INTRODUCTION

The first FSA Strategic Planning Committee was appointed in December 1991 and charged with the task of developing a strategic plan to carry the organization into the next century. The initial committee was A. Tom Nelson (current president), Fred Streuling (past president), Doyle Z. Williams (past president), Eugene Berry (president elect) and Bernie Milano (past director). Since the timetable involved a two year period, the initial committee members were reappointed in December 1992. At that time the committee was expanded to include the current president-elect, Loren Nikolai.

The committee decided to start with materials the AICPA had developed in the strategic planning area. The institute had recently issued the second edition of its strategic plan. That document contained important helpful global and accounting-specific assumptions (see Appendix A). To form assumptions regarding accounting education, the committee considered the work of the Bedford Committee, the (then) Big Eight "White Paper", the Accounting Education Change Commission (AECC) and other educational organizations.

The committee also thought it would be more efficient if it took advantage of the AICPA's experience and expertise. The AICPA was kind enough to host our first committee meeting at their New York offices. Frank Katusak, Director of Planning; Rick Elam, Vice-President of Education; and Bea Sanders, Director, Relations with Educators, served as resources to the committee at that meeting. Frank Katusak shared his expertise in the planning area in helping us outline the steps we should go through as well as providing us with additional background regarding the AICPA document. Two members of the FSA Strategic Planning Committee served as members of the AICPA Strategic Planning Committee and one member of the FSA committee had had previous experience on a college strategic planning committee. This also provided additional insight for the committee.

The steps the committee followed were:

1. Reviewed different assumptions about the future including:
   a. AICPA Strategic Plan
   b. AECC pronouncements
   c. Bedford Report and other AAA work in the area

2. Developed specific assumptions about accounting education in the future.

3. Reviewed and evaluated the Mission and Objectives of the FSA.
4. Related assumptions about the future of the Mission and Objectives of FSA to identify threats and opportunities.

5. Developed an "inventory" of possible actions by the FSA to capitalize on the opportunities and minimize the damage from threats.

6. Refined the "inventory" into Strategic Thrusts and related strategies tying each to the Mission and Objectives of the FSA.

7. Discussed important short-term steps that need to be taken to implement the plan.

8. Drafted the committee report.

The committee's activities were temporarily delayed by a matter referred to the committee by the FSA Board of Directors in December, 1992. With the large growth in membership the FSA had experienced in the last couple of years, there was growing concern about the efficiency of the FSA's existing administrative office. The arrangement with DePaul University had been made many years earlier when the Director of the School of Accounting at DePaul University was serving as president of the FSA. It worked well and the arrangement continued until the present. The Board's concern was not with how the arrangement had worked in the past (in fact, the Board was highly complimentary and appreciative to all concerned) but whether this sort of arrangement was best for the future. Thus, the matter was referred to the Strategic Planning Committee.

BACKGROUND

The FSA was first organized in 1977 by a small group of schools interested in strengthening professional education through organizing schools of accountancy and by taking related steps to strengthen graduate accounting education.

In 1990 a special "Past Presidents Consortium" was held and all past presidents were asked to meet with the then current FSA Board of Directors and take a look at the mission of the organization and a possible name change, which would more closely reflect that mission.
While "name change" formed the ostensible subject of the conference, key issues [discussed at the conference] were the fundamental philosophy of the organization, what it's goals and objectives should be, and ultimately what scope and nature the organization should take. These considerations would, in turn, determine the name of the organization, which must accurately reflect its nature. Thus, the meeting was of the greatest significance.*

As a result of that consortium major by-law revisions were proposed which significantly changed the direction of the FSA. The most significant changes were:

1. A subscript was added to the name: "The Organization of Accredited Graduate Programs in Accounting".

2. Membership rules were revised so that schools with AACSB Accounting Accredited masters programs were eligible for membership (with no separate membership criteria or application).

