GUIDE TO PLANNING THE FIRM RETREAT

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INTRODUCTION

Management retreats are one of the best ways to accomplish the wonderful things that the so-called management gurus tell us our firms should be doing:

- Communicating
- Planning
- Thinking
- Empowering
- Focusing on objectives
- Problem solving
- Shifting our paradigms
- Doing first things first
- Being proactive
- Changing with the times

...all designed to achieve success in our organizations, whether success is defined by profits, growth, survival, happiness, challenge or all of the above.

This Guide is intended as an aid to CPA firms in planning and conducting a management retreat.

Although this Guide focuses on CPA firms, the ideas, approaches and forms included in this Guide are applicable to all organizations.

We hope you find this Guide useful. If you have any questions about anything contained in the monograph, please give Marc Rosenberg a call. He’ll be glad to help you in any way he can to make your retreat a successful one.
WHAT IS A RETREAT? WHY HAVE ONE?

Retreats are critically important to a firm’s success. A retreat provides an opportunity for key people to meet off premises to plan for the future, devise strategies, form goals and address problem areas. Another objective of a retreat is less tangible than those above, but equally as important: To enhance the quality of the relationships among co-workers and improve communications between them. Firms that regularly hold retreats are usually the most successful firms as well. In fact, these firms frequently point to retreats as the place where many of their successful strategies originated.

It is important to distinguish between partner meetings and retreats. Partner meetings are more operational in nature, usually dedicated to day-to-day, routine, short-term issues or to solving an immediate crisis. These meetings are often difficult to schedule, difficult to start on time and frequently interrupted.

Retreats are different. Retreats are a time for contemplating, communicating, thinking, planning, and building a spirit of teamwork. Although these objectives can certainly be pursued while in your office, they are easier to focus on if the retreat is held off premises, free from the distractions of phone calls, e-mail, clients, questions from staff, the mail and countless other interruptions.

There are two kinds of retreats, both worthwhile, but one is clearly better than the other:

- One kind of retreat is convened to focus on certain topics or issues and is successful at conducting fruitful, meaningful discussions on those topics. Participants feel good about the retreat after it is over. However, the retreat leads to no action taken. Everything is business as usual when participants return to the office. But at least the participants have had a chance to get to know each other better, speak their mind and perhaps walk away with different thoughts and ideas—“in their minds” if not on paper.
The other kind of retreat, which is the better one, has all the characteristics described above, plus it leads to taking action when everyone returns to the office. Later in this Guide, we will describe how to make sure you convene this type of retreat.

Years ago, I discussed the concept of a retreat with the managing partner of one of my client firms. This firm had been in business for 30 years and never had a retreat. When I asked the managing partner why, he responded that the word retreat always meant to him “pulling back” or retreating as in battle. He had never retreated from anything in his life and didn’t intend to start by conducting a retreat. I explained to him that while some retreats are seen as opportunities to “get away from it all,” the intention of a retreat, and of this Guide, is to focus on how to proactively address the most pressing issues facing the firm.
WHAT DO FIRMS TYPICALLY DISCUSS AT RETREATS?

Most firms spend their time at retreats planning for the future, forming goals and addressing pressing issues and problem areas. The problem areas aren’t day-to-day issues such as purchasing a new copy machine or revising the policy on sick days. The problem areas are more strategic: morale issues, recruiting problems, profitability, etc.

Here are some specific examples:

- Are you happy with the direction the firm is headed in? Do you have a direction? Does your firm have a formal, written strategic plan?

- Are you satisfied with profitability?

- Is your firm growing at a proper rate? Is your firm active enough in practice development? Do you need a marketing plan?

- Is your firm's partner compensation system performance-based? Is it fair? Does it motivate the partners to do what the firm needs them to do?

- Where do you stand on succession planning? Do you have enough partner-potential people coming up that will provide your partners with an eventual exit strategy?

- Do you have programs in place to DEVELOP your staff into future leaders?

- Do you have sensible plans in place to structure new partner buy-ins and buying out existing partners? Many firms these days are taking a close look at these plans and finding that they are ineffective and archaic.

- Is your firm's management structure effective?
• How effective are your partners and managers in supervising staff in a way that enables you to retain them and help them grow? Firms are increasingly turning to upward evaluations by the staff to help them gauge this effectiveness.

• Does your firm have partner accountability? What needs to be done?

• Should you be looking for merger and/or lateral hire candidates?

• How do you evaluate your staff? What should you be doing to help them develop?

• How is morale at your firm? How can it be improved?

• Are you satisfied with productivity, both of partners and non-partners?

• Do you have effective billing and collection procedures? Are they working?

On the next page, you will find a checklist of topics that firms may wish to review before finalizing a retreat agenda. And remember, this list is by no means all-inclusive.

A good way to decide what topics to include in the agenda is to have the participants complete a confidential retreat questionnaire. A sample is toward the end of this monograph. The completed questionnaires must be sent to someone outside the partner group so that the intimidation factor is eliminated. No one should be able to find out how other participants "voted."
### CHECKLIST OF RETREAT AGENDA TOPICS

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<thead>
<tr>
<th>General Area</th>
<th>Specific Agenda Topic</th>
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<td><strong>Management</strong></td>
<td>Strategic Planning: Where do we want to be in 5 years?</td>
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<td>Goal setting</td>
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<td>The 25 &quot;Best Practices&quot; of the best firms: How does your firm rate?</td>
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<td>Role of Managing Partner and/or Firm Administrator</td>
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<td>Structure of the firm’s organization</td>
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<td>Trends in the industry</td>
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<td><strong>Partner Issues</strong></td>
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<td>Partner retirement/buyout</td>
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<td></td>
<td>How to bring in new partners (the buy-in, ownership pct., etc.)</td>
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<td></td>
<td>Partner accountability</td>
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<td>Partner evaluation</td>
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<td>Does the partner agreement need to be modified or updated?</td>
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<td>Partner conflict and communication</td>
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<td>Clarify partner roles and expectations</td>
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<td><strong>Succession Planning</strong></td>
<td>Succession plan, including transition</td>
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<td>Partner retirement/buyout</td>
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<td>Leadership development</td>
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<td>Introducing the concept of non-equity partners</td>
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<td><strong>Mergers &amp; Acquisitions</strong></td>
<td>Upward, sideways and downward mergers</td>
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<td><strong>Marketing</strong></td>
<td>Are you growing at a satisfactory pace?</td>
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<td>Developing a marketing plan</td>
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<td>Developing niches and special skills</td>
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<td>Practice development, including training</td>
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<td>Should we have a marketing director?</td>
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<td>Do we need to hire a marketing consulting firm?</td>
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<td><strong>Operations</strong></td>
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<td>Profitability – satisfaction with</td>
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<td>Benchmarking with Rosenberg MAP Survey</td>
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<td>Productivity of partners and staff</td>
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<td></td>
<td>IT needs: are we staying current?</td>
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<td></td>
<td>Do you have effective billing and collection procedures?</td>
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