

NETWORKS

SPRING 2006

Greetings from the President,

We welcome another great year for INPACT members! It's easy for me to talk about the benefits because I've been on the receiving end, finding new and better business opportunities through the connections and friends I've gained. I've also had the true pleasure of helping fellow INPACT members as they grow their businesses, as well.

Exchanging ideas across the country and around the world is a unique opportunity for those in our organization. Within the past year, I hope all of you can say you've answered and sent an SOS, improved your client service and internal reports by adapting other members' successful methods, or been able to offer a niche service without having to employ people with that skill. We do all of those activities through our INPACT network.

Some of those ideas and business services

probably had international implications, which you may never have imagined for your firm.

The benefits extend past our individual companies. My company has several very loyal and appreciative clients who enjoy greater business success because of the opportunities I bring them through my INPACT connections. Are you bringing these opportunities to your clients?



*Gary R. Benware
President,
INPACT Americas*

Due to those relationships and our connection to IFAC (International Federation of Accountants), we are leaders in knowing – and understanding – what is happening in international accounting standards. I have no doubt accountants everywhere will be affected in the coming years.

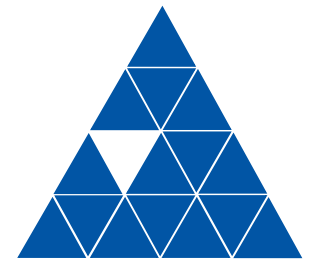
There's no question that we get the scoop on *continued on page 2*

Jean Hawkins, Outgoing President

My time as board president went so fast! Perhaps it was because I had so much to learn. Thanks to those of you who taught me so much. Those of us who belong to professional organizations occasionally hesitate to become more involved – although we know we should. I am delighted to encourage all of you to become more involved in INPACT, because the rewards for you will be great.

I have much to be thankful for during my time as president. At the top of the list is appreciation for you, our members. You attended forums, participated on committees, and contributed through generous member-to-member cooperation. Seeing and hearing about the new ideas and technologies you embraced and shared, and the surprising new business opportunities and reduced operating costs you enjoyed gave me

continued on back



INPACT
AMERICAS

INPACT INTERNATIONAL



Dr. Heinfried Brunsmann
Chairman, INPACT
International

INPACT International currently has 98 member firms in 66 countries. With applications under consideration from firms in Kuwait and the Dominican Republic, we look set to reach the 100 firm milestone very soon! We extend a warm welcome to recent new member firms – Confidence GmbH in Herford, Germany and Gestión Empresarial in Asunción, Paraguay.

It was wonderful to see so many countries represented at our last conference in Munich and we were especially delighted to welcome delegates from INPACT Americas. Amongst the US delegation, 30 years of networking success for INPACT Americas was clearly evident with the presence of Don Linton from founding member firm Linton Shafer Warfield & Garrett PA, Frederick, MD and John Gosch of Ironbridge LLP, Pasadena, California, the most recent firm to join the Americas network.

John Gosch made a valuable contribution with his presentation on doing business in the USA – demonstrating the local knowledge and expertise so crucial to the success of any company wanting to grow their business in new markets. As the World Conference programme returns to Europe in 2006, we hope to welcome

continued on back



MEMBER COLLABORATION BUILDS BUSINESS

Young Einstein knew a lot about difficulty. He was often considered slow to learn in elementary school and later flunked a technical school entrance exam. But because he persevered, his innate intelligence and vanguard ideas brought amazing progress to the world.

It's not easy to pursue a new idea, especially in the face of difficulty. When Sarbanes-Oxley was passed, many small- to mid-sized firms saw a portion of their normal client work melt away. They realized, however, that opportunity for new audit business with new clients was probably buried somewhere in the difficulty. Many smaller firms began strategizing ways to attract the lucrative audit business of new clients, even much larger ones.

