Leading through Transitions:

Empowering Agility In Ourselves and Others

Jonathan Kraftchick, CPA
Partner – Innovation

Cherry Bekaert LLP
CPAs & Advisors

1

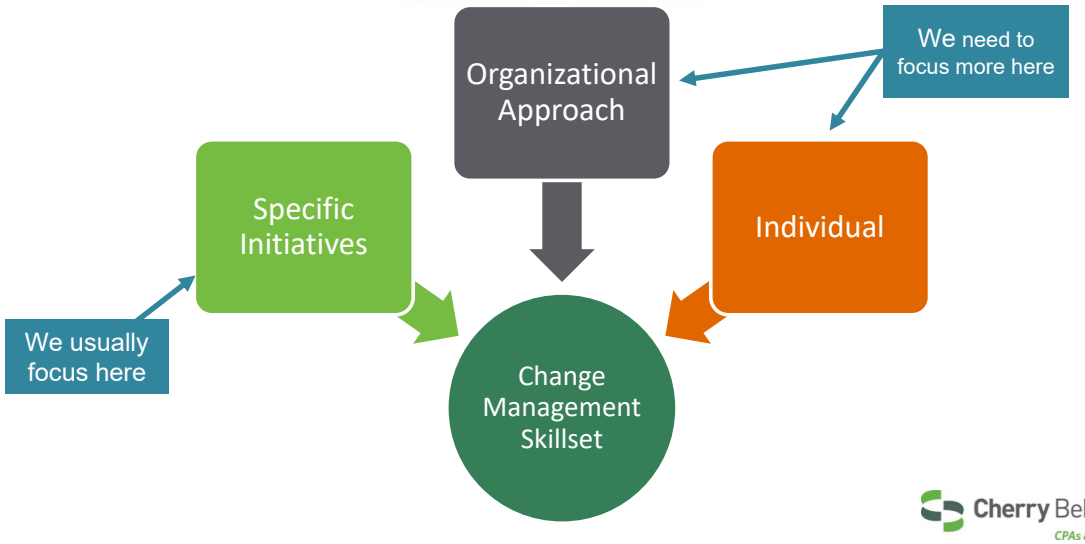
Our Goals Today

- Normalize Change
- Demystify Change
- Expand the Leaders' Change Skillset

Cherry Bekaert LLP
CPAs & Advisors

2

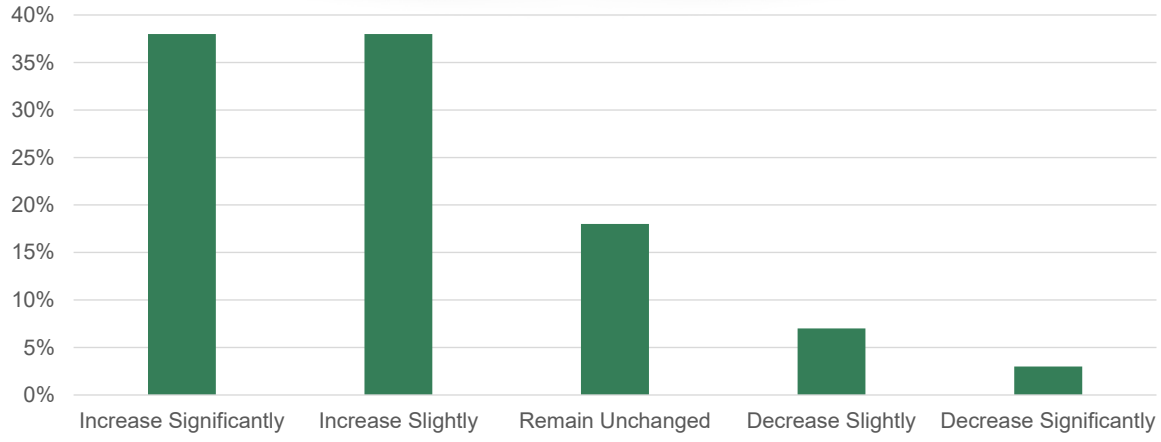
Layers of Change



Cherry Bekaert LLP CPAs & Advisors

3

Expected Change in the Next 2 Years



Prosci Inc. Best Practices in Change Management, 2018 edition

Cherry Bekaert LLP CPAs & Advisors

4

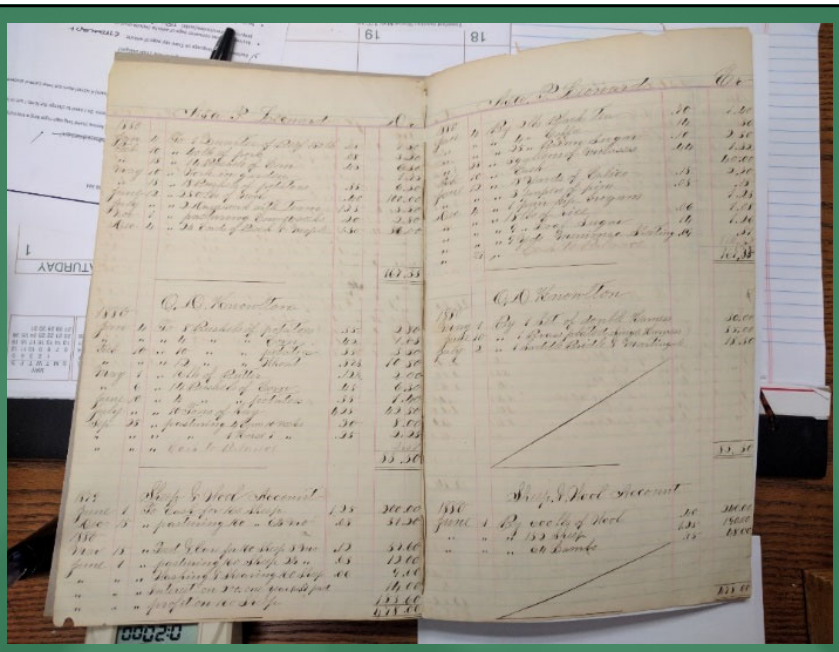
5

Compared to 1980…

3x	4x	5x
Pages in the Internal Revenue Code	Accounting standards	Auditing standards

https://www.evolutionofcpa.org/Documents/CPA%20Evolution%20Flyer%20September%202020.pdf

6



Cherry Bekaert LLP
CPAs & Advisors

7

4,694 years
130 generations

491 years
14 generations

35 years
1 generation

?

