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## Horizon Perspectives, Volume 2, Number 7, July, 1998

American Institute of Certified Public Accountants (AICPA)

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Public Servant  
*and* CPA



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**BITS AND BYTES**

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

## CPAs Rely on Competencies to Deliver Information

At a time when the business marketplace remembers the pioneers instead of the imitators, being different is good. While competitors attempt to provide the same services CPAs do in more cost-effective--yet comprising--ways, the CPA profession has made great strides over the years by practicing in an environment that capitalizes on the unique background, qualities, traits and skills of the CPA.

As part of the CPA Vision Process, the initial list of 25 core competencies outlined by the research team for discussion at last fall's Future Forums was refined during the National Future Forum in January to a critical list of the top five competencies believed most likely to affect the CPA profession well into the next century. They include the following: Communications Skills, Strategic and Critical Thinking Skills, Focus on the Client and Market, Interpretation of Converging Information, and Technology Expertise.

A closer look at these competencies reveals that each has a broader definition than the traditional way the CPA profession has used such competencies to perform a particular engagement or activity, for example. Using their communications skills, CPAs are able to give and exchange information with meaningful relationships. In fact, the communications skills competency was ranked as the most important because of the vital and crucial role the CPA must play in taking the lead in working with clients, employers and other audiences.

Some would argue that technology enables the profession to use available resources to disseminate much of this information, but clients and employers still want the CPA to take a more active role in delivering information in both written and spoken formats.

Two of the other top five competencies characterize the CPA's ability to analyze information and serve as a problem solver. By using strategic and critical thinking skills, the CPA links data, knowledge and wisdom together to provide quality advice, while interpretation of converging information illustrates the ability to interpret and provide a broader context using both financial and non-financial information.

There is more, for example, to delivering the information in a financial statement than just crunching the numbers and reading the results. The CPA who stands apart from the competition will use his or her knowledge to explain how the numbers affect a company or employer in both short- and long-term scenarios. In addition, the way in which this data affects the company's activities in the national or

global marketplace not only helps the company develop a stronger position, but emphasizes the CPA's role with respect and admiration.

The focus on the client and market competency requires the CPA to anticipate and meet the changing needs of clients and their market more effectively than competitors. Doing so necessitates the financial professional to address the future needs of constituents and live with constant change--a true departure from the way the profession has addressed matters up to this point. However, the successful CPA will find that a consistent focus will bring both expanded revenue streams and use of CPA services.

Along with the other competencies, the CPA who remains technologically adept is able to utilize and leverage technology in ways that bring added value to clients and employers, such as real time delivery of services over the Internet or the ability to consult on a company's new information system. Technology is a theme running throughout all aspects of the CPA Vision Process and will remain an important core competency as systems continue to evolve and speed increasingly becomes the norm.

For a complete list of the top core competencies, values, services and issues, visit the CPA Vision Process Web site at <http://www.cpavision.org/project/>.

[Horizon Cover](#)

## **Horizon Perspectives Evolves to an Online Resource**

This is the final issue of *Horizon Perspectives*. As the CPA Vision Process continues to evolve, we are moving all resources online at the Vision Web site rather than publishing a print version of this newsletter or other materials.

Thank you for your continued participation and interest in the CPA Vision Process. We encourage you to visit the Web site for continuous reports on the Vision Process, new Pathfinder Profiles and more. We welcome your comments; please e-mail us at [mail@cpavision.org](mailto:mail@cpavision.org).

[Horizon Cover](#)

## **Expanded Pathfinder Profiles Available on Web Site**

Even though this is the last printed issue of *Horizon Perspectives*, the growing popularity of Pathfinder Profiles illustrates the need to continuously add new ones.

CPAs in public practice, business and industry, government and education have told compelling stories of how these mavericks have blazed new trails, started niche-oriented businesses, focused on innovative services or even implemented new programs. A complete list of Pathfinder Profiles, including some that already are exclusive to the Web site, can be found at [www.cpavision.org/pathfind](http://www.cpavision.org/pathfind).

We need your help to continue highlighting Pathfinders! Send your suggestions to [pathfinder@cpavision.org](mailto:pathfinder@cpavision.org). A complete list of Pathfinder characteristics can be found on the Web site.

[View the Pathfinder Profile](#) for July 1998.

