# Empowering Our Leaders to Innovate and Sustain Future-Fit Firms

Actionable Insights from the Allinial Global FutureGen Think Tank

How the FutureGen Think Tank is inviting today's leaders to reimagine the firm of tomorrow



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# Executive Summary

The Allinial Global FutureGen Think Tank, consisting of future leaders from 18 Allinial Global firms, met in late 2024 to develop key recommendations for leading and sustaining a future-fit firm. The group identified three essential steps for firms to progress toward future fitness.



**Put People First.** Future-fit firms prioritize staff well-being by fostering a healthy work culture, eliminating burnout, and creating flexible career paths that balance both personal and firm goals. Reducing reliance on billable hours is central to this transformation, as value-based paradigms provide new ways to balance workloads, attract and retain talent, and redefine measures of success.



2 Scale the Right Way and Embrace Technology. Technology continues to be key to transformation, but it must be integrated intentionally. A strategic approach to scaling, supported by a commitment to technological investment and better firm-wide alignment, will enable firms to leverage technology and automation in ways that enhance efficiency, reduce routine work, and shift focus to high-value services.

3 Align Compensation Models with Firm Goals. To address salary disparities, incentivize performance, and refresh approaches to key metrics, future-fit firms enhance internal transparency by openly sharing salary ranges and clear career progression paths that are tied to value creation, align partner compensation with strategic milestones, and engage staff in helping design their compensation package to align with firm goals and personal goals.

The FutureGen leaders identified a need for bold, actionable strategies to secure a thriving future for firms and their people, and Allinial Global is offering support in implementing these ideas across the association. For detailed recommendations and actionable steps, we encourage you to review the full paper.



### How the FutureGen Think Tank Is Inviting Today's Leaders to Reimagine the Firm of Tomorrow

Much has been written about the current state of the accounting profession and what the future may hold for accounting firms. For too long there has been a persistent imbalance between the sheer volume of workload and the capacity of accounting and advisory professionals to do the work. While technology helps narrow this gap, many firms struggle to determine how to leverage it effectively. This, all while facing growing client needs, a diminishing talent pipeline, and shifting talent expectations, has put immense pressure on leaders to find sustainable solutions. And with many CPA firm leaders yet to fully embrace the urgency of making holistic changes, it makes one question whether meaningful transformation will come to our accounting firms—and if it will come soon enough.

Despite the odds, there is hope for real transformation. That hope was abundantly clear during a powerful meeting of the profession's future leaders during the Allinial Global FutureGen Think Tank. This think tank brought together nominated emerging leaders from Allinial Global firms, an extraordinary honor, to discuss transformation, trends, challenges, and strategic goals for sustaining future-fit CPA firms. If these future leaders have any say in their firms or the direction of the accounting profession, a true shift in our accounting firms' paradigm can and will come.

What follows is an account of the dynamic conversations and insights that emerged from the FutureGen Think Tank. As this select group of future leaders gathered to articulate a shared vision, the meeting became a platform for tackling today's challenges and creating a roadmap for meaningful transformation rooted in innovation and forward-thinking leadership.



### Transformation Is the Goal. Innovation Is How We Get There.

To kick off the ideation process was Jim Wallace, Allinial Global Executive Board Chair and CEO of BPM LLP.

"We need to transform, not make little changes. It's not just about technology, but a complete re-write of what it is that we do," said Wallace. "We have a culture of burning people out, billing by the hour and not value. We need to change that if we want to remain relevant as professionals, and as a profession. Innovation is a tool for change, and while technology is an example of how we can innovate, transformation is [ultimately] how we will recreate our profession."

As Wallace pointed out, transformation is not merely a buzzword—it is an urgent necessity, particularly at a time when planning and forecasting time frames have been truncated. "Long-term goals" used to be considered at about 10 years, whereas today it is closer to three years—a tall order when seeking to implement a fundamental shift in our culture, practices, and purpose.

Far from being discouraged, the FutureGen leaders dove in enthusiastically, agreeing that any changes they sought would need to begin implementation in the next one to three years.



