- No

b. If yes, briefly explain your systems.

7. a. Can the firm improve the manner in which it keeps partners and staff current on technical developments?

- Yes
- No

b. If yes, how?

8. a. *For multioffice firms:* Do you agree that quality control procedures of each office are sufficiently monitored by the managing partner or partner charged with this responsibility?

- Strongly agree
- Moderately agree
- Moderately disagree
- Strongly disagree

b. If you do not strongly agree, what changes would you recommend?

9. a. Would you recommend improving any of the following aspects of the firm's quality control system?

<i>Aspect</i>	<i>Yes</i>	<i>No</i>
• Procedures	<input type="checkbox"/>	<input type="checkbox"/>
• Responsibility	<input type="checkbox"/>	<input type="checkbox"/>
• Frequency of review	<input type="checkbox"/>	<input type="checkbox"/>

b. How would you change those areas that need improvement?

10. How do you keep informed of the changing needs of your clients? (Check all that apply.)

- Telephone communication with client
- Scheduled personal meeting
- Client survey
- Semiannual consultation
- Annual consultation
- Other (please specify):

11. a. Have you ever lost a client because you were unable to provide the service necessary to meet his or her changing business needs?

- Yes
- No

b. If yes, please identify the needed service and the CPA firm that provided it.

	<i>Service</i>	<i>Firm</i>
(1)	_____	_____
(2)	_____	_____
(3)	_____	_____
(4)	_____	_____

12. How often do you use the following methods to determine your clients' perception of our quality of service? (1 = often; 2 = sometimes; 3 = seldom; 4 = never)

<i>Method</i>	<i>Frequency</i>
• Survey	_____
• Interview	_____
• Other (please specify):	
_____	_____
_____	_____

13. How often do you use each of the following to maintain consistent communication with your clients? (1 = often; 2 = sometimes; 3 = seldom; 4 = never)

<i>Method</i>	<i>Rating</i>
• Telephone	_____
• Letters	_____
• Meetings	_____
• Other (please specify):	
_____	_____
_____	_____

14. How do you ensure that your staff is responsive to client needs?

15. a. Do you agree with the firm's policy regarding when to return telephone calls to clients? Is it being followed by staff?

	<i>Yes</i>	<i>No</i>
• Agree with policy	<input type="checkbox"/>	<input type="checkbox"/>
• Followed by staff	<input type="checkbox"/>	<input type="checkbox"/>

b. What changes, if any, would you make to the policy?

16. What messages, subtle or otherwise, do you send to staff to communicate your commitment to quality and client service?

17. a. Do other firms in the community provide a higher quality of service than our firm?

- Yes
- No

b. If yes, please identify the firms below and explain what makes their professional services superior to ours and what we can do to improve services.

	<i>Firm</i>	<i>Explanation</i>
(1)	_____	_____ _____ _____
(2)	_____	_____ _____ _____
(3)	_____	_____ _____ _____

Office Location and Facilities

1. a. How satisfied are you with the location of our firm's office(s)?

- Very satisfied
- Somewhat satisfied
- Somewhat dissatisfied
- Very dissatisfied

b. If you are not very satisfied, what location would you prefer?

2. In which type of facility would you prefer to work?

- Professional office building
- Converted residence
- Office condominium
- Nontraditional structure, i.e., remodeled bank, retail store, loft, or barn
- Other (please specify):

3. Could the firm benefit by hiring an interior designer, office planner, or architect to make better use of its facilities?

- Yes
- No

4. What percentage of revenue should be spent on facilities cost?

____%

5. How important are the following factors when selecting a new office location? (1 = very important; 2 = somewhat important; 3 = somewhat unimportant; 4 = very unimportant)

<i>Factor</i>	<i>Rating</i>
• Access to current and potential clients	_____
• Firm image	_____
• Flexibility for growth or reduction in staff and services	_____
• Off-site storage facilities	_____
• Maximum usable space at a reasonable cost	_____
• Public transportation and parking facilities	_____
• Access to referral sources, such as bankers and lawyers	_____
• Access to computer service bureaus	_____
• Access to a pool of available talent for professional and administrative staff	_____
• Lifestyle considerations:	
Commuter	_____
Safety	_____
Access to arts and theater	_____

6. How satisfied are you with the space allotments for the following specific areas of the firm? (1 = very satisfied; 2 = somewhat satisfied; 3 = somewhat dissatisfied; 4 = very dissatisfied)
 What changes, if any, would you recommend?

<i>Area</i>	<i>Rating</i>	<i>Recommended Change</i>
• Reception	_____	_____
• Conference room	_____	_____
• Library	_____	_____
• Partner's offices	_____	_____
• Other private offices	_____	_____
• Administrative staff workstations	_____	_____
• Storage room	_____	_____
• File room	_____	_____
• Duplicating room	_____	_____

- Staff lounge _____
- Restrooms _____
- Parking lot _____

7. How satisfied are you with the following features of our office? (1 = very satisfied; 2 = somewhat satisfied; 3 = somewhat dissatisfied; 4 = very dissatisfied)

<i>Feature</i>	<i>Rating</i>
• Furnishings	_____
• Artwork	_____
• Wall coverings	_____
• Carpeting	_____
• Lighting	_____
• Ventilation	_____
• Acoustics	_____
• Equipment	_____
• Landscaping	_____

8. How satisfied are you with the manner in which the firm's offices are maintained?

- Very satisfied
- Somewhat satisfied
- Somewhat dissatisfied
- Very dissatisfied

9. How satisfied are you with the manner in which private offices are assigned?

- Very satisfied
- Somewhat satisfied
- Somewhat dissatisfied
- Very dissatisfied

10. a. *For firms that have relocated:* What were the five major unanticipated problems that occurred during the move and how could they have been avoided?

- (1) _____

- (2) _____

- (3) _____

- (4) _____

- (5) _____

b. Are you aware of any staff problems caused by the relocation?

- Yes
- No

c. If yes, please identify the problems and describe how they were overcome.

11. Would you recommend that the firm purchase or lease the following items? Please explain the reasons for your choices.

<i>Item</i>	<i>Purchase</i>	<i>Lease</i>	<i>Reason</i>
• Office space	<input type="checkbox"/>	<input type="checkbox"/>	<hr/> <hr/> <hr/> <hr/>
• Office equipment	<input type="checkbox"/>	<input type="checkbox"/>	<hr/> <hr/> <hr/> <hr/>
• Computer hardware/ software	<input type="checkbox"/>	<input type="checkbox"/>	<hr/> <hr/> <hr/> <hr/>
• Furniture	<input type="checkbox"/>	<input type="checkbox"/>	<hr/> <hr/> <hr/> <hr/>

12. a. Are you familiar with the firm's record retention policy?

- Yes
- No

b. If yes, do you agree with it?

- Yes
- No

c. If you don't agree, what changes do you recommend?

13. What steps could the firm take to make better use of its present facility?

Information Systems

1. What is the greatest benefit to you from using computer technology?

2. a. What was your greatest obstacle when you began using computer technology?

b. How did you overcome this obstacle?

3. a. Are you satisfied with the firm's computer system?

- Yes
- No

b. If no, what changes do you recommend?

4. a. Is the firm up-to-date in computer technology?

Yes

No

b. If no, what changes do you recommend?

5. What percentage of annual gross revenues would you recommend the firm spend on keeping current with technology?

3%

4%

5%

6%

7%

Other (please specify)

____%

6. Does the firm have a clear, consistent policy on acquiring computer hardware and software?

Yes

No

7. a. Are you satisfied with the manner in which the firm maintains its computer hardware and remains up-to-date with its computer hardware and software?

Yes *No*

- | | | |
|--------------------------|--------------------------|--------------------------|
| • Hardware (maintenance) | <input type="checkbox"/> | <input type="checkbox"/> |
| • Hardware (up-to-date) | <input type="checkbox"/> | <input type="checkbox"/> |
| • Software (up-to-date) | <input type="checkbox"/> | <input type="checkbox"/> |

b. If no, what would you recommend?

8. a. Is the firm recognized in the community as being up-to-date in computer technology?

- Yes
- No

b. Is the firm recognized by clients as being up-to-date in computer technology?

- Yes
- No

9. What percentage of your work do you perform using computers?

- 0%
- 1% to 25%
- 26% to 50%
- 51% to 75%
- 76% to 100%

10. a. Do you use electronic mail (E-mail)?

- Yes
- No

b. If yes, how frequently do you use it and with whom do you communicate?

- | <i>Frequency</i> | <i>Party</i> |
|--|---|
| <input type="checkbox"/> Three times a day | <input type="checkbox"/> Firm members only |
| <input type="checkbox"/> Twice a day | <input type="checkbox"/> Persons outside firm, e.g., clients, vendors,
government agencies |
| <input type="checkbox"/> Once a day | <input type="checkbox"/> Both |
| <input type="checkbox"/> Every two days | |
| <input type="checkbox"/> Every three days | |
| <input type="checkbox"/> Other (please specify): | |

c. For what purposes is E-mail best suited?

11. Have the benefits of E-mail exceeded the costs of installation and maintenance?

- Yes
- No

12. a. Should the firm add a CD-ROM reader to its computer system?

- Yes
- No

b. If yes, for what applications is it best suited?

13. *For firms using CD-ROM:* What have been the greatest benefits to the firm of using CD-ROM?

14. a. Is there any computer hardware or software currently in our system that you do not use?

- Yes
- No

b. If yes, please identify.

15. a. Is there any necessary computer hardware or software currently unavailable to you?