3200 BCE

1494

1880

1985

2020

Cherry Bekaert LLP
CPAs & Advisors

8

Today's Accounting Technologies…

https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/bots-algorithms-and-the-future-of-the-finance-function

9

Probability of Computerization by 2030

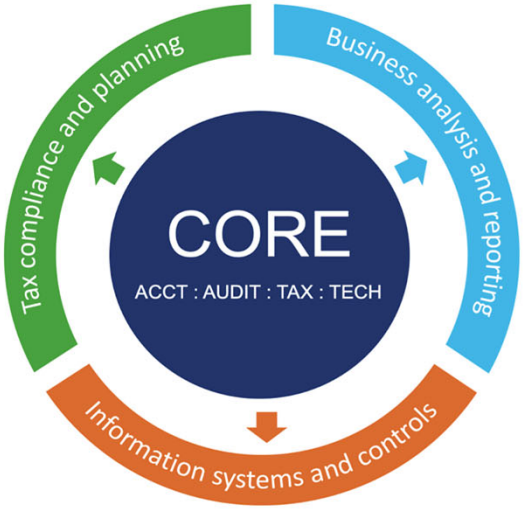
Accounting & Auditing — 94%

Tax Preparation — 99%

https://www.oxfordmartin.ox.ac.uk/downloads/academic/The_Future_of_Employment.pdf

10

Tomorrow's CPA Exam…



= CPA

11

What comes with Growth?

New people

New clients / customers / users

New partnerships

New processes

New services

New tools

MORE CHANGE

12

GREAT! This will be easy!

Cherry Bekaert LLP CPAs & Advisors

13

Boomers and Gen X'ers love this stuff, right?

You spend all your time thinking outside the box. I spend all my time putting everything back in.

Cherry Bekaert LLP CPAs & Advisors

14

Millennials and Gen Z love this stuff, right?

Don't expect us to cheer as you turn us into factory workers and show us the machines that will replace us in one motion. This might have made sense at the partner level, but you don't show those to slaughter the way they will die.

Cherry Bekaert LLP CPAs & Advisors

15

Do any numbers here make you nervous?

	This Year	Last Year	2 Years Ago
Cash	$ 8,595,003	$ 8,341,994	$ 7,971,462
Investments	4,295,653	4,371,021	4,000,672
Land & Buildings	3,299,347	14,191,603	14,620,704
Accounts Payable	5,929,482	6,528,769	5,784,536
Accrued Payroll	1,375,733	1,232,787	1,155,631

Cherry Bekaert LLP CPAs & Advisors

16

If so many company leaders say they embrace change, why do so many adoption initiatives fail?

