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September 1997

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Her physical address is on the World Wide Web, and her suite number is a URL.



Noteworthy Printings

BITS AND BYTES

TRENDS AND INNOVATIONS FOR BUSINESS AND THE ACCOUNTING PROFESSION

Words to Set a Course for the Future

"I define Strategy Innovation as the ability to reinvent ... competition within existing industries and to invent entirely new industries. It will be the next fundamental competitive advantage ... In an increasingly nonlinear world, only nonlinear strategies will create substantial new wealth."

--- Gary Hamel in *Fortune*



Creating a Vision for the CPA Profession

Imagine a blank slate. An empty chalkboard. The open, white screen of a word processing program. Now fill the space with fresh ideas... focused, innovative thoughts... unlimited paths. Examine what you've written. Toss it around. Create excitement and begin to think strategically about how what you've created can change the world.

That's the CPA Vision Process. Phase one of this process will examine the road ahead and discover the future of the CPA profession. Phase one's goal is to produce a vision report—a living document that will serve as a platform for the "do," or next phase of the process. In the next phase, activities of state societies, [AICPA](#), firms and even individual CPAs will begin aligning themselves in harmony with the vision process to bring its concepts into reality.

As an active, interested member of the profession, your voice and input are critical in moving the profession forward. We need and value your ideas and opinions.

The CPA Vision Process is a dynamic, thought-provoking exercise in defining core competencies and values that can be carried successfully into the next century. The vision process will drive the development of activities and programs needed to realize a shared vision for the profession, and provide the engine for propelling CPAs in public practice, industry, government and education onto parallel roads to the future.

CPAs and accounting professionals can look forward to continuous CPA Vision Process updates through a number of sources. In addition to the printed version of *Horizon Perspectives*, an [e-mail version](#) of this newsletter also will be available. For more details, visit our new Website at www.cpavision.org. The Internet site has expanded news and features too numerous, in-depth and graphically dynamic to put into the printed or electronic version of the newsletter.

In fact, we prefer that our audience receives electronic updates, not only to preserve our resources, but to provide you with the most up-to-date, comprehensive information available. To receive *Horizon Perspectives* via e-mail, visit the Website and complete your request online at www.cpavision.org/horizon.htm.

Grassroots Feedback

Starting in September, state CPA societies will host professionally facilitated Future Forums across the United States to receive direct, no-nonsense feedback and direction from CPAs on where the profession is headed and what is in store for the future.

By focusing on the future, CPAs will be better able to plan for their own needs, as well as those of clients and employers in the next century. The new CPA Vision Process Website

at www.cpavision.org is the key communications source for all CPAs who are committed to serve as change agents for the profession.

Pathfinder Profile

Janet Caswell: Living on the Edge



The New Accounting Firm

The walls have crumbled in favor of a new, virtual office. Janet Caswell is a living, breathing example of taking risk while offering solutions. She has closed up shop and created a new kind of practice for the late '90s. Her former firm, Janet G. Caswell, CPA, PC, located in Bloomfield Hills, MI, offered traditional accounting services and probably had a door, reception area and parking spaces.

"Any Process that doesn't look to the future is going to lose its value very fast."

Janet now prefers to be reached by e-mail at her new company, @BusinessAdvisor.com, LLC. She no longer accepts any compliance work, not only because she is restricted by uniform state board laws, but because she believes there is no future in compliance. Instead, Janet has designed a new business model based on her experience as a CPA and financial professional, and offers only consulting services over the Internet. She has administrative support, but there are no water coolers or weekly company lunches. Janet practices in what most of us refer to as the "paperless office," and prefers computer file folder icons to steel filing cabinets.

A Strategic Alliance

Her innovative dive into the virtual world isn't a solo effort. Janet has spent the last two to three months aligning herself with others--called "advisors"--who provide services in this new, virtual world. Her initial target market focuses on "subscribers," or financial professionals in business, such as industry CPAs and CFOs working in companies with sales of at least \$1 million.

"Our goal is simple," she says, without hesitation. "We want to take away all the consulting from traditional CPA firms. Specialization is just in its infancy, and we intend to exploit it."

Janet makes it clear that www.BusinessAdvisor.com will be unlike any other information resource currently on the Internet because of its construction and the way "subscribers" locate information. "Seventy-five percent of the time we spend answering the same, basic questions, such as 'should I lease or buy my car?,' and 25 percent of the time we spend doing the more challenging, lucrative and fun work," she says. "Wouldn't it make more sense to spend most of your time doing what you really like and less time in routine consulting?"

