



2017 Annual Promise Report





The CLA Promise



We promise to know you and help you.

CLA exists for one reason: to create opportunities — for our clients, our people, and our communities. We create opportunities when we live the CLA Promise.

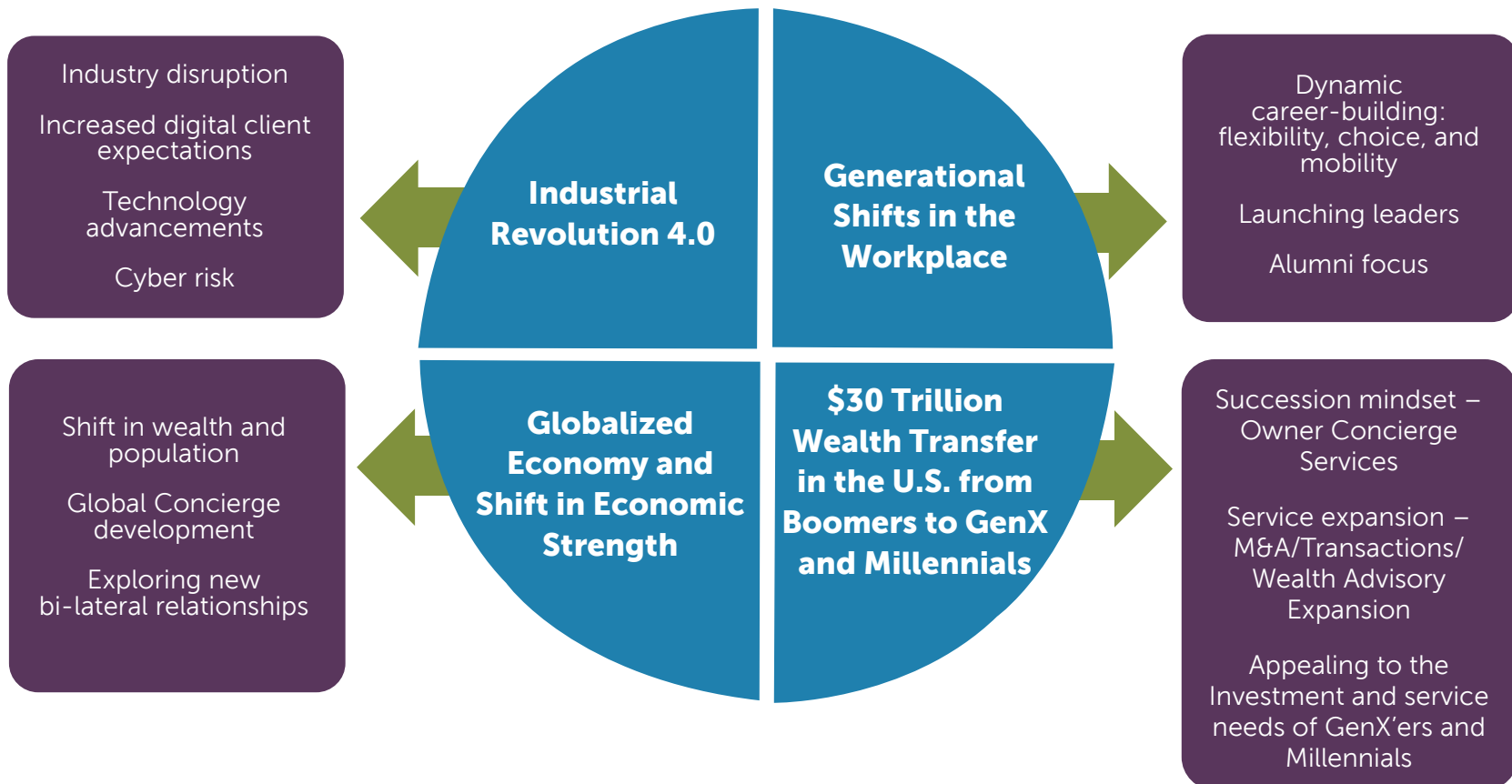




Own Our Future, Execute Today

You don't have to be a visionary to know that our world is rapidly changing. How we address that change — for our clients, ourselves, and our communities — will determine how we create opportunities, build value, and fulfill the CLA Promise.

