

Global Update

Fourth Quarter 2008

Communication:

Why It Is the Secret to Boosting Productivity and Profits

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Communication with staff and with your fellow owners is far more important than you may realize - and there can also be a powerful financial incentive to improving the skill. Why? Because if you communicate well enough, often enough, and openly enough, people around you will be happier and more productive, leading to a more profitable firm and more profitable partners.



Bill Reeb

For these reasons, PR professionals are always interested in suggestions and insights that can help owners enhance communication, which is actually never a finished process. Along these lines are some observations and suggestions from a presentation at the Association for Accounting Administration's recent national practice management conference by Bill Reeb, founder of Succession Institute, a consulting firm that specializes in organizational development and assists CPA firms with a range of practice management issues with a particular emphasis on succession planning and implementation at CPA firms.

The more things change ... "There's a lot of negative talk about young people today," Reeb said, and that is the basis of a lot of miscommunication issues right there. Reeb believes that today's young people are the same in many ways as the current crop of partners and other firm leaders were way back when. "We don't remember how our baby boomer generation was when we were young," Reeb observed and reminded the audience what the world and they were like in the 1960s and 1970s when most of today's owners were young. What was said about that generation in its youth is quite similar to what is now being said about Generation Y, Reeb noted. But it isn't so much that Generation Y is different; instead what has changed is the perspective of those in the leadership role. Recognizing and understanding this reality will help you when you are trying to communicate with your firm's newest generation of staff.

Learn to listen-and to hear. Building good listening skills is a central part of the communication process, for though you may really mean to try to improve it, you won't succeed if communicating is not a two-way street. Reeb pointed out that we are all poised to talk again while the other person is speaking, rather than really listening to what is being said. Simply being aware of this fact can help you shift the focus off waiting to speak and instead to really listening and hearing what the other person is saying. Other tips to enhance your listening experience that Reeb recommends: Ask questions, don't interrupt, and "let them empty their bucket." In other words, let people have their say. "They won't listen to you until they've had a chance to say what's on their mind. Then they'll listen." In addition to listening to the words that others speak, you need to be more aware of nonverbal communication. *(Continued on page 7)*

Regional Updates

Asia/Pacific

Ngai-Hung Lu

Regional Chairman



Delegates & guests at the Gateway of India

It was a record turnout of 28 delegates and guests in attendance at the Asia/Pacific Regional Meeting, which was held in Mumbai, India on 9 - 10 August 2008.

This year's theme was "Beyond Boundaries". Each firm shared their ideas on going beyond geographical boundaries and the boundaries set for traditional practices such as the importance of networking, the expansion of services, and cross border interaction as a strategy for professional growth in today's marketplace.

At the Welcome Dinner, delegates and guests got to experience a customary North Indian sit-down dinner at the restaurant "Kandahar". They enjoyed local dishes served by staff dressed in traditional apparel while listening to live instrumental music playing in the background.

Several excellent presenters spoke to the attendees over the next two days on various topics including strategic management and staff motivation ideas. Special presentations were provided by David Frame, PI President, on Network vs. Association, Apurva Shah of Rajendra & Co. spoke about Doing Business in India and Deepak Goil of Hi Fidelity Solutions shared a Perspective of Financing and

Accounting Outsourcing with the group. On the last day, an open discussion was held where everyone had the opportunity to express their ideas on how to increase communications between member firms in the region. Then, delegates and guests were off to see "One of the Seven Wonders of the World", the magnificent Taj Mahal, which stands on the banks of River Yamuna.

Special Interest Groups for International Tax, International Financial Reporting Standard (IFRS), and Family Owned & Managed Businesses (FOMB) are currently in development under the chairmanship of Apurva Shah of Rajendra & Co. and Oil and Gas under the chairmanship of Mukhtar Husain Jaffery of Naveed Zafar Husain Jaffery & Company.

EMEA

Wolfgang Hohl

Regional Chairman

The EMEA region is currently in discussion of several issues relating to Network process such as add-on liability insurance, conflict of interest tool, organizational structure of the network, criteria for network firms, and a liability clause for engagement letters. The region is also in negotiations for the use of an appropriate audit software solution for the EMEA members. Once the logistics have been finalized and first members have tested the software, a synopsis on the product will be provided. Both the network and the new audit software were topics of interest at the recent EMEA Regional Meeting held 3-4 October 2008 in the Algarve, Portugal at the Vila Sol Spa and Golf Resort. Stay tuned for an update and for pictures and presentations from the meeting, which will be posted on the Meetings page on the Polaris website (www.polarisinternational.org).



