

The Doane Raymond Review

An internal publication of Doane Raymond Chartered Accountants

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The Story: from an office to a firm

On October 1, 1939, Harvey Doane opened the books for the first fiscal year of his new chartered accounting firm, H.R. Doane and Company. During the next 50 years this same firm, later renamed Doane Raymond, would grow into a major Canadian professional services firm of chartered accountants and management consultants.

The beginning was modest. Harvey Doane and his staff of four occupied a small office on Halifax's Hollis Street. The office of the new firm was directly across the street from that of F.A. Nightingale & Co. with whom Harvey had earned his CA seven years earlier. Just down the street was the head office of the Bank of Nova Scotia.

Harvey Doane, "H.R." as his associates came to know him, had been a junior partner in a small firm since 1937, but in 1939 his partner decided to pursue another career and offered to sell H.R. his share of the practice.

With a loan from his banker, Harvey bought out the business and established H.R. Doane and Company.



The 1939 setting in which the firm began in downtown Halifax.

Listed among the firm's clientele during that first year were the Nova Scotia Workmen's Compensation Board, the Nova Scotia Liquor Commission, Oland and Son (brewers), Francklyn-Hershorn Theatres

(a cinema chain), the City of Halifax and several bookkeeping assignments.

In 1942, three years after opening his own firm in Halifax, Harvey Doane was elected president of the Nova Scotia Institute of Chartered Accountants. Also that same year, two young CA's who trained with the firm - Harold Renouf and Randolph Manning - were admitted to partnership. These three partners would establish outstanding records as professionals. All of these first three partners would in time, become president of the Canadian Institute of Chartered Accountants. The principle of recruiting the best people was firmly entrenched at an early date.

In 1943 there was enough business in New Glasgow - 100 miles from Halifax - to open an office there. Harold Renouf moved to New Glasgow as resident partner and two years later in 1945, Randolph Manning relocated to Charlottetown, PEI, as the partner in charge of a new office there. With three partners and three offices, the firm had in its early years established a clear policy of expansion and recognized *(continued on page 2)*

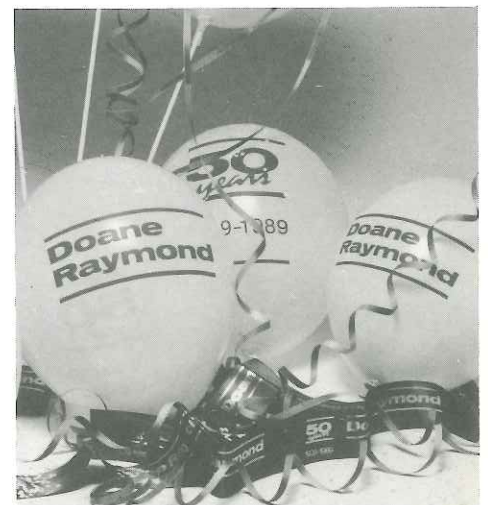
Building on achievement

by
Ralph Sykes, FCA
Executive Partner

Tom Peters and Bob Waterman studied several dozen North American companies and reported their findings in the best seller *In Search of Excellence*. The authors' research led them to the conclusion that well managed companies in North America employ eight key principles. Such companies foster dedication to central values while remaining tolerant about reasonable deviations, cultivate autonomy and entrepreneurship, encourage productivity and achievement, and maintain simple organization structures. The most successful companies also stay close to their customers, have a bias for action,

employ hands-on management, and "stick to their knitting."

It is clear to me that Peters and Waterman could have saved themselves years of research and miles of travel by studying only one firm: Doane Raymond. Our development from one chartered accountant with a small staff in a small office in Halifax into a leading Canadian firm of chartered accountants and management consultants, employing almost 800 people in 40 offices across the country, represents a half century of excellence. Ours is a firm that got where it is today by developing a central core of values, encouraging initiative, treating people fairly, keeping structures simple, staying close to clients, getting the job done, keeping our *(continued on page 5)*

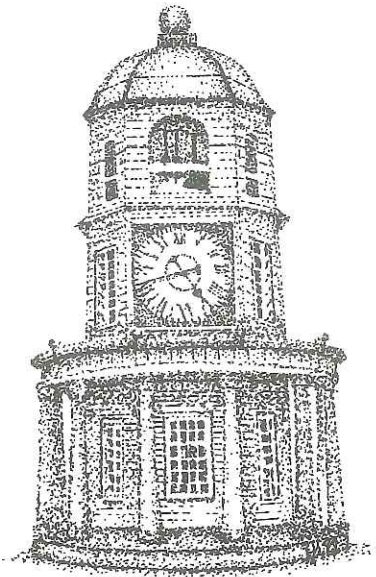


*Happy anniversary, Doane Raymond:
A special issue of the Doane Raymond
Review.*

A member firm of

Grant Thornton
International

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that this strategy offered its young professionals both opportunity and challenge.

