Wolters Kluwer

Public Accounting Report

THE INDEPENDENT NEWSLETTER OF THE ACCOUNTING PROFESSION SINCE 1978

DECEMBER 2017 | VOLUME XLI, NO. 12

IN THIS ISSUE

Deviating from Traditional Career Paths Can Strengthen Firmwide Diversity

Sabrina Serafin could have gone anywhere. As a woman of color, she represents a rare convergence of skills, experience and demographic diversity. She has a national reputation in internal audit and enterprise risk management. She also has experience at both a public company and at a Big Four firm.

But she landed at **Frazier & Deeter**/Atlanta (FY16 net revenue: $74.01 million; 44 partners, 315 total staff; six offices) in 2007 to help build its information technology audit practice. Four years later, the partner-in-charge departed, and firm leadership asked Serafin and another senior manager to manage the practice together.

"That didn't work for me," Serafin recalled telling the firm's managing partner. "I've been here since Day One [of the new practice], and this is my baby." Serafin developed a business case for admission to partnership, but she wondered if she'd inadvertently sold herself short by focusing on growing the practice and not advocating all along for the position she wanted: partner-in-charge.

The F&D partners called a special meeting and voted her in. She now runs the firm's national process, risk and governance practice.

It was a revelation for F&D leadership, too. As with most firms, it struggles to find and hire new accounting grads with diverse ethnic backgrounds and identities. But when Serafin became a partner, firm leaders had an epiphany: Maybe the winning formula wasn't to compete for diverse talent with the same kinds of career opportunities traditionally offered by accounting firms, where the new hires might be lost in the firm's overall efforts to diversify. Instead, it could recruit accounting grads for entrepreneurial, fast-growth ventures where they could help shape team culture from the start.

The profession can use all the insights it can get to recruit a greater number of diverse professionals. In 2017, Caucasians represented 83% of all employees and 95% of all partners, according to the CPA Firm Diversity & Inclusion Report, *Public Accounting Report*

Accounting Firm Diversity and Inclusion Eight-Year Retrospective

	2017	2016	2015	2014	2013	2012	2011	2010
Partners/Principals (%)								
White (non-Hispanic)	95.0	95.0	97.0	97.0	97.0	96.0	96.0	95.0
Black	1.0	1.0	0 .0	0.0	0.0	0.0	1.0	0.0
Hispanic	1.0	1.0	1.0	1.0	0.0	1.0	1.0	1.0
Asian	3.0	2.0	2.0	1.0	1.0	2.0	2.0	2.0
Native American/Pacific Islander	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Biracial/Other	1.0	1.0	0.0	1.0	1.0	1.0	1.0	1.0
All Employees (%)								
White (non-Hispanic)	83.0	84.0	88.0	88.0	88.0	86.0	85.0	83.0
Black	3.0	4.0	3.0	3.0	3.0	3.0	3.0	2.0
Hispanic	4.0	3.0	3.0	3.0	2.0	3.0	3.0	4.0
Asian	7.0	5.0	5.0	5.0	6.0	7.0	8.0	10.0
Native American/Pacific Islander	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0
Biracial/Other	3.0	3.0	1.0	2.0	1.0	1.0	1.0	1.0

Note: Data is based on the annual Accounting MOVE Project survey, which started with 20 firms in 2010 and now has 50 firms participating. This research excludes the Big Four. Half of participating firms were in the Top 25 in 2017. The MOVE methodology involves a survey and data from qualitative interviews. MOVE firms pay a nominal administrative fee to participate and receive a confidential benchmarking report. The CPA Diversity and Inclusion Report is sponsored by Xero. *PAR* is the media partner of the Accounting MOVE Project and The CPA Diversity and Inclusion Report; it neither pays nor receives any fees associated with these projects and did not participate in data collection. To see archives of the CPA Diversity and Inclusion Report and the Accounting MOVE Project, or to participate in future research, visit www.wilson-taylorassoc.com. **Source:** The CPA Diversity and Inclusion Report, a product of research and communications firm Wilson-Taylor Assoc., www.wilson-taylorassoc.com.

which is produced by Michigan-based research and communications firm Wilson-Taylor Assoc. and sponsored by Xero. The report drew data from the Accounting MOVE Project report, which focuses on women in the profession. (*See PAR, May 2017*.)

Ethnic diversity has vascillated a little over the past decade. The profession has become slightly more diverse since 2015, and is now tied with 2010, when Caucasians composed 83% of all employees. (*See table, above*.)