Vila Sol Spa & Golf Resort

Oceania

Denis Jarrott

Regional Chairman

Lawler Partners (Newcastle and Sydney, Australia) has been ranked 26th in the annual BRW Top 100 Accounting Firms in Australia. The firm was also recognized as the 10th most productive firm on a per partner basis. The firm attributes its success to significant growth within its advisory, financial, indigenous and franchise services over the past year.

Lawler Partners is pleased to announce the appointment of Andrew Beattie, Business Advisory Services Senior Manager, as principal of the firm. Mr. Beattie has over 9 years experience in the accounting, business advisory and banking industries with specialized knowledge in business improvement, management consulting, succession planning and business valuation areas. Mr. Beattie was also recently a finalist for the Young Achiever of the Year at the 2008 Hunter Business Awards.



Andrew Beattie

The firm's latest newsletter, LawlerLink (www.lawlerpartners.com.au) is now available on-line and contains articles of special interests including fuel tax credit scheme, borrowing in superannuation funds and converting compliance into value for your audit.

Lawler Partners, in conjunction with The Newcastle Herald and Western Suburbs Leagues Club, are hosting a breakfast in support of Breast Cancer Month on 16 October 2008 to raise funds benefiting the efforts of the Hunter Region's nurses and their dedication to breast cancer care and prevention. Sandra Nori, former member of the NSW Legislative Assembly and former Ministry for Women and Tourism will be the guest speaker at the event. Tickets sales will benefit the Hunter Breast Cancer Foundation.

Over 1600 participants took place in The Lawler Partners Hunter Valley Winery Running Festival, which was held on 20 July 2008. Thanks to good weather, staff, clients and colleagues enjoyed a fun-filled day of watching the festivities and wandering through the grounds of the Hunter Valley Gardens village. With nearly double the entries from last year, the Festival is now one of the state's largest regional recreational marathons. Next year's event will take place on 19 July 2009 at the Hunter Valley Gardens.

Merrotts (Brisbane, Australia) Jennifer Ma and Rynaldo Wahyudi were married on 8/8/08. In Chinese culture, the number 8 is highly honored and signifies good luck. The 2008 Olympic Games also kicked off its opening ceremony in Beijing on this day. The newlyweds chose this date for their wedding to bring them a life of happiness and prosperity beginning their ceremony at 8:00 a.m. and pronounced as husband and wife at 8:08 a.m.



Congratulations to Jennifer & her new husband!

Gilligan Sheppard Ltd. (Auckland, New Zealand) has partnered with Acclipse Ltd., a software developer specializing in innovative business solutions, to launch Acclipse Outsource Ltd. The partnership provides outsource accounting services including tax returns, client benchmarking, profit optimizations and preparation of financial statements to chartered accountants in New Zealand and Australia.

North America

Larry King, Regional Chairman

This year's North America Managing Partner Retreat was held on 20 - 21 August 2008 in Dallas, Texas. Bob Offerman of Hochschild, Bloom & Co. led a very productive and informative meeting. The group was able to share many interesting ideas on topics such as Publicly Traded Partnerships, Partner Business Plans, Change Request Letters, Cell Phone Technology, Engagement Letter Formats and Strategic Business Questions for Partners. Attendees were also presented with the results of the Managing Practice Survey that included topics ranging from firm size to billing rates, which proved to be a valuable resource for everyone in attendance. The survey revealed (in order) that staff recruiting, practice leadership and technology are among the top three most important areas concerning North America firms.

Registration is now open for the 2008 North America Regional Meeting, which will take place on 24 - 25 October in New York City. We are expecting a big turnout as the agenda entails a great program, and New York is a very popular destination this time of year. Please visit our website (www.polarisinternational.org) at Meetings & Events for the latest information. We look forward to seeing you soon!

Legacy Professionals LLP (Munster, Indiana) is pleased to announce the expansion of the Firm's commercial accounting and tax practice effective September 1, 2008. Frank E. Lowry, CPA, MST, Mary E. Murzyn, CPA, and Rosemary Sanchez of Frank Lowry & Co. recently joined the staff of Legacy and will work out of the Firm's Munster, Illinois office where they will service Legacy's commercial and individual clients along with a number of their existing clients.

Frank Lowry brings a wealth of experience to Legacy. He has been providing accounting and tax services to small businesses, corporations, partnerships, professionals, individuals, estates and trusts since 1977. He is a former assistant professor of accounting at Calumet College of St. Joseph where he received the 'Teacher of the Year' Award. He was also the Comptroller of Calumet College of St. Joseph for many years. Mr. Lowry earned his Bachelor of Science degree in Accounting from Calumet College of St. Joseph in Whiting, Indiana and a Master of Science degree in Taxation from DePaul University in Chicago, Illinois.

