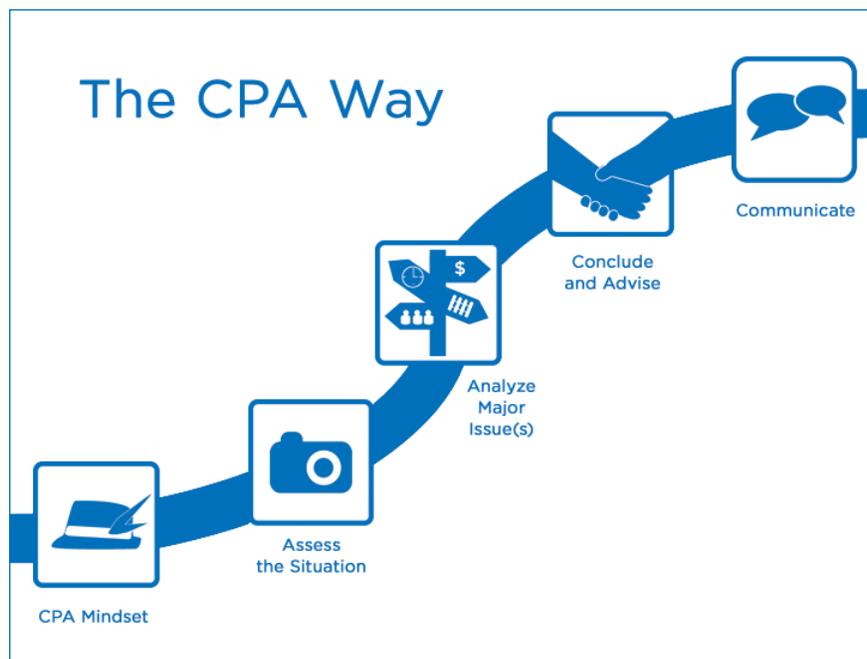


# The CPA Way

## 6 - Communicate

This document focuses on *Communicate*, the last part of **The CPA Way**, as shown in the following diagram.



For an overview of *Communicate*, see the [video](#) that accompanies this document.



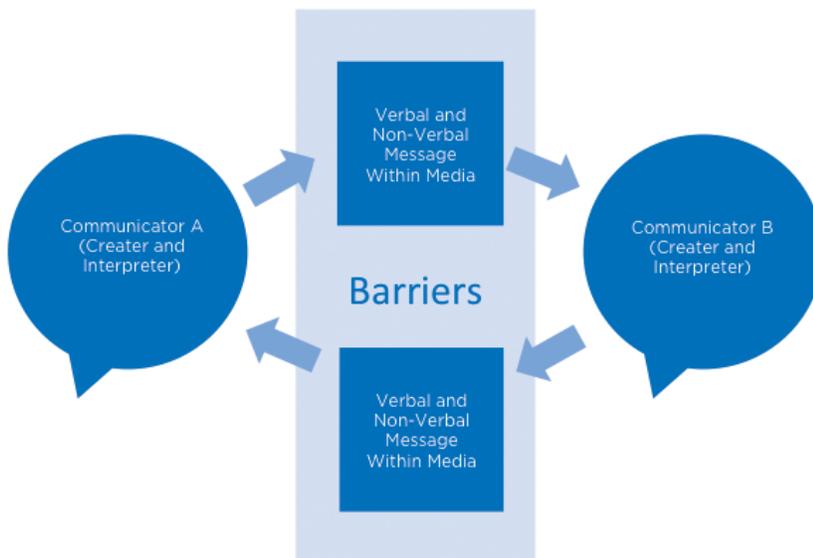
## Communicate

Did you know that poor communication is a major business problem? Communication problems interfere with customer service, hamper innovation, and reduce employee motivation. If you communicate poorly, you are likely to be misunderstood and may be viewed as unprofessional.

**Communicate** appears as the last step in **The CPA Way**, but good communication requires planning and attentiveness throughout the process. You want to ensure that internal customer(s) or external client(s) accurately understand you and are encouraged to act on your advice. To achieve these goals, you need to communicate as clearly and as effectively as possible, and to convey professionalism when writing and speaking.

You also need strong listening and reading skills and to provide others with appropriate feedback.

You can visualize communication as an ongoing process as shown in the following diagram:



Each communicator creates and sends messages and also receives and interprets messages, including feedback. Messages can include verbal information (spoken or written words) as well as non-verbal information (e.g. eye contact, body language, pace, tone of voice, physical appearance, images, graphics, and visual design and layout of written content). Depending on the situation and participants, non-verbal information might be more important than verbal information.

