

## **Description**

Having to join Peer advisory groups is one of the best recommendations you get as these groups provide unique insights and support for your business growth. Additionally, it can assist you in developing your leadership abilities because some of your peers are expert leaders in their respective fields and will impart knowledge and insight to you that isn't found in business books.

In this episode, Kit welcomes Todd Russell, a partner at RSM, a full-service professional services company that offers tax audit consulting and M&A-related services to the middle market. Kit and Todd talk about the value of participating in peer advisory groups and the advantages of working with RSM as a business partner. Todd also highlights RSM's unique characteristics and its place in the middle market environment.

If you're interested in learning more about organic growth, growth by acquisition, or the increase of capitalization of your company, this will be interesting and useful for you.

## **Key Takeaways**

- The core meaning of doing Peer Advisory Councils
- Benefits of partnering with RSM
- Where RSM fits in the ecosystem of the middle market
- Benefits of joining peer advisory councils
- What separates RSM from its rivals

## **Quotes**

*The peer advisory council is a safe environment for business professionals to share their problems and ideas. This is an environment where they don't have to worry about a competitor.*

*- Todd*

*We strive to stand out among our customers by truly earning those deep loyal relationships by understanding them, understanding their needs, and understanding their business from all angles. - Todd*

## **Featured on this Episode**

**Christopher Lisle**

Growth strategy advisor for the ecosystem of investors, IBanks, and the companies they work with (middle market).

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Thanks to our sponsors Acclaro Growth Partners, a strategic consulting firm serving middle-market mergers and acquisitions. You can visit [acclaropartners.com](http://acclaropartners.com). Our other sponsor, of course, is Strategic Growth Council, not the podcast, but the Peer Advisory Council slash virtual roundtable slash mastermind group for senior execs and business owners. Contemplating an acquisition, a sale, or just strategic growth? Strategic Growth Council collaborates with participants in the M&A ecosystem, such as private equity groups, lenders, investment banks, and relevant service providers. Visit [strategicgrowthcouncil.com](http://strategicgrowthcouncil.com) to learn more.

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## Transcript

**Kit:** Welcome to Strategic Growth Council. I'm Kit Lisle. Thanks for being here. This is a podcast about strategic growth and mergers and acquisitions for the middle market. The Strategic Growth Council is a peer advisory roundtable that meets virtually every month. We focus on solving members' cases or business dilemmas as a group intentionally, consistently, and as a dedicated support team for one another. And I'm the moderator. Contact me to learn more at StrategicGrowthCouncil.com and this is our podcast. So if you're interested in learning more about organic growth, growth by acquisition, or potentially the sale of your company, this show will be interesting or useful for you. Thank you. To our sponsor, Acclaro Growth Partners, a strategic consulting firm serving the middle market. You can visit acclaropartners.com. In every episode I interview an expert or at least a participant in the world of strategy, growth, or M&A. today, I'm joined by Todd Russell of RSM, a broad-line professional services firm serving the middle market with tax audit consulting, M&A-related services. Todd, welcome.

**Todd:** Thanks, Kit. I'm glad to be here. Appreciate you having me on.

**Kit:** Yeah, I'm excited about our conversation for a lot of reasons. Not only is your insight and perspective interesting and useful for us, but you're also affiliated with a member of a peer advisory council. And so we're excited to hear your perspective on basically both fronts. So why don't you give us 30 to 60 seconds of background on yourself?

**Todd:** Sure. Absolutely. So I am a partner with RSM and I sit in the firm's Tampa office. I am the Tampa audit practice leader for the Tampa market and I've been in public accounting since 1994, have worked in the middle market my entire career for either large, local, regional, and or now a national firm focused on the middle market. I've been with RSM since 2007 and originally started in our Orlando, Florida office and relocated to Tampa to be part of the team that built and grew our office here in the Tampa Bay market. So it's been an exciting time for the last six

years. And I focused, as I mentioned, on the middle market. I work a lot in the private equity space, so I see a lot of mergers and acquisitions. I primarily work with portfolio companies, helping them with their financial statement audit needs as well as, you know, being cognizant of other lines of service that we can offer them.

