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Growing a Nontraditional Accounting Firm: Warren and Associates

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ABSTRACT: This case presents the history of a small CPA firm that is a value-added reseller (VAR) providing IT consulting services to mid-sized and small business clients. Since this firm does not provide audit, compilation and review, or tax services, it provides a view of a CPA firm that is different from the traditional audit and tax organization. The main question posed is determining the best growth strategy for this CPA firm. To answer this question, you must research and evaluate consulting opportunities related to Sections 302 and 404 of the Sarbanes-Oxley Act, as well as several of the recently developed AICPA services such as WebTrust, SysTrust™, and ElderCare. The research that you do will provide a deeper understanding of the role of accountants as consultants. The case affords an excellent opportunity to stimulate class discussion or presentations about the nature of CPA services beyond audit and tax services.

I. THE CASE SCENARIO

One Man and an Idea

Kevin Warren has always been a planner. He mapped out his career as soon as he started college. During his sophomore year, he chose accounting as a major. Because he was also very interested in information technology (IT) and saw a link between the two fields, he minored in systems analysis at Miami University. At the time, double majors were not available, so the program that he wanted to take did not exist. Still, with the combination of an accounting major and a systems analysis minor, Kevin was well poised for a career that would integrate the two fields.

Upon graduation, Kevin went to work for a Big 4 CPA firm. He knew that experience in that type of professional service firm would provide him optimal training. At the CPA firm, Kevin spent his first one and a half years working primarily on audits and later he became the microcomputer coordinator for the Cincinnati Office. After a few years with the firm, Kevin saw that the accounting software field was developing and there was a need for accountants experienced in both accounting and IT to help companies choose an accounting information system. The CPA firm that he worked for did not have the expertise or desire to provide accounting software consulting to small- and mid-sized businesses. Kevin saw this as a large potential market of clients that could form the basis for beginning his own consulting firm. At that time, Kevin was married and hoping to have

This case is based on a real CPA firm. The names of the consulting firm, the merged firm, the individuals, and some locations have been disguised by request of the partners. All other facts, however, are accurate. We thank the partners and employees of Warren and Associates for their cooperation. We also thank Amanda McDermott of PricewaterhouseCoopers for her invaluable assistance.

children. He asked his wife if he could quit work for six months to follow his dream—promising that if it didn't work out, he'd go back to a "real job."

Kevin founded Warren and Associates 15 years ago. Regarding his start, Kevin said:[1]

> The number used for start-up costs was around $5,000. I took a room out of my house, so I didn't worry about any rental cost. And I had immediate client work of about 70 billable hours a month so I knew I really just had a cash flow issue of a month and half accounts receivable and I needed to buy a laptop.

Kevin's ability to work from a home office and the fact that he already had a starting client base to help keep him busy made the venture much less risky. Still, the opportunity cost was there—the nice steady salary he was earning at the CPA firm and related benefits and perks. Kevin was very fortunate to be able to take client work with him when he left the firm. The reason the CPA firm was willing to let the clients go was that the firm at the time did not have the capability nor the desire to serve small- to mid-sized clients that needed help in software selection, set up, maintenance, and training. By allowing Kevin to work on these clients, the firm could keep its other clients happy. The three clients with whom Kevin started provided the initial monthly cash flow to keep his business operating while he did the very difficult work of attracting other clients. He solicited new work using referrals from existing clients and other professional contacts.

Building Partnerships

At the beginning, Kevin had no formal sales relationship with any accounting software vendor. He soon realized that he needed to chose a vendor with which to partner. Three months after starting his business, he became a value-added reseller for State of The Art's *MAS 90*®, at the time one of the most popular accounting systems for personal computers. While *MAS 90* was a typical accounting system for PCs that included modules for General Ledger, Accounts Receivable, Accounts Payable, and Payroll, it also had extras that were not available on some of the software that smaller businesses were using at that time. For example, *Peachtree*® and *DacEasy*™ did not have modules for inventory, but *MAS 90* did. Kevin saw *MAS 90* as a good software fit for the small- to mid-sized businesses that would constitute his client base.