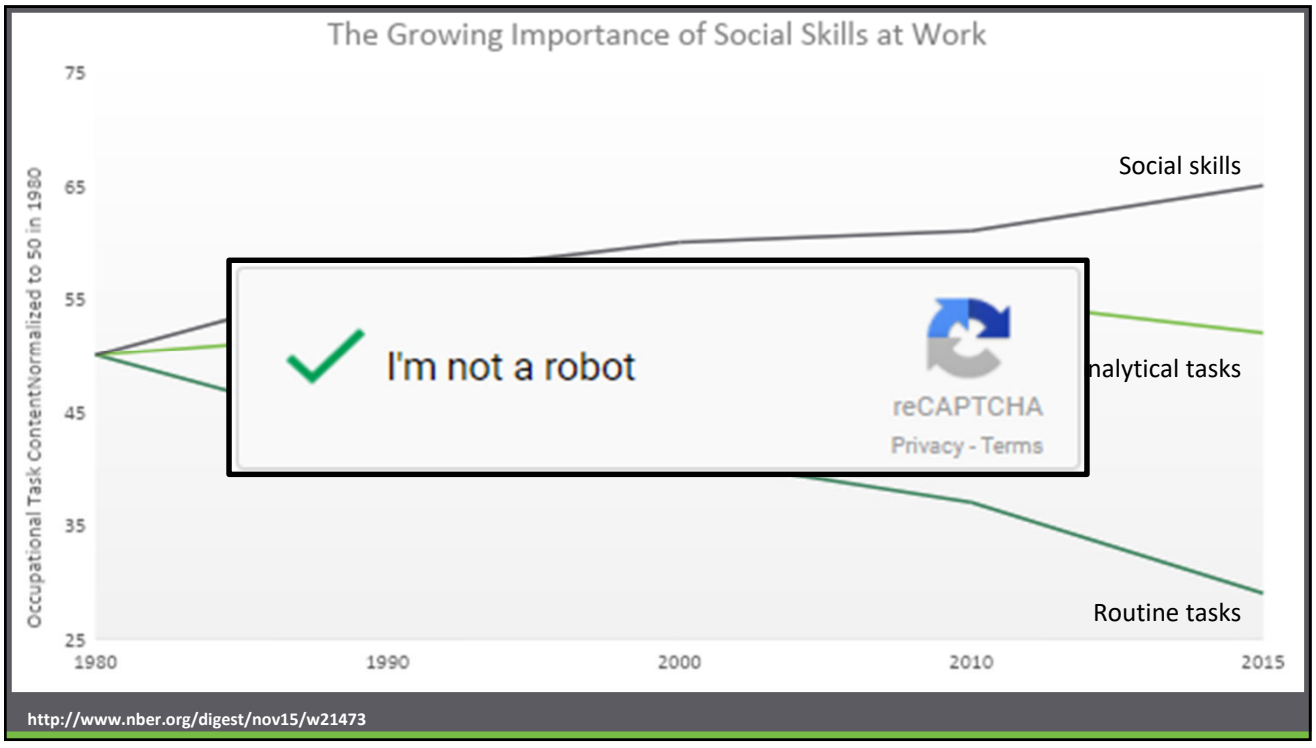
Cherry Bekaert LLP
CPAs & Advisors

17

18

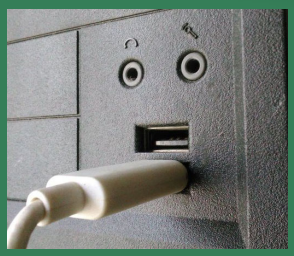
The humans are missing!
Cherry Bekaert LLP
CPAs & Advisors

19


The Growing Importance of Social Skills at Work
Occupational Task ContentNormalized to 50 in 1980
75
65
55
45
35
25
1980
1990
2000
2010
2015
Social skills
nalytical tasks
Routine tasks
I'm not a robot
reCAPTCHA
Privacy - Terms
http://www.nber.org/digest/nov15/w21473

20

Hardwired for Human Connection



21

Leadership Theories

Theory A

- People will avoid work if they can
- People resist change
- People are constantly in need of a good prod
- People prefer to be directed

Leaders must closely control and use carrots/sticks to motivate people in order to achieve their vision.

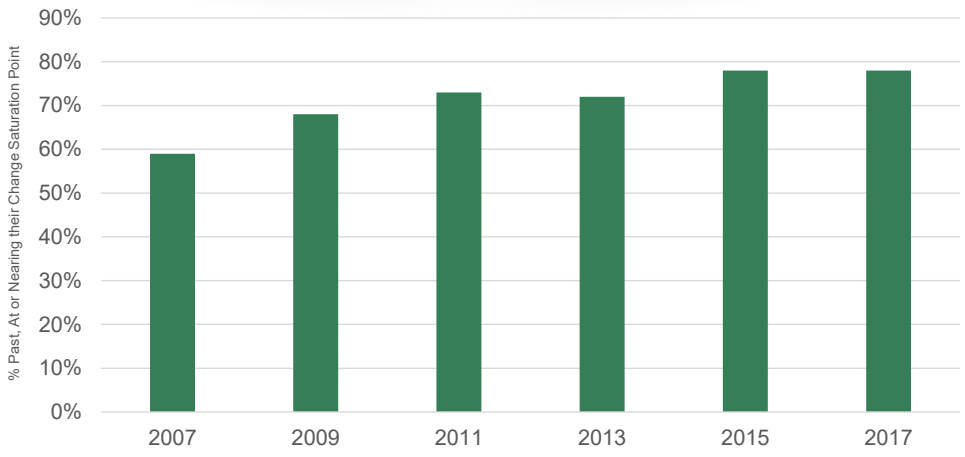
Theory B

- People want to do great work
- People seek responsibility
- People are vital change agents
- People want to make a difference

Leaders should concentrate on fulfilling the potential of each worker and giving them opportunities to participate.

