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**AICPA
STRATEGIC INITIATIVES SURVEY**

AUGUST 1995

Prepared by

*Planning & Research Division
August 24, 1995*

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FOREWORD

During the early part of 1995, the AICPA Strategic Planning Committee identified ten initiatives for the Institute to emphasize during the next several years in response to key long-term issues and trends and member expectations. As part of their effort to determine to which of these initiatives the Institute should devote greater resources, the Committee undertook a nationwide survey of AICPA members to ascertain their views concerning the importance of these initiatives.

Survey questionnaires were sent in late April, 1995 to 12,000 randomly selected AICPA members. In addition, to ensure enough responses to allow for analysis of the data by membership segment, members in the education, government, and "other" segments were oversampled; however, the results were weighted so that this oversample would not affect the "All Respondents" tabulations presented in this report.

The survey questionnaire was structured such that respondents were presented with each initiative and appropriate background information and then asked to give their assessment of the importance of the initiative on a scale of 1 to 10, with "1" being unimportant and "10" being extremely important. Respondents were also provided ample space to provide their comments regarding the initiative. The survey also included several demographic questions.

A total of 2,016 completed questionnaires are included in the analysis that follows. An additional 63 questionnaires were received after the survey cut-off date. This translates into a usable response rate of 16.8 percent and an overall response rate of just over 17 percent.

Members responding to the survey are representative of the entire population of AICPA members in terms of age, gender, region of the country in which they work, and length of membership. In addition, respondents in public accounting match all public accounting members in terms of the size of firm in which they work.

PROFILE OF RESPONDENTS

Profile of Respondents

The survey included several demographic questions, yielding the following profile of respondents

(Table 1, page 5):

- Twenty one percent of the respondents are from the Northeast, 26 percent are from the Midwest, 34 percent are from the South, and 19 percent are from the West.
- Two-thirds of members responding to the survey are under the age of 46, while one-fourth are between the ages of 46 and 55. The median age is 41 years.
- Three-fourths of survey respondents are male.
- Fifty four percent of survey respondents have been AICPA members for more than 10 years, with the median length of membership at 12.1 years.
- Just under half (49 percent) of the members responding are employed in public accounting, 34 percent are in industry, 6 percent are in education, 6 percent are employed in government, and 5 percent described their area of employment as “other” (e.g., non-profit, unemployed).
- Among public accounting respondents, 22 percent are sole practitioners, 47 percent are partners/shareholders, and 31 percent are in “other” functions. Seventy eight percent are with local firms, 9 percent are with regional firms, 2 percent are with national firms, and 11 percent are with multinational firms. The median firm size is 7 AICPA members.
- Among industry respondents, 47 percent are employed in organizations with 500 or fewer employees, while 18 percent are employed in companies with more than 10,000 employees. The median company size is 662 employees.

TABLE 1
PROFILE OF RESPONDENTS
(Percentage Distributions)

<u>Region</u>	
Northeast	21
Midwest	26
South	34
West	19
<u>Age Last Birthday</u>	
Under 26	2
26 - 35	28
36 - 45	37
46 - 55	24
56 - 65	6
Over 65	3
Median	41.0 years
<u>Gender</u>	
Male	75
Female	25
<u>Years as AICPA Member</u>	
Under 1 year	3
1 - 2 years	8
3 - 5 years	13
6 - 10 years	22
11 - 20 years	34
Over 20 years	20
Median	12.1 years
<u>Area of Employment</u>	
Public Accounting	49
Industry	34
Education	6
Government	6
Other	5

TABLE 1 (Cont'd.)

Job Function in Public Accounting

Sole Practitioner	22
Partner/Shareholder	47
Other	31

Type of Firm - Public Accounting

Local	78
Regional	9
National	2
Multinational	11

Firm Size - Public Accounting

1 AICPA member	34
2 - 10 AICPA members	39
11 - 20 AICPA members	11
21 - 50 AICPA members	8
51 - 100 AICPA members	3
Over 100 AICPA members	15
Median number of AICPA members	7

Number of Employees in Organization - Industry

50 or less	17
51 - 100	11
101 - 500	19
501 - 1,000	9
1,001 - 5,000	18
5,001 - 10,000	8
Over 10,000	18
Median number of employees	662

OVERALL RATING OF INITIATIVES

Overall Rating of Initiatives

The survey questionnaire was structured such that respondents were presented with each initiative and appropriate background information and then asked to give their assessment of the importance of the initiative on a scale of 1 to 10, with “1” being unimportant and “10” being extremely important.

As can be seen in Table 2 (page 10), respondents generally gave each initiative a median rating of a “6”, “7”, or an “8”. In addition, for initiatives with the same median rating, there is minimal variation in the mean rating each initiative received. For example, of the four initiatives which received a median rating of “8”, the initiatives, “Make business reporting more relevant, understandable, and beneficial to users,” and “Develop and implement a comprehensive strategic technology plan for the AICPA and its members” received the highest and lowest mean ratings of 8.01 and 7.26, respectively, a difference of .75 points. At the other end, the two initiatives that received a median rating of “6”, “By the year 2000, increase the membership in AICPA to include 85% to 90% of eligible CPAs, and actively involve other non-CPA business professionals,” and “Encourage and support the recruitment of talented people into the profession with particular emphasis on increasing the ethnic and cultural diversity in the membership” received mean ratings of 5.68 and 5.57, respectively, a difference of only .11 points. It should be noted, however, that based on an analysis of respondents’ written comments concerning these initiatives, a summary of which follows, respondents’ ratings of some of the initiatives may have varied had respondents fully understood the initiative or had they not disagreed with a particular phrase in an initiative.

Stratifying responses by the various subgroups of respondents reveals only a few minor variations which occur generally with respect to size of the organization for which respondents work and the length of membership, and occasionally, with respect to age and gender.

TABLE 2
OVERALL RATING OF INITIATIVES

<u>Strategic Initiative</u>	<u>Mean</u>	<u>Median</u>
<i>Make business reporting more relevant, understandable, and beneficial to users.</i>	8.01	8
<i>Actively seek to improve the quality, appropriateness, and value of accounting education and promote the availability of quality accounting programs.</i>	7.76	8
<i>Enhance communications about the unique competencies, responsibilities, and professionalism of AICPA members.</i>	7.48	8
<i>Develop and implement a comprehensive strategic technology plan for the AICPA and its members.</i>	7.26	8
<i>Increase support for research aimed at helping members provide higher value-added services, advancing the accounting profession, and supporting governmental affairs.</i>	7.06	7
<i>Assist members in expanding assurance services to apply to new types of information in a way that increases the value of these services.</i>	7.01	7
<i>Develop and implement a Continuous Process Improvement Program for the AICPA aimed at increasing efforts to better understand member needs, and target services to meet those needs.</i>	6.92	7
<i>Strengthen collaborative relationships with state CPA societies to improve the delivery of services to members and to support advocacy efforts at the federal and state level.</i>	6.76	7
<i>By the year 2000, increase the membership in AICPA to include 85% to 90% of eligible CPAs, and actively involve other non-CPA business professionals.</i>	5.68	6
<i>Encourage and support the recruitment of talented people into the profession with particular emphasis on increasing the ethnic and cultural diversity in the membership.</i>	5.57	6

ANALYSIS OF COMMENTS

ANALYSIS OF COMMENTS REGARDING INITIATIVES

Make business reporting more relevant, understandable, and beneficial to users.

In regards to this strategic initiative, the majority of comments made by survey participants were in support of efforts to make financial statements more user friendly, understandable, relevant, readable, and simpler (Table 3, page 15). A significant number of respondents also provided additional comments on the need to make financial reporting of greater value to users or else the value of the profession will diminish. Respondents also offered comments pertaining to reporting on non-financial information, particularly the beliefs that: business reporting should not cover, or at least should be very limited regarding, non-financial matters; the CPA's responsibility for the accuracy of non-financial information should be clearly defined; there will be numerous problems and dangers concerning the attest function with respect to non-financial information; and that reporting on non-financial information creates additional costs and greater exposure to liability. Several comments were also made pertaining to business reporting as it relates to the issue of "Big GAAP/Little GAAP" as well as to the need for greater attention to the needs of smaller companies. Some survey respondents also offered comments about how very few people actually understand current financial reports, while a few other expressed comments in support of expanding non-financial reporting and fulfilling the needs of businesses for more than historical facts. Specific comments regarding this initiative included:

"Business reporting is overly technical and definitely not user friendly."