While the 2017 AICPA Trends Report found that diversity is increasing among graduates in bachelor's and master's degree programs, hiring is not diversifying in lockstep. Asians and Pacific Islanders accounted for 16% of the latest crop of new hires; Hispanics, 7%; African-Americans, 4%; Native Americans, less than 1%; and whites, 70%.

Meanwhile, the national conversation about diversity and inclusion continues to intensify. Employees, shareholders, investors, and policymakers increasingly voice expectations that employers will continually improve at recruiting and advancing diverse talent.

Accounting firm leaders say that it's not enough to keep offering only the same career opportunities to all new grads. Diverse career paths attract diverse hires—especially as accounting firms compete with tech

PUBLIC ACCOUNTING REPORT

THE INDEPENDENT NEWSLETTER OF THE ACCOUNTING PROFESSION SINCE 1978

VOLUME XLI, NO. 12

Editor
Julie Lindy
julie.lindy@wolterskluwer.com

Senior Contributing Editor
Bryan Powell
bryanpowell.par@gmail.com

Joanne Cleaver

Contributing Editors
Carrie Kostelec
carrie.kostelec@wolterskluwer.com
Sandra Lim
sandra.lim@wolterskluwer.com

Editorial Assistant
Raghavendra Kaup

Production Editor
Laila Gaidulis

PUBLIC ACCOUNTING REPORT (ISSN 0161-309X) is published monthly by Wolters Kluwer, 2700 Lake Cook Road, Riverwoods, Illinois 60015. Subscription inquiries should be directed to 2700 Lake Cook Road, Riverwoods, IL 60015.

Phone: 800.449.8114 | Fax: 773.866.3895 | Email: *cust_serv@cch.com*

Public Accounting Report

Accounting Firm Diversity and Inclusion Five-Year Retrospective Data By Staff Level (%)

	2017	2016	2015	2014	2013
Partners/Principals					
Total White (non-Hispanic)	94.7	95.3	96.6	97.0	97.2
Total Black	0.6	0.5	0.4	0.4	0.4
Total Hispanic	1.1	0.8	0.6	0.7	0.4
Total Asian	2.5	1.8	1.7	1.2	1.3
Total Native American/Pacific Islander	0.2	0.2	0.2	0.1	0.1
Total Biracial/Other	0.9	1.4	0.5	0.6	0.6
All Directors					
Total White (non-Hispanic)	89.8	91.0	93.6	93.4	94.1
Total Black	1.8	1.9	0.8	1.5	2.3
Total Hispanic	1.8	1.6	1.2	1.7	0.4
Total Asian	4.7	4.1	3.4	2.5	2.8
Total Native American/Pacific Islander	0.2	0.1	0.4	0.1	0.0
Total Biracial/Other	1.7	1.3	0.6	0.8	0.4
All Senior Managers					
Total White (non-Hispanic)	87.9	88.3	89.3	89.8	90.4
Total Black	2.0	1.8	2.0	1.3	1.4
Total Hispanic	2.1	2.1	1.8	1.6	1.7
Total Asian	6.6	5.6	6.1	6.1	6.1
Total Native American/Pacific Islander	0.1	0.2	0.1	0.1	0.0
Total Biracial/Other	1.3	2.0	0.7	1.1	0.4
All Managers					
Total White (non-Hispanic)	85.1	86.0	89.0	87.5	88.9
Total Black	2.3	2.5	2.0	1.8	1.9
Total Hispanic	3.2	3.7	2.0	2.3	1.7
Total Asian	7.5	4.9	6.0	6.9	6.8
Total Native American/Pacific Islander	0.4	0.4	0.2	0.2	0.1
Total Biracial/Other	1.5	2.5	0.8	1.3	0.6
All Senior Staff					
Total White (non-Hispanic)	78.7	80.5	84.9	82.4	85.1
Total Black	2.6	2.5	2.1	2.6	2.8
Total Hispanic	4.3	4.1	3.1	4.4	2.4
Total Asian	10.2	8.8	8.0	8.2	8.2
Total Native American/Pacific Islander	0.4	0.3	0.4	0.5	0.4
Total Biracial/Other	3.8	3.8	1.5	1.9	1.1
All Associates					
Total White (non-Hispanic)	73.9	78.7	81.6	79.5	85.5
Total Black	4.0	4.2	3.4	3.1	2.4
Total Hispanic	5.0	4.4	3.6	3.8	3.6
Total Asian	11.8	7.6	8.3	8.3	6.9
Total Native American/Pacific Islander	0.3	0.3	0.2	0.4	0.4
Total Biracial/Other	5.0	4.8	2.9	4.9	1.2