- Yes
- No

b. If yes, please identify.

16. a. For which internal operations do you use accounting software programs? (Check all that apply.)

- General ledger and financial statement preparation
- Payroll
- Inventory management
- Fixed asset accounting
- Accounts receivable
- Accounts payable
- Audit
- Other (please specify):

b. Which programs have been most helpful?

(1) _____

(2) _____

(3) _____

c. Which programs have been least helpful?

(1) _____

(2) _____

(3) _____

17. When using software programs identified in question 16(b) and (c), what problems have occurred? How did you resolve these problems?

	<i>Software</i>	<i>Problem</i>	<i>Solution</i>
a.	_____	_____	_____
b.	_____	_____	_____
c.	_____	_____	_____
d.	_____	_____	_____
e.	_____	_____	_____
f.	_____	_____	_____

18. a. For which client services do you use accounting software programs? (Check all that apply.)

Accounting

- Write-up work
- Financial statement preparation
- Cost accounting
- Payroll tax reports
- Fixed asset accounting
- Specialized client reporting
- Graphical display of financial activity

Auditing

- Trial balance preparation
- Analytical review/ratio analysis
- Preparation of confirmation letters
- Computation or analysis of client depreciation schedules, or both
- Testing client programs for accuracy of processing and presence of controls
- Physical inventory extensions and comparison against booked inventories
- Physical inventory aging

- Examination of physical inventory files
- Audit program creation

Tax

- Tax return preparation
- Information retrieval of tax rulings and court decisions
- Estate planning
- Tax planning
- Depreciation computations
- Alternative tax computations

Management consulting services (MCS)

- Break-even analysis
- Return on investment analysis
- Cash-flow analysis
- Loan repayment tables
- Lease vs. buy decisions
- Annuity benefit computations
- Evaluation of pension fund investment performance
- Business valuations
- Ratio analysis
- Forecasts and projections

Financial planning

- Cash-flow analysis
- Acquisition analysis
- Budgeting material and labor requirements
- Retirement planning
- Investment analysis

b. What programs have been most helpful?

- (1) _____
- (2) _____
- (3) _____

c. What programs have been least helpful?

- (1) _____
- (2) _____
- (3) _____

19. When using the software programs identified in question 18(b) and (c), what problems have occurred? How did you resolve these problems?

	<i>Software</i>	<i>Problem</i>	<i>Solution</i>
a.	_____	_____	_____
		_____	_____
b.	_____	_____	_____
		_____	_____
c.	_____	_____	_____
		_____	_____
d.	_____	_____	_____
		_____	_____
e.	_____	_____	_____
		_____	_____
f.	_____	_____	_____
		_____	_____

20. a. How effective are the firm's computer training efforts for both the administrative and professional staff? (1 = excellent; 2 = good; 3 = fair; 4 = poor)

<i>Staff</i>	<i>Rating</i>
• Administrative staff	_____
• Professional staff	_____

b. What recommendations, if any, would you make to improve the firm's computer training efforts?

21. a. Are you interested in any courses or publications that would enhance your computer literacy and proficiency?

- Yes
- No

b. If yes, which ones?

22. Does the firm take necessary precautions to guard against the following problems?

<i>Problem</i>	<i>Yes</i>	<i>No</i>
• Unauthorized access to information stored in computers	<input type="checkbox"/>	<input type="checkbox"/>
• Computer viruses	<input type="checkbox"/>	<input type="checkbox"/>
• Loss of information due to power outages	<input type="checkbox"/>	<input type="checkbox"/>
• Loss of information due to file corruption	<input type="checkbox"/>	<input type="checkbox"/>
• Loss of information due to disaster	<input type="checkbox"/>	<input type="checkbox"/>
• Other (please specify):		
<hr/>	<input type="checkbox"/>	<input type="checkbox"/>
<hr/>	<input type="checkbox"/>	<input type="checkbox"/>

23. Is office automation sufficiently addressed in the firm's strategic planning discussions?

- Yes
- No

Professional Liability

1. a. Have you ever been involved in malpractice litigation prior to employment here?
 Yes
 No
- b. If yes, please describe the nature of the claim, the outcome, and how it could have been avoided?

	<i>Nature of Claim</i>	<i>Outcome</i>	<i>How It Could Have Been Avoided</i>
(1)	_____	_____	_____
	_____	_____	_____
(2)	_____	_____	_____
	_____	_____	_____
(3)	_____	_____	_____
	_____	_____	_____

2. a. Have you ever been involved in malpractice litigation while employed here?
 Yes
 No

b. If yes, please describe the nature of the claim, the outcome, and how it could have been avoided.

	<i>Nature of Claim</i>	<i>Outcome</i>	<i>How It Could Have Been Avoided</i>
(1)	_____	_____	_____
	_____	_____	_____
(2)	_____	_____	_____
	_____	_____	_____
(3)	_____	_____	_____
	_____	_____	_____

3. What effect, if any, have malpractice litigation and damage awards had on the way you practice?

4. How effective are the following measures in combating malpractice claims? (1 = very effective; 2 = somewhat effective; 3 = somewhat ineffective; 4 = very ineffective)

<i>Measure</i>	<i>Rating</i>
• Using engagement letters for all clients	_____
• Screening all clients	_____
• Identifying high-risk engagements and industries	_____
• Documenting engagements	_____
• Implementing and adhering to quality control systems	_____
• Keeping staff educated in professional standards	_____
• Appointing risk manager for the firm	_____
• Other (please specify):	_____
_____	_____
_____	_____

5. What additional measures, if any, should the firm take to reduce malpractice exposure?

6. How should counsel be involved in the creation and maintenance of a defensive practices program?

7. How satisfied are you with the following aspects of the firm's professional liability insurance carrier and policy? (1 = very satisfied; 2 = somewhat satisfied; 3 = somewhat dissatisfied; 4 = very dissatisfied)

<i>Aspect</i>	<i>Rating</i>
• Carrier's reputation	_____
• Carrier's staff	_____
• Scope of coverage	_____
• Conditions and exclusions	_____
• Limits of liability	_____
• Premiums	_____
• Effective dates	_____
• Persons covered	_____
• Deductible	_____

PART III
Human Resources

General Staff Selection

1. What role, if any, would you like to play in the recruitment and interview process?

2. a. Have you ever checked a job applicant's references?

- Yes
- No

b. If yes, what type of inquiry yielded the most candid, complete responses?

- Telephone
- Letter
- Personal visit

c. If you encountered any resistance from others when attempting to verify information, how did you overcome it?

3. What three interview questions elicit the most revealing and informative responses from prospective employees?

- a. _____
- b. _____
- c. _____

4. What special precautions do you take to avoid lawsuits related to employment issues?

5. a. Were you ever involved in employment-related litigation resulting from your involvement in staff selection at any previous employer?

- Yes
- No

b. If yes, please describe.

6. a. Have you ever been involved in employment-related litigation resulting from your involvement in staff selection at this firm?

- Yes
- No

b. If yes, please describe.

7. How satisfied are you with the firm's efforts to recruit and promote members of the following groups? (1 = very satisfied; 2 = somewhat satisfied; 3 = somewhat dissatisfied; 4 = very dissatisfied)

<i>Group</i>	<i>Rating</i>
• Females	_____
• Minorities	_____
• People with disabilities	_____

8. a. Have you ever been affected by any federal employment law?

- Yes
- No

b. If yes, which laws? (Check all that apply.)

- Immigration Reform and Control Act of 1986
- Fair Labor Standards Act of 1938
- Anti-Discrimination Laws
- Family and Medical Leave Act of 1993
- Americans with Disabilities Act of 1990

c. What was the nature of your involvement and how were specific problems overcome?

9. How have federal employment laws affected your employment procedures—from the interview phase and selection to training and daily operations?

Administrative Staff Selection

1. a. Are you satisfied with the manner in which the firm selects administrative staff?
- Yes
 No
- b. If no, please list three ways in which the firm can improve its hiring process for administrative staff.
- (1) _____
- (2) _____
- (3) _____

2. a. Have our hiring procedures improved over the last three years?
- Improved
 Declined
 Remained the same
- b. Has the quality of administrative staff improved over the last three years?
- Improved
 Declined
 Remained the same

3. How important are the following factors when hiring new administrative staff? (1 = very important; 2 = somewhat important; 3 = somewhat unimportant; 4 = very unimportant)

<i>Factor</i>	<i>Rating</i>
• Academic record	_____
• Extracurricular activities	_____
• Bachelor's degree	_____

(Continued)

<i>Factor</i>	<i>Rating</i>
• Associate's degree	_____
• Secretarial-school certificate	_____
• Reputation of alma mater or secretarial school attended	_____
• Work experience	_____
• Computer skills	_____
• Interpersonal skills	_____
• Communication skills	_____
• Supervisory ability	_____
• Results of employment tests	_____
• Other (please specify):	_____
_____	_____
_____	_____

4. Rate the following staff-selection sources on their ability to provide the firm with quality administrative staff. (1 = excellent; 2 = good; 3 = fair; 4 = poor)

<i>Source</i>	<i>Rating</i>
• College and secretarial-school placement offices	_____
• School and state CPA society career day programs	_____
• Recruiters	_____
• Advertisements	_____
• Present employees	_____
• Personal contacts	_____
• Unsolicited résumés	_____
• Referrals furnished by clients and business associates	_____

5. What college(s) or secretarial school(s) yields the highest-quality administrative staff?

6. What levels of education and experience do your best administrative staff possess?

7. What personal characteristics do your best administrative staff possess?

8. a. Are employment tests appropriate for prospective administrative staff members?

