



INSIGHT ■ INNOVATION ■ EXPERIENCE

Fall 2008 ■ Volume 26 ■ Issue 4

>> IN THIS ISSUE

- 1 Six Sigma
- 1 Key Tax Dates
- 2 Schneider Downs Launches New Web Site
- 3 Sailing Through a Strategic Acquisition
- 4 A Tribute to Betty Schneider
- 4 Wealth Management: Question of the Quarter
- 5 Around SD
- 5 New Hires
- 6 Professional News

KEY TAX DATES

DECEMBER

15

Estimated Tax. Payment of last installment of 2008 estimated tax by calendar-year corporations.

JANUARY

15

Estimated Tax. Final installment of 2008 estimated tax by individuals, trusts and estates and certain residuary trusts in existence more than two years. (Payments of estimated tax in full by individuals, trusts and estates that are first required to pay estimated tax for calendar year 2008.) Payment is not necessary if returns are filed and tax is paid in full by January 31, 2009.

31

Individuals. Final income tax return for 2008 by calendar-year individuals and by trusts and estates in existence more than two years who owed but did not pay 2008 estimated tax otherwise due January 15th.

SIX SIGMA *by Ann M. Giacobbi, Internal Audit Manager*

Six Sigma, the data-driven, quality improvement methodology, can be used to eliminate waste and enhance the processes that directly impact your customers. Implementing an effective Six Sigma program requires a significant time and resource commitment, and all levels of the organization must be devoted to the process to ensure success. At some point, you may have considered how you could improve your business processes using Six Sigma or another quality improvement methodology, but not every organization is willing and/or able to commit to a full-fledged program. Even so, the tools and techniques do not have to be executed within the formal, comprehensive Six Sigma framework in order to deliver value. They are much broader-reaching, and each can be modified and applied in various scenarios to facilitate analysis and enact change that aligns with overall business strategies, including the evaluation of risks and internal controls within your business processes.


The COPIS form is one tool that can be utilized outside the Six Sigma framework. COPIS stands for customers, outputs, process, inputs and suppliers, and the COPIS form provides a one-page snapshot to summarize these aspects of a process. The form also provides a summary of potential improvements to enhance the quality in a process. Schneider Downs has used the Six Sigma COPIS form in client engagements because it can be easily tailored to align with the project needs and client expectations. In practice, our professionals have modified the form's original format to identify the risks, controls, financial statement assertions, gaps, significant accounts and key information systems or applications within a process.

For process reviews, a flowchart is often the best means to illustrate the process flow, and allows for internal controls or gaps in the process to be easily highlighted. The COPIS form provides

an overview of the process that facilitates the development of the flowchart(s) and is a good supplement to the flowchart(s) because it includes additional information that may not be reflected in the process flow. Such information can facilitate analysis and pinpoint opportunities for process improvement.

Six Sigma tools are actually similar to those used by internal auditors. For example, the FMEA (failure, modes and effects analysis) used in Six Sigma is similar to the risk and control matrices used for internal audits and Sarbanes-Oxley compliance testing. Both identify and evaluate the significance and likelihood of potential risks impacting a process. Other Six Sigma tools, such as the COPIS form, fishbone diagram (cause and effects analysis) and data analysis, also align with internal audit methodologies.

When searching for quality and waste reduction, don't be too quick to eliminate internal controls. They may not directly impact the customer, but they are necessary to maintain strong business processes and compliance with regulations such as the Sarbanes-Oxley Act of 2002. The key is to balance the process improvement benefits of using Six Sigma tools and techniques and maintaining an effective system of internal controls.

Although the tools and techniques used, and how they are applied, depend on the desired outcomes, the use of full or modified Six Sigma methodologies can help your organization enact change and improve quality. Whether your organization has decided to implement a comprehensive Six Sigma program or simply wants to add value by identifying and implementing process improvements using Six Sigma tools and techniques, the choice you make should align with your overall business strategies, and internal controls should not be compromised in the process. 