22

Change is exhausting us



Prosci Inc. Best Practices in Change Management, 2018 edition

Cherry Bekaert LLP
CPAs & Advisors

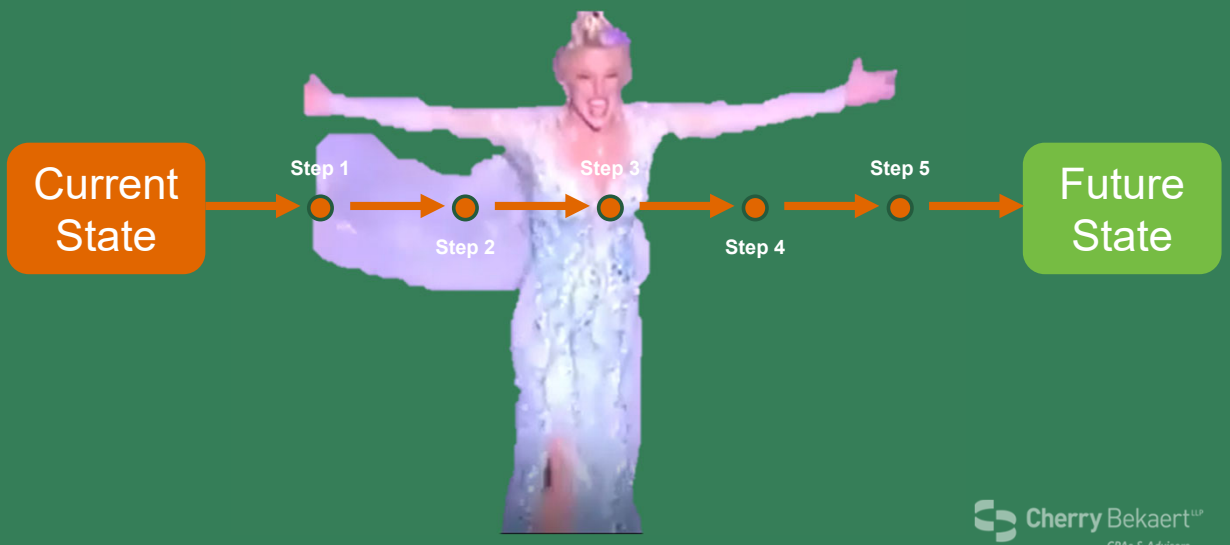
23

How change can feel WITHOUT a change strategy

Cherry Bekaert LLP
CPAs & Advisors

24

How change feels WITH a change strategy



Cherry Bekaert LLP CPAs & Advisors

25

It's time to change the way we change

Cherry Bekaert LLP CPAs & Advisors

26

Common Language

Tools & Processes

Monitor & Track

Roadmap & Prioritization

Build Change Capabilities

Strategic Priorities

Innovation

Cherry Bekaert LLP
CPAs & Advisors

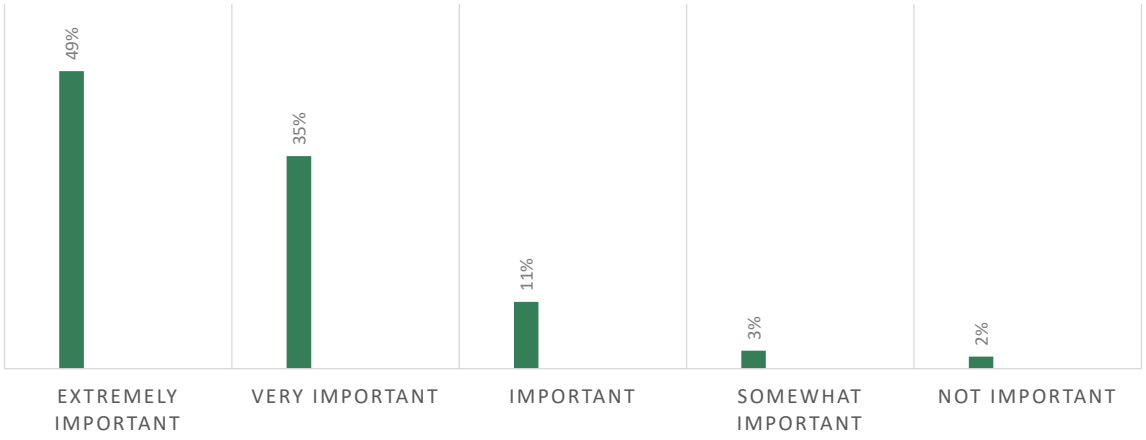
27

Potential Offerings

Cherry Bekaert LLP
CPAs & Advisors

28

How important is leadership participation in the success of our change efforts?



Procsi, Inc. 2018

Cherry Bekaert LLP CPAs & Advisors

29

Management vs. Leadership

MANAGEMENT	v.	LEADERSHIP
HIGH COMPLIANCE		HIGH PERFORMANCE
Planning, controlling, regulating and monitoring processes		Setting direction, motivating, and inspiring people

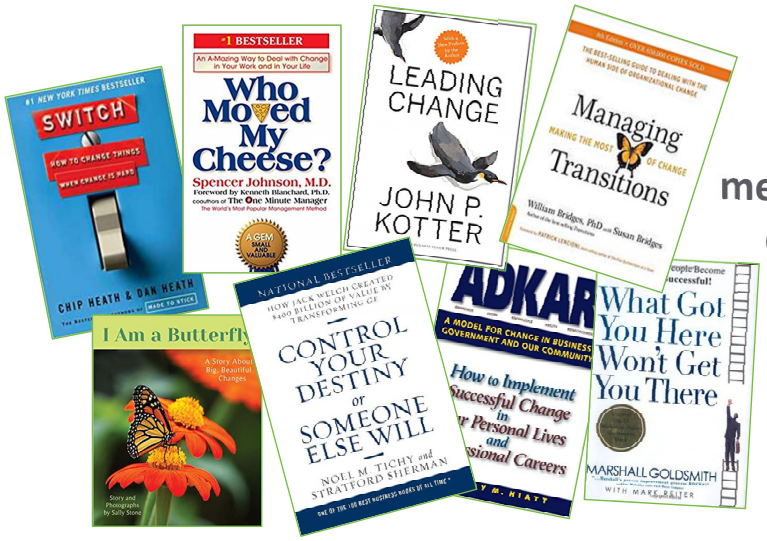
Cherry Bekaert LLP CPAs & Advisors

Manage ~ manus: hand, manual, handle things

Leader ~ leado; duc: to go, journey, take to places never explored

30

Leading with Impact

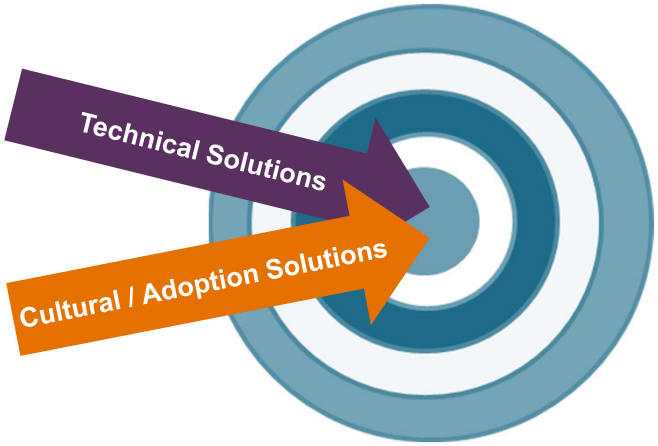


The best model and methodology for leading change is the one that works here. Now.

