

Leaving by example

As business consultant Mike Dugan moves toward retirement, he tests the validity of the advice he offers clients

By Sherri Dauskurdas

When Mike Dugan started his business accounting firm, he did it just like so many other entrepreneurs, in the den of his own home.

And as he sat in his den those 30 years ago and contemplated the future of his business, he couldn't have imagined the growth of his firm, the hundreds of clients, the millions of dollars of business, the numerous accolades.

Or maybe he could.

Because Mike Dugan is a planner. Whether it is his business, Dugan & Lopatka, CPAs, PC, his family, his clients or his shopping list, Dugan approaches the tasks of his life with thought and concern, and advises others to do the same.

"The Difference is Planning" is the firm's mantra.

"It permeates firm culture, in every aspect," said Brett Flickinger, principal and the firm's director of marketing.

"When I founded the business, the challenge was that I was a technician, clueless as to how to be an entrepreneur," Dugan said. "I had to take time and plan well."

That planning took Dugan out of his den and into Glen Ellyn and his first official offices.

"I used to be able to walk to work," Dugan said. "But I never actually did."

What he did was hire staff. One accountant he hired in 1978, Gerry Lopatka, embraced Dugan's vision of business and now has taken over the reins as the firm's managing partner.

"I remember my first day," Lopatka said. "Mike answered the door exclaiming, 'We've got work for you. We're glad you're here.' Now nearly 30 years later, it has been a joy working with Mike as a mentor, a partner and a friend."

Quick Facts

Dugan & Lopatka, CPAs, P.C.

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Jerry Lopatka (left) and Mike Dugan have been accounting partners for nearly 30 years, but now Dugan is slowly, carefully and with exquisite planning easing into a decade-long phased retirement from the firm that bears their names.

But don't wave goodbye to Dugan just yet. Lopatka's step up is part of a 10-year exit strategy for Dugan, now in year two.

"I plan to work four years full-time, and then five more part-time, mostly in consulting," he said.

It's an elaborate exit, but Dugan stands firm that it is the best way to go, not only for him, but also for the small and mid-sized businesses currently run by folks nearing retirement age.

"As the baby boomers age, they really need to look at exit strategies," he said. "Transition can be difficult, and there's often emotional baggage."

Planning for retirement is one area Dugan sees as growth opportunities for Lopatka and the firm in the coming years.

"A lot of business owners are going through this, and I'm on the same track as they are," Dugan said. "There's a solid opportunity there."

According to Lopatka, the fact that the firm is experiencing many of the same challenges as its clients is a benefit.

"A lot of our clients have the same culture," he said. "And people like to do business with people they like."

One big area in need of good exit strategies is family-run businesses. The firm acts as a neutral third party.

"Handing over a business to a son or daughter, when there are other sons and daughters involved, that can be pretty touchy," Dugan said. "We can help businesses make the best decisions, choose the right people to run different aspects of the business, and help one generation exit as another moves into a leadership role."

Dugan & Lopatka works with a variety of family-run businesses, and one of its primary

goals is to move second-generation businesses to a third generation, a real challenge for families.

"The way to make transition smooth is with a strong management team," said Lopatka. "We preach that to clients, and it is what we try to do here."

At Dugan & Lopatka, every client has a team of people working for it. That approach builds trust with a quicker response time to problems.

But there's another advantage to the team approach, an advantage that directly affects the employees at Dugan & Lopatka. Because multiple executives work for each client, there's room for flexibility. Dugan & Lopatka employees enjoy flex-time options and the partners encourage staff members to take the time they need for families.

"You do have a family, and you need to take responsibility," Dugan said. "We want to be able to help people do that."

That theory was put to the test when a staff member's wife gave birth to premature twins. It was the middle of tax season, the busiest time of the year for the firm. But family came first, and a team of employees stepped in to get the work done while their colleague was taking care of business at home and at the hospital.

"When they have needs, they know we'll back them up," Dugan said. "It's a win-win situation, because we get to keep quality employees."

Flickinger said it was support like this that impressed him with Dugan & Lopatka when he started at the firm seven years ago, and what keeps him there today.

"To be able to put family ahead, even in tax season, takes courage," he said.

And of course, it also takes planning.