- Yes
- No

b. Are test scores a reliable method for identifying talented administrative staff members?

- Yes
- No

9. Are background and credit checks and psychological tests appropriate for administrative staff members?

<i>Method</i>	<i>Yes</i>	<i>No</i>
• Background check	<input type="checkbox"/>	<input type="checkbox"/>
• Credit check	<input type="checkbox"/>	<input type="checkbox"/>
• Psychological test	<input type="checkbox"/>	<input type="checkbox"/>

10. Name three techniques you use to help sell our firm to administrative staff you are interested in hiring?

a. _____

b. _____

c. _____

11. Describe your experience in hiring college graduates for administrative positions?

12. a. With what frequency does the firm promote administrative staff from within?

- Very frequently
- Somewhat frequently
- Somewhat infrequently
- Very infrequently

b. If you did not check *very frequently*, what positions were filled by outsiders that could have been filled by internal administrative staff members interested in the positions?

13. a. Is the firm usually successful when it does promote from within?

- Yes
- No

b. If no, why not?

14. a. How effective are the firm's efforts in selecting administrative staff members from minorities and people with disabilities? (1 = very effective; 2 = somewhat effective; 3 = somewhat ineffective; 4 = very ineffective)

<i>Group</i>	<i>Rating</i>
• Minorities	_____
• People with disabilities	_____

b. How can the firm improve its efforts, if at all?

15. a. Do we have a sufficient number of administrative staff members?

- Yes
 No

b. If no, how many additional administrative staff members are needed, in what departments are they needed most, and what would their responsibilities consist of?

	<i>Number of Staff</i>	<i>Department</i>	<i>Responsibilities</i>
(1)			
(2)			
(3)			

16. What is the most effective way to acquaint new administrative staff members with firm operations?

17. a. Are you in favor of the following types of employment for administrative staff?

<i>Employment</i>	<i>Yes</i>	<i>No</i>
• Part-time	<input type="checkbox"/>	<input type="checkbox"/>
• Seasonal	<input type="checkbox"/>	<input type="checkbox"/>
• Temporary	<input type="checkbox"/>	<input type="checkbox"/>
• Interns	<input type="checkbox"/>	<input type="checkbox"/>
• At-home	<input type="checkbox"/>	<input type="checkbox"/>
• Retirees	<input type="checkbox"/>	<input type="checkbox"/>

b. What are the advantages and disadvantages of each type of employment?

<i>Employment</i>	<i>Advantages</i>	<i>Disadvantages</i>
• Part-time	_____	_____
	_____	_____
	_____	_____
• Seasonal	_____	_____
	_____	_____
	_____	_____
• Temporary	_____	_____
	_____	_____
	_____	_____
• Interns	_____	_____
	_____	_____
	_____	_____
• At-home	_____	_____
	_____	_____
	_____	_____
• Retirees	_____	_____
	_____	_____
	_____	_____

18. What level of turnover do you find acceptable for administrative staff members?

Professional Staff Selection

1. a. Are you satisfied with the manner in which the firm selects its professional staff?

Yes

No

b. If no, please list three ways in which the firm can improve its professional staff selection.

(1) _____

(2) _____

(3) _____

2. How important are the following factors when hiring new professional staff? (1 = very important; 2 = somewhat important; 3 = somewhat unimportant; 4 = very unimportant)

<i>Factor</i>	<i>Rating</i>
• Academic record	_____
• Extracurricular activities	_____
• Postgraduate study	_____
• Work experience	_____
• Reputation of alma mater	_____
• Interpersonal skills	_____
• Communication skills	_____
• Results of employment tests	_____
• Supervisory ability	_____
• Involvement in professional and community services	_____
• Other (please specify):	_____
_____	_____
_____	_____

3. Rate the following staff-selection sources on their ability to provide the firm with quality professional employees. (1 = excellent; 2 = good; 3 = fair; 4 = poor)

<i>Source</i>	<i>Rating</i>
• College placement offices	_____
• College accounting faculty	_____
• School and state CPA society career day programs	_____
• Recruiters	_____
• CPA conferences and special events	_____
• Recruiting brochures	_____
• Present employees	_____
• Personal contacts	_____
• Local newspaper advertisements	_____
• National newspaper advertisements	_____
• Trade journal advertisements	_____
• Professional periodical advertisements	_____
• State society publication advertisements	_____
• Association newsletter advertisements	_____
• Internships	_____
• Unsolicited résumés	_____
• Other (please specify):	_____
_____	_____
_____	_____

4. a. What college(s) or business school(s) yields the highest-quality professional staff?

b. Who on staff is best suited to interview job candidates on campuses?

c. How can we most effectively establish a reputation for our firm on campuses?

5. Name three techniques you use to help sell our firm to professional staff you are interested in hiring?

- a. _____
- b. _____
- c. _____

6. a. What is the quality of new CPAs in general?

b. What is the quality of new CPAs at our firm in particular?

c. Please explain any discrepancy in your opinion of the two groups.

7. a. What firm in the community is our chief competition for hiring recent college graduates?

b. What firm in the community is our chief competition for hiring experienced CPAs?

8. What educational and experience level do your best professional staff members possess?

9. What personal characteristics do your best professional staff members possess?

10. a. With what frequency does the firm promote professional staff from within?

- Very frequently
- Somewhat frequently
- Somewhat infrequently
- Very infrequently

b. If you did not check *very frequently*, what professional staff positions were filled by outsiders that could have been filled by internal staff members interested in the positions?

11. a. Is the firm usually successful when it does promote from within?

- Yes
- No

b. If no, why not?

12. a. Are employment tests appropriate for prospective professional staff members?

- Yes
- No

b. Are test scores a reliable method for identifying talented professional staff members?

- Yes
- No

13. Are background and credit checks and psychological tests appropriate for professional staff members?

<i>Method</i>	<i>Yes</i>	<i>No</i>
• Background check	<input type="checkbox"/>	<input type="checkbox"/>
• Credit check	<input type="checkbox"/>	<input type="checkbox"/>
• Psychological test	<input type="checkbox"/>	<input type="checkbox"/>

14. a. How effective are the firm's efforts in selecting nonpartner professional staff members from minorities and people with disabilities? (1 = very effective; 2 = somewhat effective; 3 = somewhat ineffective; 4 = very ineffective)

<i>Group</i>	<i>Rating</i>
• Minorities	_____
• People with disabilities	_____

b. How can the firm improve its efforts, if at all?

15. What is the most effective way to acquaint new professional staff members with firm operations?

16. a. Are you in favor of the following types of employment for professional staff members?

<i>Employment</i>	<i>Yes</i>	<i>No</i>
• Part-time	<input type="checkbox"/>	<input type="checkbox"/>
• Seasonal	<input type="checkbox"/>	<input type="checkbox"/>
• Temporary	<input type="checkbox"/>	<input type="checkbox"/>
• Interns	<input type="checkbox"/>	<input type="checkbox"/>
• At-home	<input type="checkbox"/>	<input type="checkbox"/>
• Retirees	<input type="checkbox"/>	<input type="checkbox"/>

b. What are the advantages and disadvantages of each type of employment?

<i>Employment</i>	<i>Advantages</i>	<i>Disadvantages</i>
• Part-time	_____ _____ _____	_____ _____ _____
• Seasonal	_____ _____ _____	_____ _____ _____
• Temporary	_____ _____ _____	_____ _____ _____
• Interns	_____ _____ _____	_____ _____ _____
• At-home	_____ _____ _____	_____ _____ _____
• Retirees	_____ _____ _____	_____ _____ _____

17. a. Are you satisfied with the firm's current recruitment efforts?

- Yes
- No

b. If no, how can they be improved?

18. How have our recruitment efforts and the quality of professional staff members changed over the last three years?

- Improved
- Declined
- Remained the same

19. What level of turnover do you find acceptable for nonpartner professional staff?

Training and Professional Development

1. What is your opinion of our firm's training program? (Consider inside and outside training programs.)

a. *Administrative staff*

b. *Professional staff*

c. *Partner*

2. List three ways our training program can be improved.

a. *Administrative staff*

(1) _____

(2) _____

(3) _____

b. *Professional staff*

- (1) _____
- (2) _____
- (3) _____

c. *Partner*

- (1) _____
- (2) _____
- (3) _____

3. How effective are the following training methods for members of our firm? (1 = very effective; 2 = somewhat effective; 3 = somewhat ineffective; 4 = very ineffective)

<i>Method</i>	<i>Administrative</i>	<i>Professional</i>	<i>Partners</i>
• College courses	_____	_____	_____
• Graduate school courses	_____	_____	_____
• Lectures and seminars	_____	_____	_____
• Conferences	_____	_____	_____
• Discussion groups	_____	_____	_____
• Publications	_____	_____	_____
• Individual study	_____	_____	_____
• On-the-job training	_____	_____	_____
• Mentor program	_____	_____	_____
• Other (please specify):			
_____	_____	_____	_____
_____	_____	_____	_____

4. What training methods, courses, or programs have been most beneficial to you and why? (Consider inside and outside training programs.)

5. Which of the following nontechnical subjects should we include in the firm's training program?
(Check all that apply.)

<i>Subject</i>	<i>Administrative</i>	<i>Professional</i>	<i>Partners</i>
• Verbal and written communication skills with clients and staff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Staff supervision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Staff training	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Time management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Project management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Malpractice avoidance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Billing and collection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Firm administration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Marketing and sales training	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Computer skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Human resource issues, e.g., sexual harassment and discrimination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Other (please specify): _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6. a. Have you ever served as a mentor at this firm or at any other firm?

