



THE TALENT

PLAYBOOK

*How to recruit, train & retain
a world-class team in your
accounting firm*

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Your playbook

The talent challenge

Karbon's [2017 talent survey](#) uncovered some specific aspects of managing talent that cause angst within accounting firms—from recruiting, training and performance management, all the way to retention—including:

- Only 22% are confident their current recruiting process reaches and attracts the best talent.
- Just 18% are confident they are identifying the best candidates that apply.
- 87% believe that being an accountant today requires very different skills than what were required 5 years ago.
- Only 12% believe that universities and colleges are preparing the next generation of accountants adequately.

In a nutshell, managing staff today is very different than it was 10 years ago, in terms of what is expected, what is required, and how it is done.

But managing staff is something you must excel at. A bad hiring decision can cost your firm [more than 30%](#) of that individual's first year salary.

Your firm needs to make some changes to bring your management of talent in line with the other changes that have occurred in accounting. Enter, your talent playbook.

We spoke with members of the industry who have changed the way they manage staff. These progressive firms have shared how they diagnosed their practice's challenges, the steps they took to remedy them, and what they learned along the way.

How to use this playbook

This playbook outlines the steps, strategies and processes a firm that wants to excel at attracting, recruiting and managing staff should be following. These are broken into the core stages of the talent management lifecycle:

- your internal essentials
- recruiting
- development
- performance management

While you can read this all in one sitting, it should also be a resource you bookmark, save, or print. These actions and changes require ongoing effort, so refer back to it constantly, leave no stone unturned, and be sure to address and improve every aspect of your firm's talent lifecycle.

Staff management is full of obstacles, but overcoming these is the key to running a successful accounting firm. You cannot afford not to give this the attention it needs. This playbook should help you navigate the challenges that your practice is facing, lean on your peers, see what has worked for them and what has not, and put together—and implement—a suitable action plan. With these steps, you will be able to put together a world-class team.

Step 1.
Be a destination workplace

Be a destination workplace

Before you hire

Why would anyone want to work at your accounting firm? Why would any of your existing staff members want to stay? Before you can think about recruiting, your practice needs to become a workplace that presents obvious answers to both of these questions.

If you can evaluate what benefits you currently provide employees, make some small changes to strengthen this value, and ensure that this is made clear to those inside and outside of your firm, your accounting practice will quickly become a place where the very best talent wants to work at—a destination workplace.

Not only will this make your recruiting process so much easier, but your best existing talent will not want to leave, solving another pain point within the talent lifecycle—increasing retention.

“You might expect that employers in the accounting industry care most about timesheets and employees care most about money. While those factors are present, the modern relationship between the parties is much more dynamic.”

— Alisdair Barr, Grad Mentor

Your employer brand

Your accounting firm’s employer brand is the identity you create to attract prospective talent. This is how others in the accounting industry see and form an opinion of you.

Your brand encompasses what you stand for, your why, your values, your culture, and your personality.

“When we speak to potential new employees, the most common complaint is that they don’t feel a connection to the firm or the people they work with. We really try to promote a culture of transparency that allows people to feel that connection and play an important role in the growth of the company.”

— Chad Davis, LiveCA



SIX WAYS TO IMPROVE YOUR EMPLOYER BRAND

1. List your perks

Beyond salary, what comes with being a staff member of your firm? Training & development opportunities? Social activities? A day off on your birthday? A modern office? Flexible working hours? Whatever your current staff love, list these on a “What it’s like to work with us” page of your website.

Example: The LiveCA team are spread across Canada, but hold regular retreats to get the whole team together. They showcase videos of these retreats on the [‘Come work for us’](#) section of their website.

What are the top benefits and perks your firm provides that your current team love?

2. Show off your team

Lift the curtain and share what your current team is like. Publish employee photos and profiles, bring your team along to conferences and trade shows, or post images on your social media channels.

Example: Growthwise share lots of ‘behind the scenes’ videos on social media, and get a different team member to [take the reigns on the Growthwise Snapchat each Friday](#).

