



LEADING  
POSITIVE  
CHANGE

2019–2020 Firm Report



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# Leading the Way to Positive Change

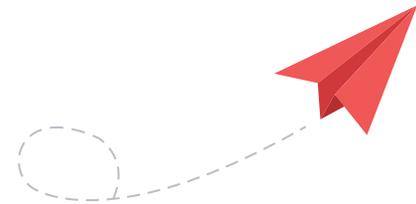
Welcome to *Leading Positive Change*, our guide to BPM's 2020 Strategy. This Guide will provide you with a robust collection of information on how we invest in the successful future of our clients, our colleagues and our communities, and why this investment continues to make us a leader in our profession. As our Firm continues to grow, it's important to focus on our commitment to being a dynamic organization, prepared to accept and adopt the many innovations and changes ahead, and on our goal of helping our clients, colleagues and communities be successful in work and life.

At BPM, we know teamwork is an essential part of helping our colleagues, clients and communities be successful. That's why we are focusing on *Leading Positive Change* and the ways we can continue to positively support our mutual path to success. We remain dedicated to becoming the Firm of the Future by taking advantage of new learning and leadership opportunities every year. Our ability and willingness to have a positive mindset regarding change and commitment to our culture of Because People Matter has led to significant geographic growth and service offering expansion. As we go into 2020, our tax, assurance and advisory teams are bigger and better than ever. We have the resources to continue *Leading Positive Change* and to aid our colleagues in their personal growth journeys in an environment built around a sense of belonging.

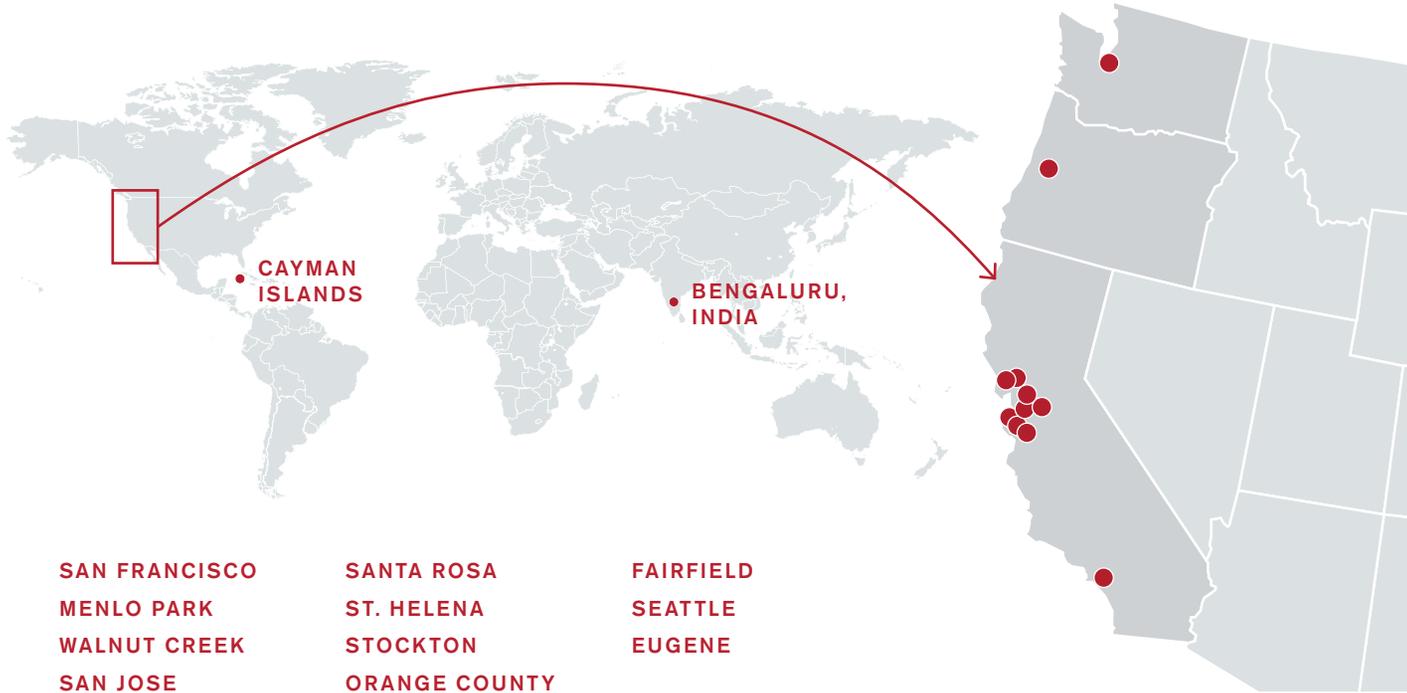


A handwritten signature in black ink, appearing to read 'James K. Wallace'.

