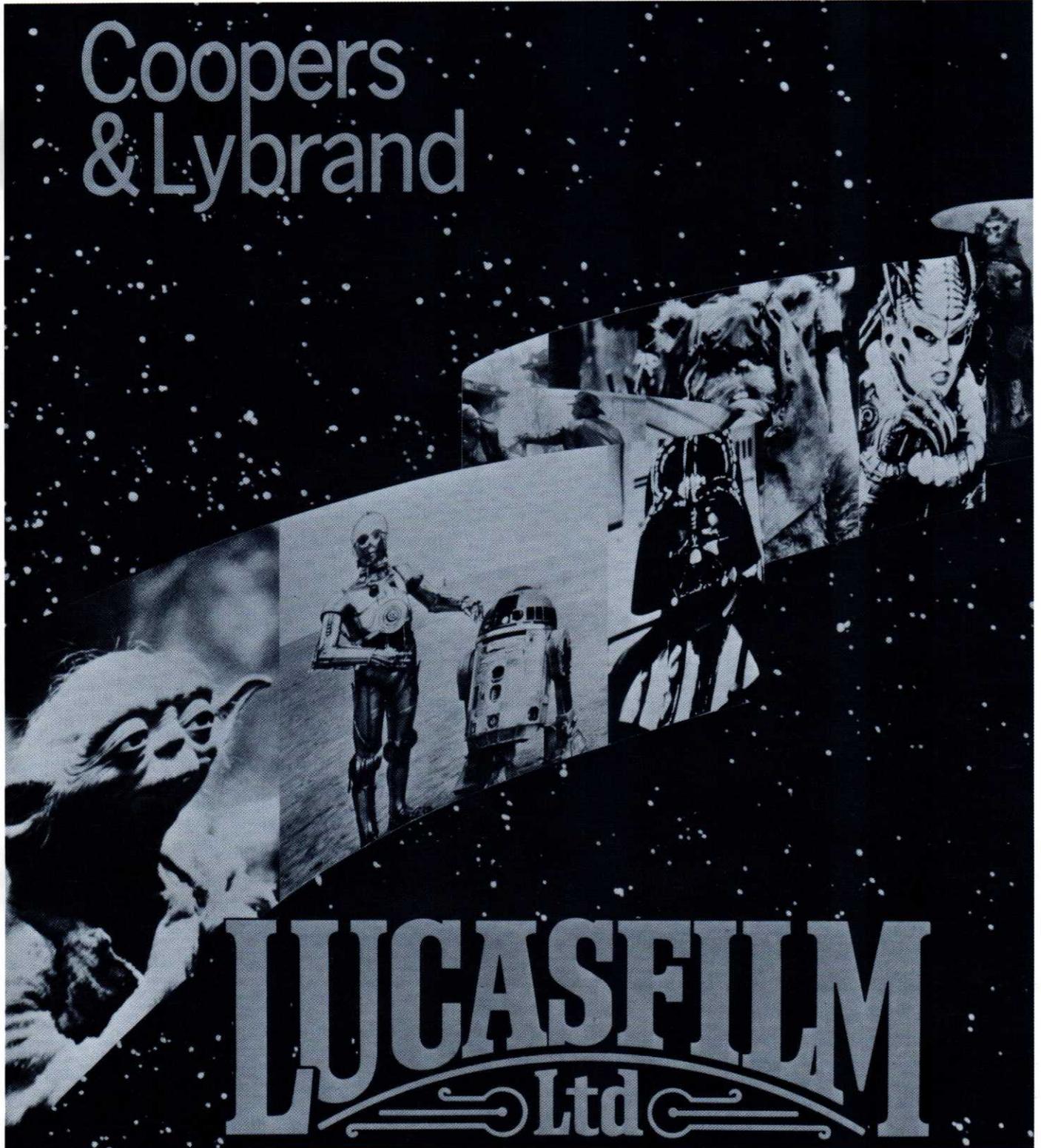


Coopers
& Lybrand

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Front cover of the Lucasfilm proposal

Teamwork the Key for Lucasfilm

What are some of the images that come to mind when the name George Lucas is mentioned? Star Wars, R2D2, Indiana Jones Coopers & Lybrand?

Recently partners and staff from the Sherman Oaks, Los Angeles, and San Francisco offices saw their commitment to quality, initiative and teamwork rewarded with the acquisition of a well-known client, Lucasfilm.

Coopers & Lybrand's relationship with Lucasfilm began when Marty Shindler, who recently rejoined the Sherman Oaks office after having spent a few years with Twentieth Century Fox, was contacted by a friend, Bill Scharninghausen, the controller for Lucasfilm, and informed that they were dissatisfied with their current auditor, Arthur Andersen. Since the 1970's, when George Lucas moved his studios from North Hollywood to Marin County, Lucasfilm had been with Arthur Andersen in San Francisco. This past March, however, Coopers & Lybrand and three other Big Eight firms were asked by Lucasfilm to submit a proposal.