- Yes
 No

b. If yes, please describe the experience, the current status of your relationship with the staff person you mentored, and whether you would recommend a mentor relationship to others.

c. If no, and you would like to serve as a mentor, please describe in what capacity.

7. a. If you support a mentoring program at the firm, what type of program would you prefer?

- Formal
- Informal

b. Why?

8. a. How would you grade your ability to train professional staff?

- Excellent
- Good
- Fair
- Poor

b. If you are not satisfied with your training abilities, what can the firm do to help you improve?

9. Are staff members assigned diverse professional responsibilities?

<i>Staff Member</i>	<i>Yes</i>	<i>No</i>
• Administrative	<input type="checkbox"/>	<input type="checkbox"/>
• Professional (nonmanager and nonpartner)	<input type="checkbox"/>	<input type="checkbox"/>
• Manager	<input type="checkbox"/>	<input type="checkbox"/>
• Partner	<input type="checkbox"/>	<input type="checkbox"/>

10. Are staff members given sufficient opportunity to work closely with partners and clients?

<i>Staff Member</i>	<i>Yes</i>	<i>No</i>
• Professional (nonmanager and nonpartner)	<input type="checkbox"/>	<input type="checkbox"/>
• Manager	<input type="checkbox"/>	<input type="checkbox"/>
• Partner	<input type="checkbox"/>	<input type="checkbox"/>

11. a. Does the firm provide staff members with well-defined career paths?

<i>Staff Member</i>	<i>Yes</i>	<i>No</i>
• Administrative	<input type="checkbox"/>	<input type="checkbox"/>
• Professional (nonmanager and nonpartner)	<input type="checkbox"/>	<input type="checkbox"/>
• Manager	<input type="checkbox"/>	<input type="checkbox"/>
• Partner	<input type="checkbox"/>	<input type="checkbox"/>

b. If yes, how effectively are career paths communicated to staff? (1 = very effectively; 2 = somewhat effectively; 3 = somewhat ineffectively; 4 = very ineffectively)

<i>Staff Member</i>	<i>Rating</i>
• Administrative	_____
• Professional (nonmanager and nonpartner)	_____
• Manager	_____
• Partner	_____

Staff Evaluation

1. a. Are the firm's performance review and evaluation procedures for administrative staff effective?

Yes

No

- b. If no, how could we improve procedures?

2. a. Are the firm's performance review and evaluation procedures for nonpartner professional staff effective?

Yes

No

- b. If no, how could we improve procedures?

3. What criticism of our performance appraisal system, if any, have you received from staff?

4. How do you respond to employees who disagree with your evaluation of their performance?

- *Administrative staff*

- *Nonpartner professional staff*

5. How do you work with employees to improve an unsatisfactory performance evaluation?

- *Administrative staff*

- *Nonpartner professional staff*

6. How do you monitor the performance of employees who are not meeting their goals and objectives?

- *Administrative staff*

- *Nonpartner professional staff*

7. What setting and approach is most successful when evaluating staff?

8. How frequently should staff performance evaluations be held?

<i>Staff</i>	<i>Biannually</i>	<i>Annually</i>	<i>Other</i>
• Administrative	<input type="checkbox"/>	<input type="checkbox"/>	_____
• Nonpartner professional	<input type="checkbox"/>	<input type="checkbox"/>	_____

9. Should performance evaluations be coupled with salary increases?

- Yes
 No

Partner Evaluation

1. a. Are the firm's partner performance review and evaluation procedures effective?

Yes

No

b. If no, how can we improve them?

2. Who should participate in partner evaluations? (Check all that apply.)

Senior or executive partner of the firm

Partner in charge of the office where the partner is located

Partner in charge of the department in which the partner is assigned

All partners in the office

Managers (spontaneous comments throughout the year)

Staff members (spontaneous comments throughout the year)

Clients (feedback throughout the year)

3. What criticism of our partner performance appraisal system, if any, have you received from other partners?

4. How do you respond to partners who disagree with your evaluation of their performance?

5. How do you work with partners to improve their unsatisfactory performance evaluations?

6. How do you monitor the performance of partners who are not meeting their goals and objectives?

7. What setting and approach are most successful when evaluating partners?

8. How important to the firm are the following partner objectives? (1 = very important; 2 = somewhat important; 3 = somewhat unimportant; 4 = very unimportant)

<i>Objective</i>	<i>Rating</i>
• Technical performance	_____
• Increasing billable hours	_____
• Developing new business	_____
• Expanding services to existing clients	_____
• Performing timely billings and collections	_____

- Increasing productivity _____
- Marketing the firm and its services _____
- Managing staff effectively _____
- Developing personal specialties _____
- Making speeches _____
- Publishing articles _____
- Promoting camaraderie among staff _____
- Maintaining quality controls necessary for compliance with American Institute of CPAs (AICPA) peer review standards _____
- Recruiting _____
- Training and developing staff _____
- Assuming special assignments _____
- Participating in professional activities _____
- Participating in educational programs _____
- Fostering relationships with referral sources _____
- Participating in social and civic programs _____

9. a. How would you rate your own effectiveness in meeting the following partner objectives? (1 = very effective; 2 = somewhat effective; 3 = somewhat ineffective; 4 = very ineffective)

<i>Objective</i>	<i>Rating</i>
• Technical performance	_____
• Increasing billable hours	_____
• Developing new business	_____
• Expanding services to existing clients	_____
• Performing timely billings and collections	_____
• Increasing productivity	_____
• Marketing the firm and its services	_____
• Managing staff effectively	_____
• Developing personal specialties	_____
• Making speeches	_____

(Continued)

<i>Objective</i>	<i>Rating</i>
• Publishing articles	_____
• Promoting camaraderie among staff	_____
• Maintaining quality controls necessary for compliance with AICPA peer review standards	_____
• Recruiting	_____
• Training and developing staff	_____
• Assuming special assignments	_____
• Participating in professional activities	_____
• Participating in educational programs	_____
• Fostering relationships with referral sources	_____
• Participating in social and civic programs	_____

b. In which, if any, of the partner objectives listed in 9a do you believe you have been under-rated? Please explain your reason(s).

<i>Objective</i>	<i>Reason</i>
(1) _____	_____ _____ _____
(2) _____	_____ _____ _____
(3) _____	_____ _____ _____
(4) _____	_____ _____ _____

10. a. Are you satisfied with the frequency and format of meetings held throughout the year to review partner progress?

- Yes
- No

b. If no, what changes would you recommend?

11. a. Should the firm adopt a program of partner self-evaluation?

- Yes
- No

b. If yes, what would be the greatest benefits?

12. a. How satisfied are you with the manner in which the firm handles the following aspects of its partner evaluation program? (1 = very satisfied; 2 = somewhat satisfied; 3 = somewhat dissatisfied; 4 = very dissatisfied)

<i>Aspect</i>	<i>Rating</i>
• Identification of objectives	_____
• Communication of objectives	_____
• Relation between attainment of goals and compensation	_____
• Meetings throughout the year to review progress	_____
• Addition, substitution, and alterations of objectives	_____
• Individual participation in the evaluation process	_____
• Communication of evaluation results	_____
• Other (please specify):	_____
_____	_____
_____	_____

b. Identify the elements of our partner evaluation program with which you are not very satisfied, and explain what improvement the firm can make?

13. a. Should the firm improve its system of partners training their successors?

Yes

No

b. If yes, how?

14. What are the three most important qualities you look for in future partners? (Feel free to refer to the list of partner objectives listed in question 8 of this questionnaire.)

a. _____

b. _____

c. _____

15. How does the quality of new partners today compare with new partners five years ago?

Motivation

1. If you could make one change in the way our firm motivates staff, what would it be?

2. How effective are each of the following motivational factors? (1 = very effective; 2 = somewhat effective; 3 = somewhat ineffective; 4 = very ineffective)

<i>Factor</i>	<i>Administrative</i>	<i>Professional (Nonmanager and Nonpartner)</i>	<i>Manager</i>	<i>Partner</i>
• Financial compensation	_____	_____	_____	_____
• Bonus	_____	_____	_____	_____
• Employee benefits, e.g., life or medical insurance, 401(k), tuition reimburse- ment for computer courses or for college or graduate school	_____	_____	_____	_____
• Job security	_____	_____	_____	_____
• Autonomy	_____	_____	_____	_____
• Job titles	_____	_____	_____	_____
• Vacation/personal time	_____	_____	_____	_____
• Working conditions	_____	_____	_____	_____
• Private offices	_____	_____	_____	_____
• Diverse client base	_____	_____	_____	_____

(Continued)

<i>Factor</i>	<i>Administrative</i>	<i>Professional (Nonmanager and Nonpartner)</i>	<i>Manager</i>	<i>Partner</i>
• Interesting work	_____	_____	_____	_____
• Management responsibilities	_____	_____	_____	_____
• Administrative responsibilities	_____	_____	_____	_____
• New staff training responsibilities	_____	_____	_____	_____
• Recognition by staff	_____	_____	_____	_____
• Recognition in community	_____	_____	_____	_____
• Opportunity for advancement	_____	_____	_____	_____
• Firm atmosphere	_____	_____	_____	_____
• Positive interpersonal relationships between supervisors and employees	_____	_____	_____	_____
• Relationships with other partners	_____	_____	_____	_____
• Camaraderie of staff	_____	_____	_____	_____
• Other (please specify):	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

3. a. Are there any factors that have a negative impact on motivation among administrative staff?