Since these by-law changes, the organization has significantly grown, increasing from 30 full members to its present 62 full members. In addition, affiliated schools increased from 9 to the present 35, and supporting associates from 16 to the present 30.

These significant changes in the FSA prompted the leadership to appoint a strategic planning committee to assure that growth be managed to achieve the organization's mission.

PLANNING ASSUMPTIONS

We live in a dramatically changing environment which makes it important that we give careful consideration to changes and trends as we make plans for the future. Below is a series of planning assumptions developed by the FSA Strategic Planning Committee related to our environment. These "education specific" assumptions were developed after careful review of the broader planning assumptions made by the AICPA (see Appendix A), the AECC, the Bedford Committee and other organizations. It is important to view all of these planning assumptions as fluid. The environment is changing even as this report is being drafted. This suggests that the FSA must continually monitor the environment to identify emerging trends that may suggest modification of the strategic plan.

*p, 5, FSA Newsletter, Fall 1990
Industry and public accounting will continue to make significant changes in the way they develop, produce, and sell products and services and the way in which they manage their organizations. There will be a continued movement from the functional organization to a more integrated, networking organization, powered by information technology. (See the award winning article, "The Third Wave Breaks on the Shores of Accounting," by Robert Elliott, Accounting Horizons, June 1992, for a speculative discussion on these trends.)

There will be significant changes in internal accounting systems to accommodate these changes in the production and delivery of product and services and to better manage the emerging organizational structures. Information technology is and will continue to be a major force.

Public accounting will continue to automate the attest process as more streams of information become available that will require attestation and lend themselves to automation. There will be a movement away from the rigid processes now being used and a movement to more judgment.

Changes in accounting curricula will be needed to accommodate the changes taking place in the environment. The Bedford Report's challenge to treat the accounting discipline as an information development and distribution function for economic decision making will become more critical.

There will be a trend towards more broadly educated accountants similar to MBA-type education. There will not be a need for specialization at the masters level. Two exceptions will be the need for tax and systems specializations.

Special programs (e.g., institutes and centers) will develop at universities to meet special education needs, e.g., valuation and financial planning. These will be professional education programs where the graduate receives a certificate. Much of this "professional" education will continue to be provided internally by large public accounting firms.

The importance of the bachelor's degree as a terminal degree will decline. Undergraduate accounting programs will become broader, providing the core preparation for the masters degree.

The demand by public accounting for undergraduates will decrease, while the demand for high quality graduates from professional five-year schools will increase. The use of para-professionals by large accounting firms will continue to increase. The latter will be supplied by two-year colleges and regional four-year colleges.

The demand for high quality graduates will occur at the same time the supply of the best students coming into accounting educational programs is declining.
Educational institutions will continue to have difficulty in producing high quality accounting graduates because the best and brightest students will continue to choose another discipline.

Public accounting will need broadly educated graduates who can move up the skill ladder quickly after being employed. Universities may have to provide an educational experience that will simulate work experience that would now be received by undergraduates after being employed by a firm.

Public accounting will recruit from those accounting programs that provide a quality "differentiated" product. That is, firms will recruit from five-year programs that have improved their curricula to meet the employer's needs. This means that employers will be more selective on which campuses they recruit. This is already occurring in some markets where large public accounting employers are now visiting only selected programs in the area.

There will be continued budget constraints at colleges and universities, which will impede the development of high quality accounting programs.

Customers, i.e., students, parents, etc., will accelerate their demand for better service (i.e., get their money's worth) from educational institutions. Thus, the pressure for better teaching and curriculum development will continue.

There is a lack of interest in participation in professional activities by public accountants, industry, and educators. Volunteerism is down. Membership growth and participation in state societies has slackened.

The increased demand for better teaching combined with the continued demand for good research will likely decrease the participation in professional activities by academicians.

The number of new accounting faculty with professional certifications and practical experience in accounting will continue to decrease. However, accreditation standards may provide a floor to slow or halt this decrease.