List one new initiative that will help to show off your team. Make a plan to put it into action.

3. Monitor public presence

Keep a finger on the pulse of what people are saying about your practice in the public sphere. Respond to online reviews from clients, and encourage staff to review you on employer rating websites.

Example: [Glassdoor.com](#) is a website where employees anonymously review companies and their management. Many accounting firms from around the world are listed, why not list yours?

Search for your practice online. What are people saying about you? What can you do to make this more positive?



Worksheet (continued)

4. Write content

Written content gives your firm the chance to demonstrate who you are and what you stand for. Even if you are writing a blog aimed at clients or prospects, prospective employees will still read it. Use this opportunity to share your voice and personality.

Example: Two Roads [regularly update their blog](#) with useful articles for their clients. They write in a jargon-free and conversational tone that brings across their relaxed and young personality.

List ideas for three new blog articles to write. Commit to a date to draft and publish each one.

5. Be where your ideal employees are

An effective client acquisition strategy is to be active wherever your ideal clients are—whether it is social media, trade shows or community events. The same applies to recruiting. Identify the interests of the talent you want, and target the events or places where they frequent. Or, go the extra mile and host a networking industry event of your own.

Example: [Grad Mentor](#) host speed networking events with high-performing accounting graduates and firms that are looking to recruit the best young talent.

Think about your ideal employee. What events do they attend? What do they read? What do they do in their spare time?

List some events you can get involved in that your ideal employee would attend. Or, what kind of event could you host yourself?

6. Contribute in the industry

Increase your firm's voice in the wider accounting community by contributing to industry publications, forums and events. Write a guest article, be a panelist on a thought leadership webinar, or comment on existing content like articles or blog posts.

Example: Jessica Daley from Xcelerate Business Solutions regularly [guests on webinars](#) and [contributes articles and videos](#) for different publications. Along with highlighting her own personality, she often shares anecdotes about her team and what it is like to work at her firm, which helps to attract talent that is the right fit for Xcelerate.

What industry publications and websites do you enjoy? On one, comment on one of their articles. For another, email them asking if they would be interested in a guest article from you.

Your firm's culture

Culture is not just a word for your team's happiness, or whether you have a 'cool' office with a ping pong table and beer-stocked fridge. Your culture considers why your firm exists—the sum of your shared values, beliefs, objectives and priorities. The things that that guide every aspect of your firm's activities, team behavior and executive decision-making.

“Understanding why you're doing what you're doing centers the entire firm and gives them a purpose for where they need to go.”

— Carla Caldwell, Caldwell Training & Consulting

Defining your culture is a critical component of your talent management plan. Not only will it align your team on these core values, but it will be a critical tool in your recruiting decision process because cultural fit must be a consideration with every new hire.

With every new employee you hire, your firm's culture evolves slightly, so it needs to be revisited as you grow. To assist with this, take the time to [define and capture your culture](#) on paper.

DEFINE YOUR FIRM'S VALUES

Workshop

*Duration: 60 – 90 mins
(depending on size of your team).*

Gather your team together with a bunch of post-it notes in varying colors, and enough pens for everyone.

1. Ask everyone to think about and write down adjectives that describe your firm, and adjectives that do not. Each adjective should be on its own post-it note. *10 mins.*
2. One by one, stick the adjectives that describe your firm in one area of your wall, and the adjectives that do not in another. *10 mins.*
3. Look for recurring themes, and place those that are similar together. Clusters of themes should emerge. *10 mins.*
4. From these clusters, decide on the 3-5 main values that kept coming up. For example, you might have adjectives around being 'charitable', 'community-minded', 'socially-aware', which all relate to the wider theme of 'striving to make the community we share a better place'. *15 mins.*
5. Translate each value into a positive or negative indicator. For example, if one value is innovative, a positive indicator would be "one new idea shared at every team meeting". *15 mins.*
6. Based on these indicators, find ways to recognize and reinforce your values each day. *30 mins.*

Your employer value proposition

Your employer value proposition (EVP) encompasses the offerings and benefits you provide to your employees. It helps define your brand, differentiates your workplace from other firms, and increases your ability to attract and retain the team you want.

