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Firm retreats: a step by step guide for CPA firms

Dale D. Freidig

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FIRM RETREATS

A Step-by-Step Guide for CPA Firms

Dale D. Freidig, CMC, CPA

Issued by the AICPA Management of an Accounting Practice Committee
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Firm Retreats

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Dale D. Freidig, CMC, CPA

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INTRODUCTION

Gus was sitting in his office. It was Monday morning, and he was outlining an agenda for the 9 A.M. monthly staff meeting. The usual items—the status of the work load, the number of billable hours, collections, and messy offices—were on the agenda. Nothing new, nothing exciting. Just after he made his last note, Gus looked up at the window and caught his reflection. It startled him. He looked worn, tired, and older. He held his gaze a bit longer and shook his head.

The business had become so routine that addressing these topics didn’t seem to have much meaning and time seemed to be slipping by. The firm was not going anywhere. Oh, it wasn’t bad, but the real issues weren’t getting addressed and there didn’t seem to be anything to look forward to.

His CPA firm was twelve years old. Gus and his partners had been excited and enthusiastic when they started and grew their business. One of those partners had left early on, but two more had joined and the firm had become a player in the community. Over the last few years, though, the business seemed stuck and actually on the decline. Staffing became a more challenging process, the competition became more fierce, technological changes were occurring too rapidly, clients’ needs and demands were growing, cash flow was declining, the partners had become less productive, and profits became flat. There didn’t seem to be a way to address these issues and time kept slipping by.

Gus wondered, “What are we doing? The routine we have is not getting us anywhere. What has happened? What’s going to put some real life back into this business of ours? Who is going to do it? How are we going to get out of this rut?”

In this public accounting world of ours, there are lots of Guses, people who feel frustrated with their current situation. Getting beyond this frustration isn’t easy, but it can be done constructively.

This book is about learning how to get “unstuck” and how to get motivated and excited about your firm, your career, and even yourself. It is intended to teach the reader about retreats and the vital role they can play in improving CPA firms. When retreats are conducted properly, they can be the catalyst for the changes that are necessary for ongoing success.

Retreats are a powerful tool that allows people to pause, to reflect, and to strengthen and direct their focus. In the chapters that follow, the proper way of conducting retreats will be explained. Retreats will be examined to understand why they are such a powerful tool for defining success. Ideas about what topics to cover during the retreat will be described. Ways of getting a “buy-in” from the participants, creating expectations, and encouraging accountability and responsibility will be explained. Techniques to guide behavior before, during, and after the retreat will be introduced. The importance of leadership during
the retreat will be stressed, and the role it plays will be defined. And, if you are entrepreneurial, you will be exposed to a new service you could deliver to your clients.

This book is for the person who wants a better firm and career. It is for the person who has used retreats in the past and wants to improve the impact and value they create, as well as for the person who has never used retreats before.
WHAT IS A RETREAT?

Chapter 1
Most of us behave as if we are on "automatic." Day in and day out we go about our work, our recreational activities, and our personal lives pretty much out of habit. Our daily, weekly, and monthly routines often remain predictable. Our pattern of behavior generally affects our results. We may think about making some changes in our lives, but most of us stay in one behavior pattern and seldom do anything much different.

In business we really do not have a chance of changing our results unless we stop the routine. More of the same brings more of the same. This is where retreats can really help. A retreat involves taking time, in a safe and quiet place, to reflect, discuss, plan, and get a commitment to improve results. Getting away from the ordinary and routine helps. Giving yourself and others an opportunity to understand the current situation is valuable. Learning about important issues and the strategies for addressing those issues has the potential to create opportunities and to handle threats to the firm.

For successful firms, retreats are part of the process of doing business. Successful leaders and managers have learned that working away from the normal course of business produces valuable results. A retreat provides a unique opportunity for people to address both ongoing issues and new issues throughout the business year, and therefore, the value of retreats is enhanced when they are planned methodically.

Retreats are an excellent tool for clarifying or reaffirming the firm's strategic intent. This process involves creating concise statements of a business's vision, mission, values, goals, and strategies. It also involves reinforcing the values that guide people's behavior within the firm. Developing or reminding each other of the firm's strategic intention helps us to focus, make decisions, plan for current operations, and handle critical issues. Strategic intent is discussed further in chapter 2.

A retreat is also a forum for building teams and nurturing teamwork. Successful leaders and managers have learned of the extra value that a team of people can generate for the firm. Retreats can create synergy, excitement, and a sense of optimism among the people attending them. These positive feelings can become infectious throughout the firm.

Retreats are also a time to define success. Ask any number of people to define success and each will give a different definition. Some will say they are not sure what success is.
 Others will talk about health, wealth, and happiness, mostly in general terms. Only a few will describe clearly what success is for them.

Because most people are not sure what success is or think about it in general terms, creating a successful firm is very difficult. Most firms get by, but business never approaches what it was hoped to be.

Those unique individuals who can describe success clearly, however, often have successful firms. The success is evident through business growth, vitality, and profitability; stakeholder satisfaction; and firm longevity.

Each person should define success for himself or herself and for his or her firm. Your definition of your own success is personal. Your definition of success for your firm should include elements for everyone involved in the business. Consider this definition: success is being in the process of building the firm you want. In this process, because you and other firm members are doing what you all want to do and are achieving the desired results, a feeling of fulfillment is fostered in the firm.

Taking the time to define success is crucial to becoming a successful firm. Conducting productive retreats can provide a forum in which success is defined clearly. Prior to the retreat, the owners and staff can ask themselves questions about the firm’s desired goals. The answers can then be summarized and used for discussion at the retreat. Consensus about the answers clarifies the firm’s intentions and can be used to plan the necessary course of action for achieving success.

A retreat can also provide the pause each of us needs to assess our own career goals. At a retreat, ask participants to describe what they want to be doing and where they would like to be positioned in the firm in the next three to five years. Ask them to describe their need for self-fulfillment and how their career goals fit with what the firm needs to be successful. Sometimes this is done more effectively by breaking the group into pairs so that each person can share with another. Then each pair shares with the group what was learned. This exercise may be best led by an experienced facilitator. When it works, the insights and support it generates can be dramatic.

Agreeing on what success looks like for the firm and linking that picture to individual career goals is a powerful exercise. It helps keep owners and staff focused on doing what is necessary
for achieving success. It can also help produce a consensus about managing issues that can have an impact on that success.

One way to be more successful is to look at what people who are already successful do. Doing effectively what these people do can bring you the results they already have. Think about it. How did the most successful firms in your area get that way? It did not just happen. They were not just lucky. It was not the result of some giving program. More than likely, someone invited other people to join him or her and they figured out together what their success was going to be. They prepared, and with that preparation the opportunities presented themselves. They kept focused on doing what was necessary to achieve success. And they continue to know and address the issues that affect their business.

How do they do this? Most likely they use retreats as part of their business process—as a forum to answer a variety of questions. And because they know that times change and consequently the answers can change, they ask some basic questions routinely. Following are several questions that members of successful firms continually ask themselves in order to stay focused on being successful.

• Which business are we really in? Which services, competitive position, and markets are we considering?
• Why are we really in business? What value are we creating and what will drive our decision making?
• Where are we going? How are current trends affecting our position and direction?
• Who do we want to be known as? What image are we trying to create?
• What results are we after? What performance measures will we establish?
• How will we go about conducting and organizing our firm? Which methods will give us the best structure?
• When will the results happen? When do activities and events need to occur?¹

Documenting these answers in statements of the firm's vision, mission, and values and preparing written plans

¹Adapted from “The Seven Question Framework,” Strategic Development, by Norm Levy (Bellevue, WA: Strategic Development Corporation), page 7.
increases the likelihood that the answers will not be forgotten, and thus strengthens the possibility of success.

Retreats can also help business owners establish an important perspective on their firm. Owners of successful firms often view their businesses as separate from themselves and from the other people who work in it. That is, they do not see themselves as the business. This perspective has many advantages. First, it provides the owners with the objectivity to consider what is needed to keep the business healthy. Second, it allows the business to become bigger than any one individual. Business functions, markets, and potential are not limited by one person's thinking that he or she has to do it all. As the business takes on its own life, it is directed by the owners, managers, and staff, who are all doing their jobs. Third, this perspective permits a number of people to feel a sense of ownership and excitement about their ability to influence both the business and their own careers. This kind of feeling is a powerful asset for the business. Directing it properly can tremendously aid the business's growth.

With the right kind of leadership and planning, retreats can become the catalyst for moving a business toward greater success. Retreats are a tool every leader and manager should know how to use. Like a lot of tools, however, retreats can be misused. This book is intended to prevent that. It provides basic principles for making the retreat contribute to the success of the firm.

Learning how to make retreats work is not rocket science. Moving from apprentice to craftsman can happen fast. Retreats can produce improved results as long as you have an interest and a desire to be more successful, as well as the persistence to learn how to make retreats work for you.

In summary, a retreat is not a onetime event but a regular part of the process of maintaining a successful firm. Retreats involve getting away from the usual and ordinary and taking the time to think about and decide upon improvements. Finally, retreats are a wonderful way to provide assurances
DETERMINING THE
PURPOSE OF
THE RETREAT

Chapter 2
One of the questions new staff members are often asked when someone senior is reviewing their work is, “Why did you take this step?” The new staff person learns early on that answering “Because it was done that way last time” doesn’t earn any points from the reviewer. The reviewer is attempting to get his or her staff to think about the purpose of preparing a working paper and how that purpose supports the overall objective of a project.

This same logic has to be applied each time a retreat is being considered. Whether you retreat just once a year, or use retreats routinely throughout the year, the best place to start is to clarify where you want to end up when the retreat is over.

Once the objectives of the retreat are clear, the activities to occur prior, during, and after the retreat become obvious. However, if you are planning to conduct a retreat that is to be just like your last one, you probably are setting yourself up for some disappointment. Begin by knowing what you want to accomplish.

Although it is not inclusive, the following is a list of a number of valid reasons for conducting a retreat:

- Clarifying the firm’s strategic intent
- Addressing critical issues
- Developing the firm’s plans
- Creating expectations
- Monitoring current results
- Pulling the team together
- Getting owners and staff focused
- Learning about and considering new ideas
- Making decisions
- Acting as a catalyst for change
- Linking business needs to career goals

A word of advice: this list is provided to give guidance about what could be addressed at a retreat. Do not attempt to cover each matter each time a retreat is planned. Do, however, get a sense of where your firm stands with regard to each area and use that input to plan the upcoming retreat. Experience will tell you how many issues to take on at your retreats. The important thing is to identify the most important matters and give time to them. When this happens, some of the lesser issues get addressed as a result. An experienced facilitator can help you establish priorities and can help
managing the time at the retreat so that you can cover all the topics that you want.

Each one of the items on the list can be a compelling reason for having a retreat. Assess your firm's status in each area. Ask if improvement is needed and, if so, would the retreat be the best means for addressing it. Your answers will help to create the agenda for your current retreat. As your experience with each topic increases, you will learn how much time can be allocated to it. Remember that setting the objectives of a retreat means assessing the current situation and addressing the most critical matters. Attempting to cover each listed topic in a one- or two-day retreat is not reasonable. Gaining a commitment to address all of them over the next year, starting with the first retreat and following up with half-day meetings or other retreats, is a better approach.

One of the most important actions a business owner can take is to clarify his or her strategic intent. This requires the owner to look at the firm as something separate from himself or herself and to ask some simple but not easily answered questions: Where do we want to be positioned in the marketplace of CPA firms? When this business is really going well and everyone is doing exactly what needs to be done, how would we want our clients to describe what they are getting from us? Which values are we going to embrace so that each of us can expect one another to behave in a desired manner? What are we going to measure our performance against in support of these answers? What approaches are we going to take to create our desired results?

Developing a process for addressing these questions is crucial. It may involve some of the hardest work that leadership and management ever does, but it may be the most worthwhile task they ever take on. Once the process is completed, you will have a touchstone for making important decisions and guiding behavior in the future.

Clarifying the strategic intent is crucial to the success of any firm. The marketplace position that the firm intends to achieve or hold needs to be established. The real value of the services to be provided to clients and the core image of the firm need to be well understood. A set of values has to be established to guide behavior concisely and to characterize shared beliefs and purposes. Performance measures that evaluate how well the firm is doing compared with stated intentions need to be established. Finally, strategies for achieving what is expected need to be identified and executed.
My partners, Norm Levy and David Reinhardt, and I have developed a strategic intent model that can be used to create this clarity (see figure 1). The model requires that statements of vision, mission, values, goals and objectives, and strategies be simply and clearly written. It describes what is intended to drive the firm and all the behavior of the owners and staff. It provides criteria for decision making. It links all planning and guides the related actions expected from the planning. It is the basis for managing critical issues as they arise.

**Figure 1  Strategic Intent Model**

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<th>VALUES STATEMENT</th>
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<td>Clarifies the intended future position, the end-result of carrying out the mission.</td>
<td>Clarifies the real value provided to the customer and is oriented toward action in the present.</td>
<td>Clarifies the principles that guide behavior and decision making.</td>
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**GOALS AND OBJECTIVES**

Clarifies levels of achievement, measurements for success in carrying out the vision, mission, and values.

**STRATEGIES AND TACTICS**

Clarifies the broad approaches and specific methods for achieving goals and objectives.