MISSION AND OBJECTIVES:

MISSION STATEMENT

The Federation of Schools of Accountancy (FSA) is dedicated to enhancing, through collegiate education, the capabilities and performance of those entering the accounting profession. Its mission is to encourage, promote, assist, and support the development of high quality accredited programs of education for the accounting profession that lead to a Master's degree.
OBJECTIVES

To achieve its mission the FSA will:

1. Be a leading voice of accredited accounting programs on accreditation issues.

2. Encourage and assist in developing high-quality programs of education for the accounting profession that lead to a Master’s degree.

3. Develop and promote appropriate standards for programs of education for the accounting profession that extend through the Master’s level.

4. Promote the concept of accounting accreditation, and monitor and influence the establishment of accreditation standards.

5. Devise and implement programs to attract high quality students to accounting education programs that extend through the Master’s level.

6. Assist in the implementation of the Schools of Accountancy concept as an organizational model for providing accounting educational programs that extend through the Master’s level.

7. Assist and cooperate with other organizations in achieving the mission of the FSA and provide a forum for the exchange of views and the sharing of information with others interested in programs of education for the accounting profession that extend through the Master’s level.

8. Encourage and support research related to the mission of the FSA.

STRATEGIC THRUSTS AND STRATEGIES

The committee developed eight major thrusts (strategic thrusts) that the FSA should follow in order to achieve its mission. Under each of these thrusts the committee developed a number of strategies that should be pursued in order to achieve the desired goals. Strategic thrusts represent major strategic areas of effort, the accomplishment of which will decisively affect and influence the direction of the FSA over the next 5 to 7 years. Strategies provide overall direction to the FSA on "where it should be going and how to get there" within the boundaries established by the strategic thrusts.

1. Encourage and assist schools in meeting the 150-hour educational requirement by developing, implementing, and improving quality accounting masters programs.
a. Assist member schools in dealing with curricular matters.

b. Establish a "directors of graduate programs" seminar.

c. Assist member schools in assessing the effectiveness of five-year accounting programs.

d. Assist member schools with faculty development.

e. Provide model curricula recommendations for five-year accounting programs.

f. Assist member schools in assessment activities for continuous quality improvement.

g. Assist member schools in achieving greater ethnic and cultural diversity among their faculty.

h. Promote the masters degree as the preferred method to meet the 150-hour educational requirement.

2. Proactively influence the accounting accreditation process.

a. Facilitate information exchange among member schools on the development and implementation of accounting accreditation standards, including program adjustments made to address any new accreditation standards.

b. Establish a mechanism for timely response to exposure drafts (from AACSB, AECC, AICPA, AAA and other organizations) on issues related to accounting education and accreditation.

c. Identify accreditation standards which will assist schools in developing high quality programs.

d. Provide leadership in forging a consensus on professional accounting accreditation standards among major accounting interest groups.

e. Develop a cooperative relationship with the AACSB in the development, implementation, and monitoring of professional accounting accreditation standards.

f. Facilitate information exchange regarding accreditation issues.

3. Promote the importance of accounting accreditation as evidence of the commitment to quality and continuous improvement.

a. Encourage schools with quality programs to seek accounting accreditation.
b. Develop targeted mentor relationships between member schools and potential schools which are in confirmed AACSB candidate status, as well as those who should be candidates.

c. Encourage accounting programs at accredited business schools to seek accounting accreditation.

d. Encourage the AACSB to open a one-time "window" of opportunity during which accounting programs may apply for accreditation without waiting for their respective business schools to come up for reaccreditation.

e. Encourage employers to place increased emphasis on accounting accreditation in their recruiting efforts.

f. Encourage the AICPA to promote the importance of accounting accreditation.

g. Encourage states to adopt the AICPA/NASBA model rules that recognize accounting accreditation.

