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## Feature Article

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Risk Equals Rewards

Words to Set a Course for the Future

*Twenty years from now, you will be more disappointed by the things you didn't do than by the ones you did do.*

— Mark Twain

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## New Team Maintains Focus of CPA Vision Project

With the momentum of the CPA Vision Project continuing to build across the nation, a new independent group called the CPA Vision Team, headed by Tom Hood, executive director of Maryland Association of CPAs, was recently created to oversee the profession-wide implementation of the future vision. The Team's main objectives are to keep the vision process grounded in the grassroots CPA population and sustain the vision as the project moves forward into its strategy and implementation phases.

The Team includes six state society executive directors, six delegates from the January 1998 National Future Forum and four AICPA staff members. Already, the enthusiastic Team is preparing for the next major effort associated with the CPA Vision Project, the National CPA Vision Strategy Workshop, Jan. 25-26, 1999. At this workshop, representatives from all states and jurisdictions will gather to begin designing programs to advance the [core vision, purpose statement, and the National Top Five core values, services and competencies](#) created in last year's Future Forums.

Among other specific duties, the Team acts as a sounding board to the AICPA and state CPA societies, identifies resources so that these organizations can facilitate the implementation process, and assists in directing vision concepts and messages to target audiences. Maintaining a consistent message among CPA member organizations and ensuring that these messages are delivered at the grassroots level are key to maintaining the momentum of the vision, according to Hood.

"This is a profession-wide program, not just an AICPA or state society effort," he says. "Already, we've witnessed the synergy among all groups in creating the vision, and want the momentum to continue. We must stay sensitive, working to keep our messages strong and consistent through the implementation phase. It's very easy for people to go off and do their own thing, but it is much harder to stay together as a group to implement these programs for the good of the profession."

The Team also will work closely with the AICPA planning team and Strategic Planning Committee to develop and implement activities and events to establish and sustain a strong connection between the strategic planning/management and visioning functions. For example, a special effort referred to as the "seeding project" is under consideration. This project will help the Strategic Planning Committee place early adopters of the Vision Project in AICPA and

state society leadership positions so that the Vision can take shape as these groups plan future activities.

Discussions are underway to develop a new section of the popular Vision Web site to highlight the Team's efforts and provide continuous information in the online environment. As the Vision Project continues to take shape, peruse the home page of the Web site for the most up-to-date information available.

[Horizon Cover](#)

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## Pathfinder Profile

### Michael Nall: Risk Equals Rewards



**Michael Nall — A seasoned veteran who handles mergers and acquisitions has spent a career building upon his competencies as a CPA.**

In 1973, when Michael Nall was a fresh, young recruit for the Chicago office of Arthur Andersen, the furthest thing from his mind was a scenario 25 years into the future in which he owns his own company that specializes in mergers and acquisitions. Still — even back then — he had an inkling he was in for some kind of major change when he began to think that there must be a way to take his knowledge of accounting and make it blossom into a larger venue.

“I knew I didn’t want to do traditional accounting, even though it came easy to me,” he says. “Even back then, I remained alert to new opportunities to grow and change with the profession. What’s so exciting about what I do now is that there is risk as well as challenge; there are several million private businesses who need these type of services and hardly any CPAs who provide investment banking services.”

#### **From Sales to Mergers**

This 47-year-old resident of Irvine, CA and owner of Global Capital Network, thinks of himself as a staunch advocate for the CPA profession-and with good reason. His alliances within the profession strengthen his own circle while providing a means to an end. He derives his main source of revenue not only from incorporating accounting and tax principles when he structures transactions for clients, but also from providing continuing professional education in teaching others how to do exactly what he does.

“In the mergers business, CPAs have opportunities to be involved as much as they choose to be,” says Michael. “With the right referral relationships and knowledge of how the process works, you can joint venture with someone who will bear the ‘risk’ in return for a smaller portion of the fee. Today, there is a growing community of specialists

involved in these services, and you can share the workload and perform the functions with which you are the most comfortable.”

What Michael found most comfortable in the mid-70s was transitioning himself from the large firm environment to a sales position, not because he wanted to leave the profession, but because he wanted to try his hand at something that held a tinge of uncertainty or risk. He worked as a sales rep for Scott Paper in Chicago for two years, then joined his sales and accounting knowledge by becoming national sales manager for Comprehensive Accounting, a franchise organization that helped accountants set up their own bookkeeping and tax practice.

He enjoyed working in this arena so much that he moved to Southern California and opened his own office for Comprehensive. Mike achieved a goal to find a client who wanted to sell their business when he stumbled upon Geneva Corporation, the largest middle market business broker at that time. This episode sparked an interest in learning how deals came together for private clients, and in turn, he sold his practice and became managing director for Geneva.

“CPAs hold an ideal position to advise business clients because they have the ability to get very comfortable with both the financial and tax ramifications on any given transaction — a big advantage over others who don’t have a financial background with this kind of experience. Most CPAs, on the other hand, lack the buyer contacts and transaction knowledge to see the deal completed.”

### **Referrals and Alliances**

Michael parlayed this lack of knowledge in mergers and acquisitions to an even greater level when he prepared a two-day training program in 1995 built around the needs of the private business owner. In addition to delivering the course to private investor groups and attorneys specializing in estate planning, he also teaches it in conjunction with AICPA meetings and through the National Association of Certified Valuation Analysts.

“Participants walk away with a keen awareness of new professional capabilities in the corporate finance and investment banking area. Transaction know-how and referral contacts help the CPA to play a larger role in helping business owner clients with these deals,” says Michael.

Moreover, he is beginning to see the rewards of keeping interested participants in the loop when he structures new deals by forming alliances with CPAs across the United States. In fact, he completed selling a \$20 million computer leasing and outsourcing business as a

result from a CPA in San Francisco who attended a training workshop. The sale resulted in a \$500,000 success fee, with half going to Global Capital and half to the CPA firm who worked with him in completing the deal.

Typically, Michael works on a contingent fee basis in structuring transactions and identifying investors that satisfy the client, but puts forth some risk by splitting the initial marketing costs with the client. When the transaction is completed, these costs are credited against the success fee.

“We complete about half the deals we work on, and that’s a very high batting average based on 15 years of experience because we’re very selective on the projects we’ll take on,” he says. “CPAs who don’t have a great deal of experience have the natural inclination to take on any kind of project, but if you drill too many dry holes, you’re out of business.”

CPAs and others who want to find out more about the mergers and acquisitions business may e-mail Michael at [win4@home.com](mailto:win4@home.com) or visit his Web site at <http://www.wealthinfo.net>.

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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