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If a current mission or vision statement exists for your firm, can you recite it? Most people can’t. Your statement of intention needs to be simple, concise, and memorable. It has to say something that people can get behind and be passionate about.
The vision statement usually goes one of two ways. It can be a description that is quantifiable or a description of a qualitative state or position in the marketplace. A quantifiable description might involve being the largest, fastest growing, or most profitable CPA firm in your market. A qualitative description might include being the most proactive client firm or the firm to be chosen first when owners of closely held businesses want CPA services. Following are examples of vision statement:

- "To be a respected and prosperous firm."
- "To get more referrals from our referral sources than does any other firm."
- "To dominate the market wherever we have an office."
- "To be one of the twenty largest firms in our region."

A mission statement deals with the real value that your firm provides clients. Words like "professional" and "high quality" are not suggested here, since those qualities are already expected by your clients and your profession. A statement that you will help clients to create successful businesses or deal with tough business issues will have more appeal. Developing and providing low-cost solutions to better manage business problems may also be what you intend to do. Following are examples of mission statements:

- "Our clients receive a personal commitment to know and serve them always."
- "Total client satisfaction."
- "To help our clients make the best decisions."
- "To help our clients make money and keep it."

The values statement clarifies how you think your people should behave and what they should consider when making choices for further action. In this statement terms like responsiveness, profitability, innovation, accountability, and teamwork are often considered. Sometimes the words are defined, to enhance understanding. Following are other terms that may be included in the vision statement:

- Client advocacy
- Growth
- High-quality service
- Timely delivery
- Fair price
- Integrity
- High-quality staff
- Satisfaction
- Longevity
- Having fun

The statement of goals and objectives describes the firm's performance measures and objectives. They can include client, staff, and owner satisfaction; growth and profitability; and evidence of innovation and improved quality. The point is to create measures to monitor progress toward the matters you want to address.

Strategies and tactics are guided by your intentions. There are usually a variety of ways in which something can be accomplished. Your strategies (the methods you select to achieve your goals) have to be in sync with the other elements of your strategic intent statements. Your strategies demonstrate that you are "walking your talk."

Creating each of these statements is crucial for your firm. People need to know where the firm is going, why it exists, and how they are expected to behave. Do not assume anyone knows. Start the communication with clear written statements. The challenge is to remain clear about the intention and then to hold that focus so people continue doing what needs to be done. Keeping the statements in sight and reminding yourself and each other of what they say are important. Include the statements in the firm's handbook and post them where they can be seen by staff, clients, and associates. Even reviewing them before meetings with staff and partners can have a valuable effect.

As you read this book, the importance of clarifying the firm's intention will become more obvious. Once you have it clarified, periodic reviews will be extremely valuable. A retreat is the best way for developing and reviewing these important statements.

**Addressing Critical Issues**

Critical issues are matters that have the potential of affecting the long-term viability of the firm. Every firm has them. They are issues that either threaten the firm or present significant opportunity for it. A description of a number of critical issues facing one sample firm is included in the Appendix.

Using a retreat, your firm can identify, clarify, prioritize, and manage these issues. A process can be developed,
so that these issues can be identified and addressed safely and effectively. Many firms—or better stated, many owners—wait too long before they begin addressing critical issues. Very often they find themselves reacting to them and spending more time than necessary to handle them. Deciding that critical issues will be addressed at a retreat allows owners and managers to direct their business in a responsive manner. It keeps everyone's head out of the sand, his or her awareness appropriate and focused, and his or her firm on track.

Figure 2 contains a model for the critical issues management process. It is intended to help you understand and create a process for identifying long-term threats to and opportunities for your firm. After you have identified these issues, the model will help you develop an approach for managing them.

Figure 2  Model for Critical Issues Management*

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* Copyright © 1996 Strategic Development Corporation.
Let's explore each area of the model:

- **Situational analysis.** Knowing what is going on with your market, your clients, the Internal Revenue Service, the American Institute of Certified Public Accountants (AICPA), your competition, your staff, the CPA industry, and the state of technology is very important. This requires gathering information to stay current. Management needs to know what is changing and how that can affect the firm.

- **Critical issues.** These are determined from knowing the current situation and assessing these findings relative to the firm's long-term viability. As critical issues arise, and they do for every firm, they need to be identified, prioritized, and managed.

- **Strategic options.** Addressing an issue can be accomplished in several ways. Understanding as many options as possible helps in choosing the best one. Linking the option chosen to your strategic intention is the key.

- **Strategic decisions.** Selecting an option means making a decision to manage the issue. This step describes how issues are going to get addressed. All parties are ready to support the activities needed to address the issue: this is how we define consensus. Everyone does not need to think that the choice made is the best one. People do need to feel that they were listened to while the choices were being evaluated. Through this process, everyone can then be expected to support fully the approach adopted.

- **Business plans.** Plans are developed for addressing the issue and are linked to the strategic intent. The annual operating plan and the long-range plan are revised or updated to include the new matters at hand.

- **Action.** When they are well-written and understood, plans are supposed to cause action. It is the action you were after in the first place. Plans are to be lived: action is to be guided by the plan. If the plans are created and well communicated, all appropriate action is directed toward handling the issues.

- **Performance reports (monitoring).** A process that keeps all interested parties apprised of the results of an action needs to be set up. The information coming out of this process provides assurances that the issue is being addressed. This process keeps everyone
current and, in turn, keeps information flowing about the current situation.

The model shown in figure 2 helps you to understand the critical issues management process, and the following twelve steps help you to implement it:

These steps should be undertaken sequentially, fully, and iteratively.

1. Identify all issues by exploring the concerns each participant has about the company. If time permits, individual one-on-one interviews prior to a meeting will serve to enhance the productivity of an issues meeting.

2. Categorize issues by creating labels for “buckets” of related issues.

3. Amplify each issue by phrasing open-ended questions. Open-ended questions cannot be answered by a simple yes or no and require further thought and elaboration.

4. Prioritize issues according to which have the greatest impact on performance over a specific period of time. Critical issues create substantial impacts.

5. Sequence issues by determining the relationship of each to the others. Lower-priority issues may need to be resolved before higher-priority ones if contingency relationships exist. Parallel paths may be feasible, but be careful not to address too many issues at once and overwhelm people and the process.

6. Design processes that are appropriate to the specific issues. Determine who needs to be involved and how each issue’s team should go about its work. Be sensitive to existing processes within the company that may need to be integrated with the management of issues.

7. Diagnose the true nature of each issue. Identify the difference between cause and effect (or between symptom and sources). For issues to be well managed, it is crucial that their causes be identified and dealt with effectively.

8. Develop strategies for the resolution of each issue. Ensure that answers to all questions concerning an issue are developed and that the relationship of such strategies to other issues is understood.
9. Link strategies with operational plans. Strategies to resolve major issues may have no value unless operational action is taken.

10. Align all facets of the business to the established values and strategies to ensure that what is intended to be carried out manifests itself in your people's behavior.

11. Integrate issues management principles into the corporate culture. Ensure that issues management becomes a core responsibility and that each performance evaluation includes the identification and management of critical issues.

12. Communicate clearly and concisely concerning the resolution of issues and the company's direction. Practice issues management on a routine, ongoing basis.¹

Understanding the critical issues management process and following the twelve steps for implementing it keep the process alive and healthy. The link to the strategic intent keeps the firm on course. This link creates a powerful force. A retreat is the forum for initiating and perpetuating this force, and this activity can be reinforced in the firm.

The truth is that most firms don't plan. They might draw up a budget, but developing a plan is not an aspect of how they do business. This lack of planning is one of the reasons why most firms never really become the firms they can be.

The most successful firms live their business plans. They clarify their intentions, they address critical issues, and they create plans that link their intentions, the management of critical issues, and operations. They use their retreats for input on, the presentation of, and the acceptance of their planning efforts. The retreat becomes the time and place for looking into the future for imagining what could be, and for figuring out how to make it happen. These firms also use their retreats to improve on past planning efforts.

Figure 3 shows that all planning should be linked and driven by strategic planning. The linkage should be demonstrated by describing how each area supports or achieves

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**Developing the Firm's Plans**

- Figure 3 shows that all planning should be linked and driven by strategic planning. The linkage should be demonstrated by describing how each area supports or achieves...
the firm’s vision, mission, values, and objectives. Note that the box titled “Product Planning” can apply to both products and services.

Be proactive. Create an effective planning process.

As every firm evolves, different needs must be addressed. What worked in the past or what was expected may not be appropriate for the firm now. A person may need to fill a role someone else had or to take on a role that was never needed before. When this happens, it is extremely important to create agreement about what is expected.

When people are asked to describe what’s expected of them by their partners, it is not unusual for them to reply, “I am not really sure.” At a retreat, a simple question like “What do we expect from our managing partner?” can bring insights and clarity about that role, which for a long time may have been ambiguous and ineffective. Another question to ask is, “What should the managing partner expect from the other partners?” Again, this induces insights and clarity.
Determining the Purpose of the Retreat

Monitoring Current Results

Discussing the answers to these questions establishes new and improved levels of understanding and provides a basis for helping people to know what to expect from one another. To take a look at how these questions were answered by one group of owners, refer to the Appendix, “Example of a Successful Retreat,” page 93.

Getting expectations discussed gives the participants a sense that necessary matters are being addressed and that each person’s role is understood by all. This understanding is not usual, but it exists in the more successful firms. Retreats provide a place for clarifying expectations.

Financial statements on their own are sometimes interesting, but their real value appears when they are used to compare a set of expectations with actual results. Digging in and finding out why the results do or do not match what was expected provides the reader with insights about what is working within his or her business.

The same process is true for all aspects of a business. If the intention is clear, critical issues are known, action plans are agreed to, and expectations are established, a basis for comparison is in place. With that basis in place, a retreat can be used for the presentation of results. These results can be analyzed to learn if progress is being made. Through analysis, insights can be shared, behavior evaluated, and decisions made about possible changes.

Besides expectations about financial matters (revenues, costs, profit, realization, billable hours, and leverage), consider some of these: client satisfaction, staff satisfaction, the number of existing clients using more of your services, staff retention, the number of clients fired, and the number of formerly okay clients that have now become good or great clients. Criteria for each of these areas can be developed, and measurements can be devised.

This exercise becomes invaluable when it is performed in a timely and routine manner. The business gets the attention it needs to keep it on course, and individuals learn quickly how others are handling the expectations. Immediate action afterwards to reinforce desired results or to correct undesirable behavior puts owners in a position to be responsive to the plan, not reactive to the issue. Use the retreat to create the expectations and to establish the criteria and the measurements. Have individuals identify how they want to be accountable and discuss how that will be reported. At a
Pulling the Team Together

retreat all this can be brought into light, and in that light, current results can be productively analyzed.

Even though people work in a close-knit firm or even a close-knit office, they can feel alone, isolated, and inconsequential. Retreats can be an excellent tool for reducing or eliminating these feelings.

People feel better and are more productive when they know what's going on, what their role is, what's in it for them, and what's expected of them beyond their immediate tasks. People generally have more to give, and are willing to do so, if the opportunity presents itself. Creating clarity about business intentions and letting folks know that issues are being addressed, that plans are in place, and that they are key to making them successful all improve personal effectiveness and the sense of teamwork.

Experience has shown that most people can and will do more to make their workplace more successful if they are asked and included. Retreats provide that forum. Remember to include your staff for input, participation, and follow-up.

One additional thought: people will see how valuable their role and input is to the team and how their role fits their needs when they understand what the firm is all about and where they fit in this picture. The closer the fit is to what the person wants, the better the chances are that that person will meet the firm's expectations. Investing time in activities that address this issue makes a lot more sense than designing games or exercises that create teams but that do not relate to the situation at hand: the creation of a viable long-term firm and a fulfilling career.

Understanding the business and its intentions helps people see the big picture. The challenge is to show people how their role affects that picture. The fit is not always obvious and may look different depending on how each person perceives his or her role. Identifying what needs to be done in the firm and deciding how the firm should be organized in order to accomplish it are excellent retreat objectives.

When different approaches to the accomplishment of tasks and the delivery of services to clients are considered, the working relationships among the people in the firm become obvious. This process helps to establish authority and responsibility and clarifies why people work with—or for—other people in the firm. Everyone has a better under-
Learning About and Considering New Ideas

Many of us have attended a CPE course or some other management program and have learned about some new ideas that really make sense. Very often we have wished our partners and staff had been with us to share the experience. Most likely, though, they weren’t, and our motivation to push forward with the ideas dissipates when we return to our office. This is too bad.

Innovation is crucial to a firm’s success. There are always better ways of doing things; there are alternative solutions for meeting threats and opportunities; new ideas can be effectively shared and acted upon. One of the best places for presenting and considering new ideas is a retreat. Sharing a new idea at a retreat and then discussing its importance to the firm can be an extremely valuable experience.

Some firms plan retreats around practice management conferences. They use the conference for ideas, and create an agenda that is appropriate for their needs, and leave time to discuss and consider the new ideas learned at the conference. It is great way to get away from it all and consider the firm’s current situation and how it might be improved upon.

