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AICPA INSIDER

THE MONTHLY
INFORMATION SOURCE
FOR TEAM AICPA

Volume 1, Issue 1
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WHAT'S INSIDE?

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AICPA.ORG NEWS

The Competency Assessment Tool (CAT) went live on schedule on January 28. This technology tool allows CPAs to assess their current and desired competencies over a wide range of knowledge and skills. The CAT also suggests learning activities to close the gap, and provides a system for tracking and evaluating these activities. Check out this powerful new tool at <http://www.cpatoolbox.org>.

Reformation and Computerization of the Uniform CPA Examination proceeds under the direction of a joint AICPA/NASBA committee. This committee is helping to set the bar for future entrants to the profession. All of the latest information, including the Committee's activities, can be found at <http://www.aicpa.org/members/div/examiner/reforma.htm>.

Visit the preview version of our new Web site at <http://209.208.225.90>. The profession has reached consensus on the growing importance of the Internet as an essential tool for doing business. Our Web site presents a tremendous opportunity for furthering the AICPA mission of enabling the profession to achieve its Vision. The Online Team (cc:Mail type Online) needs your unique insight and continuing input to make the site more valuable for its visitors. Stay tuned for more news on how your team can help to maximize the impact of AICPA.ORG.



AICPA INSIDER — KEEPING YOU CONNECTED

Tom Lemmon, Editor

Welcome to the first edition of the **AICPA Insider**, a newsletter devoted to keeping all Team AICPA members in touch with what's happening at the Institute.

If you have been around here a while, you know there couldn't be a more exciting time to be part of our organization or the accounting profession. If you are new, you are joining us at a time of unprecedented change.

AICPA employees are looking toward the next year with a sense of anticipation. There is a strong feeling that this year we have an opportunity to influence the direction of not just the AICPA, but the entire CPA profession.

The Insider will deliver news from inside the Institute and around the profession. Our aim is to arm you with the knowledge you need to be more effective delivering on the promise of the profession's Vision.

We look forward to helping you stay connected to each other and to the profession we serve.

WHAT'S ON THE AICPA AGENDA?

Here is a quick look at some items that were on the agenda for the February meetings of senior management and the board of directors. Unless otherwise noted, contact the staff member noted in parenthesis for further details:

- Based on the report of the **Telecommuting Task Force** of the Alignment Team, the HR Team is now drafting a document outlining a formal telecommuting program for AICPA employees. **(Stay tuned to FastFact for further information about these programs.)**
- The **Diversity Task Force** reported on their initial activities and was given the go-ahead to obtain proposals for a diversity assessment study of the Institute. **(Gregory Johnson)**
- The president of the **National Association of Black Accountants** met with the AICPA Board about the NABA's mission and activities, focusing on developing a new level of cooperation between the organizations. **(Gregory Johnson)**
- The Board approved a proposal to fund the initial research and market support for a **Center for Investment Advisory Services**, which will assist members entering this growing practice area. **(Phyllis Bernstein)**

HOW DO USERS OF CPA SERVICES VIEW THE PROFESSION?

To deliver on the strategic theme of “moving markets to members,” we at Team AICPA need to understand how CPAs are viewed by current and potential employers and clients. Research conducted for the AICPA provides some insight into the marketplace view of the profession.

One set of focus group interviews asked about CPAs and the core services identified by the Vision process. The results: Consumers and business people view CPAs as well positioned to deliver “Assurance and Information Integrity” and “Financial Planning” services, somewhat less well positioned to deliver “Management Consulting and Performance Management” services and less well

positioned to deliver “Technology” and “International” services.

The chart below shows the results from other focus group interviews that suggest the personal attributes most and least important to potential users when considering the “CPA” brand of professional service provider. The box on the left rates the relevance of attributes currently associated with a CPA. The box on the right ranks attributes included in the CPA Vision that, though not currently associated with CPAs, are most credible or likely to gain marketplace acceptance.

For more information on the study, contact Louise Hraur De Sina at x6107.

SUMMARY OF HOW TARGET AUDIENCES PRIORITIZED CPA BRAND ATTRIBUTES

	Current Attributes	Future Attributes	
Most relevant	Competence Reliability Integrity	Insightful Creative Forward Thinking	Most relevant
Least relevant	Objectivity Trustworthy Service Oriented	Broad Based Technologically Adept Market Focused	Least relevant

THE ALIGNMENT TEAM — UPHOLDING THE VALUES AND VISION STATEMENT

You would be hard pressed to find a cross-functional team at the AICPA that has had more of an influence on our work life than the Alignment Team. The “A” Team is an action-oriented group that gathers and synthesizes information from within and without the AICPA, recommends benefits and work-life programs, and actively participates in the implementation of the programs.

According to team member Ela Work, “The ‘A’ Team’s efforts are aimed at completing our transition to a dynamic team-based environment, in line with the Values and Vision Statement.” What the members of the “A” Team have

accomplished in its brief existence is remarkable. Think about flexible work hours, transit check, the health club benefit, STAR training, and the overhaul of the performance management process. None of this would be possible without the Alignment Team’s research and analysis efforts. Remaining on the agenda for the Team and its task forces are a wider roll-out of telecommuting, emergency child care, elder care and an update to the tuition reimbursement policy.

Contact one of the “A” Team members with your suggestions on work-life issues.

Current Alignment Team Members

Dale Atherton (Leader)	Elizabeth Kaestner	Kelly Rote	Christine Stout
Dassie Baum (Co-Leader)	Mary Mooney	Jay Rothberg	Gabriella Ulloa
Celeste Booth	Stephanie Reynolds	Beth Ryan	Ela Work
Terrance Carr			

BETTER POSITIONED TO SERVE MEMBERS TODAY AND TOMORROW

The recent decisions to acquire a major CPE competitor, restructure the professional development group and outsource our printing operation will position the Institute to better serve our members while freeing up resources that will be used to ensure the long-term success of the CPA profession.