“For your staff, it is not about the money. It is about the empowerment. It is about the type of work they get to do. It is about enjoying their days and delivering value.”

— Sharon McClafferty, Slipstream Coaching

To [define your own EVP](#), consider your employer brand, culture, and what your ideal members of staff are looking for in their employer. For each of the following employer/employee success drivers, think about what your current staff love most about working with your firm, and what you currently offer that is attractive to potential employees:

- Value alignment
- Flexibility
- Including all staff in the ‘big picture’
- Values of management
- Regular performance and feedback
- Career planning and growth opportunities
- Remuneration

Secondly, identify any changes you can make or new activities you can implement that will appeal to your employees.

The best relationships are those that enable mutually beneficial outcomes. Documenting, reinforcing and refining your EVP will help you achieve this.

What millennials want in an employer

Millennials are fast becoming the most represented generation in the workplace, so if you want to attract the best talent, you should consider what is important to this generation.

To help you develop an EVP that attracts the best young talent, look at what is important to younger staff for each employer/employee success driver, and consider what your firm currently offers, and any changes you can make.

Employer/employee success drivers	What is important to millennial employees
Value alignment	<ul style="list-style-type: none">• Ethical behavior• Social responsibility
Flexibility	<ul style="list-style-type: none">• Transport and travel considerations• Informal culture• Option to work remotely• Flexible working hours
Including all staff in the 'big picture'	<ul style="list-style-type: none">• Involvement in strategic decisions• Meaningful work• Contributing to the business
Values of management	<ul style="list-style-type: none">• Valuing all opinions• Open door policy• Active role in the industry
Regular performance and feedback	<ul style="list-style-type: none">• Formal and informal feedback• Ongoing performance improvement• Innovation
Career planning and growth opportunities	<ul style="list-style-type: none">• Clear map for the future• Formal education• Ongoing professional development• Regular training options
Remuneration	<ul style="list-style-type: none">• Formal education• Industry exposure and events• Remuneration movements• Equity

Based on research from Grad Mentor.

Step 2.
Redesign your recruiting strategy

Redesign your recruiting strategy

Defining the job role

A successful recruiting process begins with a spot-on job description.

The best way to define a role and the type of person that should fill it, is to break down the MOC: The mission, outcomes and competencies required for the position.

- **Mission:** What is the purpose of the role, why does it exist, and what will this person be required to do? (keep this straightforward and limit to 2-3 sentences)
- **Outcomes:** What specific results will the new hire be required to achieve within their first 12-18 months? (3-5 measurable outcomes)
- **Competencies:** What specific skills, behaviors and experiences will this new hire require? What are essential and what will be nice to have? (these should flow from the mission and outcomes)

You will find it useful to break down each of your chosen competencies and define some individual attributes that align with each one. This will be useful to measure against when you get to the interview and testing stage of your recruitment process.

With your MOC identified, you will have a much clearer idea of who you are looking for. When combined with the other specifics of the role (remuneration, direct manager, location etc.), you should be able to document the job description, and write the ad.

EXAMPLE MOC FOR AN ADMINISTRATOR (BY HPC CPA)

Mission:

Keep everyone in our accounting firm organized, perform day-to-day administrative duties such as answering phones and responding to client and prospect emails, and provide support on special projects.

Outcomes:

- Reduce email response time by 50%.
- Become a champion at all internal systems.
- Play a key role in reducing client onboarding time by 20%.

Competencies:

- Communication
- Multi-tasking
- Outstanding customer service

Breaking down competency #1 (communication):

- Able to explain complex information to clients effectively, both verbally and in writing.
- Effective listening skills.
- Open to other people's ideas and thoughts.

The perfect job ad and application process

Any job ad will get resumes, [but a great job ad](#) will attract quality applications from worthy candidates, cutting down on the time it takes to sort through candidates and ultimately, putting you one step closer to finding your firm's next member of staff.

