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The CPA MANAGEMENT ADVISOR

MAS

NEWSLETTER OF THE AICPA DIVISION FOR MANAGEMENT ADVISORY SERVICES

BULLETIN BOARD

MAS DIVISION MEETING AND CONFERENCE SET

Registration has begun for the second annual meeting of the Division for Management Advisory Services on Oct. 27 and the annual National MAS Conference on Oct. 28, both in Las Vegas, Nev. This year there will be two separate full-day seminars. (See page 3.)

NEW MAS SELF-STUDY COURSE

The AICPA's CPE Division has an MAS self-study course available. At a cost of \$99.00, *Developing an MAS Practice* provides eight hours of CPE credit and comes with three audio cassettes and a workbook. Additional workbooks are \$49.50 each. The author, Harry Reider, CPA, MBA, Ph.D., will present one of the seminars at the National MAS Conference. To order the course (product number 747465), use the AICPA Order Department's toll-free number, 1-800-334-6961, or 1-800-248-0445 in New York State.

MAS AND ATTEST SERVICES COMPARED

Members will soon receive a new MAS Special Report, *Comparing Attest and Management Advisory Services: A Guide for the Practitioner*. Practitioners who have questions about how the Statements on Standards on Attestation Engagements relate to the conduct of MAS engagements will find the report helpful.

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REFERRAL SYSTEM BEGINS OPERATION

The division member database, containing the profile survey responses, is now in place. Division members will have the opportunity to exchange information and services through referrals. Each request must indicate its objective as either information or exchange of services. An inquiry form appears on page 4.

Members can match their professional needs with other members' skills and experience based on up to five criteria: technical experience, industry experience, location, employment category and CPA firm size. Broadening the range of some criteria (for example, choosing "all members" for location or employment category) generally increases the chances of finding matches for other criteria, such as technical and industry experience.

Members who are seeking to establish local contacts with any other members, not those with a specific experience profile, may do so by requesting a list based on zip codes. Enter the zip codes under the location column on the form. However, if members use zip codes, or states, in seeking a specific combination of technical and industry skills, they may not receive any names. If no members match the criteria indicated, the member who submitted the request will be notified.

The AICPA assumes no responsibility for any contact between members, nor does it guarantee any responses. Each request must be submitted on a separate form. Members submitting a second identical request to obtain additional names must attach a list of the names originally sent.

The names supplied are limited to those members who indicated they want to participate in the program. Members who wish to change their records, either by joining or withdrawing from the program, should contact the MAS division at (212) 575-6290. Mem-

bers who want to update their profiles should request a new survey form.

When MAS task forces and conferences call for specific knowledge and experience, division staff will use the database to select candidates for these programs. Division staff would also like to hear from members about how the referral program is working and how it can be improved.

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How to Use the Referral System

To submit an inquiry, photocopy the back page of this newsletter, including the label, enter the criteria you want matched, and mail it to the MAS Division. (Save the blank photocopy to use in submitting future requests.) The names and addresses of up to 10 members who match the criteria you specified will be returned to you as soon as possible. We will not accept telephone inquiries.

MAS PRACTICE BASICS

As an MAS practitioner, you need to prove yourself with each new client. Technical skills are not enough, because clients' conflicting emotions often affect relationships with practitioners. Although they ask for help, clients may be sensitive to an outsider "telling them how to run their businesses."

To deal effectively with clients, you need skills in the following five areas:

Oral and written communications. Sloppy communication can seriously damage credibility in a field where credibility is critical. Communicate precisely. When preparing a written report or proposal, proofread and edit it until it's perfect. When making an oral presentation, polish it through practice. Anticipate questions and prepare answers. Don't leave room for any doubt about your abilities.

Identifying and solving problems. The first step on any consulting job is to define the problem, and the ultimate task is to generate several alternative solutions. Hone your analytical skills to look beyond the obvious. Weigh the pros and cons of each option and make recommendations. Remember, your client may ask you to help implement the solution.