Yes

No

b. If yes, please describe.

-
4. a. Are there any factors that have a negative impact on motivation among nonmanager and nonpartner professional staff?

- Yes
 No

- b. If yes, please describe.

5. a. Are there any factors that have a negative impact on motivation among managers?

- Yes
 No

- b. If yes, please describe.

6. a. Are there any factors that have a negative impact on motivation among partners?

- Yes
 No

- b. If yes, please describe.

7. How would you improve the firm's motivational climate?

8. a. Do you use any special technique to keep your staff motivated?

Yes

No

b. If yes, please describe.

9. How effective are the following methods of measuring the firm's motivational climate? (1 = very effective; 2 = somewhat effective; 3 = somewhat ineffective; 4 = very ineffective)

<i>Method</i>	<i>Rating</i>
• Staff attitude survey	_____
• Suggestion system	_____
• Performance reviews	_____
• Formal and informal conferences	_____
• Observation of employee behavior	_____
• Other (please specify):	_____
_____	_____
_____	_____

10. How can we motivate senior-level staff members who cannot be offered partnership positions?

11. a. Are any of your talents or professional capabilities underused?

Yes

No

b. If yes, please describe.

12. a. Name three responsibilities in which you would like to become more involved.

(1) _____
(2) _____
(3) _____

b. Name three responsibilities in which you would like to become less involved.

(1) _____
(2) _____
(3) _____

c. What percentage of your work could be delegated to a capable manager?

____%

13. On a scale from 1 to 10, with 10 being the highest, how motivated are you to work at our firm?

14. a. How has your level of motivation changed since you began employment with the firm?

- Increased
 Decreased
 Remained the same

b. If your level of motivation has increased or decreased, please describe the reason for the change.

15. a. Is there another firm in the community that provides a stronger motivational work environment?

Yes

No

b. If yes, please identify the firm and describe its efforts to motivate staff.

Staff Compensation and Benefits

1. a. Are staff members with similar levels of responsibility and ability equitably compensated?

Yes

No

b. If no, please explain.

2. How does our firm's compensation and benefits package compare with those of similar firms in the community?

Our package is more competitive.

Our package is less competitive.

Our package is comparable.

I don't know.

3. How can the firm ensure that its staff compensation package is competitive with other firms?

4. How often should salaries be reviewed?

<i>Administrative</i>	<i>Professional (Nonmanager and Nonpartner)</i>	<i>Manager</i>
<input type="checkbox"/> 6 months	<input type="checkbox"/> 6 months	<input type="checkbox"/> 6 months
<input type="checkbox"/> Annually	<input type="checkbox"/> Annually	<input type="checkbox"/> Annually
<input type="checkbox"/> 18 months	<input type="checkbox"/> 18 months	<input type="checkbox"/> 18 months
<input type="checkbox"/> Other (please specify): _____	<input type="checkbox"/> Other (please specify): _____	<input type="checkbox"/> Other (please specify): _____

5. What should be the three major criteria for determining salary increases for administrative staff members?

- a. _____
- b. _____
- c. _____

6. What should be the three major criteria for determining salary increases for professional staff members (nonmanager and nonpartner)?

- a. _____
- b. _____
- c. _____

7. What should be the three major criteria for determining salary increases for managers?

- a. _____
- b. _____
- c. _____

8. a. Overall, how satisfied are administrative staff members with the firm's compensation and benefits package?

- Very satisfied
- Somewhat satisfied
- Somewhat dissatisfied
- Very dissatisfied

b. Describe their chief complaint, if any.

9. a. Overall, how satisfied are professional staff members (nonmanager and nonpartner) with the firm's compensation and benefits package?

- Very satisfied
- Somewhat satisfied
- Somewhat dissatisfied
- Very dissatisfied

b. Describe their chief complaint, if any.

10. a. Overall, how satisfied are managers with the firm's compensation and benefits package?

- Very satisfied
- Somewhat satisfied
- Somewhat dissatisfied
- Very dissatisfied

b. Describe their chief complaint, if any.

11. How important are the following benefits to members of our firm? (1 = very important; 2 = somewhat important; 3 = somewhat unimportant; 4 = very unimportant)

<i>Benefit</i>	<i>Administrative</i>	<i>Professional (Nonmanager and Nonpartner)</i>	<i>Manager</i>
• Group insurance			
Life	_____	_____	_____
Disability	_____	_____	_____
Accidental death and dismemberment	_____	_____	_____
Hospital	_____	_____	_____
Surgical and major medical	_____	_____	_____
Travel and accident	_____	_____	_____
Long-term income continuation	_____	_____	_____
• Paid vacation and holidays	_____	_____	_____
• Automobile allowances	_____	_____	_____
• Parking	_____	_____	_____
• Sabbaticals	_____	_____	_____
• 401(k) plans	_____	_____	_____
• Pension and retirement plans	_____	_____	_____
• Cellular telephone	_____	_____	_____
• Professional dues	_____	_____	_____
• Fees and expenses to attend professional conferences and membership programs	_____	_____	_____
• Home or portable computers	_____	_____	_____
• Sick leave	_____	_____	_____
• Parental leave	_____	_____	_____

<i>Benefit</i>	<i>Administrative</i>	<i>Professional (Nonmanager and Nonpartner)</i>	<i>Manager</i>
• Dependent-care services	_____	_____	_____
• Professional education	_____	_____	_____
• Tuition reimbursement	_____	_____	_____
• CPA exam and study-time leave	_____	_____	_____
• Wellness programs, e.g., health club memberships, weight control and smoking cessation classes, psychological counseling, and employee assistance programs (EAPs)	_____	_____	_____
• Other (please specify):	_____	_____	_____
	_____	_____	_____
	_____	_____	_____

12. How effective are the following methods of communicating benefits to firm members? (1 = very effective; 2 = somewhat effective; 3 = somewhat ineffective; 4 = very ineffective)

<i>Method</i>	<i>Rating</i>
• Staff meetings	_____
• Personal benefits statement	_____
• Firm brochure	_____
• Orientation	_____
• Benefits manual	_____
• Other (please specify):	
_____	_____
_____	_____

13. What are the advantages and disadvantages of cafeteria plans?

	<i>Advantages</i>	<i>Disadvantages</i>
a.	_____	_____
	_____	_____
b.	_____	_____
	_____	_____
c.	_____	_____
	_____	_____

14. How important are the following factors in determining compensation for administrative staff?
 (1 = very important; 2 = somewhat important; 3 = somewhat unimportant; 4 = very unimportant)

<i>Factor</i>	<i>Rating</i>
• Productivity	_____
• Quality of work	_____
• Seniority	_____
• Computer skills	_____
• Training responsibilities	_____
• Interpersonal skills with members of the firm	_____
• Interpersonal skills with clients and vendors	_____
• Cost consciousness	_____
• Supervisory skills	_____
• Other (please specify):	_____
_____	_____
_____	_____

15. How important a role should the following factors play in determining compensation for non-partner professional staff? (1 = very important; 2 = somewhat important; 3 = somewhat unimportant; 4 = very unimportant)

<i>Factor</i>	<i>Rating</i>
• Technical competence and quality of work	_____
• Chargeable and collectible time	_____
• Client base managed	_____
• New clients	_____
• Engagement management	_____
• Increased services to existing clients	_____
• Invested capital	_____
• Years with firm	_____
• Cost consciousness	_____
• Marketing ability	_____
• Relationships with referral sources	_____
• Interpersonal skills with clients	_____
• Interpersonal skills with staff	_____
• Firm management and administration	_____
• Supervisory skills	_____
• Personnel administration	_____
• Recruitment efforts	_____
• Training and mentoring responsibilities	_____
• Community visibility	_____
• Professional activities, i.e., teaching positions, speeches, publications, service on AICPA and state CPA society committees	_____
• Other (please specify):	_____
_____	_____
_____	_____

16. a. Should we make any changes to our compensation and benefits package for administrative staff members?

Yes

No

b. If yes, please describe.

17. a. Should we make any changes to our compensation and benefits package for professional staff members (nonmanager and nonpartner)?

Yes

No

b. If yes, please describe.

18. a. Should we make any changes to our compensation and benefits package for managers?

Yes

No

b. If yes, please describe.

Partner Compensation and Benefits

1. a. Are partners with similar levels of responsibility and ability equitably compensated?

Yes

No

- b. If no, please explain.

2. How does our firm's partner compensation and benefits package compare with those of similar firms in the community?

Our package is more competitive.

Our package is less competitive.

Our package is comparable.

I don't know.

3. How can the firm ensure that its partner compensation package is competitive with other firms?

4. How often should partner salaries be reviewed?

- 6 months
- Annually
- 18 months
- Other (please specify):

5. What should be the three major criteria for determining partner salary increases?

- a. _____
- b. _____
- c. _____

6. a. Overall, how satisfied are you with your compensation and benefits package?

- Very satisfied
- Somewhat satisfied
- Somewhat dissatisfied
- Very dissatisfied

b. Describe your chief complaint, if any.

