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[Archives](#)

### New This Month:

- [Expanding Role of CPA Key to Future Survival](#)
- [Top Five Issues Impacting the CPA Profession in the 21st Century](#)
- [Pathfinder Profile: Mike Mard](#)
- [Websites Worth Visiting](#)
- [Noteworthy Printings](#)
- [Question of the Month](#)

### Feature Story

[Expanding Role of CPA Key to Future Survival](#)



Volume II      April  
Number 4      1998

## Pathfinder Profiles

April Profile  
[Mike Mard](#)



Creating a  
Market Niche



[Noteworthy Printings](#)

## BITS AND BYTES

TRENDS AND  
INNOVATIONS  
FOR BUSINESS AND  
THE  
ACCOUNTING  
PROFESSION

### Words to Set a Course for the Future

“The future belongs to those who believe in the beauty of their dreams.”  
— Eleanor Roosevelt

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## **Expanding Role of CPA Key to Future Survival**

The results are in! Based on national rankings of core values, services, competencies and issues, the CPA of the year 2011 will be the professional of choice for businesses and individuals seeking to enhance their decision-making abilities. People will choose CPAs because of their uncompromising integrity and objectivity, and a reputation for high-quality work supported by a commitment to life-long learning and a unique understanding of a wide range of business issues.

This vision of the future is based on a compilation of 177 Future Forums held last fall throughout the United States. Over 3,000 CPAs provided input on how the CPA profession will be influenced by major forces impacting today's world ... and in creating a dynamic image of a desired state for the future of the profession.

Delegates at the National Forum, held Jan. 12-13 in Phoenix, assessed the implications of the nationally top-ranked values, services, competencies and issues, and began to integrate these elements into a core purpose and vision statement. The drafts of the purpose and vision, along with the top ranked values, services and competencies, will be circulated to Future Forum participants, AICPA Council, state CPA societies, the External Advisory Council and others for their feedback.

As discussed in the Future Forums, assurance, the top-rated core service, includes—and goes beyond—the traditional attest function. In the future, according to the vision, CPAs will deliver a variety of services that provide assurance regarding the reliability of information and systems. Business decision makers, investors and consumers have come to rely on the objective evaluations of the CPAs they employ as auditors, managers or consultants.

Interpretation of converging information was ranked as one of the top five competencies because delegates and Future Forum participants believe it is one of several extremely important skills that sets the CPA profession apart from its competitors. This competency goes beyond strong analytical expertise to the ability to provide a value-adding interpretation to a combination of financial and non-financial information.

Rankings indicate that CPAs are committed to continuing education and life-long learning. This commitment begins with a challenging, broad-based education at the college level, followed by exposure to a wide range of work experiences, as well as formal programs of

continuing education. Experienced CPAs, no matter where they are employed, are known for their hunger of new skills and knowledge—and their resourcefulness in acquiring it.

As CPAs think more about the future and the aspects of the profession that distinguishes it from its competitors, the top-ranked core values, competencies and services truly become much more than just words on paper. They will be reviewed and assessed as CPAs take a firm hand in measuring and controlling their own destiny.

Visit our Web site for a complete listing of the [top five values, services, competencies and issues](#), and contribute your own opinions regarding the top five lists in our online discussion forum under [Web Views](#).

[Send an e-mail note to](#) [horizon@cpavision.org](mailto:horizon@cpavision.org) with your own comments and suggestions related to the Web site and the process.

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## **Top Five Issues Impacting the CPA Profession in the 21<sup>st</sup> Century**

- The future success of the profession relies a great deal upon public perceptions of the CPAs' abilities and roles.
- CPAs must become market driven and not dependent upon regulations to keep themselves in business.
- The market demands less auditing and accounting, and more value-added consulting services.
- Specialization is critical for the future survival of the CPA profession.
- The marketplace demands that CPAs be conversant in global business practices and strategies.

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**Pathfinder Profile**  
Mike Mard: Creating a Market Niche



**Mike Mard  
He has Helped Lead  
the Profession in  
Setting Standards  
for Business  
Valuation**

Mike Mard wants others to benefit from his success as a CPA working in appraisals and business valuation. Based on his experience, this Florida CPA has used his charisma and knowledge to help lead the profession in many more ways than just convincing CPAs that specialization is a sound business practice; he has persuaded others that standards needed to be set along the way.

**A Collaborative Effort Brings Results**

As co-managing director of The Financial Valuation Group (FVG) International, Mike is one of six partners in three offices (Tampa, Chicago and Los Angeles) who conduct independent appraisals and valuation services for a variety of national and international clients. With revenues of \$2 million last year, a joint effort is truly key to this operation because FVG is really a partnership of corporations who share both personal and professional goals.

“Our purpose is not just to make money,” says Mike. “We are a firm of individuals, but we believe there is a value to living, and you should give back to the profession. We want to be there for each other, and support and care for one another.”

Mike believes FVG is a prime example of a next-generation CPA firm, traditional in the sense that he complements his engagements with a knowledge of accounting—yet untraditional based on his company structure and a deep specialization in business valuation. In fact, while clients and others call him to perform traditional CPA services, he refers these engagements to others.

Mike, an Accredited Senior Appraiser (ASA), believes most CPAs think of business valuation as a specialty that only recently was considered part of the whole CPA pie. Contrary to this opinion, he thinks of his field as more of a “business practice” rather than simply an adjunct to other client matters.