In 1949 Harvey Doane was elected president of the Dominion Association of Chartered Accountants, later to become the CICA. By that year, the firm had opened offices in Truro and Kentville, NS. George Finlay had moved to Truro and established the firm's practice there. Two years later, Carl Miller would attain his CA designation and later move to Kentville to help build the firm's reputation throughout Nova Scotia's Annapolis Valley.

As the 40's drew to a close, H.R. Doane and Company was prospering and growing.

The firm's principles of business development were also emerging. H.R. Doane and Company was appointed advisor to the Nova Scotia Department of Municipal Affairs. The assignment was to design a standard set of accounts for municipal governments leading to uniform annual financial reporting. This allowed the Department to consolidate information from municipal units and to prepare comparable statistics.

The newly acquired expertise in government accounting and reporting led to engagements to help install the Nova Scotia municipal reporting system and eventually to appointments as auditors of many municipal units. The firm not only had the expertise but also had offices located in many of the municipalities.

Another engagement resulted in the discovery of a significant defalcation at a General Motors auto dealership. GM's

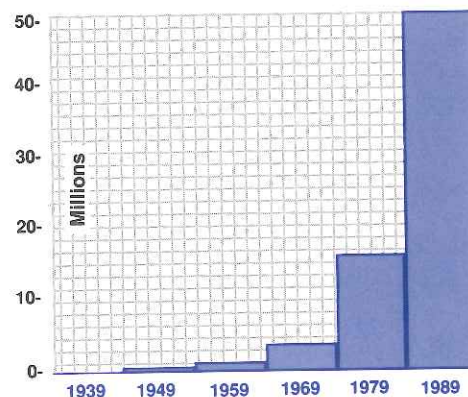
regional business management representative was very impressed with the firm's work and recommended H.R. Doane and Company to all Nova Scotia dealers.

Thus another sound business principle was etched into the culture of H.R. Doane and Company: good work leads to more engagements. Referrals by satisfied clients would always be a source of growth.

The firm's partners remained enthusiastic about expanding the practice in Nova Scotia, Prince Edward Island and New Brunswick.

Through its first merger in 1950 it gained offices in Moncton, NB, and Amherst, NS. As part of that merger, two future partners joined the firm: Bren Sears, and Erma MacPherson. Bren, a former president of the PEI Institute, was to become a mentor to many young professionals in the firm and Erma, the first female partner, would later find her niche as auditor general of the province of New Brunswick and later of British Columbia.

In 1951, two years after Newfoundland joined Canada, H.R. Doane and Company opened its first office there. The arrangements for the firm to take over the St. John's practice of Morgan and Janes called for Mr. Morgan and Mr. Janes to article as



Canadian CA students. The plans changed, however, when the two became MLA's and eventually cabinet ministers in the government of the latest Father of Confederation, Joey Smallwood. Regardless, a successful Newfoundland practice was launched.

In 1955 the firm took a significant step in developing its leadership and its philosophy. Six new partners were invited into the firm; the largest number of partners admitted at one time up to that date. One of those six was Cal Rice, CA, who in 1963 succeeded H.R. Doane as the firm's

administrative partner. The principle: admit strong professionals with real growth potential as partners.

Between the mid and late fifties the rate of expansion, fuelled by new partner talent, was impressive. New offices in Corner Brook and Grand Falls, Nfld.; Dartmouth, Digby, and Bridgewater, NS; and Saint John, NB, brought the total to 14, employing 106 staff members.

As the fifties closed and the sixties began, the firm had joined an international association of public accounting firms called Associated Accounting Firms International (AAFI). This relationship allowed the firm to learn from the experience and research of firms in the US and the UK, and to offer the benefits of an

...another sound business principle was etched into the culture of H.R. Doane and Company: good work leads to more engagements.

international practice network to Canadian clients. The membership in AAFI provided just what was needed at the time and for two more decades.