Interpersonal skills. As a successful consultant, you need to understand the people aspect of problems; gain the trust and respect of client personnel and enlist their participation in solving problems; be receptive to new ideas and points of view and communicate them as needed; and apply the principles and techniques of planned change.

Self-confidence. Clients often expect you to handle crisis situations and perform miracles. The ability to remain calm and confident in facing such pressure will win big points in the credibility battle.

Motivation of others. Like a good coach, you need to motivate client personnel and your own associates to do an outstanding job. Whether motivating others is an inborn talent or you have to develop it, you need to understand what rewards appeal to different people and how to use such knowledge to its best advantage.

An additional qualification for a consultant, rarely mentioned in textbooks, is a compatible personal lifestyle. MAS, like all accounting work, involves long hours and often intensive efforts to meet deadlines, but it also takes a heavy toll in the amount of travel required. Your personal life will have to accommodate these demands.

Achieving success as MAS practitioners may be even harder for women, who often hear that they must be more professional, better prepared and harder working. For example, some people assume women generally have more skill than men in interpersonal relationships. A lack of this skill or any others required for MAS may bring women harsher judgment than men.

For those seeking to make a change from the general practice of accounting to consulting work as an MAS practitioner, recognizing these important skills will help you in the transition.

Nancy Britt, CPA
Nashville, Tennessee

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NEWSLETTER ARTICLES WANTED

The newsletter staff invites you to contribute practical how-to articles of up to 1,000 words. You may also submit other items, such as checklists and anecdotal material of general interest. The staff will edit all accepted pieces and retain them for publication, with a by-line, at an unscheduled future date.

TEN POINTERS FOR A LITIGATION SUPPORT PRACTICE

1. Find an area or industry where your particular background qualifies you as an expert.
2. Using established relationships with lawyers, contact those who are litigators in various fields and tell them about your services.
3. Gain experience on the witness stand. When attorneys ask "Have you testified?" even once qualifies you to say yes.
4. If current audit and accounting standards or income tax law is an integral part of the area you have chosen, make sure that through CPE or other sources, your level of knowledge is **outstanding**.
5. Understand how your work will fit into the overall case strategy of the attorney you are working with. Make the attorney aware immediately if the documentation you examine will not support the strategy.
6. Use subordinates judiciously. Sometimes the most routine documents contain information or reveal a pattern that a subordinate might overlook. It is your eyes and your mind that are of value.
7. Be creative. Don't just audit. Dig for the who, what and why. Assume nothing you can't prove.
8. Remain objective. If you slant information to fit a conclusion, you may be discredited during cross-examination.
9. Listen carefully to deposition questions. Answers that do not fit your overall conclusion may be used to limit your effectiveness at trial. Save your best answers for trial. You have no duty to educate the opposing attorney about matters he has not questioned.
10. On the witness stand, answer the questions fully, defend your position vigorously, but do not make gratuitous comments. A skillful cross-examiner may use them to undermine you.

Roger L. Wayman, CPA
Overland Park, Kansas

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PUBLICATIONS REVIEW

Management Advisory Services: Expanding Your Accounting Practice by James R. Hickman, CPA, Shepard's/McGraw-Hill, Inc., P.O. Box 1235, Colorado Springs, Colo. 80901, (303) 475-7230, 1987, \$80.00, 509 pages.

If you're looking for one reference book that covers all the important administrative aspects of an MAS practice, you've found it in *Management Advisory Services: Expanding Your Accounting Practice*. A little-publicized but well-organized book, it is a must for every MAS library. Author James Hickman, the managing partner of Valentine, Hickman Yowell & Company, has come close to creating an administrative bible for the profession.

In great detail and with superior illustrations, this book tells how to build an MAS practice and market management advisory services. It even includes a floppy disk template for many of the administrative reports it discusses, such as time sheets and budget control

spreadsheets for use with Lotus 1-2-3.