During these early months, Kevin was extremely busy because he was spending about 80 hours each month serving his existing three clients, another 80 hours following leads to get new customers, and about 80 hours a month doing woodworking with his younger brother. His description of his first few months of work appears below.

> I was following up aggressively on every lead or referral someone gave me, which was easy then because there were only one or two a week. Referrals at that time were typically clients who had no software system. At that time about 70 percent of referrals clients had nothing; the rest had some type of something they were running on Excel®, *Harmony*®, *Peachtree*, or *DacEasy*. You had lot of mid-sized companies that had never had the opportunity to buy *MAS 90* because it didn't exist, yet they had to have something so they were running *Peachtree* to do AP, AR, GL but nothing for inventory, sales or purchasing.

After a few months, Kevin had developed enough consulting work that he could quit the woodworking. His first year actually proved to be relatively successful for a start-up consulting business. He incurred no debt and was able to net about $35,000 to $40,000. During the next few years, Kevin continued to grow his client base through referrals.

At the same time Kevin was getting his business off the ground, his boyhood friend Rick Sylvia was on a career path that would eventually lead him to a partnership with Kevin. Kevin and Rick had

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[1] This direct quotation of Kevin Warren, and all that follow are direct quotes from the two partners. The source of each of these quotations is taped interviews with the two partners.

known each other since they were 11 and 9 years old, respectively. While in college, both majored in accounting and they began their accounting careers two years apart. Like Kevin, Rick too had an interest in IT. He graduated from the University of Cincinnati with double majors in accounting and finance. He worked one year in the accounting department of a national marketing research firm, one year as a controller at a concrete company, and then spent six years at a local CPA firm in Cincinnati. While working at the CPA firm, Rick noticed the same consulting opportunities that Kevin had pursued. The CPA firms were focused on audit and tax work and were reluctant to develop the knowledge or staff to do software consulting for small to mid-size businesses. Many public accounting firms may have helped clients choose a software package, but they had neither the personnel nor the desire to support the day-to-day operation of that software. The partners at Rick's CPA firm were not anxious to follow Rick's suggestion that there was a large potential client base that would be willing to pay for software installation, support, and training. Regarding that time period, Rick says:

> Just like Kevin, I think, I saw how professional services companies have to bring in new business. You have to have this knack of knowing a technical skill and client relationship skills, and also know how to sell business. So I said, look, there's a huge void on the IT side but nobody listened to me about the fact that we needed to market it more, and that, we needed to hire people even though they might not work right now. We needed to create non-billable things for them to do like assisting with marketing, training, etc., because they will have billable projects later. But the CPA firm didn't get that.

At the same time that Rick was thinking of the consulting opportunities, Kevin was trying to grow his accounting software consulting firm. As friends, they would frequently discuss their mutual interest in software consulting and they began initial discussions to bring Rick into Kevin's business as a partner. It finally happened after Kevin had been operating Warren alone for five years. As with Kevin, Rick was able to bring existing clients with him. The CPA firm preferred that Rick continue to support those clients and allowed Rick to take those consulting clients to what was now Warren and Associates.

As a part of their discussions regarding Rick joining Kevin as a partner, the two spent much time discussing how to market their services and grow the firm. At about the time Rick joined the firm, they increased their marketing efforts. They began a monthly newsletter to clients and contacts, began offering seminars on accounting software, and developed a database of contacts from the Chamber of Commerce lists and the membership list of the Ohio Society of CPAs.