7. How important are the following benefits to you? (1 = very important; 2 = somewhat important; 3 = somewhat unimportant; 4 = very unimportant)

<i>Benefit</i>	<i>Rating</i>
• Group insurance	
Life	_____
Disability	_____
Accidental death and dismemberment	_____
Hospital	_____
Surgical and major medical	_____

Travel and accident	_____
Long-term income continuation	_____
Key person	_____
• Paid vacation and holidays	_____
• Automobile allowances	_____
• Parking	_____
• Sabbaticals	_____
• 401(k) plans	_____
• Pension and retirement plans	_____
• Cellular telephone	_____
• Professional dues	_____
• Fees and expenses to attend professional conferences and membership programs	_____
• Home or portable computers	_____
• Sick leave	_____
• Parental leave	_____
• Dependent-care services	_____
• Professional education	_____
• Tuition reimbursement	_____
• CPA exam and study-time leave	_____
• Wellness programs, e.g., health club memberships, weight control and smoking cessation classes, psychological counseling, and employee assistance programs (EAPs)	_____
• Other (please specify):	_____
_____	_____
_____	_____

8. a. Should we offer additional benefits to partners?

Yes

No

b. If yes, which benefits should we offer?

9. a. Should we make any changes to our partner compensation system?

Yes

No

b. If yes, please describe.

10. How important a role should the following factors play in determining compensation for partners? (1 = very important; 2 = somewhat important; 3 = somewhat unimportant; 4 = very unimportant)

<i>Factor</i>	<i>Rating</i>
• Equity ownership	_____
• Technical competence and quality of work	_____
• Chargeable and collectible time	_____
• Client base managed	_____
• New clients	_____
• Engagement management	_____
• Increased services to existing clients	_____
• Invested capital	_____
• Years with firm	_____
• Years as partner	_____
• Cost consciousness	_____
• Marketing ability	_____

- Relationships with referral sources _____
- Interpersonal skills with clients _____
- Interpersonal skills with staff _____
- Firm management and administration _____
- Supervisory skills _____
- Personnel administration _____
- Recruitment efforts _____
- Training and mentoring responsibilities _____
- Community visibility _____
- Professional activities, i.e. teaching positions, speeches, publications, service on AICPA and state CPA society committees _____
- Other (please specify): _____

11. Which method of profit allocation do you prefer?

- Formula: based on factors such as realization percentage, chargeable hours, return on equity, and practice development
- Determination by committee of partners
- Straight percentage of profits
- Unit system
- "Slip of paper"

12. a. How satisfied are you with the firm's bonus policy, in terms of amount distributed or reason for payment?

- Very satisfied
- Somewhat satisfied
- Somewhat dissatisfied
- Very dissatisfied

b. If you are not *very satisfied*, how can we improve our bonus policy?

Personnel Policies

1. a. What is your opinion of the firm's employee handbook?

- b. What is your opinion of the manner in which it is reviewed, updated, and distributed?

2. Which of the following items are included or should be included in the employee handbook?

<i>Item</i>	<i>Included</i>		<i>Should Be Included</i>	
	<i>Yes</i>	<i>No</i>	<i>Yes</i>	<i>No</i>
• Statement of the firm's objectives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Organization chart	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Policy statements on:				
Workdays	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Office hours	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leaves of absence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Military service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Compensation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jury duty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Transfers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Outside employment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(Continued)

<i>Item</i>	<i>Included</i>		<i>Should Be Included</i>	
	<i>Yes</i>	<i>No</i>	<i>Yes</i>	<i>No</i>
Vacation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Family leave	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Travel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sick leave	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Automobile	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Holidays	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Smoking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Equal employment opportunity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sexual harassment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Participation in professional and community associations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Signature authority	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Library and the firm's publications	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fund collections	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Expense reimbursement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Telephone calls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Offers or gifts from clients	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Specific information on retirement plans, employee-related insurance, and other benefits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Statements on training and performance evaluation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Position on personal conduct and professional ethics, e.g., confidentiality and procedures to follow when discrepancies and defalcations are detected	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• General office procedures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Preparation, processing, and distribution of documents and correspondence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Procedures for assuming new business referred to a nonpartner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Other (please specify):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. a. Should partners employed by the firm sign a noncompete agreement?
- Yes
 No
- b. Should partners employed by the firm sign a client purchase agreement whereby the departing partner is required to pay the firm a predetermined sum (percentage of annual billings) for any clients taken?
- Yes
 No

4. a. Is the firm's noncompete or client purchase agreement fair and reasonable?
- Yes
 No
 The firm does not use a noncompete or client purchase agreement.

b. If no, what changes do you recommend?

5. Should managers and other nonpartner professional staff members sign noncompete or client purchase agreements?

	<i>Yes</i>	<i>No</i>
• Managers	<input type="checkbox"/>	<input type="checkbox"/>
• Other nonpartner professionals	<input type="checkbox"/>	<input type="checkbox"/>

6. For what length of time should noncompete agreements remain in effect for the following members of our firm?

	<i>One Year</i>	<i>Two Years</i>	<i>Over Two Years</i>
• Partners	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Other professionals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7. How much should departing partners or professional staff members pay the firm for clients taken under a client purchase agreement?

	<i>One Year's Fees</i>	<i>Two Year's Fees</i>	<i>Over Two Year's Fees</i>
• Partners	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Other professionals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. a. Are you aware of any legal action resulting from a CPA firm's enforcement of a noncompete or client purchase agreement?

- Yes
- No

b. If yes, please explain.

9. If the opportunity arose, would you recommend that the firm rehire former personnel?

- Yes
- No

10. What formal guidelines, if any, do you follow for interaction between staff members and clients?

11. a. What are the advantages and disadvantages of a flextime system?

	<i>Advantages</i>	<i>Disadvantages</i>
(1)	_____	_____
	_____	_____
(2)	_____	_____
	_____	_____
(3)	_____	_____
	_____	_____

b. Do you support offering flextime opportunities to staff?

- Yes
- No

12. a. When appropriate, should staff be offered the option of working from their homes?

- Yes
- No

b. If yes, please state why and identify which positions would be best suited for work-at-home staff.

c. If no, why not?

13. a. Are you satisfied with the firm's termination procedures?

Yes

No

b. If no, what changes do you recommend?

14. Have you ever terminated an employee?

Yes

No

15. a. If you have terminated an employee, did you encounter any problems?

Yes

No

b. If yes, state the problems, how they were overcome, and what you would have done differently.

c. If no, please describe how you conducted yourself during the meeting with the terminated employee.

16. a. Should the firm conduct exit interviews for departing employees?

Yes

No

b. If yes, who should conduct the interview and who should be present while the interview is being performed?

17. a. Are you aware of any positive changes in a firm that resulted directly from comments made by a departing employee during an exit interview?

Yes

No

b. If yes, please describe.

Internal Communications

1. How effective are the following communication opportunities? (1 = very effective; 2 = somewhat effective; 3 = somewhat ineffective; 4 = very ineffective)

<i>Opportunity</i>	<i>Rating</i>
• Monthly billing meetings	_____
• Firm retreats	_____
• Staff evaluation and counseling meetings	_____
• Partner evaluation meetings	_____
• Partner counseling meetings	_____
• Partner meetings	_____
• Staff meetings	_____
• Other (please specify):	_____
_____	_____
_____	_____

2. How frequently should partner meetings be held?

- Weekly
 - Biweekly
 - Monthly
 - As needed
 - Other (please specify):
- _____

3. Would you prefer partner meetings to be informal, breakfast-type meetings or formal, structured meetings?

- Informal
- Formal
- No opinion

4. Who should be responsible for planning the agenda for partner meetings?

5. Where would you prefer to hold partner meetings?

- Firm's conference room
- Outside meeting facility, e.g., a hotel or conference center

6. a. How productive are our partner meetings?

- Very productive
- Somewhat productive
- Somewhat unproductive
- Very unproductive

b. How can we improve the effectiveness of partner meetings?

7. a. Do we adequately discuss problems or projects that arise between partner meetings?

- Yes
- No

b. If no, how can we improve?

8. How long should partner meetings last?

- 1 hour
- 1½ hours
- 2 hours
- 2½ hours
- 3 hours
- Depends on matters to be discussed
- Other (please specify):

9. How important are the following topics for discussion at partner meetings? (1 = very important; 2 = somewhat important; 3 = somewhat unimportant; 4 = very unimportant)

<i>Topic</i>	<i>Rating</i>
• Scheduling	_____
• New clients	_____
• Lost accounts	_____
• Financial statements	_____
• Cash flow (including any problems collecting receivables)	_____
• Staff problems	_____
• Profitability of services rendered	_____
• Billed and unbilled receivables	_____
• Purchase of equipment	_____
• Marketing	_____
• Problem clients and engagements	_____
• New technical developments	_____
• Workload for next week/month	_____
• Other (please specify): _____	_____
_____	_____
_____	_____

10. a. What subjects, if any, discussed at partner meetings would best be discussed at another forum?

b. What alternative forum would you recommend?

<i>Subject</i>	<i>Forum</i>
<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>

11. a. In addition to regular partner meetings, should the firm also hold an annual partner meeting?

- Yes
- No

b. If we held an annual partner meeting, which of the following subjects should be discussed? (Check all that apply.)

- Identifying objectives for the next five years
- Expanding services to existing clients
- Developing new services
- Reviewing future capital needs
- Assessing staff needs
- Other (please specify):

12. How important are the following topics for discussion at firm retreats? (1 = very important; 2 = somewhat important; 3 = somewhat unimportant; 4 = very unimportant)

<i>Topic</i>	<i>Rating</i>
• Assessing the general health of the firm	_____
• Increasing productivity	_____
• Evaluating firm communications	_____
• Planning for leadership succession	_____
• Improving team work	_____
• Developing a long-term plan for firm growth	_____
• Increasing client service	_____
• Addressing specific problems, e.g., staff turnover, office loss, and administrative inconsistencies	_____

13. Who should be responsible for planning the agenda for firm retreats?

14. At what type of off-site location would you prefer to hold our firm retreat?

15. a. Do you believe our firm retreats achieve their goal?