4. Maintain a viable FSA organization.

a. Increase the financial resources of the FSA so as to permit the organization to effectively achieve its mission.

b. Improve the administrative functions of the FSA to match the growth of the organization.

c. Achieve 100% membership of the schools with accounting accreditation.

d. Increase membership across all membership classes.

e. Review and revise the dues structure.

f. Review the purpose and focus of FSA publications to assure that all are timely/focused publications that add value to the reader and therefore to being a member of the FSA.

g. Promote the role of the FSA.

h. Consider new classes of membership for schools in AACSB "candidate" status and liberal arts institutions.

5. Assist member schools in attracting high quality students (including students from non-traditional sources).

a. Develop programs focusing on attracting the brightest students.
b. Evaluate the student lyceum (including the possibility of having a "junior class" lyceum so schools (and other students) can share in benefits more fully.

c. Encourage the formulation of appropriate articulation agreements.

d. Monitor the environment of accounting education to identify factors that influence the supply of and demand for highly qualified students.

e. Assist member schools in achieving greater ethnic and cultural diversity among their students.

6. Cooperate with other organizations to achieve common goals

a. Explore opportunities for joint efforts with organizations where the FSA shares common interests.

b. Exchange information and views on the FSA mission with other professional organizations.

c. Coordinate the nominating process so the same individuals are not used simultaneously in several organizations resulting in a hardship on individuals and their employers.

7. Provide information regarding the school of accountancy model.

a. Develop and issue guidelines for forming/organizing a School of Accountancy.

b. Provide information exchange among member schools on current developments in the use of the School of Accountancy model.

8. Support research regarding the future educational needs of the profession.

a. Develop programs for encouraging research and disseminating research results on the effectiveness of teaching activities.

b. Commission timely research studies through FSA committees that will facilitate the accomplishment of the FSA mission.

ADMINISTRATIVE OFFICES

The Strategic Planning Committee was given the special assignment of examining and evaluating the administration of the FSA. This included both the location of the administrative offices and the use of a part-time administrative consultant. It should be noted that this was not done because the arrangement with DePaul University was unsatisfactory. On the contrary, both the committee and the Board
commended John Ahern, the Director at DePaul; Tim Lockyer, an administrative assistant at DePaul and the FSA Administrative Consultant; and the entire faculty at DePaul for the great service they have rendered to the FSA. Indeed, it is hard to conceive how the FSA may have fared without the devotion and sacrifice of the DePaul University Administrators.

As noted earlier, our committee has tried to develop an administrative approach that will maximize the FSA's achievements in the future. The committee has focused on the question, "What sort of an administrative organization will be most consistent with the new mission and focus of the FSA?"

The committee considered a number of possibilities. First, continue the arrangement with DePaul. Second, move from member school to member school on a rotating basis (say, for example, coinciding with the term of treasurer). Third, move to a State Society or other supporting associates' offices (similar to the arrangement the AECC has had in Torrance, California). Fourth, contracting with a commercial organization that specializes in providing administrative services to associations. Finally, contract with AACSB since the FSA is "The Organization of Accredited Graduate Programs in Accounting" and the AACSB is currently the only organization that accredits accounting programs and it has similar contractual arrangements with Executive MBA and Beta Gamma Sigma.

Committee members were assigned to explore all of these possibilities and we carefully considered the advantages and disadvantages of each. After careful consideration, and some exploratory talks with officials at the AACSB, the committee recommended to the FSA Board of Directors that they proceed with formal negotiations to move the offices to the AACSB offices in Saint Louis effective July 1, 1993, or as soon as practical thereafter. In its February 1993 meeting, the FSA Board approved this recommendation and formal talks started soon thereafter. An agreement was approved by the FSA Board at its August 1993 meeting.

