

NEWS RELEASE

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AICPA ANNOUNCES THE FORMATION OF SUCCESSION PLANNING RESOURCE CENTER

Majority of Firms Still Without Succession Plans, According to AICPA Survey

New York (June 19, 2008)- The American Institute of Certified Public Accountants announces the formation of the Succession Planning Resource Center to help small and medium-sized firms contend with one of the most critical issues affecting their future.

Only 35 percent of multi-owner firms and nine percent of sole owner firms have a written succession plan, according to the AICPA's 2008 Private Companies Practice Section Succession Survey Research Report. Nevertheless, the majority of both multi-owner firms and sole proprietorships said succession planning remains a significant issue.

"Succession planning is vital to sustaining a firm," said Jim Metzler, AICPA vice president, small firm interests. "We believe that the Institute's new Succession Planning Resource Center offers small to medium-sized firms the resources they need to make their firm succession-ready."

Available at no cost to Private Companies Practice Section members firms, the Planning Resource Center is at <http://pcps.aicpa.org/Resources/Succession+Planning/>. The Center provides a variety of succession scenarios that practitioners can work through. Among the scenarios are.

- Selling the firm;
- merging the firm-including both downstream and upstream mergers;
- developing new leadership and;
- Transitioning issues associated with retiring partners, value of the firm and turning off the lights as a succession strategy.

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While succession planning is considered a major issue, 27 percent of respondents in multi-owner firms were not training anyone for leadership roles, according to the survey. Sixty-three percent of multi-owner firms expect at least one owner to retire within the next five years. Twenty-nine percent of sole proprietors said they have no one to develop, either because they were sole practitioners or did not feel any of their employees were capable of leading the firm. The Institute's 2004 Survey stated 25 percent of multi-owner firms and eight percent of sole proprietors had plans in place.

The survey was answered electronically during the month of January 2008 by PCPS member firms and is available for free at <http://pcps.aicpa.org/Resources/Succession+Planning/>

About the AICPA

The American Institute of Certified Public Accountants (www.aicpa.org) is the national, professional association of CPAs, with more than 350,000 CPA members in business and industry, public practice, government, education, student affiliates, and international associates. It sets ethical standards for the profession and U.S. auditing standards for audits of private companies, non-profit organizations, federal, state and local governments. It develops and grades the Uniform CPA Examination.

The AICPA maintains offices in New York, Washington, D.C., Durham, N.C., Ewing, N.J., and Lewisville, TX.

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