**James K. Wallace, CPA**  
Chief Executive Officer



# A Year of Growth



## Partnership with Allinial Global

We are a proud member of Allinial Global, an association of accounting and consulting firms whose members reinforce client service by exchanging expertise, resources, and experienced advice in a wide range of industries. Founded in 1969, Allinial Global is 196 members strong in 74 countries generating over \$3.5 billion in collective revenues. This global reach helps member firms serve their clients' business needs anywhere in the world, anytime.

**560**

Number of total employees—22% increase from FY18

**51**

Partners—16% increase from FY18

**117**

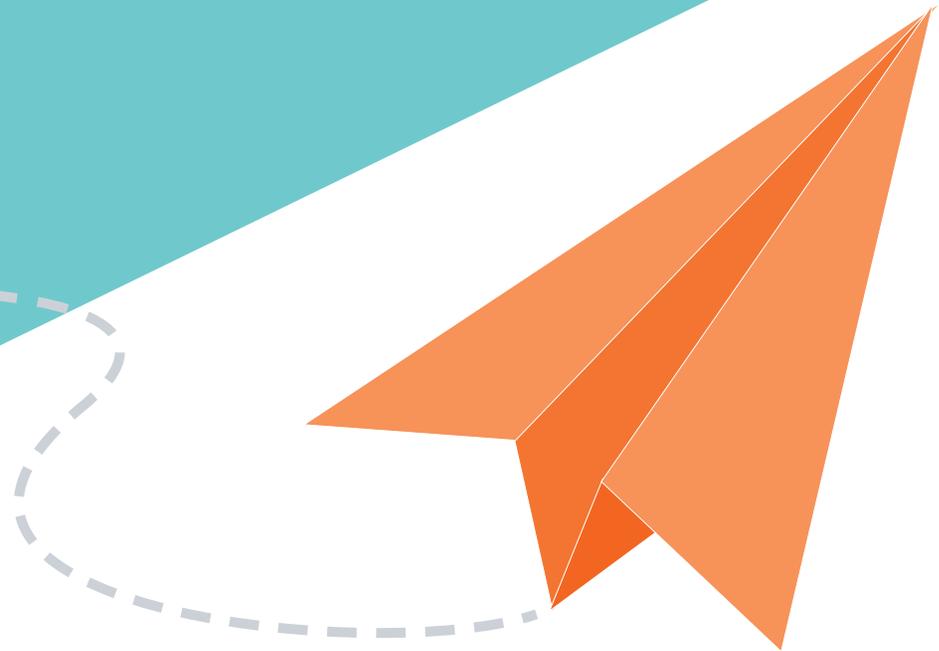
Revenue—20.6% increase from FY18

**#1**

Largest non-Big Four firm in the Bay Area

# Innovation Strategy and Operating Plan

BPM Leadership  
BPM1 Rocket  
Innovation Strategy  
2020 Goals



# BPM Leadership



# BPM Leadership (Continued)

## Board of Directors



**Jim Wallace**  
Chief Executive Officer



**Rich Bellucci**  
Chairman of the Board



**Norm Bustamante**



**Brian Finnegan**



**Tom Garigliano**



**Jenise Gaskin**



**Doug Schultz**



**Edward Webb**



**Julie West**

# BPM Leadership (Continued)

## Partners in Charge



**Jeff Pearson**  
San Francisco



**Tami McInerney**  
Menlo Park



**Brad Holsworth**  
Walnut Creek



**Jim Martin**  
San Jose



**Carol O'Hara**  
Santa Rosa



**Larry Solari**  
Stockton



**David Jorgensen**  
Orange County



**Sarah A. Lynn**  
Fairfield



**Jeffrey Mock**  
Seattle



**David Trepp**  
Eugene

# BPM Leadership (Continued)

## Practice Group Leaders



**Tom Garigliano**  
Tax



**Brian Finnegan**  
Assurance



**Nick Steiner**  
Advisory

## Industry Group Leaders [continued on next page]

### Agribusiness



**Michelle Ausburn**



**Carol O'Hara**



**Brad Holsworth**



**Larry Solari**



**Minnie Wright**

# BPM Leadership (Continued)

## Industry Group Leaders

### Technology



**Norm Bustamante**



**Nick Steiner**



**Dan Winter**

### Nonprofit



**Daniel Figueredo**



**Shannon Winter**

### Professional Services



**Melodie Olson**



**Doug Schultz**

### Life Science



**Scott Taylor**



**Julie West**

### Private Client Services



**Rich McDonnell**



**Sandy Murray**

### Real Estate



**Jackie Matsumura**



**Mark Leverette**

# BPM Leadership (Continued)

## Corporate Services Team Leaders



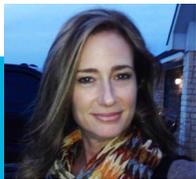
**Jim Wallace**  
Chief Executive Officer



