

# The Future Is NOW



Virginia Society of  
Certified Public  
Accountants

## What do we want? Knowledge!

The VSCPA's Professional Development Conference is dead at the age of 25 and has been reborn as KnowledgeNOW. The conference, held this year at the Hyatt Regency Reston for 151 attendees (with 22 more attending online), aims to be useful to all specialties, with sessions useful to practitioners in public accounting, corporate finance, nonprofit and government. Topics covered ranged from technical updates to broader topics and even to a session based on eating chocolate more mindfully. (We promise it has ramifications for your productivity.) Read on for highlights from the conference.

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## Navigating the Generational Tsunami

The age range in the average American business is as wide as it's been in recent memory. With Baby Boomers postponing retirement with their eyes on funding an increased lifespan, five generations are working side by side in the workplace for the first time in history, bringing with them different values and habits. How your organization handles the resulting friction can make all the difference.

VSCPA member Lynn Fasi tackled that issue in her Nov. 11 KnowledgeNOW session "The Coming Generational Tsunami: R U Prepared to Survive it?" To her, the keys to running a successful business with such a wide employee age range are empathy and communication.

"It's not ever going to be about getting somebody to think the way I think or imposing my belief systems or core values," she said. "I just really love the whole idea that we need to shut up and seek first to understand



Lynn Fasi

the other person versus trying to be understood.

"We spend so much time as firm leaders telling people how they should be doing something, and we should shut up and try to understand them. You'll never get everyone to do everything the same way when you've got all these different mindsets in the workplace."

Much of the generational ink spilled in recent years deals with the infamous millennial generation, so often at odds with its elders with its expectations of balance and advancement. Millennials now outnumber Baby Boomers in the workforce, but the older generations remain in charge after climbing the career ladder. Remembering your own mindset when you started and the way the profession has changed since then can help in identifying with younger generations.

"You are a parent and you were somebody's kid at one point, too," said Fasi, a Northern Virginia-based growth consultant who works closely with Fairfax firm Matthews, Carter & Boyce. "Just think about all the fruitless conversations you've had for years and years and how they fell on deaf ears. Now think about what you thought when your mom and dad had that ►

# Generations in the Workplace

Traditionalist	Baby Boomer	Generation X	Generation Y	Generation Z
<b>Born:</b> Before 1946	<b>Born:</b> 1946–1964	<b>Born:</b> 1965–1980	<b>Born:</b> 1981–1990	<b>Born:</b> 1990–2002
Hard work Sacrifice Respect for authority Follow the rules	Live to work Pay your dues Career focus Diversity	Self-reliance Cynicism Question authority Work-life balance	Self-esteem Team-oriented Multitaskers Question everything	Sheltered by parents Communicate via technology Digital natives

same conversation. It's that way in the workplace, too. You don't have to follow that same old script. The challenge is that we need to start rewriting them."

That starts with keeping CPAs of all stripes and generations satisfied with their work and working conditions. Millennials have cut their professional teeth with telecommuting as a viable option, and working remotely has become an expectation.

That extends to when they work, too. According to 2015–2016 American Institute Board of Directors Chair Tim Christen, CPA, more than half of all CPAs will work something other than full time by 2020.

"We need to accept that and figure out how we can create flexible work arrangements and compelling work environments and culture that's going to keep those CPAs in our profession," Fasi said.

Fasi recommends a two-pronged approach for CPA firms struggling to incorporate younger employees:

- Conduct generational differences training for all employees, designed to build understanding and train employees on how to effectively communicate with other generations

- Form an employee management advisory committee with representatives from each generation represented in the workplace

"Management will learn a lot and can use feedback to evolve firm policies and processes to meet their employees' expectations," she said. "It also is a perfect forum for firm management to educate/inform young people about the firm's thought processes/rationale behind existing firm policies and programs, and position these committee members to internally communicate back to their peers and carry a torch for firm leadership."

