CPAs: First among financial professionals

Overall Evaluation of Professionals Among Business Decision Makers

Source: Applied Research & Consulting LLC 2015

Physicians: 2% positive, 62% negative
Certified Public Accountants (CPAs): 2% positive, 58% negative
Chief Financial Officers (CFOs): 6% positive, 46% negative
Chief Executive Officers (CEOs): 8% positive, 44% negative
Tax advisers: 5% positive, 42% negative
Financial planners: 9% positive, 33% negative
Accountants who are not CPAs: 9% positive, 31% negative
Auditors: 11% positive, 31% negative
Attorneys: 19% positive, 28% negative
Management consultants: 14% positive, 26% negative
Insurance agents: 15% positive, 24% negative
Commercial bankers: 14% positive, 24% negative
Investment bankers: 17% positive, 23% negative
Mortgage brokers: 16% positive, 19% negative
Stock brokers: 19% positive, 17% negative
Hedge fund managers: 32% positive, 14% negative

Strong, stable standing
CPAs: Confidence-inspiring and rigorous

84% of BDMs agree
I would be more confident in a job done by a CPA than if it were done by an accountant who is not a CPA

79% of investors agree
I would be more confident in a job done by a CPA than if it were done by an accountant who is not a CPA

Source: Applied Research & Consulting LLC 2015
Firm Issues
What keeps firms up at night?

- Achieving steady growth: Highly successful partners; complacency can lead to irrelevancy
- Adapting to technologies: Disruptions to way of practice
- Changing business model: Growth in advisory exceeds tax and audit; talent expectations
<table>
<thead>
<tr>
<th>Key factors for success</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Structure, strategy, business model</td>
<td>Staff development and culture</td>
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**Firm inMotion e-Toolkit:**
aicpa.org/pcps/inmotion
Culture

Adaptation

- Be Flexible
- Commit to a Dynamic Culture
- Focus on Value & Quality
- Challenge Your Firm Model
- Embrace Innovation + Change

CPA Horizons 2025
<table>
<thead>
<tr>
<th>Challenge the Firm Model</th>
<th>Be Flexible</th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ Identify areas of a firm’s strategy and structure that needs modernized</td>
<td>➢ Retain top talent</td>
</tr>
<tr>
<td>➢ One firm model vs. individual books of business</td>
<td>➢ Strengthen employee engagement through involvement</td>
</tr>
<tr>
<td>➢ Run the firm like a business</td>
<td>➢ Embrace virtual work arrangements</td>
</tr>
<tr>
<td></td>
<td>➢ Get buy-in at all levels</td>
</tr>
</tbody>
</table>
Commit to a Dynamic Workplace Culture

- Empower decision making at all levels
- Promote transparency for effective succession and engaged team members
- Showcase the entrepreneurial side

Focus on Value

- Results vs. time
- Articulate your expertise
- Attract talent
Embrace Innovation + Change

- Learn to solicit and entertain new ideas
- Ask top talent to contribute to the firm’s direction – they will stay
- Understand the aspirations of the next generation of leaders
Talent

Integration

Education

Collaboration

Rethink Your Firm’s Career Track

Develop an Inclusive Culture

Embrace Generational Differences

Embrace Training + Coaching

Recruit with Intention
Rethink the Firm’s Career Track

- Consider whether ‘one size fits all’ for career development
- Focus on strengths and interests of individuals
- Create new, innovative roles that advance the firm
- Consider lattice vs. ladder route to leadership
Develop an Inclusive Culture

- Realize the competitive advantages

- Remain relevant into the future

- Consider if you can survive long term if you do not.
Maximize talent through inclusion

**Are You Present and Accounted For?**

You are the future of the accounting profession — the best and the brightest. That's why we've partnered with NASA to help you:
- **Success in a career that's in high demand.**
- Gain a highly respected profession.
- Tell your career and show you to limitless opportunities.

Become a CPA and shape the future of the profession. Dynamic accounting career areas include:
- Forensics.
- Business and management consulting.
- Information management and technology assurance.
- And much more. Visit aicpa.org/diversity.

**Drive awareness**

**Emphasize inclusion**

“Present and Accounted For”

**Maturity model**

**Recruitment & retention toolkit**

aicpa.org/diversity
Hiring and talent management policies need to adapt

Source: Bureau of Labor Statistics (BLS)
Advancing women

Career advocacy
Role Models
Career/life integration
Professional mentors

aicpa.org/mentoring
Embrace Generational Differences

- Unite generational differences by leveraging the unique talents that each has to offer

- Strengthen client service
Developing and mentoring a new workforce

Source: BLS
Recruit with Intention

- Explore new strategies
- Match talent with firm needs and overall strategy
Embrace Training + Coaching

- Equip rising talent with business acumen and leadership skills training

- Coach for strong succession candidates

- Begin accountability early
Developing and Promoting CPAs
Building CPA pipeline

Continuous engagement & supportive environments:

- State society pilot
- High school honors course
- Academic in residence
- Campus champion program
1 in 3 accounting graduates become CPAs

Sources: NASBA, Bureau of Labor Statistics, Department of Education, AICPA

Accountants and Auditors in the US: 1,200K

Other Accounting Professionals: ~650K

CPAs: ~550K

Accounting program graduates

82K per year

- Don’t sit for exam: 42K
- Don’t pass exam: 14K
- Pass exam: 26K

Foreign nationals that return home

2014 data
The power of environment

The strongest forces determining whether candidates move forward through the pipeline toward CPA licensure are:

- Accounting majors
- College environments and experiences
- Plan to pursue CPA
- Workplace environment and culture
- Sit for CPA exam

Source: AICPA Study performed by Applied Research & Consulting, LLC
CPA exam and today’s practice

- Increased assessment of higher-order cognitive skills
- Audit – evaluation level
- Stakeholder education
Developing competencies

LEARNING NEVER STOPS

Learn when, where and how you want. Select a topic to start.

Management accounting

Assurance

Employee benefit plan auditing

Fair value measurement

Financial accounting & reporting

Governmental auditing

IT management & assurance

Non-for-profit

Learning content is organized around competency frameworks that focus on technical, business, people and leadership skills. All are underpinned by the need for ethics, integrity and professionalism.

competency.aicpa.org
Human Capital – Future of the Profession

Fort Worth Chapter of CPAs
Member CPE Day
June 16, 2016

Mark Koziel, CPA, CGMA
AICPA Vice-President – Firm Services & Global Alliances