31

31

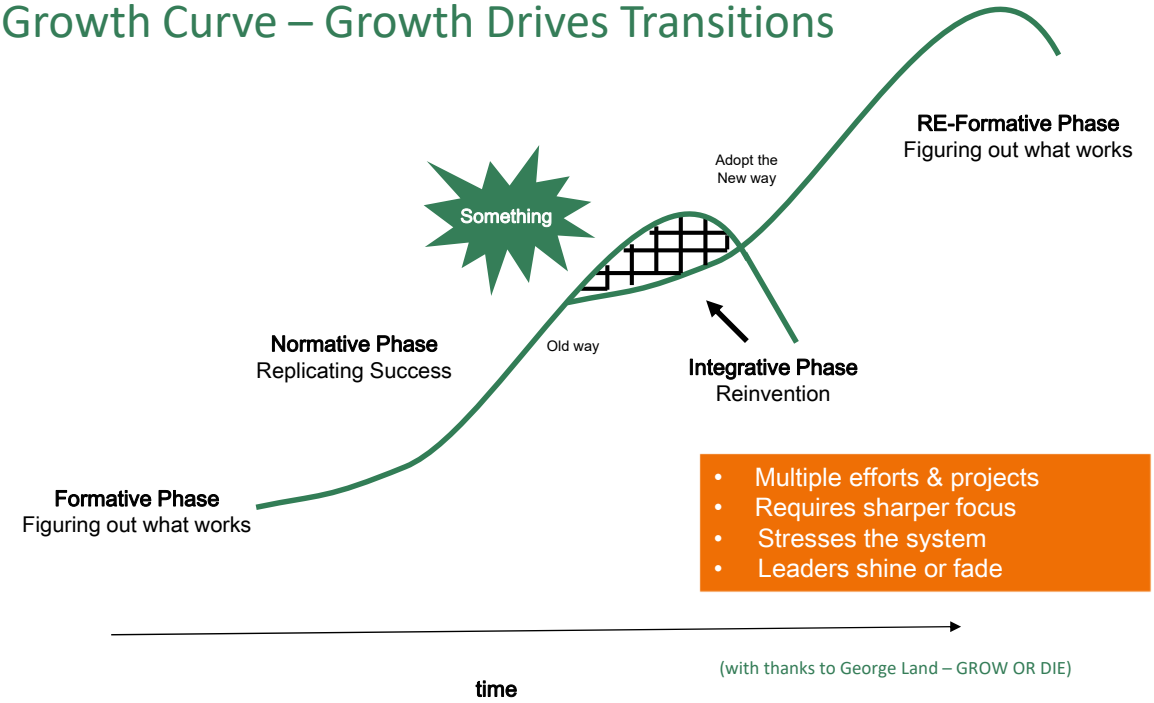
Predicting the Success for Change



Quality of Technical Solution	X	Effective Acceptance of Solution	=	Chance for Lasting Adoption

32

The Growth Curve – Growth Drives Transitions



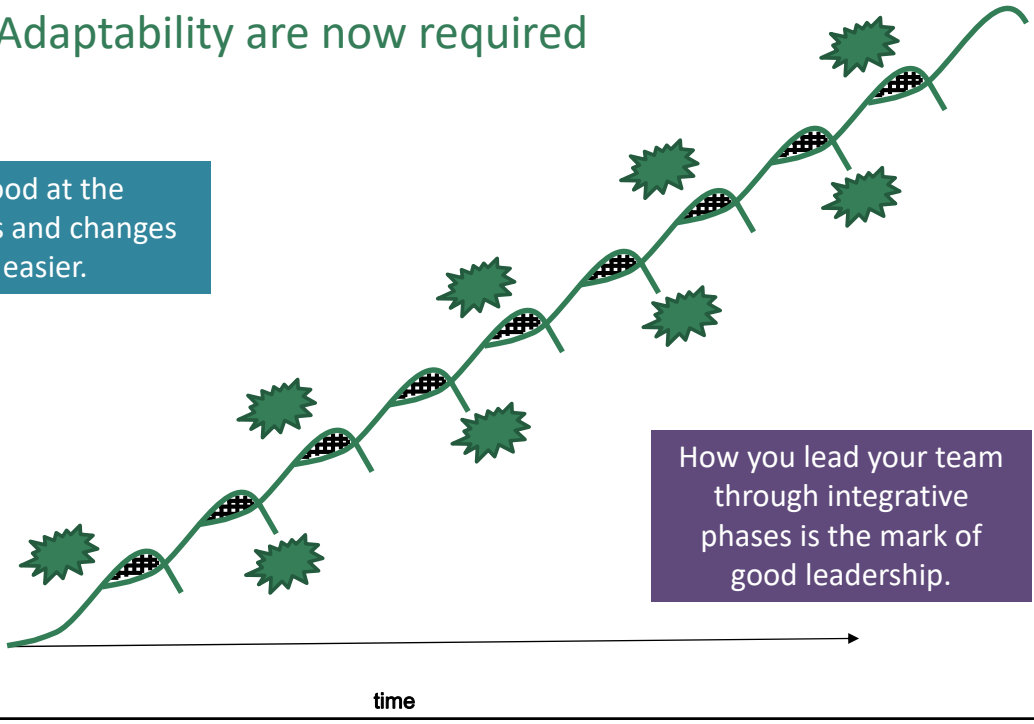
- Multiple efforts & projects
- Requires sharper focus
- Stresses the system
- Leaders shine or fade

(with thanks to George Land – GROW OR DIE)

33

Agility & Adaptability are now required

Get good at the transitions and changes get easier.

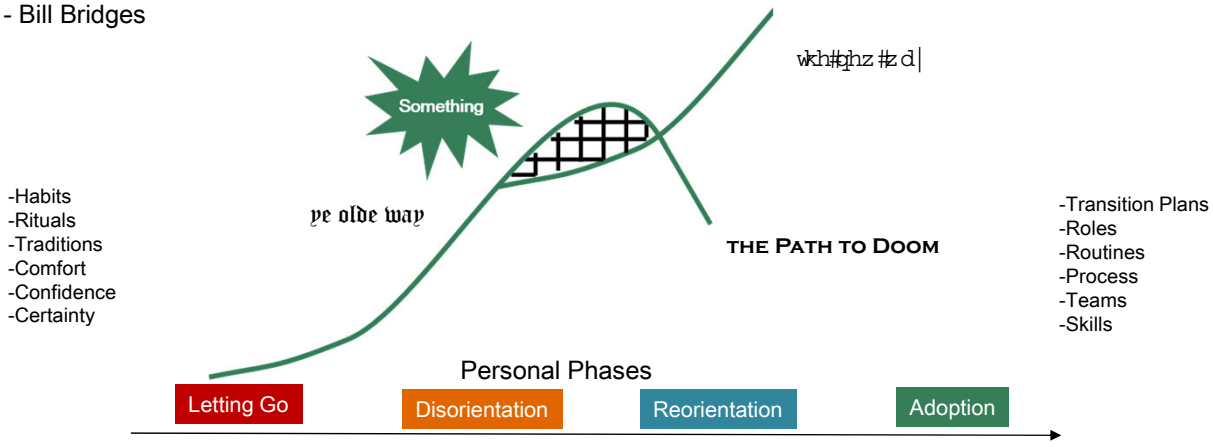


How you lead your team through integrative phases is the mark of good leadership.