“Within business valuation, there are specialties, such as intellectual property, transfer pricing, mergers and acquisitions, and litigation services,” he says. “Our decision *not* to operate as a traditional CPA firm gives us the ability to truly sell our services to a very targeted marketplace. At the same time, our status as a regular corporation enables us to function with flexibility in building a national organization.”

Mike believes FVG delivers comprehensive valuation services because of this targeted approach and a real passion to get it right. “Nobody gets a business valuation because they want it; they get it because they need it, and they call their CPA for a referral. The practitioner needs to be able

to show the skill, education and experience to serve the client's needs; it is the CPA with specialized training who provides the depth and breadth of understanding business and financial matters and who can truly deliver valuation services competently and professionally."

### **Setting the Standard**

Mike's pursuits in 1989 with the Florida Institute of CPAs enabled him to lobby the Florida Board of Accountancy to consider a standard for business valuation practices. Six years later, the Florida Board finally adopted a standard requiring compliance with an AICPA practice aid on business valuation within the Rules of Accountancy.

He currently sits on AICPA's MCS Business Valuations and Appraisals Subcommittee, the group that played an instrumental role in assisting AICPA Council to approve the Accredited in Business Valuation (ABV) specialty in the fall of 1996. Just recently, Mike counted himself as one of the 520 AICPA members who earned the ABV credential.

Now that the ABV specialty joins the previously approved personal financial specialist (PFS) in personal financial planning, Mike feels more CPAs will understand that such designations are more than just ink on paper and a benefit to delivering services in the marketplace.

"When I began my effort with the Florida Board, I observed a number of opinions on business valuation that were clearly ill-founded; I was concerned whether these CPAs were dishonest or clearly ignorant of how a valuation should be determined," says Mike. "I felt most of these CPAs were sincere, but were not adequately prepared to deliver opinions. For example, how can you determine fair market value without looking at the market?"

It's too soon to tell what the impact of the standard will have on Florida CPAs who deliver similar services, but Mike feels specialization and a formally adopted rule supporting the effort is a giant step towards the development of other specialties within the profession. Even with his own company, he says the most exciting and rewarding aspect is building alliances with other firms as affiliates to FVG to create protection or a base of knowledge to call upon as other specialties are established.

"For years, the view was that CPAs are experts in business, not only in the world of accounting, but in all financial services," he says. "But now, there is too much competition in the field. CPAs must ask themselves if they are going to compete with one another in the increasingly narrow field of accounting, or become a specialist. Becoming a specialist allows

the CPA the skills, education and experience to compete in a broader, financial market and generally for a greater return.”

CPAs and others interested in how specialization has benefited Mike may contact him at [mmard@fvgl.com](mailto:mmard@fvgl.com), or visit the company’s Web site at [www.fvgl.com](http://www.fvgl.com).

This is another story about innovative techniques CPAs are using, either in their practice, or in business and industry. We are interested in receiving tips on future Pathfinder Profiles. E-mail suggested comments to [pathfinder@cpavision.org](mailto:pathfinder@cpavision.org).

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## Websites Worth Visiting Your Virtual Assistant for the Future

Saving time *and* money are two good reasons to keep an e-mail address, but can the same be said about the Internet? Check out these sites for a grab bag of free, low-cost and time-saving sites.

Visit John Peterson’s Web site, the [The Arlington Institute](#), to discover how wild cards play a role in “surprise management” — events that could fundamentally change our environment and our identity for the future. Wild cards are characterized by scope and speed.

Got a great Website? Do you know of visionary Internet sites? E-mail suggestions to [horizon@cpavision.org](mailto:horizon@cpavision.org).

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**Noteworthy  
Printings**

**Spotlighting  
Publications  
Dealing  
With the  
Future**

*What Will Be: How the New World of Information Will Change Our Lives*

by Michael L. Dertouzos, published by Harper San Francisco, March 1997,  
(available under "Recommended Readings" at the CPA Vision Website's [online book store](#))

As director of the MIT Laboratory for Computer Science, Dertouzos presents a realistic view of where current technology is headed in an accessible writing style, which makes the weighty subject matter read more like a novel, appealing to a "nontechie" audience. In addition, Dertouzos sprinkles vignettes of the future throughout the text to help readers envision technologies that have yet to be introduced.

For newcomers, the book provides a brief history of the field of information technology and explains the most current advances in technology. What Will Be also unveils many upcoming technologies in the information marketplace that will transform our lives. The final portion of the book addresses some of the humanist concerns over emerging technologies, such as information overload and a greater disparity between rich and poor.

*Editor's Note:* we invite readers to submit reviews of their favorite future-focused books to [horizon@cpavision.org](mailto:horizon@cpavision.org).

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## Question of the Month April 1998

**How will specialization affect your role as a CPA in business or practice?**

Post your response in the interactive area called [Web Views](#), under the subject "Question of the Week" (which includes *Horizon Perspectives*' "Question of the Month"). There, you may also view other Questions and Responses.

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**BITS AND  
BYTES**



**TRENDS AND INNOVATIONS  
FOR BUSINESS AND THE  
ACCOUNTING PROFESSION**

1. Computer Intelligence reports that most companies who embrace E-Commerce, or are using the Internet as a way of conducting business, employ fewer than 100 people (source: *PC Computing*).
2. Today, 18 percent of Americans have a cellular phone, and more than half are expected to own one by the year 2000 (source: *Fast Company*).
3. The number of computers in U.S. public schools has risen 186 percent — to more than 6 million — in the past five years. Just last year, the percentage of U.S. schools with Internet access increased from 32 percent to 70 percent (source: *Fast Company*).

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