Human beings suffer from unconscious bias, where we view people and situations through our own personal beliefs and value system. Fasi notes a recommendation from "The 7 Habits of Highly Effective People" author Stephen Covey, who advises professionals to "seek first to understand and second to be understood."

"Time doesn't stop for any one of us," Fasi said. "You can cling to the past and your beliefs, but history has proven throughout that nothing stays the same."

"The only thing for sure in life is that everything is going to change. Either you can make the change happen yourself or someone's going to come along and change it

for you." ■

## Project Managing Your Career

What's the "why" of your career? For that matter, what's the "what" and the "when"? And more to the point, when was the last time you asked yourself those questions?

That's the thrust of the session "Project Managing Your Career: Where Will You Be in 10 Years?" at the KnowledgeNOW conference Nov. 11. VSCPA member Brad Biondi, CPA, a manager at Alexandria firm Cotton & Co., conceptualized the session when being struck by the number of federal RFPs that asked for workers holding the Project Management Professional (PMP) designation from the Project Management Institute (PMI).

The more Biondi thought about the popularity of the PMP, the more he came to realize the concepts espoused by the credential were applicable to career development. The heart of the concept of project managing your career is to be more intentional in your career path.

"When you think about your career, I don't think everybody goes back to 'Where are you going to be in five years?'" he said. "That's something asked when you're leaving school and doing interviews, ►

# Follow the Steps

The Project Management Institute breaks down the essentials of project management into five process groups:

**Initiating:** Identifying and documenting the purpose of your career and what you want to get out of it

**Planning:** Identifying goals and resources, coming up with a roadmap for achieving success

**Executing:** Carrying out the plan you developed

**Monitoring:** Comparing your career roadmap to how you're progressing, identifying how you can get back on track or change paths

**Closing:** Evaluating your success, recognizing and reaching out to people who have helped you, celebrating accomplishments

and you don't ever cycle back to it. How am I executing the ideas I had at the time? How am I aligning with the roadmap I laid out at that time?

"We don't ever manage our careers, we just let them go where they take us. It's important for accountants to really manage their careers in a constructive way."

Biondi says that people who don't affirmatively plan their careers spend an inordinate amount of time in the Executing phase instead of using their time more efficiently. By planning out your career path and documenting that plan, he says, you'll put yourself in position to take advantage of opportunities when they arise. That entails research, building a network and setting realistic goals for yourself.

Writ large, criteria for success are much the same for projects and careers. If you meet deadlines and goals, exceed expectations, create value, adapt when necessary and get a positive return on investment, chances are you can call yourself a success.

That means you need a strong foundation with the first two pro-

cess groups — initiating and planning. Biondi recommends using one of two goal-setting rubrics:

- SMART goals: Specific, Measurable, Achievable, Relevant, Time-Bound
- CLEAR goals: Collaborative, Limited, Emotional, Appreciable, Refinable

"Too often, we're broad or general with our goal-setting or what we want out of our career," Biondi said. "Just to say 'I want to make money' or 'I want to be recognized' isn't enough. You have to have something to hold yourself to that's measurable, and it has to be realistic."

Professional studies bear out the importance of project management in an accountant's career. In its 2016 report, "Professional Accountants — The Future: Drivers of Change and Future Skills," the Association of Chartered Certified Accountants (ACCA) listed the following competencies as becoming more important for future success:

- Information technology/digital competencies
- Communication and relationship-building

- Predictive and advanced financial mathematics
- Holistic/big-picture understanding and business awareness

The same report cited manual bookkeeping and basic accounting skills, as well as traditional historical auditing and data analysis, as becoming less important in the future. That leads to two takeaways. One is that the profession is becoming more and more specialized, and that specialty credentials — like the PMP — can be crucial differentiating factors for CPAs.

It's important that any credentials you seek align with your career goals. But if you need further guidance, the most valuable credentials emphasize:

- Global/business awareness or industry-specific knowledge
- Information technology competencies
- Analytics/advanced financial mathematics
- Fraud detection and controls
- Ethics and leadership ►

"Think about the training you're involved in, the networks you're involved in, who you're corresponding with who's a mentor," Biondi said. "Are you even seeking mentors? Are you seeking further certifications? In the future, the emphasis is going to be on the certifications you can attain."

