(H) HORNE

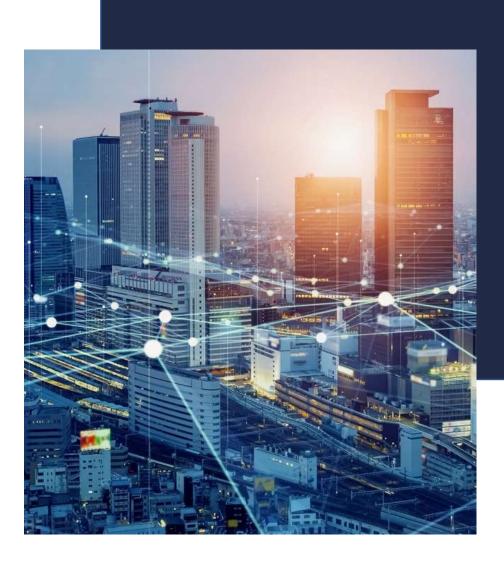
Changing Our Mindset About The Future Of Our Profession

Joey Havens, CPA, CGMA Author Leading with Significance

Exponential World

TomorrowMind

- 20 years ago 4 to 5 hundred million people were online.
- Today exceeds 5 Billion
- The Change Ripple is a HUGE wave....







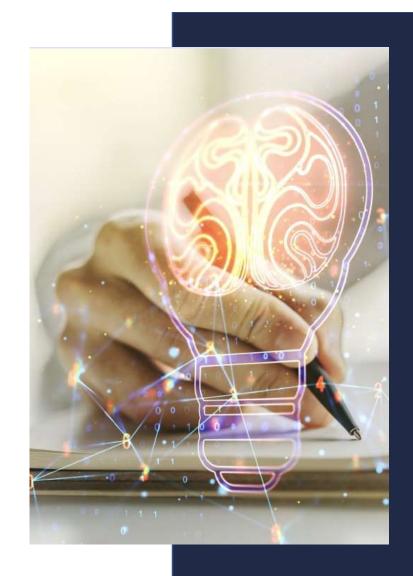
Buckminster Fuller's Knowledge Doubling Curve, with post-1982 addition by IBM

- **1**. Public Accounting Profession
- 2. Mindset Matters
- **3.** Future View Business Model
- 4. Good Culture Is Not Good Enough
- **5.** Reflection Opportunity



State of Public Accounting Profession

- We have had more change in the last 2.5 years sparked by COVID than we had total in the previous 100 years.
- This pace of change is not going to slow down as AI, automation and talent challenges bend the profession further upward on the change curve.



Private Equity Eyes Accounting Firms Large and Small

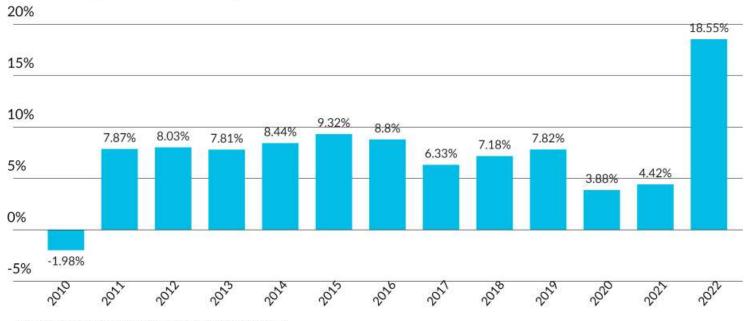
• The Journal of Accountancy, February 1, 2023

	AICPA	& CIMA: Home CPE & Learning My Account
JOURNAL OF	VCY*	News Mapstire Podcet Vdeo
COVID-19 TAX PRACTICE	ANAGEMENT FINANCIAL REPORTING AUD	IT MANAGEMENT ACCOUNTING
	Like PB&J, it's the perfect combo DackBooks Online Accounter > ProConnectTax > Intuit Tax Advisor	MNNM formation
FEATURE / PRACTICE MANAGEMENT		Reimogine Your
Private equity eyes account By Andrew Kenney Privany 1, 2023	ing firms large and small	Accounting Workflows
And EV FLOGETY ANDES PLOGEV FLOGETY ANDES PLOGEV PL	The first time sine got a cold call from a private-equity investor. Paula Maggerer-Apular. CPA, was mystele.	No. 11. 1023 Tech roundhais: Tageng inis autonation and toos of the Aure: Protection Standard S
Practice Growth & Client Service	"Tim like, "Why are you calling me?" But the calls kept coming. Since last year, the couple have heard fro	MOST READ
Sup peterial investors who work to buy into the business. Waggener- Agular wasn't interested, but the proposal made her curvicus. Dee soon keened that phrate-eguly investors have been buying that way into the work of accounting, planning, and advance yearces — a push that separat area 2021 to some of the curvicy is impet public accounting free. Waggener Agular waterial these acculate interests that all complexity different perspective. The sub-area dires in the		
profession did, she said. They saw an opportu in ways that accountants have perhaps not en She wondered. 'Is this the new trend?'	nity to use surges of investments to grow firms more quickly, she though	AICPA releases explanded plan for addressing CPA pipeline challenges
CALCPALICIMA YOUR	learning experience just got better.	Accounting Online Certificates
Similar announcements have followed for the I	arge firms Citrin Cooperitian and Cherry Bekaert, and other investors ha	Advanced Accounting / CPA Accounting /