"Many of the current requirements are not relevant, understandable and certainly not beneficial to small businesses."

"Financial reporting needs to reflect real world circumstances."

"The proliferation and expansion of footnotes to financial statements is making the annual reports incomprehensible."

"Many of the reporting requirements which we must meet serve no purpose for the readers [of financial statements]. However, they significantly increase costs, thereby increasing fees and reducing returns to shareholders."

"Our clients are very upset with the amount and level of disclosure in financial statements, most of which is confusing and meaningless. Simplification is what is necessary."

"The present accounting model is increasingly irrelevant. The profession's current love affair with the current accounting model is both a barrier to business and a threat to the accounting institution's relevance and usefulness."

"If this [initiative] is not met, our existence and role as a profession will be severely questioned and minimized."

"[The value of financial reporting] is the basis for our profession. Financial reporting has got to improve or our professional worth will drop as others fill the void."

"We are in danger of being insignificant and irrelevant if we don't modify our reporting to the real world in needs of users."

"Do it or we are out of business."

"Our problem is financial reporting. Let's work on getting it relevant and understandable before venturing into the non-financial area."

"It's important to increase relevancy but as accountants, our reports should be limited to financial matters."

"I am concerned about the CPA's responsibility for accuracy of non-financial information. Will we be trained to determine accuracy?"

"There is great danger in reporting non-financial aspects of a company. Some people could use as a subjective rather than objective basis upon which to form opinions and make decisions."

"Some of the expanded reporting includes information that is subjective and/or difficult to ascertain. Without standards for determining this expanded reporting, its value is decreased."

"Such expansion of business reporting will necessarily expand the CPA's exposure in the

area of professional liability."

"Reporting costs will increase significantly and profitability will be reduced."

"Need a distinction between GAAP for publicly held companies (Big GAAP) and for closely held companies (Little GAAP)."

"A public company GAAP versus a non-public GAAP would help the smaller firms be advisors rather than wasting time about the nuances of various FASBs, etc."

"GAAP and GAAS don't provide a good framework for working with small business and governmental units."

"The current financial statement reporting is not understandable to the common person."

"Firms need at-the-moment information such as job costs versus budget."

"Financial information does not provide all the necessary data in today's business world."

"Historical financial reporting should be abandoned."

"Reporting requirements lag behind the changing business community."

"[Business reporting] especially as it relates to forecasts and projections, is extremely important."

"Must also look at performance measurements and report on operations' going concern instead of just historical costs."

Mean 8.01 Median 8

TABLE 3
COMMENTS REGARDING INITIATIVES
(Number of Mentions)

<i>Make business reporting more relevant, understandable, and beneficial to users.</i>
--

What's important is relevant/useful, not useless/ complex, requirements	68
If we bring no value to users, users will find little value with us; this is what we're in business for	55
Concerns about non-financial reporting	41
Big GAAP/Little GAAP is needed	40
No one/few people understand current report	39
Expanding non-financial reporting should be supported; business needs more than historical facts	<u>35</u>
Total	<u>278</u>
Other Comments	164
Grand Total	<u>442</u>

ANALYSIS OF COMMENTS REGARDING INITIATIVES

Actively seek to improve the quality, appropriateness, and value of accounting education and promote the availability of quality accounting programs.

In commenting on this initiative, respondents most frequently noted that accounting educators and programs are "out of sync" and place too much emphasis on theory and too little emphasis on "real world" practical matters (Table 4, page 20). As a result, there is a feeling, among these respondents, that students are ill-prepared to handle the full scope of services and products which clients require in today's business world. Several respondents who commented on this matter also noted the need for accounting educators to focus more upon, and have practical experience in, today's business world. Many survey respondents also feel that quality education is the key to success and that there is a need for quality education to attract quality people. Quite a few respondents expressed the belief that broader education and training is necessary, particularly critical thinking, analytical and problem-solving skills. Many subjects/courses were suggested to broaden the accounting student's education including liberal arts subjects not directly or traditionally related to the accounting field, general business subjects, technology subjects, and practical accounting topics (such as the functions of world capital markets, generating and presenting nonfinancial reports, financial statement fraud and its deterrence, detection and prevention, and management accounting particularly cost accounting). Several respondents also feel that improving or revising the CPA exam would be the appropriate method for accomplishing this initiative. There were also a few respondents who expressed various views pertaining to CPE, especially the feeling that CPE is too costly, limited, theoretical, repetitive

and burdened by requirements, and a handful of others who voiced opposition to the 150 hour requirement. Specific comments regarding this initiative included:

"More and more college educated accountants are becoming stronger and stronger in accounting theory and weaker in accounting application. The term "quality accounting programs" recognizes a balance between the need for theory and the need for application."

"If accounting education more closely reflected what accountants are involved with in real world situations rather than some of the exotic theory routinely taught in accounting programs, we would have a better chance of achieving this [strategic initiative]."

"Young professionals seem to have a good handle on their "textbook" learning but often have difficulty applying the concepts."

"Remember that our profession does not need simple book-wise/theory-heavy graduates but pragmatic professionals."

"Education must prepare the student for the real world, not just the CPA exam."

"High quality teaching needs to include a significant amount of practical application."

"Need to give students a flavor for the real world rather than deal exclusively with the theoretical. They need tools they can use right out of school instead of spending time being de-programmed to adapt to the real world."

"Accounting majors need to understand the theoretical underpinnings of accounting and business and need practical nuts and bolts training in applying their knowledge in the real world."

"Accounting educators are too far out of touch with the marketplace and what is going on in corporate America."

"Balance the education of accounting programs among the areas of industry, government and public accounting for all students so they will be prepared for the total market place."

"Pressure needs to be exerted on the professors and deans to create an educational program that prepares the student to desires of the users."

"Let us get professors with real work experiences and not a read-the-book and tell-them-how-to-do-it type."

"Encourage use of practitioners in accounting education."

"Students should be encouraged or even required to take more than the minimum number of courses needed to get a degree."

"Accounting education needs to be applicable to practical application as opposed to the expansion of liberal arts."

"Force the Ph.D.'s back into the real world for at least one year every seven years."

"I believe that accounting education should require an internship at a CPA firm. Students would be much better prepared to face the job market."

"Improving the quality of education also aids in attracting talented individuals to the profession."

"This should be of utmost importance in order to attract quality people and have them properly prepared."

"Quality education is a must and we must direct that education to meet the evolving needs of our clients."

"Education is the backbone of society and our profession. Better education leads to more valuable people."

"The quality of the profession starts with a quality education for quality people."

"I think CPE programs cost double what they should and, were attendance not mandatory to meet CPE requirements, would be poorly attended."

"Need quality CPE that is affordable to members whose employers do not pay for CPE."

"CPE offered has been extremely limited especially in areas having to do with straight forward practical approaches to problems."

"We in industry have had trouble in getting CPE that would qualify for credit."

"I am a strong advocate for quality, relevant and consistent CPE but am opposed to being forced to continually take theoretical courses that are often irrelevant."

"Most current CPE courses are repetitive. Need new meaningful courses."

"CPE as run today is merely a means by which program developers can make money adding little if any to the quality of the profession."

"We need to create a better respect for the importance of CPE among the profession."

"Standardized CPE programs with specific requirements within an individual's area of expertise must be developed."

"Educators teach to the uniform CPA exam content. Change the exam, change the curriculum."

"Keep the exam standards high and educational standards will remain high out of necessity to prepare students to meet those standards."

"These efforts must be in terms of support, not mandates."

"Let's make sure we focus on education and avoid being too prescriptive about specifying too many mandates (requirements) beyond the minimal core."

"The profession wants to still pay for four years value while demanding a five year investment."

"The 150 hour requirement is overrated and may eventually backfire."

"I strongly oppose the 150 hour requirement for higher education to become a CPA."

