



# **ECONOMICS OF AN ACCOUNTING FIRM FOR THE NEXT GENERATION**

**PRESENTED BY: LISA J. CINES, CPA**

700 King Farm Boulevard, Suite 300 | Rockville, Maryland 20850 | 301.231.6200 P | 301.231.7630 F | [www.aronsoncompany.com](http://www.aronsoncompany.com)

**PERFECTING THE NATURE OF YOUR BUSINESS**



# Lisa J. Cines

## Managing Officer

Lisa J. Cines, CPA serves as Aronson & Company's Managing Officer. She joined the Firm in 1982 and has spent over 25 years in the industry. Lisa earned her Bachelor's Degree in Accounting from the University of Maryland in 1981.

Lisa specializes in accounting, tax and consulting services with a special emphasis on implementing high level business plans and strategies in her work with government contracting and technology companies. Her areas of expertise include government cost principles and procurement regulations, cost accounting standards, project/cost accounting systems, and merger and acquisition transaction support. As an expert in the field, she has made various presentations to banking institutions, government contractors, and executives. Lisa has also provided articles for various trade publications and is frequently asked to provide expert commentary regarding issues in the accounting field.

Lisa is an active participant in a large number of industry organizations as well as community groups. In 2006, Lisa was named to the Board of Directors of the American Institute of Certified Public Accountants (AICPA) after previously having served on the AICPA Council. Her efforts have been recognized by several media and industry outlets and, in 2005, she was named one of the Washington Business Journal's 25 Women Who Mean Business.

She currently serves as a member of both the Board of Directors of Junior Achievement and the Executive Committee of the Greater Washington Initiative. Lisa also lends her expertise and dedication to the MACPA Accounting Education & Career Task Force and the University of Maryland Accounting Department.



# Workforce Composition

- ▲ **Matures (1909 – 1945)**
- ▲ **Boomers (1946 1964)**
- ▲ **Gex X (1965 – 1978)**
- ▲ **Millennials (1979-1988)**

**Why does this impact firm economics?**

<b>EMPLOYEES</b>	<b>CLIENTS</b>	<b>FIRM</b>
<b>Recruit</b>	<b>Court</b>	<b>Realization</b>
<b>Orient</b>	<b>Engage</b>	<b>Utilization</b>
<b>Motivate</b>	<b>Mange</b>	<b>Leverage</b>
<b>Evaluate</b>	<b>Evaluate</b>	<b>Expense-Control/Over</b>
<b>Reward</b>	<b>Negotiate</b>	<b>Speed of Collections</b>
	<b>Terminate</b>	
<b>=</b>	<b>=</b>	<b>=</b>
<b>ROMER</b>	<b>CEMENT</b>	<b>RULES</b>



# ROMER for Millennials

- ▲ **Becoming coaches**
- ▲ **Choices**
- ▲ **Personal time budgets**
- ▲ **Job time budgets**
- ▲ **Position requirements**
- ▲ **CPA Exam**



# CEMENT for Millennials

- ▲ Court
- ▲ Engage
- ▲ Manage
- ▲ Evaluate
- ▲ Negotiate
- ▲ Terminate



# FIRM for Millennials

- ▲ **Realization**
- ▲ **Utilization**
- ▲ **Leverage**
- ▲ **Expense – Control over**
- ▲ **Speed of collections**



# Metrics

	Leverage	Utilization	Billing Rates	Realization	Margin
Top 25%					
Your Firm					



# Expenses – Control over

▲ Employee Compensation	35%
▲ Fringe Benefit	7%
▲ Rent & Occupancy	8%
▲ Marketing	2%
▲ Technology	4%
▲ Malpractice Insurance	1%
▲ Other expenses	<u>8%</u>
▲ Total	<u>65%</u>



# Speed of Collections

- ▲ **Billing practices**
- ▲ **Days outstanding**
- ▲ **Average Billed/Unbilled Receivables per person**