State of Public Accounting Profession

- Private Equity has made a big play and \$10+ Million firms are targets
- Displacement and Replacement of tasks and jobs gaining speed
- Talent War is raging and will continue
- Off Shoring (Right Shoring) seeing substantial growth
- How to organize with audit versus tax and consulting
- Capital Requirements for future success are rising
- Governance changing to meet demand for speed
- Competition from outside profession is charging forward

Abundant Opportunities Evident in 2022 Top 100 Growth Rate



Source: Accounting Today Top 100 Firms Survey

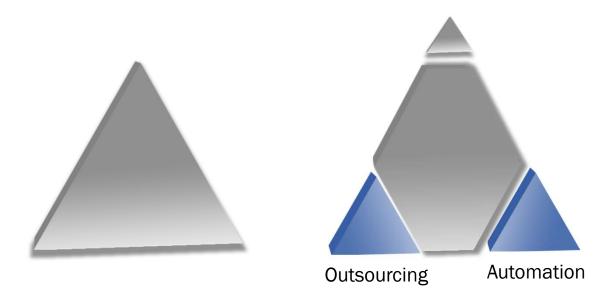
TomorrowMind

By: G. Kellerman & M. Seligman

- Job Displacement already moving twice as fast as Industrial Revolution that hit 40% in 40 years
- Estimates by McKinsey are 80% displacement or role reduction by 2030



Digital Age Is Transforming Organizations



Development of highly skilled digitally proficient middle layer key to firms

Slide courtesy of AICPA

Abundant Opportunities

CAS **Forecasting/Budgeting** System & Organizational **Controls (SOC) Data Dashboards** ESG **Strategic Planning** Leadership Development Valuation **Government Programs** Tax & Financial Planning **Automation Cybersecurity Advisory New Industries** Fraud **BlockChain**

Project Management Outsourcing

- \$147 Billion expected to double in ten years
- Skilled Project Managers
- Tools
- Trust
- CPA Cornerstone



Mindset

Legacy Mindset

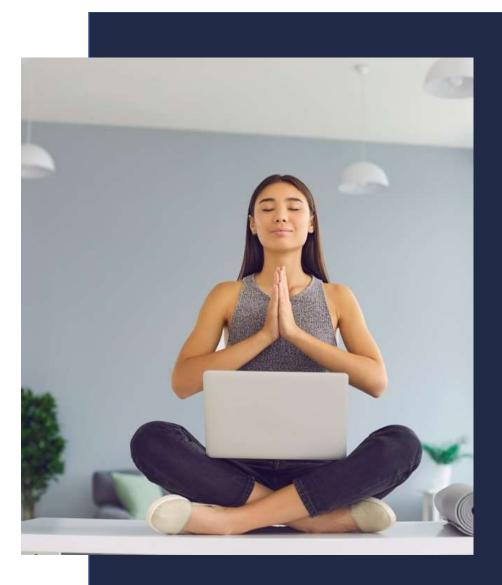
- We are moving too fast
- Incremental Strategies
- Get It Right

Growth Mindset

- We are not moving fast enough.
- Exponential What's Possible
- Experiment, Think 80%

Mindset Matters

- What are we trying to achieve?
- How are we going to achieve it?
- What is your role?
- How do you stand to benefit?



Uncertainty



Our Opportunity

Start with CERTAINTY – Future Facts

Where we know the future is going...