**Diana Borova**  
Administration



**John Weems**  
Business Development



**Karen Blankenship**  
Chief of Staff



**Jonathan Fayman**  
Finance



**Beth Baldwin**  
Human Resources



**Moe Asgharnia**  
Information Technology



**Jessica Hekmatjah**  
Marketing

# Our BPM1 Rocket

## Client Service Standards

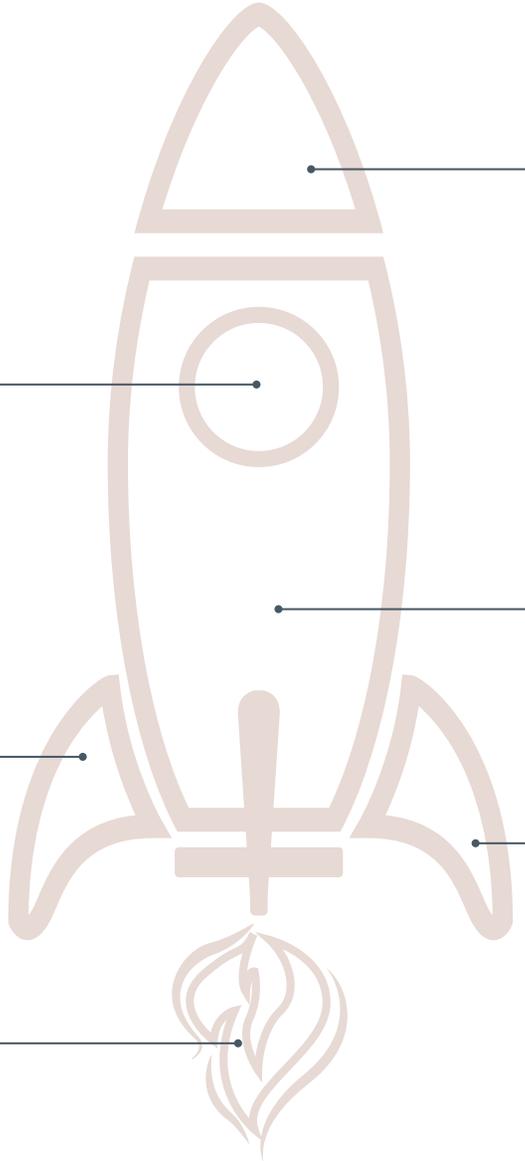
**Our success** is in direct alignment with that of our clients'.

## Mission

**Our mission** is to wow clients with our service, depth of knowledge and deep understanding of their business, personal, and financial goals.

## BPM1

Building on a unified **foundation** of integrity, each associate helps us construct a successful future by implementing our vision, client service standards, strategy and brand promise of **Because People Matter**.



## High Performing Firm

Where we strive to be when we bring our rocket to life.

- Innovation Strategy**
- Because People Matter**
- BPM1 Client Experience**
- BPM 2.0 Firm Excellence**
- BPM Vision for Growth**

**Our strategy** is how we turn our mission and vision into reality.

## Vision

**Our vision** is to be an innovative, independent, nationally recognized firm, known for its depth and breadth of expertise and for connecting our clients and our people to the knowledge, resources, and communities they need to be successful in work and life.

Our **Mission** and **Vision** serve as the “fins” of our **BPM1 Rocket**. We need our fins to provide us with stability and direction.

# Innovation Strategy: Leading Positive Change

## Because People Matter

**Foster a culture of open communication, inclusion, collaboration, personal development, community, and leadership to increase employee engagement.**

- Enhance BPM Alumni Network
- Build upon success of Women's Initiative Now! to expand our diversity and inclusion programs
- Establish foundation for new model workforce
- Enhance our national recognition as the 'Firm of Choice' for colleagues

## BPM1 Client Experience

**Provide superior client service through our BPM1 model.**

- Position in-depth client database called BPM1 CXP as the backbone of the BPM1 service model
- Become the "Firm of Choice" for clients
- Adopt a culture of client service excellence
- Successfully transition clients to enrich a Firm-wide "giving culture"

## BPM 2.0 Firm Excellence

**Create the Firm of the Future by enhancing operational effectiveness, providing firm stewardship, leading positive change, and remaining accountable.**

- Enhance partner effectiveness by positioning them for success
- Establish consistent Firm procedures and quality risk policies
- Use information technology as a driver for operational excellence
- Continue to seek cost efficiencies through the use of alternative service delivery platforms

## BPM Vision for Growth

**Ensure growth by providing clients and colleagues with opportunities through new service offerings, industries and locations.**