Hickman's coverage of practice administration is extensive. Chapter 4, "Organizing or Expanding an MAS Practice," contains excellent material on how to project staffing needs and how to draw up an organizational chart and job descriptions. Separate chapters deal with proposal and report preparation. Chapter 10, "Conducting the Engagement," even talks about the use of microcomputers in engagement administration. And the 75-page chapter 7, "Selling Consulting Services," examines sales plans, sales promotion, advertising, publicity, public relations and direct solicitation. It is as good a how-to on marketing as you are likely to find anywhere.

The book also recognizes important basics, such as the AICPA Statements on Standards for MAS, devoting 10 pages to them. However, some of Hickman's interpretations of the standards may give readers the wrong impression, and they should really consult

the standards themselves to determine requirements. For example, Hickman implies that the standards require proposal letters or engagement letters, but there is no such requirement.

Hickman has had a great deal of experience in starting and managing MAS practices at various levels. He therefore believes that "the techniques described in the book are valid for all sizes of firms from the sole practitioner to the regional firm." *Management Advisory Services: Expanding Your Accounting Practice* clearly reflects his extensive experience as well as his ability to effectively communicate valuable information.

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SUGGESTIONS FROM THE CPA MANAGEMENT ADVISOR

As a general business advisor responding to various client inquiries, a practitioner usually decides on the spot whether to handle an inquiry directly or refer the client to an expert elsewhere. But a practitioner needs a different approach when trying to secure MAS engagements. The practitioner must decide *in advance* which kinds of MAS engagements to seek or accept.

Because MAS engagements require the services of an expert—someone who has the skills and competence to perform the particular service—a practitioner needs to establish a *personal* scope of services. This personal scope will probably differ from the practitioner's scope of services for MAS consultations. In addition, the *firm* should determine and agree on a scope of services for MAS engagements. Readily recognizable parameters should be set so that each practitioner is aware not only of what MAS engagements he or she can undertake, but what the firm will accept.

Scope-of-service decisions will help in the transition to a more engagement-oriented MAS practice, including decisions about personnel, continuing professional education, and marketing strategies. Scope decisions should be reviewed periodically. Knowing where to focus MAS engagement efforts will help a practice grow.

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SITE AND AGENDA SET FOR MAS DIVISION MEETING AND CONFERENCE

The Division for Management Advisory Services will hold its second annual meeting in Las Vegas, Nev., on Oct. 27. In addition to reports on division committees and activities, Dr. Tony Alessandra, a well-known speaker on effective communications and selling techniques, will present the keynote address, "Relationship Strategies." Following the division meeting, the National MAS Conference on Oct. 28 will offer two concurrent full-day seminars.

For those in public practice, the conference presents Planning, Conducting and Marketing Your Management Advisory Services." The speaker, Harry Reider, CPA, MBA, Ph.D., is president of Reider Associates, which provides management training and staff development services. Reider recently received the AICPA Discussion Leader of the Year Award and authored an AICPA self-study course, *Developing an MAS Practice*.

For CPAs in practice, industry and government, the conference offers "Improving Future Organizational Results Through Operational Auditing." The morning session will feature various

speakers, as well as a panel of CPAs, who will present different views of operational auditing. In the afternoon, seminar participants can choose between basic and advanced sessions on operational auditing.

Registration for either seminar costs \$250, which includes the division meeting on Oct. 27. Registration for the division meeting alone is \$25, which covers the costs of luncheon and a coffee break. Attending both the division meeting and one seminar will provide 11 hours of CPE credit. Contact the AICPA Meetings Department (212-575-6451) for further information.

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MAS MEMBER INQUIRY FORM

Please process this request for names and addresses of members of the Division for Management Advisory Services whose responses to the profile survey

match those below. I am a current member of the division, and my address shown on the label is correct. I understand that the members I contact may

not respond and that the AICPA is not responsible for the results of any contacts I make.

