

practice profile

Not just lounging around

When its younger staff speak, MaloneBailey listens – and acts

BY DANIELLE LEE



MaloneBailey tax partner Wesley Middleton on the threshold of the firm's NextGen lounge

AT A GLANCE

Firm:

MaloneBailey

Executive Committee:

Wesley Middleton, Jay Norris, John Malone, Steven Vertucci and George Qin (*no managing partner*)

Headquarters:

Houston

No. of offices/locations:

4 / Houston, New York, Shenzhen, Beijing

2011 revenue:

\$12.61 million

Year founded:

1982

No. of partners/staff:

7 / 75

Selected services:

Public company audit services (both U.S. and China); private company audit services; tax services; broker-dealer services; embedded financial derivatives accounting; oil and gas audits

Houston-based accounting firm MaloneBailey has opened a few new offices lately.

The latest, in Beijing last April, enhances the firm's presence in China, following the establishment of a Shenzhen outpost in 2010. Together, those two locations add another 10 staff to the 65 in MaloneBailey's Houston and New York offices.

In Houston, another, smaller addition came in the form of an old storage room. Based on feedback from the firm's younger staff — along with a healthy amount of paint, new furniture and electronics — this empty office was converted to a "NextGen lounge" last January.

The idea was formed during a quarterly meeting of the firm's NextGen Council, created and chaired by tax partner Wesley Middleton as a forum for MaloneBailey's under-30 Gen Y contingent, which encompasses about half of the firm. "It's certainly an age group that, at the end of the day, 10 years from now, is going to be the owners of this firm," Middleton explained. "I personally felt it was important we listen to this group and try to weave their expectations into all facets of our firm, wherever they may be."

Before that group occupies the corner of-

ices, they agreed that they wanted a more centralized place to "take a deep breath or have a quiet conversation with a mentor," according to Middleton.

The firm's marketing and communications manager, Caroline Rosen, took the lead in decorating the space, adding a TV, games and tranquil room accents. So far, she and Middleton report, the sanctuary has done its job, especially during busy season. "I go in every morning and the pillows are all messed up," Rosen said. "It's being used late at night, probably to chill out. People take their lunch there, or little snacks. We decorated it in a way that's calming and soothing, and you really don't feel like you're at an office. People go in there when they just need a moment to be quiet and enjoy some silence."

OUTSIDE THE LOUNGE

In addition to fulfilling the request of its younger employees — whose other recent wishes range from "the coffee machine they wanted, to changes to PTO and vacation issues, and sort of everything in between," said Rosen — the NextGen lounge serves as a hallmark of MaloneBailey's work-life balance initiatives.

The NextGen Council is joined by the firm's

Health and Wellness Committee in disseminating this philosophy.

The committee "helps develop programs and activities to promote health and wellness, not just during busy season but beyond that, as well," Middleton explained. "They have their own newsletter; it's more specific to busy season, but that's not when health and wellness stops."

The newsletter features tips for staying hydrated and resting screen-fatigued eyes. The committee also provides in-house yoga sessions and promotes stair-climbing challenges, while making a conscious effort to offer more healthy food options for late nights.

Balance is also endorsed outside of the office; more than half of the firm's staff has taken advantage of MaloneBailey's offer to install a remote setup of three monitors and a docking station in their homes. "Not that we encourage people to work from home all the time," Middleton added. "But situations come up — you can't get here, kids have a sickness — whatever may come up."

Here, flexible hours factor in.

"It's always been important to us that we let those that want to work the extreme hours do that and those that don't, don't," Middleton explained. "We have to meet the ends of the firm, but it's important because we have such a different group; we try to accommodate everybody and give them the flexibility — whether you need to come in at 6 and leave at 2, or come in at 9:30 and leave at 10. Everybody's situation is different, and we encourage people to balance."

Balance is also represented on MaloneBailey's vacation board, which decorates the firm's walls with what employees are doing beyond them. "We encourage staff to take pictures and we highlight people's different vacations — even 'staycations,'" Rosen said.

The firm also stages a "Neatest Vacation" contest, with winners receiving a Continental Airlines voucher for another trip. Previous employee vacations to Libya, Singapore, Madrid, Morocco, Mexico and Texas' Big Bend National Park were all frontrunners.

"It's been amazing the places some people have gone that none of us knew about," Mid-

dleton mused.

MaloneBailey is also nearly a year into a revamp of its mentoring and development program, backed by Rosen. “We developed a curriculum for the program, giving it a lot more structure and creating more social team-building activities” that include scavenger hunts, happy hours and focused lunch groups, Rosen said, “so that it’s not just confined to meeting in the office with your mentor, but going out and experiencing that person outside of an office environment, more as a person.”

The overhaul was mostly focused on giving the program some “major structure,” including a strong training component, Rosen said. This training is specifically applied to the mentors, improving their interpersonal and soft skills.

In the recruiting phase, MaloneBailey has “continued doing what we’ve been doing,” said Middleton, which includes on-campus events at nearby schools like the University of Texas, and the addition of about three to seven new employees bi-annually to its January and Fall orientation programs.

IN BIG COMPANY

Middleton identified an attraction for potential hires in the firm’s mix of compliance services for small, publicly traded U.S. companies and its public company audit services for Securities and Exchange Commission clients in China, which together make up 70 percent of its revenue. These 130 small- and mid-cap clients put the firm in the exclusive company of nine other firms, including the Big Four, whose audit reports for more than 100 issuers require annual inspection by the Public Company Accounting Oversight Board, instead of the usual three-year checkup.

“We have a unique blend of SEC work that not a lot of firms do,” Middleton elaborated. “True SEC work at the level we do it, the number of clients we have — while not the same size of clients as national firms — is the same work. We engage in that type of environment.”

A more thorough breakdown and comparison of MaloneBailey with these large audit firms and their clients is accessible on the firm’s Web site, under the “Our

Competition” tab.

While those numbers are expected to stay competitive, the platform advertising them will change, with

the firm due to launch a new Web site — with more sophisticated features and resources — in late June.

Rosen’s description of this online

“facelift,” which will highlight Middleton’s firm forecast of “continuing to build and grow what we have in place,” could effectively describe all

of MaloneBailey’s recent revamps: “A lot of the content will remain the same. But in the look and feel, you’ll see something different.” AT

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