Mary Murzyn has fifteen years of accounting and tax experience in the commercial industry. Ms. Murzyn is a graduate of Purdue University in West Lafayette, Indiana with a double major in Accounting and Finance.

Rosemary Sanchez is a graduate of Illinois State University and brings over three years of bookkeeping experience to Legacy.

Rosen Seymour Shapss Martin & Company, LLP (New York, NY) is pleased to announce that Martin Leventhal, CPA has been appointed as a member of the Relations With The Bar Committee for the American Institute of Certified Public Accountants for the 2008 - 2009 year.

Mr. Leventhal, the Co-Chairman of the firms Business Investigation and Insolvency Group (BIIG), has over 40 years of professional experience providing tax, auditing, litigation services, forensic accounting and expert witness services. Mr. Leventhal acts as a consultant to taxpayers and attorneys for tax examinations



Martin Leventhal

including fraud. His expertise also includes the following industries: securities, medical and legal practices, manufacturing and real estate. He also has extensive involvement in both the auditing and administration of not-for-profit entities.

Mr. Leventhall is a CPA licensed in New York and New Jersey and received his Bachelor of Science from Brooklyn College. He is a member of the American Institute of Certified Public Accountants, the New York State Society of Certified Public Accountants, and the Accountants Club of America. Mr. Leventhall is currently the President of the Harbor Childcare, and is on the Board of Directors for Literacy Nassau.



Steven J. Eller

RSSM's Steven J. Eller, CPA, JD, Partner, has been selected as a member of the New York State Taxpayer Advisory Council. The Council was created as a forum for the exchange of information and ideas between the business community, tax professionals, and the Department of Taxation and Finance.

Steven J. Eller has over 20 years of professional experience assisting individuals, businesses, as well as estates and trusts plan for comply with Federal, State, and Local regulations. He advises clients with sales and use taxes, payroll taxes, residency and nexus issues with a focus on strategy planning and compliance. Mr. Eller's industry expertise includes real estate, manufacturing, personal services and closely held and family businesses. He has also been influential in having both New York State and New York City change various provisions of their tax laws and regulations in favor of individuals and businesses.

Mr. Eller received his J.D. from Widener University School of Law and his Bachelor of Science in Accounting from the University of Delaware. He is a CPA in New York and New Jersey and a member of the American Institute of Certified Public Accountants and the New Jersey Society of Certified Public Accountants. He is a licensed attorney in New Jersey and admitted to practice before the United States Tax Court. For the past five years, Mr. Eller has chaired and lectured at the Foundation for Accounting Education's highly acclaimed New York State Tax Conference.

Latin America

Jorge Echevarria-Petit, Regional Chairman



Delegates & guests enjoying an evening at The Beach Club, Casa de Campo

The 2008 Latin America Regional Meeting was a great success with 37 delegates, spouses and guests in attendance. The meeting took place in La Romana, Dominican Republic on 5 - 6 of September at the elegant Casa de Campo Resort known for its beautiful golf courses, pristine beaches and signature service.

At the opening session on Friday, delegates received a warm welcome from the host firm, Madera Soriano & Associates and Jorge Echevarria-Petit, Regional Chairman who gave an update on the region. Throughout the two days, there were several informative presentations; David Frame, PI President, gave a Network update and hosted a round table discussion; Andres Moreno, ASTAF Columbia shared strategies for

consolidating communication and business between member firms in the region; and New Member Presentations were conducted by Santini Portella & Associates who spoke about “Doing Business in Brazil” and Juarez & Fu Accounting & Consulting gave an overview of their firm, which is located in Honduras.

The meeting concluded with presentations on other topics of interest such as the Free Trade Agreement in Dominican Republic, Central America and the U.S., and External Investments in the Dominican Republic. After another productive day of events, delegates and guests were invited on an excursion to Altos de Chavon, a Caribbean arts center built in 1976 to resemble a Mediterranean village from the 1500's. This popular destination is perched high on a bluff overlooking the Chavon River and has numerous restaurants, art galleries, and stores.

At the conclusion, Jorge Echevarria-Petit wrapped up the meeting by thanking members for attending. Delegates and guests enjoyed fine Spanish cuisine, a view of the Caribbean Sea and private party at the closing event. Next year's Latin America Regional Meeting is scheduled for October 2009 in Miami, Florida.

Members In the News

Inside Public Accounting (IPA)

Rosen Seymour Shapss Martin & Company - RSSM (New York) was ranked among the top 100 Accounting and Consulting firms in the U.S. by leading industry publication, Inside Public Accounting (IPA) in the August 2008 issue.