TOP STORY

Schneider Downs Launches New Website by Sean P. Smith, Director of Marketing

If it's been a while since you last visited the Schneider Downs website, you may be in for a surprise when you return. In October, the firm launched the latest update to www.schneiderdowns.com, introducing many new features and services available directly from the website.

Prior to developing the site, representatives from the firm conducted extensive interviews with employees, clients, vendors and friends of the firm. These sessions were used to learn more about how our website is used by various audiences, and which features would be most utilized. The results of those assessments were invaluable in determining the new content and structure for schneiderdowns.com. Some of the new features of the website include:

- *Insights* is a series of commentaries written by the professionals at Schneider Downs. Updated on a weekly basis, the *Insights* concept delivers fresh and timely content on issues most relevant to our clients.
- An electronic subscription feature enables visitors to register to receive our newsletters and *Insights* commentaries delivered directly to their e-mail addresses. This feature will not only result in reduced printing and postage, but also



provide each visitor the ability to select the content they wish to receive.

- An easily navigated services tracker enables visitors to quickly sort through Schneider Downs services and industry information.
- New and improved search functions accelerate the process of finding the information visitors need most.



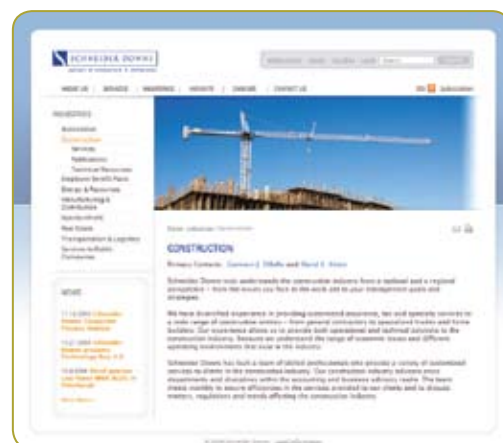
Subscribe to a number of relevant news and industry topics

- An updated careers section highlights career opportunities at Schneider Downs.
- RSS feeds are available.

"First and foremost, a website needs to be easy to use, and it needs to quickly deliver the information the visitor is seeking," says John Stafford, shareholder and head of the firm's Technology practice. "I'd like to encourage everybody to visit the

new website, and take the time to share your thoughts with us. Our website will continue to change and grow and we welcome your comments."

To take the new website for a test drive, visit www.schneiderdowns.com.



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FEATURE ARTICLE

Sailing Through a Strategic Acquisition *by Natalie Bahan, Director, Business Advisors*

Private equity investors have had an advantage in recent years over companies searching for strategic acquisitions. With the onset of the credit crunch, the tide is turning, and companies with cash and available credit have opportunities now to make headway in their search for strategic acquisitions. Many companies are asking themselves, “Is now the right time? Or would we be trying to sail into the wind?”

Here are four tips to consider when embarking on the journey of strategic acquisition.

1. Don't just go with the flow.

Prior to the sub-prime mortgage crisis and \$4.00 per gallon gasoline, it was easier to be upbeat about strategic acquisitions. With the current economic environment, corporate development leaders are now a bit more cautious. But simply taking cues from the prevailing wind isn't the right way to set corporate strategy. A thoughtful approach that aligns a defined deal strategy with a company's long term strategic goals is the best approach. The most effective strategy analyzes how current business conditions could affect your deal plans, but also makes a distinction between the short-term future and the long-term future. As difficult as it may be to resist focusing on the short term, it's more important that the deal is an essential part of your overall corporate strategy. The answer to that question will help you decide if pushing forward now is worth it.

2. Chart the proper course to arrive at the planned destination.

It stands to reason that a company's strategic acquisition plans should be driven by overall corporate strategy. However, even a

well-defined deal strategy is vulnerable if it's contingent on one set of assumptions about what lies over the horizon. As has become painfully evident, much can change in a short time, and the range of alternative futures becomes wider as you contemplate the long-term outlook. It's helpful to ask “what if?” and test the economics of a deal against multiple scenarios. Don't start the journey without good charts and a compass.

