

## Inaugural Speech

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### Shaping our Future: Ensuring a Relevant Profession

Good morning. Thank you all.

It's a great day to be a CPA.

The bright future of our profession starts now. And we, as leaders of the profession, are responsible for shaping that future. Not some distant future that's difficult to imagine, but the immediate one... two years from now... five years from now. That's what I want to talk about this morning; shaping our future; and how we anticipate, adapt and jump in front of change, to maintain the relevance of our profession.

Today, it seems change is happening faster than ever. But the truth is, the world has always been changing. The way we win as a profession is by staying ahead of change. I'll share a few thoughts about how we might accomplish that, but first let me give you some background.

I stand before you as the first chairman to be sponsored by two states, a great reminder that borders are no longer barriers, but opportunities for cooperation. I'd like to recognize the great states of Wisconsin and Illinois for their leadership in this collaboration.

Albert Einstein once said, "The measure of intelligence is the ability to change." As leaders and stewards, it's our responsibility to be change agents and take the necessary steps to keep our profession on the path of progress.

We need to ask ourselves questions like: "What services and solutions will our clients or organizations need in the future?" "What will our workforce look like?" "What business trends can we anticipate and plan for?"

Today we're fortunate to be able to answer these questions from a position of strength. Our profession's ability to anticipate and adapt to change has been the key to its relevance for more than 128 years. And the ability to adapt has never been more important than right now. We understand that just because something has worked in the past, doesn't mean it will work in the future.

We live in a disruptive world. In days when Amazon will make deliveries by drone, does anyone really think the simple 1040 will survive? I don't. Our services, as we know them today, will not exist forever. They won't be needed.

The question is, do we prepare for change today, or wait to react when change is forced upon us? In my experience, 'hope' is not a strategy. But planning is.

The world seems to change overnight, but shaping the future of the profession requires a longer runway. That's why we must always be one step ahead of change. We must anticipate and plant seeds before they're needed, so that they bear fruit at just the right time.

Today we see many risks to our profession's relevance. Even more loom unseen just beyond the horizon. There are many seeds to be planted so that we can adapt to the evolving marketplace; a marketplace defined by new technologies, complexity, specialization, a changing workforce, globalization and other mega trends. To maintain our vital role in business, we must recognize that "business as usual" won't cut it. We have to ask different questions and find different solutions. That's something I've tried to do throughout my entire life – challenge the status quo, anticipate change and find a better way of doing business.

Like many of you, I'm a first generation professional. I grew up and learned to work from a young age in the small farming town of Belmont, Wisconsin, about 65 miles from Madison.

My journey has been a long and winding road, but one constant has been a relentless pursuit of finding a better way. The persistent search for differentiation and improvement of existing methods is what keeps a business fresh. Failure to evolve leads to stagnation, and ultimately extinction. Given those options, I choose to adapt and change. That's been a key to my success, and it's a common attribute in the most successful people and organizations I've encountered.

I found the accounting profession while driving a fork truck and taking night classes in Platteville, Wisconsin. Steve Becker, the Department Chair was a young guy with a bit of swagger and an irreverent sense of humor. He made clear that accounting is about communication. I liked that, and I liked him, so I kept going. Steve inspired me to be a CPA.

I've spent my entire career with Baker Tilly Virchow Krause, except for a two-year stint when I worked as a management accountant for one of our firm's clients – the Ewald Automotive Group. Working as a management accountant with the dealerships put me at the intersection of accounting and business, where many of our members live every day. And Emil Ewald taught me something that's critical to our profession: a sense of urgency.

Emil's dealerships measured productivity every day and frequently asked customers for candid feedback. Let's just say, the staff was "inspired" to take immediate action.

I thought this was brilliant. I eventually returned to Virchow Krause and brought with me a new-found perspective that would change our business. We began

questioning the established rules, and implementing the lessons of urgency and action.

We started measuring revenue in real time, and formally soliciting immediate feedback from our employees and clients. And we shortened our reaction time. That sense of urgency helped us grow from a small Wisconsin firm to the 13<sup>th</sup> largest firm in America. We didn't wait for the marketplace to determine our fate – we took action.

We, as a profession, need to change our thinking to preserve and enhance our relevance. Our profession has been around for a long time, and many of our processes, methods and regulations have gone unchanged for just as long. But adaptation is the way of business, and because our job is to speak the language of business, we too must evolve.

Let me share with you now four areas where we can shape our future to maintain relevance.

#### **Area number one - Modernize our services.**

Relevance means staying ahead of the curve in what the public expects and the marketplace demands. People didn't know they needed a new kind of portable music player, or a tablet, until the iPod and iPad showed up. Likewise, our profession can be one step ahead with services people may not even know they need.

For example, Twitter claims that it verifies the identity of certain users. But who better to assure their accuracy than CPAs?

Or assuring that a Google search returns legitimate sources of information in the way Google's model intends.

Or reliable assurance that a business is meeting non-financial performance objectives.

The need for non-financial assurance is all around us. The question is, how can the accounting profession provide that assurance? How can we provide a trusted CPA seal of approval to all sorts of non-financial information?

And how can we do it fast?

#### **Because the second area where we can shape our future is increasing the speed of everything.**

The world no longer waits. Keep up or be left behind. This is where our sense of urgency comes in. We must be faster in the delivery of our services, and quicker in adapting to change.

When we resist change, we send a message to the people who are waiting for that change to occur. We're telling them to make a choice: wait for us, or find someone else who can do it quicker. Which do you think they'll choose? When you're sitting in traffic and see the lane next to you speeding along, which lane do you choose?