TABLE 4
COMMENTS REGARDING INITIATIVES
(Number of Mentions)

<i>Actively seek to improve the quality, appropriateness, and value of accounting education and promote the availability of quality accounting programs.</i>
--

Need for reality-based education; instructors with practical experience	40
Education is key; need quality education to attract quality people	35
Broader training needed (business, communications, finance, etc.)	32
Mentions of CPE, not college/university education	24
Support education, but don't mandate	14
This should be accomplished through CPA exam	13
Oppose 150-hour requirement	<u>10</u>
Total	<u>168</u>
Other Comments	112
Grand Total	<u>280</u>

ANALYSIS OF COMMENTS REGARDING INITIATIVES

Enhance communications about the unique competencies, responsibilities, and professionalism of AICPA members.

The great majority of respondents who commented on this initiative expressed what they believe to be is the continuing need to enhance the image of the CPA and educate the public as to exactly what services CPAs provide (Table 5, page 24). In so commenting, many indicated the need to shed the stereotypical "green eyeshade, bean counter" image, and to stress, to the public and the business community, the diverse skills CPAs possess, particularly to the business community. Borrowing a cliché, quite a few respondents said that we need to, and should, "toot our own horn." Several respondents also suggested that pursuing this initiative may also serve the Institute in its efforts to recruit the "best and brightest" into the profession. There were some respondents, however, who feel that before the Institute pursues such an "external" initiative, the Institute must monitor the membership to be sure that the highest standards of ethics, professionalism, and competence are indeed present. Toward this end, a few respondents made reference to the existence of some CPAs that will "do anything for a buck," firms that forsake independence in the name of client service, and firms that do sub-standard audit and tax work.

Once again, there were several respondents who are of the opinion that this initiative is better left to individual CPAs/firms/companies, with some indicating that relationships and trust are best built on one-on-one contact as opposed to an advertising or public relations campaign.

Additionally, several also said that since "actions speak louder than words," the best advertising CPAs can do is to individually excel in the work they do for clients and employers. A handful of respondents indicated that the Institute should direct its efforts at closing the "expectations gap" with the general public and enhancing the public's understanding of what CPAs do and why, while a few others feel that a good job is being done now in regard to this initiative and that public opinion of CPAs is relatively strong. Specific comments pertaining to this initiative included the following:

"Technology has changed the services provided by CPAs. The public seems to have a perception that with PC bookkeeping and tax programs, the need for a CPA is diminished."

"The general public doesn't fully understand the difference between CPAs and non-CPAs. They need to be made aware of the additional training, education, ethics, etc. that a CPA carries."

"This can go hand in hand with attracting the best and brightest. Our public image, especially among younger people, is too low."

"Need to improve perceived value of CPAs and expand perceptions beyond auditing and basic accounting. Need to emphasize CPA value in valuations, management reporting, personal finance, data processing."

"Marketing, marketing, marketing! Publicity, publicity, publicity! That is what drives success in today's mass consumer market economy. Anything that AICPA can do to enhance the public's perception of CPAs as knowledgeable, reliable business/financial/tax advisers will help. We need to back away from politics and cultural issues and take care of our own."

"A major public relations initiative is needed to change the stereotype."

"A national advertising campaign highlighting the many diverse services offered by CPAs would be helpful to small and large firms. Many people still think we are bean counters with green eye shades. It would be great if the AICPA would help promote the image of CPAs and would as a byproduct draw more talented people into the profession."

"Public relations initiatives are important to recruiting, retaining, and motivating our people. Our clients will also value our services more."

"Many members feel that the quality review process is a waste of time and money since

only accountants know about it. The AICPA should educate the business community and general public about the highly trained and strictly regulated professionals making up its membership."

"This is probably the most important thing the AICPA could do. We need someone to blow our horn often to make sure the public is aware of our skills, standards, and professional ethics."

"Professionalism should include ethics."

"Public trust must be maintained and reinforced."

"There are a lot of firms doing sub-standard work, both audit and tax. It makes us all look bad."

"I don't believe AICPA membership guarantees these fine qualities to the public and business community. I do believe the public and business community should be aware of the qualities that a CPA should possess."

"First we need to assure ourselves of the competencies and integrity of CPAs. There are a lot of mom and pop operations that will do anything for a buck. They take on jobs they have no business doing and cut too many corners in the interest of saving time."

"A good idea. But if you don't increase the overall integrity and competence of the profession, you'll soon have nothing to promote."

"Communicating the professionalism and competency of CPAs should include some acknowledgment that all CPAs do not meet the standards of the majority of CPAs. In a more positive manner, acknowledgment should be made that all CPAs are not qualified or competent to do all types of work which they may be asked to perform."

"Marketing is not the AICPA's job. Marketing is the domain of the private practitioner. The best testament to competence is for them to perform to high professional and ethical standards. Leave the marketing to them, they are skilled at surviving in a discriminating market place. AICPA should stick to an advisory and oversight role."

"CPAs do this for themselves already as part of developing business."

"CPAs earn respect with performance, not publicity."

"I'm not sure this is a good use of members' dollars. It is our responsibility to market our skills."

"I feel that the business profession pretty much knows the value of CPAs. As long as we stay in tune with the rapidly changing accounting demands, especially in measuring productivity and cost-effectiveness, our actions will speak louder than any self-created fanfare."

Mean 7.48 Median 8

TABLE 5
COMMENTS REGARDING INITIATIVES
(Number of Mentions)

<i>Enhance communications about the unique competencies, responsibilities, and professionalism of AICPA members.</i>

Public doesn't understand what we do; need to increase public awareness/change our image as "bean counters"	77
Need to clean our own house first; need to look at our own ethics	23
Better handled by each CPA/individual firms	19
Help close expectations gap; tell people what we do and don't do	10
Doing a good job now; public opinion of CPAs is already strong	10
Won't work; past efforts have failed; save money for better uses	9
Need to guard our uniqueness from H&R Block types	<u>8</u>
Total	<u>156</u>
Other Comments	68
Grand Total	<u>224</u>

ANALYSIS OF COMMENTS REGARDING INITIATIVES

Develop and implement a strategic technology plan for the AICPA and its members.

Comments concerning this initiative revealed a general consensus among respondents that CPAs must keep up with technological advancements if they are remain viable both within the profession and externally (Table 6, page 28). Many respondents expressed this sentiment in just a few, often similar, words: "We must change and move forward or die;" "Otherwise, we'll be left behind;" "If we don't, we'll quickly become obsolete;" "This has to be number one out of them all!" "Technology is the only future we have;" "We can't have enough technology;" "Critical to a small firm's survival;" "If we don't do it ourselves, someone else will and will then eliminate the need for our professional services;" "We have no choice!" In addition, respondents often cited the need to not only keep up with the technology available to help them enhance the services they offer, but also to continually be aware of what technology their clients are using.

On the other hand, one out of every five respondents who commented on this initiative are of the opinion that individual CPAs are responsible for keeping up to date technologically, often indicating that this should be a result of market demands and suggesting that the marketplace will reward those who meet its needs. Additionally, some members feel that keeping up to date with technology is best handled on a micro-level, citing that different firms and companies have different needs in this area.

Other comments regarding this initiative included the following:

"Essential for small firms that have difficulty providing resources need to keep up with technology and changes in the profession."

"The deficiencies in data processing applications supporting business activities as well as the faulty implementation of such systems is an area CPAs can market their services to greater effectiveness. Why leave it to consulting firms who are less knowledgeable?"

"There is a need to convince CPAs of the 50 plus age group of [the importance to investing in technology]. Until the [decision-makers] realize the importance of information technology, this [initiative] will be difficult to implement."

"This is probably the biggest single challenge all business professionals have, much less CPAs. If a business does not keep up with technology, they will not survive or will shrink to a fraction of their current size. Therefore, as business advocates, we CPAs must lead the way in developing and implementing a comprehensive technological plan for providing better, more timely, more accurate, more honest financial information."

"This is a very important topic. We are no longer a [profession] of bean counters. If we are to act as business advisers, we must be up-to-date technologically."

"... The computer industry now controls us and is rapidly working to eliminate the need for our services. We need to catch up and get ahead if we are going to preserve our role in business."

"I've met CPAs who don't know how to turn on a computer and they think "modem" is a misspelled word."

"The speed at which technology is changing makes it very difficult for CPAs to keep pace. I feel it is important for the AICPA to assist the CPA in understanding and adapting to technology changes."

