

Closing the Soft Skills Gap

(July 1, 2008) By Howard W. Wolosky

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“Many accounting and professional services firms don’t spend adequate time and attention developing their most valuable resource, their people, especially in the so-called ‘soft skill’ areas. And these are often critical skills that tend to be lacking in Gen-X and Gen-Y staff now entering the profession. With the advent of the Internet, computer gaming, and text messaging, Gen-X and Gen-Y people are more comfortable and inclined to ‘text’ their thoughts to clients rather than making a telephone call or meeting with them face-to-face. And this trend presents a challenge for many professional services firms looking to ensure a ‘high-touch’ client service environment,” observes Russ Molinar, director and market development leader, Global AABS Advisory Services, at Ernst & Young in Cleveland.

“The major differentiators among your competitors are the soft skills. They are very important not only from a marketing/sales perspective, but also from a firm-profitability perspective. They represent dollars of profit that your firm may be missing out on because of employee turnover or lack of the ability to increase the capacity of existing and future employees. In today’s tight labor market, firms are thinking about strategies to attract and retain quality people. In doing so, a positive training and learning culture is a must,” observes Gary Boomer, consultant and CEO of Boomer Consulting.

“What was once termed ‘soft skills’ because they didn’t compare to hard technical skills are becoming the core skills of business. Core in the respect they relate to the essentials. When we think of the high priority items of running a profitable professional services firm we think of things like keeping best clients, deepening relationships, providing outstanding client service, uncovering unstated needs and wants, ‘helping’ clients as opposed to ‘selling’ to clients, navigating the political process, and advancing commitment with a top prospect. All of these involve actions that are different from the normal hard skill set.” explains Scott Bradbary, vice president and director of training at The Rainmaker Academy.

Rex Gatto, consultant and president of Gatto Associates, explains that to be effective a technical or hard skill can’t exist without soft skills. “There is a symbiotic relationship between the two,” he observes. Rita Keller, a director at Brady Ware in Dayton, Ohio, strongly believes that soft skills actually fall under a much broader topic, that of relationship-building skills. She also is of the opinion that, for the most part, both larger and smaller firms aren’t investing enough in relationship-building training cautioning smaller firms against the belief that a managing partner will pick up tips and ideas at a conference and bring those ideas back to the firm.

Growing Dependence

The increase in demand for soft skills is being driven by a number of factors suggests Gatto, including competition, generational differences, marketplace change, and the need for mentoring and to speak the clients’ language in a clear and concise manner. He also points out, “In many ways, partners need to be internal consultants driving for firm advancement through change.”

Although Richard Brehler, training and education director with Plante & Moran in Southfield, Mich., believes there was always a need for soft skills, he reports that Plante & Moran is now paying more attention to ensuring that these skills (communications, interpersonal, networking, supervision, leadership, practice development, etc.) are developed in balance with technical skills.

“We recognize that success in professional services firms is dependent on the strength and quality of personal relationships with our clients, with staff, and with each other, and that our abilities to build relationships, speak honestly and with authenticity, listen well, write clearly, and foster open dialogue are necessary to our being able to build the business, serve our clients, and grow our staff.”

Complementing Technical Expertise

Sally Glick, chief marketing officer with Sobel & Co. in Livingston, N.J., points out that CPAs need communication skills to express themselves to the clients, and they need listening skills so that when they ask critical questions they can absorb the responses. She adds, “Teamwork is paramount, whether it is a functional service group, an industry niche, or just the cross-pollination between and across multiple disciplines like audit and tax.

Molinar concludes that “at the highest level, all of the soft skill elements focus on one critical aspect within accounting firms, namely client service delivery.” He breaks down a client service delivery process and identifies the needed soft skills with regard to each.