Making Decisions

Making decisions is one of the most important things owners of CPA firms do. Many owners tend to avoid making decisions until the very last minute or, perhaps, not to make a decision at all. They don’t realize that no decision is in itself a decision. Because they didn’t make a decision, owners are stuck with the results of their reluctance to decide.

A retreat is a great place for making decisions and for improving the decision-making process. Issues can be clarified, discussed, and analyzed. Options for addressing an issue can be developed, and criteria for choosing the best option can be generated. Everyone present can have his or her say, hear what others think, and confirm that the issue is well understood. This kind of process will not only
develop the best decision but will also keep the firm in the proper "responsive" mode instead of a reactive one.

Sometimes an issue is sensitive or emotionally packed, and special care needs to be taken so that it is addressed constructively and respectfully. An effective facilitator can be hired to assist in these situations. His or her objectivity and experience can guide the group through the process. The facilitator can get everyone present involved in the process and, therefore, get a variety of perspectives and ideas. All of this uncovers information and ideas that help people reach the best decision. Having assistance can be invaluable when people are concerned about making the right choice.

People can also learn to create a matrix that will help them make decisions. They can list the criteria that they should evaluate before they select the best solution. Then they can list possible solutions at the top of the matrix. The solution that best matches the criteria should be the best solution. When everyone develops the matrix together, it usually generates an answer that everyone can support.

Imagine that you and your partners are in the same offices that you have had for the last fifteen years. The space is dated, awkward, crowded, and in a part of town that has become rundown. The rent, however, is cheap, and the building is owned by two senior partners. Some of the options are to do nothing and just put up with it for a few more years, to remodel the existing space, to move into a new space being developed by a prospective client you have been courting, to relocate into a space opening up on the other side of town, or to build your offices in a growing area outside of town. You might consider the following criteria: (1) Where do our clients think we should be? (2) How much space do we need now and what is available for growth? (3) What will our partners do with this space? (4) What image are we trying to project? (5) How much will each option cost? and (6) How much allowance for space improvement can we get? Putting this into a matrix and comparing each solution with the criteria make the trade-offs for each solution clearer. Discussing these tradeoffs helps make the right decision more obvious.

Another example comes to mind: A group of owners was considering the merger of their firm with another. They were asked to identify, from both the firm’s and partners' perspective, reasons for merging and reasons for not merging. They came up with the following:
• Partners’ reasons for not merging:
  — No opportunity for some partners
  — Additional liability
  — Becoming smaller fish in a new environment
  — The other firm’s disapproval of current ways of behaving
  — Changing roles
  — A sense of personal failure (not keeping the firm going)
  — Working for someone else
  — No place for non-partners
  — Less retirement income
  — Relocation
  — The loss of autonomy

• Firm’s reasons for not merging:
  — The loss of identity
  — The loss of autonomy (someone else in charge)
  — The loss of clients
  — A sense of failure
  — Disappointing founding partners
  — The loss of existing challenges
  — The acceptance of what may be second-best
  — Unknowns
  — Distraction from productivity
  — Finality

• Partners’ reasons for continuing with existing firm:
  — Existing opportunities (clients, specialties, reputation, longevity, and location)
  — Control of our destiny
  — Less disruption to everyone’s life
  — Preservation of the firm’s name
  — Challenge
  — Preservation of the existing productive climate
  — The pride and satisfaction of doing it ourselves
  — Fewer unknowns (liabilities)
  — The ability to craft our own solutions
  — The ability to keep existing retirement plan
  — Staff loyalty
  — The ability to leave options open
  — Being a big fish
  — Knowing one’s role and what is expected
— A better opportunity for keeping clients
— A better chance of keeping jobs
— A greater role in decision making
— A chance for greater personal success
— The excitement of righting our own ship

• Firm’s reasons for merging:
  — Better management systems in place at the other firm
  — Better long-term stability
  — A better infrastructure
  — A broader base for funding retirements
  — Easier ways of providing continuity of service
  — To escape the morass
  — More career opportunities for staff
  — More technical expertise
  — To spread administrative costs

• Partners’ reasons for merging:
  — More income for some partners
  — A better-looking retirement package
  — A better opportunity for developing a specialty
  — A more qualified staff
  — More resources
  — The avoidance of making some difficult decisions
  — An opportunity to do some other things
  — A new environment

As the group developed these lists and clarified what people meant by each point, each person better understood the issue and where the others were coming from. This learning and discussion continued into the evening. The next morning, the group unanimously decided not to merge and began planning to address the difficult issues involved with keeping the firm viable.

All the work to reach a decision like this may not get accomplished in one retreat, but the input gathered and the discussion generated there will surely help the quality of the decision and foster the acceptance of it.

Acting as a Catalyst for Change

The hardest thing for most of us to do is to change. We are creatures of habit. We have repeated our habits often, and therefore, we are very good at them. We may embrace the
notion that change is good. However, we often expect someone else to do something different, not us.

In successful firms there is a bias for change, not change for change's sake but change for improvement's sake. People in these firms want to be challenged because they are aware of the value that change offers. Technology, competition, and marketing are all issues that cause CPA firms to consider constant change.

But what do we change and how do we go about it? How will change affect our firm? Who will it affect the most? How do we support the change and the people affected by it? These and many other related questions can best be answered at a retreat. Learning how to identify and introduce changes productively is a skill and a challenge. Properly conducted, a retreat can be a big help in meeting this challenge.

Every once in a while, it is important to step back and ask yourself, "Why am I doing what I am doing? Am I getting what I expected out of my career? If I keep going as I am, will I be enjoying myself and the other important people in my life?"

After looking at the firm and its future, it's important to take some time to consider the careers of the people in the firm. Understanding roles, authority, and responsibility is important for carrying out the firm's tactics for success. But while you and your co-workers are doing this, are you and they excited and motivated? It's important to explore this issue.

The demands of being a CPA can be huge. People can find themselves in situations that are different from what they were expecting. Each key person needs to set aside time to assess his or her current position in light of the desired one. In doing so, and with an understanding of the firm and its intention, people can see the link between their careers and the future of the firm. If there is a link already, it is easier for people to accept doing what needs to be done. If there is not one, a retreat provides an opportunity for individuals to make decisions about their careers. In an ideal setting, career goals are linked perfectly to the organization's needs and goals. Now most situations are not ideal, but working toward that ideal produces real benefits.

Seeing the link takes time; it also takes a process that allows the time to be used effectively. That's why a retreat is an ideal place for doing this. In fact, it is a good idea to hear
each of your key people state his or her career goals annually. Amazing insights and amazing opportunities for supporting each other can be generated.

A great exercise for addressing this issue is to have participants pair up at the beginning of the retreat. Ask them to learn about each other's career goals. Then, as the retreat proceeds, the participants can introduce each other to the group and share with it what they have learned about each other's career goals. Consider using these questions:

- Where do you see your career in two years?
- What three things do you like about your work?
- What three things don’t you like about your work?
- As your career proceeds, what is most important to you?
- How long are you planning to work?
- What obstacles do you see toward the achievement of your career goals?
- How would you describe your experience of working here?
- What personal goals could the firm help you with?

The answers to these questions can help each person understand what the other wants. You can then decide how you want to use the information.

Conclusion

The purpose of this chapter is not to identify every reason for having a retreat but, instead, to identify some compelling ones. Addressing the objectives that have been presented is important if you are serious about your firm's success.
Stakeholders, or
Whose Business
Is This Anyway?
Part of the effective management of your firm is an awareness of the firm’s current situation. Most of us assess the current situation by gathering impressions of what is going on. We don’t consider that there are other perspectives, and accordingly we don’t go out of our way to learn about them. Or, we know that there are other perspectives but we are reluctant to learn about them because we just don’t want to deal with them.

Today, more and more owners are realizing the value of learning what others—especially stakeholders—think about their firm. Although an owner has a huge stake in the firm’s success, he or she is not the only stakeholder. In fact (and this may be tough to accept), considering the owner as the only, or the most important, stakeholder is very dangerous. Thinking this way narrows the potential of any firm; it limits the worth any owner can expect from his or her firm.

There are several stakeholders in your firm. A stakeholder is someone who has a vested interest in the ongoing success of the business. It is important to know who these people are and why they are stakeholders. If their interests are not considered or—more important—not met, the chances for the firm’s success are not good. The purpose of this chapter is to get the reader to ask other stakeholders how they view the firm. In those findings may be gold, and at a retreat the firm can plan to mine that gold.

First let’s identify the stakeholders in a CPA firm: your clients, your staff and their families, your business associates, the community, and the firm’s owners.

Clients

Clients are listed as the first stakeholder because their satisfaction with your service is the most important matter for your business. Clients and client service has to be the primary focus of the firm. Clients need to know that they are important and that they are getting all the attention they deserve. You need to know that the service they are getting is meeting their needs. The higher their satisfaction is, the more successful your firm will be. If your firm is not focused on this already, a huge opportunity for improvement exists. The management and planning of all critical issues must involve a consideration of how your decisions will affect these stakeholders. Gather their input when major decisions are being considered, and develop systems for getting their feedback about the firm’s performance.

Also consider inviting some key clients to attend part of a retreat or a meeting to get their input. Tell them that you
and your partners are interested in expanding and improving your firm and that their feedback about the firm and its services would be appreciated. Here are some questions you could ask a client:

- What attracted you to the firm?
- Why do you stay with the firm?
- What would cause you to leave the firm?
- What should the firm keep doing well?
- What should the firm stop doing?
- What should the firm do (regarding services in particular) that it hasn't already done?
- How many clients have you referred to the firm this past year? Why did you refer them?

The questions could be asked in an informal manner, and you could direct the clients to expand upon their answers whenever more detail would be helpful. Thanking them and even hosting a meal would be appropriate. Afterward, be sure to follow up with thank-you notes or calls and with some feedback about what you learned.

Staff and Their Families

How staff and their families are included, listened to, cared for, and treated has a major impact on your firm. Knowing the needs of these people and working to meet them can pay big dividends for the firm. Your staff has ideas and perspectives that you need to know. Learning about them will help you draw from a reservoir that usually doesn't get used to its fullest extent and will hasten their career's advancement and their willingness to take on more responsibility. Learn how to increase the value of their stake in the firm.

To learn about these matters, conduct surveys and informal meetings. The surveys can be done on an annual basis. Ask staff members the following questions:

- What progress are you making in your career?
- Where do you see yourself in two to three years and what are you planning to be doing?
- How is the firm helping you to achieve your plans?
- What does the firm expect of you during the next two to three years?
- How fair are those expectations?
• What aspects of the firm are working well and what should it continue doing?
• What should the firm stop doing?
• What important things should the firm start doing?

These answers can help you identify some of those critical issues you and your partners need to be managing. When you review all the answers, the common issues will emerge. Let the staff know what you have learned and that you will be addressing certain issues at the retreat. Think about including the staff as you approach these issues. Consider inviting key staff members to all or a portion of the retreat, so that the issues can be discussed together.

The amount of trust that exists in your firm will directly relate to the quality of the answers you get from your staff. Whether you use a questionnaire or just interview informally, let people know that matters will be kept confidential. If you learn about something that applies to only one person, be sure to address the issue with that person. At a minimum, be sure to thank all the staff from whom you gathered input and let them know what you will be doing with it.

This author is not in favor of gathering input from spouses in any formal manner. However, ignoring the concerns or comments of spouses is not wise. Whenever something does arise, consider its potential impact to the firm and to the individuals involved and act respectively to address it. Furthermore, whether spouses and families add to or detract from an effective retreat relates to the retreat’s purpose and objectives. Consider these before inviting spouses and families.

Business associates include bankers, attorneys, and other businesspeople who rely on you to help them and their clients. They use the information you provide to help mutual clients, and they provide a significant referral source to help your firm grow. Ignoring their interests and needs is a costly mistake. Gather their views about your firm. Learn their view on the firm’s position in the marketplace and on how the firm serves its clients. Find out why referrals are made or why they are not. This is precious information, and if you use it well, it can increase the degree to which these stakeholders value the firm.

Before a retreat or when you are with these people, tell them that you are interested in how they view your firm.
Following are some questions you, your partners, and even senior staff can ask business associates:

- How does our firm compare with the other CPA firms you work with?
- What do you see as our strengths?
- What should we stop doing?
- What could we be doing that we are not?
- How could we be more supportive of you and your business?
- Would you refer more clients to us? Why would (or wouldn’t) you refer them?

Again, by gathering these answers and sharing them with your partners, you will have insights and ideas that can be used for improving your firm. The retreat is a great place for discussing these matters. Although obtaining these answers from business associates may seem an uncomfortable process at first, do not let that stop you. You will find that most of them are dealing with many of the same issues that you are. More than likely, your conversations will uncover more than you hoped for: ideas for improvements, a better relationship with a business associate, and maybe even some new business.

Community

The next stakeholder is broadly described as the community in which you do business. The community needs vital businesses to contribute to its own health and viability. Ignoring the community means ignoring the role you play in making the area in which you work a better place. It also means missing an opportunity for showcasing your partners and your staff as people to do business with.

Owners

The owners will benefit the most from focusing on the needs of the other stakeholders. The more interest and effort owners show in creating a return for the other stakeholders, the more assurance all parties have that the owners will obtain the value they want for the firm. However, it is crucial for owners to learn how to increase that value.

