



VOL #2 ISSUE 2

[LETTER FROM THE CHAIR](#)

[LETTER FROM THE VP](#)

[DON'T MISS THE MARKETING PRACTICE MANAGEMENT FORUM](#)

[THE SMALL FIRM ADVANTAGE IN STAFFING](#)

[SENATE PASSES GRAMM-LEACH-BLILEY PRIVACY EXEMPTION FOR CPAS](#)

LETTER FROM THE CHAIR:

I trust that you have received your e-mail invitations to participate in the 2006 National Management of an Accounting Practice Survey and hope that you will all take advantage of this great opportunity. A joint effort of PCPS and the Texas Society of CPAs, the survey offers smaller CPA firms the most comprehensive information available for benchmarking management policies and financial results against other practices.

The in-depth survey results—which are free to PCPS members—are an important benefit of PCPS membership, providing information not usually available to smaller firms. That includes detailed data about size-specific and practice-specific areas, as well as information specially tailored for sole practitioners. In my opinion, the survey's greatest advantage is the chance it offers CPAs to compare themselves against firms in their geographic area, their size range and possibly in their service area. You can determine how your practice stands financially and make needed changes or reinforce successful choices. Participating firms will have access to an online reporting tool that will allow respondents to filter the data and create customized benchmarks.

If you have not received an e-mail invitation to participate in the online survey, you can request one at the PCPS Firm Practice Center at www.aicpa.org/pcps. The deadline for responses is September 1. Participating firms will have access to their customized results reports the week of October 16. (PCPS member firms that don't participate will have access to the National, Regional & Firm Size results the week of November 14.) Most state societies and the American Accounting Association are supporting our efforts.

The new streamlined version of the survey should take about an hour to complete, but I'm sure PCPS members will find that they enjoy ongoing benefits from their participation in it for many, many months.

All the best,
Richard J. Caturano, CPA
Chair, PCPS Executive Committee

LETTER FROM THE VP:

At PCPS, we conduct a wide range of research to provide valuable information to our members and to learn more about the firms we serve. Our survey of the Top Issues in Practice Management, for example, determines which concerns are most important to managing partners. It should be no surprise for practitioners to learn that in this year's survey, staffing has once again come in as the top issue for all firms. Here's this year's list:

1. *Finding and retaining qualified staff*, which has headed the overall list since its inception in 1997.
2. *Succession planning*. We know from our research that 81% of firms do not have documented succession plans. Given the general aging of the population, this issue is expected to be crucial for firms in the coming years.
3. *Marketing/practice growth*. Expanding their service base is clearly an ongoing concern for smaller firms.
4. *Keeping up with complexity and changes in tax laws*. This issue appeared in the top five issues for the first time this year, most likely because of well-publicized tax cases, the impact of Circular 230, stepped-up IRS enhanced enforcement and the growing impact of the alternative minimum tax.
5. *Seasonality/workload compression*. This challenge has been on the list more than once in recent years.

We have also broken down the data by firm size, compiling separate lists for sole practitioners, and firms with 2 to 5 CPAs, 6 to 10 and 11 to 20 or more CPAs. As a result, firms of all sizes can gain a better understanding of what concerns are affecting all practitioners and which ones are most challenging for firms in their own market segments. You can find out more about this research at <http://pcps.aicpa.org/Resources/Firm+Practice+Management/General+Overview/MAP+Top+5+Issues.htm>. At PCPS, we plan to use the data to create programs to address the concerns of firms of all sizes.

Best regards,
Jim Metzler, CPA
AICPA Vice President, Small Firm Interests

Don't Miss the Marketing Practice Management Forum

Sign up now for the September Practice Management Forum, "Developing Your Firm's Marketing Plan." Led by Jennifer Lee Wilson, co-founder of ConvergenceCoaching, this Forum will take place on September 21, from 2 to 3 p.m. ET. So far, these extremely popular **free to PCPS members only online Forums** designed specifically for smaller firms have covered key issues that include strategic planning, succession and profitability. They feature live PowerPoint presentations as well as Q&A sessions in which participants can receive answers to questions about problems in their own firms. Each one is led by a nationally recognized authority on the subject. As the leader of this Forum, Wilson has been named to *Accounting Today's* 100 Most Influential People in Accounting list and is one of *Accounting Technology* magazine's Technology Stars. ConvergenceCoaching is a national leadership and marketing consulting firm dedicated to working with CPA and IT firms to achieve success by helping them develop and implement success plans. Watch our for your e-mail invitation to this Forum in the weeks before it occurs.

The Small Firm Advantage in Staffing

If you attended this year's Practitioners Forum, you probably saw a presentation by AICPA Board Chair Leslie Murphy on the Small Firm Advantage, the PCPS initiative designed to help smaller firms maximize the many benefits they have to offer staff and clients. In Murphy's presentation, she cited these advantages for staff:



- Client contact sooner rather than later in your career.
- Easier access to firm decision makers and the ability to impact the future of the firm.
- Opportunities and career paths that can better meet individual needs and aspirations.
- The chance to be a "big fish in a little pond," taking on greater responsibility at an earlier stage in your career
- The chance to progress at your own pace.
- The ability to benefit from new programs that are simpler and easier to implement and customize to individuals in a smaller organization.
- More chances to have fun!

You can read more about the Small Firm Advantage in a *Journal of Accountancy* article by AICPA Vice President—Small Firm Interests Jim Metzler that can be found at <http://www.aicpa.org/pubs/jofa/jul2006/metzler.htm>.

Senate Passes Gramm-Leach-Bliley Privacy Exemption for CPAs

CPAs won a key victory in June when the Senate passed a bill containing the profession's Gramm-Leach-Bliley privacy notice exemption regarding disclosure of personal financial information. The exemption is also in a bill passed by the House earlier this year. Legislators are now at work on resolving differences between the House and Senate versions.

Under the act, "financial institutions" must make annual disclosures to consumer customers about non-public personal financial information. Based on the act's extremely broad definitions, CPAs who are substantially engaged in tax preparation and financial planning are currently subject to the legislation's privacy disclosure provisions. We will keep you updated on new developments in this area.

Copyright © 2006 by American Institute of Certified Public Accountants, Inc. All rights reserved. This document may be reproduced and distributed as part of professional services or within the context of professional practice, provided that the reproduced materials are not in any way offered for sale or profit.