IPA 2008 All-Stars

Congratulations to three of our member firms who were named among the '2008 All-Stars' in various categories by IPA in its Special Edition, September issue. The firms were selected exclusively on their performance in specific areas of practice management.

RSSM (New York) was recognized for its positive human resource efforts placing among the IPA All-Stars in the Human Resources category.

Balestra, Harr, & Scherer (Ohio) was ranked #1 in the Leverage category as the firm with the highest leverage (19.0 professionals per partner). The firm was also ranked in the Highest Percentage of Net Revenue from A&A as 82.2% of their fees are derived from this area.

T.R. Moore & Company (Houston) placed in four categories; Growth, Net Fee Per Charge Hour, Net Revenue Per Professional and Long-Range Planning for its participation in one or more associations.

Founded in 1987, IPA is the accounting profession's authoritative, independent newsletter of record. It is the only publication to report and analyze the news, strategies, trends and politics that directly affect the accounting industry.

The IPA 100, published annually, is the profession's most accurate listing of the nation's largest accounting firms based on fiscal performance.

(Continued from page one)

Body language, including the direction and length of a person's gaze while interacting with you, the volume and pace of their speech, the distance they maintain between themselves and you, all can communicate to you in clearer ways than the actual words being uttered by the speaker.

Break down gender communication barriers. Perceptions about what you hear even when you are really listening can be clouded because of gender differences. Males and females are socialized in different ways, Reeb said. Those differences can create misunderstandings and bad feelings in the workplace, even when the male and female co-worker or partner and staff person are trying hard to listen and hear. Some differences you should take under advisement when communicating across gender lines:

Males:

- ◆ Focus on winning.
- ◆ Tend to manage their lives as though they were playing sports.
- ◆ See competitiveness as positive behavior.
- ◆ Are taught to disconnect with emotions.
- ◆ Are taught that pushing or bending the rules to win is OK.

Females:

- ◆ Were socialized without defined rules (playing house, playing school, playing with dolls).
- ◆ Don't focus on winning because the goal is friendship.
- ◆ Focus on equity and sharing; status and accomplishments are downplayed.
- ◆ Are taught to get in touch with their emotions.

Boost your communication prowess. Reeb also made some suggestions that every partner can incorporate into his or her communication style. Here are a few points:

Use your eyes. Remember the point about body language? Your body language communicates too. When you are in a meeting with a group, be sure to make regular eye contact with each person at the meeting. Pay attention to your own responses and behavior as well.

Lose the ego. When you are communicating with others, make it about them, not about you.

Remember the management and leadership basics. Dealing with change, behaving as both manager and leader - and many owners are called upon to be both in some capacity in their firms today, has a communication component as well. Making people feel important and as though their view counts, working together to correct mistakes instead of seeking a place to assign blame, and, when necessary, critiquing an action-never the person who acted-are all important approaches for all owners to embrace in their communication overhauls, says Reeb.

This is indeed hard work, Reeb said, but when you consider the returns in terms of retention, building a workplace culture, and profits, it is well worth the investment of your time.

For more information, Bill Reeb can be reached at bill@successioninstitute.com.

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Polaris Welcomes New Members



Arden Bağımsiz Denetim ve Danışmanlık Hizmetleri A.Ş. (Ankara, Turkey) was founded in 2000 and has five partners. The firm employs a staff of 15 and specializes in auditing, unaudited financial statements, consulting and tax. Their website is www.ardendenetim.com.tr.



Cabinet SECE (Corbeil-Essonnes, France) has four partners and employs a staff of 28. The firm provides a variety of services including auditing, unaudited financial statements & taxes, management advisory services and other accounting services. Their website is www.sece.fr.



MAF Auditores S.L. (Camas Seville, Spain) has three partners and currently employs a staff of 17. The firm's expertise lies mainly in auditing and consulting. The firm can be reached via email at mafauditores@economistas.org.

Save the Dates

North American Regional Meeting **24-25 October 2008**
New York, NY, USA

Oceania Regional Meeting..... **19-21 February 2009**
Adelaide, Australia

Annual Members Meeting **May 2009**
Istanbul, Turkey

North America Managing Partner Retreat..... **August 2009**
Dallas, Texas, USA

Latin American/Caribbean Regional Meeting.....**October 2009**
Miami, FL, USA

Asia/Pacific Regional Meeting **14-15 November 2009**
Bali, Indonesia

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Our members are independent . . . and united.

For more information about Polaris International, please visit our website at www.polarisinternational.org.
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