

8-1914

Should Accountants Advertise?

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Recommended Citation

Cooper, John Alexander; Gore, Edward E.; and Shorrock, E. G. (1914) "Should Accountants Advertise?"
Journal of Accountancy. Vol. 18: Iss. 2, Article 1.

Available at: <https://egrove.olemiss.edu/jofa/vol18/iss2/1>

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The Journal of Accountancy

Official Organ of the American
Association of Public Accountants

Vol. 18

AUGUST, 1914

No. 2

Should Accountants Advertise?

[One of the most frequently discussed topics before the public accountants of the country is the extent to which it is ethical or desirable to advertise. It is generally recognized in the profession that some kinds of publicity are permissible and to be commended, but there is a wide difference of opinion as to the propriety of personal solicitation either by means of newspaper advertising or more direct personal approach. As the profession advances it becomes increasingly necessary that there should be definite standards for all ethical questions, and in order to facilitate the attainment of such standards THE JOURNAL has opened its columns to a discussion of advertising. In this issue we present the views of three prominent accountants whose opinions are unlike. THE JOURNAL does not necessarily endorse the views of any of its contributors on this question, but we commend to our readers the articles following and suggest that those who have decided opinions on the matter give us the benefit of them for publication in future issues. This is a question so vitally important that we may well devote space to its consideration.—*Editor, THE JOURNAL OF ACCOUNTANCY.*]

Should Accountants Advertise?

BY JOHN ALEXANDER COOPER, C. P. A.

That this question may be answered adequately it is first necessary to have a fresh grasp on the meaning of the word "advertise," both in its literal and specific or commercial sense. It is defined thus:

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- (1) To warn, give notice to, to turn to, advert, to turn the mind to, to take heed or notice:

"I will advertise thee what this people shall do to thy people."

(NUMB. XXIV, 14)

- (2) To give public notice of, to announce publicly; such as—goods for sale, lost article, sailing date of vessel, political meeting, a circus or a carnival.

"The band with noisy advertisement by means of brass, wood and sheepskin make the circuit of our startled village streets."

(BIGELOW PAPERS)

- (3) The process of obtaining or purchasing publicity.

- (4) A seller's appeal to the buyer.

Primitively, communities were small and producers known to all consumers; personal contact was immediate; barter was the prevailing process, in fact the only one. As the clannish tendencies of the primeval man gradually gave way to the trading instinct, intercourse was broadened, desires enlarged, and this social expansion made demands that could not be met by the exchange of the hunter's pelts for provender. The grain and oil of biblical times did not satisfy the more complex wants engendered by neighborly amenities. The growing flocks of Silas more than supply the requisite food for himself and his dependents; he therefore accepts from Hiram some commodity which can in turn be exchanged with David for some possession of which he is oversupplied; David prudently exchanges his barter for Ruben's surplus grain.

This crude and tedious method of trading was sufficiently clumsp to prompt the use of tokens as media of exchange—they may have been cowrie-shells, wampumpeag, or metal discs.

The introduction of currency dissolved in a degree the intimate relations that had previously existed, and it is conceivable that at this point of change some immature plan of advertising was started.

The producer having gotten in touch with the trader, he in turn must interest the consumer by personal contact, supplemented, may be, by the good offices of the town-crier or neighborly gossip. It is but a step from this to weekly markets, and from that to periodical fairs—both of them attractive to traders

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from outside or surrounding districts because of their advertising effect; especially so prior to the introduction of the printing press.

It is said that as early as the third century an English country fair attracted traders from the continent, as well as from all parts of their own country. At this, as well as at other fairs, the advertising was done by sturdy apprentice-boys standing outside the booths crying their particular wares, alternated with "What d'ye lack?" "What d'ye lack?" This method continued in vogue for about twelve hundred years.

Printing was introduced in the fifteenth century; and about the period of the *Mayflower* incident, the first newspaper was published in England. This step led the way to the development of modern advertising. Slow indeed was the growth of this new idea. We find record of a complaint in the year 1659 of the want of advertising facilities, followed by the suggestion that the door of the parish church or of the blacksmith shop be used for the posting of advertising notices.

We have not advanced very far from this even today, as it is still deemed adequate public notice for the sheriff or court bailiff to tack a formal notice of sale to be held on a bulletin board outside the office of such officer. The law is little concerned with the sufficiency of such sales notices.

There is an interesting account of an advertisement which appeared in *Mercurius Politicus* of September, 1658; it reads—

"That excellent and by physitions approved China drink, called by the Chineans "Tcha," by other nations "Tay" alias "Tee" is sold at the "Sultanness' Head" a cophee house in Sweetings' Rents by the Royal Exchange, London."

During the next two hundred years various were the devices resorted to by tradesmen to attract the purchasing public, until in 1853 it was found necessary in London to prohibit advertising vans as a nuisance, and the characteristic "sandwich man," of which we have no counterpart in this country, was forbidden the sidewalk, and relegated to the gutter.