Phil Cross of the Sherman Oaks office, who specializes in the entertainment industry, became the proposal partner. After analyzing the competition, it appeared to him that C&L was in third place. He perceived Peat Marwick to be in the best position since both the Chief Financial Officer and Controller of

Lucasfilm had past ties with Peat.

Cross also felt that Arthur Young was a strong competitor because of high visibility from their entertainment industry seminars and periodic newsletter. In Cross' opinion, however, "Our competitors lacked the advantage of having Marty Shindler and his in-depth knowledge of the entertainment industry from a production perspective."

With such formidable opposition, the proposal team took the position of distinguishing Coopers & Lybrand from everyone else in their written and oral presentations. The thrust of C&L's proposal focused on the criteria Lucasfilm's management had expressed they were using in selecting a new firm. Rather than C&L's audit competence, the proposal's emphasis was on our tax capabilities, industry experience, fees and our people's ability to identify business problems and opportunities for Lucasfilm and provide the technology to solve them.

"We struck a compatible chord with Lucasfilm right from the beginning."

The proposal consisted of both a written and an oral phase. The written proposal was profes-

sionally designed (see cover of this LA Ledger) and directed specifically at Lucasfilm. According to Cross, "Lucasfilm felt the other proposals submitted were less specific to their needs." At the end of the written phase, however, all four firms were still in the running.

The proposal team was comprised of staff from both the Sherman Oaks and San Francisco offices. They worked very well with each other and the synergy projected by their teamwork was a critical factor in the final decision. Larry Leochner, a partner in the San Francisco office, was selected as the concurring partner which contributed to C&L's favor since Leochner and the Chairman of the audit committee at Lucasfilm had worked together in the past.

Initially all the competing firms were allowed two visits to Lucasfilm's vast facility in Marin, known as Skywalker Ranch. However, such a rapport was created after C&L's first visit, that team members made six trips during the proposal process.

Proof that it's the little things that count, Cross notes, "We struck a compatible chord with Lucasfilm right from the beginning. We had made the decision to attend the first meeting dressed casually. When we arrived, a member of Lucasfilm's management commented, 'You guys really fit in here!' The other Big Eight teams had dressed in suits and ties; hardly uniform-of-

the day in the entertainment industry."

Another key factor in C&L's successful approach was the decision to put Lucasfilm on the electronic mailbox system, Voicecom. The system, similar to a telephone answering machine, demonstrated to Lucasfilm's management, C&L's ability to quickly communicate with each other. It helped solidify Lucasfilm's perception that, although there was a physi-

"One of their key questions was how well we could work together as a team."

cal distance between the two offices, they were only working with one team. This concern became even more apparent during the oral phase of the proposal. "One of their key questions was how well we could work together as a team." Cross said, "We put those fears to rest by our demonstration of how familiar each team member was with each other and how well we related with one another."

C&L attempted to strike up a technological rapport in the written proposal by emphasizing experience in expert systems and artificial intelligence. Cross added, "Generally clients have become much more sophisticated, and it is very important

that we stay on the leading edge of high tech advancements. Especially when we are dealing with companies like Lucasfilm."

Cross feels that Lucasfilm is a significant client for a variety of reasons. He indicates, "It not only helps to enhance our position in the entertainment industry, but it presents a tremendous amount of opportunity for us. A major goal of the company's management is to become less dependent on blockbuster films and branch out into new arenas." For example, Cross added, "We just signed a contract with ILM (Industrial Light & Magic), another branch of Lucasfilm, to help them in project management reporting and in cost control." As a company, they are interested in profit improvement, and that is where C&L can be of real help to them.

At the end of the oral presentation, Lucasfilm's audit committee made a unanimous decision to hire Coopers & Lybrand. The entire proposal team is to be applauded for their ability to showcase the Firm's resources and gain the confidence of this major client. ■

Farewell to Marshall Johnson



On October 2, 1988 many friends and co-workers gathered to pay tribute to Marshall Johnson on his retirement from the Firm. After serving in the U.S. Army Air Corps as a navigator, he joined C&L in 1951 and was admitted to the partnership in 1968.

During his tenure with the Firm, Marshall worked on such major clients as Unocal, Global Marine, International Rectifier, Pauley Petroleum, and most recently LAACO.

"I will always remember Marshall as being a very helpful and tolerant teacher," recalled George Nicholas, a General Practice Partner who worked closely with Marshall on a number of engagements.

Marshall and his wife Jackie will be enjoying their retirement basking in the sun in La Quinta, California. We wish them both the best of luck in their future pursuits. ■