By 1960 H.R. Doane and Company was the largest firm in Atlantic Canada - a distinction it has retained to this day.

The 1960's were characterized by a maturing of the practice, new leadership, continued growth in Atlantic Canada, and the first national and international affiliations.

By the early 60's the firm was providing management consulting services to many clients. The partners realized that if consulting services were to further develop and grow, MC should be separated from the audit practice and assigned a significant commitment of human resources. In 1962, the Management Consulting/Atlantic office was established in a new location in downtown Halifax. The new office was to provide specialized services to the clients of other offices and develop its own practice as well.

Cal Rice was chosen to succeed Harvey Doane as chief executive of the firm when H.R. retired in 1963. At the same time, a reorganization of the management of the firm created an elected management committee to provide for the effective

management of the rapidly growing firm. With the reorganization, Cal Rice's title became administrative partner, and later executive partner.

Established practices in Atlantic Canadian cities and towns continued to merge into H.R. Doane and Company. When the sixties closed there were 200 staff members including 30 partners - twice the number of staff in 1960. H.R. Doane and Company services were now also being provided from offices in Fredericton, Bathurst and Newcastle, NB; and in Sydney, Windsor, Antigonish and Yarmouth, NS.

During the sixties H.R. Doane and Company had worked within an association of regional Canadian CA firms known as Winspear, Higgins, Stevenson and Doane. For several years these firms had discussed merging to form a national firm. In 1969, after many months of negotiations, H.R. Doane and Company withdrew from the discussions because the proposed union did not serve the needs of the Doane firm. The partners of H.R. Doane and Company had a vision of growth and prosperity as an independent Canadian firm.

For H.R. Doane and Company, the 1969 decision for independence was the genesis of a strategy to expand beyond Atlantic Canada.

Inside the firm, the professional standards-setting function was rapidly maturing. It benefited significantly from the firm's association during the 60's with WHSD and AAFI. It was during that time

The 1960's were characterized by a maturing of the practice, new leadership...and the first national and international affiliations.

that a separate department was established to provide leadership in standards setting and the first professional standards partner was appointed.

Taxation had always been part of the services package offered by the firm. However, in 1971 a decision was made to focus attention on this growing area of special practice. A separate taxation office was created under the leadership of Larry Doane and the decision was made to invest

heavily in the tax skills of all partners and senior professionals. The tax expertise of the firm was increasingly recognized by clients and peers, and the firm's reputation for service leadership was further enhanced.

The importance of a strong centralized professional development program was

The partners of H.R. Doane and Company had a vision of growth and prosperity as an independent Canadian firm.

also recognized in the 70's. A tradition of regular technical sessions for all professional staff was complemented by the appointment of the firm's first PD partner and the development of new approaches to professional development.

During 1974 the firm negotiated two mergers which resulted in the introduction of the Doane name to Ontario. The long-established firm of Fenton, Swing and Company of Hamilton brought to H.R. Doane and Company five partners and a reputation for quality professional service. Simultaneously, a merger with the firm of W.J.L. Bailey of Toronto gave the firm an office in that city.

Before the end of the decade two more cities in Ontario were added to the list of H.R. Doane and Company offices:

Port Colborne and Fort Erie, both on the Niagara Peninsula. The firm's geographic coverage expanded to the West Coast in 1979 when the firm merged with Van Messel Perles & Co., a small but strong practice in downtown Vancouver.

On the East Coast the growth continued with new offices, through mergers, in St. Stephen, NB, Marystown, Nfld. and Summerside, PEI. These new offices, and a growing general and special services practice elsewhere, worked to maintain H.R. Doane and Company's prominence in the Atlantic market. As 1979 closed, there were 358 staff members including approximately 60 partners in offices in British Columbia, Ontario and Atlantic Canada.

The year 1980 opened another decade of achievement. With an increasing amount of insolvency work, a separate insolvency practice was established in 1980 under the leadership of Alan Berkshire. Specialist practices would be established in several locations as a result of this decision.

Geographic expansion continued with a 1980 merger in Edmonton introducing the Doane name to Alberta. In 1981, the former Calgary partners of Laventhol and Horwath merged their practice with the firm and thus in two years, a significant presence in Alberta was established.

A series of related developments in 1981 both crystalized changes that had been developing and opened the door on a new era. An agreement with Quebec's largest chartered accounting and management
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In 1979 a merger with Van Messel Perles & Co. in Vancouver helped establish the firm's successful West Coast practice.

