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6-1997

## Team Network News, June, 1997

American Institute of Certified Public Accountants. Communications Implementation Team

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# TNN

AICPA

# Team Network News

*a world of information for Team AICPA members*

## **ISSUE ALERT: A Vision for the Future**

*Carmela Chinnici and Leigh Knopf*

### **The situation**

The CPA profession is continually facing changes that must be addressed if it is to remain viable. Among these changes are: the demand by clients and employers for non-traditional services, increased competition from non-CPAs and technology, an increasingly global business environment, and the need for specialization of services in order to compete in the marketplace. These forces may require CPAs to expand or shift their traditional core competencies. The CPA Vision Project is a major initiative that will help CPAs manage change and master their futures. Still in its early stages of development, the project is intended to engage the profession in a shared, jointly created, and individually owned future.

Basically, the CPA Vision Project is a grassroots effort to obtain CPAs' views on their vision of the future of the profession, and then plan what we need to be doing now to help them achieve that vision. It is important to stress that the CPA Vision Project is not an AICPA initiative. Rather, it is driven by Council and supported by the "grassroot" members themselves. Additionally, the success of the project will largely depend on the commitment and support of numerous "strategic partners," in particular state CPA societies. Additional partnerships with other accounting and non-accounting organizations are being sought.

### **Status of the project**

The initial market research, which is expected to be completed in August 1997, is being conducted by a professional market research firm and our internal market research team. The first phase of the market research involves focus groups to be conducted throughout this upcoming summer to elicit members' views on the future.

Two focus groups consisting of CPAs under 35 have already been completed.

In addition, an External Advisory Council, comprised of 17 business, government, and education leaders, is under development. This Council will be responsible for providing perspectives from leaders outside of the profession on various activities and materials created during the project. The Virtual Consulting Firm has been contracted as principle consultant to the project and will conduct what will be known as "Future Forums" in every state in the country. The purpose of these forums is to elicit the views of members on the forces changing the business world and marketplace today and how those changes may affect the direction the profession takes. Each state CPA society forum will be facilitated by a professional facilitator along with a co-facilitator who will serve as the state



**June 1997**

### *In This Issue...*

Issue Alert: A Vision for the Future . . . . . 1

Update on the Tax Information Phone Service . . . . . 2

In-Depth Interviews: A View from the Outside In . . . . . 3

*continued on pg. 2*

## **ISSUE ALERT: A Vision for the Future... continued**

society delegate to the National Future Forum, scheduled to be held in January 1998.

There also will be Leadership Future Forums for interested committees at the Institute and ad hoc future forums for state societies to capture missed segments of the membership. In addition, a Web site (<http://www.cpavision.org>) that will contain resources for enhancing the value of the project is currently under construction. This Web site will be the key communications source for all CPAs and others who are involved or interested in the effort.

### **Importance to members**

The CPA Vision Project's ultimate objective is to unite the profession in its vision of the future and help lead it into that future. Once that vision is established, the Institute can sharpen its focus to deliver products and services that more directly support the profession. The ensuing vision will enable CPAs to more effectively plan for their

own needs, as well as those of clients and employers. Additionally, the project will help all segments of the profession to become aware of future opportunities and challenges, navigate the changing demands of the marketplace, and leverage their core competencies and values.

### **Committee/staff involved**

The CPA Vision Project is being spearheaded by a coalition of CPAs from all segments of the profession, the AICPA and state society leadership, as well as other financial professionals. The director of the project is Jeannie Patton, Executive Director of the Utah Association of CPAs. In addition, an internal AICPA Vision team has been established. Leading this team is Leigh Knopf, Manager-Strategic and Operational Planning - Marketing, Product & Organizational Development Team. If you'd like to learn more about this exciting endeavor, please contact Leigh at x6132.

## **Update on the Tax Information Phone Service**

*Michelle Carroll*

The Tax Information Phone Service (TIPS) began as a pilot program in 1996 for members of the Tax Section and Private Companies Practice Section. In response to our users' comments during this phase, all AICPA members now have access to TIPS toll-free or via the AICPA Web site. [888-777-7077 option #3, or <http://www.aicpa.org>].

After the program was opened to all members, the TIPS staff was overwhelmed by the unexpected increase in call volume. During the 1997 tax season (January 15-April 15), the TIPS staff answered an average of 52 calls per day as compared to last year's average of 22 calls per day. To date, TIPS has answered more than 8,000 tax inquiries.