"What is needed are programs to educate and inform members of technological changes and such programs should be available at a reasonable cost."

"Does the profession need to do this or is this something that every conscientious member should do for him or herself? I seriously favor the latter!"

"Economic forces will direct CPAs to adapt appropriate technology."

"Why not let the professionals be professionals. Adapt or die. No need for AICPA to support this."

"I do not understand what this means ... The AICPA continues to be out of touch with the vast majority of its membership. Your eleven pages of "initiatives" are ivory tower

gibberish. Nothing contained herein has any relevance to 99% of working CPAs."

"Not clear what this means —buying more computers for the Institute? Providing more training? Identifying quality software products?"

"I don't really understand what you mean here. Technology is certainly of very high importance in our profession but it is changing so fast that I'm not sure what a "strategic technology plan" would look like."

"All AICPA committees and task forces should be linked electronically. The volume of paper sent out today is mind boggling!"

"Develop an AICPA library CD with topical references to informational sources —not the information, just simply where to go to get it."

"... The AICPA should utilize its resources and put forth its efforts in those areas in which it is uniquely positioned. Hardware, software, and other technological issues are better handled by those organizations and companies who are experts in those markets."

"Our experience has been that AICPA software is good but support is weak..."

"By the time consensus is reached and a "comprehensive strategic technology plan" has been developed, its implementation will be futile because technology will have changed significantly. Cynical: we'll see."

"I believe such a plan would probably be outdated by the time it is run through all of the committees, wait for input, review, summarize, etc. Don't put in the effort. Time and resources would be better spent on developing ways to use technology, not ways to limit CPAs' uses."

TABLE 6
COMMENTS REGARDING INITIATIVES
(Number of Mentions)

<i>Develop and implement a strategic technology plan for AICPA and its members.</i>

CPAs need to keep pace with technology; if we don't keep up, we'll become obsolete	73
It's up to individual members to keep up	34
What technology do you mean? Don't understand initiative	25
Include on-line access to AICPA databases; develop electronic media (CD-ROM, etc.); get Internet address	11
Provide software/hardware evaluations; detailed information on implementation of technology	7
Best left to other providers	7
Plan would be outdated before completed; can't predict where technology is headed	7
Develop software; better software support	<u>5</u>
Total	<u>169</u>
Other Comments	50
Grand Total	<u>219</u>

Mean 7.06
Median 7

ANALYSIS OF COMMENTS REGARDING INITIATIVES

Increase support for research aimed at helping members provide higher value-added services, advancing the accounting profession, and supporting governmental affairs.

Relatively few respondents offered comments about this initiative (Table 7, page 31), and among those who did, most indicated that they are unclear of the meaning of the initiative (e.g., the type of research referred to, the meaning of "supporting governmental affairs"). Several respondents, generally those who rated the initiative a "9" or a "10", cited the need for research in order for CPAs to anticipate, keep up with, and implement change. Others pointed to the need for practical or applied research that benefits the profession, while some feel that this is another area where free market forces should rule. Specific comments regarding this initiative included:

"Re-think the profession in view of the total societal changes now occurring. Business as usual is no longer the rule! Our profession could be great at helping businesses and individuals manage change rather than having it manage us. We're naturals, if someone can teach us, and the process is predictable."

"Business is changing too quickly. CPAs need constant technology updates so we are not passed by."

"Helping CPAs keep pace with change is, to me, one of the most important duties of AICPA."

"Please be sure that the research supports the profession, and is practical. Even as an educator myself, I am opposed to big sums being spent on research which will only be read by other researchers."

"The services a CPA may be able to provide should be determined by a balance of the client's needs and the CPA's particular abilities."

"The concept sounds good, but can the AICPA "invent" new CPA services? The market is doing the developing for us."

"I am reluctantly in favor of supporting governmental affairs as long as government has no more control over the activities than already is the case ... I think there should be a lessening of those controls rather than an increase. I feel that we, as CPAs, know much more about the ramifications of what we do than politicians. The case should be the government supporting our affairs [rather] than us supporting government affairs."

"Important, but again, this should be done by individual firms, not AICPA."

Mean 7.06
Median 7

TABLE 7
COMMENTS REGARDING INITIATIVES
(Number of Mentions)

Increase support for research aimed at helping members provide higher value-added services, advancing the accounting profession, and supporting governmental affairs.

Initiative too vague; what does ... mean?	17
We need to keep up with change	14
Let marketplace/individuals decide	11
Need practical, applied research	11
Oppose "supporting governmental affairs"	8
Favor "supporting governmental affairs"	6
Need better access to AICPA research; on-line access to library	<u>6</u>
Total	<u>73</u>
Other Comments	91
Grand Total	<u>164</u>

Mean 7.01
Median 7

ANALYSIS OF COMMENTS REGARDING INITIATIVES

Assist members in expanding assurance services to apply to new types of information in a way that increases the value of these services.

The great majority of members commenting on this initiative feel that not only does it represent increased opportunities for growth but that it is a matter of survival for the accounting profession (Table 8, page 34). Many respondents pointed to the fact that we as a profession must be forward-looking and respond to changing market needs otherwise if we don't, others will step in to fill the void. There were, however, several respondents who feel that in expanding assurance services into new areas, the profession runs the risk of spreading its expertise too thinly and moving too far away from the basic identity of what a CPA stands for. Other concerns voiced by respondents with regard to this initiative included the potential for increased liability; the need for value-added assurance services (not just more services); and the need to strengthen and improve what the profession does now before it moves into new areas. Specific comments regarding this initiative included:

"This can only expand our importance to the public as well as expand opportunities for professional growth."

"As the use of computers becomes even more prevalent, CPAs will need to expand their skills and abilities to be able to provide assurance services beyond audits. Also, too many CPAs audit "around the computer"."

"As times and businesses change, it is important [for the accounting profession] to change as well. Looking for new opportunities is needed for survival."

"The old days of audit and tax service are over. We now need to move into additional areas of service."

"This is our future!"

"Need leadership. CPAs lost the tax business to H&R Block, will information services be next?"

"If CPAs don't expand their services, someone else will."

"We must stay relevant to the needs of the users of the information. The more we can tie ourselves to the production of relevant information, the more useful we will become."

"More information is not needed, better information is. For most small and medium sized non-public businesses, audit-type assurance services are a huge waste of time and money. More focused information that is more widely understandable and forward-looking but with less volume of information and reduced costs of record keeping are desirable."

"CPAs have much more to offer than pure financial and historical reporting."

"These services may erode the primary services by "spreading" the abilities and talents [of CPAs] too thinly. I believe improvement and enhancement of present services should be the primary goal."

"Let those specifically trained to perform non-accounting services do so. We as CPAs should quit trying to be the "know-all" and only source of information to clients. Inclusion of too many disciplines will weaken our knowledge in those fields in which we have historically done excellent work..."

"Be sure we maintain our credibility and not provide services we lack the expertise to provide."

"But until we address the [issue of] litigation exposure, this is impossible."

"There is a significant independence issue here as well as one of continuity."

"With all the litigation, do we really want to stamp our opinion all over the place and open us up to more litigation?"

"The profession better get good grades on what we are supposed to do now."

"CPAs to be expert in everything? Identify new areas to market but do not include so many fields as to dilute concentrated knowledge and credibility."

"We have enough trouble auditing financial statements."

"Waste. We haven't made our current attestations simple, understandable, etc., so why expand to other areas?"

TABLE 8
COMMENTS REGARDING INITIATIVES
(Number of Mentions)

<i>Assist members in expanding assurance services to apply to new types of information in a way that increases the value of these services.</i>

Matter of survival; we must be forward-looking; if we don't do this someone else will; we must change with the times	71
Don't provide services we lack expertise in; don't spread our expertise too thinly; don't move too far away from the basic identity of what a CPA stands for; we cannot be all things to all people	27
Trade-off is increased liability/litigation; problem of independence	18
Need for services perceived as having "value"	16
Need to strengthen/improve what we do now	9
Let those who wish pursue this; let marketplace decide	<u>8</u>
Total	<u>149</u>
Other Comments	60
Grand Total	<u>209</u>

ANALYSIS OF COMMENTS REGARDING INITIATIVES

Develop and implement a Continuous Process Improvement Program for the AICPA aimed at increasing efforts to better understand member needs, and target services to meet those needs.