3. Determine which way the wind is blowing.

When the external environment is volatile, it's critical that companies have a robust deal decision-making process. The process should be balanced and inclusive by seeking input from as many different departments as possible and carefully evaluating the information provided. Additionally, involving the appropriate external advisors, such as accountants and lawyers, is a key element. Good

information coupled with good judgment produces excellent results.

4. Batten the hatches.

Companies moving ahead with an acquisition should be ready for challenges. Uncertain times magnify the distractions and stress inherent in successfully executing and integrating an acquisition. Achieving projected value requires strong discipline. Too much emphasis placed on “getting things done rapidly,” as opposed to the crucial task of defining the integration plan and assigning

accountability for achieving it, can lead to disaster. The “ready, fire, aim” approach to corporate development, and assuming

that the process will go well if the right people are responsible for making it happen, can lead to a leaky boat. However, acknowledging the importance of putting good people in charge,

and emphasizing the need to first clearly define what needs to get done and by when, results in a water tight vessel.

Making headway.

Determining whether to proceed now with an acquisition or to sit back and wait depends on factors that are specific to each company's plans, markets and finances. Whatever the decision, if it is made through a careful and objective process, giving the proper consideration to relevant viewpoints and observations, it is more likely that a strategic acquisition will be truly strategic. Navigating in a challenging environment requires planning, but with a little luck a company can sail off into the sunset. ■

Natalie Bahan, JD, CPA is director of Schneider Downs Business Advisors and is responsible for the strategic direction and development of the firm's specialized business advisory services practice. Over her 18-year career, she has earned a reputation as an insightful consultant in areas including due diligence and transaction advisory services, inventory management, financing procurement, fraud prevention and investigation and business planning.



NATALIE BAHAN
SCHNEIDER DOWNS BUSINESS
ADVISORS
Director

NEWS YOU NEED

A TRIBUTE TO

Betty Schneider

The Schneider Downs family mourns the loss of Betty D. Schneider, a dear friend and one of the genuine anchors in the firm's history and heritage. Betty was married for more than 60 years to the late James T. Schneider, one of the original founders of Schneider Downs, and provided early inspiration for the family atmosphere that embodies the firm.

"Betty was a wonderful supporter of the firm, and she helped create an environment that would go on to make Schneider Downs special," according to shareholder Don A. Linzer. "Betty helped set a warm tone. She treated us all like family, and knew the name of every spouse. She was a lovely woman."

Betty was an active contributor to the community through her support of the Pittsburgh Symphony and contributions to many charitable causes. She is survived by her four children, nine grandchildren and five great-grandchildren.

"Betty was a special lady, and I have many fond memories of her," said Raymond W. Buehler, Jr., President and CEO. "She definitely was a cornerstone of the firm, making Schneider Downs what it has become today." ■



Jim and Betty Schneider

Q & A

Schneider Downs Wealth Management Advisors, LP *Question of the Quarter*

Q. What is the difference between FDIC and SIPC?

A. The Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC) were created to protect investors from company failures and fraud. Even though both entities were created to protect investors, important distinctions exist between the entities and what deposits or investments they cover.

The FDIC is an independent agency of the federal government, created in 1933. The FDIC exists to protect depositors in the event that a bank fails. Since the start of FDIC insurance on January 1, 1934, no depositor has lost a single cent of FDIC-insured funds as the result of a bank failure.

The FDIC insures all types of deposits received by a financial institution in the usual course of business, i.e., savings and checking accounts and CDs. The FDIC does not insure valuables in safe deposit boxes, securities, mutual funds or similar types of investments that some banks and thrift institutions offer. The basic insurance amount is \$100,000 per depositor, per insured bank. Deposits held in different categories of ownership, such as single or joint accounts, may be separately insured. The FDIC generally provides separate coverage for retirement accounts, such as individual retirement accounts (IRAs) and Keoghs, which are insured up to \$250,000.