## Reflecting on Today and Choosing Our Tomorrow

Discussion began with a focus on the present, as facilitator and esteemed leadership consultant Jon Lokhorst, CSP, CPA, asked the FutureGen leaders what they would like to change about the accounting profession or their firm. The conversation centered on the following:

- Transitioning away from the billable hour model, alleviating the burden of incremental time tracking
- Fostering a client-centric approach to pricing and service delivery, enabling clients to determine what they value most and select the level of service that best fits their needs
- Addressing the stigma that accounting is overly stressful by tackling workload compression and deadline-driven urgency
- Valuing leadership qualities in addition to technical expertise in career advancement
- Addressing declining staff interest in partnership roles by creating a more supportive, appealing leadership pathway
- Initiating more future-focused discussions with clients about their business goals and strategy to enhance appreciation for the strategic value of accounting services

#### Sight – What do we know today?

As the challenges faced by today's accounting firms came into sharper focus, the future leaders could zoom out and consider the broader trends with the highest likelihood of impacting their firms in the future. They made the following observations:

- A culture of urgency and panic versus control and stability is corrosive to the overall firm culture.
- Staffing challenges continue to be fueled by the decline in accounting majors, generational shifts, and underrepresentation in race and gender.
- Technology and automation offer new opportunities and are key to solving capacity issues, but firms must adapt swiftly.
- The emergence of private equity is causing firms to reevaluate what independence means to them and their culture.



- Reskilling and upskilling are essential for talent to thrive in a rapidly changing environment, driving a shift toward personalized, needs-focused firm training.
- Evolving work-life balance expectations are challenging leaders who are hesitant to embrace remote and hybrid models.
- Globalization introduces a focus on international markets and their regulatory complexities.

### *Insight – What does it mean for our future? How can we optimize?*

Next, the group considered the opportunities—any chances for improvement or factors that require more attention by firm leaders—and how those might be optimized. They discussed:

- Overcoming resistance and fear of failure to drive transformative initiatives
- Driving efficiencies and breaking silos through holistic process improvement and strategically adopting new technologies
- Addressing succession gaps by proactively sharing partner expectations, compensation structures, and the path to partnership, while ensuring transparent communication about the firm's strategic direction
- Attracting top talent, effectively managing underperformance, and incorporating flexibility to balance firm goals with employee expectations (including non-monetary or individualized incentive programs)

#### Create - Turning insights into possibilities

Before settling on actionable goals, the young leaders had to articulate what they thought a future-fit firm truly looked like. The basic framework of such a firm, as participants saw it, included:

- An emphasis on innovation and continuous learning
- Strong, adaptive leadership with a focus on strategic growth and alignment with trends
- Collaborative, inclusive, and transparent cultures
- Proactive client service models that emphasize advisory roles and transparent communication



# The 3 Essentials

It is clear that fundamental shifts in our firms need to be made; on this, everyone agreed. The consensus was that these goals are achievable and most importantly, essential to the future of our firms. In the end, there were three essential steps future leaders agreed our firms must take in order to progress.

### 🖄 1. Put people first

In order for the profession to be a welcoming career path and environment to thrive in, staff must be a priority. This encompasses more than a pizza party at the end of a busy month, dressing down on a Friday, or some non-descript award that collects dust on a desk.

Future leaders want firm leadership to know what life-work balance really means. In short, firms that lack a compelling or attractive culture will lose their quintessential professionals. Failure to evolve from the old ways of doing things means risking the firm's ability to attract and retain talent. Furthermore, the lack of transparency through which vague "carrots" are dangled needs to change, and soon. Firm leaders have a grand opportunity to enhance transparency, clarify expectations, and revitalize the appeal of the pathway to partnership. Making the role of partner in a CPA firm desirable again will improve retention, boost profitability, and ensure sustainability.

Finally, the billable hour can no longer be a primary measure of success for professionals. Also, reducing reliance on billable hours as a pricing perimeter can help firms reassess value, restore purpose, and promote a culture focused on high-value services that improve work-life harmony for teams.

So, what does this all mean? What your staff and future leaders do and how they work and grow in your firm needs to be "job one" for current leadership.



#### BOLD IDEAS TO GET THIS DONE Eliminate burnout culture through three key actions: • Set a realistic maximum limit on work hours per week. · Control workflow and establish controlled internal deadlines instead of scrambling to meet every external deadline regardless of the impact on staff. Further, regularly assess workload allocation and capacity to ensure resources can be guickly and efficiently adjusted to meet changing circumstances flexibly and responsively. • Prioritize efficiencies by encouraging innovative problem-solving, training on technology, and rewarding improvements in effectiveness. Add financial incentives to encourage partners to manage people resources effectively and prioritize balanced workloads-a system where incentives are aligned with firm goals (e.g., partner compensation is adjusted if the team's hours exceed the established maximum limit). Place the same or greater importance on people who are building the firm as those serving clients. Consider integrating hybrid roles as a bridge between production and operations teams to ensure alignment and seamless collaboration across teams.