At a couple of recent forums with staff members, AICPA President Barry Melancon and Senior Vice President Chuck Peck addressed the marketplace conditions and strategic reasoning behind the moves. The centerpiece transaction is the purchase of the CPA market business of the Professional Development Institute, the second largest supplier (behind the AICPA) of group study programs to the state CPA societies.

The recent merger and consolidation activity among CPA firms ([see article page 4](#)) is one of the contributing factors to a group study business that is no longer growing. According to Barry, "Larger firms tend to look more to internally generated CPE. While this does provide us with more opportunities in the 'in-house' program market for firms, it negatively impacts traditional group study. Also, the abundance of online courses is expected to have an impact. The PDI acquisition allows us to maximize the potential of this mature market. We'll continue to be able to serve today's members with strong A & A (accounting and auditing), tax and consulting product lines."

CONFLICTING VIEWS ON THE FUTURE OF THE SMALL CPA FIRM

One of the most important marketplace issues facing the CPA profession is the acquisition of accounting and tax practices by a variety of corporate, non-CPA owned organizations. The long-range impact of these so-called consolidators and the creation of alternative practice structures have been widely debated. Three recent issues of **Accounting Today** contain articles and editorials that paint somewhat different pictures about the impact of these developments on the future of the small local CPA in public practice.

The Jan. 25 – Feb. 7 edition reported on predictions made by a group of experienced consultants to CPA firms. Among the consultants' predictions for the year 2010:

- 60% of all CPAs will work for large corporations.
- Fees and partner profits will skyrocket for large local and regional firms.
- Revenues will drop by 40% for firms that now bill less than \$1 million annually.

Chuck believes the combination with PDI is an opportunity we could not pass up. "Adding the PDI operation helps us strengthen our product line, particularly in the consulting services and financial management subject areas. It also brings efficiencies into our development efforts without sacrificing quality. PDI was clearly established as a leader in customer satisfaction. Yet its cost for developing a new course is far less than the AICPA. Even in a market where demand is flat, we project that within three years we'll move our group study economic model into a viable position."

Most importantly, the moves allow the Institute to free up resources that will be dedicated to Vision-aligned activities. "A New York-based group will focus on developing new programs that will enable our members to deliver new services to new and existing markets," said Chuck. "These new programs will also allow our members to build on competencies such as leadership, strategic thinking and communications."

Barry described these transactions as the kind of bold move we have to be prepared to make, if the AICPA is to be a driving force to move the profession toward its desired future. "This move is a visible example to our employees, members, state societies and other stakeholders that the Institute is committed to implementing the Vision."

Accounting Today's Rick Telberg sees a rosier future for the smallest firms in editorials published in back to back issues (Feb. 8 – 21 and Feb. 22 – March 14). He focused on the \$46 billion small business tax and accounting market currently served by roughly 46,500 individual firms. According to Rick:

- The 45,000 smallest firms will still control close to 90% of the tax and accounting market.
- These firms will remain independent because they are too small to interest the consolidators.
- Owners of these small independents will continue to enjoy among the best profit margins in the profession.

What is the future for small firms? How will they adapt, survive and thrive? **The Insider** will continue to follow and report on developments in the marketplace. We'd love to add the thoughts of Team AICPA members to our reports. **Send an e-mail to us by typing Insider in the address box in cc:Mail.**

CHANGING MODEL FOR MANAGEMENT OF VOLUNTEER ORGANIZATIONS

Rapid and profound changes are having the same impact on associations as they are on the CPA profession and on the world. A new study by the American Society of Association Executives (ASAE) points to how organizations like the AICPA are changing to meet new and emerging challenges. The chart at the right illustrates how the rules are changing for every aspect of managing an organization such as ours. You should consider these emerging trends as you modify your operating plans and envision your team's desired future state as you meet with the "V" Team.

This chart is from ASAE's report, **Facing the Future: A Report on the Major Trends and Issues Affecting Associations.**

TRADITIONAL MODEL	NEW MODEL
Hierarchy	Jazz Ensemble (team based)
Large Board	Small Board
Separation of Management and Governance	Active Participation on Board
Emphasis on Mission Preservation	Emphasis on Strategic and Entrepreneurial Activity
Relationship Based	Performance Based
Stewardship	Competitive Positioning
Planning	Strategic and Anticipatory Management
Collective Compliance	Performance Driven
Sustain Mission and Values	Strategy Formulation
Advocate Members' Services	Enhance Members' Strategic Capabilities
Due Process	Risk Taking

THE ROLE OF THE STAFF LIAISON

Are you an experienced practitioner in the art of managing committees or are you still learning the trade? ASAE's Enhancing Committee Effectiveness includes some excellent information for staff liaisons. It includes checklists such as "qualities of the effective committee chair," "structuring a meeting agenda," and "orientating a new committee chair." The ASAE guide is a start, but we're sure that there are Team AICPA members who could "write the book" on this topic. We'd like to feature some of your best practices in a regular column in **The Insider**.

QUESTION OF THE MONTH?

If you could participate in a Q&A session with a specific member of the management team or a representative of a specific AICPA team, who would you choose?

MANAGEMENT SUGGESTIONS WANTED

We're all looking for an edge. We attend conferences, read books and seek out new Internet sites. Sometimes we hit "paydirt."

Do you have any insights to share on member service, project management, strategic planning or other aspects of management?

Send an e-mail to us by typing **Insider** in the address box in cc:Mail.