When striving for improvement or for a better understanding of the current situation, you the owner should consider all the stakeholders. Ask yourself how they will be affected. Get their input for use in your work. Their comments may be what you need to truly understand an issue. Even consider the possibility of including them at the retreat for the sake
of obtaining advice. Their perspective and experience can help determine how an issue is managed and, ultimately, how the firm progresses.

Whether these non-owner stakeholders should attend a retreat is dependent on the purpose of the retreat. If significant time is to be devoted to growth, the development of the practice, or marketing, asking clients and business associates to attend can be valuable. If staffing issues or career matters are of importance, having staff at the retreat makes a lot of sense. The point is to know why you are retreating and then consider which stakeholders can be valuable there.
PREPARATION,
PARTICIPANTS, AND
SETTING THE TONE
Preparation

By now, you should be ready to have a retreat or to take a shot at improving your past retreat efforts. This chapter addresses preparation, the selection of participants, and the tone to be set beforehand so that the participants know what to expect. The success of the retreat has as much to do with these matters as with how it’s conducted.

How the objective of a particular retreat is decided on depends on your firm’s current situation. In a well-managed firm, communication is constant and of a superb quality. An environment exists in which people are keeping each other informed about current results and the current situation. Results are compared with what was planned and expected. The current situation is continually evaluated for new threats and opportunities. More firms need to have this kind of process in place. Let’s assume your firm does not have these attributes and that there is an interest in having a retreat to begin making improvements in the firm. Let’s also assume that you are the person who is responsible for planning the retreat.

There are four steps to help you prepare for the retreat. The first step is to call a meeting of your partners and key staff members and announce that a retreat is being planned. Inform them that the general purpose of the retreat is to start a process for improving the firm. What that improvement will be and what the process will look like is not exactly clear. The clarity will be obtained as the process evolves. At the meeting alert these people that you will be talking with each of them to learn what issues they think need to be addressed in order to improve the firm.

The second step is to meet with each person. Give yourself at least forty-five minutes to do so. Remind him or her that the purpose of the meeting is to address critical issues so that the firm can improve. Get their permission to ask some questions. Assure them, if necessary, that individual issues and concerns will not be attributed to any one person and that you just want to know what they are thinking. You will take their issues and compile them with the others. You are looking for commonality. If they also have an issue that is theirs alone, you will let them know that and offer to help them address it at that time.

Ask the questions one at a time. After you have asked a question, be silent and let the person talk. Sometimes you
might ask that an answer to be clarified, or you might ask that the response be expanded. Ask the following questions:

- How would you describe your role in the firm?
- What opportunities is the firm missing?
- What is now threatening the firm?
- When you look three years or so down the road, where will the firm be?
- Where do see yourself three years down the road?
- If you could change three things about the firm, what would they be?
- If the retreat were a tremendous success, what outcomes would you like to see?
- What else do you think I should know, to help make the retreat a success?

The answers to these questions are very often insights into what is preventing the firm from being the success it can be. The degree to which people are willing to be honest and forthright with their answers is the degree to which you can help improve the firm. Be careful just to gather the answers. Do not judge them or attempt to address them. It is your job now to learn what needs to be addressed. Don’t be defensive, argumentive, or demeaning. Just listen and take good notes.

The third step is to summarize your findings and to organize them in a manner that is presentable to others in your firm. Some issues may be owner issues and best kept within that group; others can be shared with nonowners. The Appendix includes an original list of critical issues that was developed by one firm.

The fourth step is to set up a short meeting with the people you plan to have at the retreat and present your summary and a proposed agenda. Hold the meeting at least one to two weeks before the retreat; you may hold it earlier if you have some concerns about the topics or if significant preparation is expected. Inform those attending the meeting that they should review the summary prior to the retreat. At the retreat, issues will be clarified, prioritized, and organized. Some of the issues will even be tackled there. At this meeting, also present the proposed agenda. If people have questions or want to see other matters put on the agenda, ask them to let you know in the next forty-eight hours. Promise to have
the final agenda and related materials sent to everyone at least three days prior to the retreat. Keep your promise.

Setting up the agenda can be crucial to a successful retreat. When the preparations that have been discussed have been made, a natural priority should appear. Key issues should be addressed first and when people are at their best. However, to tackle key issues, a group sometimes has to do a certain amount of preparation. An example of this is learning about critical issues management before beginning to do it. Observe your group and discover when they work best together. Some groups are slow-starting, others like best to work early, and still others don’t really get going until later in the day. Know your group and acknowledge them. Design your agenda around the issues and the group. Attempt to direct the group to the toughest issue at a time when they are most effective. However, no matter when the group is most effective, be sure to leave time for the retreat’s most important issue. Do not let less important matters consume valuable time if critical issues need to get addressed.

People who are attempting to manage critical issues for the first time should bear in mind that it is not unusual to have a lot of issues. The list gets smaller over time, but new issues will appear as the previously listed ones get handled.

**Participants**

During the preparations, think about the different people who should attend the retreat. Usually all the owners need to be there. However, inviting key staff members will provide a number of benefits. Staff members can provide fresh insights to owners. The retreat also provides the owner with the experience of working with these individuals in a non-technical arena. This is valuable if the staff person involved is being considered for ownership. The experience also allows the staff person to see how well the ownership group works together.

**Setting the Tone**

The manner in which you conduct the interviews, the way in which you develop the agenda, the way in which you consider who should attend the retreats, and how you share these considerations set the tone of the retreat. Getting the real issues on the agenda and making it clear that they will be addressed will get people enthusiastic about the retreat. Letting people know that they should come prepared for the retreat establishes expectations that give importance to the issues involved. This attention and focus can help people realize how meaningful the retreat can be.
Chapter 5

RETREAT
MECHANICS
A successful retreat not only involves the determination of its content but also requires careful attention to its mechanics. The matters that need to be addressed here are the location, food and beverages, the layout of the room, special equipment needs, scheduling, and the overall ambience.

**Location**

Choosing where to conduct the retreat is very important. This author has conducted retreats in client's offices, in partners' homes, at resorts, at motels, at hotels, on boats, and in various conference rooms. Some highly experienced participants can have a successful retreat in their office, but this is unusual. Most of the time, it is best to go off-site, to get away from the office. The idea is to remove yourself from the daily demands of conducting business.

A partner's home can be used if it meets the right requirements. A few words of caution, though. Some retreats are intended for addressing some serious and important matters. It may not be comfortable to discuss certain issues in someone's home. Furthermore, the spouse, pets, and children often show up and distract from the content of the retreat. One other matter is to keep the retreat site neutral. Holding the retreat at someone's home sometimes implies that person's dominance over the other participants. It is best to keep the participants feeling that the playing field is level and that everyone is equal and safe. Before you decide to use someone's home, be sure to think about the issues to be discussed at the retreats.

The preference is for a retreat that is off-site and comfortable. Very often, retreats will span two or more days, so sleeping arrangements need to be considered. An off-site location close to everyone's home can work, but it is not preferred. The reason for staying at the site after the retreat's workday is that it keeps participants away from the routine and gives them time to reflect on and discuss matters that were addressed during the day. A lot can happen during the time between the formal retreat meetings if people are encouraged to stay and consider the day's events.

**Room Layout**

The actual meeting room should be set up to help make the retreat a success. The temperature, air quality, lighting, space, and noise levels all need to be controlled, and you must be able to hang or tape papers and charts to the walls.

The seating should be arranged so that all participants can see each other. A horseshoe allows for this and gives the
retreat leader a place for directing the activities. Sometimes a round table is preferred, especially when there are serious issues and you know there will be differing opinions. When you are trying to bring people together on an issue, a round table can also nurture a sense of unity.

The tables should be large enough for individuals to use their materials and have some of their own space. Space should also be allowed for water and other beverages. If tables are not used (for example, if someone’s living room is being used or you decide to hold the retreat on a boat), it is still important that everyone can see and hear everyone else from where he or she sits. Having something to write on helps also.

Some cities and facilities have conference centers. These are special rooms set up with seating, tables, and equipment that are designed for meetings and retreats. It is worth exploring whether such a facility exits in your area. You may wish to contact the International Association of Conference Centers to learn about site possibilities.

One particular retreat comes to my mind. A client and her staff always enjoyed good food and drink. Their retreat started out with what was described as a continental breakfast, but the large quantities of the pastries, eggs, and meats served did not apply to my definition of this type of breakfast. More pastries were added during the mid-morning break, a full meal was held at lunch, and then at mid-afternoon cookies, cake, and milk arrived. Although this was great food, it really got in the way of the retreat. People became drowsy and easily lost attention.

There need to be food and beverages, but light is better than heavy. Portions should be moderate. Large portions and heavy foods require too much energy to digest. People become sleepy and lose interest if they get too full. Fruits and light meals help during the retreat day. Keep plenty of liquids available. Don’t let what you eat and drink bog you down.

The evening meal should also be thought out. Going to bed with heavy, hard-to-digest food in your stomach won’t be restful for most people. This is true even when the firm is picking up the tab.

Alcohol should not be not allowed during the retreat’s workday. At the end of the day, moderation in the consumption
of alcohol is recommended. Sometimes people think this is the time for really unwinding, but it isn’t. It’s the time for staying clearheaded and thoughtful. It’s the time for focusing on the firm and what is best for it.

**Special Equipment**

Learn from all the participants what equipment they may need for presenting or discussing any of the matters on the agenda. Flip charts, white boards, overhead projectors, computers and LCDs, VCRs, and televisions are all items that have been used during various retreats. Be sure someone tests all the equipment before the retreat starts.

Have extra supplies also: pads of paper, pens, marking pens, masking tape, thumbtacks, and extra transparencies if you use overheads.

**Scheduling**

Most successful firms retreat at least twice a year: first, soon after April 15 and, second, in late fall or early winter. These times seem to fit most business cycles. Although these times may not work for you, you should find time to retreat at least twice a year. More retreats may be needed depending on the condition of your firm. Try to avoid busier times, so that participants can focus on the firm’s matters during the retreat and not be distracted by due dates and client needs. In addition, take vacations into consideration, as well as time for winding up before, and for unwinding after, busy times.

The first retreat can be for the review of planned results and the identification of new issues. The later one can be for more planning and issues management, along with progress reports. Do not let a lack of time or a busy schedule keep you from retreating.

**Other Matters**

Room charges and group meals are best handled on a master account. This makes it easier for the participants. Incidental or other charges should be handled under the firm’s normal reimbursement policy.

If the mechanics are taken care of beforehand, they will be a nonevent during the retreat. This is exactly what you want them to be. They will be there, working as needed to support the retreat’s activities. This support is important because it allows the participants to stay focused on the retreat’s issues.

When retreats are planned to cover two or more days, some owners want to provide leisure or recreational activities.
When they are consistent with the retreat's purpose, these activities add to the participants' experience. Golf, tennis, or sightseeing can be nice pluses that show appreciation for the people attending a retreat. They also allow people to exercise and enjoy nature more. Having a place and some time for these activities may help make the retreat more effective. The key, though, is to be very clear about why the firm is retreating.

Most retreats span a couple of days. Tying those days into some resort area can be an added bonus and is encouraged. This can help build camaraderie. Inviting spouses and family to join the participants after the business is complete can be a nice touch, but be careful before you decide to add this feature. First remember why you were retreating, and then decide if this element should be added.
Chapter 6

Conducting the Retreat
This chapter covers the ground rules and the stages of a retreat.

I once attended an intense workshop. It was intended to help me gain some knowledge and experience that would improve my personal effectiveness. It did just that. Later, I became interested in how the workshop leader managed the workshop and how he got all 200 participants through the program. One thing he did was to establish expectations of behavior (ground rules) right away. He then expected that the behavior be followed throughout the program. Whenever it was necessary, he reminded us of our agreed-upon behavior.

This technique worked for me and is one that I will describe and encourage you to use. Simply establish ground rules at the beginning of the retreat and monitor participants’ adherence to them throughout the retreat. It is important to state why you are establishing ground rules and to have everyone agree to follow the ground rules.

To “tee up” the ground rules, simply explain that the retreat will be more productive if everyone knows that he or she is expected to behave in a certain manner. There should be nothing offensive about the ground rules. In fact, once you read the proposed ground rules that follow, they may appear to be an obvious matter of common sense. Very often, though, the behavior you want is not followed and the retreat suffers as a result. Ground rules help engender the behavior you want.

Once you have described the ground rules, ask the participants to acknowledge their willingness to behave by them. If someone has a problem with a ground rule, address it and work with the person to gain his or her support of the ground rule. Once you have that support, keep the ground rules visible so that you can refer to them as the retreat progresses. Posting them on the wall is a great way to remind people of expected behavior. People can keep the ground rules in their personal files for later retreats and meetings.

This procedure will improve the quality of the retreat and has the potential of improving the quality and effectiveness of some of your relationships outside of the retreat setting. The ground rules are based on respect and efficiency. They can keep your retreat on track and productive.

The following are recommended ground rules:

- **Be here, be present.** At the retreat, stay focused on the matters at hand. Even if the particular topic is not
important to you, it must be important to the firm (or it should not have been included in the retreat’s agenda). Do not allow yourself to “check out” mentally. Stay with the program and the topic that is in front of you. Do not bring other material to work on while less interesting topics are being addressed. Participate in what is on the table. You are there for the value you can bring. By being there, you can deliver.