- Provide colleagues with opportunities to serve clients from cost-effective locations
- Integrate go-to-market initiatives by industry focus across all business development activities, trainings and growth strategies
- Expand presence in target markets and geographies (Seattle to San Diego)
- Continue to grow specialty service lines and add others that are not tied to fixed payroll

# 2020 Goals

## Because People Matter

**Future Leaders:** Ensure all colleagues have the resources they need to develop their career and understand the path to partnership

**Diversity and Inclusion:** Leverage success of Women's Initiative Now! to develop framework around a broader diversity and inclusion initiative

**BPM1 Firm Culture:** Leverage input from the Innovation, Staff and Management Advisory committees to implement programs that advance our Innovation Strategy and support all employees

## BPM1 Client Experience

**BPM1 CXP:** Utilize CXP to reinforce the BPM1 client service model

**Client Development:** Implement Firm-wide client and engagement criteria to ensure we are serving the right clients the right way

**Enhance Client Relationships:** Leverage CXP to track and report on the number of BPM1 touch points per client

## BPM 2.0 Firm Excellence

**Practice Management Transformation:** Use world class billing best practices and systems that improve client experiences

**Alternative Fee Arrangements:** Develop fee arrangements based on deliverables rather than chargeable hours

**Impact Driven Culture:** Achieve B Corp certification

## BPM Vision for Growth

**Industry Program:** Develop and implement framework that increases participation and leadership opportunities across go-to-market initiatives

**BPM Accelerators:** Ensure rainmakers are positioned for success

**Strategic Account Management:** Create a framework that enhances long-term and mutually beneficial partnerships with key clients

# Commitment to Client Excellence

Client Service Standards  
2020 Client Satisfaction Survey



# Client Service Standards

We recognize our success is directly linked to our clients' success. We are dedicated to providing world-class service and developing satisfied clients for life. We do this by:

- 1** Ensuring all clients experience exceptional team-based service.\*
- 2** Continuously providing the best and most qualified resources through direct access to all BPM service team members.\*
- 3** Proactively seeking opportunities to provide solutions, advice and WOW experiences.\*
- 4** Regularly measuring client satisfaction by formally, and informally, asking how we are doing with our service.\*
- 5** Being responsive to clients' expressed and inferred needs.
- 6** Persistently improving performance in an effort to exceed clients' expectations.
- 7** Addressing clients' requests with the highest level of professionalism, passion and commitment.
- 8** Serving clients with respect and integrity.
- 9** Protecting the privacy and security of clients, including confidentiality.
- 10** Continuously learning as much as we can about our clients' industry, financial and life situations.

\* Four elements of our **BPM1 service model**.