RECOMMENDATIONS

The committee makes the following recommendations:

1. The FSA should continue to function because it is a viable organization with a unique and important mission. First, it is an organization of institutions (accounting units at accredited schools) rather than individuals (like the AAA, for example). Second, its membership is limited to schools that have accredited graduate accounting programs. Other organizations have a much broader constituency and therefore cannot gain the necessary focus and consensus necessary to address the mission of the FSA.
2. Strategic planning should be a process not an event. The Strategic Planning Committee should be a standing committee with terms of some members extending beyond one year to assure continuity. Members should have varied backgrounds but all should have had extensive FSA experience (preferably at the Board level). A cycle for revision of the strategic plan should be established (possibly every 3 to 5 years). In the interim years, the committee should continually review and monitor FSA activities to be sure the FSA is "on target".

3. The President-elect should develop an "operating plan" by July 1st prior to taking office as president and present the plan to the Board of Directors for ratification at its August meeting. The plan should include names of committees and list other activities that are planned; all committees and activities should be tied to the strategic plan.

4. The officers and board members should continue negotiations with the AACSB to complete the plan to move the administrative offices to Saint Louis and contract with the AACSB for administrative services. The move should be phased in over three to six months and should be carefully monitored to assure a smooth transition.

5. The Board should establish requirements for FSA officers and adopt these as rules for use by the nominating committee. These rules should be designed to: (a) assure that persons assume leadership positions only after having been properly "schooled" in the activities of the organization, and (b) encourage participation of individuals from participating (member and affiliate) organizations, and (c) assure that the member institution provides the support in terms of time and resources so that the individual can serve the FSA without impediments.

6. After completing the strategic analysis that formed this plan, it became readily apparent that there is a significant gap between the mission and objectives of the organization and those implied by the name, Federation of Schools of Accountancy. The mission and objectives relate to the broad goal of strengthening and improving professional accounting education programs that lead to granting of a masters degree. The name implies that the only way to achieve these goals is within a school of accountancy. The committee feels that it is important that the name be changed to more clearly describe the organization. This is essential in order to attract quality programs that support our mission but do not (or cannot) choose the school of accountancy model. The committee did not consider possible names but believes this should be a high priority for the Board of Directors (and ultimately the member schools) to consider.
APPENDIX A

AICPA STRATEGIC PLANNING COMMITTEE

PLANNING ASSUMPTIONS

The Institute monitors the environment on a regular basis to identify emerging issues and trends of potential significance to the AICPA and the profession. Identification of such issues and trends would suggest changes in the planning assumptions and strategies for the future. In effect, the following view of the future is evergreen. Based on the Committee’s monitoring efforts over the past year, the following summary is currently under revision and will be released when reviewed by the Committee and presented to the Institute’s Board of Directors.

REVISED ACCOUNTING–SPECIFIC PLANNING ASSUMPTIONS

Below is the revised series of planning assumptions (i.e., View of the Future) developed by the AICPA Strategic Planning Committee at its September 29-30, 1992 meeting and through subsequent Committee correspondence. These planning assumptions deal specifically with the accounting profession and are categorized into five major areas: in effect, the driving forces that will shape the future for CPAs: globalization, technology, competition, complexity and human resources. In addition, several assumptions relate to the Institute itself.

Although these planning assumptions are grouped under specific driving forces, they are not mutually exclusive. They do represent what is likely to occur in the future without consideration of actions the Institute might take to influence change.
Globalization - Greater international trading, increased development of economic blocs, the rise of market-driven economies in Eastern Europe, increased competition for capital in cross-border activities, emerging trade agreements between nations of the Americas, and greater international investments.

- A growing number of entities will be involved with international operations. CPAs providing services to these organizations will need to expand their expertise to cover the international arena.

- Globalization of capital markets will create a greater need for harmonization of accounting and auditing standards.

- Accountants in the U.S. and their counterparts in other countries will increasingly demand reciprocity.

Technology - Changes in developments in computers, information technology, communications, and the various impacts of such changes in organizations, personnel needs, and the like.

- We are increasingly becoming an information-based economy. Computers have already changed quite dramatically access to, and the nature and timing of, information available to us. Technology will continue to create even more timely access to make information and there will be even increasing access to expanded computing power and communications technology. The next main change in technology will be the use of expert system and artificial intelligence designed to accomplish many tasks in all areas of a CPA's expertise.