- **Listen to understand.** One of the most underutilized abilities we have is listening. In fact, most people stop listening while other people talk so that they can form some response, or they just listen for a break so that they can then speak. When you practice effective listening, you show respect and will significantly improve the quality of your retreat. Show interest in what the other person is saying. Do not interrupt. Clarify what you think you heard by asking the person to confirm your understanding. Say, “This is what I heard. Is that what you meant?” People want to be heard and understood. Help them by listening.

Understanding develops when people do not have side conversations and when they refrain from distracting behavior that could be interpreted as not listening. Reading books or papers or not watching whoever is speaking is easy to interpret as not listening.

- **Hang up the judge’s robes.** Let people have their notions, ideas, and perceptions. Even if you disagree, let someone have a chance to express his or her idea. Don’t shut them up. There is the chance that you could learn something that may change your mind about an issue or idea. However, if someone expresses a really bad idea or thought, it won’t go very far anyway, so letting the individual have his or her say doesn’t hurt.

- **Tell the truth.** This means telling people what you really think and feel. Do not hold back your thoughts and ideas. You may reveal some issues that need to be identified and addressed.

- **Be constructive.** When you are speaking, be positive and respectful. Do not worry about being right or making the other person look wrong. Stick to the issues and do not make personal attacks on another individual (don’t shoot the messenger just because you don’t like the message). Find some good in every exchange and
share it. For example say “I don’t understand” instead of “You don’t make sense.” Be accountable for your words and responsible for how you say them.

- **Be brief.** Make your point succinctly and quickly. If you do, the point has a better chance of being heard and appreciated.

- **Have fun.** The retreat is an important event, and usually some significant issues need to be addressed. However, take pleasure in the time you have set aside and enjoy getting to the issues. Relax, laugh, and be thankful that you are working on the really important matters.

- **Give and get feedback.** Some people say that feedback is the breakfast of champions. My experience is that it can be that if the parties communicate well and are truly interested in helping each other. During the retreat ask others how the retreat is going. Ask, “Are we discussing the right issues, and are we going about it in the right manner?” Use others’ feedback to make communications during the retreat better.

Here are some other ground rules you may want to consider:

- Everyone will be on time (lateness costs the participant $5 a minute, to be used at the evening social hour).
- A person can only begin speaking when he or she is recognized by the facilitator.
- No one can leave the room until a break is announced.
- Telephones and beepers are to be shut off.
- Watches are to be put away.
- Confidentiality is not only assumed but also expected.

Any other behavior you want reinforced to make your retreat more productive can be used as a ground rule.

Ask the participants if there are any other ground rules they think would help make the retreat effective and productive. Including the participants in this way helps make the rules generally accepted, which is necessary for the rules to be useful.

One final idea: Some people have used the idea of ground rules in all communication and activities within their firm. Review the rules with that in mind. People’s behavior in the firm could be more effective and productive as a result.
The purpose of this section is to describe the stages through which a retreat should go if it is to be productive. This section serves as a general guide and is not intended to show the only way. However, paying attention to these stages will improve your retreat's results.

Imagine the retreat being like a good speech. It has an interesting and engaging opening. The body of the speech has a main theme or outcome that supports the purpose of the speech. Finally, there is a strong close, which includes a call for action. Like any good speech, it has been prepared before the presentation, hopefully along the guidelines suggested in this book.

Everyone is in the room, which has been set up in the way you wanted it. People have come prepared, and the agenda is in hand. How do you get started?

The first thing you the facilitator do is to thank everyone for coming to the retreat and then to ask the participants to answer this question: If this retreat is to be a roaring success, what should the results be? Acknowledge that this question may seem redundant, since the planning for the retreat has already been done and the agenda has been prepared. But emphasize the value of having participants say what they want in the way of results. Have each person answer the question, and then on a flip chart, capture the essence of what each person describes. Once you have everyone's response, review what you wrote. Point out that this is what everyone should be working toward during the retreat. Confirm that with the group.

Usually during this exercise people mention such matters as the following:

- Getting a clearer idea about the firm's purpose, its direction, and their role
- Feeling more like a team
- Being on the same page
- Getting particular issues addressed or understood
- Getting a sense that issues are being managed
- Getting through the agenda

As anticipated results are listed, consider the likelihood that the expected result will occur. If there is any concern about that, address the concern.
Next, review the agenda and connect the anticipated results to the topics you will be covering. Because the agenda was based on the participants' input and approved by them, the probability of meeting their newly stated objectives should be pretty good. Emphasize key issues and the importance of getting them addressed.

Review the ground rules with the participants and obtain their agreement to follow them. Post them in the meeting room, where they can be referred to easily. This is also a good time for reviewing with everyone when the breaks and lunch will occur and where the restrooms are.

With this done, you should be ready for the next stage.

The kind of work you do in the body of a retreat will vary depending on the agenda, the issues you want to address, and your and your partners' previous experience with retreats. In general, though, there are three topics you will work on: (1) knowing where each partner stands on each issue, (2) learning new techniques for addressing the issues, and (3) improving the process for reaching a consensus about issues.

The first topic, getting to know your partners and where they stand on each issue, can be accomplished simply by asking them or by using some exercise that makes it easier and fun to learn their position. One such exercise is described in chapter 2 (see "Making Decisions"). Knowing what people think about an issue takes time and patience. At the retreat you have made the time. Now the challenge is to be patient and develop an understanding of a partner's position so that it can be considered when issues are addressed.

Learning about new techniques for addressing issues and improving a firm's effectiveness is a second important topic. Before diving into an issue, it is worthwhile to take time to explore other ways of producing better decisions and results. Learning about critical issues management, strategic intent, or decision making creates a common reference point that can be invaluable when issues are handled later on. Present new ideas to each other and teach yourselves to be more effective and productive.

The third topic is to know where each other stands and what everyone wants. Clarify each issue, understand the impact of each proposed solution, and then develop the best solution. With the best solution in hand, decide on how to implement it. From the participants, get the commitment
and support that is needed and create an expectation that demonstrates that the solution is being implemented. For example, we discussed an issue related to the facilities of a firm in chapter 2. Once the solutions were identified, the best apparent one was selected. Two owners agreed to present a plan that addressed that solution. It was to be prepared and presented for approval at a subsequent meeting. Once the plan was approved, two owners were assigned to execute the plan. The other partners offered them support by taking on some of their responsibilities for client work and administrative matters, and the other partners agreed that this change would not affect compensation expectations.

The issue was addressed well because it was understood from everyone’s perspective. All solutions were identified and considered, and the participants used a process that created a consensus and a plan of action for implementing the solution.

**The Close**

A good close is successful if (1) the decisions are well understood, (2) assignments and expectations are clear, (3) the anticipated results (objectives) that were determined at the beginning of the retreat are compared with actual outcomes, and (4) the impact of the retreat process is evaluated. Let’s explore each condition.

One way to determine if each decision is understood is to ask someone at the retreat to explain his or her understanding of what was decided about a particular issue. Once that person has offered his or her understanding, ask the others if the explanation they heard agrees with theirs. Do not leave an issue until everyone agrees that the issue is understood and supported.

Next, ask each person to summarize the action that he or she has agreed to. Have each one present his or her summary to the others. Ask the others to comment about what they have just heard by comparing it with what they expected the person to be doing. Once an agreement is reached, go to the next person.

Then refer to the list of objectives that was created at the beginning of the retreat. Have the group give feedback on how well each objective was met. Sometimes using a scale of 1 to 5 works easiest, with 1 meaning that the objective was not met at all and 5 meaning that the objective was met very well. Use this feedback for your follow-up.
Finally, ask the group to rate the effectiveness and impact of the retreat. The impact is usually the result of (1) the processes used at the retreat for addressing the issues and (2) the substance or appropriateness of the issues themselves. Ask each person to comment on how the retreat was conducted and on the effectiveness of the methods for addressing the issues. Also ask them to comment on the substance or quality of the issues covered. Basically, ask them, “Did we go about this the right way and did we address the right issues?” Use the participants’ feedback for planning and conducting the next retreat.

**Conclusion**

During the retreat, follow this sequence of events. Then determine what worked and what did not, learn from that, and begin planning your next retreat. Follow this process and the quality and effectiveness of your retreats will improve.
POST-RETREAT

ACTIVITIES
This chapter covers all post-retreat activities, which include using documentation to motivate staff, communicating the results to staff, and measuring the return on the retreat investment.

The retreat was concluded, and everyone seemed excited about the results and willing to take on the responsibilities they accepted. Back in the office, however, it is business as usual. Every retreat participant is back, and everything that was left undone before is still not done. So how do you help each other address issues that were decided upon at the retreat? There are some simple steps that can be taken: summarize the retreat’s activities, schedule a follow-up meeting, meet with the retreat’s participants one on one, inspect individual accomplishments under the new expectations, and tie the completion of expectations to individual performance reviews.

An old Chinese proverb says that the palest ink is better than the sharpest memory. As soon as possible but not later than one week following the retreat, document what happened. Use this simple format: document each matter discussed, the decision that was reached, and the action and results that are expected, and name the person who will be responsible for causing the action and creating the results. An example of this format is included in the Appendix. Include with the summary a copy of the agenda and a list of any handouts that were used.

If you are leading the firm and are responsible for monitoring the results, think about writing the summary of the retreat. This gives you an opportunity to clarify your understanding and will make it easier to perform the later follow-up and inspection steps that are recommended.

At the retreat commit to having the summary completed and out by a given date certain. Let the participants know that they are to read the summary when they receive it and are to get back to you immediately if they have questions or concerns. Schedule a meeting for the retreat’s participants to formally approve the summary and to provide feedback concerning any of the retreat’s results that they shared with their staff. Hold this important meeting seven to ten days after the summary is issued. In addition, schedule regular meetings throughout the year to review the firm’s progress and to monitor the current situation.
The meetings should be frequent enough to keep people thinking about expectations and to keep them informed of any progress made. These meetings don't need to be long, and in fact, if they are organized and run properly, they can be conducted during a meal. The point is to schedule time for communication and then to communicate effectively. Usually the firm's leader is responsible for making sure these meetings occur or, at a minimum, that they are effective.

This next step is also important. Prior to the retreat, you asked each person's opinion on how the retreat's time should be used. Their input was used in creating the agenda for the retreat, and this caused some activity, which had an impact on various individuals and the firm. Now it is time to learn what people think about that impact. It is also time for you to confirm with each individual what is expected from them as a result of the retreat's decisions.

This discussion will help clarify any confusion a person may have, and it will provide an opportunity for emphasizing the importance of addressing various matters, as well as for instilling the confidence that those matters can be addressed. Let the participants also know what support exists and what doesn't.

Finally, ask for feedback about the retreat and its results. You can accomplish this by interviewing the participants or by having them complete a questionnaire. In either case, consider obtaining the answers to the following:

- Were the right topics addressed?
- Was the process used for addressing them effective?
- How do you feel about your participation at the retreat?
- Do you feel that you were heard?

Use this feedback for improving the next retreat. Use it also to measure the return on your retreat investment.

The decisions that are made at retreats usually cause additional work. Very often, people are asked to do some things they have not done before, and accordingly, they are not exactly sure what to do. In addition, most of us are stuck in a routine, and out of habit, we do things we are comfortable doing. This usually makes it harder for people to tackle the retreat's projects.

All of this provides a reason for people to put off doing what they said they would do. This does not have to happen.
Through scheduling, meeting, and reporting, people can be directed and encouraged to accomplish their retreat tasks. However, an individual other than the person responsible for handling the issue needs to be monitoring the action taken and the related results. This individual is usually the managing partner or someone representing the management committee.

Everyone has a style of inspection. Some say “Show me,” others say “Tell me,” and still others say “I trust you.” The best approach is one that adjusts these attitudes to the different people the inspector is working with, as well as to his or her own experience. Ask people how they want to show their progress, and compare that with your experience with them. If a certain approach to monitoring progress has worked in the past, use it; if it hasn’t, say so and adopt another approach. This step can be accomplished at the retreat. At the end of a retreat, not only ask people to describe their assignment, but also ask them how they want to be held accountable. The retreat facilitator can make sure that this step is followed.

To start the inspection process, the inspector must make one assumption: the person being inspected knows what he or she is expected to do. This assumption is based on that person’s attendance and participation at the retreat, the one-on-one follow-up meeting, and perhaps a request that the person being inspected describe in writing his or her plan for addressing the matters he or she is responsible for.

These steps to initiate the inspection are simple, but they take some time. Be sure to plan that time.

Although some firms actually conduct individual partner and staff performance reviews, many don’t, which is unfortunate. An effective performance review process can really help increase the firm’s success and help individuals develop their careers. Performance reviews cannot be discussed in detail in this book, but you are encouraged to start a performance review program if you don’t already have one in place.

Part of one’s expectations of any retreat participant is that the participant deliver the results that he or she volunteered for at the retreat. When you consider that often thought-about and sometimes asked question, “How did I do last year,” one measure of your response will be the person’s actual results relative to the results expected at the retreat. The retreat’s issues are usually significant, and if the individual who has
agreed to manage the issue has handled it well, he or she should be rewarded and acknowledged. This can occur when the individual’s performance is evaluated for compensation, bonuses, and profit sharing.