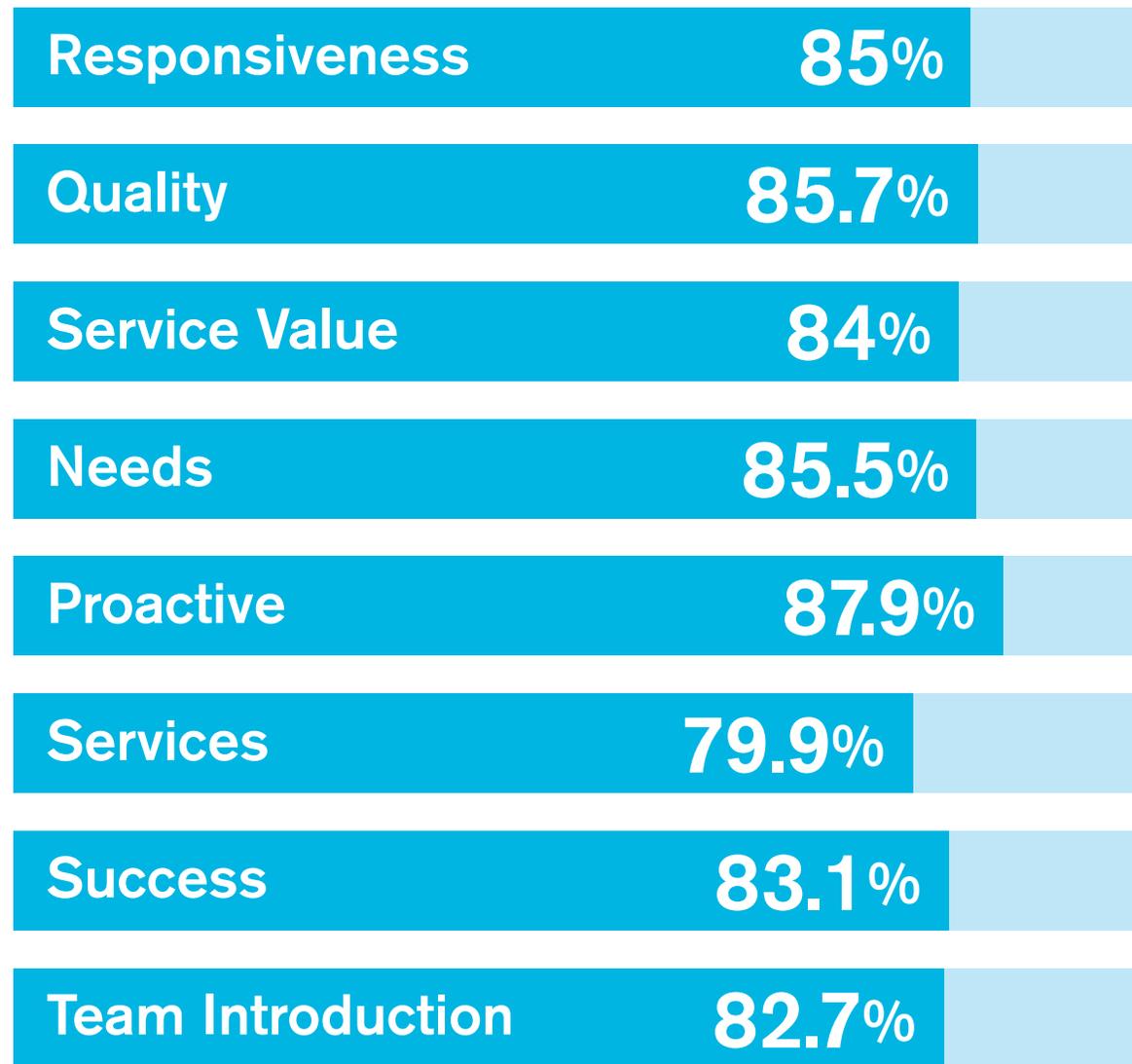
# 2020 Client Satisfaction Survey

We are committed to proactively providing solutions, advice and WOW experiences to our clients through our BPM1™ service model. One of the ways we do this is by asking clients to give us direct and honest feedback through our annual client satisfaction survey. This year, we heard from over 200 clients who ranked us 1-10 on our responsiveness, the quality of our work, service value and more.

While the average accounting industry net promoter score for 2019 was 24%, we nearly tripled that number with our net promoter score of 78.4%. Moreover, we learned 95% of our clients believe we are doing everything we can to help them succeed. Whereas last year 73.2% of clients said we were always proactive in helping them achieve their goals, this year that number has increased to over 80%.

We also read we could improve in proactively introducing clients to new team members who have specialized expertise. As we plan for next year, our goal is to increase the number of BPM1 touch points per client through client service plans, ambassador meetings, events, referral introductions and more.

We will continue to formally and informally measure client satisfaction by asking how we are doing with our service. Making sure all clients experience exceptional team-based service is a pillar of our client service standards.



# Social Impact

Community Programs  
Sustainability



# Community Programs

Community involvement is central to BPM. Since 1986, our Firm's people-centric focus and dedication to service have applied not only to clients and employees, but also to individuals and families who make up the communities where we live and do business.

## BPM (Because People Matter) Day

Each year, every BPM office closes for our community service event known as BPM Day. On May 17, 433 employees volunteered at 27 organizations near our BPM offices and remotely. Our employees assembled furniture, packed food supplies, cleaned up outdoor spaces and assisted animal and children-focused nonprofits in several communities. A few of our organizations included:

- Life Learning Academy in San Francisco
- Angels Orphanage in Bengaluru, India
- Second Harvest Food Bank in Irvine

## School Partnerships

We continued our over 20-year initiative to support local schools. Our employees dedicate time by going to three elementary schools and helping with reading programs and presentations during school assemblies, and our volunteers also work with students at two high schools through work study programs in various offices.

In May, we celebrated our partnership with Cristo Rey Network schools during our annual fundraiser. Clients, family and friends



joined together for a party to raise money for work study programs before to going to a Giants baseball game. Over \$11,000 was raised by raffle tickets and ticket sales.

BPM holds an annual Thanksgiving Card Art Contest to ignite and inspire creativity at local schools. In November, 170 employees voted for their favorite three drawings, which we featured on BPM's holiday e-card and posted on our website. Our 2019 partnership schools include:

- Redding Elementary School, San Francisco
- St. Elizabeth Seton School, Palo Alto
- Kid Street Learning Center, Santa Rosa
- Cristo Rey San Jose Jesuit High School, San Jose
- ICA Cristo Rey Academy, San Francisco

## Community Outreach

With our Community Office Liaisons (COLs) assistance, BPM supports local nonprofit organizations where our employees are board members and volunteers. Across our offices, our colleagues currently serve on more than 100 boards of nonprofit, business and community organizations.