As they acquired new clients, Kevin and Rick also expanded the services they provided. Warren and Associates had become a master developer for *MAS 90*. This meant they were authorized to change or add to the program code to develop customized add-ons or modules for clients. They also opened an education center and began offering training seminars on *MAS 90*. These services really differentiated Warren and Associates from other CPA firms. No other public accounting firms in their geographic area were customizing software, or training client employees to use the software. In the early years, about 90 percent of Warren and Associate's consulting work was on *MAS 90* software. As the accounting software market evolved, Warren and Associates began supporting other packages, including *Great Plains* (now Microsoft® *Great Plains Dynamics*). They also became members of the IT Alliance (http://www.italliance.com). The IT Alliance website identifies its mission as:

> The ITA is a not-for-profit membership based association of leading firms and companies engaged in the development, delivery, and/or support of technology solutions for small- and mid-sized businesses. Our purpose is to share information and build relationships that will improve the way our clients and our member firms do business, and to be an authoritative voice for the IT profession.

A CPA Firm Dedicated to Consulting

Throughout its development, Warren and Associates was never intended to be a typical CPA firm. The firm does not conduct audits and it does not do tax work. Warren and Associates is a CPA firm that offers accounting software consulting, software customization, training, and other services. Rick described the main difference between a typical CPA firm and Warren and Associates as follows:

> It was becoming a *MAS 90* developer and providing custom programming that differentiated us. That was huge; that was something a CPA firm was not doing, and probably never would. All of this was done earlier and was kind of the basis of where we are now. It still differentiates us heavily today.

Clients of the firm are small- and mid-sized businesses. The client list includes firms in the range of ten to 1,000 employees, with $1 million to $25 million in sales. These clients use small networks of PC-type computers to run accounting software. They may have from 1 to 50 users of the accounting software. Table 1 lists the services that Warren currently provides to clients.

TABLE 1
Services Offered to Clients by Warren and Associates

Service Offered	Description
System Needs Analysis	Warren and Associates work with clients to help them assess the type of accounting software the client needs. They assist in selecting the accounting software package that is best suited to the client's needs. Examples of the kind of software that Warren and Associates would recommend to a client would be *Peachtree*®, *MAS 90*®, *MAS 200*® *for SQL*, *MAS 500*®, Microsoft® *Great Plains Dynamics*, *FAS*®, or *SalesLogix*®.
Software Design and Development	The consultants who work for Warren and Associates are not what you would consider typical accounting professionals. They have both accounting and information technology backgrounds. Therefore, they understand accounting and accounting systems, but most are programmers as well. This means that Warren and Associates can modify the accounting software to add client specific enhancements or modules.
Training and Support	Warren and Associates maintain a training center at the firm offices. This means that any Warren clients, or potential clients, can attend training classes at the Warren offices. The training is intended to teach client employees to effectively and efficiently use the accounting software of their company. Warren and Associates is an Authorized Training Center for Best software (*Peachtree, MAS 90, MAS 200, FAS Suite, ABRA*®) and Microsoft *Great Plains Dynamics*.
Hardware Installation and Support	Warren and Associates assists clients in the installation and upkeep of computer hardware and networks.
e-business	The firm helps clients determine whether e-Business is an appropriate business model for their company. The firm also helps customers customize the e-Business website to obtain the look and feel desired.
Web Management	Warren and Associates help customers host their web servers and can even serve as the Internet Service Provider (ISP) to host the website.
Financial Analysis	Warren and Associates assist clients in extracting and using information that is stored in their accounting software. They can assist clients in customizing reports from their accounting system and show clients how to use such data to monitor and control company operations.

The Limits to Growth

The consulting that Warren and Associates provides is in a field with continual and rapid change. The partners and employees of Warren and Associates must spend a great deal of time learning of new software and hardware. When Kevin began the firm, he had the philosophy that he would need to spend a significant part of every work week in training, learning new products, attending seminars, and learning development tools. Warren and Associates cannot continually provide high-quality consulting unless they maintain current knowledge of accounting software and business processes. This focus on current knowledge and experience pays off when they solicit new clients. After a recent meeting with a potential client, Kevin said:

> That knowledge comes through. I sat down with a new client yesterday, for an hour and a half, and I walked away—and I know he walked away—with the feeling we could help them. He bought software from another reseller four years ago. That reseller has been working on it for about a year now. I met with them to explain how we could help. As I returned home, I knew he truly appreciated the fact that I have 15 years of experience knowing how to pull together all these bar coding solutions, wireless networking solutions, *MAS 200* solutions. I can answer these questions because of my 20 years of experience. A two-year staff person couldn't have had that client feeling comfortable so that they are willing to pay us for more services.