In commenting on this initiative, respondents most frequently said that Continuous Process Improvement (CPI) is something the Institute should always or already be doing in its efforts to serve members and be responsive to their needs (Table 9, page 37). Many survey respondents also feel that the Institute needs to place less emphasis on members in public accounting, particularly larger firms and be more attentive to smaller practitioners and those employed in industry, education, and government. There were also a few respondents who feel that CPI is nothing more than a "fad" that has the potential to become an end unto itself rather than a means to an end. By comparison, there were a handful of respondents who feel that the Institute is already doing a good job in understanding and meeting members' needs. Specific comments regarding this initiative included:

"An association should never stop trying to improve. Complacency breeds failure."

"There is always room for improvement."

"This is the foundation of quality service."

"I thought this was your job. Changing services to meet the needs of your clients, customers, or members is the most essential aspect of any business or organization."

"As a service organization, this should be a given."

"Knowing your client is a must, not a strategic initiative. The AICPA should be doing this already."

"The scale is starting to tip. Members in industry need the focus from the AICPA. As a member in industry, I continually have to assess ... what's in it for me?"

"You are so tuned in to the big firm and their needs, [that] any effort at understanding the real membership would be appreciated."

"The AICPA is basically irrelevant to the small firm."

"I believe the AICPA is getting better in this area but still has a long way to go. I believe the mentality still is geared way too much to public practice rather than the other membership segments."

"I believe the AICPA is only an advocate to large firms and basically ignoring the small practitioner. If it weren't for the group benefits, I would not be a member of AICPA."

"Increase relevancy of membership. Currently membership carries little benefit to non-public CPAs."

"Before "CPI" and other quality initiatives there was "the customer is always right"."

"Quit relying on the latest fad and use some common sense. You should be doing this already. Why do we need to spend lots of money on consultants, etc.?"

"... it is very important not to get caught in the trap of doing CPI just for the sake of doing CPI. The focus of such programs must remain on the outcomes of the processes and improvements achieved..."

"Trying to be all things to all people is not possible. AICPA is doing fine in support of the profession..."

"The state society and the AICPA seem to be doing a good job now of understanding and meeting member needs."

"My impression is that the AICPA is doing a good job in staying current and innovative without a formal Continuous Process Improvement program."

Mean 6.92
Median 7

TABLE 9
COMMENTS REGARDING INITIATIVES
(Number of Mentions)

Develop and implement a Continuous Process Improvement Program for the AICPA aimed at increasing efforts to better understand member needs, and target services to meet those needs.

Thought you would already be doing this; should have always been doing this; long overdue	53
Need to be more attentive to CPAs in industry/education government; less emphasis on CPAs in public practice	33
Too much emphasis on large firms; needs of small practitioners not addressed	21
CPA is more fad than necessity; buzz word; doesn't work	21
Doing a good job already	<u>13</u>
Total	<u>141</u>
Other Comments	100
Grand Total	<u>241</u>

Mean 6.76
Median 7

ANALYSIS OF COMMENTS REGARDING INITIATIVES

Strengthen collaborative efforts with State CPA Societies to improve the delivery of services to members and to support advocacy efforts at the federal and state levels.

To the extent that they view this initiative as having the potential to cut costs and eliminate duplicate AICPA/State CPA Society services and programs, respondents' comments indicate that many support this initiative (Table 10, page 41). Many also feel that in an age of consolidation and efficiency of operations, heightened cooperation between the AICPA and State CPA Societies with respect to delivery of services is a business necessity. Some respondents pointed to the fact that "there is strength in numbers" and feel that such collaboration will give the profession greater "clout" in its advocacy efforts. There are also quite a few respondents who see collaboration between the AICPA and State CPA Societies as a means toward national standards and reciprocity between states (i.e., uniform licensing, experience, and CPE requirements). On the other hand, there were a few respondents who oppose collaboration, citing that the AICPA and State CPA Societies each have a different purpose and unique issues, while others feel that the current structure is appropriate. Once again, several respondents pointed to the need for more assistance and attention to be devoted to small firms as well as to members not in public practice. Specific comments regarding this initiative included:

"Duplicative services are a waste of time and money. CPAs have a standard of high productivity, and devoting efforts to redundant services hinders productivity. We must continue to have strong relationships with government and regulatory bodies."

"Administrative cost alone would justify this approach."

"All of our resources are too scarce to be able to afford duplicate, inefficient services."

"A lot of duplication would be avoided if the state societies and AICPA continue to work together to build more uniform programs."

"Be more efficient. Every business has to [be] in today's environment."

"Unification equals strength!"

"There must be a forum for the AICPA to assist states to achieve overall professional needs/objectives. Increased coordination should result in efficiencies, uniformity, and cooperative efforts should result in nationwide benefits."

"AICPA and State Societies have common interests and goals. Together they can accomplish more. In this case, two plus two equals five."

"By partnering with state societies, the AICPA would probably become more visible to its members on a direct basis."

"A unified approach often catches the attention of our elected officials."

"We must become less governmental within the profession and our organizations and more market driven. Anything to make various regulatory body relationships with the profession less seamless is welcomed."

"I firmly believe that joint efforts will be much effective in achieving regulatory reform."

"We need to be sure that we lobby effectively ... Every other interest group is organized and lobbies hard. We need to be equally aggressive. Let's not devote too much emphasis to cross-talk amongst ourselves."

"CPAs have to take a greater initiative in shaping public policy, especially in areas or their expertise such as tax legislation."

"We must move [toward] more national uniformity."

"I would like to see uniform requirements for certification, and uniform acceptance of CPE. My state board of accountancy is a member of NASBA but doesn't accept all NASBA registered courses. Perhaps AICPA could act as a sanctioning/registration body for CPE, including CPE sponsored by other than the Institute."

"Foster a national standard of testing and license."

"Because each state has unique issues, AICPA needs to continue monitoring events on local issues and act as a clearinghouse of information to disseminate to state societies. AICPA should be more active in consulting and advising, but still needs to recognize state

autonomy."

"Each organization serves different purposes. Both serve them well."

"The AICPA and state society usually supplement one another rather than duplicate each other."

"Fine if states are allowed their separate roles. But, AICPA should not attempt to become an overpowering "Federal government." AICPA has unique functions. State Societies have unique functions. Leave it that way!"

"Strong AICPA dominance over state societies is contrary to local decision-making which is important to provide services required or desired by different areas. A "stronger" AICPA is not required or desired."

"It is not only the delivery of services. We also need to address services offered. We are losing too many industry members because they see no value in membership."

"I am tired of the state and national CPA societies catering to the large CPA firms. Why can't they help the small firm? Why is the cost of CPE training so costly? What is the small firm receiving from their membership in the [State Society] and the AICPA? I am considering dropping both memberships."

"The AICPA must overcome the perception [that it is] an unresponsive bureaucracy that has an adversarial relationship with state level organizations. The AICPA must also consider other professional organizations such as AA, AAFI, ACUTE, etc. that have CPAs as members."

"It seems like the AICPA should expand collaboration beyond CPAs. There are other competent associations we might team up with."

Mean 6.76
Median 7

TABLE 10
COMMENTS REGARDING INITIATIVES
(Number of Mentions)

Strengthen collaborative efforts with State CPA Societies to improve the delivery of services to members and to support advocacy efforts at the federal and state levels.

Favor reducing duplication, cutting costs	47
Increased cooperation is good, needed	32
Support advocacy efforts; reduce burdensome regulations	25
Need national standards; reciprocity between states (e.g., uniform licensing, CPE, experience requirements)	23
More help for industry, small firms, the "little guy"	13
Oppose, each has a different purpose; each state has unique issues	12
Services are adequate now; don't see much duplication	12
Opposed to lobbying; PACs	10
Don't desire a stronger AICPA; see this as a power grab	<u>10</u>
Total	<u>184</u>
Other Comments	70
Grand Total	<u>254</u>

Mean 5.68
Median 6

ANALYSIS OF COMMENTS REGARDING INITIATIVES

By the year 2000, increase the membership in AICPA to include 85% to 90% of eligible CPAs, and actively involve other non-CPA business professionals.