As a result, subscribers pay a monthly fee between \$100 to \$1,500 a month depending on the range of services needed. They can obtain answers to specific questions, as well as access a library of information with direction for engagements, in-depth analysis of topics and even tax

research. The best part, according to Janet, is the ability to view other subscribers' Q&As to learn about related matters.

Janet's relationships with her advisors enable her to offer advice for any industry. For example, she may engage a CPA that specializes in providing accounting solutions for the manufacturing industry. As specialists in their fields, advisors provide current, comprehensive knowledge, giving the subscribers the best resources possible.

Along with the knowledge that comes from specialization, other core skill-set requirements for advisors are the ability to communicate in writing and remain technically competent. "I'm not going to show them how to use e-mail or how to cut and paste attachments," says Caswell. "Instead, they'll provide timely advice and exist within the virtual environment."

Finding Customers and Surviving

How, then, does Janet find her subscriber base? Again, relationships and networking make the most sense because her advisors will have a firm foot in the door of any industry. In addition, she will publicize the firm through segmented industry publications and direct marketing.

To those who say this kind of online business could not exist, Janet offers succinct advice. "CPAs living on the old business model will survive, but only in the next five to 10 years. If they think they are going to retire on the value of their practice at that time, good luck; it's not going to happen."

Janet welcomes comments from those considering a virtual existence and advice from CPAs who think she won't survive past the turn of the on the range of services needed. They can obtain answers to specific questions, as well as access a library of information with direction for engagements, in-depth analysis of topics and even tax research. The best part, according to Janet, is the ability to view other subscribers' Q&As to learn about related matters.

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Janet can be reached through jcaswell@BusinessAdvisor.com.

This is the first in a series of profiles on CPAs using innovative techniques in public practice or industry. We are interested in receiving tips on future Pathfinder Profiles. E-mail comments to mail@cpavision.org.

Resources Provide Research, Tools

The CPA Vision Process is in full swing with a number of dynamic, timely resources available for CPAs, state CPA societies, accounting groups and other audiences. Here are several resources, and new ones are constantly being developed as the process progresses.

Ensuring the CPA profession arrives at a consensus of the composite CPA of the future will play an important role in the CPA Vision Process because of its research endeavors. An important part of the research is the Future Forums. Currently, state CPA societies are coordinating the participant lists to ensure a demographically sound array of profession-wide voices in the Forums.

While states are conducting Forums, clients and employers will be contacted by Yankelovich Partners, a leading market and consumer research firm, to discover the forces of change driving the concerns, business and financial strategies, and needs and values of users/employers of CPA services. Additionally, professional market research will determine if a gap exists between the services CPAs are providing today and the services clients/employers would like to receive today and two to three years into the future. These 15- to 20- minute interviews will be conducted over the telephone and will target high-income individuals and top management of small businesses.

Audiences can draw on a variety of printed and electronic communications pieces. *Horizon Perspectives* is a monthly newsletter with news and features for three audiences: Future Forum participants, AICPA Council and staff, and state CPA societies and related groups. Position papers will be written and produced during fall/winter 1997 that serve as a basis for discussion and commentary. Topics include an examination of how companies have used visioning to affect their bottom line, an analysis of the meaning and value of core competencies, and the importance of technology on the accounting profession.

Perhaps the largest endeavor based on immediate information retrieval is the process's Website, www.cpavision.org. This interactive arena offers a variety of thought-provoking and challenging topics, stories and issues that affect all CPA Vision audiences. Our intent is to encourage all segments to access the Website rather than depend solely on *Horizon Perspectives* and other printed information.

[Pathfinder Profiles](#) are real-life, case-study examples of what CPAs in all segments of the CPA profession have done to change the way they do business. Look for a Pathfinder Profile in each issue of *Horizon Perspectives* and visit the Website for expanded and archive profiles.

A full array of video presentations also are beginning to be produced. AICPA Council, state CPA societies and other audiences can stay in touch with periodic updates designed to summarize the latest news and messages delivered by key groups. A video module series is planned for the National Future Forum in January 1998, followed by a final program, *The CPA Shared Vision*, in May 1998 that will illustrate, illuminate and celebrate the final vision report.