The penny post was established in Great Britain in 1840, and the halfpenny post for circulars in 1855. The verb "to circularize" came into use for the first time in 1848, thereby in-

dicating the inception of the prevalent practice of plying possible purchasers with printed letters and pamphlets.

During all this time it was very naturally brought home to the guilds or associations of the different trades that the civil law was not sufficiently responsive to the growing demands of commerce; therefore out of the usages and customs developed from long practice over this period of some fifteen hundred years certain rules and principles were established and administered by the merchants themselves.

These rules were known as the *Lex Mercatoria* or *Law Merchant* and were codified and printed in 1622. Then another step was taken; the common law courts took up the *Law Merchant* as a book of customs to be proved as a fact in each case at bar. Finally Lord Mansfield, when chief justice of the king's bench, about 1760, published *Mercantile Law* and in it embraced all the essential features of the *Law Merchant*.

It is to the *Law Merchant* that we are indebted for the fundamental principles of our present laws on partnership, negotiable instruments and trade-marks.

This incidental phase of the development of commerce and the steps necessary in olden times to the working out of our present strongly established trade practices brings home the broad fact that it takes years and years of rectitude and moral stamina on the part of the devotees of any honorable calling for them to become cemented into the lasting goodwill of a community.

"When our souls shall leave this dwelling, the glory of one fair and virtuous action is above all the 'scutcheons on our tomb."

But, you say, what of the professions? How did they develop? And what was their attitude toward advertising?

We are all tolerably familiar with the growth of the science of medicine; the herb doctor, the allopath, the homeopath, the eclectic, the osteopath and other 'paths'; and then the surgeon, from the barber who would use the cup whether you had a fever, a chill or a sore foot; the barber-surgeon who could lance a boil or draw a tooth; the chirurgion who was then known as an operating doctor, down to the wonderful masters of anatomy of the present day. The medical profession is entitled to full credit for its code of ethics; one of the rules most rigorously

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observed being that in regard to advertising, the effect being that those so-called doctors and dentists who advertise their talents, their facilities and equipment or their specialty, as a tradesman or huckster does his bargains and bankrupt stock, is considered an outcast or pariah trafficking upon the credulity and ignorance of the laity, and therefore is denied recognition.

The architect, civil engineer, minister and teacher, like the medical man, are, broadly speaking, free from the taint of self-laudation by advertising.

It cannot be anything but self-praise to advertise in display type your particular talent; for we, as accountants, have naught to sell and no capital investment is needed in the exercise of our ability in the public behalf. Beguiling the uninformed through the senses instead of demonstrating ability inferentially points to a limited capacity and mediocrity.

The profession of law, to which the accountant is more closely related, is not so happily situated upon this question. It has been made too easy in the past for one to obtain a certificate as a lawyer after a more or less perfunctory examination, mostly on fundamental principles and technical or theoretical questions, so that today it may be said without fear of contradiction that there are many times as many lawyers as there is any necessity for, particularly in the large cities. What is the effect of this? A class of unscrupulous, scheming, self-laudatory, pettifogging, barratrous, custom-seeking, money-making advertising lawyers who cause the blush of shame to rise to the face of those exalted characters who are ever conscious of the dignity and ethical demands of their profession.

This question must be considered in its relation to society at large. A strong foundation of reputation is laid in the goodwill of one's colleagues. The business public endorses this reputation, provided there is no social blemish. The glamor of effect in the public eye is only transient. Scholarly attainments, fidelity, gracious and courteous demeanor, business zeal, accuracy and punctuality are the elements of real value in this service.

It is one of the privileges of citizenship that one can choose his own occupation. The inborn instinct of youth wisely nurtured forecasts the successful man. It follows that one may carry on such calling in any way and by any methods that are

lawful and proper, which do not offend the proprieties or the *amour propre* of one's colleagues.

Accounting must be recognized as a lucrative calling, an essential means of livelihood, rather than as an honorary occupation such as a juris-consult of imperial Rome or a counsellor of modern Europe. The accountant cannot be denied opportunities for acquiring a practice that are open to men of other vocations.

There is no way of evading the common lot. We must all live, and if by a professional career, then clients must be had. This is self-evident; hence the question: To what extent is soliciting permissible, and what procedure may be properly employed?

Respectful solicitation from friends and acquaintances or even from the general public is permissible. It is in the manner, rather than the matter, that the question becomes important. Touting or deputized solicitation is wholly wrong.

"I am, Sir, a practitioner in panegyric, or to speak more plainly, a professor of the art of puffing."

Sheridan's THE CRITIC

In large cities and financial centers where the opportunities for social acquaintance are limited it would seem necessary for the young aspirant to seek publicity in a modest dignified way through some of the channels known to advertisers. There must, however, be a distinct line drawn between *publicity* and *advertising* as commonly understood.