The communication medium could be a combination of oral presentation, dialogue, written document, electronic transmission (e.g. email, social media, video chat, or web site), video, or sound. Also, the communication might be face-to-face, online, or via telephone; synchronous or asynchronous; or formal or informal.

## Communication Barriers

Communication barriers reduce peoples' abilities to accurately interpret each other's intended meaning. For example, spelling and grammar errors can distract the reader's attention and give the impression that all of the work is sloppy. Or, audience members might have preconceived ideas that encourage misinterpretation. Or, technical malfunctions might interfere with transmission.

In general, barriers arise because of poor communication by the sender and/or recipient or because of situational factors, as shown in the following list:

### Examples of Communication Barriers

- Poor Communication by Sender
  - o Inadequate writing or speaking skills (verbal and/or non-verbal)
  - o Deficient subject matter or situational knowledge
  - o Inattention to audience needs
  - o Selection of inappropriate form/medium
- Poor Communication by Recipient
  - o Inadequate reading or listening skills
  - o Deficient subject matter or situational knowledge
  - o Resistance to the sender and/or message(e.g. biases, assumptions, emotions, attitudes)
- Situational Factors
  - o Number and location of participants
  - o Perceived importance of the information
  - o Time constraints
  - o Societal and organizational cultures
  - o Position and power (e.g. roles, organizational authority, professional relationship)
  - o Familiarity and trust
  - o Physical environment (e.g. noise, temperature, lighting, technology)

## Use Strong Communication Skills

You can overcome or minimize many communication barriers by developing and using strong communication skills, including:

			
Writing	Speaking	Reading	Listening

## Attend to Communication Throughout The CPA Way

You can also reduce communication barriers by carefully attending to communication all along *The CPA Way*. In particular:

### Examples of Communication Along The CPA Way



#### CPA Mindset

- Exhibit professionalism.
- Maintain confidentiality.
- Convey objectivity; avoid opinionated language.
- Exercise due care.
- Self-assess and continuously improve communication skills.



#### Assess the Situation

- Identify potential communication barriers.
- Anticipate audience needs.
- Consider audience preferences for communication form and formality.
- Determine whether/how the communication should be documented.



#### Analyze Major Issue(s)

- Anticipate the types of information and analyses needed by decision makers.
- Format and organize financial and non-financial information to enhance understandability and usefulness.
- Provide stakeholders with progress updates as needed.



#### Conclude and Advise

- Present your own conclusions as well as the information decision makers will need to form their own well-reasoned conclusions.
- Inform decision makers about risks and limitations.
- Encourage decision makers to take needed action on implementation issues.
- Report ethical issues to higher levels of management, legal or regulatory authorities, or others when appropriate.



### Audience Needs

A major communication barrier is inattention to audience needs. You can communicate more effectively and efficiently by:

- Identifying the audience;
- Identifying the intended purpose of the communication;
- Adapting verbal and non-verbal messages for the audience.

## Identify the Audience

The audience is the intended recipient of a communication message. The audience might be an external client, internal customer, or other stakeholders who rely on the communication.

For example:

Audience Examples	
Situation	Intended Audience
You are a CPA in public practice who is asked to provide tax planning advice to the owner of a small business.	External client: Small business owner
You are an internal CPA who notices deficiencies in the company's governance structure.	Internal customers: Management and board of directors
You are an internal CPA whose boss wants you to perform an analysis to help company managers make a decision.	Internal customers: Your boss and company managers
Your CPA firm manager asks you to prepare an audit planning memo.	Internal customers: CPA firm manager and others who will work on the engagement
You are an independent CPA who will issue an opinion on audited financial statements of a public company.	External client: Company management and board of directors Other stakeholders: People and organizations who will rely on the financial statements
You are an internal CPA explaining company accounting practices to an accounting trainee.	Internal customer: Accounting trainee

Once you have identified the intended audience, visualize the individual members and consider questions such as these: How is the audience likely to react to different forms of communication? How might you reduce the risk of miscommunication when sending and receiving messages?

## Identify the Intended Purpose of the Communication

Be sure you are clear about the purpose(s) of your communication. It often helps to focus on what you want the audience to know, feel, and do. Do you want the audience to learn something? To develop a sense of urgency? To take action?

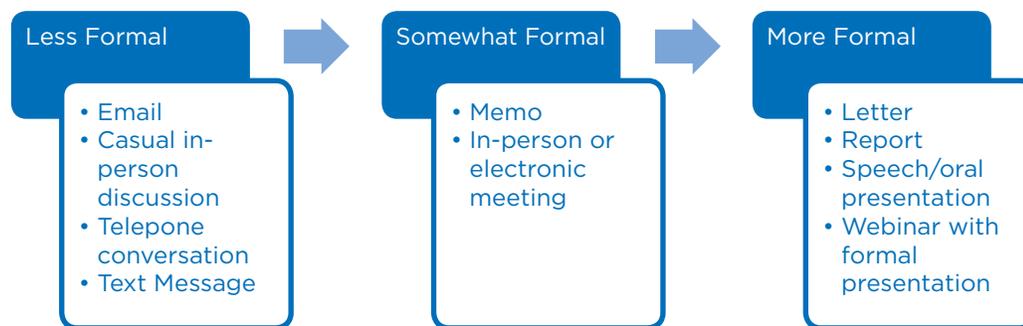
Also consider whether your understanding about the purpose is likely to match that of your audience. What does the audience expect from you? Are audience expectations explicit or implicit? If your beliefs about the purpose do not match those of your audience, how will you handle the discrepancy? Will you need to convince the audience to change their ideas about the purpose? Or do you need to modify your own thinking so that you can provide better service?

## Choose an Appropriate Form/Medium

Strong communication includes selecting and using the best communication form or medium for the situation. Should the communication be spoken or written? Formal or informal? In person? Electronic? How quickly is communication needed?

In general, you should use written forms of communication if you want a record or want to reduce the chance of miscommunication.

The figure below shows several communication examples ranging from less to more formal. If time is a constraint, you might need to use a less formal approach. When in doubt about expected formality in a business situation, adopt a more formal medium. Some business people argue that text messages are never appropriate when dealing with internal customers or external clients, but you might have a customer or client who prefers this form of communication for brief messages. The most important rule is to consider your audience and the situation before adopting a form or medium.



## Adapt Verbal and Non-Verbal Messages for the Audience

Every situation is unique, and different audiences have different needs and different knowledge, especially about accounting matters. To communicate more effectively, adapt the verbal and non-verbal aspects of your communication for the audience. More suitable adaptations will reduce the chance of miscommunication and improve the likelihood that recipients will interpret messages as you intended.



### Self-Evaluation Checklist: Communicate

Think back to a task you recently completed and consider how well you communicated.

What would be some criteria that you would expect to broadly apply when confronted with a new task? You can use the checklist in Appendix 2 to reflect on work you have performed or to plan work on a new task.

## APPENDIX 1

### Self-Assessment Question

#### Question #1

A CPA in public practice has been asked to give a keynote presentation at a real estate industry conference about fair value accounting. Which of the following factors are likely to INCREASE the risk of miscommunication? Check all that apply.

- a. The CPA is an expert on fair value accounting, but has only minimal knowledge about the real estate industry.
- b. The CPA has considerable experience giving presentations on fair value to large audiences.
- c. The CPA was asked two days before the conference to replace the original keynote speaker, who experienced a family emergency.
- d. The conference organizers expect 250 people to attend the presentation.
- e. Most of the conference attendees are from the same geographic region as the CPA.

### Answers to Self-Assessment Question

Question #1		
a.	Correct	A lack of knowledge about the real estate industry could cause the CPA to make inappropriate assumptions about the audience and/or the application fair values to the industry.
b.	Incorrect	Considerable experience giving presentations on the same topic to large audiences would increase the likelihood that the CPA knows how to communicate well in this type of setting.
c.	Correct	A tight time constraint for organizing and preparing for the presentation is likely to decrease its quality.
d.	Correct	The larger the audience, the greater the likelihood that the presenter will be unable to adequately modify the presentation based on audience reactions and/or to respond adequately to audience questions.
e.	Incorrect	Because the CPA and most attendees are from the same geographic region, they are likely to have similar societal and business cultural backgrounds, reducing the risk of miscommunication.

# APPENDIX 2

## Self-Evaluation Checklist: Communicate

You can use this checklist to evaluate work when *Communicating*. For more information, see *The CPA Way (6-Communicate)*.

	Yes	No	n/a
1. Is the intended audience clearly identified?			
2. Did you identify the purpose of the communication, including what you want the audience to know, feel, and do?			
3. Does your understanding of the purpose agree with the explicit and/or implicit expectations of the audience? If not, is the discrepancy adequately addressed?			
4. Was communication enhanced through use of strong writing, speaking, listening, and reading skills, as needed?			
5. Was the form/medium (e.g. oral presentation, dialogue, written document, email, social media, video chat, web site, video, and/or sound; face-to-face, online, or via telephone; synchronous or asynchronous) appropriate for the situation?			
6. Does the communication reflect professionalism, confidentiality, objectivity, due care, and other relevant aspects of the CPA Mindset?			
7. Were communication barriers identified and avoided or minimized?			
8. When needed, were stakeholders provided with progress updates?			
9. When appropriate, were ethical issues reported to higher levels of management, legal or regulatory authorities, or others?			



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