

A CPA in Pursuit of a 'Better Way'

Wilkin & Guttenplan: Focus on the People

Bigger is better in public accounting today. Mergers and strategic acquisitions grab our attention. How much room is there a small or mid-sized firm? Could there be any opportunity for a young CPA with a vision for the future and a desire to run his or her own show?

Maybe.

Hope springs in East Brunswick, for example. That's where, in 1983, H. Edward Wilkin, CPA and Edward I. Guttenplan, CPA established Wilkin & Guttenplan, P.C., a little accounting firm that has grown big and today employs 70 people including 45 CPAs.

"Two Eds are better than one. That's what we said when we were starting out," says Guttenplan, Managing Shareholder of the firm.

"It was a little bit of a leap of faith. We were scared. We had done all the calculations. Based on the clients we thought that we would have, we thought we could pay our mortgages. But still, we worried."

"We were working at bridge tables, eating fast food," Guttenplan says. "Fortunately, we had an administrative assistant from the start because we grew very quickly."

"We were in a niche before anybody knew it existed – the condo association industry. We had some clients when we started. The condo construction industry was booming in the area. We started getting other work, meeting other professionals and expanding our network. It was a great foundation."

The Entrepreneurial Spirit

Guttenplan was born and raised in Long Branch. His parents, Irving and Harriett, ran a bakery. Guttenplan didn't have a strong interest in the family business at that time. But he was good in math and he took a bookkeeping class in high school. Guttenplan says that his mother suggested he study accounting.

"She was a bookkeeper. She still is. At age 98, she still reconciles her checkbook with every statement," Guttenplan says. "She still sends gifts – checks – to my kids. And if they don't cash them promptly, which she discovers by reconciling her checkbook, she gets after them."

"In our family, if you were going to school, you'd better get trained for a profession," Guttenplan says. Guttenplan attended Boston University, earning both a BA and an MBA. There was no accounting major, so he maintained a "concentration" in accounting, and began working with Price Waterhouse immediately after graduating from the MBA program. He worked for the University while getting the MBA so tuition for graduate school was fully paid.

"I got my CPA certification right away," he says. "I knew that would be important."

He also met Bonnie, his wife, and then transferred to Price Waterhouse in New York City to work in its small business group. Later he moved to a regional firm in New Jersey where he met his future partner, Ed Wilkin. And they started thinking about a different way to run a CPA firm.

A Better Way

Guttenplan describes his relationship with Wilkin as "something like the 'Odd Couple.'" Wilkin plays the Oscar role – the gregarious, fun-loving guy – a counterpoint to Guttenplan's Felix – tending to the operational details of the firm's business.

"My role – I'm mostly involved in the structuring and administration of the organization," Guttenplan says. "Ed goes out and meets the people. But we share the same philosophy. It's very important to us – how people are treated. We knew there was a better way to do things. We continually focused on that."

The firm has received recognition in numerous surveys that rate "best places to work" in New Jersey and nationally, consistently appearing near or at the top in its industry segment.

"We have people who come to visit us and ask, 'How come? Why are you always on the 'best places to work'? What's different?'" "It goes back to when we started the firm. We knew we wanted to create a different environment, where open communication was valued, creativity and innovation was encouraged and an unwavering commitment was made to the people who are part of the firm.

Growing the company

Wilkin and Guttenplan have indeed grown their firm "the old fashioned" way – by remaining very stable with very limited turnover and steadily growing the business every year from within the organization. The firm has not made any major acquisitions or

mergers, though Guttenplan notes that a few individuals, who brought clients with them, joined the firm at the partner level.

The firm today has 13 partners with 8 shareholders. It is highly diversified, offering services in estates and trusts, business valuation, taxation, real estate, health care and a full range of commercial services. It also has a special niche in the sports and entertainment area. "We provide services for a number of major league baseball players," Guttenplan says. "Being on the road as much as they are is a challenge. We pay bills for them and offer tax and business advisory services."

The key to the future for the firm lies in its strong firm continuity program, according to Guttenplan. "It's part of our culture. We work to identify future leaders and encourage them to develop themselves and expand their capabilities," he says. "There is a cost involved – all our time to train and teach them and theirs to learn and develop varied technical and entrepreneurial skills – but it gives them the foundation they need to be future leaders and partners. It's part of a plan to continuously re-generate the practice."

Marketing skills are key, and the firm has a plan which includes a "point system." The system, created by the firm's marketing manager, Avery Quayle, requires senior level accountants and higher to engage in various marketing activities for points – writing a paper, participating in a panel, making a speech and other activities. "The plan is designed to play to their strengths and interests," says Guttenplan. "They have annual goals assigned, and their success in reaching those goals is considered as part of their annual review."

Monitoring the Pulse of the Firm

Guttenplan, while acting as managing shareholder, also contributes his time to the firm's billings – more than 600 hours. While that is a challenge, he says "it's easier if you have great people who are achievers." He gives particular credit to Janine Zirrih, the firm administrator. "We're on exactly the same page," he says. "Our decision making is completely consistent, whether it's scheduling, the design of the upward and downward evaluation processes or our HR policy."

The work schedule at the firm is very flexible. "We let people work when they want to work," Guttenplan says. And he, Zirrih and other senior people in the firm are vigilant about looking after staff people. "We don't want them to get overextended and stressed; we help them navigate the challenges of workload balancing."

We try to be proactive," he says. "In a typical tax season scenario, when people have five things that must be done all at once – we try to step in to help them and teach them how to prioritize and manage the workload. It's all just part of that 'better way' that Ed and I were thinking about when we founded the firm."

Life Outside the Firm

In talking about his _____ Guttenplan notes that one of this outside interests, beyond several leadership positions in nonprofit organizations, is boating. "I have a boat – it's not a big one – a 26 footer," he says. But boats and CPAs and the firm's interests seem to go together.

"I take people from the firm out on the boat any time," he says. The informality of a fishing trip or cruise to the Statue of Liberty, it creates more open communication and fits into the bigger picture. "Anyone can ask to go out, any time, and I will take their families or guests" he says.

For a voyage that might be too long for his boat, Guttenplan can check in with the family travel expert. Bonnie Guttenplan is the founder and owner of Wherever Travel located in nearby Milltown.

Guttenplan's oldest son, Craig, is an investment analyst on Wall Street. His other son, Seth, is a middle school math teacher in Teaneck. But there is a possibility of continuing family involvement at the firm: his daughter Allison is an accounting major at George Washington University.

The Future – Independent?

As accounting firms merge and get bigger around him, Guttenplan does not see it as a threat.

"We hope they all get real big and go after bigger clients – and leave the rest for us," he says. The comment is made in jest, but there is an underlying rationale. "We do believe as some of the bigger firms keep getting bigger, it will open up opportunities in the middle market for nimble, equally capable but fee-sensitive firms. That's where we position ourselves."

Can Guttenplan imagine a scenario where his firm will make a major acquisition or be acquired?

"I can't see it, but you can never completely rule anything out," he says. "If something came along that allowed us to be who we are, we would have to consider it. But it would have to be something that is better for everyone. We are always looking to acquire smaller firms. It's unlikely that we'll be acquired though."

"We are most comfortable being exactly who we are today. We've worked hard to get here and create a special relationship with



Carol Koransky (left), a senior manager at Wilkin & Guttenplan, with Zirrih and Guttenplan aboard Guttenplan's boat, the GuttSea.

every member of the W&G family. It's difficult to imagine a better alternative.”

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