- Yes
- No

b. If no, what changes would you recommend?

16. Who would you recommend to serve as the designated retreat leader?

- Managing partner
- Another member of the firm

Outside facilitator:

- Management consultant
- Family counselor
- Psychiatrist
- Psychologist
- Other (please specify):

17. a. Should nonpartners, i.e., key staff and recently hired professionals, participate in the retreat?

- Yes
- No

b. If yes, what nonpartners should participate?

18. a. Do our firm retreats offer the right blend of work-related and social or recreational programs?

- Yes
- No

b. If no, what do you recommend?

19. Is there sufficient follow-up after a firm retreat to ensure the retreat's objectives are achieved?

- Yes
- No

20. How can we improve the effectiveness of firm retreats?

21. How frequently should staff meetings be held?

- Weekly
- Bimonthly
- Monthly
- As the need arises
- Other (please specify):

22. Which staff members should attend staff meetings? (Check all that apply.)

- Administrative
- Paraprofessional
- Professional (nonpartner)
- Partners

23. How long should staff meetings last?

- 30 minutes
- 1 hour
- 1½ hours
- 2 hours
- Depends on issues to be discussed
- Other (please specify):

24. Who should be responsible for planning the agenda for staff meetings?

25. a. What are the three most important subjects that should be discussed at every staff meeting?

(1) _____

(2) _____

(3) _____

b. What subjects, if any, discussed at staff meetings would best be discussed at another forum?

c. What alternative forum would you recommend?

Subject

Forum

26. How can we improve the effectiveness of staff meetings?

27. a. Should the firm conduct a staff attitude survey?

Yes

No

b. If no, why not?

28. What are the five most important issues that should be addressed in a staff attitude survey?

- a. _____
- b. _____
- c. _____
- d. _____
- e. _____

29. a. Should the firm hold more, fewer, or the same number of meetings with staff?

- More
- Fewer
- The same number

b. If more, which kinds of meetings should we hold?

30. a. Should the firm hold more, fewer, or the same number of social functions with staff?

- More
- Fewer
- The same number

b. If more, which kinds of functions should we hold?

31. a. Should the firm publish its own newsletter?

- Yes
- No

b. If yes, how frequently should the newsletter be published?

- Monthly
- Quarterly
- Semiannually
- Annually
- As events happen
- Other (please specify):

32. a. *For firms currently publishing a newsletter:* Are you generally satisfied with our firm's newsletter?

- Yes
- No

b. If no, what change(s) would you recommend?

33. Would the firm benefit from having formal staff training in verbal and written communications skills?

- Yes
- No

34. How effectively would each of the following improve communications among staff members? (1 = very effectively; 2 = somewhat effectively; 3 = somewhat ineffectively; 4 = very ineffectively)

<i>Method</i>	<i>Rating</i>
<input type="checkbox"/> New employee orientation sessions	_____
<input type="checkbox"/> Manager meetings	_____
<input type="checkbox"/> Office (in a multioffice practice) or departmental staff meetings	_____
<input type="checkbox"/> Social or athletic functions	_____
<input type="checkbox"/> Other (please specify):	_____
_____	_____
_____	_____

Human Resource Problems

1. Do staff members know to whom they should report human resource problems?

- Yes
- No

2. a. Are you satisfied with the firm's procedures for resolving human-resource-related complaints from staff and clients?

<i>Group</i>	<i>Yes</i>	<i>No</i>
• Staff	<input type="checkbox"/>	<input type="checkbox"/>
• Clients	<input type="checkbox"/>	<input type="checkbox"/>

b. If no, how can our procedures be improved?

- *Staff*

- *Clients*

3. a. Have you ever worked with someone, either at our or another firm, who had a substance abuse problem?

- Yes
- No

b. If yes, where was it?

- Our firm
- Another firm

c. If you answered *yes* to 3a, what type of problem was it, how was the problem overcome, and was the employee able to return to the firm?

4. a. Are you aware of any employee at our firm who has an untreated substance abuse problem?

- Yes
- No

b. If yes, how would you recommend the firm address the problem?

5. Do you believe the firm can properly address a staff member's substance abuse?

- Yes
- No

6. a. Should the firm establish an employee assistance program (EAP) to help staff address emotional problems, substance abuse, and family, legal, or financial problems?

- Yes
- No

b. If no, why not?

7. a. How effective is our firm's sexual harassment policy in preventing and resolving sexual harassment claims?

- Very effective
- Somewhat effective
- Somewhat ineffective
- Very ineffective
- I am not aware of the firm's sexual harassment policy

b. What changes, if any, would you make to our sexual harassment policy?

8. a. Have you ever worked with someone who was involved in a sexual harassment claim?

- Yes
- No

b. If yes, where did the claim occur?

- Our firm
- Another firm

c. If you answered *yes* to 8a, how was the claim resolved?

9. a. Are you satisfied with our efforts to combat stress in the workplace?

- Yes
- No

b. If no, how can we make our efforts more successful?

PART IV
Partnerships

Partner Selection

1. For what primary reason should a firm admit a new partner?

2. a. How effective are the firm's efforts in selecting partners from members of the following groups? (1 = very effective; 2 = somewhat effective; 3 = somewhat ineffective; 4 = very ineffective)

<i>Group</i>	<i>Rating</i>
• Females	_____
• Minorities	_____
• People with disabilities	_____

- b. How can the firm improve its efforts, if at all?

3. a. To what extent would your decision to make a staff member a partner be influenced by the fact that he or she may leave the firm if not admitted to partnership?

- Great
 Moderate
 Minor
 Not at all

b. To what extent would your decision be influenced if he or she controlled a client base that would leave the firm upon that staff member's departure?

- Great
- Moderate
- Minor
- Not at all

4. a. Are sufficient numbers of partners selected from staff?

- Yes
- No

b. If no, what would you recommend?

5. a. Is the firm's program of advancement effectively communicated to staff?

- Yes
- No

b. If no, how can we improve it?

6. a. Would you agree with the firm's decision to go outside the firm to obtain a partner?

- Yes
- No
- Depends on circumstances

b. If you answered *depends on circumstances*, describe the circumstances.

7. a. Are there differences between partners selected from staff and partners selected from outside the firm?

- Yes
- No

b. If yes, please explain any differences?

8. Rate the following attributes, comparing how they are valued by the firm and how they should be valued by the firm when selecting a partner. (1 = low; 2 = medium; 3 = high)

<i>Attribute</i>	<i>Does Value</i>	<i>Should Value</i>
• Leadership	_____	_____
• Technical competence	_____	_____
• Ability to contribute to firm growth	_____	_____
• Human relations skills	_____	_____
• Entrepreneurial skills	_____	_____
• Knowledge of a specialty	_____	_____
• Supervisory skills	_____	_____
• Executive presence	_____	_____
• Contacts with members of the business, legal, and banking communities	_____	_____
• Social contacts	_____	_____
• Marketing ability	_____	_____
• Other (please specify):		
_____	_____	_____
_____	_____	_____

9. What one attribute would most likely thwart a person's chances of becoming a partner?

10. a. Does the firm sufficiently discuss all aspects of partner potential with professional staff during their performance evaluation?

Yes

No

b. If no, what aspects are we leaving out?

11. a. What should the firm recommend to a staff member who can never become a partner?

Remain at the firm

Seek placement with a client

Other (please specify):

b. If you recommend remaining at the firm, how can we motivate him or her?

12. How can the firm improve its partner-in-training program?

13. a. Does the firm provide effective supervision for new partners?

- Yes
- No

b. If no, what change do you recommend?

14. How would you describe partners' relations with staff?

- Partners are formal and unapproachable.
- Partners are formal but approachable and interact well with staff.
- Partner-staff relations are informal and close.

15. a. Do partner-staff relations need improvement?

- Yes
- No

b. If yes, please explain.

Partner Admission

1. a. Should all partners consent to the admission of additional partners?
 Yes
 No
- b. If no, what percentage of partners should consent?
____%

2. a. Do you support the immediate payment of capital to new partners upon admission to the partnership?
 Yes
 No
- b. If yes, should partners be allowed to borrow from banks, with the firm guaranteeing the amount of the loan?
 Yes
 No
- c. If you answered *no* to 2a, should the firm charge interest on capital deficiencies?
 Yes
 No

3. a. Should the firm recognize equity and income partners?
 Yes
 No
- b. If yes, should capital contributions be required of income partners?
 Yes
 No

4. a. Are we clearly communicating the following items to new partners?

<i>Item</i>	<i>Yes</i>	<i>No</i>
• Duties	<input type="checkbox"/>	<input type="checkbox"/>
• Responsibilities	<input type="checkbox"/>	<input type="checkbox"/>
• Authority	<input type="checkbox"/>	<input type="checkbox"/>
• Privileges	<input type="checkbox"/>	<input type="checkbox"/>

b. If you answered *no* to any item, what recommendations do you have?

5. a. Should the firm admit a non-CPA partner?

- Yes
- No
- Depends on circumstances

b. If you answered *depends on circumstances*, please explain.

c. For what position would a non-CPA partner be best suited?

Partner Separation and Dissolution of the Firm

1. a. Are you satisfied with the firm's retirement policy?

Yes

No

b. If no, why not?