One of the limitations on further growth for Warren and Associates is that the firm has only two experienced partners, Kevin and Rick. While they have very good, competent staff, none has the expertise or knowledge of Rick and Kevin. Both Kevin and Rick have built a unique set of knowledge and skills that are difficult to duplicate. Both have skills and knowledge in accounting and business consulting, knowledge of operating systems and hardware, system design and programming, communications, and project management. They are both CPAs, but have significant IT knowledge and experience. Regarding the development of these skills in others, Kevin recently said:

> Cloning in this industry takes ten years out-of-college working experience. Private, public accounting, whatever, it takes maturity in this field. Someone out of college for five years is not there yet. When you're sitting down with a 40-year experienced CFO, they know that about a young staff person.

Many of the staff have an accounting background, but most are not CPAs. No staff members currently possess the full skill set that Kevin and Rick have developed from their experiences as CPAs and IT consultants. However, they do not wish to keep valuable and experienced staff members from seeking higher positions within the firm. Table 2 provides the career path at Warren and Associates.

Nearly all of the employees of Warren and Associates had been there less than ten years. Therefore, adding too many clients could spread Kevin and Rick's time too thin. A second limitation on future growth is that the geographic area served by Warren and Associates was limited mostly to the Cincinnati region. To solve these problems of geographic limitations and few experienced, partner-level people, Kevin and Rick began to consider other ways to grow the firm.

TABLE 2
Career Path at Warren and Associates

Year 0–2	Staff—learn software and 50% chargeable
Year 2–5	Staff—60% chargeable, start practice development work
Year 4–8	Manager—do practice development work and grow staff
Year 7–14	Director—manage engagements and share risks and rewards
Year 12 or more	Partner

Merger as a Growth Strategy

Kevin and Rick felt that after 12 years of operation, the firm had come close to reaching market saturation for these services in the Cincinnati region. In that year, annual net revenue had grown to over $1,500,000. They believed that expansion would require opening more offices in nearby cities since the Cincinnati area was about saturated. The easiest route seemed to be to form an alliance with a professional service firm.

At the time that Kevin and Rick were considering this expansion, a CPA firm in northeastern Ohio was thinking about expanding its IT consulting practice. Baxter, Grath and Nicolas, LLC (hereafter BGN) was a regional, traditional CPA firm serving the eastern region of Ohio through its offices in Youngstown, Canton, Steubenville, and in Pittsburgh, Pennsylvania. BGN was a more typical CPA firm with Accounting, Auditing, Tax, and Business Advisory services. BGN had a small IT consulting practice with three or four people. As the partners at Warren and BGN thought about a merger, they felt it could be beneficial for both parties. Warren could expand geographically beyond Cincinnati, and BGN would have a much larger, experienced IT consulting staff to serve their current Accounting, Audit, and Tax clients. Essentially the idea was to provide Warren IT consulting and custom programming services to BGN clients.

The merger agreement was signed after a few months of negotiation. Kevin and Rick became partners in BGN and the smaller IT arm of BGN was merged into Warren and Associates. However, the name of Warren was changed to ToSolve Integrated Solutions. The merger did accomplish things that Kevin and Rick expected such as expansion of markets to other geographic areas. However, several sources of friction quickly emerged between the BGN partners and Kevin and Rick. Those friction sources were:

1. Since they were now part of a CPA firm (BGN), the IT employees of the former Warren and Associates had less opportunity to become partners. This is because most CPA firms allow only CPAs to become partners.
2. While Kevin and Rick are located in Cincinnati, all other offices were in the eastern Ohio or Pennsylvania area. This meant that Kevin and Rick always had to make a four- to five-hour drive to attend key client prospect and firm meetings.
3. Partner compensation was a source of friction for many reasons. One of the reasons is that the "book of business" in Cincinnati had been developed by Kevin and Rick, but would now be part of compensation for BGN partners. In addition, any new business in the northeastern Ohio area would be on the BGN "book of business" and therefore, Kevin and Rick would not get as much compensation credit for the business they developed in that area. Also, a CPA compensation structure was not really appropriate for an IT consulting firm such as Warren and Associates. Rick stated it this way: "They had never put an IT company into this formula. How do you get credit for the fact you have less billable hours, but you have a $100,000 dollar software sales you made money on."
4. The staff members of the former Warren and Associates had to do much more traveling to service the clients in northeastern Ohio and still try to be available for clients in Cincinnati. This placed much more pressure on the staff.
5. Kevin and Rick were almost solely responsible (at the partner level) for developing new business in the northeastern Ohio area, as well as hiring and training IT staff there. However, that was difficult for them because they were located in Cincinnati.
6. There was a basic business approach difference between a CPA firm and an IT consulting firm that was hard to reconcile. Kevin and Rick knew that they had to hire and have available a complete staff of IT and accounting people who could consult and do custom programming. Since that business was not fully developed in the BGN offices, it would have meant hiring staff for which there was not yet enough work. This was an entrepreneurial business risk that an IT

consulting firm must be willing to take. That is, it must hire staff even if it may not yet be possible for that staff to generate billable client hours. A CPA firm has a much less risk-taking business approach. When a CPA firm hires new staff, it expects those new staff members to be billable to the client for audit, tax, or accounting work. This difference was a constant source of friction. The BGN partners were always concerned that Kevin and Rick were making bad hiring decisions when hiring staff that were not yet billable, and Kevin and Rick believed that BGN's reluctance to hire IT staff would limit their ability to serve clients, or grow new business. This was compounded by the fact that the merger took place right after Y2K when IT consulting sales were in a slump and then the entire economy began a slump. Kevin said of the merger period:

> So those were some of the dynamics; a lot of good growth after we made the decision; a lot of activities of hiring, meeting with prospects, meeting with existing clients, meeting all the partners, to an apex; then a downturn in the economy. The partners do not want to stomach the investment and risk and keeping this going and waiting for the projects to show up.

The De-Merge Decision and Next Steps

With these friction points wearing on Kevin and Rick every day, they finally decided they did not want to continue as a merged firm. They believed de-merging and resuming operations as Warren and Associates would better serve the firm, clients, and the Warren staff. After operating within the merged firms for two years, Kevin and Rick decided to withdraw their firm from the merged firm. It took five more months to complete the de-merger paperwork. They essentially returned to operating as Warren and Associates in the Cincinnati area.

In hindsight, the decision to de-merge was an excellent decision for Kevin and Rick. The national events of Enron and WorldCom and the subsequent legislation would have affected their operation. The Sarbanes-Oxley Act of 2002 forbids CPA firms from doing IT consulting for their audit clients. Since Warren and Associates do not conduct audits, they were not affected. However, if they were still part of BGN, they would not have been able to do any IT consulting for BGN audit clients.

However, Kevin and Rick are still interested in growing their firm. They do not wish to pursue a merger with other firms since their previous merger was somewhat unsuccessful. You have been retained to provide consulting services to Warren. Specifically, you are to create a plan for growth based on researching and analyzing the following approaches.

Potential Growth Strategies for Warren and Associates

1. Increase client base by geographic growth through the opening of offices in nearby, populous cities.
2. Increase client base by growth in services offered through the expansion into one or more of the following services. (Tip: You can begin investigating these at http://www.aicpa.org, http://www.cpa2biz.com, and http://www.webtrust.org.)
   a. WebTrust services
   b. SysTrust services
   c. Eldercare services
   d. Business valuation services—using the ABV accreditation
   e. Personal financial planning services—using the PFS designator
3. Increase growth by developing and offering a new internal control consulting service. This service will assist client companies as they seek to comply with Sections 302 and 404 of the Sarbanes-Oxley Act of 2002. (Tip: You can begin investigating the nature of internal control consulting and the Sarbanes-Oxley Act at http://www.aicpa.org, http://www.isaca.org, and http://www.itgi.org. You might also wish to search the websites of the Big 4 CPA firms.)