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consulting firm, Raymond, Chabot, Martin, Paré, created Doane Raymond Associates. DRA is a partnership of the two firms creating a major Canadian practice entity capable of providing high quality professional services anywhere in the country in both official languages.

At the same time, Doane Raymond Associates became an independent member firm of Grant Thornton International, the ninth largest professional accounting and consulting organization in the world. The GTI network includes firms in the United States, the United Kingdom and more than 50 other countries around the world.

Shortly after these initiatives, H.R. Doane and Company decided to symbolize its national character with a new firm name: Doane Raymond. In addition, a commitment had been given to both RCMP and GTI that Doane Raymond would significantly expand its practice in Metropolitan Toronto. Fulfilling this commitment began in mid-1981 with merger of the eight-partner firm, Wiebe, Baker, Proche & Co. It continued, under the leadership of Ralph Sykes, with the



relocation of several of the firm's senior personnel to Toronto, other Toronto-area mergers, and the establishment of a management consulting practice.

In 1974 an office was opened in Toronto. Today the firm has three offices in the Metro area: North York, Mississauga and Downtown.

With its Quebec and international affiliations in place and a strong presence in Toronto, the firm turned its attention to expansion elsewhere. The first Manitoba office opened in 1983. This merger added three partners in Winnipeg and brought the firm's total number of partners to more than 100. By the mid-1980's, two new offices were opened in Ontario at Windsor and Mississauga and Leduc joined the list of Alberta offices. In 1987 another merger in Toronto created a third office in the Metropolitan Toronto area (North York, Mississauga and Downtown) and brought the total Toronto area compliment to 22 partners and 85 staff. Meanwhile Kelligrews was added to the list of Newfoundland offices.

After 24 years in the role he described as "a key player," Cal Rice retired as Doane Raymond's executive partner in 1987.

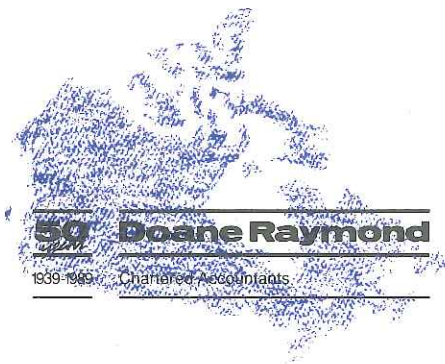
Ralph Sykes became the third executive partner of the firm, moving from the position of managing partner of the Toronto-area offices. Within the same year, the firm equipped itself for continued growth in Ontario and Western Canada by establishing in Toronto an administrative office. The National office and the administrative office for the Atlantic region remained in Halifax.

The growth of the firm and the emergence of a new, competitive market-place challenged the firm to find new ways to communicate: internally with a growing organization, and externally with existing clients and with prospective clients and staff. These requirements, satisfied initially by committees, were by the end of the 80's, being handled by a national communications department.

In 1989, its 50th year, Doane Raymond continues to expand its Canadian network. General practice offices in Wetaskiwin and Lethbridge, Alta., were added. In addition, significant expansions of the Calgary, Winnipeg and Mississauga practices have been accomplished by mergers.

Today Doane Raymond enjoys the confidence of individuals, businesses, governments and other organizations across Canada, serving their needs through the co-operative efforts of 800 staff in more than 40 offices. The story of Doane Raymond is a true success story, created by the skill, determination and ambition of the literally thousands of people who have been part of its story. ■

What is Doane Raymond?



A mission statement proclaims what an organization is and where it is going. Doane Raymond has had a sense of mission since it was established, and a mission statement for several years.

The executive committee of the firm and a strategic planning team have the firm's mission under review. The following is the working draft of the mission statement currently being used by the executive committee.

It describes our preferred clientele, the services we offer, our professionals and

staff and our commitment to our people. In 100 words this mission statement tells those inside and outside the firm what Doane Raymond is all about.

Doane Raymond's mission is to provide services that enable businesses, governments, not-for-profit organizations and individuals to make decisions on the management of resources. These services include the provision of financial information, independent opinion and management advice.

Our services are provided by professionals who are innovative, personal in approach, and dedicated to serving clients in a timely, reliable and economic manner. We invest and grow in markets where we are able to earn an attractive return.

People are the key to our competitiveness, and in fulfilling this mission we expect to reward our people with challenge, personal satisfaction and financial security.

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 management directly involved in service delivery, and by focusing our commercial activity on providing financial information, independent opinion, and management advice.