With your perfect person in mind, write your job ad specifically for them. Don't just list the required competencies (in fact, these should be secondary), work to catch their attention, emphasize the benefits and your EVP, and make the reader excited about the prospect of working at your practice.

You should also inject the personality of your firm into your job ad. If you are a laidback workplace, make sure this comes across in the tone and language you use so that you appeal to those who will be a good culture fit.

“Our business has a strong brand and culture and it is super-important for us to make sure we find the right people to take us onwards and upwards. Our job ads give us fewer applicants (as people who do not fit are scared off), but those who do apply are generally great quality. No point in creating unrealistic expectations before they even start the job!”

— Andrew Van De Beek, Illumin8

For most accounting firms, attracting applications is not a challenge—attracting quality applications from candidates they want is the hard part. You will increase your chances of success if you aim for quality over quantity. Consider the ideal person you want, and design your process to help you identify them.

If you are searching for a detail-oriented person, ask them to identify an obscure, purposely-placed typo in your job ad. Or set an activity as part of the application process, such as asking for 200 words outlining how

USE MULTIPLE CHANNELS TO SOURCE TALENT

Don't simply post your ad on a job seeker website and hope for the best, be proactive. Here are some ideas that will help you find your perfect candidate, rather than leaving it all up to them.

- **Referrals:** reach out to your network (industry peers, current employees) and ask for recommendations.
- **Online:** search on LinkedIn if you have a very specific type of person in mind.
- **Recruiters:** worth exploring for senior roles, if you have many roles to fill quickly, or you are struggling on a specific key hire.
- **Colleges and universities:** if hiring graduate roles, form relationships with Colleges or Universities and ask for their high-performing students they believe will be a good fit for your firm.
- **Industry sources:** services like [AccountingFly](#) will help you find recent college graduates. Regional and national accounting societies often have job boards.

a tricky scenario with a client will be handled. If you need someone who will be comfortable communicating with clients, or simply want to make the application process more involved so that only those who really want the job apply, ask for a 5-minute video message with each application.

These steps can help you to identify the good from the bad (allowing you to instantly disregard any who do not meet your requirements), and will also reduce your number of ordinary candidates.

Running an interview

The interview is your chance to learn more about your top candidates' skills and experience and to find out whether they have the right personality and attitude that will make them a good fit for the role.

The role you are interviewing for requires unique, carefully chosen questions to assess the competencies and attributes that are specifically needed for that role. You must also include questions that will assess cultural fit.

“We ask for applications via video. Now it’s only go-getters who apply, who want the job badly. We’ve gone from getting 300, mostly ordinary applications, to less than 10 high-quality candidates.”

— Kimberley Middlemis, Adrians CA

HAVE A HIRING COMMITTEE

For each new role, it is a good idea to form a hiring committee comprising multiple senior staff members who will be impacted by the new hire. A range of opinions is important, and this ensures the final hiring decision does not fall on one person alone.

This committee should be involved throughout the entire process, and multiple members should sit on each interview. If possible, the same people should interview every candidate applying for the one role.

Throughout the interview, allow your candidate to open up. If you do not get the detail you need in a particular response, ask follow-up questions and push for specifics. Pay attention to their body language and communication style, and constantly assess whether they have done their research, whether they really want to work with you, and if they have the necessary skills and attitude. Get them to prove that they can do what they said they could do in their initial application.

JOB INTERVIEW QUESTIONS TO HELP ASSESS DIFFERENT COMPETENCIES

1. **Teamwork:** “If a client emails you asking for something that is outside of your skill level, how would you handle it?”
2. **Technology skills:** “What accounting software, systems or apps have you used in the past?”
3. **Technical skills:** “What accounting reports are you comfortable preparing, comparing and analyzing?”
4. **Client focus:** “Give me an example of the last time you provided an amazing client experience.”
5. **Self-awareness:** “How would your last boss or co-worker describe your your weaknesses?”
6. **Ownership:** “Tell me about a time you have been very unlucky or experienced an injustice.”
7. **Initiative:** “How do you stay up-to-date with the latest accounting industry trends?”
8. **Motivation:** “What made you decide to become an accountant?”