As change becomes more rapid and complex, so too must our responses. That's why the AICPA has devoted so much energy toward services and initiatives that many of us could never have imagined when we started in this business. Services like cybersecurity. Data standardization and analytics. Integrated Reporting. Sustainability. And initiatives like the Chartered Global Management Accountant designation. Or the Future of Learning. Each of these examples addresses a critical market need, and our profession is stronger today because we are proactively addressing these needs.

Maintaining relevance also means we have to help our members learn faster, smarter, and in more ways. Our body of knowledge and how we gain competencies must keep pace with changes in business. But CPAs are busier than ever. So let's give them information in smaller increments, pre-packaged and ready to go, in a variety of formats to meet a range of learning needs. Working together, the AICPA and state CPA societies can give the profession a potential framework for innovation in learning.

And while the AICPA tackles learning changes at a macro level, organizations and businesses should adapt as well, taking action to ensure we are providing our staff with the support they need to get the job done effectively and efficiently. And not expecting them to craft 21<sup>st</sup> century solutions with 20<sup>th</sup> century tools.

### **The third area where we can shape our future is increasing collaboration with others.**

Collaboration is critical to solving many of today's business challenges. The once simple relationship between CPAs and clients or employers has been transformed into a complex and fluid business ecosystem. CPAs and other qualified professionals are playing more strategic, interconnected and critical roles in business than at any time in history. Never has the profession's body of knowledge been greater, and the need for collaboration and specialization more critical. Even the language we use is changing. Today, we talk less about "CPA firms" and more about "firms led by CPAs."

Specialists and stakeholders in different fields are collaborating to share resources and develop better solutions. Businesses are knocking down silos and taking a more holistic view in their decision making. Conversations that used to include just the CPA and finance team now also include human resources, IT, sustainability professionals and other external stakeholders. This is how business is done today. Our members need help to understand the complexities of this ecosystem, and how to thrive within it. Firms have become conveners of relevant

talent, assembling the most accomplished teams from a range of disciplines. And remember, specialization is the antidote to complexity.

The profession can excel in this environment by studying business trends, adjusting our perspectives, and developing new guidance and training. This information is critical to firms and companies of all sizes, CPAs working in all environments and students at every stage of development.

The AICPA and state CPA societies must continue to work together to identify opportunities in the modern landscape. To answer questions like, 'How can we better deliver the services our members and organizations need?' 'How can we provide greater value?' 'Where is change required?'

Our challenges include competition, pace of change and varied member interests. But tomorrow's challenges may be something completely new. The onus is on our profession to develop the mindset and capabilities to get ahead of challenges, and collaborate in more timely and meaningful ways.

**The fourth area where we can shape our future relates to our most important asset – People.**

**We must create the professional environment of choice, for the most trusted advisers of the 21<sup>st</sup> century.**

A magnet for the trusted advisers of the future.

Of course we already know that we'll need the best and brightest, but we also need to change the way we relate to those individuals, and how we develop them.

At Baker Tilly, we do this through a philosophy called "Care and Teach." Other firms approach it differently, but we all have a strategy. We look at investing in the entire person, and recognizing that people are about more than work.

Who are they? What makes them tick? What about their family? Their interests? Their passions?

In addition to receiving a salary, team members today expect their work experience to be a developmental opportunity. And for their employer to provide both a sense of community and the ability to make a difference outside of work. They want to be inspired, and know why the company does what it does. And they demand a platform that supports work/life integration.

We can meet the needs of the entire person by investing in people on a personal level. This includes teaching them how to be professionals. How to buy a suit, and when to wear it. How to shop for a car. Or acclimate to a new city. An employee's experience with us should be all encompassing: home, office,

personal, professional. The future will be won by the organizations that most successfully engage their teams.

A dynamic personal and professional experience will appeal to those already in the profession, and will also attract the best and brightest from future generations. At the macro level, our profession competes with all others for top talent. So how will we stand out not only from other firms and companies, but from other professions? We can do this by committing to the entire person and creating a magnetic environment. We can all contribute to the success of the profession by making our own organizations dynamic and attractive workplaces.

One of the easiest ways to create a positive environment is to be a mentor. Each of us has followed a journey. We've seized opportunities, made mistakes, learned lessons and have grown along the way. We've come from different places and taken different paths, but we've all ended up as CPAs. We each have a story to tell and wisdom to share. That makes each of us eminently qualified to be a mentor.

I owe a huge part of my own success to my mentors. One was a former managing partner named Cy Yelk, who taught me how to be a professional. To this day, I still remind myself of his lessons. Cy liked to say, "In our business, it only takes one person to make an office successful. One person can change a firm." Cy inspired me, and he made me believe that what I did made a difference. And because I thought it mattered, I did more.

Each of us has the opportunity to inspire others. It can be as simple as a conversation. Our messages to younger people should be clear: "We believe in you. You matter. We're counting on you. Tell us how we can help."

Cy also taught me about the responsibility of leadership: What will be left after you're gone?

We should measure long-term personal success by the wake an individual leaves behind. Ask questions like, "How many people have you helped to make partner, or achieve their other goals?" "How many people would list you as an important reason they're successful?"

Care and Teach is at the core of what we are as a profession. Inspiring and mentoring young professionals is a key to our future.

You can help yourself, and the profession, by identifying a promising star and helping that person find a better way. A good mentor can make the difference between someone who has potential and someone who realizes that potential.

So in closing, as we pull it all together and consider the countless ways the world is changing around us, I ask you this: Will we be the ones – will we be the ones to take charge of our destiny, and lead our profession to greater relevance and

opportunity? Or, will we be mere passengers -- passengers sitting in the back seat of a bumpy ride to some unknown destination?

I vote for the driver's seat!

For taking charge!

Let's lead!

This truly is a great day to be a CPA!

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