John F. Kennedy wrote "if history teaches us anything, it is that people, in their quest for knowledge and progress, are determined and cannot be deterred." If Doane Raymond's history teaches us anything, it is that we have been blessed with an ever-changing group of people who are "determined and cannot be deterred" from building and improving the firm. This fact is one of the principal reasons why "building on fifty years of achievement" was chosen as our 50th anniversary theme.

"Building the firm" can be explained in terms of commercial strategy. The firm will be increasing its skilled human resources significantly through aggressive recruiting, training, promotions, and retention. The firm will offer new services through an expanded capacity in computer skills, audit competence, tax expertise and management consulting. We will increase our use of technology in every aspect of our daily activities. We will expand our service distribution network by adding offices in Ontario, British Columbia and Saskatchewan. We will further develop our capacity to provide services outside of Canada as clients turn increasingly to exporting and direct foreign investment in other countries.

Building the firm can also be described in terms of partner intentions. The partners intend to be a firm that is strong enough to compete effectively with our largest



Ralph Sykes, FCA, executive partner, Doane Raymond

competitor everywhere in the country. At the same time, the partners intend to remain a firm that is personal in approach, both internally and externally. Achieving this dual-goal involves focusing our energy on our own people, and on our clients.

Our people are the key to Doane Raymond's future competitiveness. The firm will continue to encourage independent and competitive thinking on the part of our people. While innovation necessarily entails some personal risk, we will always be tolerant about honest mistakes. We will keep our organization structure flat and simple: every partner will remain accessible. We will continue to expect that every member of the firm will put forward their best effort every day. In return the firm will reward our people with challenging work, professional satisfaction, attractive

financial remuneration, job security and a safety net of group insurance benefits. Our clients are crucial to Doane Raymond's future success. The firm will aggressively identify client needs for financial information, independent opinion and management advice. We will continue to take action to satisfy client needs rather than contemplate and procrastinate. We will avoid being sidetracked into commercial activity outside our distinctive competence. Even our specialists and administrators will keep in touch with the basic professional services we supply.

If we continue building Doane Raymond this way, our firm will become Canada's leading professional service firm in the financial information, independent opinion and management problem-solving fields. We will be a "people place" that focuses its activities on client needs. Our firm will be the preferred place for university graduates, accountants and consultants to gain experience, grow professionally and to commit their careers. Ours will be a firm where thoroughly satisfied clients make advertising unnecessary. Our daily work will be fun. Our people and our clients will be our sales force and our best recruiters. Because of continued growth and success, every young professional will have the opportunity to work his or her way up to the ownership group.

When I ponder about where we are going as a firm after 1989, I think of the story about a Washington, DC, cab driver. A tourist, riding in his cab past the National Archives Building, read aloud the words "The Past Is Prologue" carved in stone over the entrance. The driver was asked what the words meant. "It means," said the driver, "you ain't seen nothin' yet!" ■

This block contains a collage of newspaper advertisements for Doane Raymond. The ads are from various regional and national publications, including 'The Financial Post' (Alberta, Vancouver), 'The Globe and Mail' (Canada's National Newspaper), and 'The Times' (London). The advertisements feature the company's logo, the text '50 years of accountability. And counting.', and 'Personal in approach. International in scope.' There are also small portraits of staff members and a '50 years Doane Raymond' anniversary graphic.

This block shows a special poster and brochure for Doane Raymond's 50th anniversary. The design features a large, stylized number '50' composed of many smaller, stacked rectangular blocks. The text 'building on fifty years of achievement' is written in a cursive font across the top of the '50'. Below the graphic, the Doane Raymond logo and '50 years Doane Raymond' are visible. The overall aesthetic is clean and professional.

Anniversary advertisements in the national press and special poster and brochure are part of the anniversary program.

Album of



In 1981, the firm changed its name from H.R. Doane and Company to Doane Raymond. Through the umbrella association of Doane Raymond Associates, the firm joined in partnership with Quebec's largest chartered accounting and management consulting firm (Raymond, Chabot, Martin, Paré) and became an independent member firm of Grant Thornton International.

GTI is the world's ninth largest professional chartered accounting organization and is represented in the United States, United Kingdom and more than 50 other countries world wide.



During the 1972 partners' meeting 35 gathered for their photograph - more than double the number of ten years before.