34

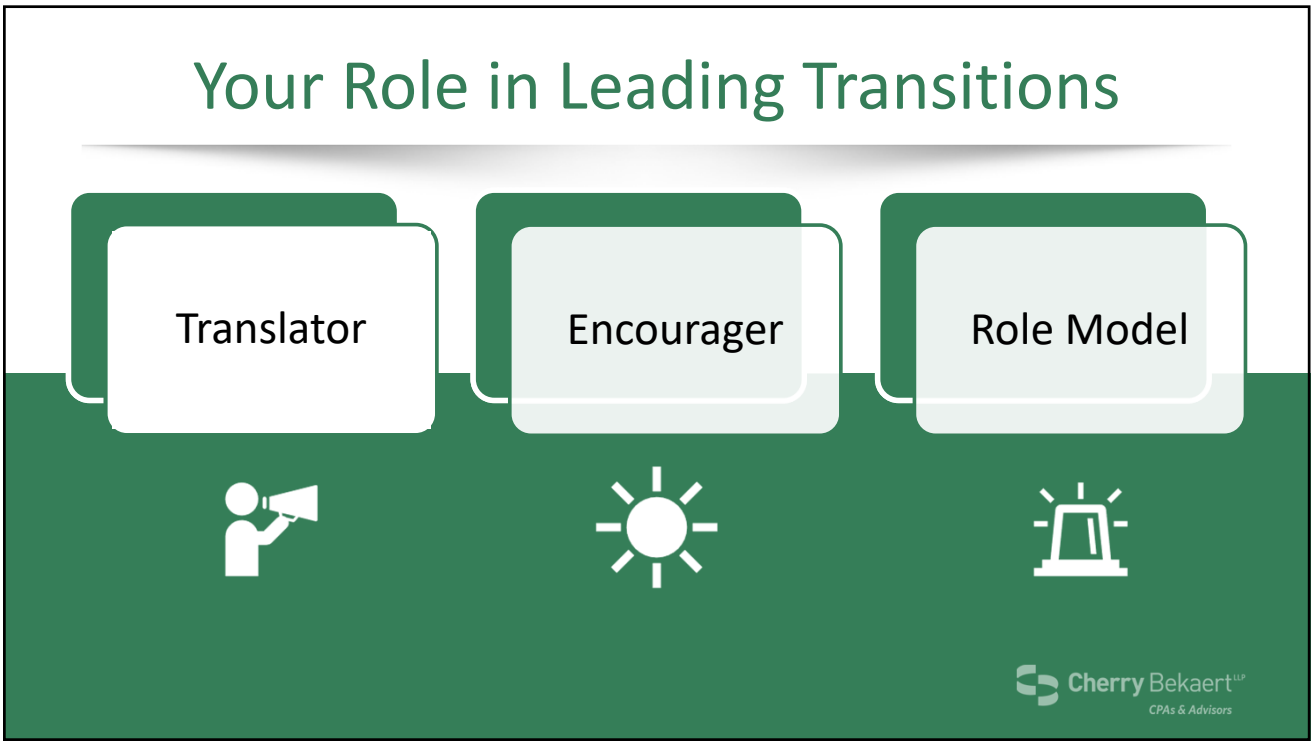
Understanding Transition

"Transition is the state that change puts people into. The **change** is external (i.e., the new technology platforms, product portfolios, or organizational structure the business is trying to bring about), while **transition** is internal – a personal reorientation that people have to go through before the change can work."
- Bill Bridges



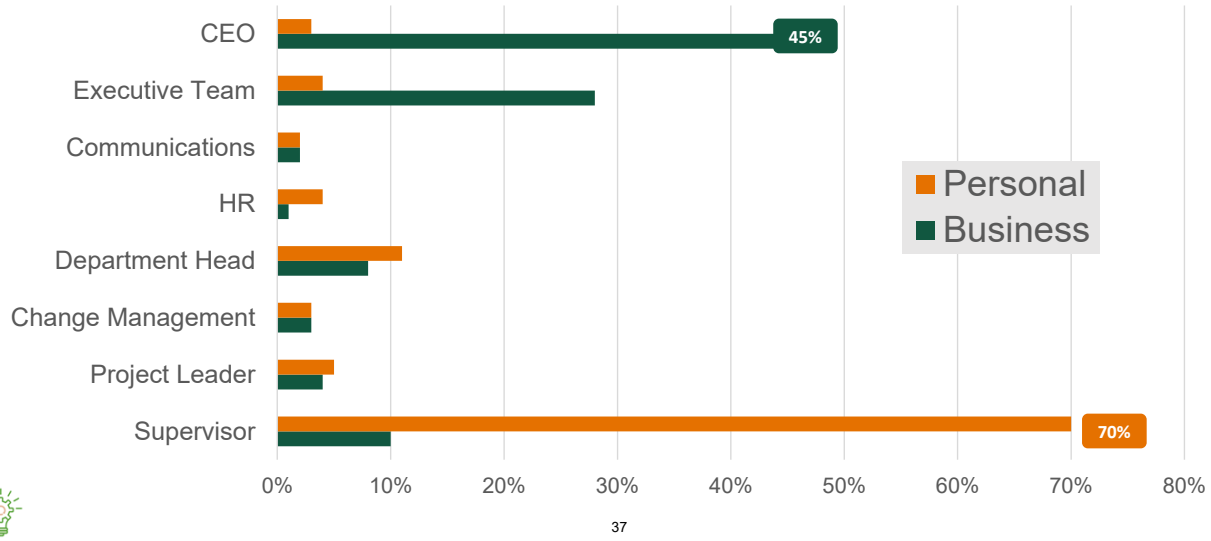
35

Your Role in Leading Transitions



36

Who do people want to hear from about change?