The other takeaway is that many of those skills can be applied to managing one's own career. Communicating, building relationships and, especially, the ability to take a big-picture look at circumstances can give you the edge in climbing the professional ladder.

"If you look at a project, you're planning it, you're executing it, you're adapting it," Biondi said. "You get in it and you're there. Ten years go and you're an accountant, but you don't have that plan set in motion. You don't know how you want to use those resources."

"Accountants have time and knowledge. That's what we bring to the table. How are you using those to create value for yourself and those around you?" ■

## Better Living Through Chocolate

The title was enticing, and sure enough, KnowledgeNOW attendees who elected to attend Arun Sardana's session "The Chocolate Effect: Stress, Laughter and the Pursuit of Happiness" got a sweet treat in exchange for their CPE dollar. Those who follow Sardana's advice will also walk away with a new perspective on life.

Chocolate, in this case, is a stand-in for the larger concept of mindfulness — clearing your mind to be focused on the present, instead of allowing other issues to fester in your mind and prevent you from enjoying what's in front of you.

"It's a mechanism to help people understand that we are stuck in our heads in the past or the future, neither of which exists," Sardana said. "What exists is right now. How do you get to enjoy the present?"

That can be a particular problem for accountants and others in the financial industry, who work extensively in forward- and backward-looking roles. The tenets of mindfulness can be useful in wrenching accountants back to the present.

One benefit of being more mindful is, of course, happiness. Who would rather bury his or her head in a spreadsheet than watch his or her child play in a



*Arun Sardana shared chocolate with attendees to teach mindfulness techniques at KnowledgeNOW.*

pile of leaves? But there are benefits to productivity as well.

"When you become more mindful of the present, it increases the prefrontal cortex activity, which is the front of the brain that is responsible for executive actions and, most importantly, focus and attention," Sardana said. "It makes you not only enjoy what you're doing, but it makes you incredibly more productive."

Which brings us to the chocolate effect. Members of Sardana's KnowledgeNOW group got a piece of chocolate, along with marching orders on how to eat it.

"Chocolate is such a delicious thing that almost everybody enjoys, but we eat it so mindlessly that we forget how delicious of a creation it is," Sardana said. "I first have people eat chocolate like they normally would — mindlessly biting into it. Then I have them close their eyes after a couple of deep breaths and do a guided chocolate enjoyment exercise. I have them imagine how the chocolate is going through their mouths, how it's melting, how many pieces it's broken into, how it's coating the layers inside their mouth, the taste buds that are picking it up. I walk them through that."

"The idea really is that anything you're doing in your world, if you're doing it that consciously — if you walked and you felt every step falling on the road, how your arms were moving, where you're feeling a rock under your foot — that you would come to the present a lot more."

The chocolate exercise is just a start. You can apply the same tenets to any activity you enjoy — taking ►



a walk, for instance. Leave your phone in your pocket (or, better, at home) and focus on the feelings of the breeze and the sunshine on your face. Observe how leaves are moving in the wind.

"I've been doing it for nine years and all my greatest ideas come during those walks," Sardana said. "It's all about having some space."

What's more, mindfulness doesn't necessarily have to be your solution to de-clutter your life. You can take the exact opposite tack. Zen meditation seeks to put practitioners almost in a state of mindlessness. But the end goal is the same — declutter your thoughts to improve your focus.

You can meditate mindfully as well, though, by focusing on a mantra or your breath to eliminate unnecessary thoughts. During meditation, prefrontal cortex activity becomes highly active, and the hypothalamus becomes more consistent in its activity.

"The point I'm trying to get to with this work is to get people to create this practice in their life, whether it's sitting for 10 minutes and doing basic activities to become mindful," Sardana said. "If you want to go to the other side and do the no-mind meditation, that's fine, too. You don't have to meditate to become mindful. But if you do some basic exercises, you can improve your life and become more present." ■

## Not Optional: The Importance of LinkedIn in Client Acquisition

Would you go to a job interview without shoes on? Of course not. But many CPAs insist on making the digital version of that kind of mistake — neglecting their LinkedIn profiles.