- Hire ahead instead of waiting for people to leave, and be quick to let go of ineffective team members. In turn, hire non-traditional roles such as project managers and data analysts to allow for a shift in the work and free up time for top performers to focus on high-value, high-impact work.
- Provide training on new pricing models and negotiation tactics, like Michelle River's Advanced Pricing Methods<sup>®</sup> (APM), which teaches client-centric value pricing strategies to enhance the client experience, clarify outcomes, and minimize scope creep, while in turn strengthening firm culture and purpose.
- Implement an adjustable career path framework that empowers professionals to help design their own career trajectory, including focus areas, work hours, and compensation package, to better align with their personal goals and priorities and tie directly into the firm's overall goals.
- Revamp talent acquisition and retention strategies that fully embrace flexible work arrangements.
- Transition to a 40-hour (or 4-day) workweek. By implementing the bold ideas above—and by streamlining operations, maximizing automation, and enhancing communication and accountability—firms can shift from a culture of urgency to one of efficiency and sustainable productivity. All of this lays the groundwork for making a 40-hour (or 4-day) workweek not just possible, but the natural next step.

#### 2. Scale the right way and embrace technology

Scaling the right way requires a strategic approach that prioritizes efficiency, consistency, and sustainability. Embracing technology is a key component of this process, as it enables firms to streamline workflows, automate repetitive tasks, and improve overall productivity. The vast majority of accounting firms have become accustomed to technology, but comfort with it remains varied. Even so, technology has almost single-handedly dictated the direction that many firms have taken.

These days, if something can be automated and the platform or service can be trusted, accountants will likely consider it. Automation now handles tasks that once defined the profession—tasks that some may still associate with the role of accountants. However, this public perception is changing.

While some accountants may still tie their value to tasks and charge for the time to accomplish them, most have come around to seeing the larger value of the services they provide and may have even expanded on them. The right tools can enhance communication and processes, ensuring teams stay aligned and focused on high-value work. The group is enthusiastic about the efficiencies to be gained as advancements in automation reduce the time spent on routine tasks—and how clients increasingly see the human interaction and direction accountants provide as more valuable.

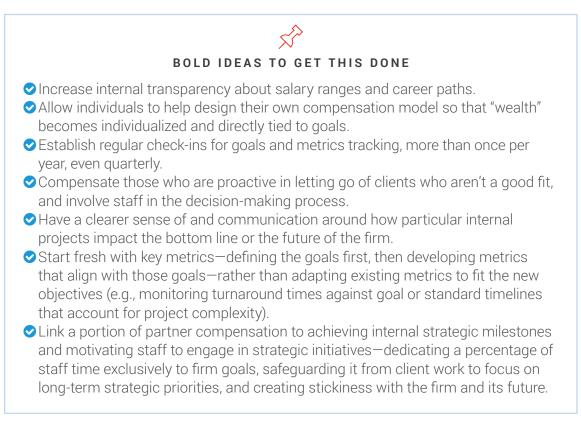
To scale for lasting impact, we must expand capabilities and infrastructure in a way that supports organizational cohesion and thoughtfully integrate technology that minimizes manual processes and grows with the firm. With both challenges and opportunities for all accounting firms, the pace of growth will vary, and everyone within our own firms must be aligned and fully committed to any initiative in place to create a foundation for long-term success.



#### ightarrow 3. Align compensation models with firm goals

Much attention and debate have been given to entry and early-career accounting salaries in comparison to other similar professional careers. While firms are emerging from an era of record profits, these salary levels, in the eyes of many in the profession, should be more competitive.

What's more is that too many firms are still tied to charge hours, where the volume of work takes precedence over value and performance. To that end, future leaders would rather see a world where key metrics are closely aligned with firm goals and more overall alignment with partner and team compensation. They also see transparency as key to offering CPAs and future firm leaders more certainty about their personalized career paths and potential rewards.



# What's Next

It's time for our firms to transform. Our future leaders are not looking for little changes—they seek monumental steps to secure their livelihood and a thriving future. Current firm leaders, and the profession as a whole, have an opportunity to create a bold and innovative business case that bridges the gap between the firm's current state, its history, and actionable strategies that propel the firm and its people into the future.

The great news? No firm in Allinial Global faces these changes alone.

- The bold ideas in this paper will be presented to Allinial Global board leadership and assessed for alignment with our overarching strategic goals, feasibility, and potential to drive meaningful change within Allinial Global firms.
- The bold ideas will then be prioritized and translated into a roadmap with practical resources, actionable tactics, and recommended timelines that address the "how to."

By incorporating these innovative ideas into a roadmap to support our member firms, we aim to create a dynamic framework that reflects the forward-thinking vision shared in the discussion, ensuring that our actions are both intentional and transformative. Embracing a forward-thinking approach together, we can transform our firms into hubs of innovation and resilience, capable of empowering excellence. It takes us all, individually and working together, to embrace it, push through it, and get to a place where the biggest risk is not taking action today.



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