[Find 22 more questions](#) you can ask in an interview to help you identify your firm's best candidate.

Making your decision with confidence

A second interview is recommended for those high-value candidates. If a candidate makes it through to this stage, it is likely they have the skills, knowledge and experience required for the role, so this interview should be used primarily to assess whether they are a good cultural fit for your team. It is a good idea to include other members from your team who will be working directly with the new hire, to gauge their opinion.

“We are more like a family than an actual team, so that means everyone needs to ensure a new addition will fit in. We find that having a relaxed and informal chat with everyone gives us a much better understanding of the person we are potentially hiring.”

— Steph Hinds, Growthwise

You must also take the time to do thorough reference checks. You should use this time to validate your interview findings and fill in any gaps. Dig deeper and ask questions that will tell you whether the candidate is being honest, can do exactly what they say they can do, and have the personality and attitude to be a good addition to your practice. Where possible, utilize your own contacts and attempt to find your own references for a candidate. Finally, further testing can be another way to really assess the skills and technical know-how of a candidate. Many progressive firms develop their own tests to assess a candidate’s skill-set before they make their final decision.

Throughout this process—from initial application to your final activities before a decision is made—look for, and assess, the same competencies, attributes and cultural fit. Score the candidate on a 1-4 scale (avoiding neutral scores), rating how these outlined areas are met, and tally these to give an overall score for each candidate. This candidate scorecard will ensure everything is considered and you make your final decision with confidence.

“We’ve learned there’s no substitute for testing people using objective trial work days. We have developed a two-day course that every potential new hire goes through which tests professional judgement, technical skills, communication style and culture fit. Working together gives us an opportunity to feel stronger about the upcoming hiring decision.”

— Chad Davis, LiveCA



Worksheet

CANDIDATE SCORECARD

Candidate	James Murphey	Tina Jones	Sam Jackson
Application	3	3	4
Interview			
Leadership	3	1	3
Communication	4	3	1
Ownership	4	3	2
Attitude	4	3	2
Cultural fit	4	3	2
Comments	<i>Presents well. Excellent communicator. Would be a great fit.</i>	<i>Good all-rounder. No real sign of leadership potential.</i>	<i>Not a great interview. Attitude didn't match what is required for role.</i>
Technical skills test	3	4	3
Reference check	4	3	2
Comments	<i>All referees had glowing praise. Great team player and quick learner.</i>	<i>Generally positive. Has experience in similar role at smaller firm. Work ethic was questioned by one referee.</i>	<i>Poor team fit. Good accounting skills but slow at learning systems.</i>
Total score	29	23	19

Step 3.

Develop a complete training program

Develop a complete training program

Growing your existing talent

Now that you have your candidates on board (along with your established team), how do you turn them into the best accountants they can be? You have a great amount of control over how quickly your staff develop into leading accountants and what skills they improve, but you need a deliberate strategy to ensure they learn the right things that benefit your firm, help them grow personally, and increase the likelihood that they remain with your firm.

Formal, informal or both?

Formal training is any channel specifically made for the intention to teach something, such as conferences, webinars, training videos and exercises. Often, CPE credits are provided. Informal training is less structured and can happen at any time — on the job, in the lunchroom, personal reading, or sharing between co-workers.

Your team's training plan should include a mixture of formal and informal delivery methods for all skills that are being developed. For example, some staff members may attend a CPE-accredited course on process mapping (formal training), and then discuss what they learned with the rest of the team during a monthly lunch where everyone shares something they have learned recently (informal training).

“Training changes rapidly, and so do our training manuals and training processes. Tomorrow’s employee will be using vastly different technology than our current team, so we have to continually improve. Communication and documentation is key.”

— Joe Carufe, Two Roads

What skills to focus on?

Generally, most firms are good at developing a technical training plan for their staff that includes technology and legislative changes. However, far less attention is given to soft skill training.

