



# Chief Concerns

## Building Out the C-Suite to Reflect Evolving Priorities

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BY: MARK LOEHRKE

Amid major challenges such as the ongoing talent shortage and an ever-changing competitive landscape, plenty of accounting firms have taken steps to emphasize their commitments to important initiatives related to things like employee well-being and long-term planning. But some are taking their dedication to these issues a step further by cementing their stature with a dedicated position within the C-suite.

And while a chief engagement officer or chief strategy officer or chief culture officer might not make sense for every firm, the three profiled here have found that the emphasis and visibility associated with a seat at the

executive table is sending a clear message – that these particular areas of focus are just as important to their success as technology, finance, operations or any of the other roles traditionally represented in the C-suite.

**STEPHANIE EMERSON**

**CHIEF ENGAGEMENT OFFICER — DMJPS PLLC**

Both the ascendance of remote work and the talent shortage across the profession have impelled many firms to lean into their engagement efforts over the past several years. Add to these challenges a significant merger, and the task becomes that much more important.

Such was the case when Greensboro, N.C.-based **DMJ & Co. PLLC** combined with Asheville, N.C.-based **Johnson Price Sprinkle PA** in June of 2022 to form IPA 200 firm **DMJPS PLLC** (FY22 net revenue of \$28.7 million). From initial conversations through the entire merger process,

leadership from both firms met regularly to identify initiatives, strategies and areas of focus for a successful transition and beyond, eventually coming to the realization that engagement was going to be a big piece of the puzzle – which led to the appointment of **Stephanie Emerson** as the firm's first chief engagement officer.



Stephanie Emerson

"We wanted this to be a C-suite position because we wanted everybody to understand how seriously we take it," says co-CEO **Michael Gillis**. "We wanted to demonstrate that employee engagement is as important to us as finance and operations and HR and IT – all of the other areas that are covered in the C-suite."

Emerson – a 20-year veteran of the firm who had previously been involved in a variety of functions, including payroll, benefits administration, training, firm rebranding, website development, software implementations, client initiatives, operations and strategic planning – says the idea behind having a dedicated position for engagement is to have a driver to help turn strategic vision into action. While engagement at DMJPS has always been considered a part of each leadership role, she says the difference is that the firm now has a dedicated resource to collaborate and support leadership initiatives, as well as a more consistent approach among roles, departments and locations.

Among Emerson's core responsibilities are overseeing the firm's internal SharePoint employee communication site, employee incentives, events, employee-focused committees and coaching; implementing the performance management platform, engagement surveys and outcomes assessments; updating and implementing the firm's career progression model; collaborating with various departments on training and development, CPA Exam review and CPE vendor relations; and collaborating with firm leadership across all departments, including HR, marketing and operations.

"The number one asset of all firms is the people within and their commitment to the clients, communities and each other," she says. "All leadership must work together to accomplish employee engagement. However, by identifying a lead, we believed it would allow us to have a dedicated resource to offer a focused approach. It was also important to have this position within the C-suite to appropriately reflect our commitment."

Most firms are already making at least some effort to boost engagement within their current management structures, so whether adding a position like Emerson's to the C-suite is necessary is a question worth debating. But in terms of how it's working so far at DMJPS, both she and Gillis agree that it has been a huge positive for their newly combined firm.

"Engagement is a responsibility of everyone, but it needs to be a priority and not just another responsibility of a manager or HR in addition to their other focus areas," Emerson explains. "It is our people that allow us to serve clients and now more than ever, we must truly prioritize how to engage, grow and develop that resource."

## MICHELE HAMMANN

### CHIEF STRATEGY OFFICER — SSC CPAS + ADVISORS

A C-suite itself is something of a new development at Topeka, Kan.-based IPA 400 firm **SSC CPAs + Advisors** (FY22 net revenue of \$11.7 million), which only added the leadership enclave when it moved to a corporate style of governance in 2019. Creating the C-suite from scratch, however, turned out to be a great way to understand what was truly important to the success of the firm.







"We felt that the entire point of the C-suite is to make sure that you have different people responsible for some of the core areas of the business," explains CEO **Brian Lang**. "And we determined that strategic development and implementation is just as important as finance and operations in running a CPA firm. The profession is constantly changing and evolving, and we wanted to make sure we were focused on developing and implementing strategies to evolve and best serve our clients and team members."