**Kit:** Awesome. So don't meet too many people that have been an accountant since 1994. That's a long time.

**Todd:** Yeah.

**Kit:** So you know your stuff. But tax law changes. So peer advisory councils, people call these different things. I'm going to kind of take a shot at it and I'd love your help in sort of defining for our audience, our listeners, our viewers what we're talking about. So we've got mastermind groups, we've got industry roundtable CEO forums, peer advisory councils. I sort of mix them all up and sort of refer to them almost interchangeably. But essentially it's a group that gets together for an intentional, dedicated purpose. And the purpose varies depending on the sort who leads the group. Some groups are focused on education and insights. Some groups are focused on networking. At its Strategic Growth Council, we're more focused on solving cases, as I said in the beginning, kind of strategic support for partners. So everybody comes within what I call a case each meeting or is just prepared to weigh in on how to solve that case. So in your own words, you know, how do you define what a peer advisory council is? Would you dispute what I just said or anything you could add there?

**Todd:** Yeah, no, I think I mean, I think you kind of hit the nail on the head for sure. You know, one thing I would add is that it to me, a peer advisory council is really a safe environment for its members to be able to share, you know, business problems, strategy, thoughts, bouncing things around that they can do in an environment where they don't have to worry about a competitor sitting in there per se, you know because a lot of times it's people from across, you know, it's a cross-section of industries. And that's done from an intentional perspective too.

**Kit:** And there's a confidentiality agreement that was signed. And it's there's a very structured process about what is shared, stays in the room, and is not shared outside of the room. That's sort of a number of disciplines and processes that are very intentional.

**Todd:** Shall we say? Yeah, absolutely.

**Kit:** And so I like what you said about, you know, trust and support vulnerability. Can you give us an example of how that comes into play or any experiences that you've had where that comes into play?

**Todd:** Yeah, you know, it's interesting. In the group that I'm involved with here in Tampa, I don't typically sit in on their meetings. It's more of a sponsorship and I'd have connectivity at the beginning of the meeting. But obviously, from that confidentiality perspective, the group meets after, you know, I'll kind of step out and they meet for the, you know, the remainder of the day that we're together. But we did a kind of a mock meeting, per se, to try to, you know, kind of look at maybe recruiting some new members to the group and that sort of thing. And so and the group leader here locally in Tampa wanted us to sit in on it as well, just to get a flavor for it. And I was really impressed with how quickly, you know, it seemed that trust was gained within that group. And there were people sharing, you know, different challenges that they had. And then, you know, seeking advice from the group or whatever. And just the idea exchange was phenomenal. So, you know, that's one of my more recent experiences and, you know, really came out of there encouraged and and and, you know, excited about what we were doing.

**Kit:** Yeah, that's a good point. I'm going to circle back to that. There is sort of hesitation to call them tests, but, you know, members have to be of a certain size and they have to be of a certain level in their organization, you know, partner in a professional services firm or C-level executive in a company. And the company needs to be, yeah. Generating, you know,

somewhere above a million or perhaps \$2 million of EBITDA typically. But there's also a test that's more of a person hesitate to use the word personality test because it's not literal but to give our audience an example of an individual who would probably not pass that test as a CEO who was receiving some feedback from a consulting firm and sort of jumped in and said, well, you're wrong. And the consulting firm said, well, here's what the customer said. Here's what the distributor said, here's what the competitors are talking about. So there's a lot of evidence, you know, it's possible that you're not, you know, completely seeing that whole picture. And he said, no, no, you're wrong. I'm right. And if I'm wrong, it will be the first time this decade that I've been wrong about anything. And so everybody chuckled nervously except him. He was dead serious. That individual would not be a good fit because he would not make himself vulnerable in a meeting like this. So what you described was, you know, a mock meeting. So people come in sort of experimenting with the concept of being a part of a peer advisory council. It sounds like they were all well-suited to be involved because they were comfortable enough opening up and sharing their dilemmas and weighing in. So you have to be not only willing to make yourself vulnerable, but also willing to receive feedback and sometimes as controversial and might make some people defensive.

**Todd:** Yeah. I think self-awareness and, and, you know, openness to growing are two very key components for somebody to be in a group like that.

**Kit:** Yep. Yep. And I should say that there are a lot of industry roundtables which are quite different because as you said, as you pointed out, there is a benefit in diversity and there's a benefit in sort of cross-pollinating. So we don't want all CFOs, we don't want all people who are manufacturing because there's, you know, benefits from cross-pollination. What happens when you combine people from different industries that are tackling the same sort of issue. So it's a very different purpose than the intent that an industry-specific roundtable would have. So brand awareness, awareness of the value of a client's needs, prospects, needs, credibility, and trusted advisor status. I guess that is where I'm going Todd is in your role as we'll call it. Sponsor of a peer advisory group in the Tampa area. What is the primary benefit for you or for your organization? Is it brand awareness? Is it the opportunity to provide learning and insights? Is it something else?

**Todd:** I think it's a mix of all those things, really. You know, certainly one of our biggest goals as a firm and when we started this office was to build the brand awareness of RSM in the market. And certainly, by participating in groups like this and networking groups, other things, and being out in the market, that's an important thing. But I think it's really, you know, it is a great place to build, you know, valuable relationships within the group that I'm with. And they're all, you know, generally CEOs or business owners. And even if, you know, that doesn't necessarily turn into immediate client work or whatever, because it is a long sales cycle and you have to build those relationships. But you know, it does help also with, you know, lending some credibility to myself or our firm or my colleagues that I bring in front of the group and can help even, you know, with them referring to other relationships or introducing us to other folks around you. So we have actually generated some work, you know, some engagement projects with certain members of the group. And the group that I'm with that we have varying sizes and some are on strategy for us, some are not. But within our finance transformation practice, we've had a couple of folks that have really resonated with them and it has led to some opportunities for us. So so, you know, it's just a general overall, I think, a combination of all those. And then also our group leader is a very influential and well-connected person. And he and I have developed a great relationship, not only as partners in this but in some of the other organizations that he's involved with, along with just great mentorship because he has been around, owned a lot of business, has been CEO and CFO, you know, done a lot of different things. And he's a great mentor to me as well. So.

**Kit:** Oh, that's fantastic. So I apologize if I missed this. But so when you were talking about the not on point or not on strategy, I just wanted to circle back to that. Do you invite clients, your clients, to participate in the council?

**Todd:** You know, we have, as part of our agreement with the council, we were able to, you know, refer or select some of our clients into the group. I've got one that I think will ultimately participate and become a member. Some of the other ones I had reached out to, you know, may have already been involved in a similar group, but a different, you know, a different, different sponsor or whatever. So. But yeah, I mean, we certainly can invite clients and that mark, you

know, Strategy Session or mock meeting that I mentioned, we had a couple of clients at that. So.

**Kit:** Awesome. Yeah, that makes sense. So why don't we talk a little bit about your firm RSM and where RSM fits into, what I call the ecosystem of middle-market mergers and acquisitions. So, you know, some of the people who are involved in the council are probably either acquirers or contemplating a sale or, you know, involved in, in areas that are very relevant probably from a tax and audit standpoint for RSM. But maybe just share with us to share with our audience a little bit more about RSM Services and for the middle market?

**Todd:** Sure. Absolutely. So, you know, M&A is such a there's such a wide breadth of services that really encompasses all of it. And, you know. RSM We actually serve as private equity and leader in the market, in the marketplace. We serve just so many not only funds but also portfolio companies and have a very, very well organized, you know, national practice around private equity. So within that, though, you know, I mean, certainly we have the portfolio company audits, we have fund audits that we do at certain of our offices where there's more concentration of those. But when you think about really the things that go on and happen before an acquisition, you know, you've got acquisition readiness, you've got valuations sometimes. You know, I recently was approached by a prospect that's looking to sell their business and they want a valuation done. And just to get some idea as to what their companies were, you know, due diligence services are another huge, huge part of our practice through our transaction services team, and that can be financial due diligence or tax due diligence. A combination of both can impact, you know, it can be buy side or sell side. So if, you know, if we have a client that is looking to potentially sell or have a transaction and they will engage us on the sell side because they don't they want us to uncover the issues or any potential issues or anything like that and deal with it before they're at a negotiating table with a private equity fund or an institutional buyer or that sort of thing. And then, you know, and then beyond the transaction, we have consultants that help a lot with integration and financial integration, people integration, operational integration system, I.T, BRP, design selection, implementation, those sort of things. So you know, there's a really wide breadth of services that we provide across the board, to private equity and M&A.



**Kit:** That's great. I appreciate that. I learned a little bit there myself. We do a lot of work with private equity, so that's always interesting to hear how other service providers play in and in the private equity space. You know, I've also heard a lot of examples of the types of cases that are solved in peer advisory councils. Two years ago it was, Hey, what's up, money? And how do I get that? Today it's what's going on with the supply chain, when are we going to officially go into recession and when are we going to head out of recession? How long is this going to last? Right. And that's a good topic that might be discussed in a meeting. Not that necessarily the answer would come out, but there's a lot of food for thought and fodder that would come out of the conversation, particularly as it relates to maybe other issues like human capital. How do you retain people today or the supply chain disruptions? Any other significant aha moments that you've witnessed or topics that you've learned or heard about over the years?

**Todd:** You know, I mean, I, I think when it gets down to just, you know, basic issues, perhaps maybe within the business I or, you know, some of those things. And how did you handle it? Definitely. But more, you know, more global type things like the economy and just the general state of where we're at right now, you know, like resource constraints. And I mean, we're all dealing with it. You know, we're all dealing with the same things. And it's how do you do more with less and still keep your customers happy and, you know, still provide a high level of service and all those kinds of things. So, I mean, we see it in our industry just as much as is as we see it with our clients. And, you know, to me these days, it just seems to take longer to get things done than it should or than it used to. And a lot of it's, you know, lack of resource constraints or. Or, you know, bureaucracy or whatever. But, you know, we're all dealing with those challenges.

**Kit:** So back to the peer advisory council concept. You know, from my vantage point, I hear a lot about time. Time, not only time from the standpoint of I don't think I have time to be going to a roundtable, even a virtual one for three or 4 hours every month or even two or 3 hours every month. And yet the number one benefit that I hear about from people who participate in peer advisory councils is that they solve problems more efficiently and therefore save a lot of time. And at the end of a year, people were surveyed about their major benefits and it was time savings. Interestingly enough, from your perspective, you know, what do you see members

most excited about or what do they appreciate most? Is it learning and insights? Is it connections and networking? Is it solving problems or is it something else?

**Todd:** Yeah. I mean, I think it's learning and insights. I think it's solving problems. I think it's personal growth. You know, being able to kind of add to that to their tool bag, you know, for lack of a better analogy. But, you know, it really just because, you know, it's not just like the group gets together and just talks about their business problems or whatever, you know, they are there intentionally or there are books that they read. There's self, you know, self-analysis and different things like that that they read. So it's, you know, but I, you know, I mean, I think they're excited about just the personal growth as well as being able to learn from each other and then bounce ideas around to the if they don't, you know, have an outlet for that.

**Kit:** Yeah. Yeah. That's something I hear a lot as well is that it's not just business. It's, you know, insights, feedback, perspectives, and advice on the family. Mm hmm. Just general life stuff. So you're not just purely constrained to the business world, so that's good. So, Todd, I've got a couple of questions for you. Take them in whatever order you'd like or make up a new question if you don't like either one of them. Okay, great. How does your firm differentiate? How does RSM differentiate? And secondly, when I sort of look at the world of tax and audit and accounting firms, as I referenced earlier, I see this odd mix of other services that have gotten bolted on, you know, consulting and transaction advisory and in some cases investment banking and law and so forth. What's going on there? So how does your firm differentiate and what's going on with the definition of accounting? Right.

**Todd:** Well, so, you know, we've always said one thing to ask him, you know, in our like mantra is the power of being understood. And we really seek to differentiate ourselves with our clients by really, truly gaining that deep, loyal relationship, understanding them, understanding their needs, understanding their business from all angles. And it's not about just sitting there telling you how great we are or what we know, but it's more about listening and being consultative, you know, in that process and that relationship. And we do that through, you know, really being intentional about spending time with our clients on a regular basis, not just when we're, you

know, for my firm, obviously, like not when I'm just outperforming the audit or whatever, really trying to understand the needs around their timing, their growth or strategies in helping them prepare for that. And so at the end of the day, as I mentioned earlier, it's, you know, our to be that first-choice advisor to be in with our clients on multiple levels, not just one line of service, create that, that sticky, you know, relationship and that's, you know, the type of folks that we hire. And within our culture, it's just very much ingrained and, you know, is really that client delivery experience. But you know, the other side of that is making sure that our people are taken care of and that they're well-trained and that they're excited about what they're doing so that they do deliver that, you know, that client experience. And so we very much focus on our people experience and our client experience where those converge to, to really, you know, build those long, deep relationships with our clients. Really stands out.