4. Increase client base by adding another supported accounting software vendor. Examine the feasibility of adding ACCPAC Pro. (Tip: You may fid the following websites to be a good place to start your research: http://www.ACCPAC.com; http://www.as411.com; http://www.accountingsoftwareworld.com.)

QUESTIONS

A. Research and briefly describe each growth strategy listed above and discuss the feasibility of each as a growth strategy. Describe any firm-related, economic, or other factors that limit the feasibility of each of these growth strategies.
B. Choose one or more of the growth strategies from Part A above and provide arguments that support your choice(s).
C. Shortly after Warren and Associates de-merged with BGN, the Sarbanes-Oxley Act was enacted. This legislation applies to publicly traded companies and limits the amount of consulting that CPA firms can provide to these companies. As a result, many of the large public accounting firms have sold or spun off their consulting practices. Briefly describe the sections of the Sarbanes-Oxley Act that pertain to nonaudit services offered by CPA firms. Discuss some of the potential problems, including conflict-of-interest issues that might result for a small- to mid-sized CPA firm with a consulting business, that primarily services non-publicly traded clients.

II. CASE LEARNING OBJECTIVES

- To gain an understanding of the role of a CPA as a consultant and the functions of a valued-added reseller.
- To gain knowledge about mid-market accounting software.
- To investigate and apply sections of the Sarbanes-Oxley Act of 2002.
- To research and apply WebTrust/SysTrust Trust Principles, ElderCare, Business Valuation, and Personal Financial Planning consulting opportunities.
- To examine and suggest a strategic direction for a smaller CPA firm.
- To learn about the issues associated with the CPA as an entrepreneur.

TEACHING NOTES

Teaching Notes are available only to full-member subscribers to the *Journal of Information Systems* through the American Accounting Association's electronic publications system at http://aaahq.org/ic/browse.htm. Full-member subscribers should use their personalized usernames and passwords for entry into the system where the Teaching Notes can be reviewed and printed.

If you are a full member of AAA with a subscription to the *Journal of Information Systems* and have any trouble accessing this material please contact the AAA headquarters office at office@aaahq.org or (941) 921-7747.

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Discussion of: Growing a Nontraditional Accounting Firm: Warren and Associates

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I. INTRODUCTION

The case by Bagranoff and Turner (2004), hereafter W&A, describes one company's past expansion efforts and asks students to investigate and evaluate future growth opportunities. As accounting faculty, we should encourage the development of good case materials. Cases provide rich, realistic scenarios of business situations that require students to become actively involved in their learning (Francis et al. 1995). Cases stimulate students' critical thinking and help develop their communication skills. When used as group projects, cases also give students a chance to practice their leadership and teamwork skills. All of these skills have been identified as essential for successful careers in accounting (American Accounting Association 1989; Albrecht and Sack 2000).

Certain desirable features are evident in good cases. According to Cappel and Schwager (2002), a "good" information systems (IS) case addresses a relevant topic and is well written. A relevant topic fits within the discipline's content area and includes timely considerations. A well-written case tells an interesting story, presented in an objective manner. Additional features of a good case include identifying what students will gain from the case and providing a thorough teaching note.

The W&A case deals with a topic that accounting education often overlooks—how to grow an accounting firm's practice. An interesting feature of this case is the past merger/de-merger decision. W&A expanded operations once by merging with a traditional CPA firm. However, conflicts arose among the partners that eventually led to the de-merger of the two firms. This unusual merger/de-merger history adds an interesting dimension to the case and complicates future growth decisions.