INPACT members frequently look to the strategy of collaboration. New members quickly learn the power of collaborating with fellow members on client and practice priorities. They see and hear success stories while attending their first meetings and exchanging initial email inquiries.

Three INPACT members researched possibilities and decided to take collaboration a step further, officially forming the Eastern Audit Alliance. They are Dragon Benware Crowley & Company, PC, of northern New York State, Goff Backa Alfera & Company, LLC, of Pittsburgh, PA, and Smoker Smith & Associates, PC, near Harrisburg, PA.

Each firm had seen the auditing portion of their business grow, and their expertise in the discipline grew along with it. They knew each others' staffs and capabilities well from the INPACT

association. Their combined experiences and strength give them credentials to serve clients regionally, nationally, and even internationally, while still maintaining each firm's independence as a separate entity.

"The new inquiries we received regarding auditing services brought wide-ranging discussions of how our firms could provide auditing on a large scale," said Brion Smoker, managing partner of Smoker Smith & Associates. Smoker travels extensively on behalf of INPACT and his own firm, including international travel and business inquiries.

"We had already been exchanging expertise – and occasionally professional staff – to increase service and value to clients," added Richard Alfera, managing partner of Goff Backa Alfera & Company. "The growing opportunities were clearly evident."

The advantages of using the Eastern Audit Alliance quickly raise client interest and business possibilities. Other INPACT members are considering forming similar alliances.

"Eastern Audit Alliance gives us the ability to handle complicated customer requirements, whether in a smaller region or another country," said Gary R. Benware, managing partner of Dragon Benware Crowley & Company. "Clients have been amazed at our combined resources!"

Opportunity found. To learn more about the Eastern Audit Alliance, visit www.easternaudit.com.

"In the middle of difficulty lies opportunity"

— ALBERT EINSTEIN

FROM THE PRESIDENT continued

what is coming down the road in the accounting profession. After attending our semi-annual partner meetings, we walk away with better management skills, a sense of who has expertise in what specialties, and ideas on technology to implement now, as well as what to prepare for in the future. For example, INPACT members had advance notice and crucial insights regarding the implications of reporting under XBRL. Those sessions happened quite a few years ago, and recent information tells us this will soon be mandatory. INPACT members are ready!

All that will continue in the coming year, and more! We thank Jean Hawkins for her leadership and for generously sharing her business knowledge. And of course we all benefited from her wonderful southern hospitality!

Imagine what we can all accomplish with more INPACT members! I will be sending regular messages about the membership challenge I issued last fall, so get ready. If you are a member of a professional organization like INPACT, you have responsibilities to not just participate, but give back to enhance the health and wealth of the organization. Can't lead a committee? You CAN bring in new members, many of whom can perform these over-and-above essentials.

Thank you for making this the best professional organization, accounting or otherwise, that I have ever been associated with. I look forward to hearing your ideas and insights. Give me a call or email anytime!



Incoming President, Gary Benware, presents plaque of appreciation to Jean Hawkins, 2004-2005 President.

BOARD OF DIRECTORS

Gary R. Benware
President

Dragon Benware Crowley & Co., PC

Jean K. Hawkins,
Immediate Past President

Moore & Cubbedge, LLP

James E. Tidgewell,
Treasurer

G & J Seiberlich & Co LLP

Roberto Soto Leyva
Soto Prieto Consulting

Richard A. Mehall
Guthoff Mehall Allen & Co., PC

Mark C. Vogel
Homes Lowry Horn & Johnson, Ltd

James A. Ruzon
Wermer Rogers Doran & Ruzon

RECOGNIZING EIGHT CHARTER MEMBER FIRMS

INPACT Americas is very proud to include in its membership eight charter firms (1975). Their 30-year commitment to the association gives testimony to the value and benefit they have derived over the years. We take this opportunity to recognize these firms and extend our appreciation for the confidence they have placed in our programs and services and their loyalty to the membership.

Agler & Gaeddert, Chtd.