LinkedIn use has increased tenfold in the past five years, with more than 460 million people around the world now using the service. Two new users join every second. Simply put, LinkedIn isn't optional anymore.

"It's table stakes," said Lynn Fasi, who led two sessions at KnowledgeNOW. She says not having a LinkedIn presence is "the equivalent of not having a website. And if you see a company without a website, you think they're not legit."

Fasi's KnowledgeNOW session, "Is LinkedIn in Your Future or Will You be Left Out? Strategies to Improve You & Your Company's Effectiveness," details the

ways firms and individual CPAs can use the service to acquire new clients. At a minimum, that means a company page and individual pages for each employee, updated at least once a week.

That last part might seem excessive, but it's all about staying active and keeping your name and expertise in the forefront of others' feeds.

"It's just basically looking like you have a sign of life," Fasi said. "It's not so much that something's changing with you or your clients or skill set with that frequency, but you're putting an article out there. You're putting out a factoid that you recently read. You're actively getting connected. Activity comes in a lot of shapes and forms."

So it's a double-edged sword, in a way. An incomplete LinkedIn profile can be as damaging as not playing in that space at all. But the good news is that it's easy to create a profile that passes muster with potential employers and clients. All you need to do is make sure your profile is complete and accurate.

Fasi refers to LinkedIn as an "online Rolodex" in terms of making connections with potential clients. CPAs can learn in seconds what used to take years of painstaking legwork.

"Back in the day, CPAs would try to be rainmakers," Fasi said. "They would try to grow new clients by going to public events, Chamber events, hosting seminars. I always ask the old rainmaker who's been there forever what the most people was who attended one of his events. He'll say 300, 400 people, and he got to know 20 or 30 of them. And he couldn't figure out who knew whom, what they thought of them, who was connected to others. It would take him years to get to that level of connectivity.

"You can learn where somebody worked before, where they worked 10 years ago. It's a game-changer."

It's not hard to figure out how that can be helpful to service-oriented professions like accounting. Referrals have always been the most effective method of client acquisition, and an active LinkedIn presence can serve as a constant referral. Figuring out connections with potential clients and putting the proper online face on a firm can be invaluable in finding new business.

Part of the reason for that is simply the ability to get in front of new clients and the information that can help grab their attention. But when you think about it, the fact that your client is also active on LinkedIn means ►

that they understand the value of a strong Internet presence — which makes them more likely to respond positively to yours.

While LinkedIn is a form of social media, it's quite different than Facebook or Twitter. Those outlets can be quite useful in managing the impression your company puts out to the public, but LinkedIn is unique among social networks in its potential usefulness in generating business.

"Social media is 'cool,' but no managing partner or firm that I know will fund 'cool,'" Fasi said. "Management wants business developed as inexpensively as possible — and LinkedIn can do that." ■

## The Future of IT In Accounting

The femme fatale of the accounting industry is named SALY — Same As Last Year. As the saying goes, "You can like SALY, but don't marry her," and that's a useful rule of thumb for the profession. Take lessons from what you did before, keep the parts that worked, but don't become attached to tradition and procedure for tradition and procedure's sake.

One reason to kick SALY to the curb is the ever-increasing pace of technological change. With new tools providing ways to serve your clients and gain market share, it's more important than ever to be open to better ways to do your job. That was the thrust of the KnowledgeNOW session "The Future of Information Technology in the Accounting Profession," presented by Roy Keely.

"If it were left up to us, we wouldn't change a thing, right?" said Keely, the vice president of

marketing strategy at Xcentric, a cloud and information technology provider for CPA firms. "As accountants, we sort of like it the way we like it. Henry Ford once said if his customers got what they wanted, they'd get a faster horse."