Mega trends in our profession





CLA is not waiting for these mega trends to force us into a corner. Instead, we are deploying strategies to address the advance of technology and turn it to the advantage of our clients. We're building relationships to secure our place on the international stage. We're identifying tomorrow's leaders within the firm and developing their skills. And we're fostering a succession mindset across all industries and services to more fully serve the needs of our clients.

2017 was a strong year thanks to the individual efforts and teamwork of our growing CLA family. The coming year promises even more optimism and incredible potential. In light of all we have accomplished, we are confident that CLA is well positioned to **Own Our Future** when we **Execute Today**.



Denny Schleper, CEO



Creating Opportunities for Our Clients

When we live the CLA Promise we build deep relationships and create personal connections. CLA professionals have created thousands in the past year.





Helping private business owners take control of succession

CLA has the experience, people, and passion to help business owners discover what's next in life and create a plan to get there. Personal and business goals are the centerpiece of our connection with every client, as we seek to provide guidance and options for each individual's financial journey.



Success depends on working with the right people

CLA helps organizations and their leaders strengthen their workforce. We offer access to a diversity of highly skilled and industry-specialized people who can help your organization. They may be outsourced part time, full time, on a project basis, or permanent.

Agility to
evolve
with you

Optimize your
business
operations
team

Find top
talent



Creating Opportunities for Our People

Our people are, and have always been, our true strategic advantage. While the numbers tell a compelling story, the connections we have made with our clients and with each other are what move our careers and the firm forward.

As THE career-building firm, CLA creates an environment where people find meaningful work in a fun, compelling, and energized culture. Our people design uncommon careers, which we help make a reality by offering unmatched choice, flexibility, and mobility.





1,574

People joined CLA
(362 via acquisition)

39

People advanced
to signing director

158

People advanced
or transitioned to
the director path

94

People advanced
or transitioned to
the principal path

2

Programs for
alums: *Alumni
Connect and
Retirement Journey*

204

Alumni returned
to work at CLA

637

Learning
sessions held

180,018

CPE credits
issued

57

CPE eLearning
modules launched
(33 new, 24
updated)

432

People declared
a new industry

133

People moved to
a different CLA
location





Choosing the alumni path

Recognizing that some CLA team members will not stay with the firm, we offer the Alumni Path. It allows individuals to increase their marketplace value by preparing for their intended career beyond the walls of CLA. (see [Helping our people grow their careers](#)). Some CLA alums even come back.

In 2017, 204 people returned to continue their journey with us

Many thanks to our retirees

We are keenly aware that value of the individual does not end at retirement. We keep in touch with those who have formally ended their career so our clients and our people can continue benefiting from a lifetime of knowledge and experience. We sincerely thank our retirees for their past and continuing contributions to CLA.



Creating Opportunities for Our Communities

We create opportunities for our clients and our people by giving back to the communities where we live and do business. Across the country, CLA volunteers help the needy, feed the hungry, support veterans, clean up the environment, and lead by example. Here are a few ways that helping others is making a difference.



CLA Foundation Mission

Our mission is to promote and support diverse individuals and organizations by connecting networks, advancing work readiness, and creating career opportunities.

The CLA Foundation was in the spotlight in the summer of 2017 on CLA Giving Day, a single day set aside for team members, principals, and retired principals to donate to the Foundation. Since its inception in 2015, the Foundation has used generous contributions from our CLA family to grant more than \$1.6 million to 82 nonprofit organizations. All grantees are nominated by CLA people and chosen by CLA volunteers. Grants help organizations advance career and work readiness in the areas of employment, education, and entrepreneurship.





Giving back to the community



The New Bedford, Massachusetts, office supported White Ribbon Day — MA, part of an international campaign to end violence against women, men, and children.



The Victory Garden Initiative allows the Milwaukee office to help communities grow their own food and create an environmentally sustainable food system.