A Pathfinder Test

- Have you developed or championed a successful new service for a firm, employer or the CPA profession?
- Do you have the ability to grow a practice or expand services to meet employer needs?
- Do you make extensive use of technology and have plans to increase your use as new innovations become available?
- Do you exhibit creativity and entrepreneurial attributes?
- Are you sensitive to others; do you show understanding and empathy, even in the business environment?
- Do you have a personal development plan or vision for the future?
- Are you willing to take reasonable risks to grow professionally?

Did you answer 'yes' to many of these questions? How many CPAs do you know who demonstrate these professional and personal attributes?

CPA "Pathfinders" are not cookie-cutter individuals in style, persona and work ethic. Pathfinders come from all walks of life and exist in all professions. Think of the last time you ran across an individual that truly exhibited the makings of an entrepreneur and focused on conducting business in a different way. That's a Pathfinder.

Beginning with this issue of *Horizon Perspectives*, we will chronicle a variety of Pathfinders who exemplify the spirit of change and vision. An expanded Profile is available on the Website at www.cpavision.org/pathfind/ with an in-depth analysis and case-study format.

We welcome your input on Pathfinder Profile candidates. Send recommendations to mail@cpavision.org.

Visioning vs. Strategic Planning Approach any CPA on the topic of strategic planning and you're often met with either a cold stare or blank face. In fact, most anyone--even our most valued thinkers--forced into the planning process, approach the concept of "change" with resistance and trepidation because people are uncomfortable with the unknown ... or an environment different than their own.

What, then, is the difference between Visioning and Strategic Planning? In *Competing for the Future*, authors Gary Hamel and C.K. Prahalad believe strategic planning stifles discussions about who we are or what we want to be because it "almost always starts with 'what is,' rather than 'what could be.'"

Strategic planning identifies specific activities along defined timelines, as well as matching goals and resources, to influence the environment to bring about the desired future. It is tactical and functional.

Visioning--although a strategic process--enables a company, industry or profession to review the potential effects of current and projected forces/issues, define and assess core competencies and values, develop desired future scenarios, and begin to plot strategy for achieving its vision for the future.

Many CPA firms, businesses, state CPA societies and other groups do an excellent job in strategic planning and have benefited greatly from the process, if nowhere else than in taking the initiative to assess the situation. However, the purpose of creating a vision for the future allows us to take the appropriate actions to make our optimum future happen.

Strategic Planning - the "do" phase, focuses on current and immediate future actions necessary to reach the future.

Visioning - the "see" phase, focuses on the horizon of emerging opportunities and challenges.



Noteworthy Printings

Spotlighting Publications Dealing With the Future

The Art of the Long View: Planning for the Future in an Uncertain World

by Peter Schwartz, Bantam Doubleday Dell Publishing Group, Inc, 1996
(Source: amazon.com, available at the CPA Vision Website's [online book store](#))

Right-brain enthusiasts will have a great time with this innovative approach that applies intuitive skills used by artists and musicians to navigate the future. Peter Schwartz, one of the world's leading futurists, has served as a consultant to clients as diverse as Volvo and the White House.

Contrary to popular theory, Schwartz uses the "intangibles" of life--hopes, fears, beliefs and dreams--rather than "tangible" aspects of a company's spreadsheet to demonstrate a path to

preparing for a better future. Schwartz outlines the "scenario" approach, giving readers the tools to develop a strategic vision within business. Schwartz describes the new techniques, originally developed within Royal/Dutch Shell, based on many of his firsthand scenario exercises with the world's leading institutions and companies, including the EPA, BellSouth and the International Stock Exchange.

From the publisher:

"Forget number crunching, says our foremost futurist; it's vision that makes things happen -- and this guide to his ideas is a vital tool for planners, managers, entrepreneurs, investors, or anyone interested in tomorrow."

BITS AND BYTES

TRENDS AND INNOVATIONS
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- *Scientific American* calls it "creeping featurism." The 1992 version of Microsoft Word had 311 commands, while the 1997 version has 1,033.
- Companies that value competitor information grew 200 percent faster than firms that did not, according to a survey of 429 CEOs conducted by Coopers & Lybrand. Respondents said the most important information included changes in competitor pricing, new product development and corporate strategy.
- With an estimated 39 million Americans now working out of their homes, nearly one in every 10 households has converted a spare bedroom, kitchen area or garage into a make-shift office.
- *Fast Company* magazine chronicles five ways to keep costs low in working at home: avoid paper by keeping information digital, use your company's e-mail server (if available), or obtain an account from an Internet Service Provider for \$20 or less each month; use one provider for your home phones and cell-phones; and, whenever possible, use toll-free numbers.