- Technology will have an increasing impact on the knowledge and skills of personnel needed by CPAs and on the nature of work undertaken by accountants.

- Organizations will continue to have an increasing need for capital to make the necessary investment in many areas, such as technology and related training. As an alternative to heavy capital investment, some accounting firms will choose to increasingly specialize and practice within narrow areas depending on their size and the background, training and inclinations of their personnel. Professional networking among firms will accelerate.

- Technology also holds implications for organizational and personnel needs. As the need expands for more experienced personnel (and fewer lower level staff accountants), we will see the structure of firms continue to move away from the pyramid shape of the accounting firm organization. Moreover,
the specialized skills necessary to deal with technological developments will create greater opportunities for non-CPAs to become associated with CPA firms. For CPA firms, a higher percentage of the total workforce will be in long-term non-owner career positions. Finally, major changes in the education process will continue to be required to adequately prepare accountants for entry into the profession.

- Technology will have an impact on business and governmental entities and on all areas of CPA firms, but it will likely have its greatest impact on how, when and where attest engagements are performed.

**Competition** – Changes in competition arising both within the profession and from outside sources.

- Accountants are operating in an increasingly competitive environment that will continue to put pressure on the profitability of accounting firms. With the recent changes in contingent fees and commission rules, the trend towards firms charging for some services on a basis other than time will accelerate.

- The trend toward firms providing a greater range of non-accounting and non-auditing services will continue. The expanding scope of service will bring accounting firms into increased competition with other CPAs and entities, (i.e., non-CPAs), who provide services that overlap and compete with what CPAs do and vice versa. In an effort to compete, non-CPA organizations will, for example, associate with one or more accounting firms or vice versa. Coupled with changes in technology, competition will add to the trend towards greater differences among firms in terms of size, nature of practice and practice areas. There will be an increasing number of start-up CPA firms and the continued creation of small firms. Seasonality will continue to be an issue for CPA firms and small businesses. Specialization will accelerate. Accounting firms will continue the use of separate groups within their structure for separate functions.

- Government will be another expanding market for CPA services, as CPAs see an increase in work performed for governments as clients as well as an increase in work performed on the behalf of governments. CPAs will also have increasing opportunities and responsibilities resulting from environmental issues.

- CPAs will be involved with a greater range of services which may increase the challenges facing CPAs regarding independence, objectivity, and conflicts of interests.
Considering the potential for a perception that certain services pose a conflict of interest, it will be more difficult for firms to capitalize on their reputation for objectivity when offering new types of services. A smaller number of firms will provide audit and attest services.

- It will be increasingly difficult for CPAs to maintain their competence. Greater pressures will be placed on the integrity of CPAs, and we will continue to be challenged in the future, but in the final analysis, the profession will be judged by the quality of its work.

**Complexity** - Constantly changing tax laws, the development of innovative financing techniques, questions about the effectiveness of the audit function, and questions about the utility of periodic historical cost financial statements.

- Changes in tax laws will continue to have an impact on the work of CPAs and maintaining the quality of tax work will continue to be difficult.

- The profession will continue to experience both difficulty and opportunity from the increasing amounts of information as we move to an information-based economy and the attest function continues to cover a much wider range of information.

- Accountants will experience continued pressure to take on "watchdogs" roles in professional activities, and greater responsibility for fraud prevention and detection, reporting on internal controls of clients, and reporting on the compliance of clients with laws and regulations. The gap between the public's expectations and the ability of the profession to meet them will, however, continue as the public continues to demand that CPAs continue to provide a higher level of performance. Providing standards of professional performance and monitoring and enforcing compliance will continue to be one of the Institute's most important roles.