Note: The economic rescue package recently enacted by Congress includes a temporary increase in FDIC coverage to \$250,000 per depositor, per insured bank. The increase is in effect until the end of 2009.

The SIPC exists to protect investors in the event that a brokerage firm fails or securities go missing. Congress created the SIPC in 1970, and although not every investor is protected by SIPC, historically, no fewer

than 99 percent of persons who are eligible get their investments back from the SIPC. The SIPC protects customers of broker-dealers as long as the broker-dealer is an SIPC member. To determine if your broker/dealer is a member of the SIPC, look for the words "Member SIPC" in signs and ads.

It is important to note that even in the event that a brokerage firm fails, unless fraud is involved, the securities still exist. The SIPC will return all securities (such as stocks and bonds) that are registered in the client's name or are in the process of being registered. The firm's remaining customer assets are then divided on a pro rata basis, with funds shared in proportion to the size of claims.

The SIPC provides up to \$500,000 of protection per account in separate capacity (i.e., joint, individual, trust), with a maximum of \$100,000 for cash claims. Money invested in a money market fund in a brokerage account will be classified as a mutual fund and protected at the \$500,000 level. Investments ineligible for SIPC protection are commodity futures contracts and currency, as well as investment contracts, such as limited partnerships that are not registered with the SEC.

Finally, the SIPC does not protect investors against market risk or in cases where the value of their investments falls for any reason. ■

The above information is meant to be a summary of the two entities and in no way is an all-inclusive discussion. Since each situation is different, please visit www.SIPC.org or www.FDIC.gov for more information.



SDANNOUNCES

New Hires

Our people are our greatest strength. We welcome our July, August and September new hires:

Lisa A. Allen
Natalie J. Bahan
Matthew J. Bizzack
Sean P. Bleibtrey
Geoffrey C. Buckingham
Katlyn E. Crissman
Chad R. Cutright
Ronald F. Davis
John-Paul DeFelice
Martin J. DiGiovine
Christopher F. Dingman
Jessica L. Drylie
Laura A. Fernan
Scott F. Fremer
Jeffrey S. Harmon
Christopher G. Hartsel
Jeanne A. Jackson
Patricia J. Juliano
Brett D. Kochheiser
Ryan T. Link
Maria E. Machen
Jamie L. Magerl
Michelle L. Mancosh
Ashley N. McClymonds
Lisa G. McLaughlin
Sean A. McMillan
Sarah M. Miller
Michael P. Mullen
Daniel J. Murtha
Dominic A. Nardone
Brian T. Peck
Jessica A. Pecyna
Matthew A. Pellis
Jason T. Pierce
Travis A. Reich
Alyssa C. Remington
Thomas D. Robertson
Kimberly R. Seidel
Steven Ven
John J. Vogel
Leslie A. Vornbrock
Brian R. Weiser
Jamie J. Wong
Pamela L. Wood
Ryan P. Zoellner

W E L C O M E

Around SD

Camp Guyasuta - Team Building for New Staff

In September, 30 new staff members at the Pittsburgh and Columbus offices began their careers with Schneider Downs. As part of their orientation, they were taken to Camp Guyasuta in O'Hara Township, PA to complete a team-building and ropes course. Congratulations!



New staff take a break to pose for a group picture.



New hires worked together to put team members "through the ropes."

Annual Firm Meeting

On September 25, the Schneider Downs Annual Firm Meeting was held at Oglebay Resort in West Virginia. *Photos courtesy of Craig Stolar.*



More than 300 employees attended the firm meeting this year.



Lara Fuller and Justin Hartzel at the firm meeting.

Other Events



A Pitt game and tailgate for some of the staff.



The Schneider Downs softball team reunion picnic was lots of fun!

Lifesaving Education

Recently, more than two dozen of Schneider Downs' Pittsburgh office employees took part in the American Heart Association's Certified CPR/AED Training. Fully 10% of the firm's Pittsburgh office population is now equipped to handle emergency situations requiring the administration of CPR and/or the use of an Automated External Defibrillator (AED). Five AEDs have been placed throughout the firm's Columbus and Pittsburgh offices. Aaron Dolan, Office Administrator, coordinated the effort.