Des Moines office volunteers packaged more than 13,000 meals at Meals from the Heartland.



Animals at Stray Rescue in St. Louis woke up on Christmas morning to new toys, sweaters, and treats thanks to the effort of the St. Louis construction and real estate team.



Members of the Baltimore office volunteered in BizTown, a mock community that helps teach students about finances in the adult world.



Giant inflatable flamingos “flocked” to the Minneapolis office to help raise funds for United Way.



BALANCE360

EMOTIONAL | PHYSICAL | FINANCIAL

Once started, the Balance360 habit is hard to kick. But then, why would you want to? Just by smiling more, skipping the coffee shop, walking, eating right, and taking charge of their finances, our CLA family has raised more than \$192,000 for charities since January 2017. As the healthy activities continue, so do the donations.

\$192,541
raised

405,412 miles logged

77,337 hours logged

733.5 million steps

1,386 people actively participating

274,094 emotional, physical,
and financial health activities logged



Growth

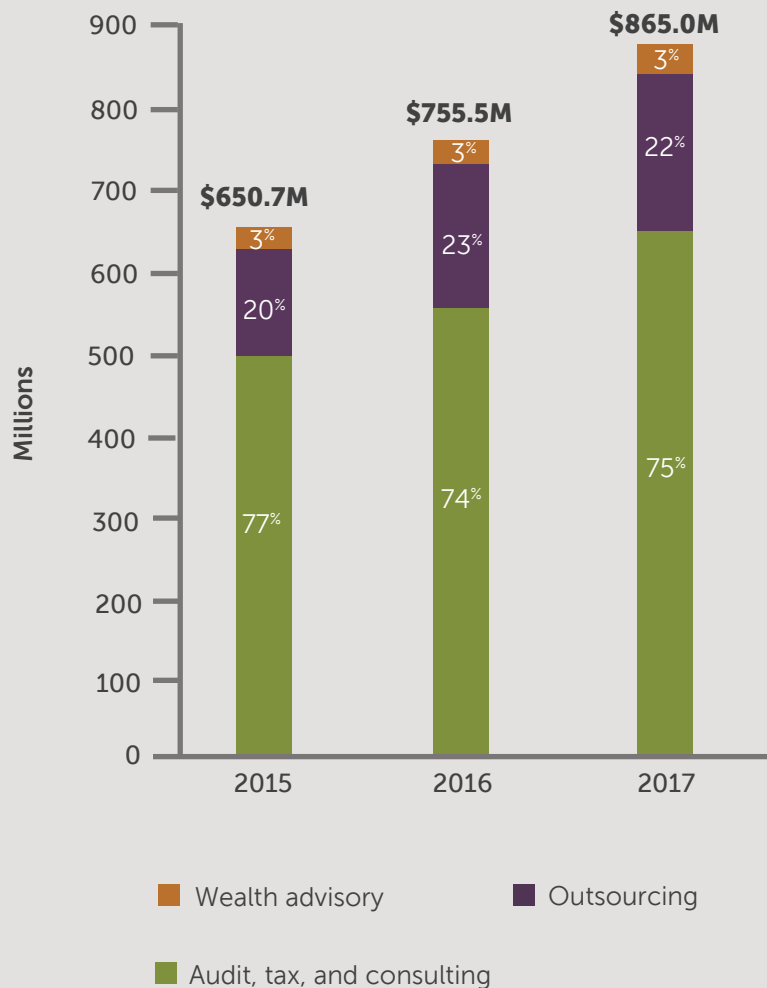
Firm revenue grew 14.8 percent in 2017. In keeping with our strategic growth plan, approximately \$27 million of that new revenue was organic (4 percent organic growth). Our acquisition activity slowed significantly, with \$80 million in new revenue deriving from that source.

Firm revenue grew 14.8 percent in 2017.