37

37

Leading the Transition

The Role as *Translator*

translate
[transˈlāt, tranzˈlāt]*;*

*1.*express the sense of (words or text) in **another language**.
Synonyms: interpret, render, gloss, put, express, convert, change, construe, transcribe, transliterate

2.move from one place or condition to another.
Synonyms: relocate, transfer, move, remove, shift, convey, transport, transplant

3. cause (a body) to move so that all its parts travel in the same direction, without rotation or change of shape

38

Leading the Transition

The Role as *Translator*

WHAT routines will be different

WHY the change is necessary

HOW we will transition together

39

What routines will be different

- Be specific. Create a positive and relatable image for what success looks like (FROM → TO)
- Create a simple FROM→ TO chart to explain the specific differences. Lay out what will change…. and what won't.

From (old way)	Key Components*	To: (new way)
	Activities	
	Structure	
	Roles	
	Technology	

*examples

40

40

Why the change is necessary

- WHY these changes are necessary, and the value expected as a result. Make a relatable case for change.

Describe the Change: Instead of bippity-boppity-boop, we will now boppity-bippity-boop.		
	Risks if we don't do this…	Opportunities If we pull this off…
Short Term Possibilities	1.	3.
Long Term Possibilities	2.	4.

41

Why the change is necessary

- WHY these changes are necessary, and the value expected as a result. Make a relatable case for change.

Describe the Change: Instead of bippity-boppity-boop, we will now boppity-bippity-boop.		
	Risks if we don't do this…	Opportunities If we pull this off…
Short Term Possibilities	1.	3.
Long Term Possibilities	2.	4.

42

42

How we will transition together

- Address Obstacles
- Steps, Roles and Deliverables
- Checkpoints, Milestones & Celebrations
- Demonstrations and Examples
- Checklists
- Resource Requirements

43

Your Role in Leading Transitions

Translator

Encourager

Role Model

Cherry Bekaert LLP
CPAs & Advisors

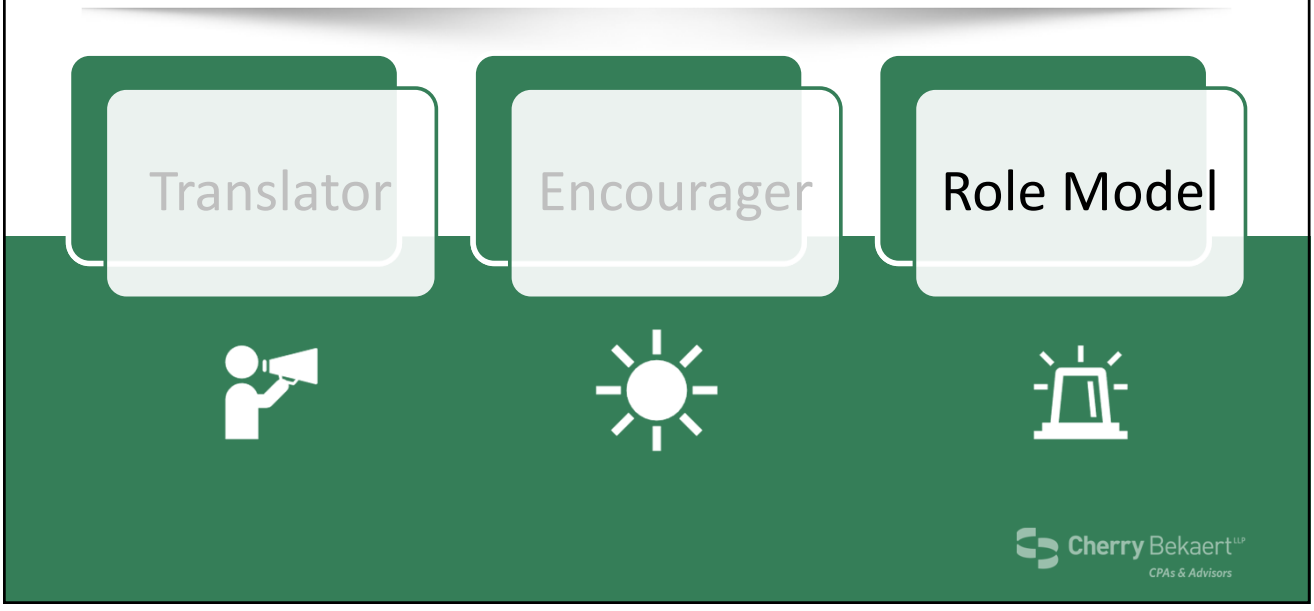
44

Encourage and Support

- Build an eco-system for initial & ongoing support and encouragement
  - Have a communication plan
  - Proven ways to adapt to the new routines
  - Helping one another overcome barriers and succeed
  - Create a Safe Zone for frequent Feedback and Updates
  - Designated champions
  - Classes and Training
- Become the *encourager in chief* = *ENERGY*