As the compliance side of accounting is becoming increasingly automated by cloud technology, skills such as communication, problem solving, and time management are becoming more critical than ever. But little time is spent teaching these ‘soft skills’ at college, university or at other practices. This means it is vital for your team's development—and your firm's success—that you take the time to develop these critical skills within your team.

“Today, flourishing in accounting requires a new way of thinking. It is less about the technical expertise and number-crunching, and more about whether you can handle systems, communicate well, innovate, solve problems, and build a rapport with your clients.”

— Jessica Daley, Xcelerate Business Solutions

Development must be driven from the top

If you want your team to grow and improve, there is one non-negotiable—you need to drive their development from the top. This is not only a matter of setting time and money aside to facilitate training. Managers need to remain engaged throughout the development process of each team member.

Sit down with each employee to help them identify the critical skills they need and how they will be developed, schedule check-ins dedicated to discussing their development, and continuously help them grow by putting them in positions you know they will benefit from in the long-term as they carry out their role with your practice.

“If you are serious about having a team that constantly improves, and want to build the best team that you can, then learning needs to be a part of each employee’s KPIs.”

— Steph Hinds, Growthwise

THE FIVE MOST IMPORTANT SOFT SKILLS FOR ACCOUNTANTS

Problem solving:

Accountants who can think and act on their feet will be of most benefit to your clients, and will become indispensable to your firm.

Time management:

Awareness of how long a process will take, planning for this amongst your overall workload, and ensuring that no deadline will be missed.

Written communication:

Every member of your staff must be able to clearly convey technical information in writing to their clients, in a friendly and personable tone that makes the client feel valued.

Verbal communication:

Mastering what to say and how to say it can be the difference in a successful client relationship, and help a team work effectively together.

Teamwork:

Accountants who are able to work well with others around them by collaborating and helping others out when needed are highly sought after.

Based on the responses to [Karbon's 2017 talent survey](#).



DESIGN YOUR TEAM'S TRAINING PLAN

1. Identify your firm's needs

Consider what you want to achieve as an accounting practice and the type of team you need for that to become a reality. Maybe you want to increase your number of clients each year by 20%. Or perhaps you want to move to a fully remote workforce within five years.

Take into account your firm goals, industry trends, legal and regulatory changes, systems and processes. The development of your staff should ultimately benefit your business, so your training plan must remain focused.

2. Allocate a learning budget

You must allocate a learning budget, specifically for the purpose of team development. Commonly, training budgets within accounting firms can range from 1-4% of payroll

You also need to set aside the required hours—allocate a certain number of hours for each employee each month, specifically for learning. This will ensure this does not become something sacrificed in favor of day-to-day work.

3. Set learning goals or KPIs

Each staff member should have KPIs for their learning. Before the beginning of the next quarter, ask everyone in your team to identify three things they want to learn in the coming three months. Each learning KPI should be measurable so that at the end of the quarter (and throughout) you can judge how much progress has been made.

4. Decide on delivery

With each team member, plan a framework detailing how they will learn over the coming quarter. For each of their learning KPIs, outline several methods—including both formal and informal delivery—that will help develop those skills. You might recommend them a book to read, a half-day course to attend, and an online webinar to register for. Everyone learns differently, so your staff should be given some input into how they learn.

If multiple team members have similar learning goals, group training might be worth exploring. An in-house seminar can be run to outline changes to tax requirements,

a training webinar run by a vendor can improve ability at using one of your cloud systems, or an internal mentor program could help younger staff develop.

5. Progress monitoring and reviews

Weekly:

Ask everyone to share something they have learned each week. What they share does not always need to be related to their own goals. It could be a detail they learned about a particular client, something interesting they read on a blog, or a new keyboard shortcut they discovered for one of your firm's systems.

Monthly:

Learning KPIs must be monitored each month at the very least. As part of your regular catchup with team members, assess their progress, what is working, and what needs improvement in order for them to reach their goals. Find out if there is anything you can do as a manager to help accelerate their development.

Quarterly:

At the end of each quarter, sit down with each staff member to discuss how successful they were. Together, discuss each learning goal and give it a rating based on how successful they were. As well as discussing individual goals, this can be used to note:

- What learning techniques taught you the most?
- What techniques were not very successful?
- How can we help you learn more next quarter?
- Is there anything new you are interested in learning?