- Exponential pace of technology innovation (A.I., Cloud, Big Data)
- Increased complexity of regulations and standards
- Increased automation of technical knowledge
- Increasing shortage of talent
- Clients/Companies demanding insights because of disruption

- Proactive, anticipatory skills in demand
- Increasing outside competition
- Strong culture required to innovate fast enough
- Trust, relationships and uniquely human skills in increasing demand

BLI work with Top 500 CPA Firms based on hard trends

Develop Business Model Strategy

- Strengths/Distinctiveness
- Potential Growth Areas
- Leverage Relationships
- Leverage Skills/Knowledge/Experience
- Pricing Strategies
- Social Media/Marketing



Super Teams

- Collaborate
- Focus
- Anticipate (First Mover)
- Create Partnerships/Alliances
- Experiment



Train or Hire Skills

- Intentional Training Plan
- Aggressive Investment in People with Skills and Experience
- Certifications



Learn Fast Learn Forward Learn Together

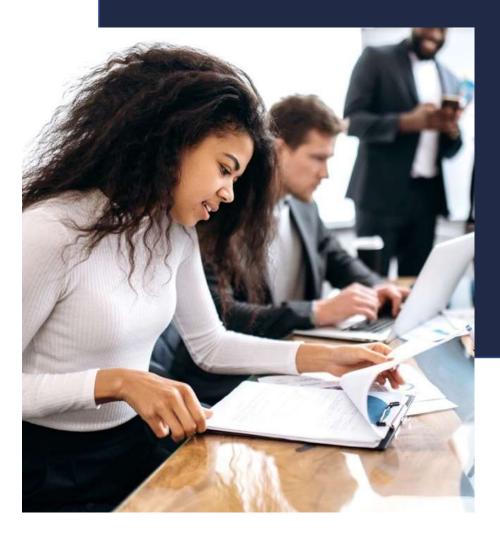
Learning equals Growth, Profits & Distinctive



21

Good culture is not good enough

- Culture defines us
- Protective
- Embracing reality good and bad
- Transparency builds trust



Why Graduates Aren't Hot on Accounting Careers

Low Starting Pay, Onerous Testing

- Academics and recruiters say sluggish salaries and tough requirements to become a certified public accountant are damping demand for accounting degrees and discouraging graduates from pursuing accounting careers
- Wall Street Journal, May 12, 2023



Accounting majors in the class of 2023, the first to enter a postpandemic professional world, will find no shortage of demand for their services as the industry grapples with a scarcity of candidates. PHOTO: THOMAS WELLS/THE NORTHEAST MISSISSIPPI DAILY/ASSOCIATED PRESS

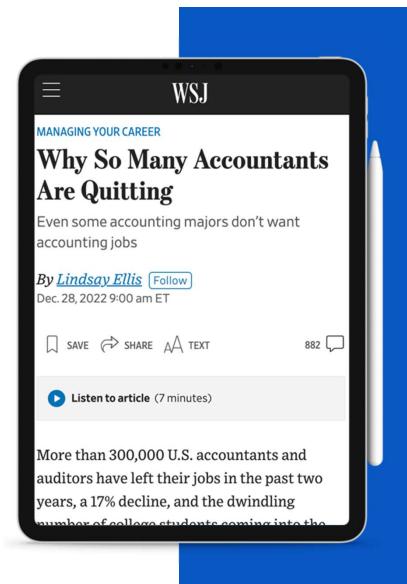
Graduates entering the workforce this year who are considering careers in accounting should see plenty of demand for their services as the industry grapples with a dearth of candidates. But even so, they may find what companies are willing to pay them underwhelming, particularly given the rigorous academic and testing requirements required to follow this career path.

More than 300,000 U.S. accountants and auditors have <u>left their jobs</u> in the past couple of years, a 17% decline in overall industry employment, according to the Bureau of Labor Statistics. Recruiters say experienced accountants are often moving into new roles in finance and technology. And the exodus is expected to worsen as baby boomers leave the workforce, with 75% of

Why So Many Accountants Are Quitting?

Even some accounting majors don't want accounting jobs

• Wall Street Journal, December 8, 2022



How Can We Make Accounting Cool?

There's a shortfall in the ranks. An image makeover could balance the ledger.