Emporia, KS
Began Operations: 1968
Tom Thomas, Contact partner

“A world of opportunity has opened for us through INPACT. For example, we have kept and grown with a large client because of the services and business opportunities we bring to them, especially after we helped establish and save them big dollars on their research credit through the expertise of another INPACT member.” They are starting to do business in China, and our connections there are a plus.

CBEW Professional Group, LLP

Cushing, OK
Began Operations: 1960
Donald Ethridge, Contact partner

“We maintain our membership in INPACT because there’s no question it puts us on a par with firms of any size. Even though we’re not in a metropolitan area, we continue to grow thanks to the expertise and technology capabilities we’ve gained in part through INPACT seminars and from fellow members.”

K2S, PC

Erie, PA
Began Operations: Negotiated membership from previous company when he started the firm
John Guelcher, Contact partner

“No way was I going to start a firm without the INPACT membership! The ever-widening access to resources and information through fellow members and the organization’s technology and management services have been invaluable. We have the resources of a national firm without the overhead.”

Kerber Eck & Braeckel, LLP

Springfield, IL
Began Operations: 1931
Dale Becker, Contact partner

“Although we’re one of the larger firms, we benefit as much as any member. We have six offices, some small, some large, and INPACT fits well and energizes all of them. The great support from other members gives us opportunities and expertise that other firms of our size may not have.”

Linton Shafer Warfield & Garrett, PA

Frederick, MD
Began Operations: 1965
Kevin Hessler, Contact partner

“I bring four or five good ideas back from each meeting. When I pair those with the business opportunities from other members, the positive business results make our firm the envy of others in our area. The international connections I’ve made continue to amaze me.”

Olsen Thielen & Co, Ltd.

St. Paul, MN
Began Operations: 1931
Kenneth Vohs, Contact partner

“Olsen Thielen is one of the largest locally based CPA firms in Minnesota. We believe that personal attention, trusted advice, and timely service are the key elements to helping clients succeed. Our membership with INPACT has enabled us to stay on the forefront of the accounting industry’s changing environment and has contributed to our success.”

Schlabig & Associates, LTD

Akron, OH
Began Operations: 1962
Tom Hager, Contact Partner

“INPACT resources like the yearly Economic Data Survey help us to benchmark ourselves with our peers and continually gain new ideas from other members.

INPACT also gives us the ability to meet client needs on an international level. For example, we were able to recommend an affiliate firm in Singapore to a client. INPACT just helps make my life a little easier.”

Smith & Gesteland, LLP

Madison, WI
Began Operations: 1948
Donald Reinardy, Contact partner

“I know of no other organization that can give us the substantive information and resources we have through INPACT. The program topics let us know what to prepare for in the future and how to better manage what’s on our plate now. I have never been turned down when I ask for help. It’s an amazing work-sharing environment.”

OVERVIEW OF 2005 CONFERENCES

Leadership – What’s the Big Deal?

Anyone who understands the power of good leadership already knows the big deal. It certainly helps to sharpen leadership skills and keep up with new insights and practical tips. INPACT’s December 2005 Leadership Development Conference, directed to senior firm staff, focused on leadership roles and skills within the firm as well as with clients.

Steve Erickson, CPA, a leading consultant to the accounting profession, presented sessions such as “Leadership Action Steps,” “What Clients Expect of You,” “Communicating as a Leader,” “The People Crisis: Turnover,” “Qualities of Extraordinary Advisors,” and “Creating a Marketing Culture.” Resulting discussions continued long after the sessions officially ended.

Speaking of continuing, members are receiving a double dose of leadership insights. The December 2005 conference was the first of a two-part session on leadership to be completed in June 2006.

Spring Partners Forum – Santa Fe, NM

Last year’s first partner meeting was again a best-seller. The big draw for the spring session is the annual Economic Data Survey, providing “best of” information and insights offered by partners and widely used as a benchmarking tool. Although the survey information is exclusive to members, this first-in-the-year forum also featured nationally recognized accounting consultant Steve Erickson to help interpret the survey data and lead a session on topics in practice management.