That kind of hidebound thinking can keep firms from capitalizing on opportunities to create efficiencies. The profession can look to the legal industry for guidance there, particularly in the case of artificial intelligence (AI) services like Legal Robot, which reviews documents and identifies trends and opportunities in legal proceedings.

The accounting equivalent? Data entry. There's no reason why your firm has to employ humans to enter data from documents and receipts.

"How do you make money in the accounting profession? By adding value," Keely said. "This is not trying to say robots are replacing everyone. It's saying robots are replacing the mundane."

The switch to AI services can benefit accounting firms in several ways. Software is often cheaper than paying an employee to perform the same services, and it won't get sick or ask for a vacation. And using AI to scan documents can help aid employee morale and recruiting by allowing entry-level employees to cut their teeth on more interesting work.

"If you're trying to get young guns fresh out of college to be pumped up about the accounting profession, you don't tell them, 'Enter data,'" Keely said.

Another way to attract talented employees is flexibility, and the rise of the cloud can help provide

that for companies willing to take a risk. Today's entry-level employees value flexibility and will seek out jobs that offer it. Remote postings receive eight times as many applicants on online job boards than open positions at traditional firms.

That's a benefit that has met with some resistance in the industry, so firms willing to hire remote workers can reap the benefits.

"We have cloud companies in our environment who don't want their employees ever working from home," Keely said. "To me, that's counter-productive to why they're doing this, but it's their call."

The portion of companies using cloud services will only keep rising in the coming years as leaders weigh the costs and benefits of on-site hosting. Use of Amazon Web Services is up 67 percent from 2015, and worldwide spending on cloud services is projected to grow at a 19.4 percent compound annual rate.

And that technology costs less than ever before. Average storage cost per gigabyte was 1.9 cents in 2016, down from \$1.24 just 11 years ago in 2005. Across all industries, Gartner predicts 2017 IT spend to be \$14,261 per employee, making up 3.5 percent of revenue and 4.4 percent of operating expenses.

That's the positive side of IT moving forward. The negative, as always, comes from people trying to gain access to systems. The exponential rise of technology across all industries has led to an explosion in hacking attempts — and accounting firms, rife with customers' private information, are especially vulnerable. ►

"It's only going to get worse," Keely said. "Russians weren't trying to hack your computer 20 years ago. Employees weren't walking around with social security numbers on little key fobs."

And any company can be a target for hackers. Large firms, with their treasure trove of client information, represent the proverbial "big score," while smaller firms, while less lucrative, can be low-hanging fruit. And more sophisticated email scams mean hackers can cast a much wider net than in the past.

"They are just casting for anything.

If you're the one who didn't patch or liked that political candidate or cat video and you clicked it, boom, you're in their system. That's how hacking works," Keely said. "It's not going after these big dogs, although it's that too. They're casting nets. When you and I get hacked, it's people from down the street to Thailand casting out nets."

The key to information technology and security in the future is finding that sweet spot where your secure data is protected, but available enough that it's still accessible for your own purposes.

"There's a yin and yang with everything," Keely said. "The more secure it is, the less usable it is. The only secure way to have secure conversation with a client is to go into a field at dusk, don't say complete sentences, murmur under your breath and don't use real words."

Accounting firms that can find the happy medium between security and usability, as well as that between technology spend and ideal service levels, will be best positioned to take leaps in the future of information technology. Will your firm find that sweet spot? ■

## Spotted at KnowledgeNOW



*Parshwa Jain, CPA, of Jain & Associates in Chantilly, enjoys a humorous remark from a presenter.*



*VSCPA member Art Auerbach, CPA, delivers his individual and business tax update at KnowledgeNOW.*



*Stephanie Neratzis, CPA, and Melody Fetske, CPA, catch up during the networking reception.*



*Tiffany McMillan, a sole proprietor from Falls Church, listens to a KnowledgeNOW presenter.*

We're looking forward to seeing you at next year's KnowledgeNOW conference, set for Nov. 6–7, 2017, at the Hyatt Regency Reston. [Book today](#) to get next year's conference at this year's rate!