CHECK ONE OR BOTH: Information Exchange Desired Services Exchange Desired

Member's Signature

CHECK ONE IN EACH CATEGORY

TECHNICAL EXPERIENCE

- Accounting Systems—Manual
- Accounting Systems—Microcomputers and Minicomputers
- Accounting Systems—Mainframe Computers
- Bankruptcy
- Budgeting
- Business Planning
- Business Systems
- Business Valuation
- Capital Investment Analysis
- Cash Management
- Computer Security
- Cost Accounting
- Cost Reduction/Profit Improvement Programs
- Distribution (Product)
- Employee Compensation and Benefits
- Financial Model Preparation
- Financial Ratio Analysis
- Forecasts and Projections
- Franchising
- Inventory Management
- Litigation Services
- Management Controls
- Management Information Systems
- Management Succession
- Marketing
- Mergers, Acquisitions and Sales
- Microcomputer Software Evaluation
- Microcomputer System Implementation
- Obtaining Funding
- Operations Management
- Operational Auditing
- Organization and Personnel
- Personal Financial Planning
- Production Controls
- Risk Management
- Training and Instruction

INDUSTRY EXPERIENCE

- Accounting Firm Operations
- Agriculture
- Construction Industry
- Entertainment Industry
- Federal Government
- Financial Organizations
- Food Industry
- Health Care Industry
- Heavy Manufacturing Industries
- High Technology Industry
- Hotel/Other Lodging
- Import/Export
- Insurance Industry
- Light Manufacturing Industries
- Nonprofit Organizations
- Publishing
- Real Estate Industry
- Retail Trade
- Service Firms
- State and Local Government
- Transportation
- Wholesale Trade

EMPLOYMENT CATEGORY

- All Members
- Nonpartner, Public Acctng.
- Partner, Public Acctng.
- Industry
- Education
- Government
- Nonprofit Organization

LOCATION

- | | |
|---|---|
| <input type="checkbox"/> All Members | <input type="checkbox"/> Missouri |
| <input type="checkbox"/> Alabama | <input type="checkbox"/> Montana |
| <input type="checkbox"/> Alaska | <input type="checkbox"/> Nebraska |
| <input type="checkbox"/> Arizona | <input type="checkbox"/> Nevada |
| <input type="checkbox"/> Arkansas | <input type="checkbox"/> New Hampshire |
| <input type="checkbox"/> California | <input type="checkbox"/> New Jersey |
| <input type="checkbox"/> Colorado | <input type="checkbox"/> New Mexico |
| <input type="checkbox"/> Connecticut | <input type="checkbox"/> New York |
| <input type="checkbox"/> Delaware | <input type="checkbox"/> North Carolina |
| <input type="checkbox"/> District of Columbia | <input type="checkbox"/> North Dakota |
| <input type="checkbox"/> Florida | <input type="checkbox"/> Ohio |
| <input type="checkbox"/> Georgia | <input type="checkbox"/> Oklahoma |
| <input type="checkbox"/> Hawaii | <input type="checkbox"/> Oregon |
| <input type="checkbox"/> Idaho | <input type="checkbox"/> Pennsylvania |
| <input type="checkbox"/> Illinois | <input type="checkbox"/> Puerto Rico |
| <input type="checkbox"/> Indiana | <input type="checkbox"/> Rhode Island |
| <input type="checkbox"/> Iowa | <input type="checkbox"/> South Carolina |
| <input type="checkbox"/> Kansas | <input type="checkbox"/> South Dakota |
| <input type="checkbox"/> Kentucky | <input type="checkbox"/> Tennessee |
| <input type="checkbox"/> Louisiana | <input type="checkbox"/> Texas |
| <input type="checkbox"/> Maine | <input type="checkbox"/> Utah |
| <input type="checkbox"/> Maryland | <input type="checkbox"/> Vermont |
| <input type="checkbox"/> Massachusetts | <input type="checkbox"/> Virginia |
| <input type="checkbox"/> Michigan | <input type="checkbox"/> Washington |
| <input type="checkbox"/> Minnesota | <input type="checkbox"/> West Virginia |
| <input type="checkbox"/> Mississippi | <input type="checkbox"/> Wisconsin |
| | <input type="checkbox"/> Wyoming |

Zip Codes _____

CPA FIRM SIZE

- All Practice Units
- Local Firms
- Regional Firms
- National Firms

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