Those topics included planning tools and strategy for partner compensation, staffing options, and coaching and mentoring.

The following day, Phyllis Eriksen, an expert in data extraction and analysis software, covered the intriguing practice of data mining. Her talk was focused on how to find “worth-the-effort” efficiencies through data mining, as well as why it may or may not fit with your practice.

The conference ended on a high note with a crucially important topic — RISK. We all need to take risks in our businesses, but the challenge is to evaluate and decide which ones will result in a better practice and more services for clients. Ron Klein, VP of Claims with CAMICO, is a frequent speaker on this topic and was a real hit with his entertaining

yet insightful presentation on playing the CPA risk game. He went to the heart of this dilemma, giving attendees practical ways to find win-win opportunities.

Fall Partners Forum – Savannah, GA

Because technology often leads the list of interest areas for accounting practitioners, the fall forum focused on the best ways to spend your firm’s technology dollars. “Digital CPA” Roman H. Kepczyk used his 17 years of accounting experience and even longer techno-geek fascination to help managers understand the best tips and toys to enhance a firm’s use of technology. He covered it all, from document management, to security, to what gadgets you need to make it all happen.

Generational dynamics expert Chuck Underwood has seen the good and the bad of how companies manage generational issues in the workplace. As times and societies change, people invariably have differing experiences and worldviews that shape the way they interact with others, which he creatively shared in his presentation. By using his wise advice, businesses can successfully recruit, retain, and manage staffs.

After Ron Klein’s first presentation in the Spring Partners Forum on positive risk management techniques, we eagerly awaited his encore in the Fall Partners Forum – with excellent results! In the current legal and professional context, Ron challenged delegates to create a positive risk management environment by

adequately addressing staff education and responsibilities, as well as client acceptance of new processes.

More insight and tricks for using GROOVE member-info-sharing software and creating LINKS (Leveraging INPACT Knowledge for Success) among members rounded out the session.

Mara Ambrose and John Heveron recapped a presentation given to another INPACT group by George Kaplan, CPA on how to securely access client QuickBooks data in real time via GROOVE, without interrupting the client’s business. Mr. Kaplan also finds GROOVE valuable for tax preparation ‘meetings’ and to review information with distant clients. His clients are so impressed with Groove’s capabilities that the firm has seen a 15% increase in service requests.

Coming Up in 2006...

Partners Forum-Spring June 14-16, Chicago

Featured Speakers:

Al Lautenslager, author of *Guerrilla Marketing in 30 Days*

Steve Erickson, CPA, nationally-recognized consultant to the accounting profession

Mark Adams, Esq., member of LawPact

Leadership Development Conference – Second in Two-Part Series June 13-15, 2006, Chicago

Presented by:

Steve Erickson, CPA, a leading consultant to the accounting profession

INPACT World Conference October 26-28, Rome, Italy

Featured Speaker:

Ralph Wilms (Netherlands), a leading consultant and trainer, specializing in the Open Space Technology method.

INPACT Asia Pacific

Derek Lai, Director, INPACT Asia Pacific

INPACT Asia Pacific invites all members to share our excitement in celebrating our first 10th anniversary at the start of this New Year 2006.

Ten years ago when Apact was formally formed, we were then seven members from seven countries. A tribute in recognition to our committed members in the early days leading the milestone celebration for our network:

- Kam & Beadman, Sydney, Australia
- Ningbo Kexin CPAs, Ningbo, PRC
- Chan, Yeung & Lai, Hong Kong, SAR
- Tasnim Ali Widjanarko & Rekan, Indonesia
- Hokusan Audit Corporation, Kagoshima, Japan
- Chan Hock Seng & Co., Singapore
- Formosa CPAs, Taipei, Taiwan, ROC

Issues such as globalization, reaching market saturation, heterogeneous cultures, competition and increasing brand consciousness, underscored the need for and growth potential of international affiliation. A common vision and agenda for our affiliation with a global network have contributed to our significant progress in evolving the network to an impressive growth over the years, currently 33 members in 17 countries.