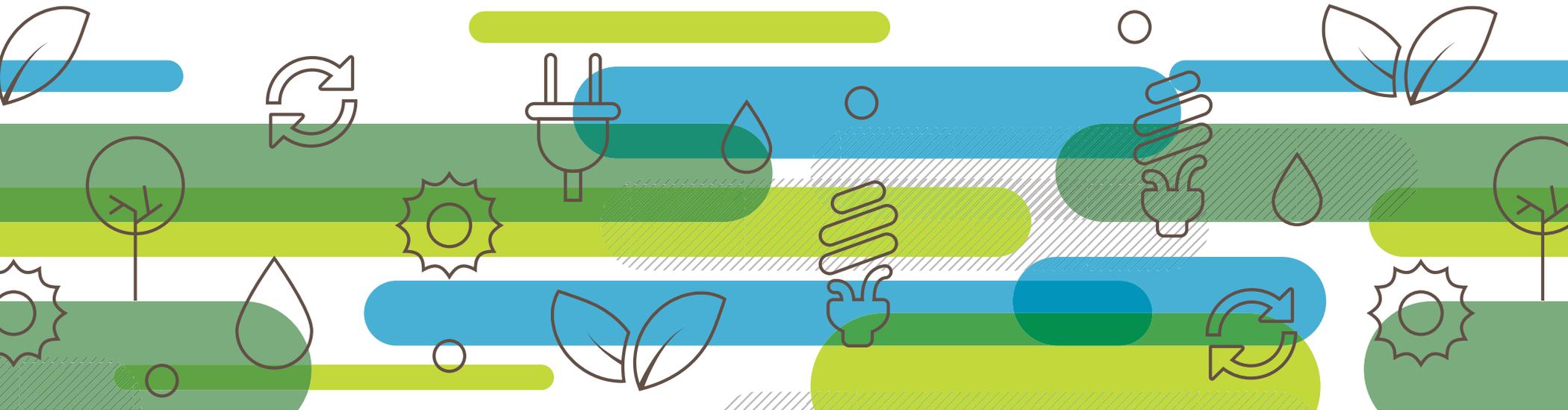
# Sustainability

In 2020, we will continue to look for new ways to be more sustainable by educating our teams on easy ways to save resources and improve the environment, as well as adding waste-reducing features at many of our offices.

As part of our commitment to sustainability and an impact driven culture, we are also seeking to achieve B Corp certification.

Here are a few ways we promoted ecofriendly living in 2019:

- Installing Bevi water machines to reduce plastic waste and encourage reusable bottle use
- Recycling electronics through onsite events
- Separating waste, recycling and compost materials in office break rooms
- Recycling awareness initiatives
- Supporting digital vs. print document preparation and tax filings
- Learning the basics of composting through seminars at office park events

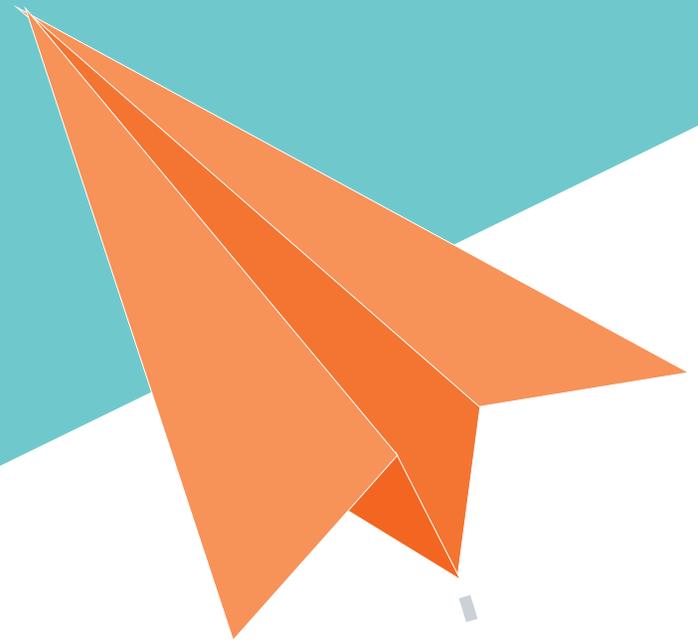


# Diversity and Inclusion

2019 Accomplishments

By the Numbers

win! to IN!