At the senior level in particular, a person’s ability to generate actual results is a good indication of his or her performance. This ability indicates whether that person is effective in accomplishing unusual tasks and new projects. It can also indicate whether he or she has a desirable level of delegatory, management, and leadership skills. All of these skills are valuable, and accordingly, that person should be rewarded.

On the other hand, not being able to produce results may mean the absence of such skills. The performance review is an opportunity for making improvements. Until the improvement occurs, however, rewards should be lower and promotions slower.

One attribute of every well-managed CPA firm is that it is effective in communication. People in the firm know where the firm is heading, the real value of the firm’s services to clients, what their behavior is supposed to be, and their role and their authority. Very little is assumed; communication is almost overdone.

The leaders of these firms acknowledge that people have a need to know and that when that need is not met, it can affect the firm. People can feel left out and less valuable, and they can waste precious time wondering about all kinds of matters.

When the owners and other key people go away on a retreat for a day or more, the remaining staff become very curious. This curiosity increases when they know that there are issues that need to be managed. This curiosity increases to anxiety when the retreat participants return and say nothing. One solution is to adopt the “so what?” mind-set. This is not the right attitude for any successful firm. The most effective approach is to include communications to staff before and after the retreat and to provide updates throughout the year.

The importance of getting input from the staff during the planning phase has already been discussed. This creates an expectation that you will provide some feedback later on. By letting staff members who did not attend the retreat know what matters were discussed there and how these issues are
going to be addressed, you are satisfying their need to know and reinforcing the notion that they are valuable to the firm. You also reduce the amount of grist for the rumor mill.

How you communicate this information depends on the size of your firm. In smaller firms, bringing everyone in for a debriefing is effective. The retreat's activities (the purpose of the retreat, the issues discussed, the decisions made, the action planned, and the responsibilities assigned) can be summarized, and major decisions and actions can be explained. Developing an outline to hand out at the presentation will help. This will give people a better understanding of what's happening and will sometimes create opportunities for them to get more involved with finding solutions to pending issues. This involvement may also be career-building.

If the firm is too large to conduct this kind of meeting, a debriefing can be conducted in smaller groups. This author likes the idea of the managing partner attending each debriefing. Be sure that the issues to be communicated later are outlined at the retreat and that everyone at the debriefings has the opportunity to express his or her concern, if any, about each issue.

Trust is the glue that holds most firms together. Trusting that any confidential or personal matters will not be disclosed is a reasonable position to take, but it is wise to remind the retreat's participants that certain matters were confidential. You may have to make these reminders continuously if some of the participants are unsure about which matters are confidential. If a confidentiality has been broken, be sure to address it immediately. This is usually the responsibility of the managing partner. However, each participant is responsible and accountable for his or her actions, so if you are a participant and the issue is bothering you, do not wait for someone else to handle it.

After discussing the retreat's results with the staff, take a few minutes to hear their feedback. In fact, ask them during and after the meeting whether they have any further thoughts. Then ask yourself these questions:

- What comments from the staff might help the next retreat?
- How similar was their response to that of the participants concerning major decisions?
- What concerns arose while you were presenting the summary?
Measuring the Return on the Retreat Investment

- How does your perception of the debriefing compare with that of one of your partners?

The answers to these questions and any others you think of should be documented and discussed at the next meeting of partners. In addition, you should write down any insights you may have for the next retreat, so that you can use them for subsequent planning.

In summary, let the staff know what happened at the retreat, what's going to happen because of the decisions made there, and how those decisions could affect them. Doing this is time well spent. However, it is risky because you will be affirming that the changes will occur, and this puts pressure on management to make those changes. The risk is worth it, though, if the changes mean improvement and if you are committed to being more successful.

Do the numbers. Five of you worked for two days at the retreat. One of you spent about eight hours preparing for the retreat. An administrative person spent another six hours setting up the site and making arrangements. Your partners spent another couple of hours reviewing the retreat's agenda and objectives. Time was spent after the retreat in summarizing and following up. There were out-of-pocket costs. All of this adds up to a significant investment in the retreat. How do you know it was worth it?

After the retreat, most of the participants have probably asked have each other, "How did you like the retreat? Was the agenda appropriate? Did the facilitator do a good job? Were the rooms and food good? Did the speaker we invited do a good job?" The answers to these questions may be interesting but, in the big picture, aren't very relevant. What is relevant are the participants' answers to the following questions:

1. **What were the objectives of the retreat?** The answers here provide feedback on how clear people were about the purpose of the retreat. Their responses will indicate how focused they were at the retreat and how interested they were in the objectives. Ideally, they should feel that they owned the objectives, and their answers should indicate that the objectives seemed important.

2. **How are the objectives linked to the growth and development of our firm (our intention)?** If the answers here don't drive home the point that meeting
the objectives was important, the wrong objectives were set. The purpose of retreating is to handle significant issues, so that the firm can grow and become more successful. Achieving the objectives should cause a focus or an action that will result in improvement. The objectives should be linked to the firm’s vision, mission, values, goals, and strategies, and that link should be explained by the participants.

3. **Who should have been and who shouldn’t have been at the retreat?** The answers here let the retreat planner know whether the process of selecting attendees needs to be changed. The selection of attendees depends on the retreat’s objectives, which are driven by the current situation and not by history or tradition. The answers may also provide insight about the effectiveness of individual participants at the retreat. These insights can be helpful.

4. **Did the process we used for addressing the issues work?** Our ability to create a safe, productive forum for participants is usually limited by our level of training and experience. Helping each other understand the issues and our own different perspectives can be difficult. Learning not to take matters personally and learning to understand others are abilities that all of us can improve upon.

   The approach one takes at the retreat for nurturing communication and decision making has a significant impact on the retreat’s results. It is important to know the participant’s views on the retreat process (whether it was a waste of time, too cumbersome, very effective, etc.) and how it was used (whether they felt comfortable, respected, important, etc.). This feedback can improve the quality of retreats significantly.

5. **What would improve the process?** This question builds on the last. It gives people a chance to suggest solutions and can provide insights on how to manage the retreat differently in the future. And for the leader who wants to be more effective, a desire to make improvements sets a great example. Learning about the process of retreats or using professional facilitators can make a big difference.

6. **What of significance was accomplished at the retreat?** This question goes beyond determining whether the
objectives were met; people very often gain new insights at a retreat. It is not unusual to have an occasional “Ah ha!” or a significant shift of perspective. These need to be acknowledged and reinforced, particularly if they will help the firm. Your awareness of the possibility of these insights makes you more attentive when you coach or work with an individual. And be sure to follow up on the insight before its value is lost.

7. **What remains to be addressed?** The answers here give some feedback about the retreat process and also identify issues that need to be considered. Reporting back to the individual afterwards is important, so that he or she knows that the matter will be addressed. In addition, when you take time to learn more about the matter, you can help the firm and the individual who raised the issue.

8. **What are you responsible for after this retreat?** This is where the rubber meets the road. The answers here will let you know if the participants really participated. It is reasonable to expect that every project, issue, or action that was agreed to during the retreat will be mentioned here. If they are, that gives further assurance that tasks will be accomplished. If they are not all mentioned, an opportunity for improving communication arises. That opportunity needs to be acted upon immediately.

9. **What would you suggest for improving the retreat’s mechanics?** The mechanics are important, but as described in chapter 5, they should be a nonevent. Whenever mechanics get in the way, that distraction is costly. Learn if any aspect of the mechanics can be improved upon to support the next retreat. This can save you time, energy, and money in the future.

10. **Why was the retreat worth its cost to the firm?** Maybe you have already done the math, and you can show the participant what the retreat cost in lost billable time, marketing fees, administration fees, and hard out-of-pocket costs. That number could be significant. Allowing the participant to describe the value of the retreat in terms of direction, action, commitment, clarity, or any other asset will help you to make a final assessment of the retreat.
How these questions are answered indicates the real value of the retreat. Each participant's answer helps you assess the effectiveness of the retreat effort. You may gather the answers through interviews or through a questionnaire. The managing partner, the facilitator, or any interested participant may conduct the interviews. Be sure to obtain the answers and have them documented objectively. For some people, the questionnaire will work just fine; a trusted administrative aide can gather and summarize the answers. Experiment with both methods, but choose one or the other.

Obtaining answers to these questions takes time, and of course, time is valuable. The answers, though, are gold, because they will help you to evaluate the retreat and make the next retreat even more valuable.
Chapter 8

FACILITATORS
It is unusual for a partner in or owner of a firm to wear the hat of a facilitator at a retreat, especially when there are critical issues at stake. As people become more experienced in participating in well-run retreats, the need for hiring a professional facilitator can decline, but a number of CPA firms choose to use facilitators to help them with their retreats anyway because they have learned that these professionals can add a value beyond their cost. This investment is worth the money spent, and deciding whom to hire is an important decision. In this chapter the extent of the facilitator’s value to a retreat is explored and some ideas about the criteria that should be considered when selecting one are offered.

The value of a facilitator becomes clearer when we examine the role he or she fills. These are some of the major elements an experienced facilitator can add to your retreat:

- **A sense of purpose.** A facilitator develops a clear understanding of why the retreat is being held. By helping the participants clarify what they want accomplished, a facilitator can help establish a meaningful set of retreat objectives. The facilitator can confirm and uncover the matters that really need to be addressed and advise as to the materiality of others. A skilled facilitator is sometimes easier to talk with than a co-owner is, so that the real issues can be uncovered and discussed.

  A good facilitator will probe, listen, ask questions, and give feedback until he or she is sure that a good understanding of the purpose of the retreat exists.

- **Mechanics.** A good facilitator can advise whether the location of the retreat is supportive of its purpose. They can review the conference room, meals, equipment, and other amenities. They help establish the agenda and offer ideas on how each participant should prepare for the retreat. In a well-facilitated retreat, the mechanics will be in tune with the objectives because attention has been given to the needs of the participants.

- **Ground rules.** The facilitator can help establish and enforce the ground rules. The importance of ground rules was described in chapter 6. Selecting the correct rules and then ensuring that they will be enforced will make the retreat much more productive. A professional

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**Role of the Facilitator**
facilitator can be more effective at this than a peer can. How the facilitator does this is a measure of his or her skill and can greatly affect the productivity of the retreat.

- **Focus.** The facilitator also keeps everyone focused on discussing the matters at hand. Keeping the matters in focus is important for getting issues addressed. When a participant goes off on a tangent, someone has to bring that person or the group respectfully back to the issue. This is something a facilitator is expected to do.

- **Participation.** When groups meet, there are people who talk a lot, people who talk very little, and some who do not talk at all. This does not make for the best communications. A facilitator is expected to provide the opportunity for the group to hear from everyone and should prevent the group from hearing from just the dominant talkers. Facilitators continually keep track of who is talking, who is not talking, and who is listening. They will ask questions of the non-talkers and of those who do not appear to be listening; they will limit the time the talkers have. This keeps the playing field level and equalizes the importance of each participant.

- **Questions.** Sometimes the right questions are the grease that gets the discussions going and makes them productive. A facilitator is expected to generate and ask questions, in a safe and constructive manner. Asking the right questions in the right way encourages answers from the participants, increases general understanding, and affects the productivity of the retreat.

- **Feedback and understanding.** A facilitator is also expected to provide feedback and understanding. By repeating what was just said in order to clarify whether the person speaking was heard enhances communication. In this type of response, a good facilitator will avoid making any judgments and thus avoid stifling the communications dynamics. Good facilitators will be good listeners. They will not only be sure to understand what is being said but also go out of their way to make sure the participants understand each other.

- **Process.** Facilitators are expected to be experienced in moving a retreat forward. As events unfold, matters can take unusual turns. There is no right or wrong
way for a retreat to go, but there is an effective way. To meet the retreat’s objectives and to allow for unknowns, a facilitator can be expected to keep the participants moving productively. Knowing when to push, slow down, stop, or explore an issue comes from experience, intuition, and an objective perspective. A good facilitator knows this, works to develop each of these attributes, and thereby has the confidence to support the participants through tough issues. An effective facilitator can also provide guidance concerning follow-up actions.

- **Expertise.** In addition to having experience with the retreat process, a facilitator can be expected to have business skills, specific professional knowledge, or both. The experience and knowledge that the facilitator brings to addressing various issues is extremely valuable at retreats. As participants discuss a matter, a facilitator can provide solutions that have not been considered before. This helps move the process forward. The facilitator is expected to notify participants whenever he or she is no longer neutral and, instead, is proposing a perspective based on personal experience.

- **Perspective and attitude.** A facilitator is expected to bring a productive sense of reality and creative thinking. Although the matters discussed at the retreat may be serious, it is important for the facilitator to help the participants keep the issues in perspective. A sense of humor and the ability to stay calm can be a good addition to any retreat. Not only can a facilitator add insights and ideas gained from personal experience, but he or she can also discuss the “notion of the moment” for helping participants deal with tough issues. The facilitator’s objectivity is valuable.

- **Independence.** Some issues are too hard for the owners to address by themselves. New positions have to be taken, and a facilitator can do this. He or she doesn’t have to live with the issue or the ramifications day in and day out. The facilitator doesn’t have a role in the firm after the issue has been addressed. In this way, existing owners don’t have to be viewed as “the bad guys” when unpopular decisions or changes are made.

