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TRENDS AND INNOVATIONS FOR BUSINESS AND THE ACCOUNTING PROFESSION

Words to Set a Course for the Future

“If all you want to do is taxes, you're going to have a very difficult time surviving in the future because there will be other competitors, like the investment advisor who will do a client's taxes at no cost in order to manage their money.”

— Phil Gunn

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CPA Services Affect All Segments of Profession

CPAs who hold enviable, trusted positions within organizations or run profitable firms determined some time ago that they must set themselves apart from the competition. Although a number of variables enable success, those who apply experience and knowledge to in-demand services not only add value to business arrangements and engagements, but enhance the profession's reputation by highlighting the background and skills of a CPA.

Because of ever-changing global forces involving political, economic, social, technological and human resource issues that influence market need, CPA services have evolved from the traditional compliance and attest function to more niche-oriented and specialized areas. Thus, 10 to 15 years from now, CPAs can expect to deliver more:

- **assurance services** that improve the quality of information, or its context, for decision makers;
- **technology services** in application, system analysis, information management and system security;
- **management consulting services** to organizations in need of objective and competent business advice;
- **financial planning services** that interpret and add value to a wide range of financial information, including tax planning, financial statement analysis, structuring investment portfolios and complex financial transactions for businesses; and
- **international services**, such as cross-border tax planning, multi-national company mergers and multi-national company joint ventures.

This list of services is based on the results of last fall's Future Forums and discussions from January's National Future Forum. When these services are combined with core values, competencies and issues, they comprise a model of where the CPA profession needs to be in the year 2011.

Feedback from participants who are now reviewing these top five lists indicates that none of the items, especially those in the top five services, affect just CPAs working in public practice, business and industry, government or education. In fact, one of the most interesting aspects in the emergence of assurance as one of the top five services

is the broadening of the definition in how it applies to the industry sector, according to Phil Gunn, a partner with Ernst & Young in New Orleans, and the Louisiana Society of CPAs' delegate to the CPA Vision Process.

#0147;For many of the new assurance services, independence may not be as critical," says Gunn. "CPAs working in industry provide another level of service to their employers, such as assurance on internal control systems or in e-commerce transactions and security. We'll always have the third-party independence for the audit, but assurance is no longer strictly confined to just public practice."

In addition, Gunn says that many participants in the Future Forums initially expressed concern over the fact that tax was not in the top five services. With the arrival of shrink-wrapped tax programs and information readily available over the Internet, Gunn believes CPAs will soon realize that they should take the traditional compliance role one step further in serving as complete financial advisors rather than continuing to concentrate solely on tax work.

"If all you want to do is taxes, you're going to have a very difficult time surviving in the future because there will be other competitors, like the investment advisor who will do a client's taxes at no cost in order to manage their money," he says. "Tax work will be a low-margin business and CPAs will not want to be in, or dependent on, that service line."

One of the other top five services is working in the international arena, and Gunn says that this is an important service in even the most rural areas of the country. Additionally, participants in Future Forums indicated that if CPAs were not international experts themselves, they should be aligned with professionals, accounting groups and companies who have that experience.

"Affiliating with someone or some group already in the business makes sense because CPAs can exchange ideas and rely on these larger, more experienced professionals to conduct business, like a law firm specializing in global issues."

Visit <http://www.cpavision.org/project> for a complete list of the top five services, core values, competencies and issues. If you have comments on how the top five services affect your firm or business, we welcome e-mail at mail@cpavision.org.

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What's New at www.cpavision.org

Have you visited other parts of the CPA Vision Web site lately? The Vision Process team has added new materials, resources and topics to complement the growing interest in the CPA Vision Process. Here are just a few of the new items readily available.

- A new section called “[The Vision](#)” that includes a complete list and definitions of the top five national core values, services, competencies and issues, and the most current version of the core vision and purpose statement.
- Several new items under “[Resources](#),” such as a CPA Vision Process PowerPoint presentation and script, and new selections under “[Suggested Reading](#),”.
- Many new profiles in “[Pathfinders](#)” that are exclusively available on the Web.
- [Archive editions](#) of *Horizon Perspectives*.
- Dynamic discussion threads under “[Web Views](#),” including a new Question of the Week area.

The Vision Web site is constantly changing, so bookmark the site for the latest additions. We welcome your input at mail@cpavision.org.

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Pathfinder Profile

Bob Dubow: Striking a Fair Transaction



Bob Dubow

—A “Truth in Pricing” Philosophy for Equipment Leasing Brings a New Facet to CPA Consulting.

What’s a CPA from Chicago doing in the business of equipment leasing? Plenty--if you are Bob Dubow, a former auditor of leasing companies with expertise on the leasing industry and its intricacies. Because of his industry experience in the day-in, day-out rigors of leasing transactions, he helps CPA firms help their clients structure leasing solutions, but more importantly, provides value by using his knowledge to anticipate obstacles along the way.