2. a. Should the firm provide mandatory retirement?

Yes

No

b. Why or why not?

3. Under what circumstances would you be likely to retire early?

4. Should the firm adopt a step-down retirement program whereby the retired partner is given an opportunity to ease out of a full-time work schedule by gradually decreasing time at the office and with clients?

Yes

No

5. a. Should the firm continue benefits to retired partners?

Yes

No

b. If yes, which benefits should be continued?

Life insurance

Major medical

Use of office

Other (please specify):

6. a. Do you support funding the firm's retirement obligations?

Yes

No

b. If yes, what methods do you support?

7. In the case of retiring partners, on which of the following should goodwill calculations be based?

- Gross fees
- Earnings
- Percentage of receivables on an average of a certain number of years
- Other (please specify):

8. a. Would you recommend changes to the amount and manner of payments made to retired partners?

- Yes
- No

b. If yes, what do you recommend?

9. a. Should retired partners continue to provide part-time, consulting, or marketing services to the firm?

- Yes
- No
- Depends on circumstances

b. If you answered *depends on circumstances*, please explain.

10. Would you recommend any changes in the treatment of the following issues as they pertain to partner disability?

<i>Issue</i>	<i>Recommendation</i>
• Definition of what constitutes disability	_____
• Amount of benefit and frequency of payments	_____
• Period during which benefits are paid	_____
• Person(s) who determines what constitutes a disability	_____
• Person(s) who determines the the extent of benefit	_____
• Period of time the firm carries a temporarily disabled partner	_____
• Other (please specify):	_____
_____	_____
_____	_____
_____	_____
_____	_____

11. a. Are you aware of the firm's treatment of a disabled partner?

- Yes
- No

b. If yes, have you been satisfied with how the firm addresses the disability of a partner?

- Yes
- No

c. If you answered *no* to 10b, what could the firm have done differently?

12. a. Should we change the firm's policy on payments made to a deceased partner's estate?

- Yes
 No

b. If yes, what changes do you propose?

13. What has been your most successful approach to expelling a partner?

14. a. Have you ever encountered any problem(s) when expelling a partner?

- Yes
 No

b. If yes, how were any problems overcome?

	<i>Problem</i>	<i>Solution</i>
(1)	<hr/>	<hr/> <hr/>
(2)	<hr/>	<hr/> <hr/>
(3)	<hr/>	<hr/> <hr/>

15. a. Should the name of the firm be changed if the name is affected by the death or separation of a partner?

Yes

No

b. Please explain.

16. a. Has the firm been successful in transferring the responsibilities of a departing partner?

Yes

No

b. If no, how has the firm been unsuccessful?

17. a. Would the departure of a current partner jeopardize the firm's ability to continue?

Yes

No

b. If yes, please identify the partner, explain why his or her departure would threaten the continuation of the firm, and describe what the firm can do to remedy this situation.

18. What level of turnover do you find acceptable for partners?

APPENDIX

Publications and Programs of the Management of an Accounting Practice Committee

Publications

To order AICPA MAP Committee publications, call the AICPA Order Department at (800) 862-4272 or (201) 938-3000 (outside the United States).

MAP Handbook, a comprehensive 1,000-page, three-volume, loose-leaf reference service on practice management, is updated annually. It includes more than 200 forms, sample letters, checklists, and worksheets, all easy to reproduce or adapt for your practice needs. It provides detailed financial data and policy information, for firms of various sizes, that enable you to compare your performance with that of comparable firms. Topics covered include developing an accounting practice, administration, personnel, partnerships, and management data. Product no. 090407.

MAP Selected Readings, a companion book to the *MAP Handbook*, is a reader's digest of over 500 pages of articles on successful practice management, specially compiled from leading professional journals. The articles contain numerous profit-making ideas for your practice. A new edition is published annually. Product no. 090406.

On Your Own! How to Start Your Own CPA Firm provides nuts-and-bolts advice on how to start a CPA firm. It contains a wealth of hands-on information on operating profitability and is useful to both new and established firms as well as to prospective firm owners. Product no. 012641.

Organizational Documents: A Guide for Partnerships and Professional Corporations is a guide to drafting a partnership agreement and corporate documents. The book includes a sample partnership agreement with more than 100 provisions and a step-by-step approach to incorporating. Paperbound (product no. 012640); WordPerfect 4.2 disk (product no. 090091); paperbound and WordPerfect 4.2 disk set (product no. 090096).

Management Series booklets cover the issues you and your clients are dealing with now. Designed to help solve management problems, the series includes *Management of Working Capital* (product no. 090060), *Financing Your Business* (product no. 090061), *Making the Most of Marketing* (product no. 090063), *Managing Business Risk* (product no. 090062), *International Business* (product no. 090064), and *Human Resources* (product no. 090065).

Practice Continuation Agreements: A Practice Survival Kit explains how you can preserve the value of your practice in the event of death or disability. A practice continuation agreement can prevent the value of your practice from dissipating, provide financial and emotional benefits to your family, and help fulfill your professional responsibility to your clients. Product no. 090210.

Managing the Malpractice Maze offers specific techniques for lowering your risk of liability. It identifies criteria for evaluating a firm's existing defensive practice program and shows how to develop such a system if one is not in place. The book also features a ten-step plan to follow when

a claim is brought and discusses such vital management issues as practicing without insurance, documenting engagements, selecting an attorney, and implementing a quality control system. Product no. 090380.

Winning Proposals: A Step-by-Step Guide to the Proposal Process takes you through every step of the proposal process from its preliminary steps to conducting a postmortem following the prospective client's decision. Detailed chapters explain how and where to conduct research, what to look for during on-site visits, how to map out a strategy that distinguishes your firm from competitors, what is the appropriate composition of the proposed document, and how to ensure your sales presentations work. Product no. 090390.

Managing by the Numbers: Monitoring Your Firm's Profitability assists you in your efforts to improve your firm's long-term financial performance. It helps you identify immediate opportunities within your firm and provides you with a dynamic tool to manage your practice better on a regular basis. The book instructs you step-by-step how to examine the numbers behind the numbers and uncover situations that may not be obvious in conventional financial statements. Product no. 090220.

Seasonality: Practitioners' Suggestions for Managing Work Load Compression is a summary of creative approaches to dealing with this professionwide problem. The suggestions come from the responses of over 100 managing partners to a MAP Committee survey on seasonality, as well as tips gleaned from AICPA MAP conferences and professional publications. *Seasonality* is an impressive compilation of initiatives used by firms to increase profits and improve quality of life for owners and staff. Product no. 090400.

Strategic Planning: A Step-by-Step Guide to Building a Successful Practice provides a detailed approach to the design and implementation of a strategic plan. The process can be applied by both small and large firms. It will produce not only action plans and a documented strategic plan, but also create the synergy, focus, and commitment that enables firms to maximize opportunities for growth and profits. Product no. 090402.

WordPerfect® in One Hour for Accountants is a crash course in the most popular word processing and document storage software package used by accountants. It is designed for the busy practitioner who wants to get up to speed in WordPerfect basics without slogging through a complicated user manual. In four easy lessons, you will learn the basic steps for getting a simple job done using WordPerfect. The four lessons average about 15 minutes each. That's your WordPerfect in one hour! Product no. 090085.

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The Marketing Advantage is your one-step reference on how to market a CPA firm. This book contains comprehensive, practical advice for CPAs and marketing professionals from CPAs and marketing professionals. Over two dozen managing partners, marketing directors, and consultants contributed to the book. Product no. 090404.

Advisory Comments for Growth and Profitability: A Guide for Accountants and Consultants shows you how to identify client problems; develop client-specific recommendations; determine and overcome political obstacles that may cause a client to reject helpful recommendations; prepare an effective management advisory letter that includes clear, concise and readable advisory comments; and followup on cross-selling opportunities. Product no. 090408.

The *MAP Roundtable Discussion Manual* contains guidelines for organizing a MAP roundtable discussion group. Such a group can help firms find practical solutions to common problems through regular meetings and information exchange. The guidelines include sample correspondence, forms for administering a roundtable, and nearly forty suggested discussion outlines on topical management issues. To order call (212) 596-6138.

Programs

Executive Education Program, developed with the University of Texas at Austin, offers partners and managers of CPA firms affordable instruction and executive-level management theories and techniques. The program consists of six two-and-a-half-day modules, with two modules presented each year.

MAP Large Firm Network Groups meet periodically throughout the year for in-depth MAP discussions and to exchange information on firm operations and professional issues. The groups are based on firm size with no more than 30 firms per group.

For further information on these programs, call (212) 596-6138.

The Practitioners' Symposium offers high-quality continuing professional education to practitioners on topics such as small firm management, larger local and regional firm management, technology, accounting and auditing, tax, advisory services, specialized knowledge, and personal and professional development. Call (800) CPA-FIRM (272-3476) for more information.

Notes

Notes

About the Author

Mark Murray is a writer for the AICPA Practice Management Division. The author of *Organizational Documents: A Guide for Partnerships and Professional Corporations*, *Managing the Malpractice Maze*, and *International Business*, and the editor of the AICPA *Management of an Accounting Practice Handbook*, his work also has appeared in such publications as *Inc.*, the *Journal of Accountancy*, the *Journal of Commerce*, *Money*, the *National Law Journal*, *Nation's Business*, and the *Practical Lawyer*. Mr. Murray's books have also been featured in Canadian and British publications, including *CA Magazine* and *Accountancy Age*. Prior to joining the AICPA staff, he practiced law and managed an insurance company's professional liability program.

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