### **TIPS offers two primary services**

**General Assistance**—The TIPS staff helps practitioners with tax issues using a state-of-the-art research facility, including three CD-ROM towers with 21 disk drives containing comprehensive tax research materials from top tax publishers. An example is: "What are the tax implications of separately selling land which is adjacent to my principal residence?"

**Specialized Assistance**—For questions that involve highly complex facts, or the tax rules of a specialized industry, callers will receive names of up to three AICPA

members with specific knowledge in their area of inquiry. This will be a separate compensated engagement, with all aspects arranged between the member and the referred CPA. An example is: "Can you assist me in structuring a pension plan?" This type of inquiry is outside of the scope of tax accounting and would be referred to a member who specializes in pension plans.

TIPS continues to offer high quality tax research services with the same fee structure of \$2.00 per minute or \$3.00 per minute during tax season. TIPS accepts VISA, MasterCard and Discover as payment and is available from 9am-5pm Monday through Friday. During tax season, the hours of operation are extended to 7:30pm on weekdays and is also available on Saturdays.

If you receive a call from a member seeking technical tax assistance, you may transfer them directly to the TIPS hotline at x7794. Due to legal liability issues, it is very important that technical calls are directed to the TIPS hotline and not to a TIPS technical manager. All other calls may be transferred directly to the TIPS general information line at x3880. Please advise members to have their AICPA membership number and a credit card number ready for technical assistance. Any team AICPA member who has questions about TIPS may call Michelle Carroll at x3982.

# In-Depth Interviews: A View from the Inside Out

Joanne Lindstrom

The following is the second of a two-part article on the in-depth interviews (IDIs) that AICPA's nine member segment teams conducted from mid-1996 through early 1997. Part I, which appeared in the May issue of *TNN* covered background information and rationale; in Part II, IDI findings are presented.

## Profile of Interviewees

The AICPA's nine member segment teams conducted about three hundred in-depth interviews with AICPA members and non-members from nearly all 50 states and the District of Columbia. Among the non-AICPA members interviewed were educators and employees of Big Six public accounting firms. Interviews generally covered four major areas:

- Critical issues facing the profession
- Competitive issues relevant to specific member segments
- Technology and the profession, and
- Evaluation of AICPA's products and services

Public accounting interviewees are from small firms (those with ten or fewer professionals), medium-size firms (11 to 49 professionals), large firms (50 or more professionals excluding Big Six firms), and Big Six firms (Price Waterhouse, KPMG Peat Marwick, Ernst & Young, Coopers & Lybrand, Arthur Andersen, and Deloitte & Touche). Respondents employed in business and industry represent a variety of industries including manufacturing, international trading, steel distribution, banking, and retail. Interviewees also included new CPAs, educators from colleges and universities across the country, and government CPAs at the federal, state, and local levels, as well as executive directors from 29 state CPA societies.

## Issues Important to the Accounting Profession

When asked what they see as the most important issue facing the accounting profession today, interviewees across all segments typically cited keeping up with technology. Many also mentioned competition, the public perception of the CPA (including the public's understanding of the value of CPAs versus nonCPAs), specialization, and the expansion of CPA services beyond the traditional audit and attest work. Public accounting respondents also cited standards overload as a key issue and the ability to attract and retain qualified staff, while those in business and industry also mentioned legal liability issues and operating in a global environment.

Government interviewees also mentioned the need for adequate disclosure to those who rely on financial statements and the public's growing expectation that CPAs should be "fraud finders" in addition to their attest role. State CPA society executive directors are also concerned about the leveling off of membership growth, retaining members in specific segments (e.g., industry members, members under age 35), and declining volunteerism among state CPA society members.

With the exception of those employed in Big Six public accounting firms and in business and industry, interviewees across all other segments cited the AICPA as their primary source for getting up-to-date information on what's new and important to the profession. Most interviewees said that the AICPA helps them stay current on various issues, typically through the *Journal of Accountancy* and *The CPA Letter*; conferences, subscription services, and manuals, as well as through *The Practicing CPA* and *The Tax Adviser*. State CPA societies were also frequently mentioned by interviewees across all segments as sources of professional information. Respondents in Big Six firms generally look to their firm to provide them with professional information. Business and industry respondents typically look to their state CPA society, other professional organizations, and publications such as *Accounting Today*, *The Practical Accountant*, *Public Accounting Report*, *The Wall Street Journal*, *Fortune*, and *Money* for such information. Respondents employed in government often said they look to the Government Finance Officers Association (GFOA) in getting up-to-date information on the profession.