Note: Data is based on the annual Accounting MOVE Project survey, which started with 20 firms in 2010 and ow has 50 firms participating. Excludes the Big Four. Half of participating firms were in the Top 25 in 2017. The MOVE methodology involve both a survey and data from qualitative interviews. MOVE firms pay a nominal administrative fee to participate and receive a confidential benchmarking report. The CPA Diversity and Inclusion Report is sponsored by Xero. *PAR* is the media partner of the Accounting MOVE Project and neither pays nor receives any fees associated with the Accounting MOVE Project and did not participate in data collection. To see archives of the CPA Diversity and Inclusion Report and the Accounting MOVE Project, visit www.wilson-taylorassoc.com. **Source:** The CPA Diversity and Inclusion Report, a product of research and communications firm Wilson-Taylor Assoc., www.wilson-taylorassoc.com.

employers. As innovation both attracts and develops diverse talent, diversity becomes a powerful catalyst for the end goal of evolving toward an inclusive culture that drives growth.

This approach defines inclusion as a solution to problems—not as a problem to be solved, said Jina Etienne, principal with Maryland-based consulting firm Etienne Partners and former president and CEO of the **National Association of Black Accountants**.

"When 'diversity' is the topic, people tend to think in terms of 'them' and only see it as an issue of the minority group for which they are problem solving," said Etienne. "The beauty of innovation as the framework is that it allows us—in fact almost requires us—to bring our unique selves to the table. As a result, 'inclusion' becomes integral to an innovative culture in which everybody's unique ideas, perspectives, and style are celebrated as necessary to achieve the results we all want for our clients."

Ever-expanding research validates the theory that inclusion correlates with better business results. Teams that reflect a variety of perspectives make better decisions and outperform groups that are more homogeneous.

A 2015 McKinsey report found that companies in the top quartile of racial and ethnic diversity were 35% more likely to have financial returns above the median for their industries; gender diversity delivered a 15% boost. Separately, the Conference Board found that companies with a "track record of continual innovation" were four times more likely than those with sporadic innovation to describe their companies as "highly inclusive."

"Psychological safety" is what powers an inclusive culture, said Mary Young, principal researcher for the Conference Board's human capital practice.

"Are people comfortable being who they are and expressing their perspective, even when it diverges from the group?" she asked. People who aren't comfortable don't speak up, which undermines the goal of achieving better results by incorporating diverse points of view.

"The most diverse group is the one that turns out the freshest ideas with the biggest breakthroughs," said Young.

Personal experience with inclusive teams becomes a self-fulfilling prophecy, according to the McKinsey analysis, because a wide variety of perspectives spark creative solutions. A study by the Rapid Learning Institute found that the very process of starting a new project together—with everyone learning, exploring and sharing—invests each member of a group in the solution.

That's what Serafin experienced.

"From the time I started with Frazier & Deeter, I felt that I would be supported and heard. And it's proven to be true," she said.

Macias Gini & O'Connell/Los Angeles has a diverse roster of leaders that many firms would envy: Nine of its 31 partners are not white.

Cynthia Pon, COO and partner at MGO, said that leaders retain diverse managers in the partnership pipeline by cultivating "mutual accountability" that helps overcome the cultural reticence that prevents some individuals with different upbringings from advocating for their own results and qualifications. In such settings, team members are

Affinity Groups Find New Focus

Affinity groups—also known as employee resource groups—are formally sponsored by firms as "centers of gravity" for employees who share an ethnic background, gender, orientation, life stage or situation.

They can foster innovation when members are asked to apply their perspectives to explore potential markets and client categories and then formulate business plans and programs to pursue opportunities they find.

Leading accounting firms also use affinity groups to match partner-track professionals with leaders for executive insight and empathy for the experiences and challenges facing diverse team members, while ensuring that potential partners from diverse backgrounds have opportunities to develop relationships with firm influencers.

New York-based **Marcum LLP** discovered the potential of the LGBTQ market partly through its corresponding affinity group. After New York sanctioned same-sex marriage in 2011, Janis Cowhey, Marcum partner, found herself handling more and more inquiries about taxes and financial planning from same-sex couples. She and several other Marcum professionals recognized that they had the nucleus of a new practice. Firm leadership signed off, and now its Modern Family practice is drawing new clients to Marcum offices across the country.