The latter appertains to trade and traffic; self-interest is the ultimate purpose of enterprise. In the professions, however, the moral sense has to be weighed, and if that is weak, not much is to be expected. The jobber or hustler has mistaken his calling; his commercial instinct would be more productive in trade, where he would have full rein for his bent. In this work service is the ruling purpose, and self-interest subordinate. The tyro cannot do better than mentally to engrave this word "service" upon his banner, and realize the broad distinction between the commercial instinct which presupposes self-interest, rivalry and competition and the professional, which means service to the laity beyond the skill or knowledge of average intelligence. We do not offer a marketable commodity, the merits of which may be vaunted with propriety; we offer ourselves, our talent, our

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professed skill, and the state has issued to us a certificate in support of the attitude we have elected to assume towards the business public. This certificate is not granted to us by the state as a prize for a high degree of study and tenacity of purpose, and for our exclusive benefit to use as we choose; but for the protection of the public in the involved and ever-growing intricacies of commerce, and to provide a safeguard from imposition. It says, in fact, that we have the technical qualifications upon which to serve that public, and it rests with each of us so to deport ourselves by industry, sobriety and faithful service that we build up our career as the public shows its appreciation; and our colleagues will honor us with their goodwill.

Having this privilege, this degree, granted to us by the authorities, what can be said of the man who for a mess of pottage barter his certificate to a fictitious person, a corporation organized by a few politicians or business men who cannot by any stretch of the imagination be justified in calling themselves accountants—the certificate being used as a cloak, as an instrument of fraud upon the public in the company's advertisements?

Another phase of this many-sided subject is competitive bidding. It has become such a farce that the client is hoodwinked, humbugged, imposed upon, and should be helped to realize the influences that bear upon the results of placing an audit with a lowest bidder. It is to be deplored that the accounting profession is not free from the ultra-commercial spirit of self-seeking and personal advantage made manifest in this practice. Were it limited to the procuring of periodical audits for assurance purposes, the tender being based upon sound judgment of given quantities and conditions, it might be tolerated. Unfortunately this is seldom the case; in seventy-five per cent of such instances the bid is either for "pot-boiling" purposes, or else plain guess-work or speculation. In a service whose foundation is an absolute science, supplemented by logic and the principles of economics, it is obvious that a cursory survey of the records and files of any enterprise cannot disclose the extent of research needed to lay bare erroneous treatment, or the nature of unscientific or culpably discordant conditions. The aim and purpose of such guessing in most instances is advertising, the establishment of relations at a present sacrifice to be recouped,

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it may be, in subsequent service. One effect stands out clearly—that the service is scaled to fit the fee, and the client is the victim.

Then there is the man who advertises by blowing his own horn. One may rigidly support the formal proprieties and observe all the precepts, but still offend against good taste. The scientist is permitted to explain his own achievements and dilate upon their value. Every soldier is indulged when he recites his valorous deeds with prolixity. Then why should not the professional man do so with a proper regard for the confidence reposed in him? There is no good reason, other than in the manner rather than the matter. If time, place and circumstance invite it, there can be advanced no ethical objection to a modest recital of things accomplished; always, however, with proper regard for the rule that professional privilege implies restriction as well as protection, and for the maxim that “modesty bespeaks merit.”

It is no violation of the proprieties to publish a card modestly announcing the professional character, office address and telephone call number in financial and technical periodicals, or on the commercial page of daily papers; but to indulge in display space in directories, trade magazines, and ephemeral advertising sheets or programmes is to lower the dignity befitting the profession. It savors of the auctioneer, the medical quack or the clairvoyant.

In no circumstances is a professional man justified in withholding his name from his advertisements; if there is no sense of deficiency, inability or shame why hide your light under a bushel?

Letters and circulars are a perfectly legitimate form of advertising, provided they do not go beyond professional decorum in their form and subject-matter. To give notice of changes in the membership and style of a firm, removals, etc. through the mail in this way, while doubtless intended as advertising, has the primary and ostensible purpose of conveying a business fact. The statement should be brief, concise and modestly expressed. On the other hand the practice so much resorted to by some of our well-established firms of accountants in sending out form-letter solicitation broadcast, prompted, may be, by some movement of public import, such as income tax legislation, is not only a departure from good professional

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form, and much criticized by the recipients, but it does permanent harm, in that it cheapens the standing of your colleagues, and disturbs relations with clients by prompting them to the shopping habit in any service they may need thereafter.

This profession, this calling, this business of accounting, whether we admit the distinction or not, is only in its adolescent stage; it should appeal to all its disciples to cooperate in the preservation of the traditions. Everyone is a debtor to his profession, and strive as we may we cannot hope fully to discharge our obligations.

The goal of our ambitions is largely controlled by our perspective; if our range of vision extends no further than what is now observed of the field of accountancy today, circumscribed by our respective local industrial surroundings, we are narrow-minded indeed and quite unfitted to cope with the everchanging problems of the morrow.

