

WHAT
COMPETENCIES
are CPAs
LACKING?

The Great Skills Divide

WHERE CPAS REPORT BEING VS.
WHERE THEY THINK THEY SHOULD BE

The results from the CPA Center of Excellence®'s nationwide benchmarking survey conducted in 2014 now provide the first-ever baseline for CPA core competency levels for CPAs and their firms to measure themselves against.

The seven core competencies include communications, leadership, critical thinking and problem solving, anticipating and serving evolving needs, synthesizing intelligence into insight, integration and collaboration, and knowledge sharing.

The first six were identified in the AICPA Horizons 2025 report. The seventh competency, knowledge sharing, was added by the Indiana CPA Society as a result of the work of the INCPAS Knowledge Management Task Force.

The study shows that CPAs rank themselves lower in leadership, critical thinking, relationship building and entrepreneurship.

In order to be successful in the current business climate, CPAs will need to become proficient in those low-ranked core competencies.

This benchmarking study used the SenseMaker® tool, developed by Cognitive Edge, to map core competencies in the U.S. CPA population. The study's content was developed by CPA Center of Excellence® advisor and knowledge management expert David Griffiths, Ph.D., founder of K3-Cubed and Alkame. Participants self-reported on their current competencies. Each anonymous response was evaluated, enabling more in-depth responses and analysis. With assistance from the AICPA, the survey was distributed nationally and completed by 610 participants representing 30 states.

"As far as the skills necessary [for a CPA], an analytical mind with a touch of persistence and the ability to follow through are essential," said one survey participant. "These skills are rare and seem to be becoming more rare when I look at the staff coming into the market these days."

CPAs can now utilize these results to better understand and plan their professional development needs. The current and future environment will place higher value on core competencies. Employers and clients will expect CPAs to be increasingly strategic to maintain relevance and adaptability in a fast-changing profession.

0%

of senior/staff accountants ranked themselves high in Critical Thinking



"It's no longer enough to just be a CPA," said Jess Halverson, strategist for the CPA Center of Excellence®. **"You have to reach beyond past expectations of only technical knowledge in order to succeed in this new, global, technology-driven environment. You must cultivate your core competencies that transcend the profession and set you apart from your colleagues, elevate you within your firm, and make you stand out to clients."**

4%



of managers ranked themselves high in Leadership

As a result of this evidence and expressed needs by practitioners in firms of all sizes and CPAs in business and industry, the CPA Center of Excellence® is committed to providing the resources to ensure long-term success of both individuals and the profession.

"I work with a small CPA firm and have for the last [20+] years...The focus here is on technical skills. Skills related to leadership and communications aren't discussed much," said another survey participant. "Problem solving of the young staff is lacking as well. They seem to want to copy what was done before and not think for themselves.

"I hope that the organization structure will change and someone other than the partners can improve the culture so that this is more dynamic and resilient organization."

With the new Insight Toolkit for HR and Career Development, centered on the CPA Core Competencies, individuals can go to cpacoe.com/insight to take a free self-assessment to see how they rank against colleagues in the national benchmarking survey results. Upon completion, they have the option to register for a complete 360-assessment that gathers anonymous feedback from supervisors, peers, direct reports and/or clients. These assessments can be ongoing, as part of a staff review or an engagement review. Individuals can use the personal online learning journal tool within Insight to document comments and progress, as well as the action plans tool for outlining how they will build their skills.

The CPA Center of Excellence® offers additional tools and resources to guide CPAs through their core competency development, including:

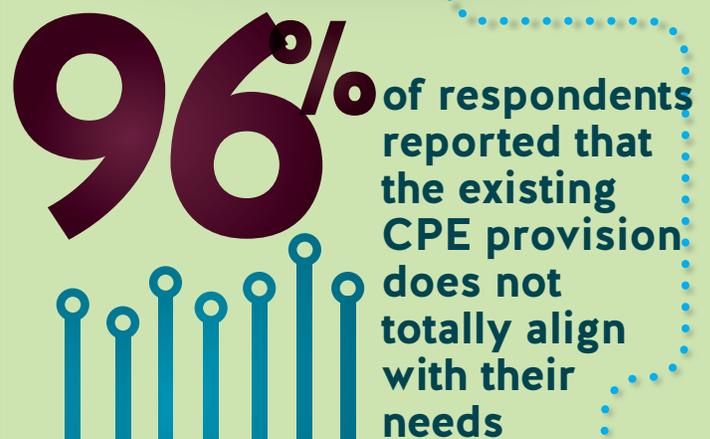
- CPA Excellence A Quick Start Guide to Defining and Mastering Vital Skills for Success – a step-by-step guide for individuals and firms to plan their progress toward mastering the core competencies.
- The CPA Excellence Online Interactive Courses – available to build the core competencies.
- The CPA Center of Excellence® pilot program – the CPA Center of Excellence® is working with Indiana regulators to implement a system for CPA license renewal that also credits a competency-based approach vs. the traditional CPE hours approach. A pilot program is currently in place with the Indiana Board of Accountancy, and was recently extended through 2017. The online interactive courses count for CPE waivers as part of this pilot program.

Visit cpacoe.com for more news, information, registration and ordering.

"One of the challenges we confront all the time, with respect to hiring talent, is how to differentiate one CPA from another," said Bob Reynolds, CPA, CGMA, audit and assurance services director at Brady Ware. **"So what really becomes important is: do they possess soft skills and other things necessary to have a long-term successful career?"**



"As a new Partner who worked in the private sector, I am shocked at the lack of business acumen applied at the partner level. We need to think and operate as a business."
- Survey participant



"The focus here is on technical skills. Skills related to leadership and communications are not discussed much."
- Survey participant

About the CPA Center of Excellence®

The CPA Center of Excellence® was established in 2014. It offers resources, products and services designed to assist individual CPAs and their firms in the assessment and development of the profession's core competencies as well as to encourage intelligent collaboration. The CPA Center of Excellence, Inc. is a wholly-owned subsidiary of the Indiana CPA Society.