Scaling His Services to Fit the Environment

After more than 15 years working for a Big 6 firm and two leasing companies in the Chicago area, Bob started Andrew-Bradley Leasing Inc. two years ago with his brother, Dan. Since that time, the company (named after his son and his brother’s son because he didn’t like the ring of “Dubow and Dubow”) has formed alliances with more than 800 CPA firms, and contracts totaling over \$12 million in equipment leases that were the result of referrals from about 150 of those 800 firms.

When Bob noticed the AICPA national advertising campaign and tagline, “The CPA. Never Underestimate the Value,” a seed was planted. “I learned that Big 6 firms had corporate finance departments to help clients obtain different sources of funds,” he says. “I wondered if CPA firms that were not large enough to support that function in-house would like to offer a similar type of financial service via a fellow CPA.”

Since Andrew-Bradley does not have a sales force to pay, overhead is low, and as a result, the client gets a very good lease rate. Moreover, the company provides much more than a competitive leasing solution by meeting the CPA’s criteria for client service without any surprises, fine print or double-talking proposals, commonly found, says Bob, in the leasing industry. This self-styled “Truth in Pricing” philosophy, obviously modeled after Truth in Lending, strengthens the CPA’s client relationship and meets Andrew-Bradley’s marketing goal of establishing a long-term relationship with the CPA firm.

Bob does not charge the firm or client for his services, since the quoted interest rate already has the investor’s fee built into the contract, and unless the transaction is complete, Andrew-Bradley doesn’t collect any fees from the investor. However, he welcomes competing proposals so that the CPA can demonstrate how Andrew-Bradley’s proposal compares on an apple-to-apple basis even without the CPA referral. The key is that the client would never have known about Andrew-Bradley without their CPA’s referral.

Integrity Builds Loyalty

“Public opinion polls I’ve seen say the CPA is the most trusted advisor compared to other professionals,” says Bob. “As a profession, if we lose integrity, we have lost our ‘value-added,’ and it doesn’t matter what we know or how well we do it! That’s really what our company is founded on with regard to Truth in Pricing. We don’t tell the client one thing and then do another.”

Bob says he works on a slim margin to keep pricing low, because he wants the clients to tell their CPAs not only how well they were treated, but that they received a good financial deal. Since Andrew-Bradley does not solicit business directly, subsequent referrals are a necessity to survival.

“Getting business exclusively from referrals is tough, especially at the beginning, but we’ve now had multiple leases with the same client, referrals from the same CPA firms and even had a CPA’s clients refer us to other business owners they know.”

“I feel I’m using my financial background and integrity to help people, while getting a fair dollar for the value I’m adding. Much of our initial marketing success comes from the fact that I am a CPA. CPAs are naturally very protective of their clients, but they are willing to work with me because they know I will provide value beyond a traditional lease transaction while keeping costs low and using my integrity to structure the best arrangement.”

Bob welcomes others to ask him about his services and the value-added consulting function he provides. Send him an e-mail at ablease@aimhi.com, or visit his Web site, www.naperville.net/ablease.

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.

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Question of the Month May 1998

Which of the top five services are most likely to affect your firm or business in the next 12 months, and in what way?

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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**Noteworthy
Printings**

**Spotlighting
Publications
Dealing
With the
Future**

The One to One Future: Building Relationships One Customer at a Time

by Don Peppers and Martha Rogers, Ph.D., Currency/Doubleday, 1997.
(Source: amazon.com, available at the CPA Vision Website's [online book store](#))

What will life be like after mass marketing? Today, technology allows us to sell more goods to fewer people, which is far more efficient than selling fewer goods to more people. Peppers, an advertising executive, and Rogers, a marketing scholar, set out their new marketing paradigm in detail. For example, a one-to-one competitor focuses on “share of customer” rather than the mass-marketer’s “share of market.” As a result, competitors learn to collaborate with the customer to build loyalty and build opportunities for future profit.

Horizon Perspectives reader Christopher G. Makinster calls *One to One Future* fascinating, imaginative and insightful. “The book describes how we have entered into a new age of information that transforms the way we do business,” says Makinster. “The authors creatively share their vision of how we can use technology to reduce the gap between business and customer.”

Editor’s Note: we invite readers to submit reviews of their favorite future-focused books to horizon@cpavision.org.

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**BITS AND
BYTES**

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

1. The number of American workers who telecommute has tripled since 1990 to more than 11 million, reflecting an annualized growth rate of 15% (source: Internet Strategies Group from Cyber Dialogue, Inc.).
2. The 8 million women-owned businesses in the United States employ 18 million people and generate \$2.3 trillion in revenues (source: *Fast Company*).

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