- Congress and federal agencies will, nevertheless, continue to challenge the profession's ability to regulate itself and to administer its disciplinary functions. Provided that the Institute maintains existing programs, it is unlikely that there will be a shift to government of the accounting and auditing standard-setting functions. Government, however, will look to CPAs to help meet regulatory needs. State regulation will increasingly influence CPAs. Moreover, there will be demands for greater regulation of specific services provided by CPAs and others. State boards will increasingly be under pressure to regulate effectively and will continue to
have difficulty in attracting qualified leaders. Although practice monitoring, continuing professional education, and compliance with professional standards will help ward off unnecessary government regulation, the profession's sanctioning process will continue to be criticized.

- Although practice monitoring efforts will continue be effective in maintaining and improving the quality of practice, legal liability concerns will continue to be a major issue for the profession, particularly concerns about the legal structure of firms. There will be an increasing number of firms whose owners have limited liability.

- Firms/CPAs will be providing more forward-looking services and, as the relative value of future-oriented financial and non-financial information will grow, the relative value of historical financial statements will decline. As the complexity of financial reporting increases, it will continue to make professional standards more complex, difficult and costly to apply. There will be more pressures to expand attest services for non-financial information.

- There will be increased pressure for uniform licensing standards. The CPA exam will expand to accommodate the growing complexities of the business world and the cost of getting and maintaining a license will increase.

**Human Resources - Shifts in the populations of the U.S. as well as changes occurring within the available supply of CPAs.**

- The pool of accounting graduates will remain relatively constant, but the demographics will change and the demand may exceed the supply of qualified graduates. An increasing number of women will be employed by accounting firms and a greater proportion of entry-level personnel and CPAs will be women. Minorities will continue not to be attracted to the profession. Changing social values and two-income families will make "life-style" considerations increasingly important. Thus, it will be increasingly more of a challenge to motivate new entrants into the profession to dedicate themselves to career and employer, as in the past.

- More rigorous efforts will be necessary to screen and hire employees; moreover, a greater effort will be needed to improve the upward mobility of minorities and women.

- Fewer new entrants to the profession will be available from among the best and brightest college students. The cost of getting and maintaining a license will increase. The skill of CPAs as a group will be more diverse. There will be
increased use of paraprofessionals and "life-style" considerations will give rise to more part-time practitioners. Benefits will change in response to family and personal needs. It will be increasingly evident that partnerships and long-term career positions are not forever and people in corporations will change jobs more often.

The Institute - Changes in members and their attitudes as well as the significance of membership in relation to state societies and other organizations.

- CPAs not in public practice will be a growing proportion of AICPA membership in the future. There will be relatively fewer members in public practice from large firms and more from small firms. The Institute will continue to be confronted with increasingly diverse interests on the part of its various membership constituencies. Moreover, there will be an increased need for the Institute to recognize non-CPAs who are working in public practice.

- The value of AICPA membership will continue to be questioned and there will continue to be an organizational overlap between the Institute and the state CPA societies. The AICPA will continue to have more stringent membership requirements than most state societies. But cooperation between the Institute and state CPA societies will continue to grow as will conflict.

- There also will be increased availability from other sources of professional programs, products, and services traditionally provided by the AICPA. As a result, the AICPA will experience increased competition from other current and future organizations and services for members, e.g., financial planners. Other organizations will provide specialty designations for aspects of accounting or accounting practice. Both the AICPA and state societies will increasingly face economic pressures and CPE for both will continue to be a concern.

- CPAs will be less inclined to join and retain membership in the AICPA or state CPA societies than in the past and highly qualified AICPA members will be less likely to participate in the work of professional societies. It will be increasingly difficult to keep those with leadership roles in both the Institute and in the profession as well as to keep the membership adequately informed on AICPA activities and actions and on issues affecting them. There will be continued pressure, as well as need, to accelerate the issuance of timely guidance on technical issues. Furthermore, the need to build consensus and the need for due process will continue to be time consuming, but critical for success.
FSA STRATEGIC PLANNING COMMITTEE

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