The CPR/AED training and the acquisition of AED devices was coordinated through St. Margaret Foundation's PULSE program, the region's leading provider of AED equipment placement and training. Nancy Bromall, shareholder, said, "In the event of a sudden cardiac arrest, the ability to respond quickly is critical. There may not be time to wait for the paramedics. We're proud that so many of our employees took the time to be prepared in case they are needed."

ONPOINT

Schneider Downs

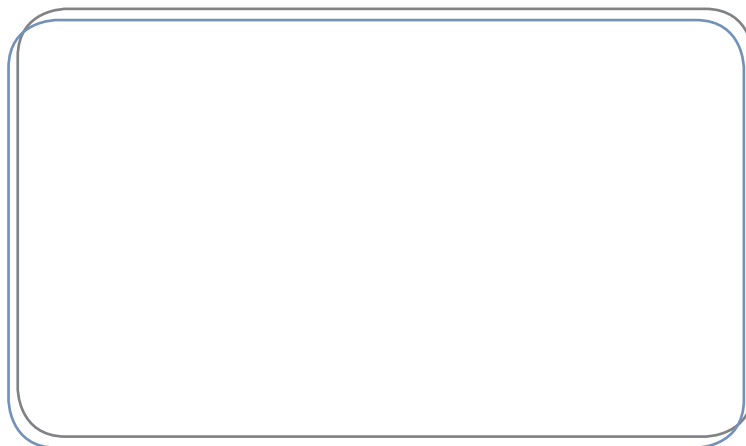
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PROFESSIONAL NEWS

James B. Yard, Internal Audit Shareholder, and **Frank E. Dezort**, Internal Audit Senior Manager, presented at The Institute of Internal Auditors regional conference in Columbus, Ohio.

David E. Kolan, Audit Shareholder, has been appointed to the Board of Directors and Executive Committee of Columbus Sister Cities International.

Timothy D. Adams, State and Local Tax Practice Managing Director, was appointed to a two-year term on the PICPA Pittsburgh Chapter's Executive Committee.

Frank L. Dantonio, State and Local Tax Practice Managing Director, spoke at the Sales and Use Tax Conference in Ohio, sponsored by Lorman Education Services in September.

Meredith J. Christy, Audit Senior Manager, attended the Pennsylvania School Board Association annual state conference in October.

Paul M. Matvey, Tax Shareholder; **John T. Popies**, Audit Shareholder; **Kathy D. Petrucci**, Tax Shareholder; **Henry J. Szymanski**, Tax Senior Manager; **Robert E. Bandi**, Tax Senior Manager; **Steven A. Barber**, Tax Manager; and **Troy R. Toulouse**, Tax Senior, attended the AICPA National Auto Dealer Conference in Las Vegas in October.

Donald R. Owens, Director, Internal Audit and Risk Advisory Services, spoke on the newly released International Standards for the Professional Practice of Internal Auditing (Standards) of The Institute of Internal Auditors for the Ohio Internal Audit Committee in October.

Marc P. Brdar, Advisory Services Manager, received his CFF certification, which means that he is certified in financial forensics.

Tod E. Wilson, Tax Senior Manager, spoke on Public Policy at the OANO Annual Conference in October.

Henry J. Szymanski, Tax Senior Manager, was quoted in the August 22nd *Pittsburgh Business Times*' article "New Jersey businessman eyeing area's large car dealerships." He was also quoted in the October 3rd article "Auto dealers lose domestic leasing."

Susan M. Kirsch, Tax Shareholder, was quoted in the *Pittsburgh Business Times*' article "New tax form for nonprofits adds disclosure, transparency." The article appeared in the October 10th issue.

Joel M. Rosenthal, Business Advisors Shareholder, was quoted in the *Pittsburgh Business Times*' two-part article "Ask your accountant, tell your accountant." The article appeared in the October 10th issue.