As we progress towards the 21st century, our network blazes new trails in China to explore avenues of expansion through cooperation with the Chinese Institute of Certified Public Accountants (CICPA),

through secondment, enrichment programmes, and training amongst others.

In a bid to boost staff standards and technical expertise for members in developing countries, the regional network will be cohesive in managing technical training resources. The “train the trainer” programmes would be centered on the following practice areas:

- Practice Management
- IPO
- Forensic Accounting
- Valuations
- Management Consulting
- Financial Re-engineering
- Corporate Finance
- Due Diligence
- Operational Audit – Internal Audit
- Strategic Planning

Enhancing the capacity of our technology resources and expertise and transfer continuum, namely the technical training sessions, would be seen as a major objective in advancing the network’s strategic goal of equipping members well in order to provide leading edge services to their clients.

We seek INPACT members who have the expertise and capacity to conduct training in any of the above practice areas to submit



their proposals to us for training programmes and costs.

We trust every member has received copies of our Doing Business in Japan, Singapore (revised 2005 edition) and Thailand in our season’s greetings by post. Look out also for our soon-to-be ready revamped website which will have a professional portrayal.

Our 2005 conference in Bangkok, Thailand was very successful. We had a very good mix of delegates from INPACT and LawPact. If you would like to check out our conference presentation notes, please do visit our Members Only section on our website to view the files.

We usher in a good start to the year 2006 with a new member from Taichung, Taiwan. Weyong International CPAs & Co., established in 1993 has the capacity to act as auditor to public companies. Mr. James Ko, the Managing Partner is a qualified CPA in Taiwan and also State of Illinois, USA. Mr. Ko has also obtained his Masters degree in Accounting at the University of Delaware. Please visit www.weyong.com.tw for a complete profile of the firm. In the months ahead, we shall be announcing the admission of new member firms from Cairns, Gold Coast and Townsville in Australia and Johor Bahru in Malaysia. A number of potentials from China and Japan are still in initial discussion. We envision another year of steady growth to our membership.

To conclude, here’s to the next 10 years of INPACT Asia Pacific and more cohesive cooperation with members!

TAMING THE DRAGON

Membership challenge

“Challenge is a dragon with a gift in its mouth. Tame the dragon and the gift is yours.”

— Noela Evans

New Board President Gary R. Benware doesn’t mince words when sharing his vision for 2006 INPACT Americas member goals.

“Like any growing organization, we need new blood. We’re always looking for members with different perspectives and new ideas,” Benware stated. “It’s every member’s responsibility to help bring in new people.”

To increase success, Benware issued a challenge at the Fall 2005 Partners Forum. “Everyone should bring a prospective member to the Spring meeting. I believe that exposing people to our great organization will not only increase membership, but strengthen business results.”

INPACT members are a special kind of accountants, dedicated to

innovation, business success, and customer service. But INPACT’s prohibition of geographic competition, while providing a definite competitive edge, can be a challenge when finding new members.

“We need to meet firms beyond our own markets and find out if they are innovators looking to add beneficial services in a cost-effective, collegial way,” added Benware. “Giving back to the organization and working with fellow members will exponentially increase the benefit they receive. I’ve seen members make great leaps in success after they join.”

Benware quite literally sits in the middle of an object lesson on what happens when an organization doesn’t grow. His firm’s first location had been the headquarters for an unsuccessful fraternal organization that closed. He bought and renovated the building, then established more locations in other geographic areas as his firm grew.

“Much of our growth has been due to contacts made through INPACT,” added Benware. “I have gained so much from the organization, both professionally and personally, and look forward to connecting with others who want to live their dreams.”

That’s this dragon’s gift!

JEAN HAWKINS *continued*

confidence that we are all investing our time wisely.