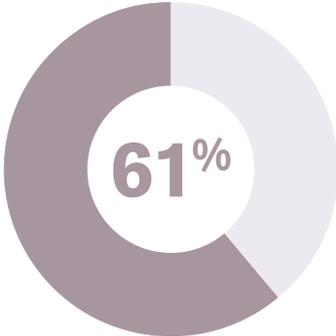
# 2019 Accomplishments

In 2017, we launched our first annual win! Women's Initiative Now! Report, where we held ourselves accountable against the goals we set to advance women leaders. Through education and training, we're proud to report our key accomplishments:

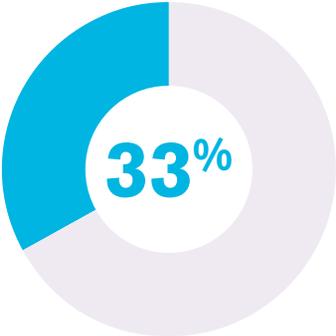
- Increased funding by 50% for Urban Sitter, a BPM subscription-based service that gives parents access to short-term, longterm and emergency sitters and nannies.
- Launched *Cleo*, a service app that pairs personal technology with a global network of certified care practitioners to guide parents on their journey from considering, to pregnancy, to parenthood and back to work again. Since the Firm launched the program in 2018, 85% of new parents at BPM used the app.
- Collaborated with the AICPA's Women's Initiatives Executive Committee to develop the AICPA's "*CPA Firm Sponsorship Success Toolkit*."
- Implemented Board-supported Unconscious Bias Training for all managers, directors and partners, in addition to 100% partner participation in an advocacy pledge to advance diversity and inclusion in the workplace.
- Participated in the AICPA's Women's Global Leadership Summit in NYC with the highest number of representatives across any attending CPA firm. We were also proud to attend and speak at the San Diego Summit earlier this year.
- Sole CPA participant of KRON-TV's Women in Business Leaders Series.
- Named as one of the "*Best CPA Firms for Women and Leadership Equity*" by the Accounting and Financial Women's Alliance (AFWA), for the fifth consecutive year.
- Hosted second annual "The Sh-t No One Tells You About Making Partner" roundtable to address current questions around managing a family and a demanding career, leadership and embracing a culture of support, flexibility and empowerment to make it all happen.
- Ranked the number one accounting firm for women and the second best accounting firm for promotion policies by *Vault Accounting 50*.
- Raised more than 300 items for Dress for Success, in honor of International Women's Day.



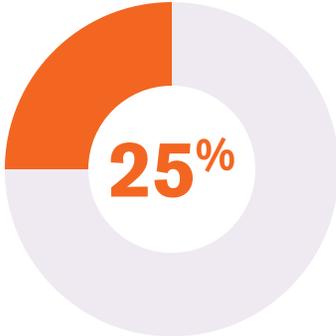
# By the Numbers



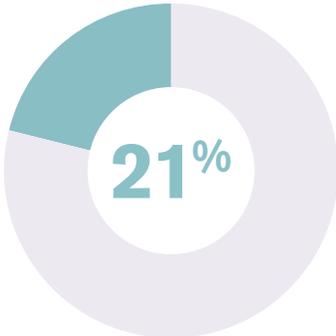
of our workforce is made up of women



of our Board is made up of diverse backgrounds



of our women partners identify as minorities



of our partners are made up of diverse backgrounds



of our Management Committee is made up of women

# win! to IN!

## 100% Committed—Introducing Inclusion Now! (IN!)

BPM's commitment to empowering our people and helping them reach their goals at work and in life is stronger than ever before.

Through Women's Initiative Now!, or win!, we have supported hardworking BPM women by implementing leadership programs and mentorship opportunities, because we know the Firm performs better when women are encouraged and enabled to reach their goals.

As we continue to grow, both geographically and in size, it's time for our diversity and inclusion efforts to expand as well. While we have made wonderful strides in supporting the growth of women leadership both in and out of the office, we continue to focus our efforts on programs that reinforce a culture of belonging, where unique experiences, ideas, knowledge and perspectives can be shared openly and respectfully.

**For these reasons and more, we are excited to announce the transition of our diversity and inclusion initiative from Women's Initiative Now! (win!) to Inclusion Now (IN!).**

Inclusion Now (IN!) supports and encourages colleagues of all genders, ethnicities and those who identify as LGBTQIA+ to feel safe to be their authentic self. By creating a safe space for people to share their honest opinions, our goal is to ensure all employees feel valued and heard. In turn, we hope to see an increase in collaboration, problem solving, customer satisfaction and diverse leadership roles.

We have hit the ground running preparing for IN!. Recently, Jim Wallace signed the CEO Action for *Diversity and Inclusion pledge*, promising to work with other CEOs to develop and implement inclusion programs that promote a diverse workplace. By signing the pledge, we continue to position the Firm as a safe environment to have complex conversations about diversity, to implement and expand unconscious bias conversations and to share best practices with other pledgers.

Over the past 18 months, we have already expanded our initiatives to help further promote inclusion and diversity in our growing number of offices, and through IN! we will continue to put our people first.