• Wall Street Journal, February 9, 2023



CEO's Know Culture Is Key

92% responded that culture leads to higher performance and more value



responded that it was one of the top three things for future success

79% said it was the top driver of value and performance

84% responded, their culture needed to improve

*Columbia Study of over 1300 CEOs

"Culture will not only eat your strategy for breakfast, it will devour your entire future if you do not properly care for it and feed it"

Joey Havens

Reflection Opportunity

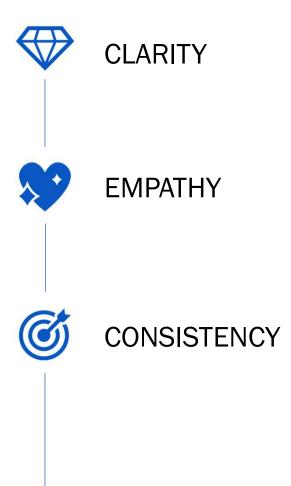
Flexibility – Autonomy Sense of Belonging Achieving Sustainable Exponential Growth Raving Cheerleaders Client Churn Real Turnover Stars Left Silos Leadership Pipeline Trust Consistent Experience Toxic Leaders Allowed Behaviors Conflict Avoidance Client Service or People Growth or People Profitability or People Strategic Priority Transparency Plug & Play Leadership Connection

Lessons learned on flexibility

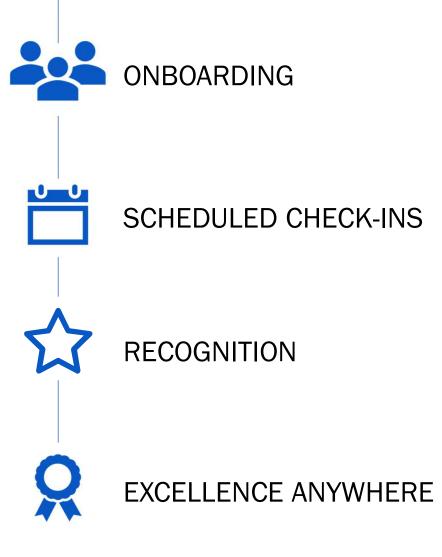
- Unique to the individual, their team and their role
- Communication, commitment, trust
- Flexibility is also on call
- Privilege not a right
- Boundaries must be honored
- Guilt vampires
- Hybrid
- Autonomy



7 Best Practices for Remote Workers and Culture

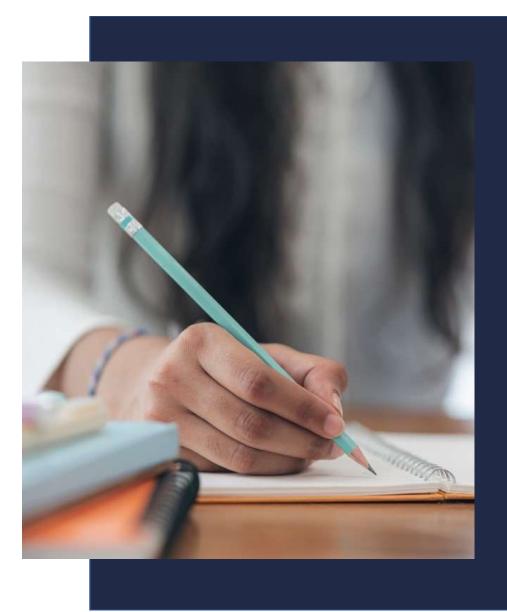


7 Best Practices for Remote Workers and Culture



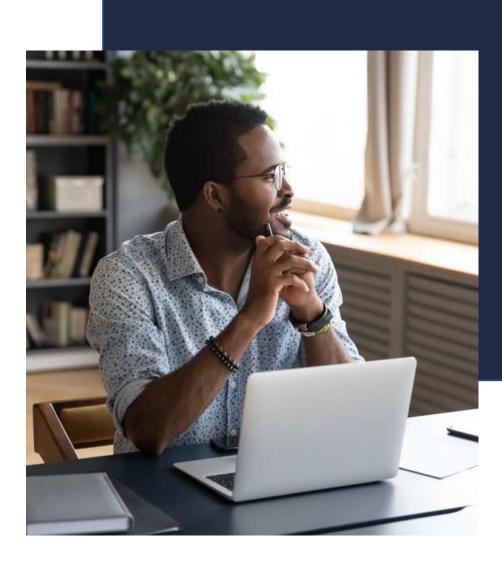
Mindset Shift

- People Before Clients/Growth
- Outcomes Over Input
- Trust Over Control
- Values Over Hierarchy
- Full Potential Over Career Tracks



Mindset Focus

- Relentless Transparency
- Unrivaled Autonomy
- Elevated Clarity
- Excellence Anywhere
- Intentional Connection