Observing those member interactions has also been personally rewarding for me. I easily saw how much you mean to each other. At the recent 30th anniversary I reflected on the many charter members and other long-term firms in the organization, and realized how well this longevity speaks to the exceptional quality of the organization. Members obviously stay because of the value they receive.

Of course I also observed – firsthand and through listening to other members – the challenges we face. High on the list are the personnel issues, with all of us searching to find qualified people in the shrinking available ranks. For a long time we operated in a relatively stable environment, but this is a faster-paced world with clients that want faster responses. We also have the challenge of more government regulation affecting smaller and smaller firms. It is more critical than ever to pull together and help each other.

INPACT provides excellent programs that are responsive to our specific challenges. We, the members, are in charge of our own programs, which is itself a great challenge as well as a great opportunity. John Heveron and the entire program committee do a fabulous job of making sure the programs are tailored to our needs. John is one of those modest, low-profile people who delivers the goods time after time. He and his committee deserve more credit than this short article can give but you all know the great benefits we get from his work.

Speaking of proper credit, what a great job Mara Ambrose does for our organization! We are so fortunate to have her knowledge and creativity, and we benefit enormously from the stability she brings to the organization.

Now to Gary Benware, our new president. I'll just say I'm glad I didn't have to follow his act as president. His dedication, good business sense, and clear thinking have benefited others many times. I am often amazed at his clarity about the organization and his sense of wise strategic directions. When you add his knowledge of and friendship with other members, and how well-liked he is in return, I eagerly look forward to his leadership and fresh approach. I am strongly behind him and think so highly of him – even though his Southern accent needs a little work.

I have appreciated your confidence and support, and know you will do the same for Gary. Thank you.

INPACT INTERNATIONAL *continued*

many US delegates to the eternal city of Rome (Oct 26th-28th). Our conference committee are now working hard to bring you relevant content and a fun social programme.

I am delighted that the INPACT E-Tax Bulletin is back in publication with a new Editor and a wider range of subject matter. The record number of contributions from member firms demonstrates the depth and breadth of tax expertise within the INPACT network. The Marketing Committee are making progress with the new INPACT brochure and the FoF Committee, thanks to new Chairman Geoff Parker and Brion Smoker, are making great strides, particularly with the development of the separate INPACT audit vehicle. The decision taken in Munich for the cross-network Committees to utilise Groove software is already reaping reward.

I also bring you news of Mydioma, a web-based translation company (www.mydioma.com) with whom INPACT International has recently entered into a relationship. INPACT member firms and their clients will be able to enjoy preferential rates for the services of Mydioma's worldwide network of professional native-speaking translators. A link from our website and further information will follow soon.

Changes are afoot at INPACT Administration in London with the departure of Director Sally-Ann Whittaker after more than 15 years during which the network has expanded beyond recognition from its earliest formation. Her experience and knowledge of the network and its members are irreplaceable and I would like to take this opportunity to thank Sally-Ann for her many years of dedication and hard work on behalf of the network.

With Sally-Ann's departure, the Board have had the opportunity to take a fresh look at how the administration of INPACT International will take place and have decided on a new and exciting approach to this issue. They have appointed Massimo Tognola to act as Managing Director. Massimo has been an active member representing Chiasso, Switzerland for some years now and more recently as a Board member of INPACT International. Massimo will fulfil his role as Managing Director from Switzerland and will visit the INPACT International office in London. Massimo will of course be working closely with Natalie Murray who will continue her valuable role in the London office.

If you have met Massimo, you will appreciate the tremendous energy and drive I am sure he will bring to this new role, making sure not only that it works for the benefit of the members and the network but also to ensure that the network continues to thrive and expand.

As Chairman of INPACT International, I am very excited about these latest developments and the new opportunities they will bring. I look forward to bringing more news in person at the next INPACT Americas Partners Forum in Chicago.



MASSIMO TOGNOLA

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