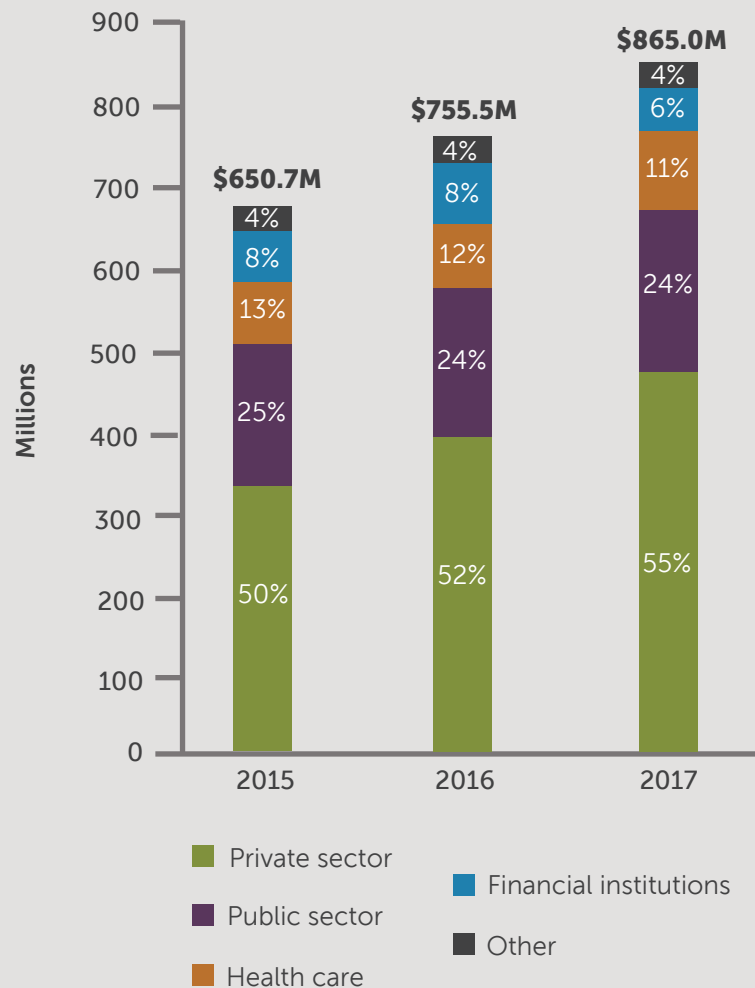
By living the CLA Promise and creating opportunities for our clients and our people, we believe we can reach firm-wide organic growth of 7 percent and beyond in 2018. The firm remains committed to seamless delivery of services to our clients, and over time, shifting our revenue mix to 60 percent audit, tax, and consulting; 30 percent outsourcing; and 10 percent wealth advisory.



Revenue Growth and Mix



Industry Sector Growth and Mix





Expanding and enhancing our team

The focus of our firm's growth strategy changed significantly in 2017. Rather than expand our capabilities and geographies by inviting other firms to join the CLA team, our emphasis has been on organic growth — getting to know our clients and matching more of our capabilities with their needs.

We welcome all of the new members of our CLA family and look forward to helping you reach your goals as you help our clients do the same.