45

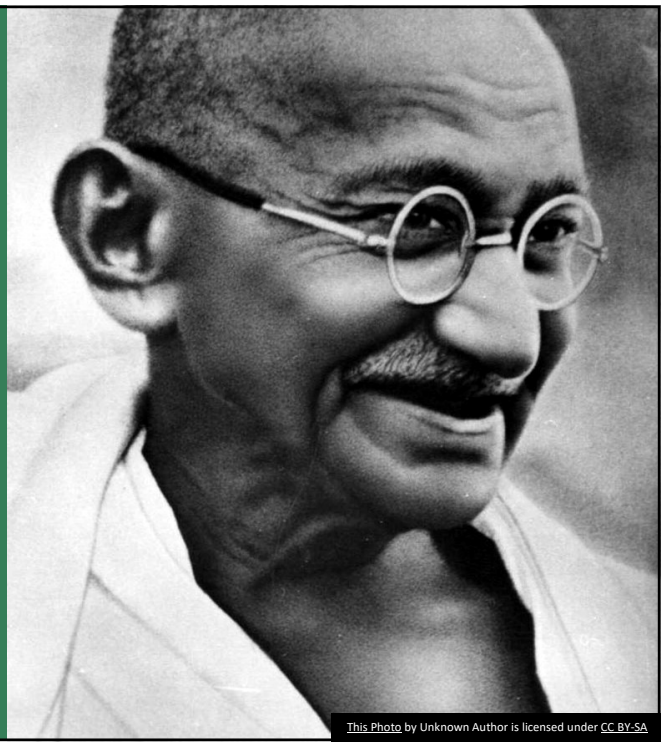
Your Role in Leading Transitions



46

Role Model

For people to change,
I must change.



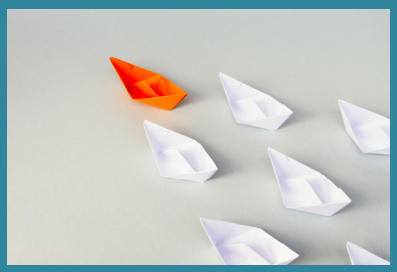
This Photo by Unknown Author is licensed under CC BY-SA

Cherry Bekaert LLP
CPAs & Advisors

47

Your Example is Contagious

- A leader is always in the spotlight
- Behave the way you want others to act
- Let others see you going about your work "The New Way"



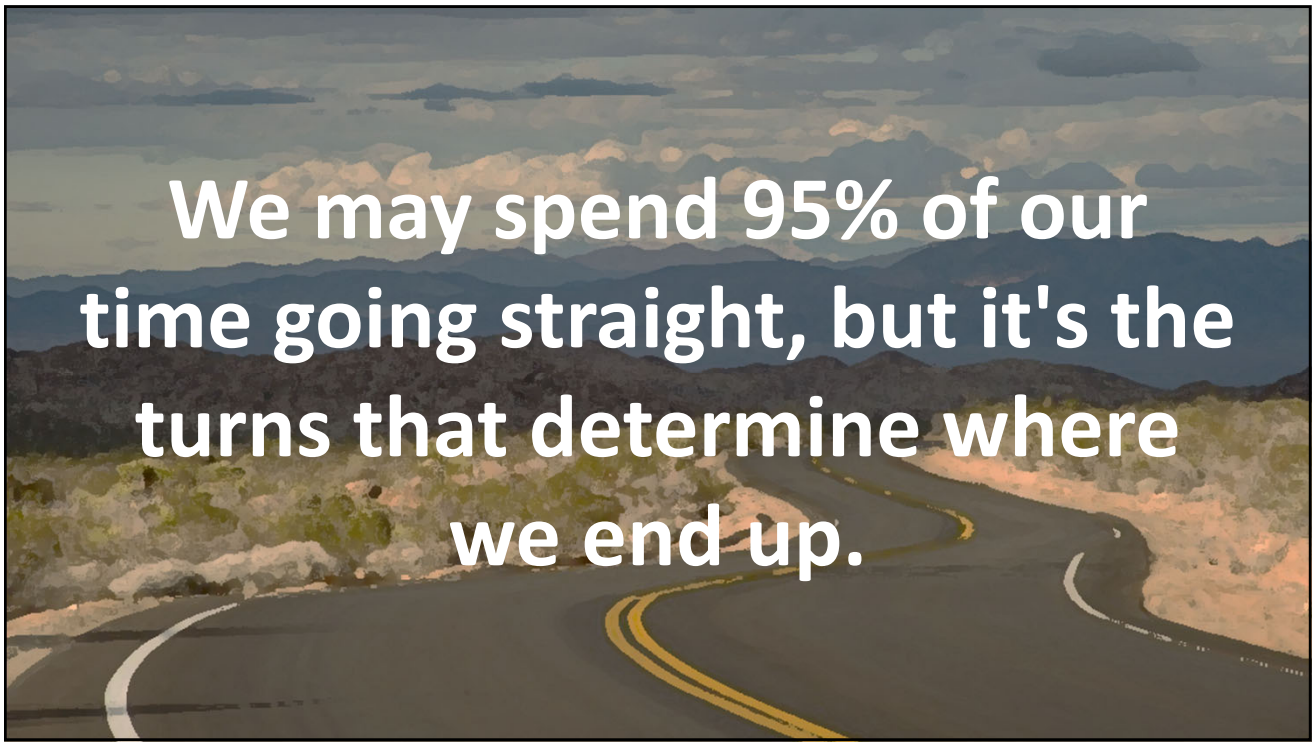
"Setting an example is not the main means of influencing others, it is the only means" A. Einstein

Cherry Bekaert LLP
CPAs & Advisors

48

WE CANT DIRECT THE WIND
WE CAN ADJUST THE SAILS

49


We may spend 95% of our time going straight, but it's the turns that determine where we end up.

50

Leading through Transitions:

Empowering Agility In Ourselves and Others

Jonathan Kraftchick, CPA
Partner – Innovation

Cherry Bekaert LLP
CPAs & Advisors

51