6. Review and repeat

Evaluate how successful your team's training and development has been over the last three months. What is your team's reaction to it? Have they been successful in meeting their objectives? Is it costing you more money than you budgeted for? Or consuming less time than you planned? Have wider practice KPIs improved as a result of the progress team members have made?

Using the same steps you can replicate what worked previously and make adjustments for what was less successful.

Step 4.
Measuring performance

Measuring performance

Look at output, not input

Many firms have done away with timesheets and moved to value-pricing, technology advancements have improved efficiencies, and a lot of accountants are working outside traditional 9-5 hours or do not work in an office at all. These are just some of the issues that mean time-tracking alone cannot be relied upon to track the performance of your employees.

To determine how well staff meet expectations, you need to turn your attention away from input, and assess output.

Tracking team performance with OKRs

An effective way of focusing and monitoring team performance is the OKR (Objectives & Key Results) method, which is being adopted by many progressive firms. This involves breaking yearly firm goals down into shorter-term objectives and key results, and setting individual goals for every team member that relate to these.

One of the major advantages of using OKRs is that they demonstrate how everything that one team member does connects to the work of other employees, teams, and the overall goals of the practice. When everyone knows how their work is contributing towards the bigger picture, it increases engagement, motivation, and determination.

OKRs begin with the firm goals that cover multiple aspects of your business—revenue, staff retention, number of clients and their satisfaction, and whatever else you need to achieve to reach your ultimate goals. It will help to think about each aim using the S.M.A.R.T. method—make them specific, measurable, achievable, relevant, and time-specific.

OKRS EXPLAINED

OKR stands for Objectives & Key Results. Objectives are goals. They tell you where to go. Each objective has a few key results. They indicate how you'll get there.

The OKR rules:

- You must set firm-wide OKRS annually and quarterly
- Each team and individual should define their own OKRs that will contribute towards meeting the firm-wide OKRs
- Do not have too many: Five objectives and four key results for each is your maximum per quarter (though we recommend three objectives!)
- Make them challenging: you should expect to finish hitting 80% of your targets.
- A key result must have a number. This way you can objectively say whether you've achieved it or not (scoring at the end of the quarter, using a scale of 0-1)

When you look at quarterly objectives for your practice, you can then start to think about key results you will need to attain in order to hit each one of them.

For example, your firm's yearly goal might be to double profits, but your quarterly goal is to double revenue month on month, three months in a row. Two key results could be to increase revenue by bringing in a number of new clients, or increase the value of current clients by X%. So two actions could be to improve your client

onboarding velocity and implement at least one fixed fee advisory service.

You may have a client onboarding specialist, who would then have individual OKRs to reduce the average time it takes them to onboard a client by two days, and to increase the number of clients they have in the onboarding phase by X%. Meanwhile, your Business Development Manager might have an individual OKR to increase the value of advisory services contributing to monthly recurring revenue by 10%.

What to do with low and high performers

Consistent low performers who do not meet your expectations can drag your whole team down. Every effort should be made to help them develop, but sometimes, further action will need to be taken. In this case, you should keep things formal using a performance improvement plan (PIP), where you specify occurrences of their low performance, and lay out an action plan to improve this together. Include a timeline outlining milestones that must be met.

High performers, on the other hand, must be retained. You need to do everything in your power to do this—expose them to new challenges, help them to grow further, reward them for their efforts, let them contribute toward the management and strategic direction of your firm, and provide them with opportunities to grow within your practice.

Staff retention refers back to your EVP. Constantly revisit this and ensure that your firm is providing value relating to the key success drivers that are most important to your highest performing staff members.



Worksheet

Practice name: ABC Accounting Co.

