



# CURRENT ACCOUNTS

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## Culture is Everything

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the People Development Game*

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# CULTURE IS EVERYTHING

*How Frazier & Deeter  
is Changing the  
People Development Game*

by Beth Newton

At a recent all-hands meeting, Frazier & Deeter (FD) CEO, Seth McDaniel, began the meeting by openly sharing three of his backhands or weaknesses that he was actively working to improve. Several leaders who followed opened their comments by revealing their backhands and asked audience members to help them and hold them accountable when they fell short.

A few months prior, McDaniel, Jeremy Jones, partner-in-charge, audit; Terri Lawson, partner-in-charge, tax; and Beth Newton, executive director of people and culture, volunteered to make themselves available on the feedback app – a new mobile app at FD that allows anyone in the firm to anonymously or publicly provide a rating and written feedback at any time to whomever is setup on the app. As a result, each participant has received a range of ratings, accompanied by both positive and developmental feedback.

These are examples of practices indicative of an early stage Deliberately Developmental Organization (DDO) as described in *An Everyone Culture: Becoming a Deliberately Developmental Organization*. The 2016 Harvard Business Review book introduces the DDO concept to the business community. Frazier & Deeter, among other organizations, is highlighted in the book.

### What Is a DDO?

The underlying premise of a DDO is that everyone has the capacity to grow and everyone is intentional about development every day. A DDO is a learning institution; a place where individuals utilize their everyday work, or practice ground, as prime means for learning, growing and getting better. And because an organization has been entrusted with the lives of everyone within, it is the organization's responsibility to enable every



individual to grow – not just hand-picked high potentials – through constant challenge and support, every day, at work.

“What resonated for us about the DDO concept is the idea that our day-to-day culture could serve as a catalyst for people’s development. That has a lot of appeal to our firm. We want to help people be better inside and outside of the firm. We have a duty to help all of our people be their best self,” says McDaniel.

In a DDO, learning, growing and getting better every day is much more than learning a new skill set, gaining additional knowledge or willing ourselves to change for the better. Real growth requires vulnerability, humility and a growth mindset in an environment that provides safety for individuals to show up completely – the good parts of them and the messy parts of them. This is a significant paradigm shift, not just for an accounting firm but for workplaces in general where the standard has always been to leave the personal stuff personal and only professional behavior is acceptable in the workplace.

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“In an ordinary organization, most people are doing a second job no one is paying them for. In businesses large and small...most people are spending time and energy covering up their weaknesses, managing other people’s impressions of them, showing themselves to their best advantage, playing politics, hiding their inadequacies, hiding their uncertainties, hiding their limitations. Hiding. We regard this as the single biggest loss of resources that organizations suffer today” - *An Everyone Culture, Harvard Business Press, 2016*

## How Does an Organization Evolve its Culture into Deliberately Developmental?

The first step was getting clear on the why. The firm planted a stake in the ground in 2011 when the partners decided FD would live on past its founders through continued growth, as merging up was out of the question. Becoming a legacy firm meant building a relationship-based culture that attracts, engages, develops and retains great talent at a faster more sustainable rate. “In a nutshell, we came to the realization that we needed to put as much attention into people development as we did into business development. In the long term, for a professional services organization, they really are the same thing,” McDaniel says.

In 2013 FD hired Newton to lead its people and culture while helping to initiate its developmental journey. As a first step, with the help of Andy Fleming, CEO of Way to Grow Inc., LEAD FD was created in 2014



and introduced as an intensive year-long leadership development program for 10 FD team members across levels and service lines, selected after an application and interview process. The program, now launching its fourth cadre, teaches self-awareness, personal development and co-mentoring during the first phase, immunity to change. The second phase, optimize, focuses on improving the firm. Weaknesses are exposed first on a personal level, then as a firm with the goal of identifying and challenging underlying limitations and assumptions, broadening

perspective, seeing new possibilities and learning to think in a new way – or shift mindsets. At the end of the program, participants share two presentations to the Board of Partners – what they learned and the results/recommendations of the firm-wide projects they led to improve the firm.

After LEAD FD established some traction in year one, the firm looked at how to begin weaving additional DDO practices into the fabric of the firm in conjunction with the leadership program. Through the implementation of tools like the mobile feedback app, informal feedback protocols, meeting check-ins and live 360 group discussions, FD team members are learning ideas and practices such as offering radical candor in real-time feedback; that failure is okay; being real about what’s going on with you; and receiving tough feedback as a gift. The firm’s Talking Partners pairs two team members together to co-mentor and to practice offering hard truths and alternative perspectives to one another. The top 10 peer recognition mobile app provides every FD team

member a bank of 1,000 WOW points every month to award to their team members any time they demonstrate servant leadership. WOW points can be used on the Perks at Work website to purchase anything from movie tickets to a car. Each month the top 10 point earners are recognized firm-wide.

## The Impact of Becoming a Developmental Culture

FD leaders believe the fruits of their labor will be realized over the many years to come.

The short-term results are evident in FD's turnover at nine percent compared to 15 percent average turnover for firms of similar size and in the recent accolades FD has received. FD was voted a Best Firm to Work for in the U.S. by *Accounting Today* two years in a row and has been named a Top 10 firm for Women for the past two years by Project MOVE. In FD's most recent client satisfaction survey, 96 percent of the respondents said the firm exceeded their expectations.



## FD Staff Respond to the New Culture

People are learning that real growth is hard. It takes a lot of practice and failure. And it's a process. We all live in a state of unfinished and in-process. For accountants, who tend to thrive on getting it right every time, relying

on logic and achieving deadlines, this is a concept that requires constantly challenging one another to think differently about practice vs performance.

Real growth also fosters engagement, community and a sense of contribution and fulfillment. At the end of the day, people are coming together to challenge and support one another as they learn it's about getting better as individuals and helping others get better, which ultimately makes the firm and its clients better.

"I'm amazed by how willing everybody was to be uncomfortable and how comfortable that made me because it felt like we are all in this together. One of our firm leaders told a story about his greatest fears. You can see that partners like him have limitations that hold them back. It's very empowering to know people

at the top have similar worries and struggles," Audit Senior and 2016 LEAD FD participant.

One reviewer of *An Everyone Culture* has this observation: "The premise that anyone can find reward and purpose at work by understanding themselves better in the context of that work is fundamentally democratic, in my view, and a welcome antidote to the occasionally fundamentalist cheering about 'purpose' that our culture now engages in."

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**Beth Newton** is Frazier & Deeter's director of learning & development and is responsible for developing solutions to address business, leadership capability and cultural gaps. In this capacity, she partners with leaders to build a high performance culture that attracts, develops and retains the best talent. Through development of best-in-class, strategically aligned learning programs, she enables the firm to maximize the potential and talent of every individual.