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EO Practice Development Department: Extending the borders of the service concept

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Practice development is more a state of mind than a system of techniques," Julius W. Phoenix, Jr., partner in charge of the Executive Office Practice Development Department, insists. "As the public accounting profession grows increasingly complex, as it continues to change, the need for a realistic practice-development orientation on the part of the professional accountant becomes more important.

"This is particularly critical, I think, because we're going to see what can only be termed substantial changes in the accounting profession in the coming years," Jule said. "Many of the current concepts — such as the ban against advertising — will be sharply altered. The same upheavals are being faced by the legal and medical professions," he points out.

The growth of client audit committees and the possibility of a trend toward rotation of auditors are factors that may force a reevaluation of what have long been considered fundamentals for the accounting profession in this country.

Before taking over as head of the Firm's practice-development effort, Jule, a partner since 1957, served in both auditing and taxes, as a specialist in public utility accounting and as partner in charge of accounting research at EO, as partner in charge of our Miami office and partner in charge of the EO International Department.

As presently organized, the PD team consists of Jule, partner Al Pastino, managers Terry Mortimer and Larry Wagner, and Gil Parker. The Mergers and Acquisitions Department, headed by partner Bert Frankenberger, operates under the umbrella of the Practice Development Department.

"Every aspect of the Firm's practice possesses practice-development implications and contains practice-development opportunities," Jule noted. Under his direction the PD message has been given added emphasis with the adoption by his group of a multilevel approach that stresses both practical programs already in use and broader, long-range objectives.

"No one is born with the ideal practice-development attitude," Jule said. "Some of us may be more active in community and other outside activities than others, but practice development takes many directions. It means not only building the Firm's practice by obtaining new clients, but giving the best possible services to present clients and extending our services to those clients. An effective practice-development program benefits our clients as much as it does Haskins & Sells."
The Practice Development Department has a strong image of itself as a service unit.

Most of the effort of the EO practice-development team has been channeled in two major directions. The first has been a strong program designed to provide the Firm with specific techniques for a successful practice-development approach that can be applied at the practice-office level. At the 1976 partners meeting in Hot Springs, Virginia last fall, for example, Jule gave a presentation titled "Formulating a Practice-Development Plan for Your Office." The presentation, which offered a step-by-step guide for the development and implementation of an effective PD program, was based on discussions with PICs and other partners at a number of H&S offices whose practice-development efforts have been particularly successful. The program, which is strongly supported by managing partner Mike Chetkovich as well as Charlie Steele, Phil Sandmaier and the group PICs, covers five major areas: defining practice development; creating the proper attitude; organizing the team; preparing an overall plan, including an action program; and monitoring progress and rewarding efforts.

As a result of the presentation, members of the EO Practice Development Department have assisted several offices in organizing, planning and implementing effective PD programs. "As practice development specialists," Terry Mortimer said, "we feel we can render very real assistance to the practice office in helping it to map out and then implement its practice-development program. We consider this to be one of the basic services we can provide to our people."

The PD department has a strong image of itself as a service unit, an image that it translates into direct assistance to practice offices.

"As the profession has become increasingly competitive," Gil Parker said, "the role of the proposal — both written and oral — has grown in importance. The changes that have taken place, and are taking place even now, in the accounting profession and the American economic system demand a more thorough, comprehensive approach to proposals. You might say that the written proposal is the Firm's salesman, the first representative of H&S that the client may see in relation to our ability to perform a specific service or services. As a consequence, the proposal must be as carefully constructed and professional in appearance as possible. This is particularly vital since the appearance and the contents of the proposal are being measured against those submitted by our competitors as well as against the expectations of the potential client."

Because Jule, Al, Terry, Larry and Gil are convinced that effective written and oral presentations are very important parts of any successful practice-development program, much of their time and effort is channeled into a broad proposal-assistance program.

'I think it's important that we become more visible in a larger number of industries. Specialists add to the Firm's credibility.'
The PD department routinely receives calls from H&S offices asking for assistance in proposal preparation. This typically means gathering pertinent data and background from the resources of one or more EO departments. Frequently, however, the assistance takes the form of sending people from EO to work with a team from the practice office.

"The degree of our involvement is related to the resources of a given practice office and just how much it is capable of doing by itself," Larry Wagner points out. "Some offices have the people and the materials to do most of the work themselves. In these cases our assistance may be supplementary — that is, providing them with names or other background information. We often send copies of proposals similar to the type an office may be working on for use as models. A substantial proposal file is maintained in EO for just that purpose.

"We also have an Important Contacts File on computer. This is a list of some 40,000 business contacts supplied by our people and cross-filed by individual, organization and industry. Another resource is the Firm's tape of 37,000 company 'profiles,' acquired from Standard & Poor's, which is used to supply a variety of industry data. For example, we have provided industry specialists with a list of companies related to their specialties in their geographic areas."

Members of the department point out that they have visited about sixty H&S offices in the past two years — some more than once — to assist in the preparation of approximately 125 proposals.