There is an infinite field of effort legitimately related to our work as yet, comparatively speaking, untouched. Much, very much—in fact you may say all—depends upon our own standard and the relations we are able to maintain with the business, legislative and executive world around us. It rests with us whether we are to be regarded as mere verifiers and logical experts or whether we shall salute with earnestness and determination the banner of the "Excelsior state," and in due course earn and compel official statutory recognition in the fostering and regulatory problems that are now facing and will for some time face our federal government.

Are our present haphazard, self-seeking undignified ways conducive to the good of our cause or prejudicial to it? Have we so far shown the authorities or those influential enough to urge and support specific legislation in furtherance of our legitimate aims that we are as a body worthy? Have we attained to that stage that warrants our compelling recognition in such matters as income tax returns, judicial references, chancery findings of recorded facts, direct and consequential damages in condemnation proceedings affecting industries, winding up by court or creditors' direction, arbitrators, umpires or referees in matters of finance and account?

These opportunities, and others of equal weight and importance in the progress of commerce are before us if we only

demean ourselves in a manner that measures up to the standard expected of us. Shall we do it? Shall we measure up to the call and gain the regard of business men and government? Or are we to continue the prevailing flamboyant, cock-a-hoop style of service that provoked the interrogation that heads this article? The sequel to the continuation of our present course is that we shall undoubtedly see, without being able to exert any counter-acting influence, the spread of sumptuary laws, bureaucratic and commission government, in which the practising accountant will have small part.

When the overcrowded profession, to which we are so closely allied as to be frequently called its right hand, admits its students to examinations without their having first passed an examination in even the first principles of accounting, is it not clear that the field needs but to be fostered by our own attitude, to accrue to us?

Laissez faire individualism in political and economic problems, as well as in the more closely knit associations for mutual welfare, will never bring common prosperity and happiness. The egoistic thought dominating the members of any society or profession tends to the drifting instead of beneficent influence of any such organization.

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BY EDWARD E. GORE, C. P. A.

Undoubtedly the question, Should accountants advertise? is made important by the feeling that it is unethical for a professional man to have recourse to the methods of commercial houses in bringing before the public the fact that his services are for sale and that he is sure his capabilities are of the best. Wherever this question is discussed reference is made to the custom of members of the legal and medical professions of refraining from advertising their services; and the conclusion is drawn that since these professional men frown upon the practice it must be reprehensible. This argument presupposes two things: (1) that accounting is recognized as a learned profession; and (2) that the status of the accountant is the same as that of the lawyer or

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the physician. This sounds well and is important, if true. In the mind of accountants there is no question that accounting is a profession, and they are unquestionably right in their conviction; but there is a wide difference between one's knowing himself to be a professional man and in his being recognized as such by the public. Recognition of a new profession is a slow growth, and it is possible that grandsons of leading accountants of today may complain that they are not accorded that place in the estimation of the public to which their learning and skill justly and fairly entitle them.

Upon this matter of public recognition the debatable phase of the question turns, as may be plainly shown. If the public fails to recognize that accountancy is a profession any action which in the view of accountants is unethical may not seem so to the public, and the offender may reason soundly that it is the public whose favor is to give him his living, and so long as he does not offend the hand that feeds him he may do anything that will increase the quantity of his feed. It can be proven that some advertising accountants have built up considerable business through recourse to methods which would make a hardened medical quack blush like a modest school girl. This does not argue the plan is right because it succeeds. But it argues that because the public—or a considerable portion of it—fails to see its impropriety these methods succeed, and that the offending accountant enjoys a lucrative business—while his ethical brother must fatten only on self satisfaction gained by being truly and unmistakably proper.

This feeling of propriety is an excellent tonic for the conscience, but it does not make ribs less visible when one bathes. I can imagine the feeling this line of reasoning will create in the minds of some of our best accountants—and it is to their enduring credit that they should feel nauseated by it, but they should not forget that it is easier to resist temptation and remain on right lines on a stomach regularly well filled than on one that is regularly empty. If a numerous portion of the public is accustomed to receive and heed advertising matter, and confers its patronage on those who make strong claims for themselves or their wares, it is natural that it will be approached in the manner towards which it shows a preference. Within the past year an accountant of my acquaintance lost two of his best corporation

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clients through advertising matter directed to members of the boards of directors who did not know him personally and were not qualified to judge of his efficiency. He is a highly qualified man, renders splendid service and has given utmost satisfaction to officials under whose immediate supervision he has worked; but this has not prevented his being supplanted by less qualified men who believe that "it pays to advertise" and who have proved that their position is well founded.