### Selecting a Facilitator

How does a facilitator get selected? Here are some ideas. Recall other retreats or meetings that you have attended and in which a facilitator was used, and decide if your
experience with that facilitator was positive. Learn from colleagues about their experiences with facilitators. Contact your state society and ask if they have heard whether any CPA firm has used a facilitator and whether it was pleased with the results. Also ask if there are any facilitators that these organizations would recommend. Contact your local chapter of the Institute of Management Consultants (IMC) and ask them for the names of any of their members who facilitate retreats. Check with local colleges or universities and find out if any members of the faculty also act as facilitators. Check with any of your clients who have had facilitated retreats. If you belong to an association of accounting firms, explore the possibility of finding a skilled facilitator in that group.

Out of this process, select two or three facilitators. Ask them to meet with you at your firm to discuss their approach, experience, and fees. As you evaluate these items, consider your intuitions about the facilitator. Ask yourself how you feel about this person. Would you be comfortable working with this individual not only at the retreat but also as you plan and address the issues affecting your firm? It is important to feel confident that you will get the help, experience, and interest you need. Ask for some references and check them out.

Your discussion can be guided by the list of desired attributes discussed previously, as well as by the answers to the following questions:

- How does the facilitator go about establishing the retreat's purpose?
- What role does he or she play in handling the mechanics?
- How does the facilitator use ground rules?
- How does he or she keep folks focused on the issues at hand?
- How does the facilitator encourage participation?
- How does he or she use questions to keep the retreat moving?
- How does the facilitator ensure that matters are understood by the group?
- How does he or she keep the retreat productive and moving forward?
• What experience does the facilitator have with CPA firms or the issues that need to be addressed?
• Do you enjoy and appreciate the facilitator's attitude and the ways in which he or she takes a position?

The answers to these questions will help you decide who will be the facilitator at your retreat. Be sure that the selection process doesn't appear biased or one-sided. If the circumstances surrounding the selection process are tense or extremely serious, get a couple of other partners involved in the process.

One last thought on this topic. Some issues are too sensitive to address without help or may be inappropriate to discuss at a retreat. Drug-dependent or substance-abusing partners, staff burnout, mergers, compensation levels, and the firm's leadership are examples of these. Involving outside help for these matters is a smart thing to do. The experience and objectivity of a professional consultant can make the difference in keeping the firm viable and successful. Successful firms use outside help; think about it for your firm.
THE ROLE OF
THE FIRM’S
ADMINISTRATOR

Chapter 9
If you have read all the preceding chapters in the order in which they were presented, a process for using retreats to help manage the firm should become apparent. The retreat process you actually adopt may use all the steps mentioned or just some of them. In either case, it will need to be managed or administered. This duty can be delegated to your firm's administrator once the process becomes clear and provided that the administrator has the attributes and skills needed to do the job. If you don't have an administrator and you are responsible for the retreat yourself or are using a retreat committee, this chapter can be helpful as a planning guide.

Administrative Responsibilities

It is reasonable to expect the administrator to be responsible for matters related to organizing, scheduling, gathering feedback, providing documentation, and arranging support services. Let's look at each area.

Organising the Retreat

Retreats just don't happen of their own accord; someone needs to be watching that each event in the retreat process is effective. This can be one of the administrator's jobs. This involves learning when a retreat is to occur or reminding owners that a retreat is coming up. It requires working with the owners to ensure that the process they are using to define the retreat's purpose is started and completed. It then means helping to establish the agenda, setting a date and a location, arranging for facilities, and handling all the details of what needs to be done to make the retreat a success. Gathering, organizing, and distributing materials to participants so they can prepare is part of this job. Following are questions that need to be asked so that the retreat can be organized.

- Who is leading the retreat?
- What are the objectives of the retreat?
- Who is expected to be there?
- How much time will be needed for the retreat?
- What materials will the participants need prior to the retreat?
- How soon will they need them?
- How does the retreat facility need to be set up?
- Have all the details been coordinated with the facilitator?
Although these questions may be familiar from other parts of the book, they are here as a reminder. Remember that preparation and follow-up make a big difference. The administrator can often be more effectively used here than can a partner or other staff member.

Scheduling

The firm's administrator should develop and use a calendar of the retreat's events, to provide some assurance that what is expected to happen isn't forgotten or delayed. Scheduling involves reviewing the entire retreat process, identifying the key events, sequencing the events, and then causing the events to happen as they become due.

Most successful firms will retreat at least twice a year. Some firms may meet more frequently if they are in the early stages of planning and critical issues management. For our purposes, however, an administrator's schedule may look like the following:

1. Confirm that there is a retreat in June (or some other month).
2. Organize it. (Follow the steps previously mentioned and use feedback from previous retreats.)
3. Conduct the retreat.
4. Produce and distribute the documents from the retreat.
5. Gather feedback about the retreat.
6. Summarize and distribute the feedback.
7. Gather progress reports about action and expectations from the retreat.
8. Summarize and report it.
9. Confirm that there is a retreat in December (or another later month).
10. Repeat the above steps.

These steps would appear on the administrator's calendar and become part of his or her job.

Feedback and Communication

A big part of the administrator's job involves feedback and communication. When the administrator keeps people informed about upcoming retreats, reminds them of the need for input, produces minutes, and summarizes and distributes reports and information about activities and results, owners will be reminded about important matters. The value of this information increases when it is timely.
Organising Support Services

The administrator is expected to arrange the support services needed. Chapter 5, which is devoted to the retreat's mechanics, details what needs to be considered. Reviewing feedback from previous retreats and having discussions with the retreat's facilitator can also help. Attention to detail, as well as a keen eye for the cost/benefit ratio, can add tremendous value to the retreat.

Advisory Role

The firm's administrator can fill another role: he or she can participate in the retreat not only to keep it running smoothly but, in some cases, also to participate. The administrator's insights and ideas on issues can be valuable. His or her role is usually advisory, and when a vote needs to be taken, the administrator is not expected to vote.

Necessary Attributes and Skills

An administrator generally needs the following attributes and skills to be effective:

- **Discretion.** An administrator should be discrete and trustworthy. When he or she is asked to get involved, the administrator will be exposed to very sensitive matters in most cases. Administrators have to be mature and professional, and it is critical that they respect the confidential nature of the information they learn.

- **Attention to detail.** Most retreats are not perfect. The planning for the retreat, the actual event, and the follow-up can usually be improved upon. Paying attention to detail and addressing all the matters necessary for an effective retreat require someone who has the interest and desire to be accountable for the details.

- **Persistence and tenacity.** Like most people, CPAs will put off doing what needs to be done until the last minute or they will avoid doing things altogether. The effective administrator will not be swayed by this behavior. He or she will obtain responses and feedback in a timely and relentless manner. The administrator will clarify up front what his or her job is and, with that clarity and owner support in hand, exercise his or her authority to get the job done.

- **Confidence.** The confident administrator knows what needs to be done and will do it. If that means learning something new to be more effective, the administrator will learn it.
- **Organization.** The administrator needs to have the ability to organize and plan. Being able to see the big picture and then breaking it down into manageable pieces can lend a lot of support to the retreat. Taking time to think things through and then planning to address all the necessary issues is another desirable attribute.

- **Communication.** Both written and oral communication skills are necessary. Other people can feel threatened or inconvenienced when the administrator asks for information, input, and feedback. Knowing how and when to ask is a valuable skill. Listening is a big part of it, and practicing effective listening techniques makes the administrator even more useful. Written work needs to be crisp, concise, and accurate.

- **Possession of a “thick skin.”** The administrator is really the firm’s messenger. Through this individual, much communication passes. The message sometimes gets confused with the person delivering it, and people may not like the message and take that fact out on the messenger. The effective administrator learns not to take such responses personally.

These attributes and skills are presented for your consideration. When you discuss them with your administrative assistant, this individual learns more about his or her role and what is expected. He or she may discover some opportunities for being more effective and may contribute more to the success of the retreats and of the firm.
Warning:
Leadership
Is Needed
Retreats are a tool that leaders use and sometimes misuse. A retreat can cause quite a stir, especially if there are a lot of issues that need to be addressed. A feeling of hope that improvements will be made can be created, and from that, some expectation that important matters will get managed. On the other hand, a feeling of hopelessness (or “Here we go again”) can be created; the retreat can be viewed as another mismanaged attempt by leadership to fix something. Retreats greatly help an individual to lead and manage a firm. They also show that you want to make improvements, but if you don’t have a commitment to improve (to make the necessary changes), don’t retreat. It will waste time and money and will only add ill will to an already deteriorating situation.

It is important to emphasize how important leadership is, and to do this, let me share an assumption I am working with: you are reading this book not only to learn how your firm might have more productive retreats but also because you are expecting to affect your firm so that it will be more successful. You are using the retreat in order to be an effective leader.

The ideas in this book are presented so that an effective retreat can be conducted. However, a retreat needs one element that this book cannot provide: an individual committed to leading the process forward, someone to make sure that decisions made at the retreat are carried out.

This person is the leader. Without a strong leader, no retreat is going to make a difference. Retreats can do a lot to stir up opportunities and improvements but retreats need someone to be willing to follow up and hold each participant accountable. You could become that person, but if you decide not to be, make sure there is someone else in this role.

My partner, David Reinhardt, has an excellent model for leadership. It is made up of seven attributes. There are other ways of examining leadership, but for our purposes, let’s explore these. In doing so, the need for leadership will become more obvious. Review the material with the notion that the next retreat you conduct will demonstrate effective leadership.

The seven attributes, also called the “Seven C’s of Leadership,” are clarity, communication, consensus, commitment, change, conflict, and confidence. They are linked, and each one needs the other in order for the leader to make an impact. When things aren’t going right, identify the attribute that is
breaking down and go back to the previous one. The cause for the breakdown usually rests there.

**Clarity**

Clarity is knowing where the firm is headed and what it is all about. Vision, mission, values, performance measures, and strategies are ideas that form the heart of the firm and everyone involved. Clarity is knowing that roles are well defined and understood and knowing who has authority and responsibility.

**Communication**

Communication is the means by which the leader conveys what needs to be known within the firm. Written statements exist to describe the firm's intended vision, mission, values, and goals. The words that are spoken, as well as the way in which they are conveyed, are consistent with the values that are written down and the performance that is expected. People know their roles and what is expected of them because that has been talked about and, most likely, put down in writing.

**Consensus**

Consensus is fostered for a couple of reasons. To be successful, a firm fosters an atmosphere of open and direct communication. People listen and feel they are heard. Everyone understands that all decisions may not be to his or her liking, but because they have been heard and now understand the decision, they are willing to support it. The leader also fosters consensus by learning the importance of making necessary decisions. A good leader knows that no decision is in itself a decision and that it is not his or her style not to make one.

**Commitment**

A leader's sense of commitment is unquestioned. The leader directs and focuses activities and resources toward doing what needs to be done to get the results that have been agreed to. Everyone is expected to be working toward the same end. There is no holding back by anyone or any resource. Any effort that is less than 100 percent is unacceptable. Results are what is looked for, and people expect to be held accountable for them.

**Change**

The leader embraces change. He or she understands that the firm is in a state of continuous improvement. To achieve that, people must be willing to do things differently and to do different things. The leader ensures that the need for improvement is comfortably received and acted upon.
Nothing is accepted as the only way, because everyone is looking for the best way.

**Conflict**

The leader expects conflict. Leaders know that sometimes people will have a tough time actually doing what is asked. Since people are valued, the conflict is not allowed to be personal. Issues remain the focus. Goals are expected to be met by each individual, and accountability is the bias. Matters are resolved constructively, and people are left feeling whole and important after the conflict is over. Any sign of conflict is addressed as soon as possible; mountains are not to be made out of molehills.

**Confidence**

A leader instills confidence. People receive from the leader not only an understanding of what is expected but a feeling that the expectation of them is doable and important. People are acknowledged when they achieve results, and they are urged to press on when setbacks occur. People learn to expect more from themselves and each other. This belief in their own ability challenges them to be more successful.

**Finding the Right Person**

A retreat is an effective tool for leaders. It is hoped that by reading this description of leadership, one will see how important it is that someone be truly committed not only to making the retreat a success but also to using the retreat's results to make the firm a success. If the firm doesn't have such a leader, don't plan any retreat unless it's to address the issue of the firm's leadership.

Is there someone willing to determine the purpose of the retreat and tie its outcomes to the intent of the business (clarity)? Is there someone who will make sure that the retreat's purpose is understood by every stakeholder (communication)? Is there someone who will create an understanding that this retreat needs to occur (consensus)? Is there someone who will not only do what he or she said would be done but will also keep others accountable (commitment)? Is there someone who will be an advocate for doing things differently and expect others to be the same (change)? Is there someone who is willing to step in and address any controversy (conflict)? Finally, is there someone who is willing to assure people that the goals can be achieved and the people involved are capable of achieving them (confidence)?
If these questions can be answered with a yes, feel assured that the leadership you need is present. If not, an opportunity for improving the quality of leadership exists. Seize this opportunity and do what needs to be done. Demonstrate leadership.
AN OPPORTUNITY

Chapter

11
The purpose of this book is to emphasize the vital role that retreats can play in the success of your firm. Once you learn how to conduct a retreat effectively, you can expect positive changes to occur in your firm or practice. But how else could this information be used?