More Than 50% of Managers Feel Burned Out

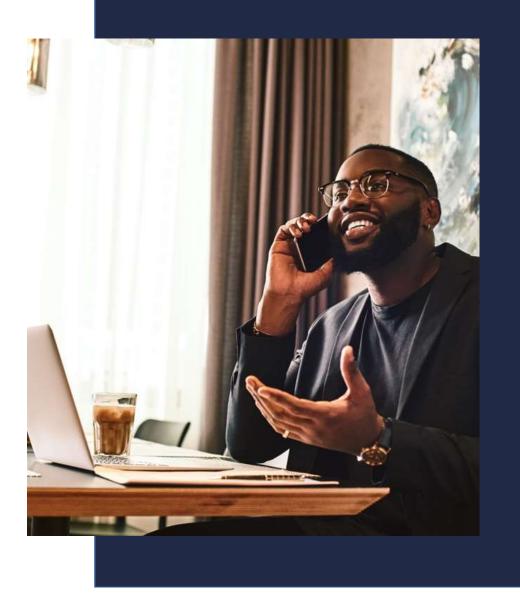
 Harvard Business Review, May 18, 2023



Meaning/Purpose

TomorrowMind

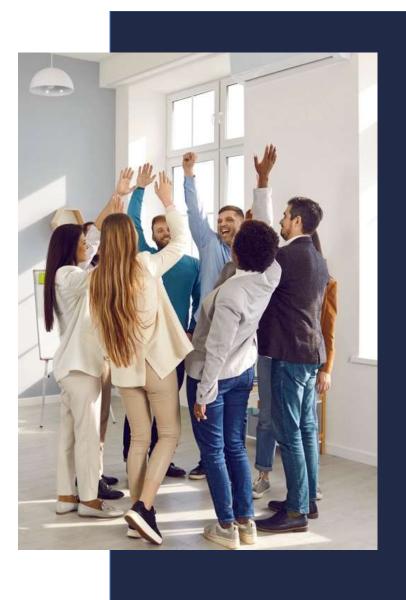
- Over 2000 US employees, virtually all crave more meaning at work
- Present meaning fulfillment is less than 50%
- People willing to make up to 23% less to have highly meaningful work



What Makes Work Meaningful?

TomorrowMind

- Sense of Belonging Not in it alone!
- Values and Purpose alignment with LEADERS
- Senior leaders must live the values Company espouses
- Personal Professional Growth
- Why Their Work Matters



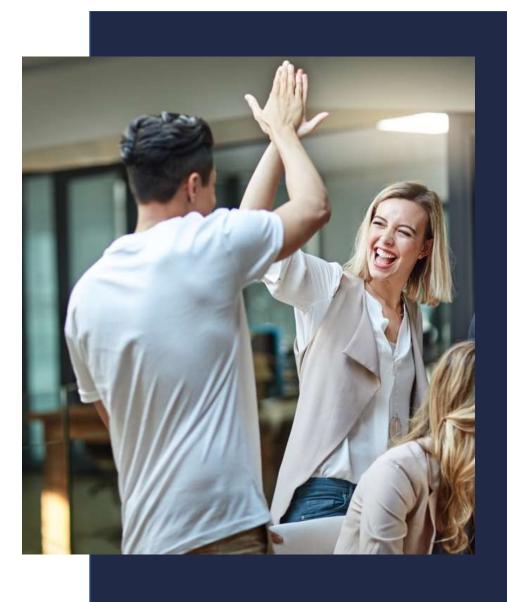
My hope is...

- Be inspired to be more intentional to trust, serve and care for people
- Be a leader whose legacy is #beBetter than "good"
- Be a leader who helps inspire and elevate our profession



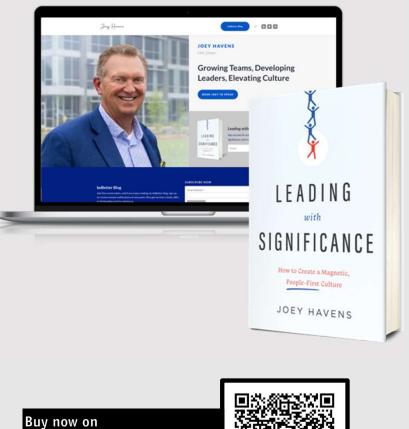
How can you inspire others for a growth mindset?

- Are we moving fast enough?
- Business Model elevates with advisory, pricing and focus
- Good Culture is not good enough
- Be Intentional



"Change is coming faster every day. How will you respond?"

TomorrowMind – Last Line





Joey Havens, CPA

Managing Partner 2012 - 2021, HORNE

Joey Havens is a partner at HORNE, and author of the book, *Leading with Significance*. He shares insights, failures, low points and lessons learned in his experience helping to lead the successful transformation of a professional services culture to one that is truly magnetic and people focused.

Joey.Havens@HORNE.com JoeyHavens.com HORNE.com