Enter **Michele Hammann**, who assumed the role of chief strategy officer as part of SSC's new C-suite, tasked with assisting Lang in developing, communicating, executing

and sustaining various corporate initiatives.

"The traditional CPA firm model is such that you bring together a group of partners and come up with a strategic plan, and then you assign roles and responsibilities to the right partners, and the MP oversees and pushes the plan forward," Hammann says. "But what we found is that while everyone wants to participate in those discussions, a strategic focus of one person in that group really allows for facilitation to go further faster because everyone is focused on strategic planning and growth. By doing this through leadership rather than by committee, we're able to progress faster and make changes more quickly. So while it's the board of directors and members of the employee-owned portion of the firm who get together to set strategic direction, now there's one person who's responsible for executing and supporting the CEO to see those initiatives through."



**Michele Hammann**

Hammann notes that thanks to her dedicated focus as chief strategy officer, the firm has been able to break down some of the silos among its different offices and service lines, as well as to roll out new initiatives more quickly. Its financial planning offering for business owners, for example, might not have happened at all without consolidating strategy and taking a one-firm approach.

"No one office or one person could have done this, but by having the one-firm approach we're able to serve our clients in a new and unique way," she says. "This position affords me the time and space to think about things like this and really hear what's going on in the marketplace and what our clients and team members are telling us. It helps us to have a better sense of the pulse of the profession, which allows us to be more proactive and less reactive to all the change that's happening."

Lang believes the key to Hammann's success in this role – and thereby the firm's more dedicated approach to strategy – was finding someone who was a natural leader and had a passion for the work and then giving her the time and the space to focus on it. While every partner at SSC continues to offer ideas for strategy, Hammann is the person who helps focus those suggestions and works with Lang to make them a reality.

"As CEO, it's wonderful to have someone who's focused on this – it helps me help the firm in other ways," he says. "That said, you can't just make anyone the CSO and tell them to go figure out strategy. The person in this role has to have this as part of their core being – they have to be someone who just really has the passion to look out and see what's possible. If you have that, it can be a fantastic role to have in the C-suite."

## SONIA FREEMAN

### CHIEF CULTURE OFFICER — PANNELL KERR FORSTER OF TEXAS PC

With a mandatory retirement for its president two years out, the leaders of IPA 200 firm **Pannell Kerr Forster of Texas PC** (FY22 net revenue of \$32.5 million) of Houston in 2017 discussed what had worked well in the past and what changes they might want to implement with a new generation of leadership. Ultimately, the decision was made to eliminate the president position and split those duties into new roles at the firm, with a chief culture officer focusing on internal responsibilities and a chief growth officer overseeing external matters.

"We made this change because we were at an inflection point," says **Sonia Freeman**, the firm's former audit practice leader who was named its first chief culture officer in 2018 (**J. Del Walker** is the second chief growth officer, elected in early 2023). "Things were going great, but we wanted to see if there was something we could do as a catalyst toward better and quicker decisions for the firm. This was an effort to bring focus to the two important aspects of our firm – growth and culture. These were new positions but not new responsibilities."

In overseeing the human capital, firm administration and internal IT teams, Freeman's mandate is to implement the internal strategic focus that the board of directors has determined, always with an eye on integrating the firm's four culture pillars into every decision – a one-firm philosophy, leadership by example, high performance and project management. The chief growth officer, meanwhile, is tasked with making decisions around business development and other external issues.



Sonia Freeman

"These two roles really work hand in hand – you don't grow without people, and if we don't have growth, we don't need the people," she explains. "We have very specific job descriptions and when a decision has to be made regarding the execution of the strategy that has been set by the board, each respective position has the unilateral authority to make the decision and move on."

It's not a typical leadership structure, but it's one that Freeman believes works well for PKF Texas. While splitting internal and external functions between two roles might threaten to bog down decision-making compared with having a single president or MP, she believes the division of responsibilities has actually had some unexpectedly positive effects.

"This requires a lot of communication in order to get it right, but talking is not a bad thing," she says. "[The two-role structure] has promoted a closer and more transparent decision-making process and more collaboration among the group but without paralyzing us, which is always a fear with this type of thing." ■