A question confronting accountants is, Shall the business of reputable, conscientious practitioners be constantly menaced by advertising done by those who see no wrong in resorting to commercial methods to gain clients, and if not how may it be prevented? As stated, this proposition of educating the public is so slow that it reminds one of the old woman whose belief that she could live without eating, through a gradual reduction of the amount of food consumed, would have worked out all right if she hadn't died. There are heroes among accountants, whose statues will never adorn a hall of fame, who steadfastly adhere to what they conceive to be ethical and wait day after day for the client who is to be attracted by their dignified attitude and their loyalty to the best traditions of the profession. Some of these cases are distressing—and are usually relieved by the ethical party's being taken over and added to the staff of more prosperous brother practitioners. Speaking of the prosperous brother practitioners brings me to the other feature of the comparison made at the beginning of this article—that referring to the lawyer or the physician of standing who steadfastly refuses to advertise. The fault in this comparison lies in the varying manner in which the work of the several professions is conducted. If any one should be presented with a card bearing the inscription:

Jones, Smith, Robinson, Brown & Co.

Also at

Chicago
Pittsburg
St. Louis
St. Paul
San Francisco
and London.

Physicians and Surgeons,

2323 Bonaset Building,
New York.

he would conclude that "Jones, etc.," were a bunch of quacks—

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and probably he would be right. In the medical profession, as in none other, the individuality of the practitioner is studiously preserved. In the law the use of long firm names is not unusual, short firm names are frequent, and names of individual practitioners are most common. In accountancy the name of the individual practitioner is likely to be concealed behind a corporate title or a long firm name in which his own name does not appear.

Moreover, the bewildering number of offices maintained by some firms must occasion in the mind of the unsophisticated a wonder as to the physical impossibility attendant upon several partners being each in a half-dozen cities at the same time—for of course no office would be maintained without a partner in charge. Just wherein the practice of accountants in having a multiplicity of branch offices conducted by managers differs from the practice of commercial establishments in putting down branches likewise under managers it is difficult to perceive. These matters argue that accountancy—as practised—is not a profession but a purely commercial undertaking.

It is probably true that seventy-five per cent of the accountancy work done in America is supervised and performed by accountants whose names do not appear as certifying to the results of the work. Not only is this true, but if the certificate were signed by the accountant supervising or performing the work the reports would not be accepted by any client. Of course the reason is that the individual supervising or performing the work is not known and his name will not carry weight either with the investing public or a board of directors. This condition confronts the individual who starts out to build up accountancy practice of his own, and he finds it next to impossible to make headway unless he does something to inform companies, etc., of his readiness to serve them. Assuming that we should agree on some one accountant whose name is wholly unknown as being in every respect thoroughly qualified to discharge the functions of his profession is it not probable that should he open an office in his own name he would gather to himself only unimportant clients and comparatively few of these? Is it not a certainty that any one of his clients who needed to float an issue of securities would retain a well-established firm to make the necessary investigation and to

execute the certificate of earnings? Then is it not probable that the trust deed securing the issue of securities would contain a clause authorizing the trustee to engage accountants periodically to audit the accounts of the corporation making the issue? And isn't it almost certain that the comparatively "unknown individual accountant" will not be selected?

Can anyone blame an accountant who has had this humiliating and discouraging experience for attempting to recoup his loss of clients by a resort to advertising? There develops in his heart a bitterness toward the large accounting organizations, which because of their being better known have been selected to do the work which he feels he is justly entitled to do, and he turns from papers prepared by members of these organizations condemning advertising as unprofessional, and loads the mails with circular letters, booklets and other forms of advertising to the limit of his means or of his inclination.

It would be better for the profession, perhaps, if no advertising were indulged in, but that condition cannot be expected to obtain so long as the public sees nothing objectionable in the practice and bestows its favors upon those who through artfully worded circulars succeed in attracting its attention; or so long as accountants issue letters of solicitation in order to gain new clients to offset those who have been led astray by other advertisers. Likewise, as long as this affords what is apparently the only way for the new practitioner to make himself known to the public and to gather about him a clientele, he will persist in it.

There is a considerable difference between what is beneficial to the profession as a whole and what is beneficial to the individual concerned, which difference is due to what is, in a limited sense, a monopolization of the best business by the large organizations which have gained, after many years of practice, a reputation which induces clients to patronize them without solicitation.

The writer has no prejudice against long established reputable firms; on the contrary he admires them, and is a part of one, yet he cannot shut his eyes to what seems an undeniable fact, *viz.*, that recognition of accountancy as a profession is hindered in greater degree by the existence of large organizations engaged in it than by any other one cause. If, instead of

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50 organizations using the services of 2,500 accountants, there were 500 organizations using that number the profession would receive more than ten times the amount of recognition now accorded it and there would grow up in the United States a professional condition which would broaden the outlook for every man in practice "on his own account or otherwise."

Until accounting is recognized as a learned profession, which will not be until we ourselves have ceased to commercialize it by strangling the aspirations of the newcomers in its practice through the suppression of their individuality and the marketing of their services, as the liveryman hires out his horses, the answer to the inquiry "Should accountants advertise?" must be in the affirmative. It would be more dignified—more professional if you please—to refrain from it, but we should not stickle for dignity nor assume a professional pose while we are bidding against each other for engagements, like a parcel of hucksters at the close of market on a Saturday night, nor while we are ruthlessly grabbing the business of brother practitioners whose certificates "don't go" with the financial monarchs.