Respondents' comments concerning this initiative revealed that many apparently interpreted the latter portion of the initiative — "actively involve other non-CPA business professionals"— to mean allowing these non-CPAs to become members of the Institute (Table 11, page 45). In fact, the great majority of the comments provided were by respondents expressed their opposition to same and often indicated that the AICPA should be an organization for CPAs exclusively. Many cited that involving non-CPAs or admitting them into membership would dilute the value and distinctiveness of the CPA designation. Quite a few others pointed to the fact that the American Medical Association and the American Bar Association do not allow non-physicians and non-lawyers, respectively, to become members of their organizations, and by the same token, the AICPA should not allow non-CPAs into membership. There were, however, several respondents who feel that it is necessary for the AICPA to involve non-CPA business professionals in its activities, citing the growth of the financial services industry and the possibility for new partnerships (e.g., with other organizations) that would serve to further the profession.

Many respondents, in commenting on the first portion of the initiative — "by the year 2000, increase the membership in AICPA to include 85% to 90% of eligible CPAs"— borrowed the

cliche, "Build it and they will come," suggesting that if the Institute provides relevant and needed services, membership will naturally increase. Toward this end, there were several respondents who indicated that in order to increase membership, the Institute needs to provide enhanced services to members not in public accounting. Specific comments regarding this initiative included the following:

"Either a person is a CPA, and a member, or is not a CPA, and is not a member. The organization should not be diluted by recognizing non-CPAs."

"The greater the membership, the more influence we will have over legislation, etc. I would be somewhat concerned over the "involvement" of non-CPAs as to blurring of dilution of our desires as a profession."

"Why do we want to involve other non-CPAs in AICPA? Who are we? If the role is changing, then by all means go after other non-CPA business professionals. However, I thought this is the role of the FEI, not AICPA."

"How you involve non-CPAs is critical. They should not be members, they should be strategic partners..."

"Absolutely not admit non-CPAs to membership. Are CPAs admitted to the ABA? To the AMA?"

"I'm not sure why it's important to involve non-CPAs. Diverse points of view on the business world are valuable, but to me the AICPA is for CPAs. Rather than trying to become a national finance group, I think [AICPA] should focus on being a high quality CPA group."

"If you don't take the exam and commit to certification, you don't belong."

"I'm against including non-CPAs. [AICPA doesn't] even serve the current non-public members [it] has now."

"Active involvement of non-CPAs should be through relationships, either one-on-one or with other professional associations. The AICPA should not strive to "recruit" non-CPAs."

"AICPA membership must be seen as worthwhile and dues must remain reasonable."

"This is really a measure of the success of the other initiatives."

"If you build it and there is true value in it, they will come."

"The AICPA should focus on providing its members with useful information and help. If that is accomplished, the others will join."

"The AICPA is very biased toward public accountants. Industry and other accountants receive only token acknowledgment in the types of courses, seminars, and publications offered."

"... The reason CPAs don't join AICPA is because, other than insurance programs, they see few tangible benefits from an organization that appears to be run by and for large firms, not for the sole practitioners and small local practices."

"As a CPA in industry, the AICPA has always seemed remote and not connected to my profession as a management accountant. This initiative would be more important if you found some way to make non-public practice CPAs feel included."

"It will not happen. For those in industry, there is little need to belong to AICPA."

"CPAs as a whole are narrowly focused. It will be good to bring in non-accounting professionals."

"Our roles with information services professionals are already commingling. Efforts should be made to include such groups to encourage communication between them."

"Input from professionals outside the profession is important. There are many users of accounting data whose input could enhance the relevancy of information provided."

"... I think it's a good idea to involve other disciplines in our activities. Their perspectives and input could well be the answer to better reporting."

"Bigger isn't always better. Get your feet on the ground with membership service before major growth."

"Bigger is not better. Focus on listening to the members you have. Your communications skills are weak. Until you improve them, more members will mean more confusion."

"To accomplish this, the [AICPA] is going to have to become much more cost effective. Dues are way too high, CPE is much too costly. It's time to run an efficient operation, cut dues by one-half, and become competitive."

"This is fairly important, but it will never happen with our high dues structure, when only some CPAs in public practice receive any value for their dues payments."

"Don't make membership mandatory. If a practicing CPA isn't a member (considering the cost), then there is probably a reason. I'm sure we have members now who should not be members due to ethical issues."

Mean 5.68 Median 6

TABLE 11
COMMENTS REGARDING INITIATIVES
(Number of Mentions)

<i>By the year 2000, increase the membership in AICPA to include 85% to 90% of eligible CPAs, and actively involve other non-CPA business professionals.</i>
--

Opposed to membership for non-CPAs; AICPA should be for CPAs only; non-CPAs should be excluded completely	90
If provide needed/relevant services then people will join; work on other initiatives and this will follow	47
Enhance services/perceived value to industry members, small firms, etc.	26
Opposed to involvement of non-CPAs	24
Involvement of non-CPAs is important, not opposed to same	23
Lower dues/more reasonable dues	12
Quantity not as important as quality; bigger isn't better	12
Opposed to mandatory membership for CPAs	<u>7</u>
Total	<u>241</u>
Other Comments	67
Grand Total	<u>308</u>

ANALYSIS OF COMMENTS REGARDING INITIATIVES

Encourage and support the recruitment of talented people into the profession with particular emphasis on increasing the ethnic and cultural diversity in the membership.

The vast majority of respondents who provided comments about this initiative expressed the opinion that while it is important to recruit talented people into the profession, an emphasis on increasing the ethnic and cultural diversity of the membership is not (Table 12, page 50). A number of those opposed to the "ethnic and cultural diversity" phrase seemed concerned that the standards of the profession would be lowered by such an initiative. Terms such as "political correctness," "affirmative action," or "quotas" were often mentioned in opposition to this initiative. Some respondents suggested that market forces will or should determine recruitment, while others cited the need to improve the quality of life (with respect to workload compression and other workplace issues) as a means toward recruiting the best, most qualified individuals into the profession. Along these same lines, a few members responding to the survey also suggested that in order to recruit the "best and brightest," the focus of the initiative should be on improving the image of the CPA and the profession. By comparison, several respondents expressed agreement with the need to increase the ethnic and cultural diversity in the membership. Specific comments regarding this initiative included:

"[It] is very important to encourage and support the recruitment of talented people into the profession, but I strongly disagree with any emphasis on the latter portion of this initiative. We must look for and encourage good people, period!"

"It is extremely important to attract talented people to our profession. However, I disagree that any special emphasis should be given to any segment. Until we seek the best and most talented regardless of sex, ethnic, religious, or cultural characteristics or background, we will be our own worst enemy and ultimately unsuccessful."

"Recruiting talented people to the accounting profession is an important goal. However, I believe the whole issue of ethnic and cultural diversity as a specific goal to be nothing more than political correctness and discriminatory!"

"Increasing the emphasis on the recruitment and retention of talented people should be the focal point. Ethnic and cultural diversity should result from this."

"It should be the intent and practice to pursue competent, talented individuals. This should be done without lowering standards. In the shorter term, this may result in not getting as many new CPAs, but in the longer term, demand will create economic opportunity and thereby attract quality candidates."

"We only need the best talent without regard to ethnic or cultural diversity. Women have become great contributors to the profession for many years without specific goals. While we need to continue to find ways to keep them in the profession, we did not need a special effort to get them to join."

"The first half of the initiative is very important, a 10. The second half is unimportant. Ethnic and cultural diversity within the membership should not be an initiative of its own but one that talented individuals bring with them."

"Had this initiative stopped at recruitment of talented people, I would have rated this much higher. But the emphasis on ethnic diversity implies quotas to me and that usually means settling for the best candidate available in a particular minority group which many times is not the same as the best candidate available."

"The marketplace dynamics of supply and demand should determine those individuals who are recruited into the [accounting profession]. Talented people should be and will be recruited, without regard to ethnic or cultural background, based upon their abilities and the various firms' self-interest. No encouragement or support will take the place of real need."

"The profession tends to attract talented people. Those who cannot make it fall by the wayside. Do we as professional accountants want the best people overall, or the best people in a particular sub-set?"