1. **Pursue**—Conducting the sales activities to identify, qualify, and win the work; this includes pursuing add-on work (interpersonal communications, executive presence, listening, networking, rapport building, problem-solving, relationship management, sales and opportunity management training);
2. **Close**—Closing the deal, including managing the proposal, engagement letter, and fee negotiations (small-group facilitation, executive presence, presentation, sales, closing techniques, negotiation);
3. **Plan**—Planning the overall engagement prior to commencing work (account planning, project management);
4. **Deliver**—Delivering and managing the actual engagement to meet client needs and expectations (asking good questions, interviewing, project management);
5. **Follow-On**—Assessing client satisfaction after completion of the engagement and identifying additional client service opportunities; managing the account and client relationships on an ongoing basis (account management, relationship management, identifying cross-serving opportunities).

Bradbury believes a key skill young accountants should master is the ability to encourage conflict, but, he adds “not in an unhealthy or combative sense, but in a way that demonstrates a deep desire to provide the very highest level of service. An accountant that encourages conflict will ask the client how they are doing. Even though clients will probably say, ‘Oh, everything is fine,’ the confident professional will probe a little deeper and actually encourage the client to tell them something that

A Quick Assessment

Gary Boomer, consultant and CEO of Boomer Consulting, divides soft skills into the three primary categories. Here are questions he has developed to gauge an individual’s skill level.

Leadership—Does the person:

1. have an executive presence? (Dress, speech, and relationships)
2. have a clear and communicable vision?
3. manage themselves and have the capability to manage others?
4. have “edge?” (Can they make decisions?)
5. know their own “unique abilities?”

Communications—Does the person:

1. have good written and oral communications skills?
2. know how to take and give instructions?
3. know how to listen?
4. know how to professionally utilize presentation tools?
5. know how to motivate others?

Relationship Management—Does the person:

1. know how to work in a team environment?
2. know how to manage conflicts?
3. have the desire and ability to make contacts?
4. have good client service skills?
5. have project management skills?

could be better.” For emerging partners, Bradbary says the skill of speaking persuasively to clients is critical, especially in articulating benefits.

Peggy Klaus, president of Klaus & Associates, an executive coaching and leadership consulting firm, and author of *The Hard Truth About Soft Skills Workplace Lessons Smart People Wished They'd Learned Sooner* published by Collins, identifies self-awareness, adaptability, critical thinking, problem solving, empathy, integrity, communicating, political savvy, likeability, risk taking, and time management as some of the soft skills that complement hard skills. Effectively delivering feedback, debriefing client meetings, checking for understanding, showing how it's done, giving examples, debriefing learning, telling stories, and engaging in reflective dialogue are soft skills that Plante & Moran works at developing in staff.

With regard to new partners, Gatto believes they must have the ability to build consensus and have others want to work with them. A challenge to this, he says is “the combination of the Boomer, high achiever, and working Generation Xers' flexible, non-traditional approaches, and Generation Yers' team-oriented approach.”

Important for Leaders

“One of the biggest weaknesses in CPA firm managers is that they aren't well-trained at managing. Sure, we give them hours of CPE in their audit, tax, or specialty service discipline, but do we develop them in building relationships with staff and clients?” Keller asks. She adds that statistics show us that people don't leave firms (companies), they leave people (their direct supervisor). “Grooming our managers and partners-to-be in building relationships and developing people is a must if firms want to survive through the upcoming succession years,” she concludes.

Molinar argues that advances in technology such as personal computers, e-mail, and the Internet have created a more interconnected firm. He also indicates that the clients served today are global companies and competition among firms has increased dramatically. As a result, he opines, leading a professional services firm in this turbulent and ever-changing environment requires vision and the leadership skills to instill that vision in your partners and staff. “Today's managing partners need to be more than just technically proficient practitioners—they need to be leaders, motivators, psychologists, and much more,” he concludes. He believes they must be particularly adept at facilitation, group development, and securing consensus and agreement.

The key points for managing partners and group or niche leaders, according to Gatto, are the creation of a healthy functioning firm, and finding, developing, mentoring, and retaining people at all levels of the firm. Furthermore, he believes, the managing partner needs to be able to ensure the people are productive, and provide challenging growth opportunities for them.