Initiatives and affinity groups also create a setting for finding common ground with colleagues, said Jina Etienne, principal with Maryland-based consulting firm EtiennePartners and former president and CEO of the **National Association of Black Accountants**.

Public Accounting Report
2017 CPA Firm Diversity & Inclusion Report

Percentage of accounting firms that offer employees resource or affinity groups in 2017

Area of Interest	%
Women	21
African-Americans	71
Hispanics	21
Asians	15
Native Americans/Native Alaskans	15
Millennials	6
Retirement transition	35
Lesbian/Gay/Bisexual/Transgender	3
Working parents	18
Disability	15

Source: The CPA Firm Diversity & Inclusion Report, based on data collected in the 2017 Accounting MOVE Project survey of 50 accounting firms, conducted by Michigan-based Wilson-Taylor Assoc. The CPA Firm Diversity & Inclusion Report is sponsored by Xero.

"I've had people come to me and share that their parents were the first in their families to go to college, and I've said, 'My dad, too,' so we have something in common," she said.

True inclusion blooms in those moments of connection, Etienne noted. That's when people realize that they can relate and find new ways to accept and understand each other. That's when cultures evolve and firms adjust their definitions of successful leadership to incorporate "new competencies of vulnerability and transparency," said Etienne. ■

urged to promote each other's work, and in the process, they gather and apply insights about how to build their own confidence.

"Accountants tend to look at what people can't do, rather than how do they fit and what unique skills and perspectives … they bring to the group," she said.

At **BPM LLP**/San Francisco, 33% of employees are Asian and 27% of partners are women. Kathy Wong, a first-generation immigrant who arrived in the United States from Hong Kong at age 20, said she has a lot in common with existing and potential Asian clients who are investing or doing business in the San Francisco Bay area and who need guidance on tax issues. But in the past, she felt at a disadvantage because English is her second language.

BPM matches all partner candidates with career coaches outside the firm and pays particular attention to up-and-coming Asian women. A career coach worked with Wong to help her overcome the reticence common in many Asian cultures and helped her recognize that speaking English as a second language is not a disadvantage and could even cultivate empathy with potential clients.

"She encouraged me think of the total impression I'm making," Wong said. "Exact pronunciation doesn't matter as much as … I thought." She attributes a burst of confidence and results to the coaching and the firm's investment in her business development strategy.

BPM also equips Wong with the context for building the practice: She has a flexible work schedule that accommodates her family life and support for her involvement with a Bay Area initiative that helps Chinese companies set up in the United States.

The chance to apply their perspectives, experience and identity to business growth is what pulls in diverse talent, said Steven Harris, partner-in-charge of St. Louis-based **RubinBrown**'s Entrepreneurial Services group.

"It's about inspiring talent," said Harris.

Diverse candidates and professionals are well aware of the many options open to them. They expect their diverse experiences and identities to be viewed by employers as unique assets that can open new venues.

"They want a platform for their ideas to take off," Harris said.

In 2005, Rafael Alvarez, president and CEO of ATAX/Yonkers, N.Y., launched a franchise because his staff of 60 people couldn't handle the workload. ATAX now has 40 locations and 85% of them are owned by women. The company's customized cloud-based system promises aspiring firm owners both the technology to serve clients from any location and the tools to craft the work/life blend that fits their individual needs, Alvarez said.

Women are attracted to this integrated model in part because they can manage their workloads and schedules as they best see fit. The streamlined system uncovers both new work and new ways to work.

"I'm hunting for people while some of my competitors are trying to just get money from the same clients," said Alvarez. ■

EXECUTIVE FORUM

Accounting Firm Executives Explain Most Rewarding Recent Investments

When partners inject their accounting firms with valuable capital, they want to be as certain as possible that the investment pays off. This month, *PAR* asked accounting firm leaders to discuss the most profitable investments their firms have made in the last three years.

John Flatowicz

John Flatowicz, *managing shareholder,* **Briggs & Veselka**/*Houston (FY17 net revenue: $36.2 million; 26 partners, 196 total staff; three offices)*:

Part of our growth strategy is to double our advisory practice in the next four years, which has required many hours of conversation about the investments we make. I, as have many of my managing partner peers, observed "the complacency of annuity work," which oftentimes challenges investments in new non-core services. One of the greatest successes we've had is in forensic accounting. The "investment" was more opportunity cost, along with some new spending: We assigned an audit partner (with both a passion for litigation and a J.D. degree) to run the group and hired some really smart people to support her. That required some short-term sacrifice in her audit practice, as well as investment in some seniors who initially didn't have the same utilization as their audit peers. But we've built the forensics practice into a major niche with more than $1.5 million in annual revenue, at above-average margins. There is, of course, an inherent risk, since most revenue is non-recurring and incident-driven, but we've achieved our revenue and margin contribution projections each year. One of the side benefits is an improved relationship with law firms for work in valuation and transaction advisory services. And perhaps the best unintended consequence has been a big data practice—the effort and passion of the senior that we hired. He leveraged his phenomenal IDEA software and Excel skills for some litigation matters involving terabytes of data, and directly as a result, created a new proactive fraud detection solution called Periscope that uses data analytics to find anomalies that might be an indication of fraud. None of that would have happened but for the leap of faith to make some investments in growing the firm.

Jim Proppe

Jim Proppe, *managing partner,* **Plante Moran**/*Southfield, Mich. (FY17 net revenue: $468.6 million; 292 partners and entity members, 2,200 total staff; 24 offices)*:

Through our affiliate, Plante Moran Financial Advisors, Plante Moran has a long history of serving high- and ultra-high net worth clients, but we were missing a critical demographic: the emerging affluent and affluent (those with approximately $350,000 to several million dollars in investible assets). When we looked at our portfolio of clients within this range, along with the children of our high net worth clients, we realized we needed a solution for this group, so we developed a new service we call Drive. Drive offers personalized investment advisory and financial planning services coupled with a sophisticated, yet intuitive, online platform. At the onset of a Drive relationship, time is spent gaining a deep understanding of the client's balance sheet and long-term financial goals. With a plan and financial portfolio in place, our robust technology platform provides easily accessible and up-to-date financial information that allows the client to monitor progress toward their goals in a visual and dynamic way. It's the perfect solution for the emerging affluent, tech-savvy investor. So far, the new service has been a success. As of September, we'd moved or added nearly 600 clients, representing $600 million of investible assets, into this new alternative service line. Not only is this providing Drive clients with service that's more tailored to their needs and preferences but it's also created capacity for our high- and ultra-high net worth team, allowing them to focus on additional practice development. Another benefit of the service, and perhaps a perk we didn't count on, is that we've been able to leverage the online platform and technology investments in other areas of our practice. And incorporating online tools into all of our service lines will become more important as younger, more technology-dependent generations move into the high- and ultra-high net worth categories.

Tony Argiz

Antonio "Tony" Argiz, *chairman and CEO,* **MBAF**/*Miami (FY17 net revenue: $112.3 million; 71 principals, 604 total staff, 13 offices)*:

Our executive committee and I are of the same mindset: You have to keep investing in your business in order to stay at the top of your game. At MBAF, there are three key areas we have focused on to enhance our services, maintain our position as a trusted partner to our clients, and remain competitive. The first has been a series of recent lateral hires and acquisitions that have helped us grow. We have sought out individuals and firms that either enhance our practice areas or give us a footprint in key markets. For example, we added a firm in 2015 that gave us an increased presence in the condominium association niche, while last year, we added another in West Palm Beach because we knew that we wanted to grow in that market. In the past three years, we have also made investments to recruit laterals from the Big Four that have helped us start new lines of services. We estimate that between acquisitions and lateral hires, we've increased our revenue by approximately $15 million. The second area has been investing in technology. We are always looking at ways we can use artificial intelligence, data analytics and other advances to improve how we do business. On the flip side, we've also had to make more investments in cybersecurity to protect our clients and our business given all of the new threats that technology has created. This year, we brought in a full-time director of cybersecurity, and new software and equipment, because we see this is a long-term investment that maintains clients' trust in us. Lastly, we made another long-term investment by bringing in a chief operating officer. This frees up more time for the executive committee and me to dedicate to client service, business development and making the firm more profitable.

Don McIntosh

Don McIntosh, *CEO,* **Rea & Assoc.**/*New Philadelphia, Ohio (FY17 net revenue: $34,702,278; 54 partners, 297 total staff, 14 offices)*:

We've taken steps to invest in solutions that support our firm's greatest resource—our people. Like most firms, we're always looking to recruit top talent, but recently we've renewed our focus on retention and leadership development. To that end, the most significant investment we've made in recent years has been to establish a director of development. Annie Yoder, CPA, CFE, CFF, principal and new director of development, was tapped to oversee Rea's leadership, development and succession planning initiatives. Previously, Annie worked as a member of Rea's government services team, but her passion for employee development eventually became a focal point in her professional journey. Annie continues to be an active practitioner, which we believe is important. Her place in the field puts her in a unique position to assess the skills our people truly need to address our clients' unique challenges. Eventually, she will spend even more time identifying and implementing leadership, development and succession planning initiatives. Other ways we've invested in our people include the following: (1) Mergers. When identifying merger candidates, we actively consider the prospective talent pool. Oftentimes, this is just as much a factor in the decision to merge as the prospect's clients, location or revenue. We've recently merged in **M.A. Hoops & Assoc.**/Lima, Ohio; and **Friel & Assoc.** and **Walthall CPAs** in Northeast Ohio. (2) NextGen Leadership Program. Every year, eight to 10 up-and-comers meet monthly to develop their leadership skills while identifying areas of growth within Rea. (3) Formalized internship program. Instead of fetching coffee and filing mountains of tax returns, interns are asked to join in and speak up as we confront real challenges and identify real opportunities for our clients. Annually, around 25 interns get to see what a career in public accounting really looks like. (4) Passion Drives Success. We ask our team to identify what they are passionate about and what they want to be known for. Then we help them turn their dreams into reality. Our ability to offer a range of specialized services helps differentiate our firm from our competition. Many of these services came about because we freed up our team to pursue the work they're truly passionate about. Since furthering the investment in our people, we've noted a direct impact on the overall quality of our team. And when our people are happy, our clients are even happier—and of course, happy clients have a substantial impact on the bottom line.

John Sensiba

John Sensiba, *managing partner,* **Sensiba San Filippo**/*Pleasanton, Calif. (FY17 net revenue: $26.7 million; 22 partners and principals, 150 total staff; six offices)*:

Controlling costs is an important focus in any business. Some businesses can take that fundamental truism to an unhealthy level. In order to thrive, businesses must innovate and take risks. This may mean investing in R&D when the potential for success is not guaranteed or investing in capital equipment before profitable capacity is assured. For CPA firms, it often means investing in new staff to launch new business lines or to enhance existing service offerings. It may also mean investing in new industry verticals or certifications to respond to changing market conditions. CPAs can lean toward the conservative side when it comes to risk or investment in their practices. Investments in marketing, advertising, education, training, and HR initiatives are often starved or nonexistent—all in the name of short-term cost cutting but at the expense of long-term growth and enterprise value. Any expense for which ROI is difficult to calculate is hard for some practice owners to appreciate, which leads to missed opportunities and less than optimal growth. Education is a dangerous area for CPA firms to skimp on. Continuous improvement in a firm's knowledge base, use of tools and personal relationship skills are critical to overall firm success and survival. I'm often reminded of a meme that shows a CFO speaking to their CEO. The CFO says, "What if we invest in our people and they leave?" The CEO says, "What if we don't invest in them and they stay?" While this isn't a fair characterization of most forward-thinking CFOs, it does represent a fair percentage of CPA firm owners when it comes to investing in the growth of their people. Cost management is important but shrinking your way to greatness is a poor long-term strategy for organizational success.

Scott D. Krueger

Scott D. Krueger, *CFO,* **White Nelson Diehl Evans**/*Irvine Calif. (FY16 net revenue: $22.9 million; 21 partners; 160 total staff, two offices)*:

Over the last three years, our firm has invested in many initiatives, including the acquisition of accounting practices, marketing, technology, and additional office space. However, the most profitable investments we make as a firm are those that we make in our people, which begins with hiring a talented staff. As part of this effort, in 2016, we hired a talent acquisition and brand manager to spearhead our on-campus recruiting efforts. The investment in this role has contributed greatly to our efforts to maintain a strong presence and positive relationships at local universities. This campaign gives us access to outstanding students and graduates, including many who have joined our team as both interns and full-time staff. We also devote significant resources toward staff satisfaction and retention. Investment in areas such as a desirable office environment, ongoing training and development, and popular team-building events contribute to a positive firm culture and staff retention. Our results have been encouraging. We have a high-caliber professional staff and a low turnover rate, while enjoying steady growth in both our staff and client base. Our employees see our firm as a place where they can earn a good wage, enjoy a positive work environment, and experience an interesting variety of work with opportunities for professional advancement. For the foreseeable future, people will remain our No. 1 investment priority, as we view this investment as essential for the ongoing success of our firm. ■