"I agree with the above goals as long as the standards for entrance into the profession are not lowered in order to attract a quota. The same standards should apply to all ethnic and cultural backgrounds."

"This smacks too much of affirmative action."

"If the phrase "ethnic and cultural diversity" can be evaluated separately, please place it

on a negative 10 scale. It is my opinion that ethnic and cultural diversity are code words for quotas and political correctness and have no place in the profession. I feel we should recruit the most qualified people regardless of race or cultural background."

"If the pay is good, the firm fair in treatment of employees, and work challenging, the recruitment takes care of itself. Political correctness with "ethnic and cultural diversity" is pulling us away from the chore at hand. Do more to ease the continuous changes in governmental auditing reports or the continued complexity of tax changes. Those are worthwhile goals and they will attract more recruits. Don't get sidetracked with "politically correct" issues."

"Eliminate "ethnic and cultural diversity" (i.e., quotas). Let the marketplace decide."

"I think the open market can fulfill those objectives without interference from outside bodies, including the AICPA."

"Why not let the market forces of supply and demand provide the best workers?"

"This is putting the cart before the horse. The market forces at work (lower perceived value of audit, lower fees, less profits) have limited the ability to provide appropriate an compensation structure. This issue will be alleviated to a far greater degree by attacking the fundamental economics of the profession rather than through social programs."

"This issue is very important, but I do not believe this is a project for the AICPA. Market forces at the employer level should address this."

"I don't think the profession needs to recruit any more than the medical profession needs to recruit. The status, respectability, along with the employment opportunities that come with the letters "CPA" after your name is all that is required to get the brightest people into the profession."

"I believe strongly that the profession is losing talented people because of its inability to adapt to changing lifestyles."

"I left public [accounting] after eight years with [a large accounting firm]. I found that the work environment did not allow me to have an acceptable quality of life. I now make more money and work less hours in an organization that is high performance focused."

"I am happy to see life-style considerations finally being addressed. For many years, I have felt the effect of my choice to have and enjoy a family in the area of both the pocketbook and professional development."

"... I've worked in this profession for over ten years. In that time, my "life-style" has diminished rather than been enhanced due to the compression of work into the tax season and related pressure. The profession is not conducive to family life and there are not many choices regarding balancing a career and family life. Most employers have the attitude, "put out or get out"."

"Lifestyle considerations are becoming more and more of an issue as younger staff members seem inclined to put lifestyle and time off as equally important as work [and thus] go into industry with the assumption that they will make as much and not have to work overtime."

"I don't know how you would do this other than to create a perception of high compensation and good quality of life. If this is perceived by college students, there will be a natural shift of better people. Also, there would have to be a perception that accountants (versus other professions) have a greater likelihood to reach executive business positions."

"The business world and individuals making financial decisions will no longer be white males. Now that our profession fairly recognizes women, it's time to equally recognize non-white members as clients and members of the AICPA. We are not a profession of white shirts, dark suits, and red ties any longer."

"This is the major challenge facing all firms today, and is the single greatest limiting factor for growing firms. "Traditional candidates for admission into the profession are no longer adequate. We must attract more "non-traditional" candidates in terms of age, work experience, ethnicity, and sex. The only way that can be successful is if all firms truly remove barriers to success for such persons. Intelligent people simply won't put up with the "glass ceiling" place above most people who are not white males in public accounting firms."

Mean 5.57
Median 6

TABLE 12
COMMENTS REGARDING INITIATIVES
(Number of Mentions)

Encourage and support the recruitment of talented people into the profession with particular emphasis on increasing the ethnic and cultural diversity in the membership.

Focus on talent/quality people, not ethnic diversity	176
Oppose quotas/affirmative action programs	92
Let market forces determine recruitment	58
Need to focus on lifestyle problems; retaining people	47
Favor ethnic/cultural diversity	40
Need to improve image of profession/accountants	<u>17</u>
Total	<u>430</u>
Other Comments	64
Grand Total	<u>494</u>

SURVEY QUESTIONNAIRE

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Fax (212) 596-6213

April 24, 1995

Dear Member:

We need your help in connection with our effort to develop strategies for the Institute to pursue to better serve the profession and the public. The AICPA Strategic Planning Committee has identified ten initiatives for the Institute to emphasize during the next several years.

Initiatives are major, high-priority areas of activity for the Institute to pursue in response to key long-term issues and trends and member expectations. The committee is seeking to determine to which of these areas the Institute should give additional emphasis (devote greater resources) over the next several years. The ten initiatives identified by the Committee are only preliminary and we need your input before finalizing them. Hence, the Committee is conducting this survey to ascertain members' views concerning their importance.

We would appreciate it if you would take the time to complete the enclosed questionnaire and return it to us in the postage-paid envelope provided **by May 8, 1995**.

Please note that the survey is entirely confidential and we are not asking you to sign your name. The data gathered will be used in summary form only.

Thank you in advance for contributing to the success of this important endeavor.

Sincerely,



Philip B. Chenok
President

STRATEGIC INITIATIVES SURVEY

Demographics

1. The state in which you work: _____

2. Age last birthday:

Under 26 years

36–45 years

56–65 years

26–35 years

46–55 years

Over 65 years

3. Sex: Male Female

4. How long have you been a member of the AICPA?

Under 1 year

6 but under 11 years

1 but under 3 years

11 but under 21 years

3 but under 6 years

21 years or more

5. Which of the following most closely describes your primary area of employment?

Public Accounting—Sole Practitioner

Federal Government

Public Accounting—Partner/Shareholder

State Government

Public Accounting—Other

Unemployed

Industry

Other _____

Education

(specify)

If employed in PUBLIC ACCOUNTING, please answer questions 6 and 7.

6. Please indicate for your entire firm—all offices or locations—the total number of AICPA members:

One

11–20

51–100

2–10

21–50

Over 100

7. Which of the following best describes your firm?

Local firm

National firm

Regional firm

Multinational/International firm

If employed in INDUSTRY, please answer question 8.

8. Please indicate for your entire company or organization—all offices or locations—the total number of employees:

50 or less

1,001–5,000

51–100

5,001–10,000

101–500

Over 10,000

501–1,000

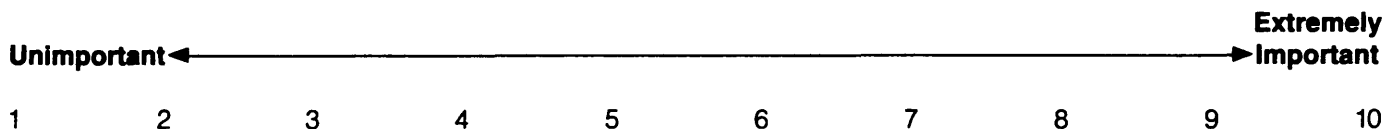
STRATEGIC INITIATIVE

Encourage and support the recruitment of talented people into the profession with particular emphasis on increasing the ethnic and cultural diversity in the membership.

Background Information

A host of developments have emerged to intensify the need for the Institute to enhance its support of efforts to recruit talented individuals into the profession. These include: the growing competition for talented people from sources outside of the accounting profession; the growing importance of "life-style" considerations to entrants into the profession; the growing need for diversity in the skills required of CPAs as a group; and the extent of ethnic and cultural diversity within the profession.

On a scale of 1 to 10 (1 being Unimportant, 10 being Extremely Important), please indicate your assessment of the importance of the above strategic initiative to the profession **over the next 5 years** by circling the appropriate number.



Please indicate below any comments you may have regarding the above strategic initiative:

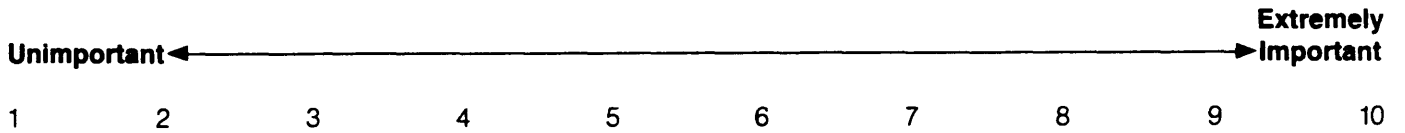
STRATEGIC INITIATIVE

Make business reporting more relevant, understandable, and beneficial to users.