"We take a broad view of our responsibilities in this area," Al Pastino said, "and we're prepared to help wherever we can. This may mean researching required information, or it may mean calling on someone elsewhere in the Firm who is a specialist with the background needed for an important proposal and enlisting his assistance, or it may mean our sitting down with the practice-office team and working up a complete proposal presentation from scratch."
He also stressed the importance of timing. "The earlier we're contacted by an office, the more effective — and efficient — we can be. It is vital for any office to notify us as soon as it gets a hint that a proposal possibility may develop. This early notification allows us to begin mapping a strategy and weighing alternatives. By the time we get a go-ahead on a proposal, we've done some of the groundwork and have an idea of the direction we want to take."

The Practice Development Department has been putting emphasis on the establishment of standards and guidelines for written and oral presentations. At the last partners meeting, in addition to Jule's offering mentioned earlier, Gil Parker gave a talk titled "General Guidelines for Writing Proposals and Making Oral Presentations." Copies of these guidelines have been made available to our practice offices.

Intended to be as comprehensive as possible, the guide ranges from the layout of pages and the type of binding and cover to use, to writing style, organization of materials and the use of visual aids. Convinced that an expanded external publications effort would be informative to our clients and would benefit the Firm, Jule Phoenix has put considerable emphasis on integrating it into the overall practice-development program. The Firm's publications have been given a consistency of color, size and design, so that H&S publications going to clients, attorneys, bankers and others are readily identifiable.

More of an effort is being made to encourage H&S professionals to write booklets on key topics. Important talks given by our people have been turned into booklets, often in expanded form, while other booklets have been taken from papers written for professional and business journals.

In cases where timing has been a critical factor, members of the PD department themselves have written booklets. Terry, for example, wrote Tender Offers: An Introduction and, with Philadelphia partner (then manager) Pete Geteta, Municipal Securities Offerings: A Changing Environment, "A lot of interest developed in these two subjects very rapidly," Terry said, "and we felt this was the best way to get the information to our clients and others as quickly as possible."

Another important project of the department has been the Firm brochure An Introduction to Haskins & Sells. This brochure was initially prepared to respond to requests for information concerning the professional services that our Firm can provide to its clients.

The department is now working on printing the brochure in a manner compatible with the Worldwide Directory. "This brochure," Larry Wagner said, "has been an invaluable tool to our offices in their practice-development activities."

Another part of our PD effort has been to stimulate broader outside distribution of Firm booklets through the practice offices. In 1974 some thirteen different booklets were published by the Firm. By 1976 the number had risen to nineteen and by the end of the second month of 1977 three booklets had been published and two more were in production.

In a related area, the concept of the industry newsletter has been encouraged. These are newsletters written specifically for clients in particular industries to keep them abreast of important developments. Jule expects that the number of these specialized publications will increase and has been working to broaden use of these client-oriented newsletters at the practice-office level.

"I think it's important that we become more visible in a larger number of industries," he asserts, "Specialists add to the Firm's credibility."
The Practice Development Department is also looking into the possibility of new training and teaching techniques for practice development. "We want to be able to use the most effective, innovative training methods to bring the practice-development message to our people at all levels," Jule said.

As part of this study, Charlie Goldsmith, working under the direction of Don McLellan, EO partner in charge of the Continuing Education Department, is preparing for our offices courses in effective selling techniques — some using video equipment. A videotape dealing with oral presentations already has been completed and will be shown first to regional PICs. Additional investigation is being conducted into the use of special courses tailored for H&S partners and workshops on proposal efforts to be given at Firm meetings or possibly in the practice offices.

For Jule Phoenix and the other members of his team, practice development is far from an abstract concept. It represents the spearhead of a major effort to broaden the base of the Firm's practice. "If we are to remain a leader in the profession," Jule said, "we must grow. We recognize, however, that there are a number of ways to achieve this growth. This is nothing new — it has been an integral part of our basic philosophy since the Firm's founding.

"What we are trying to do now is give it a more formal structure, to put it on a more scientific basis, to take advantage of ideas and techniques borrowed from other fields and disciplines. We know that people are different, and that you can't formulate one rigid set of techniques for practice development and expect everyone to apply them with equal success. But we can lay down guidelines, suggest and outline a variety of effective practice-development methods and activities and, perhaps most important, convince all those with the Firm that the success of H&S, and their success with H&S, hinges at least in part on the degree of their practice-development orientation. I might point out" Jule said, "that this PD orientation is now evaluated regularly in the case of managers and partners, and will be for seniors in the future.

"I believe that what we want to get across to our people is that while we expect all of them to be outstanding from a technical standpoint, we want something extra that demonstrates a true commitment to the Firm, to their careers with the Firm and to the profession itself.

"It's vital that everyone realize the importance of maintaining close personal contact with the top echelons of client management, with the members of the board of directors and with those on the audit committees. We must always supply the highest level of services possible — and we must also make ourselves available and visible. Giving an effective presentation to an audit committee often permits us to display our expertise before people who may be officers or directors of companies that could be potential clients.

"Practice development also means increasing our visibility in the community," Jule continued. "We want our people to get to know leaders in business, the professions and government and to become involved in civic, social and cultural activities. This involvement may ultimately benefit the Firm, but we see it as more than that. We and the community have a common interest: its economic well-being affects our own. Our people are a diverse group of talented individuals with abilities and interests that can be put to use toward the betterment of the community.

"Haskins & Sells is a service organization. We want to extend the borders of the service concept," Jule said. "Service to the client is always paramount, but we want people to think in terms of the totality of their environment, to be aware of the broader relationships that are part of our profession, our economic system and our way of life."