Firms joining CLA in 2017 — 2018

January 1, 2017 — The Bosma Group, Reno, Nevada

GALLINA, California, Nevada, Utah, Washington

Mack, Roberts & Co. L.L.C., Portland, Oregon

Main Amundson and Associates, Las Vegas, Nevada

June 1, 2017 — Vicenti, Lloyd & Stutzman LLP, Glendora, California

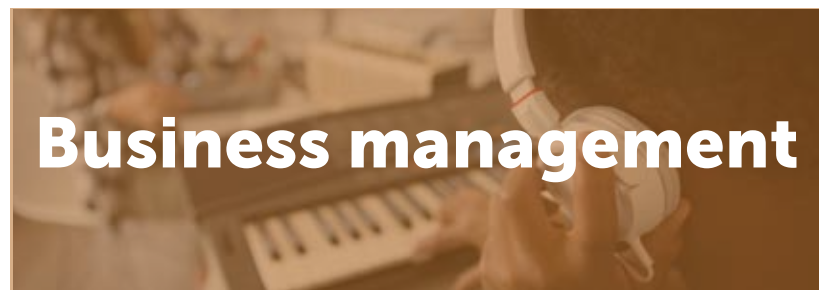
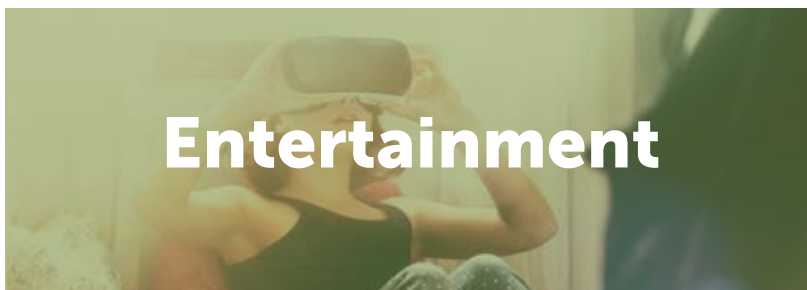
January 1, 2018 — NSBN LLP, Century City, California



New industries and business capabilities

CLA's list of industry specialties is growing. In the past year, we invested in and enhanced our efforts in **technology and emerging companies** and added **retail** as a new industry specialization. We've been serving a significant number of clients in these areas for a number of years, but by recognizing them as official industry groups, we can share knowledge, improve quality, open career opportunities for our team, and serve our clients on an even deeper level. We're also exploring the **entertainment** industry and **business management** for actors, writers, producers, directors, musicians, artists, athletes, and others.

As we get to know the people in these industries, we can further develop sub-industries to focus even closer on the personal service that sets CLA apart.





Fast-Paced, Collaborative Teams Building an Inclusive and Innovative Culture

Curiosity drives CLA’s entrepreneurs to explore new ideas that benefit our clients, our people, and the firm. We continue to harness that energy in specialized teams designed to engage diverse groups and empower individuals to meet challenges and move the firm forward.



Future Innovation Team (FIT)	Young Executive Team (YET)	Executive Team	Industry, Service, and Office Leaders
Leadership Advisory Team (LAT)	Initiative Specific SWAT Teams	Career-Building Leadership Team	Diversity & Inclusion Council

ACCELERATOR

The **CLA Accelerator** is a place where all CLA team members can take the first step on an entrepreneurial journey. Whether sharing an innovative idea or looking for leadership opportunities, the CLA Accelerator is a community of people, supports, and tools for success. Now in its second year, CLA Accelerator continues to pair individuals with advisors to transform ideas into opportunities.

Make your business case

Inspired by the Shark Tank TV series, a panel of CLA executives listen to a round of sale pitches from innovative thinkers and expert salespeople from across the firm. This year four teams responded to the panel’s request for ideas that had been successfully tested for new revenue opportunity, with defined marketplace demand and return on investment. Of the four, one received financial backing from the firm.





The PLS Class of 2017

The **Promise Leadership Series** (PLS, formerly the Leadership Development Series) has a proven history of incubating effective programs that align with CLA priorities and drive change. It is a hands-on experience that provides real-world leadership training, builds relationships, and advances critical firm initiatives. PLS supports the CLA Promise by advancing the firm's career-building strategy and driving professional and individual growth.



PLS Class of 2017, alphabetical order: Lisa Adams, Tucson; Mathew Anderson, Greenwood Village; Joe, Baez, Oak Brook; Marissa Blundell, Lexington; Carey Cadle, Roseville; Rick Clifford, Raleigh; David Cobia, Yakima; Tim Fisher, Indianapolis; Derek Floyd, Peoria; Amy Fondo, Orlando; Andrew Frye, Minneapolis; Jason Gordon, Arlington; James Halvorsen, Marshfield; Jeremy Hicks, Charlotte; Deirdre Hodgson, Minneapolis; Matthew Hunt, Lexington; David Jacobson, Plymouth Meeting; Steven Jansen, Mankato; Steve Johnson, Racine; Laura King, Akron; Jim Kreiser, Harrisburg; Jamie Lewis, Baltimore; Tim Mahoney, Roseville; Marc Mallory, Minneapolis; Abe Mathews, Washington, DC; Shanie McCarty, Atlanta; Maria Morales, Tampa; Nick Paulsen, Alexandria;