**Kit:** Yeah.

**Todd:** Yeah. So with, you know what you're, what's going on and why our accounting firms, you know, add different service lines or different things like that. I mean, I think it's a lot of it's just driven by the demand of our client base and, you know, and what we're seeing in the market. So, you know, in our consulting practices is. The fastest-growing part of our business has been for many years. And it's, you know, as we just continue to see more and more opportunities in the market for various services, we seek to try to fill those. Again, to be able to bring that to our client. And, you know, I mean, but from our perspective, too, I mean, you always have to think about professional, you know, independence and the independence rules that we're subject to. And so so obviously, we have an extremely robust independence system and process to make sure that, you know, a service that's being provided by somebody that's sitting, you know, a thousand miles away or whatever, it's not going to impair our independence from, you know, from an audit perspective as well as internationally and through our RSM International Group.

**Kit:** Yep. Yeah, that makes sense. Good. So just, you know, a selfish question, I guess for my own personal interest and curiosity, I've been talking to firms like yours about what I'll call a white label service. In other words, a service that would be offered by a big accounting firm or a

big consulting firm, or a big investment bank to its clients under its own brand. You know, not necessarily talking about RSM, but just broadly. And then that firm offers the concept of a peer advisory council to its clients and the clients can choose to join or not join. Mm-hmm. And the cost could be partially deferred. Or what's the right word? Subsidized on subsidy? Yeah, exactly. Subsidized by the professional services firm or not, it could just be charged to the client. Not every client, as we discussed, would be a good fit. Some might be too small. Some might not have the right personality. Any reaction to that? That concept? Good idea. Bad idea? Why?

**Todd:** Yeah. I mean, I. I think it's a good idea. I think it definitely has some value. And, you know, again, when you look at just creating value in your relationship with your clients, to be able to, you know, offer something like that to them, I think would be useful. And it's also a great way to, you know, maintain that connectivity, you know, regularly throughout the year and bring them, you know, relevant information to, you know, on a timely basis.

**Kit:** Yeah. I mean, that's what I thought that my thinking was you get to know that much more about your clients and you get to learn what their needs are that much better and interesting. And then obviously the communication goes both ways. You get to communicate more about, you know, your own services. So that makes sense. Good. How about you? Goals, hopes, dreams. You've been in the accounting profession since 1994. So what are you going to do next? Yeah.

**Todd:** Well, you know, I turned 50 last year and so I've got about 12 years or so left in the accounting profession at least. But you know, personally, I mean, I want to get into some more kind of local office leader or regional type leadership roles. And because what, you know, the two things that really energize me and that I enjoy the most about what I do well are that the people aspect of the business and the growth aspect of the business, you know, and that's something that to me is, is I'm passionate about it. It's fun. You know, I love meeting people, dealing with people, leading people, you know, that sort of thing. And so I, you know, I'm hoping down the road that I'll be, you know, more focused in that aspect of the business and the strategy and, you know, the operations of the firm, not just the client service aspect of it. But,

you know, I've got five kids and one's about to graduate from college. I've got one school graduate next year, and then I have two that are seniors in high school. So I got to get them through college. And then I've got two that are middle school and one's freshman in high school. So, you know, personally just getting them through college and helping them be successful humans, you know, is big, it's a big hope and dream as well.

**Kit:** So but I imagine you're busy on weekends, that's for sure.

**Todd:** Yeah. Yeah, definitely. Definitely.

**Kit:** Well, that's great. That's great. So our listeners, how can they contact you? You know, how can they support you? Um, what, what do you recommend? What's your best way to.

**Todd:** Well, I mean, probably, you know, via email or. Or you know, or my phone number is the best way to get a hold of me, and I can share that if you want. So my email is the W dot. Todd. Todd. Russell r UCLA at RSM you ask.com. And my office line is 8133162266. So if you got anybody in the Tampa market or even not in the Tampa market, I've got, you know, a network all over the country. So happy to help if we can.

**Kit:** Beautiful part of the country, for sure. I love Tampa, Saint Pete. So thank you, Todd. This has been really good and informational and interesting for me. I learned a little bit myself, and I appreciate your taking the time to meet with us and share your perspective. Remember, visit [strategicgrowthcouncil.com](http://strategicgrowthcouncil.com) for all of our past episodes, and to find the latest episodes, follow us on YouTube or wherever you listen to the podcast. Put us in your listening queue, review the show, and give us a rating. And thanks for listening