Most interviewees feel that the AICPA does a good job in getting them what they need to know and commented favorably on the quality of AICPA communications and publications. The desire for less expensive and segment-specific CPE, improved timeliness of information, improved communication of the resources available to AICPA members, reducing standards overload, and speed to market were some of the areas where respondents feel that the AICPA could improve.

## Competitive Issues

In response to the question, "What do you see as the most critical competitive factor(s) affecting you and your organization?" public accountant respondents often mentioned competition from nonCPAs and financial services firms (e.g., American Express), as well as competition for quali-

*continued on pg. 4*

## In-Depth Interviews... continued

fied staff and “low-ball fees.” Interviewees in business and industry referred to market competition within their specific industry (e.g., competition from other banks), while those in government cited competition for limited financial resources and privatization of government agencies. State CPA society executive directors said they face competition from CPE vendors and other membership organizations.

When asked how the work they do has changed over the last few years, public accounting respondents typically cited less emphasis on auditing and tax work and more emphasis on consulting services. Interviewees employed in business and industry said they have realized broader responsibilities, increased workload, and greater time pressures. An increase in workload was also cited by government respondents. Handling these changes for respondents has meant adding staff, utilizing the expertise of other CPAs, continually looking to technology for productivity and efficiency gains, and moving into new practice areas.

### Technology & the Profession

When asked how technology has changed the way they work, respondents across all segments cited increased efficiency and productivity, less paper, the ability to obtain information more quickly and easily, and the ability to devote more time to “higher levels of work.” Educators also mentioned an increase in the use of technology in the classroom and enhanced research capabilities. However, along with these greater efficiencies, have come higher expectations from clients and end-users—faster delivery, more information, more specialized requests, and more complex analyses. In addition, public accounting respondents often cited their clients’ expectations that the firm be on par with them in terms of its technological savviness; some said that their clients are now looking to them for support or guidance in making technology-related decisions.

In terms of the impact of technology on the accounting profession overall, interviewees once again cited enhanced productivity and efficiency, better and faster access to more information, and the ability of CPAs to

focus on higher-level activities such as interpreting information and strategizing. On the negative side, respondents raised concerns about the dangers of using technology without the necessary intellectual understanding (i.e., “garbage in, garbage out”), technology displacing the CPA, security issues in an electronic environment, the possible loss of the audit trail, the quick obsolescence of hardware and software, and the cost of keeping up with technology.

### Evaluation of AICPA Products & Services

Interviewees were asked a series of questions concerning the AICPA—specifically, why they joined, why they still belong, what products and services they use or have used, as well as suggestions for improvement to, or enhancement of, the services provided.

The most common reasons members cited for originally joining the AICPA were for the credential, prestige, professional pride, to keep up with the profession, or that “it was the thing to do.” Many cited similar reasons for maintaining their membership. When asked what role the AICPA plays in their professional lives, interviewees often said that the AICPA helps them stay current on professional issues, gives them a strong national contact, provides technical guidance, and lobbies for their interests.

Respondents were asked to comment on the quality, timeliness, and cost-effectiveness of AICPA products and services they have used. For the most part, there is a general lack of awareness of the variety of products and services offered by the AICPA. Respondents that have used our products and services generally gave favorable ratings to AICPA publications, periodicals, and affinity programs. Some feel, however, that there is room for improvement in the AICPA’s CPE offerings, particularly as it relates to cost and location. Overall, respondents generally feel that the AICPA’s products and services are either comparable to or better than others they have used. In cases where they use the products or services of other vendors or organizations, respondents typically cited cost as the reason.

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*Team Network News* is written and edited by a cross-functional team. Decisions regarding this publication are made collectively by members of the Communications Implementation Team. *Co-Leaders*—Joanne Lindstrom, Rich Peden *Co-Editors*—Carmela Chinnici, Edward Rose *Contributors*—RoseAnn Beni, Michelle Carroll, Irene Cohen, Robert Fleming, Krissy Korte, Ray Lipay, and Kim Shapiro