OKR period: Q4 2017

OBJECTIVE
<i>Grow the number of new clients by 20%</i>



KEY RESULT	SCORE
<i>Increase number of new leads by 15%</i>	0.8

KEY RESULT	SCORE
<i>Increase number of referrals by 35%</i>	0.7



TASKS	ASSIGN TO	SCORE
<i>Appear on page 1 of Google search results for "cloud accountant"</i>	Anna	0.7
<i>Hire a Business Development Manager</i>	Bob	1.0
<i>Own social media and bring 5 new leads per month</i>	Charlie	0.6

TASKS	ASSIGN TO	SCORE
<i>Implement NPS and reach out to all current customers by end of quarter</i>	Anna	0.6
<i>Implement a referral program by the end of the quarter</i>	Charlie	1.0

To learn more about OKRs and measuring the performance of your team, visit karbonhq.com/talent



Worksheet

Practice name: ABC Accounting Co.

OKR period: Q4 2017

OBJECTIVE
Use technology to increase team's output by 30%



KEY RESULT	SCORE
Decrease time spent on client work by 15%	0.8

KEY RESULT	SCORE
Reduce the amount of time spent on non billable tasks by 25%	0.6



TASKS	ASSIGN TO	SCORE
Reduce time spent on quarterly tax return from 4 hours per client to 2 hours per client	Anna	0.9
Become a QBO champion and implement QBO across 30% of our customer base by end of the quarter	Bob	0.5
Define new checklists for 3 of our main work types that reflect our use of cloud technology	Charlie	0.8

TASKS	ASSIGN TO	SCORE
Reduce onboarding process by 3 days	Anna	0.7
Reduce time spent on internal email by 15 hours per week	Bob	0.5
Find a system to manage daily standups and team communications for remote teams	Charlie	1.0

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Worksheet

Practice name: ABC Accounting Co.

OKR period: Q4 2017

OBJECTIVE
<i>Gain more value from current clients and bring an extra \$XX in gross profit</i>



KEY RESULT	SCORE
<i>Increase average revenue per client by 20%</i>	0.7



TASKS	ASSIGN TO	SCORE
<i>Reduce verticals we service to top 3 to lift average ARR to 30,000</i>	Anna	0.8
<i>Advisory service campaign so 75% of our clients purchase at least 1 service</i>	Bob	0.6
<i>Implement fixed-fees for tax lodgements to increase</i>	Charlie	1.0

KEY RESULT	SCORE
<i>Increase MRR per service by 30%</i>	0.8



TASKS	ASSIGN TO	SCORE
<i>Build 1 new core service for each type to increase revenue by \$10,000</i>	Anna	0.9
<i>Increase value of advisory services to increase MRR per client by 10%</i>	Bob	0.6

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Worksheet

Practice name:

OKR period:

OBJECTIVE



KEY RESULT	SCORE

KEY RESULT	SCORE



TASKS	ASSIGN TO	SCORE

TASKS	ASSIGN TO	SCORE

To learn more about OKRs and measuring the performance of your team, visit karbonhq.com/talent

It's on you

It's on you

Effective talent management has to be driven from the top. To succeed you need buy-in and engagement from everyone in your team, but in the end it needs to be a concerted and deliberate effort by senior management.

All aspects of the talent lifecycle require careful planning, culminating in a talent strategy that is closely linked to your firm's goals and ingrained in your culture and daily activities. This is pivotal for staff management to be successful and sustainable.

So give your talent the attention it needs. Take your time, consider and plan for everything you need, and begin actioning the suggestions and strategies outlined in this playbook.

Hire slow, fire fast

Do not rush to hire someone new without carefully considering your needs, the attributes of the perfect person, and how you will find them. Do not train your team without first thinking about what skills they really need, how they will learn best, and the impact their development will have on your firm's results. Do not measure team performance in ways that have no relevance to the way your firm operates today, and tell you little about individual contribution towards what really matters.

All of this will take time—in fact, it should not ever stop—but the impact of your efforts will be felt almost immediately. Nothing will be a bigger factor in your firm's success than your team.

KARBON MAGAZINE

This playbook was produced as part of Karbon Magazine. For more articles, videos and resources on overcoming the talent challenge and acquiring, training and retaining a world-class team, visit: karbonhq.com/talent

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