

**85 Questions to Help You Develop  
Long-range Plans for Your Firm**

CalCPA's Management of an Accounting Practice subcommittee on Management Resources has developed a questionnaire to help firm managers develop long-range plans for their firms. This questionnaire is designed to encourage formality and thoroughness in planning your firm's future.

**GENERAL**

1. Do the partners have a vision of where the firm can go?
2. Does your firm have a formally adopted long-range plan?
3. Is the plan written and systematically updated?
4. Are all partners in complete accord with the vision and means by which it can be realized?
5. Does the plan provide for substantial change (or growth) in terms of:
  - Clientele?
  - Services?
  - Professional Staff?
  - Partners?
  - Management?
  - Dollar Volume?
  - Reputation?
  - Geographical Areas?
  - Profitability?
  - Miscellaneous
6. Has the firm's general vision been communicated to all employees?
7. Has the plan through which the vision will be realized been communicated to all employees?
8. Has each staff person been advised of the future potential (or lack thereof) for him/her as the plan comes into fruition?
9. Has each staff person been assigned significant areas of responsibility in accomplishing the forecasted results?
10. Do the partners review at fixed intervals the progress of all employees?
11. Do the partners review at fixed intervals the progress of each other?

12. Is the overall attitude of all employees that of being important and vital to the future of the firm?

### **CLIENTELE**

13. Have analyses been made to adequately understand the present client base in terms of size, services, and industries?
14. Has the firm formally defined the client base of the future?
15. Have the partners defined and agreed upon the transition from present to future?
16. Are the progressive steps clearly delineated?
17. Is there a plan adopted to measure the achievements at varying stages through the transition period?
18. Has the responsibility been placed (and assumed) upon those who have the greatest probability to affect the transition?
19. Have analyses been made to adequately understand the present fee base of the firm?
20. Has the firm formally defined the fee base of the future?

### **SERVICES**

21. Have analyses been made to adequately understand the present types of services being rendered?
22. Has the firm formally defined the services it intends to render in the future?
23. Are there industry specialization's incorporated in the vision?
24. Are there technical specialization's incorporated in the vision?
25. Have the partners, managers, and senior staff been assigned responsibility to develop industry and/or technical capabilities?
26. Are progress reporting requirements in place and communicated to all?

27. Do the partners periodically evaluate the progress of the other partners, managers and senior staff in their specialized development?
28. Are the developing specialists required to take responsibility to inform/teach/train all the staff on a “need-to-know” basis so that all professionals function in concert for the firm’s benefit?

### **PROFESSIONAL STAFF**

29. Is the present staff in balance, i.e. number of partners, managers, seniors, other staff?
30. Is a plan in place to bring or keep the staff in balance?
31. Are industry standards (e.g. MAP Survey) considered in defining balance?
32. Have staff requirements been set to produce the projected volume?
33. Are recruiting principles established?
34. Does the firm have a formal indoctrination program?
35. Does the firm have a defined and communicated “up or out” philosophy?
36. Are levels of staff development defined in terms of titles, longevity, billing rates, compensation, privileges and responsibilities, etc.?

### **PARTNERS**

37. Is the present ratio of partners to staff members in line with industry standards?
38. Is the present ratio of partners to total people in line with industry standards?
39. Is a plan in place to bring into balance (or maintain the balance) the fee and staff ratios?
40. Does the projected growth in volume and staff reveal the need for additional partners within the immediate plan period?
41. Looking beyond the immediate five years, is the need for additional partners indicated in the first few years beyond?

42. Have likely candidates for partnership been identified?
43. If future partners are to be promoted from within, are those identified as potential partners likely to be functioning as partners when needed?
44. If potential partners are not identified or will not mature as needed, what is the firm's alternative plan to meet the need?
45. Are the criteria for partnership formally defined?
46. Has the partnership criteria been communicated to the staff?

## **VI – MANAGEMENT**

46. Is there a managing partner of the firm?
47. Does the firm have an executive committee?
48. Are the duties of each defined in writing?
49. Is the tenure of each set for a number of years?
50. Are major areas of management delegated to partners and staff?
51. Are operating budgets prepared?
52. Are time budgets prepared for each individual?
53. Are monthly management reports prepared on the accrual basis?
54. Are annual reports prepared comparing operating results to budgets?
55. Are annual reports prepared comparing time results to budget?
56. Are periodic staff performance evaluations scheduled?
57. Do the partners conduct an annual planning meeting wherein results are reviewed and new plans adopted?
58. Are partner compensations set on an annual basis as the budget is adopted?
59. Have procedures for changing partners' interest been formally adopted, i.e., a required meeting agenda item at the annual meeting at two or three year intervals?

60. Do all partners agree with and support the method used in setting partners' compensation and the method used to change ownership interest?

### **DOLLAR VOLUME**

61. Has the firm set a dollar volume goal for the next five years?
62. Are annual increments established?
63. Are the increments realistic and achievable?
64. Have the volume levels been set with the client and service bases in consideration?
65. Is the projection stated in real terms plus inflation?
66. Is the marketing concept for the firm in place and functional?

### **REPUTATION**

68. Has the firm defined how it would like to be viewed at the end of the next five year period by:
- The other accounting professionals?
  - The legal community?
  - The financial community?
  - The community at large?
  - The industry leaders in the specialized areas?
  - The academic community?
  - The accounting students?
  - The firm clientele?
69. Have plans been adopted with goals that include the realization of the desired reputation in the eyes of each of the above?

### **GEOGRAPHICAL AREAS**

70. Does the firm's plan involved opening branch offices in other cities in the future?
71. If yes, has a window of time been identified to embark on that venture?
72. Has the site or probable sites been selected?

73. Will this endeavor likely involve a merger or acquisition?
74. If yes, are the desired candidates being observed, studied, courted, etc.?
75. Are the people that will be moved being prepared for their new responsibilities?
76. Are the inter-office reporting procedures being prepared for management of an extended practice?

### **PROFITABILITY**

77. Has the firm set its income goals for the next five years?
78. Have the capital requirements been set in concert with the volume changes?
79. Are the partners in agreement with the projections of income to be retained versus income to be distributed?
80. Have projections been made applying standard billing rates to projected budgeted hours (giving consideration to the projected partner and staff complements in each future year) to arrive at projected revenues?
81. Have projections of cost been made (giving consideration to the projected partner, staff and clerical complements) to arrive at projected net income?

### **MISCELLANEOUS**

82. Has the need for office space been projected in concert with personnel projections?
83. Have provisions for partner retirements been adopted? Are the payments of retirement benefits a part of the operating forecast for the five-year period?
84. Have plans been made for ultimate disposition of the firm, or for the continuation of the firm through admissions and retirements of partners in a preplanned manner?
85. Are continuing professional education requirements mandated by the partnership? Are the mandates applicable to the partners as well as the staff? Are the requirements set in concert with the concepts established for industry and technical specializations? Are the mandates set so that

the goals for the firm and for each individual are being accomplished within the time allotted?