If we are quite candid we must admit that accountancy is the most exclusive and least democratic of any of the vocations more or less learned. The so-called "senior accountant" is farther removed from the head of his firm than is the lawyer's newest clerk or the physician's most recently acquired bottle holder. This statement is not meant to imply that accountants are not well treated by the firms employing them, so far as salaries and working conditions are concerned, nor that there is much, if any, intentional unkindness shown them; but it is meant to call attention to the absence of anything resembling a fraternal sentiment manifested by the employing accountant toward the accountant he employs. This fraternal feeling must take root, and there should grow up in the employer a genuine respect for the abilities and a desire to increase the accomplishments of his employees before accountancy can be regarded as occupying the same level as medicine or the law. There must be larger opportunity for the employee to become the employer; there must be more to encourage the employed accountant to put forth his best efforts than characterizes the present situation.

In view of the foregoing, why not advertise? Why not go

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the limit in commercialism, if by that means only there seems to be a possibility of success? Why starve in the midst of plenty? Why deny one's self for the financial benefit and peace of mind of him who gets his engagements without any effort of his own?

In the preparation of this paper the writer has endeavored to put himself in the place of the accountant who advertises because he *needs* to advertise. Viewing things from that position one must concede that advertising has nothing about it of which to be ashamed. As it is practised by the majority, accountancy is more a business than a profession, and should be regulated by business rather than by professional ethics. When accountancy is established as a learned profession and is recognized as such by the public it will be time enough to be horrified by advertising indulged in by its practitioners.

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BY E. G. SHORROCK, C. P. A.

Under the title *As to Professionals*, a letter was published in the March JOURNAL in which the correspondent asked some questions relating to professional ethics and professional advertising with particular reference to accountancy. While most of these questions have been asked and answered more or less unsatisfactorily for the last twenty years, they are of perennial interest and will doubtless be agitating the bosoms of the fraternity long after the present generation of accountants has passed into oblivion.

The general question of advertising or business promotion by accountants is not merely of academic interest. It is a question upon the proper answer to which depends in no small measure the rapidity of the future progress of accountancy. Therefore, the opportunity afforded by the JOURNAL for a discussion of the subject is one that should be taken advantage of by those who have given it consideration.

There are few members of any business or profession who have the financial ability to work for work's sake and to serve the public upon a philanthropic or semi-philanthropic basis. Ac-

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countancy is no exception to this rule, and while the accountant may be filled with a laudable ambition to benefit mankind he nevertheless is usually under the stern necessity of deriving some modest pecuniary benefits from his labors and cannot afford to neglect the business side of his profession. Like other people who have a living to make, he is bound to recognize that an essential to success in any sphere of business or professional activity is, to use the euphonious phrase of a famous exponent of the science of business building, "the power to persuade people to purchase product at a profit." Consequently, the accountant is spending his time to advantage when he is engaged in the attempt to discover the best methods of persuading the public to purchase *his* product—to wit, his services—at a profit.

The writer trusts that he will not be accused of an attempt to commercialize the profession when he reduces the preceding paragraph to its simplest terms by saying that, speaking generally, we accountants are in the profession or business of accountancy for the principal purpose of making money out of it. We entered it because we believed that our peculiar talents fitted us for the work and that we would be more successful, financially, in accountancy than in any other trade, business, profession or occupation. Whether or not our realizations have measured up to our expectations is beside the point, but this, at least, is true, *viz.*: that we shall never realize what we believe to be our possibilities of usefulness to the public or profit to ourselves if we permit ourselves to be bound by any rule which compels the public to seek us and does not permit us to seek the public.

Without in the least questioning the good intentions or good faith of the opponents of advertising, among whom are many of the most respected members of and tireless workers for the profession, it is not amiss to enquire whether their opposition is in all respects well founded. The efforts of those gentlemen to elevate accountancy as a profession to a plane of equality with the legal and medical professions have probably the cordial endorsement of every accountant. Those who do not endorse their opposition to advertising contend however that as yet there are some marked differences between the positions of the legal and medical professions on the one hand and accountancy on the other, which should not be ignored.

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The legal and medical professions are old: accountancy as a profession is comparatively new. The functions of the lawyer and the doctor are well defined and understood: those of the accountant are still things of mystery to the general public. Lawyers and doctors are in the happy position of being looked upon as necessities: the accountant is even yet very commonly regarded as an expensive luxury. The legal and medical professions have the protection and recognition of the law. No unlicensed person is allowed to practise as a lawyer or a doctor: anyone can hold himself out as an accountant.

It should also be borne in mind when discussing rules of conduct for the accountant that until all public accountants can be brought under a central control there will always be differences in policies and practice between the "ins" and the "outs"—that is, between certified and uncertified accountants; between the accountants who are members of state societies and those who are not members; and between the members of the American Association and accountants who are ineligible for membership of that body.

With this before them, the members of the national organization and of state societies should hesitate before binding themselves to the observation of rules of conduct concerning business matters such as advertising, which cannot be enforced upon all accountants alike. There are few things that would give greater pleasure and satisfaction to the "outside" accountant than the spectacle of the "insiders" voluntarily hanging around their necks a millstone in the shape of a policy concerning advertising the effect of which, if it were strictly followed, would be to restrict their liberty of action in the selection of methods of business development.

The statement is made above that while the functions of the doctor and the lawyer are well understood by the public, those of the accountant are not. How, then, are we to remove the veil of ignorance from the eyes of possible clients except by telling them in some way who and what we are and what manner of work we do? And how can this be accomplished except by some form or forms of advertising?

If we are disposed to consider it unethical to "advertise our services as the merchant advertises his wares," or to make ourselves and our works known, we should, in injecting ethics into

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the situation, take into account not merely ethics as it concerns the profession within itself but also as it concerns the public. If we believe that our services would be valuable to many people who have not yet availed themselves of them, are we not lacking in our duty to those people if we do not make an effort to inform them that we can be of use to them and in what way? If a doctor, passing the scene of an accident in which someone had been injured, should fail, in the absence of other skilled assistance, to offer his services, he would surely be guilty of a breach not only of humanitarian principles but also of the ethical principles of his profession. And if the accountant, by reason of his conception or misconception of the proprieties, neglects to make himself known to those who need such assistance as he can render but who are ignorant of his ability to give that assistance, he is surely neglecting the interests of the public, of the profession and, incidentally, of himself.

Great though the progress of accountancy has been, it is yet very far from having attained such a position that publicity is unnecessary. Its progress would have been much more rapid, and knowledge of the functions of the accountant would have been much more general, had intelligent methods of advertising it been used. It may be taken for granted that none of us is anxious to advertise, but the sad fact remains that even the accountant is not superior to the well recognized commercial law that the goods must seek the customer, and as a merchant or manufacturer is under the necessity of making a market for his goods, so must the accountant, to be financially successful, make a market for his services. It is for him, not for the public, to take the initiative.

One result of the reluctance of the accountancy profession to place itself properly and prominently before the public has been the diversion to so-called "system" and "efficiency" men of large quantities of profitable business that could have been handled with more satisfaction and less expense to the clients by competent broad-gauge accountants. While we accountants have been occupying our numerous leisure hours by discussing ethics, accountancy in the time of the ancient Egyptians and other topics of equal current interest and importance, the gentlemen above referred to have been getting away with the business. While we have consoled ourselves by adverse criticisms of

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their work and methods, and by the reflection that at some time in the future, the precise moment of which has not been fixed, the public will give its patronage to the ethical accountant instead of to the unethical charlatan, we do not seem to realize that to wait for dead men's shoes is usually a long and unprofitable job, and that our unethical friends are by superior salesmanship obtaining business on terms which some of us may well contemplate with envy. We may find comfort in the supposition—not always well-founded—that in a business sense they, individually, do not last long, but we cannot disguise the fact that as one goes several others come, so that collectively they are more numerous than ever. Surely no one is so full of ethics and so empty of business sense as to suggest that no effort should be made to induce the victims to divert their future business into proper channels, and to enable others, who have never employed accountants or imitations thereof or substitutes therefor, to become more familiar with the accountant's functions.

Enough has been said to show that the present condition of the accountancy profession is by no means ideal. For the reason that it enjoys no recognition in the eyes of the law other than the feeble and inadequate one given in the C. P. A. states, even its claims to rank as a profession may be doubted. If we in this country enjoyed, as do the accountants in some foreign countries, the protection afforded by a state registration system, the question of publicity might not be of such moment as it appears to the writer to be in the United States; and although state registration is perhaps a thing of the distant future, we can bring it nearer attainment by united action to that end. In the meantime we have to face conditions as they are, and one of the unfavorable conditions with which we are confronted is the lack of interest which many accountants, including members of the American Association and others who are eligible for membership, display in movements for the benefit of the profession.

Whether it is that professional accountancy has a narrowing effect upon its followers or that the latter find the task of making a living so absorbing that they have not the opportunity of taking a broad view of things or whether they have the ability to take a broad view even if they have the opportunity the present writer will not now undertake to say. But it does

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seem to be extremely difficult to induce them to combine upon plans having for their object the promotion of their interests.

This condition is largely responsible not only for the lack of legal recognition from which we are suffering, but also for the lack of a more adequate measure of recognition and appreciation by the public. It is partly responsible also for the unsatisfactory, unscientific and, if you please, the unprofessional methods of publicity that have been indulged in by many of us.

Attempts have from time to time been made by members of some state societies with which the writer is acquainted to formulate plans for campaigns of publicity to be conducted by the societies for the benefit of all their members. These attempts have usually been made by the men who personally have been least in need of the benefits which might accrue from such campaigns. These men have also been willing to be responsible if need be for more than their pro rata share of the expense. Although it is reported that one state society has recently succeeded in putting a plan of publicity into effect, the efforts in the other cases above referred to have been in vain. Some of the members refused to consider a proposition for society publicity at all, on the ground that it was a scheme for the benefit of its framers, or that it was unprofessional, or that it would cost too much, or that it would be ineffective. Others, who agreed that it might be a good thing, refused to go into it if the names of the members of the society were published, while others declined to consider it if the names were omitted. Thus the efforts of the promoters failed except that they led in some instances to renewed activity in promotion work on the part of individuals, who probably spent more in the aggregate than would have been expended under the proposed society scheme, and realized fewer beneficial results than the latter would have produced. In another case it led to a joint campaign of advertising by several of the firms who had interested themselves in the original scheme, who proceeded to issue a series of leaflets of an educational character. These leaflets included, printed in unobtrusive type, the names of all the firms by which they were being issued, and this feature evoked some adverse criticism, chiefly from the men who had been unwilling, because of the expense or for other reasons, to join in the society scheme, and who were per-

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haps surprised and disappointed that the publishers of the leaflets were not sufficiently imbued with philanthropy, brotherly love and modesty to omit their names from the advertising matter which they had originated and for which they had paid.

It is not difficult to find fault with the spirit and the substance of individual advertising as it is usually conducted. Particularly easy is it for those gentlemen in our large cities who are in the happy position of having their business handed to them on a silver plate to criticize the publicity methods of their professional brethren who are engaged in the unremunerative task of building for posterity in our newer communities. Perhaps the day of pioneering in accountancy is, as some of our optimistic friends seem to think, over. As one of those who has known something of the vicissitudes of pioneering in the far west the writer sincerely trusts that it is, and that the need for the primitive publicity for primitive people that seemed to be necessary and to some extent effective in the remote past of ten or fifteen years ago no longer exists. But that the happy time has actually arrived when we can afford to dispense with publicity altogether is something that many of us find it hard to believe.

What then is the individual accountant to do who needs business, who knows that the public still needs educating, and who does not want, if he can avoid doing so, to embark in advertising on his own account, when he finds that his brethren will not or cannot combine on a publicity campaign for the good of all? The answer is obvious. He must try to get business for himself by the methods that seem to him best, and if those methods do not in all respects satisfy them, his critics should be prepared either to show him in a friendly spirit the error of his ways or to accept a share of the responsibility for the conditions which have led to them. That the desks, or to be more correct, the waste paper baskets, of business men are so frequently laden with printed or written advertising matter, good, bad and indifferent—chiefly bad—from accountants, is due in no small measure to the lack of cooperation to which reference has already been made.

It may of course be said, and with truth, that if a state society of certified public accountants were to adopt cooperative publicity, its cooperative plans could not include or control uncertified accountants. They would, however, have the effect of

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discouraging advertising by certified accountants, and if in the published matter proper emphasis were laid upon the qualifications of certified public accountants, good results, if the advertising were of the right kind, would follow for the members of the society, this being after all the main purpose of the undertaking. The non-members would have to continue to shift for themselves as they do now.

Probably the most desirable and effective advertising for the good of the profession at large can be done by the American Association. The work done by the association last year in obtaining and circulating in book form the opinions of bankers on the value of accountants' certificates for credit purposes was extremely valuable, and it is to be hoped that it will be possible for more work of the same character to be done. Here, again, cooperation on the part of state societies and their members is essential to the success of the enterprise. The advertising matter to be issued by the association need not be so expensive in its make-up as the book above mentioned. Leaflets or booklets, explanatory of the work of the accountant and its value, could be prepared for various classes—manufacturers, wholesalers, attorneys, credit men, and so forth—throughout the country. Each state society could furnish lists of the people of each class in its own state to whom it would want the advertising sent, and it should be assessed its pro rata of the total cost to the association of preparation, printing and mailing.

Objection has been made to expenditure by the association upon publicity which benefits non-members as well as members and uncertified as well as certified accountants. So long as the association is constituted as it is this objection will continue to apply. But we ought to be sufficiently public spirited to overlook it, especially in view of the probability that the publicity would probably discourage the amateurish advertising efforts of "outside" accountants and put publicity for the profession upon a higher plane. Moreover, it might be possible in mailing the advertising to each state to include in it a list of the members of the association residing in that state. If this could be done it would probably cause the accountants who were not members to be more anxious to qualify for membership and would to some extent meet the objection just mentioned.

Some of the foregoing suggestions may not be original,

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and they are introduced here only with the thought that the present discussion of advertising should if possible be made to produce some practical results and not be confined to an expression of theories.

In conclusion, it is again urged that publicity is one of our most pressing needs, and that it cannot be met either by association rules or academic debate. We may be assured that unless and until it is dealt with in a broad and intelligent way by state societies or the American Association, separately or in conjunction, individual advertising, with whatever evils may attend it, will continue.