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## Pathfinder Profile

Linda J. Blessing: Public Servant *and* CPA



The revolving door at the Arizona Department of Economic Security contributed to poor accountability and performance. In a span of 10 years, nine directors did their best to lead the agency, with only limited results.

### Overhauling the System

**Linda J. Blessing —  
This CPA applies  
good, tough  
management skills  
while effecting  
change for Arizona  
citizens.**

For the past six years, Dr. Linda J. Blessing has taken the largest state agency in Arizona and made it one of the most successful human service agencies in the nation. The Department has delivered \$2.5 billion in resources to more than one million citizens through public assistance with a food stamp program, child protective services activities and child support enforcement. Based in Phoenix, she manages a staff of 9,500 and has 150 offices in the state.

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.

"You don't find many CPAs who are directors of human service agencies," says Linda. "The key to success is caring about the needs of the people we serve while maintaining good fiscal accountability for our other customers — the taxpayers. You don't always find that kind of attitude with people who manage agencies."

Linda's progression to director and passion for humanity began during her 20-year tenure in governmental performance auditing in California and Arizona, including her service as a deputy auditor general. She served as a volunteer in human services while gaining experience as a CPA, and was asked in 1992 by the Arizona governor to take a temporary six-month position as director of the agency until a permanent replacement could be found. Based on her background as a CPA and love of social service, she decided to stay indefinitely, and was re-appointed by another governor for a new term.

The improvements she made have been remarkable — and most of them happened because of her analytical background to realize and effect change. Three years ago, she created a 24-hour central hotline for child abuse and neglect to ensure that incoming calls were screened by knowledgeable people who could respond quickly to ensure children were safe. Taking the control away from local government and centralizing calls from across the state was an undertaking for which she was both criticized and praised.

"Some of our hardest work is done trying to make sure we are following best practices, just as a CPA would for a client or employer," she says. "Child protection is our highest priority and yet, is a no-win situation. You have people on both sides of the continuum, with one segment telling you not to interfere with families and the other side thinking we don't do enough."

### **Demonstrating Need by Example**

Shortly after she started, Linda applied continuous improvement and reengineering techniques to the state's child support collection function, eliminating no value and low value activities, automating systems and creating a customer service unit. Previously, Arizona ranked 54<sup>th</sup> in the nation, behind the territories, with collections totaling \$40 to \$50 million annually. Based on her techniques, Arizona quickly surpassed other states with collections of \$150 million. The goal for 1998 is \$167 million.

“One of our basic principles is to manage by fact, because this not only demonstrates we have data and performance measures, but also improves the outcomes for our clients,” she says. “People often make emotional appeals to the legislature for funding. I knew we had to factually demonstrate the need for more money and additional support if we were going to make changes.”

As national chair of Women Executives in State Government, Linda assists in developing women leaders in government positions. She is active on the Board of Directors of the American Public Human Services Association and maintains her involvement in the accounting and auditing world by serving on national committees and as the immediate past president of the Arizona Society of CPAs. In addition, she serves on the Federal Accounting Standards Board.

“I think of myself first and foremost as a public administrator, and credit my CPA background as helping me achieve this realization.”

CPAs who wish to ask Linda questions on her improvement measurements or experiences within government can contact her at [volb2989@de.state.az.us](mailto:volb2989@de.state.az.us).

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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## Question of the Month July 1998

Why do you believe Communications Skills was selected as the top core competency, and how will you change your own communications to meet the needs of your clients or employer?

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.

[Horizon Cover](#)



## 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 and Bill Gates, HarperBusiness, March 1998.

(Source: amazon.com, available at the CPA Vision Website's [online book store](#))

Amazon.com details some of the innovations. "Imagine using a personal network called a 'bodynet' to talk on the phone, watch television, read e-mail and take pictures from wherever you are. In our workplaces, future innovations will increase productivity. Employees at different locations will be able to work together and order merchandise from around the world via e-forms."

*What Will Be* unveils many upcoming technologies in the information marketplace that will transform our lives, and the last section 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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## BITS AND BYTES

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

1. Online classified spending is expected to hit \$928 million by the year 2001, up from just \$69 million last year (source: *PC Computing*).
2. Have you ever bought anything on the Internet? A Forrester Research survey reported that 66 percent of respondents said "yes." Research predicts that \$4.8 billion will be spent online in 1989 — double last year's figure. By 2001, the total is expected to top \$17 billion (source: Forrester Research).

### [Horizon Cover](#)