Background Information

Divergent pressures have caused financial reporting to lose some of its significance. To address this concern, the Institute appointed a Special Committee on Financial Reporting (the Jenkins Committee). That committee has recommended an expanded business reporting model that includes the reporting of nonfinancial as well as financial information.

On a scale of 1 to 10 (1 being Unimportant, 10 being Extremely Important), please indicate your assessment of the importance of the above strategic initiative to the profession **over the next 5 years** by circling the appropriate number.



Please indicate below any comments you may have regarding the above strategic initiative.

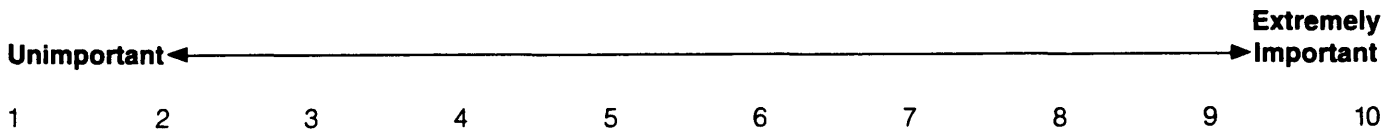
STRATEGIC INITIATIVE

Strengthen collaborative relationships with state CPA societies to improve the delivery of services to members and to support advocacy efforts at the federal and state level

Background Information

The need for reducing or eliminating duplicative Institute/state CPA societies' services and products, the increasing importance of federal and state government legislative and regulatory activities, rule-makers and standard-setters, and other factors are converging to create a greater need for the Institute and the state CPA societies to strengthen their relationships.

On a scale of 1 to 10 (1 being Unimportant, 10 being Extremely Important), please indicate your assessment of the importance of the above strategic initiative to the profession **over the next 5 years** by circling the appropriate number.



Please indicate below any comments you may have regarding the above strategic initiative:

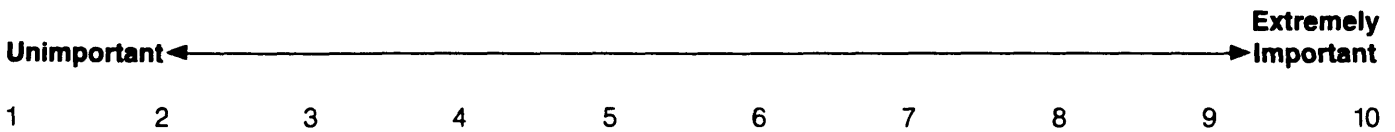
STRATEGIC INITIATIVE

Develop and implement a Continuous Process Improvement program for the AICPA aimed at increasing efforts to better understand member needs, and target services to meet those needs.

Background Information

There is growing pressure for improved quality throughout our society. Moreover, the Institute's membership is continually evolving as the membership segments (e.g., public practice, industry, education, and government) undergo various changes. These changes underscore the importance of enhancing efforts to identify and monitor members' changing needs and target services and products to meet the needs of each membership segment in a timely and cost-efficient manner.

On a scale of 1 to 10 (1 being Unimportant, 10 being Extremely Important), please indicate your assessment of the importance of the above strategic initiative to the profession **over the next 5 years** by circling the appropriate number.



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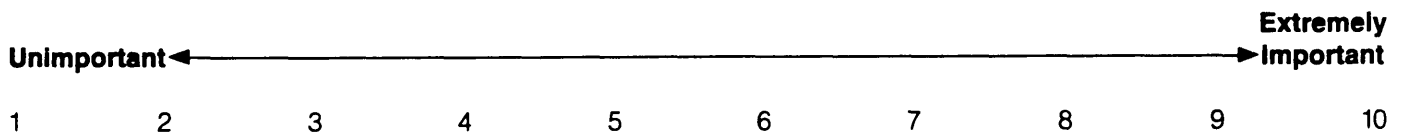
STRATEGIC INITIATIVE

Actively seek to improve the quality, appropriateness, and value of accounting education and promote the availability of quality accounting programs

Background Information

The Institute must assure that the pre-certification education for CPAs is of the highest possible quality. The Institute can be a driving force in encouraging universities and others to offer accounting programs designed to prepare new CPAs through up-to-date curricula and emphasis on high-quality teaching.

On a scale of 1 to 10 (1 being Unimportant, 10 being Extremely Important), please indicate your assessment of the importance of the above strategic initiative to the profession **over the next 5 years** by circling the appropriate number.



Please indicate below any comments you may have regarding the above strategic initiative::

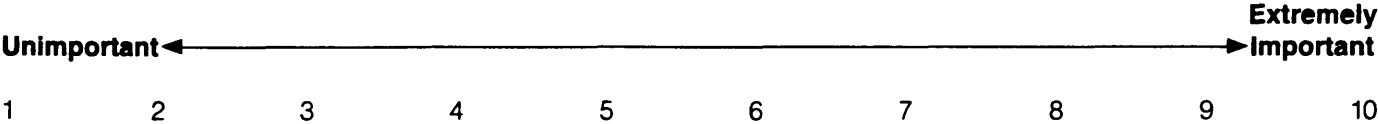
STRATEGIC INITIATIVE

By the year 2000, increase the membership in AICPA to include 85% to 90% of eligible CPAs, and actively involve other non-CPA business professionals.

Background Information

To ensure the Institute’s role as the preeminent professional society, actions should be undertaken to attract into the membership eligible CPAs and to involve other non-CPA business professionals (e.g., financial advisors, risk managers, consultants, etc.) in the Institute’s activities.

On a scale of 1 to 10 (1 being Unimportant, 10 being Extremely Important), please indicate your assessment of the importance of the above strategic initiative to the profession **over the next 5 years** by circling the appropriate number.



Please indicate below any comments you may have regarding the above strategic initiative:

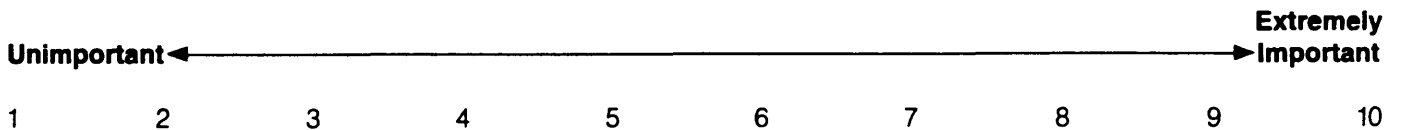
STRATEGIC INITIATIVE

Enhance communications about the unique competencies, responsibilities and professionalism of AICPA members.

Background Information

The public and business community should be made aware of the professionalism and competencies of CPAs and acquire a better understanding of the changing nature of CPAs' services and the expanding qualifications of CPAs.

On a scale of 1 to 10 (1 being Unimportant, 10 being Extremely Important), please indicate your assessment of the importance of the above strategic initiative to the profession **over the next 5 years** by circling the appropriate number.



Please indicate below any comments you may have regarding the above strategic initiative:

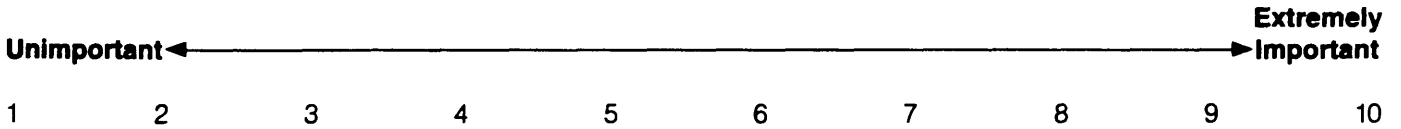
STRATEGIC INITIATIVE

Increase support for research aimed at helping members provide higher value-added services, advancing the accounting profession, and supporting governmental affairs.

Background Information

There is a need for research to help members keep pace with change. That will help CPAs take advantage of opportunities that add value to their services, advance the accounting profession, and support governmental affairs.

On a scale of 1 to 10 (1 being Unimportant, 10 being Extremely Important), please indicate your assessment of the importance of the above strategic initiative to the profession **over the next 5 years** by circling the appropriate number.



Please indicate below any comments you may have regarding the above strategic initiative:
