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LETTER FROM THE CHAIR

If your firm has wrestled with keeping up with the latest tax changes or technical standards or if you have struggled to identify and hold on to top talent, you're not alone. Coping with technical complexity and finding and retaining qualified staff are among the top issues facing CPAs in smaller firms, according to the 2007 PCPS Top Issues Survey.

As we do every two years, PCPS once again surveyed our membership to learn which trends or problems they find the most challenging. And we've changed how we present the data in order to make this initiative more relevant to firms of all sizes. For the first time this year, we have not issued one overall Top Issues list because we decided that averaging the answers from many different types of firms does not accurately capture the concerns of each segment. Instead, we are releasing five separate Top Issues lists for sole practitioners and firms with two to five professionals, six to ten professionals, 11 to 20 professionals and more than 20 professionals. That way, practitioners can see exactly what issues are of most importance to their peers.

We've listed all of the top five lists in a separate story below, but I will share with you some interesting background information. When we conducted this survey in 2005, client retention was among the top five for firms of every size. Marketing/practice growth was on the list for all but the largest firms, coming in at #2 for sole practitioners and firms with two to five professionals. This year, neither client retention nor marketing/practice growth appeared on any list. Instead, as you can see, the lists reflect concerns about maintaining technical knowledge and finding and keeping the best people. So, the good news is that it appears that CPA services are in high demand among firms of all sizes. The challenge clearly will be to continue to maintain high levels of competence and retain high-quality staff so that we can offer our clients the best possible service.

PCPS plans to publish a commentary with valuable information and resources to help members make the best use of the Top Issues Survey results. We will also use our findings to create new programs and deliverables that are custom designed to meet member needs. This initiative is just one part of our ongoing commitment to help make our member firms more successful.

All the best,
David Morgan, CPA/PFS
Chair, PCPS Executive Committee

LETTER FROM THE VP

At this time of year, most firms are starting to gear up for busy season. While you focus on planning and preparation for the first few months of the year, I would urge you also to mark your calendars for the 2008 AICPA Practitioners Symposium, which will take place in Las Vegas from May 5 through 7 at Caesar's Palace, with special pre-conference workshops on May 4. We have moved the conference from June to May so that you can use this gathering to reward yourself for your tough busy season schedule and take the opportunity to reinvigorate yourself and your practice.

Another incentive for attendance is the fact that PCPS members receive a discount on registration, in addition to the super early bird discount you'll enjoy if you sign up before the end of the year. The conference will feature a gala reception for PCPS members on Tuesday evening as well as a PCPS Small Firm Roundtable lunch on Sunday and additional optional workshops.

Of course, PCPS is deeply involved in the planning for this dynamic, high-energy conference. If you have ever attended Practitioners Symposium before, you know that it's a great place to get important updates on professional and technical developments and get up to speed on the latest innovations in technology, practice management and more. We have an impressive list of nationally known speakers this year, including Alan Koltin, Gary Boomer, Bill Reeb, Roman Kepczyk, Jennifer Wilson, Duane Rehyl, Gale Crossley, Joseph Buckley and Jim Hitchner.

You'll come away with a host of profitable ideas and new best practices to enhance your firm. Given all the many different sessions and learning tracks, there are numerous opportunities for you and your firm members to obtain plenty of quality CPE at a very reasonable price.

In addition to the excellent sessions, Practitioners is a great place to network with other small practitioners, sharing your ideas, frustrations and inspirations. So I hope you'll plan now to take this chance to unwind, review and refresh yourself after tax season. I look forward to seeing you there.

Best regards,
Jim Metzler, CPA.CITP
AICPA Vice President, Small Firm Interests

2007 PCPS Top Issues

As noted in the Letter From the Chair, PCPS has released its 2007 PCPS Top Issues Survey. Here are the results, broken down by firm size:

Sole Practitioners

1. Tax complexity and changes
2. The effect of new regulations and standards on small firms
3. Keeping up with standards
4. Keeping up with technology
5. Work/life balance initiatives

Firms with 2 to 5 Professionals

1. Finding qualified staff (at all levels)
2. The effect of new regulations and standards on small firms
3. Tax complexity and changes
4. Keeping up with standards
5. Retaining qualified staff (at all levels)

Firms with 6 to 10 Professionals

1. Finding qualified staff (at all levels)
2. The effect of new regulations and standards on small firms
3. Retaining qualified staff (at all levels)
4. Keeping up with standards
5. Developing a succession plan

Firms with 11 to 20 Professionals

1. Finding qualified staff (at all levels)
2. The effect of new regulations and standards on small firms
3. Retaining qualified staff (at all levels)
4. Developing a succession plan
5. Developing new partners

Firms with 21 or more professionals

1. Finding qualified staff (at all levels)
2. Retaining qualified staff (at all levels)
3. Developing new partners
4. Work/life balance initiatives
5. Management of human resources
Seasonality/workload compression (tie)

Upcoming PCPS Practice Management Forums

There will be two more free online PCPS Practice Management Forums before these valuable, live interactive sessions go on hiatus until after busy season. The next two Forums, which will take place from 2 to 3.30 ET, are:

- "Build and Run a Successful Financial Planning Practice: Best Practices and Slips to Avoid," given by Walter M. Primoff on December 18.
- "The Small Firm Advantage," given by Jim Metzler on January 22.
Members will receive e-mail announcements on how to register for each Forum, so be sure to watch for them.

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