“People vote with their feet, and today maintaining the talent pool is imperative to remaining competitive. Finding the right chemistry among the staff and partners should be led by the managing partner who should be capable of building sophisticated relationships on all levels within the firm. Giving feedback and holding partners accountable for developing the people in their department or niche is also an important people skill,” Gatto explains.

With regard to top partners, managing partners, and service-line leaders, Bradbary indicates that the importance of having the ability to forecast, “dependent on planning, listening, observing, and then responding.” He also observes, “Success is determined by the ability of team leaders to coach, consult, counsel, and cajole.” According to Glick, being a leader means knowing how to get the best

out of your staff, without alienating anyone, while also challenging everyone on the staff to stretch themselves.

Consulting and Facilitating Mindset

“Helping clients improve performance is a different skill set, and frankly a different mindset than offering an opinion on the fairness of the client’s financial statements or preparing a tax return. Consulting skills, while they still require technical proficiency, require a variety of soft skills, ranging from listening to problem-solving. A good example of the consulting ‘skills gap’ is a comment made by an audit partner several years ago in a sales training session. When discussing and practicing ‘open-ended’ questions as opposed to ‘closed-ended’ questions, the accountant stated, ‘You have to remember that we’ve been trained all of our audit life to ask closed-ended questions, following a checklist approach of ‘yes’ or ‘no’ response questions, so this is a dramatic change for us,’” observes Molinar.

Requisite Soft Skills

Here is a [hyperlink](#) to view a pdf of a chart provided by Gary Boomer, consultant and CEO of Boomer Consulting, of examples of soft skills for the five levels of leadership identified in *Good to Great* by Jim Collins.

On-The-Job Learning

One alternative in developing and implementing a soft skills curriculum, suggests Molinar, involves offering separate and distinct soft skills courses, and he points out that many firms are creating competency models which outline required or suggested proficiency levels by rank, along with suggested courses. The second, which he describes as the more dramatic approach, is to embed the various soft skills elements in core service-delivery training. He suggests that firms can contract with outside vendors to conduct the training or develop and conduct the training in-house, pointing out that many firms have internal “universities.”

As to training, Gatto believes the focus “should be on strengths or causes for successes and understanding weaknesses as opportunities that can be enhanced.” He indicates that 360 degree feedback processes and coaching by an outside consultant are helpful in that regard. Bradbary recommends a course on soft skills that emphasizes developing a plan, rehearsing the plan, selecting a coach to help them execute the plan, then evaluating successes and failures, and making the requisite adjustments.

Glick suggests that firms “can create a course of action for each employee. The plan should be customized, but groups or levels of employees should attend programs together to be supportive of each other and encourage progress. Mentors or advisors should be an integral part of the training.”

Brehler favors providing formal training in key skills (i.e., diversity awareness, active listening, oral and written communications, situational leadership, delegation, goal-setting, questioning, giving feedback, presentation skills, etc.). But more importantly, he advises “be sure to hire for these skills, as it’s easier to provide technical skills to someone who has some innate capability at interpersonal and communications skills than to try to develop empathy in someone who lacks it.”

Some of the best learning is really on the job, as Brehler advises supervisors to take time to engage in reflective dialogue in real-time, during the performing of the work, asking, “What went well and why? What could have been done differently? How did that feel? How do you think the client/staff person felt?”

Ultimate Success

“There is no blueprint for success in leading a firm. The closest we can come to that is the realization that people skills are what differentiates one firm from another,” concludes Gatto.

The Citrin Cooperman School

In 2005, Citrin Cooperman in New York created Citrin Cooperman University (CCU) to focus on training in leadership, marketing, networking, business writing, presentation, and public speaking. CCU is held offsite to create a relaxed setting, and every professional at the firm is required to attend. Administrative staff members take courses that pertain to them, and an annual marketing incentive program includes all staff levels below partner, and is “a fun-spirited way for employees to work in teams to build their marketing ‘muscles,’” reports Tracey Segarra, the firm’s marketing director. In addition, business coaching is offered through an outside consultant to partners and staff to help fine-tune their business development and networking skills.