In 2020, we continue our commitment to creating strong support systems, to providing the trainings needed to advance in work and in life, and to instilling a sense of belonging for everyone at BPM.

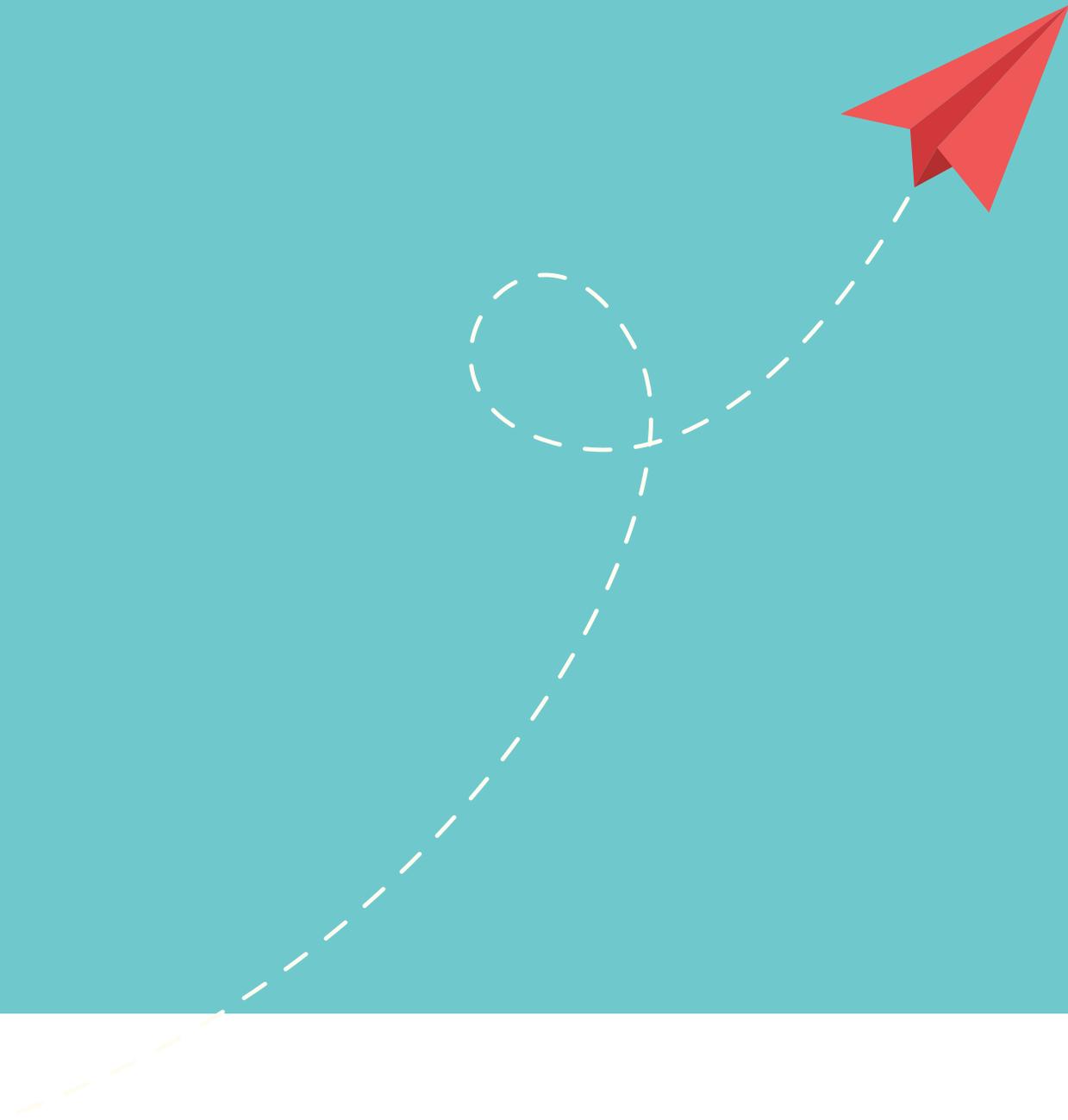


# Looking Ahead

While we accomplished much in 2019, we're only just beginning this exciting time of change at our Firm, in our country and around the world. Our momentum is growing and our teams are preparing to continue the task of helping our clients be successful in their work and life journeys! Thanks to our many new specialty services, we can now help clients in virtually all aspects of their business and personal life cycle including financial, human resources, transition and technology needs. Please reach out with any questions about our new service offerings, offices or team members.

Thank you for helping us celebrate this year's successes laid out in this Guide. Our goal is to remain positive and accepting of change and become even more nimble as we scale BPM for an exciting future. We are focused on *Leading Positive Change* every day, and our Firm will continue to thrive with your support.





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