Marlon Perry, Washington, DC (Calverton); Lori Peterson, Minneapolis; Susan Roberts, Fort Worth/Dallas; Kevin Roy, Dallas; Emily Scheevel, Minneapolis; Jill Sigelman, Minneapolis; Patrick Smith, Seattle; Elaine Smith, St. Joseph; David Springsteen, Tampa; Jim Steiner, Minneapolis; Jon Weston, Brainerd; Chastity Wilson, Minneapolis; James Witt, Minneapolis; Justin Zimmerman, Cedar Rapids

Future Innovations Team (FIT)

The **Future Innovations Team (FIT)** advocates and champions a culture of innovation within our firm. The members of this high-performing team — drawn from industries, services, and geographic areas across the firm — are committed to developing ways to remain relevant in the ever-changing business world. FIT manages the CLA Accelerator and sponsors our annual high-stakes business pitch initiative (see [Make your business case, above](#)). FIT is a resource to the Leadership Advisory Team for information and awareness on workforce innovation and relevancy.



Members of FIT in alphabetical order: Clayton Bland, Seattle; Jill Bosco, Orlando; Jennifer Leary, Charlotte; Bryon Reinhart, Minneapolis; Cindy Scheid, Owatonna; John Tauer, Minneapolis; Reed Matthews, Roseville; Jessica Platt, New Bedford; James Watson, Philadelphia; Todd Benson, Roseville; Matt Anderson, Greenwood Village; Samantha Metcalf, Minneapolis; Steve Noble, Minneapolis



Young Executive Team (YET)

CLA's **Young Executive Team (YET)** assists the CEO and firm leadership in carrying out its strategic plan through collaboration with the next generation of leaders. A mix of seniors, managers, directors, and principals ranging in age from 25 to 37, YET represents various service lines, regions, and offices. It also includes representation from different ethnicities, genders, and backgrounds. **Young Advisory Councils (YACs)** are the local office, grass roots constituents of the YET that help generate ideas and act as a sounding board for new initiatives.



Members of YET, alphabetical order: Paul Bisceglia, Phoenix; Thuy Dam, Denver; Kelly Dennis, Philadelphia; Kadian Douglas, Minneapolis; Shevar Goonewardena, Roseville; Deirdre Hodgson, Minneapolis; Elisa Mueller, Seattle; Chris Schuch, Philadelphia; Elliot Smith, Indianapolis; Sahan Totagamuwa, Des Moines



Diversity & Inclusion Council

CLA recognizes that diversity and inclusiveness are fundamental to building a stronger workforce and a better firm. We welcome the texture of thought and perspective that every race, gender, age, ability, sexual orientation, religion, and socio-economic background bring us. Created in 2017, the Diversity & Inclusion Council is helping the firm move forward with a robust diversity and inclusion strategy, working alongside individuals who help champion the cause, challenge our thinking, and build a dynamic and progressive firm. All are invited to join in this important effort.



*D&I Council members, alphabetical order:
Saundra Beatty, Milwaukee; Jerry Coveney,
Philadelphia (not pictured); Ajay Gupta,
Minneapolis; Arnita Hallman, Seattle; Scott Ing,
Washington, DC; Navneet Kaur, Akron; Sara
Khaleeq, Denver; Kevin Kirsch, Minneapolis; John
Laham, Charlotte; Linda Saddlemire, Glendora;
David Neighbors, San Jose; Daniel Persaud,
Minneapolis; Michelle Peters, Lexington; Linda
Rubenstein, Washington, DC; Lori Sims, Orlando*



Living The CLA Promise

The CLA Promise lives in the real world and has real world results. In every interaction and every industry we serve, we make connections that reveal opportunities, and make a difference.

Helping organization navigate the Affordable Care Act



“CLA listened to our needs and offered us the exact service we needed right from the outset.”