Clearly, the W&A case deals with an information systems topic since it involves an accounting firm that provides IS consulting services. Also, as students evaluate the various growth strategies, they must research new technology-related services (e.g., WebTrust and SysTrust™) and whether the firm should support a third line of software. The timeliness of the case is enhanced by requiring students to learn more about new services supported by the AICPA and introducing an internal control consulting service tied to the Sarbanes-Oxley Act.

Chrisman (1994) recommends that a well-written case tell a captivating story. The W&A case meets this criterion; it is interesting and easy to read. Details about the background of the firm and its partners lead the reader through a timeline of the firm's history up to the decision at hand. Also, the description of the W&A partners, along with selected quotes and anecdotes, gives insight into their vision for the firm. Students need this understanding of the firm and its owners to evaluate the viability of the different growth strategies.

Additional characteristics of a well-written case can also be found in the W&A case. For instance, the case facts are presented objectively, without a preference for a particular growth strategy. Furthermore, the abstract and student learning objectives at the beginning of the case identify the primary question addressed in the case and what students will learn by completing the assignment.

II. USING THE CASE

A major strength of the W&A case is its flexibility. The case identifies four potential growth strategies for students to investigate. Faculty can tailor this list of strategies to fit a particular course. To limit the time devoted to the case, faculty can select a smaller set of growth strategies to cover. For instance, some faculty may prefer to omit the AICPA services offered to individuals rather than firms (e.g., Eldercare). However, other faculty may prefer to leave these strategies in the case to force students to identify them as unlikely alternatives. As another option, faculty might select different growth strategies during different semesters, which allows the case solution to vary over time.

Another advantage of the W&A case is its ability to be updated. As new products or services become available, faculty can change the list of growth strategies in Requirement A. Examples of additional growth strategies already available are listed in the case's teaching note. Being able to modify the growth strategies increases the usefulness of the W&A case and will help keep it relevant.

Regardless of the growth strategies selected, students can complete the case individually or in groups. The results of their research can be communicated as a written report, an oral presentation, or both. Alternatively, the case can be the basis for a classroom debate of the advantages and disadvantages of the different growth opportunities.

Accounting faculty can adopt the W&A case in a variety of classes. The case easily fits into either a graduate or undergraduate AIS class. As seen in Table 1 of the case, W&A offers a variety of information systems consulting services. Since the services in Table 1 correspond closely with the systems development life cycle, faculty could introduce this case during that segment of the class. Faculty might also find this case useful during a discussion of consulting services or systems controls in an auditing class or a systems auditing class. Other options include targeting the W&A case for a capstone class or a research class since the case requires students to investigate several growth strategies.

III. TEACHING NOTES AND ITS LIMITATIONS

The Teaching Notes accompanying the W&A case contain several helpful features. For instance, if faculty want to modify the case, the Teaching Notes identify four additional growth strategies. The Teaching Notes also thoroughly discuss all of the questions posed at the end of the case. Finally, the Epilogue found at the end of the Teaching Notes will help faculty bring closure to the case.

However, two limitations related to the Teaching Notes exist. First, the Teaching Notes contain no information or guidance on students' or faculty's experience with the case. Where do students struggle or go astray? Which formats worked best—group or individual, written reports or presentations, class discussion or a debate? A description of these experiences would help faculty decide whether to adopt the case, and also help them to prepare adequately for the first time the case is used.

Second, some of the facts in the Teaching Notes describing the advantages and disadvantages of the growth strategies will become dated. Consequently, faculty adopting this case must review the solution to make sure it is still correct. Facts that are likely to change include the census data used in Option 1, growth through merger, and the cost and details of Option 4, growth by adding another software line.

IV. FINAL COMMENTS

The W&A case is well written and covers an interesting topic that faculty can adapt to suit the needs of a specific class. While the W&A case will be adopted most often in AIS courses, the issue of evaluating growth strategies makes it suitable for a variety of other accounting classes. Hopefully, AIS faculty will share the W&A case with their colleagues and decide where it best fits in the accounting curriculum.

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