COLUMBUS BUSINESS FIRST

How CEO Lori Kaiser stepped back responsibility, but ensured her goals still would be met

By Laura Newpoff
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Lori Kaiser, CEO of Kaiser Consulting, said she had been turning down offers to buy her company several times a year.

Lori Kaiser has been the 100 percent shareholder of Kaiser Consulting for more than 20 years. Now age 55, she recently decided it was time to act on her succession planning, but in a way that would maintain a work culture of high quality servicer and work-life balance.

“I want to keep working and keep engaged, but have time to do other stuff,” the CEO said. “You never know what may happen to your health.”

She ended up selling a portion of the company to her current management group of six people – all women.

The Powell-based firm doesn’t do audit and tax work like most CPA firms. Instead, it has found a niche in partnering with companies to help solve their problems related to accounting, internal controls and compliance.

Kaiser said she had been approached several times a year to sell, but decided not to go that route because it would "end the unique nature of our business model" of part-time and flexible work schedules.

Also of top importance was keeping her company woman-owned. Women make up just 24 percent of CPA firm partnership, according to the American Institute of Certified Public Accountants.

Kaiser recently chatted with *Columbus Business First* about selling a portion of her business. The interview has been edited for brevity and clarity.

THE DETAILS

Kaiser Consulting

Founder: Lori Kaiser

Based: Powell

Founded: 1992

Employees: 63

2016 revenue: Did not disclose

Website: kaiserconsulting.com

How did you come to the decision to sell 20 percent of your firm?

For years, I was a one-person operation wearing all the hats – sales, marketing, business development, human resources, accounting. I was all departments rolled into one while also doing all the billable work for my clients. As the company grew, I hired employees to share my billable and administrative workloads. I was still the final decision maker, but I began empowering my growing team to also make decisions.

In 2015, I realized I needed to make a change from working in the business doing billable client work to working on the business in a more strategic role to pursue my goals of positioning the company for long-term growth and bringing work-life balance back into my own life. Over the next 18 months, I transitioned from an owner-centric to a management-centric business model by creating a director's group of six very talented people promoted from within the company to manage all aspects of day-to-day operations.

During the transition, we developed processes positioning the firm for future growth and while remaining CEO, I assumed the role of strategist and began focusing my attention on personal interests. In 2017, I began teaching accounting classes as an adjunct professor in the Ohio State University Fisher College of Business MBA Program and earned my private pilot's license.

As I felt increasingly comfortable the entire firm was advancing together as a well-functioning team, I decided to take the next step. Given the old saying, "life is short," I had a strong desire to pursue my passions now rather than waiting for full retirement because the chance to do things later in life may never come.

By selling a portion of the firm to the six directors, the group assumed the risks and responsibilities of being business owners and made a long-term commitment to stay with the firm and preserve our core values and unique culture. The planned transition strengthens our company by adding more breadth and depth to our leadership team while removing the dependency on any one person.

Professionally, I am continuing my current role as CEO and strategist, while beginning my evolution into the firm's visionary. Personally, I am enjoying turning my attention outside the office to focus on accounting, business and women's initiatives by doing more leadership, mentoring, speaking, teaching and community activities, serving on several board of directors, and spending more time traveling and, of course, flying.

When you founded the firm, you structured it for people who wanted part-time and flexible work in accounting? How rare of a business model was that back then and what prompted it?

I founded the firm after my first child was born. At the time, I was a senior manager at global accounting firm KPMG. I was seeking more work-life balance to raise my family, so I left to avoid the 60-plus-hour weeks and extensive travel.

Shortly after leaving, former clients started calling and asking if I would do project work. I accepted projects as my schedule allowed, setting my own terms, and this was the beginning of my part-time flexible work business model.

As more work and new clients followed, the workload became more than I could handle, so I decided to hire help. My vision was to take the great things people love about public accounting – variety of clients, diverse project work and in-depth training – and eliminate the things that made it difficult such as travel, excessive overtime and insufficient flexibility. I knew if I wanted this scenario, others likely did, too.

I approached other professionals who had stepped away from full-time employment and the response was overwhelmingly positive.

The flexible, part-time scheduling model was unique and extremely rare in the profession in 1992. Surprisingly, it still is not used at many professional service firms today. It is a "high-touch" model, which means we spend more time on managing the schedule, but it yields happy employees, which is a win for our team and our clients.

You've been approached several times to sell to another business, but instead kept the company in-house, per se. What would you tell other business owners who are contemplating the right approach to succession planning?

Every situation is different and the most important thing to do is honestly evaluate what your personal goals are. For some owners, maximizing the amount of money may be the goal. For others, the goal may be passing the business on to another generation.

For me, the No. 1 goal in selling part of the firm was not to maximize the money, but rather to preserve our unique company culture and our part-time, flexible business model. The reasons for implementing my succession plan emphasizing preservation over cashing-out are traced directly back to the very reasons I started the firm. The model has stood the test of time and my top priority is ensuring our employees and clients alike continue benefiting from these core ideas I still strongly believe in today. For me, it is logical to implement my succession plan by transitioning the firm to the very people internally who helped build the company culture I am striving to preserve.

As a business owner, how has your life changed now that your management team has an ownership stake in the company?

Life is good. The changes from adding the new shareholders have been extremely positive, both professionally and personally. I am happy to now be on a team of seven shareholders rather than being the only shareholder. Everyone is invested in seeing the business continue to thrive and we all are actively participating in growing the business to ensure this happens. I value the dynamics of having a group of individuals to share ideas with when issues arise or when we are contemplating new opportunities.

Knowing the other shareholders are empowered to make decisions to keep the firm fully operating at peak performance lets me step away from the business a bit more without worrying. In May, I took an extended trip to South America, which is something I always wanted to do.

What is new at Kaiser Consulting?

We plan to continue our community involvement and giving back with a more formalized volunteering program. We have long supported organizations that our employees also support from school organizations to mission-driven nonprofits. If our employees are giving their time or money we like to support them.

Laura Newpoff is a freelance writer.
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