*Betsy Thrush, Human Resources Manager
Otterbein Senior Lifestyle Choices*



A farmer helping his neighbors and friends

What better way to know and help an industry than to be a part of it? We’re not professional service providers who serve industries, we’re experienced industry practitioners who just happen to offer professional services.



Helping our people grow their careers



After working with nonprofits at CLA for more than five years, Patrick Speltz decided to join his father's trucking business. We endorsed and supported his career choice by transitioning him to the trucking and transportation team to give him exposure to the industry. When he ultimately left CLA, Patrick said, "I had knowledge of auditing and numbers going into the trucking and transportation industry, but this experience served as a way for me to become familiar with the meaning behind the numbers, learn nuances of the industry, and gave me confidence as I began my new role."

Helping with business transition



"It's always great to see CLA deliver on the promise of bringing seamlessly integrated services to our clients," says CLA principal Bryon Reinhart, who had worked with the owners of Skarnes Incorporated for more than 20 years before he and Ben Axelrod, CLA's investment banking services lead, helped with the business sale and leadership transition. "It is especially rewarding to see it happen with clients who have also become personal friends."



We Create Opportunities

CLA is a professional services firm that exists to create opportunities for our clients, our people, and our communities. We do this by living the CLA Promise: **We promise to know you and help you.** We believe in deep specialization, helping versus selling, the power of the individual entrepreneur, building the marketplace value of our people, disciplined management, and strategic leadership. We deliver integrated wealth advisory, outsourcing, and public accounting capabilities to help our clients succeed personally and professionally. With more than 5,300 people, more than 100 U.S. locations, and a global affiliation, we bring a wide array of solutions to help clients in all markets, foreign and domestic.





Strategic Advantages

CLA has identified this quartet of characteristics as our strategic advantages and true market differentiators. These advantages propel us forward as we create opportunities, build deep relationships, provide value for our clients, and satisfying careers for our people.

Deep industry specialization

Seamless, integrated capabilities

Premier resource for private businesses and owners

THE career-building firm



CLA Culture

We are all “owners” of the outcomes at CLA. As owners, we actively seek and gladly accept leadership as we ask the questions that begin with “why” and “why not.” As we strive to live the CLA Promise, this impactful mindset must be second nature throughout our organization.

Leadership

We make our mark by inspiring each other.

- Exercise influence rather than power
- Maximize our potential to achieve excellence
- Stretch our comfort zones and encourage others to do so

Ownership

We own the outcome together.

- Make it happen as if our own names are on the front door
- Build on our strengths and recognize the contributions of others
- Assume positive intent

Entrepreneurship

We ask the questions that lead to big ideas.

- Be curious, resourceful, and take calculated risks
- Show passion for work that matters
- Dare to ask “why not” and “what if”



Our 2018 Firm Priorities

One firm	Create opportunities for our people
Create opportunities for our clients	Identify disruption and drive innovation
Expand the CLA brand	Front-line risk management mindset, including security and quality



One firm: We must truly embrace seamless, operating as One Firm through a systemic, tangible, and transparent culture of accountability, teamwork, and trust.

Create opportunities for our people: We will reinforce our strategic advantage — CLA is THE career-building firm. We must create opportunities for our people that inspire them to build customized careers for relevancy today and in the future.

Create opportunities for our clients: Growth is a part of our DNA. We will continue to create opportunities for our clients by building strong market-facing locations and industries that bring the full capabilities of our professional services firm to enhance our client experience.

Identify disruption and drive innovation: Our world is changing at an unprecedented pace. Those changes are affecting our industry and our clients. It's our Promise to be proactive through innovative solutions.

Expand the CLA brand: Expanded recognition of our CLA Promise brand internally and externally.

Front-line risk management mindset, including security and quality:

Each of us takes full responsibility to protect our firm, our clients, and each other. We promise to have 100 percent policy compliance and a vigilant awareness of the increasing fraud and security risks that impact us every day.

Thank you to all who committed to living the CLA Promise during a successful 2017, and who continue to create opportunities for our clients, our people, and our communities in 2018.

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