After you have learned how retreats are facilitated, provide that service for your clients. Every client is a potential user of this service. Help them clarify their strategic intent, and work with them routinely to measure and evaluate how they are doing. Teach them how to identify and address critical issues affecting their business. Show them that planning increases in value when it is linked to strategic thinking. Assist them in developing forecasts, budgets, and other measures, and show them how to use those tools to manage their business affairs. Insist that they address management- and leadership-development issues and succession matters. Aid them in developing exit strategies for owners. Get them away to a retreat. Support them through the process of addressing these issues and all the others that business owners face.

As their CPA, you ought to be held in high regard by your clients. Your experience and training plus your insights about their business are a valuable resource. You have the opportunity to make that resource apparent and accessible to your clients. If you do this, the relationship between you, the client, and your firm can become even stronger than it is now.

Learn about facilitating, listening, and asking questions. Teach yourself to discriminate between offering solutions and helping your clients develop their own. Realize that you can create a forum in which your clients can effectively and safely begin to address issues that have gone unaddressed for a long time. Assist them in being responsive to their business environment, and help prevent them from getting into a reactive mode.

If you want to learn more about facilitation, here are some ideas. Find a facilitator in your area; then ask to work with that person and observe him or her in action. Hire a consultant to teach you to be a facilitator. Many consulting firms facilitate, and you can learn from them the skills you need. Contact a university or college in your area and ask them to send you their descriptions of courses related to facilitating. Courses and workshops related to listening, running meetings, group dynamics, team building, problem solving, and
training all help one to acquire the necessary skills and confidence to be a facilitator. Attend Toastmasters to benefit from the education that that experience offers.

Facilitation is not the sort of venture for every CPA. However, for some of you this kind of service is not too far from what you have been doing informally all along. So, facilitation is an opportunity and, perhaps, a challenge. Formalize the facilitation service and adopt it as a strategy for serving existing clients better and for adding new ones.

Your own experience with retreats will probably drive your interest in pursuing this opportunity. Although a number of objections may already be running through your mind, they will vanish once you experience a well-planned and executed retreat. Use this book. Find an effective facilitator and learn from that person. Take charge of your own firm, and help the other owners and your staff contribute to the growth and development of the firm. Retreats help people manage their businesses and their relationships in those businesses. Learn to use retreats, and then teach your clients how to realize their potential. Good luck to you as you build a prosperous firm and create a fulfilling career.
Example of a Successful Retreat
Remember reading about Gus in the Introduction to this book? Here is some more of his story.

Gus decided that the firm was too valuable to remain in a rut. He met informally with each of his partners: five men and a woman. He shared his thoughts, concerns, and frustrations. Two of his partners told him not to worry, that things would get better, and maybe they could talk about these concerns at the retreat in October. The other partners said they were concerned, and they wondered, "What can we be doing now?" Gus was also close to a staff person who had been with the firm for ten years, so Gus had a similar conversation with him. The staff person was really happy to learn that Gus was concerned. He confided to Gus that his future looked unclear and that he was thinking about leaving the firm because there were too many matters that were not getting addressed.

Gus decided not to wait until October. He brought his partners together, restated his thoughts, and summarized the feedback he had received from everyone. He suggested that the firm obtain some professional help in improving the situation. After a long and rather difficult discussion, everyone agreed. A consultant was selected to facilitate.

The facilitator then met with each partner. He learned that there were other issues Gus had and that these issues were shared by some of the other partners. The issues were summarized and then presented to the partners at an early morning meeting away from the office. Each issue was briefly described and clarified.

The facilitator proposed a process that helped the partners determine the top six critical issues. It was then decided that addressing those six issues was a good reason for having a retreat. A date was set, and the planning of the retreat was turned over to Gus and the consultant. A retreat agenda was developed. The firm's administrative assistant and Gus confirmed the date, confirmed the place, and made all other arrangements.

The retreat took place. The six issues were addressed there. Assignments were made, and a monitoring process was agreed to. A copy of the original list of critical issues, the retreat's agenda, and the summary of the retreat's activity is included with this appendix. Many of the issues were addressed before the start of the busy season. The other issues that were not part of the original six began to be addressed as the process continued.

The partners decided to meet more routinely. They created an owner-compensation program that supported the notion of meeting expectations and rewarding performance when the expected results were achieved.

The owners have continued to address issues and manage the firm by retreating formally twice a year. However, there have been years in which three or four additional retreats have been required. New critical issues (selecting and training Gus's successor, merging two smaller practices into the firm, and adopting a compensation program that encourages staff to stay with the firm) are being managed.

The firm is vital and viable, and it is again viewed as a player in the community. This vitality and viability don't necessarily make work any easier, but the owners and the staff are enjoying their work a lot more. There is a renewed enthusiasm and confidence in the firm, and the results have much improved.
ORIGINAL LIST OF CRITICAL ISSUES

Owners’ Issues:
- Compensation
- Level of work
- Lack of a marketing effort
- Hours at work
- Example set for staff
- Partner coaching/counseling
- Avoiding conflict

Staff’s Issues:
- Career paths
- Level of work
- Training
- Hours required for work
- Appetite for technology
- Lack of feedback
- Number of partners

Firm’s Issues:
- Shrinking client base
- No clear vision
- State of the facility
- Technology
- Leadership
- Standard work approach
- Lack of a plan
- Cash flow and work-in-progress
- Firm versus individual practices
- Merger opportunity
- Reputation
RETREAT’S AGENDA

- Introductions
- Presentation of strategic intent
- Presentation of critical issues management
- Ground rules
- Retreat’s objectives
- Critical issues
  - No clear vision
  - Leadership
  - Merger opportunity
  - State of the facility
  - Shrinking client base
  - Lack of a marketing effort
- Process for monitoring expectations
- Other administrative matters
- Communication to staff
- Feedback about the retreat’s effectiveness
SUMMARY OF RETREAT’S ACTIVITY AND RESULTS

Introductions. The partners and their administrative assistant introduced one another. Time was taken to learn about some of the career goals each participant had. It was noted that the lack of career goals for many of the partners might be one of the causes of some of the firm’s problems. The consultant suggested that each partner should establish some goals (career and personal). At the next meeting, the career goals will be revisited.

Presentation of Strategic Intent and of Critical Issues Management. The consultant presented these two management principles. Copies of the handouts are included in this package.

Ground Rules. To make the retreat more effective, the participants agreed to these ground rules:

- Be here.
- Listen to understand.
- Withhold judgments.
- Tell the truth.
- Be constructive.
- Be brief.
- Have fun.
- Give and get feedback.

Objectives of the Retreat:

- To get better control of the firm.
- To get through the agenda.
- Not to feel overwhelmed.
- To clarify responsibilities and expectations.
- To rejuvenate the team spirit.

Critical Issues. Each of the critical issues (no clear vision, leadership, merger opportunity, state of the facility, shrinking client base, and lack of marketing effort) was addressed as described.

No Clear Vision. The consultant led a process that helped the participants draft a statement of strategic intent for the firm (a copy is included). Each partner is to meet with two or three clients and get feedback from them about the statement. Gus will present it to the staff for their input and feedback. The feedback will be discussed at the September meeting of the partners.

Leadership. Gus explained his frustration as a leader and his perception of leadership for the firm. He told the partners that he was ready to step aside and let someone else be managing partner. Two questions were asked by the consultant: What do the partners expect from the managing partner? and What can the managing partner expect from the partners? The answers follow.
The managing partner was expected to—

- Propose, develop, and enforce policies and procedures.
- Maintain a sense of vision—keep the dream alive.
- Make tough decisions when expectations are not met.
- Respect differences but coordinate the team effort.
- Stay aware of the firm’s mood and act on that awareness.
- Look for opportunities that are outside the firm but that could benefit us.
- Exemplify everything we want the firm to be.
- Be available—be a force.
- Give and receive feedback, to keep us on track.
- Keep the process alive.
- Coach and counsel partners.
- Recommend rewards for accomplishments.
- Enforce corrective action.
- Act when action is needed.
- Be committed and evenhanded.

The managing partner expected the other partners to—

- Show consistent, committed, and evenhanded behavior.
- Have the freedom to make an error.
- Show respect and confidentiality.
- Give full and total support for decisions and actions.
- Embrace the authority granted.
- Communicate the direction and decisions of the firm.
- Exhibit no whining toward, second-guessing about, or gossiping about management.
- Lead, follow, or get out of the way.
- Be open-minded.
- Be available.
- Handle what they were responsible for.

After discussing the answers, Gus was asked to stay on as managing partner. With a commitment from each of the participants that the expectations described above were going to be met, Gus accepted.

**Merger Opportunity.** The firm had been asked by a regional firm to consider a merger. The reasons for and against merging were identified and discussed. After that discussion, the partners decided to pass on the opportunity for now. One of the partners best described this position by saying that we haven’t given our best shot yet at making this firm more successful. Gus agreed to let the regional firm know that we are not interested now.
State of the Facility. Ron described the current facility as outdated and dingy. He thought the firm should move into the new building that was being built in the center of town. The issue was then exploded by the following questions:

- Why can't we just remodel our current place?
- What will we do with this facility (since we own it)?
- What are our chances of obtaining the contractor of the new building as a client if we move?
- How much will new furniture and office systems cost us?
- What will the move do to our profits?
- What will our clients think if we move into newer, more expensive-looking facilities?
- When would we be able to move?

Ron accepted the responsibility of answering the questions and proposing a formal recommendation based on those answers. Ron agreed to have his response by September 30.

Shrinking Client Base. Bill led the discussion on this issue. He noted that the firm had unexpectedly lost two major clients and several smaller ones this past year. Heavy work loads, the lack of availability of partners, the lack of delegation, and the lack of timeliness were the reasons he cited for the shrinking client base. His concern was that this may be a trend. The partners agreed and exploded the issue with these questions:

- Why did the clients leave?
- Which other clients are at risk?
- How could we have prevented the loss of these clients?
- What process do we have in place so that we are not surprised when a client leaves us?
- How will we replace the work we lost?
- What impact has this had on our staff?
- How will this affect staffing for next year?
- What will we do to save the clients who are at risk?
- Who will do this?

Bart agreed to work with Bill to develop a response and present a recommendation to the partners by September 15.

Lack of a Marketing Effort. Susan said it was time to formalize the marketing for the firm. The firm was not attracting clients as it used to. Partners were not bringing in business, and other work seemed to distract people from marketing. She also commented that some people were not marketers. The discussion focused on the need for new clients and on taking care of existing ones. Everyone in the room was challenged to think about what he or she could do to help the firm
attract more and better clients. It was decided that the marketing effort had to be formalized. The issue was exploded with these questions:

- What do we have to do internally to be more attractive to future clients?
- What does formalizing our marketing effort involve?
- How do we free up our best rainmakers so that they can obtain more clients?
- What do we need in the way of marketing materials?
- How can we involve our staff more?
- What do we do with people who don’t want to market?
- How much business growth do we want?
- How do we cull some of our less desirable clients?
- Who can help us with this and how much would this help cost?

Susan agreed to put together a response and an approach and to present it to the partners by October 1.

**Process for Monitoring Expectations.** To continue addressing the remaining critical issues and to follow up on the ones addressed at the retreat, we decided to meet every two weeks for the next three months.

A calendar was established. Initially, the meetings will be held for two hours in the morning. The agendas will be prepared in advance, and everyone is expected to come prepared to discuss and act on the matters at hand. Additional meetings may be required, and we will make ourselves available.

Gus will meet with each of us before October 1 and will help us create personal plans (including career goals) for addressing the issues, formalizing our strategic intent, and meeting the expectations we developed for supporting the managing partner.

**Other Administrative Matters.** Staff raises and promotions were decided upon. Collection issues and various other matters were discussed.

**Communication to Staff.** It was decided that a staff meeting would be held on the Tuesday after we return. Staff will be shown the draft of our strategic intent, informed that Gus was reelected as managing partner, and informed of our decision not to merge, of our concern about losing clients, and of our interest in formalizing our marketing effort. Their support and feedback will be asked for.

**Feedback About the Retreat.** People were asked to rate the retreat based on two criteria: (1) Were the right topics and issues discussed? and (2) Did we go about discussing them the right way? On a scale of 1 being poor and 10 being excellent, we averaged 8 on topics and 7 on process. Everyone was pleased with these outcomes and felt that the retreat had been the best ever. Everyone was given a questionnaire for providing more feedback about the retreat.

**Closing.** The objectives were then reviewed, and everyone felt that these had been met. We all agreed that the real proof will come when people start to follow up with what they agreed to do. Gus assured each of us that he would do his part.
ABOUT THE AUTHOR

Dale Freidig is a Certified Management Consultant and a Certified Public Accountant. Mr. Freidig began practicing as a CPA in 1971. His increasing interest in management consulting led him to focus on that specialty in 1979 and to form, with his partners, a CPA firm that eventually merged with a national CPA firm. Since 1990 he has worked as a partner with Strategic Development, a consulting firm, in Seattle, Washington.

Mr. Freidig's clients include owner-managed businesses as well as many professional firms. Mr. Freidig helps owners with planning, leadership, management, and other critical issues that have the potential to affect the long-term viability of their businesses. He also assists owners with merger and acquisition matters.

Mr. Freidig is an author and an award-winning speaker and presenter.