Front row from left, Bill Hayward, Lloyd Byrne, Bill Draper, Ross Pigot, Rudy Pace, Mark Ladner, Merrill Belanger, John Gorrill, Harold Renouf and Carman Colwell.

Second row from left, Glenn Williams, Larry Doane, Randy Manning, the late Glen Girdwood, George Finlay, Dave Ratchford, Orland Dickson, Bill Reid, Carl Miller, Robbie Robertson, Gordon Williams, Ralph Beal and the late John Page.

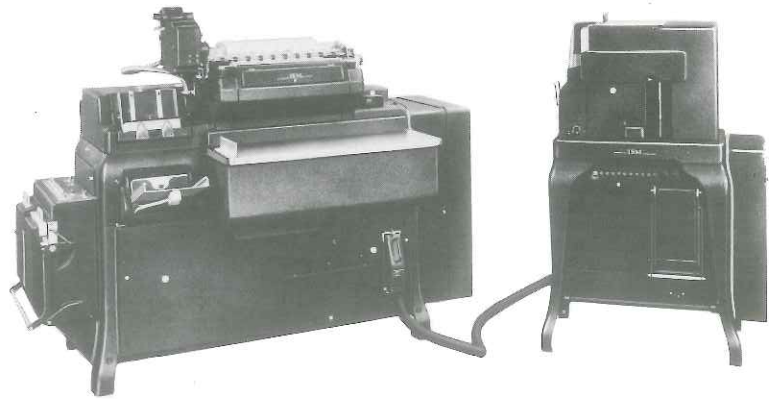


The firm has a tradition of active support and leadership with charity and not-for-profit organizations across Canada.



Doane Raymond professionals have been active in their provincial and national institutes. In total, more than 20 partners have served as president of provincial institutes while four - Harvey Doane, Randy Manning, Harold Renouf and Larry Doane - became president of the Canadian Institute of Chartered Accountants.

the past



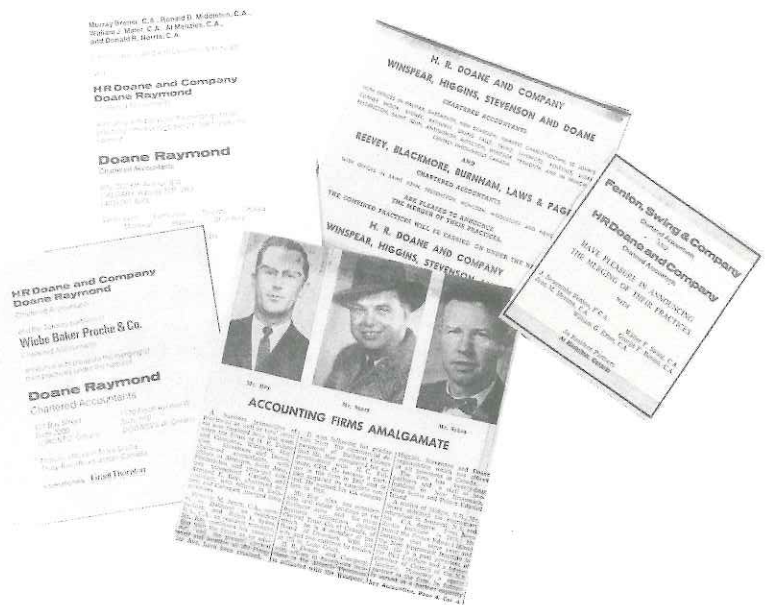
An enviable tool for accounting in 1939. While the firm's first office probably didn't have this alphabetical accounting machine, it was a real time saver and a common machine in many accounting offices.



Third row from left, Bob Nixon, Nevin Burnham, Bev Fowler, Stan Inkpen, the late Ivor Laws and the late Al Berkshire.

Back row from left, Vern Shaw, Greg Fraser, Bren Sears, Al Pettipas, Ron Stoddard and Cal Rice. Absent from photograph, Ralph Sykes.

Still active with the firm are Mark Ladner, Charlottetown; John Gorrill, Fredericton; Carman Colwell, Saint John; Glenn Williams, Halifax; Larry Doane, Halifax; Orland Dickson, Truro; Carl Miller, Kentville; Bev Fowler, Halifax; Greg Fraser, Halifax; Al Pettipas, New Glasgow and Cal Rice, National.



During the past 50 years the firm has negotiated more than 30 mergers; expanding from a one-office practice to a national firm with more than 40 offices coast to coast.

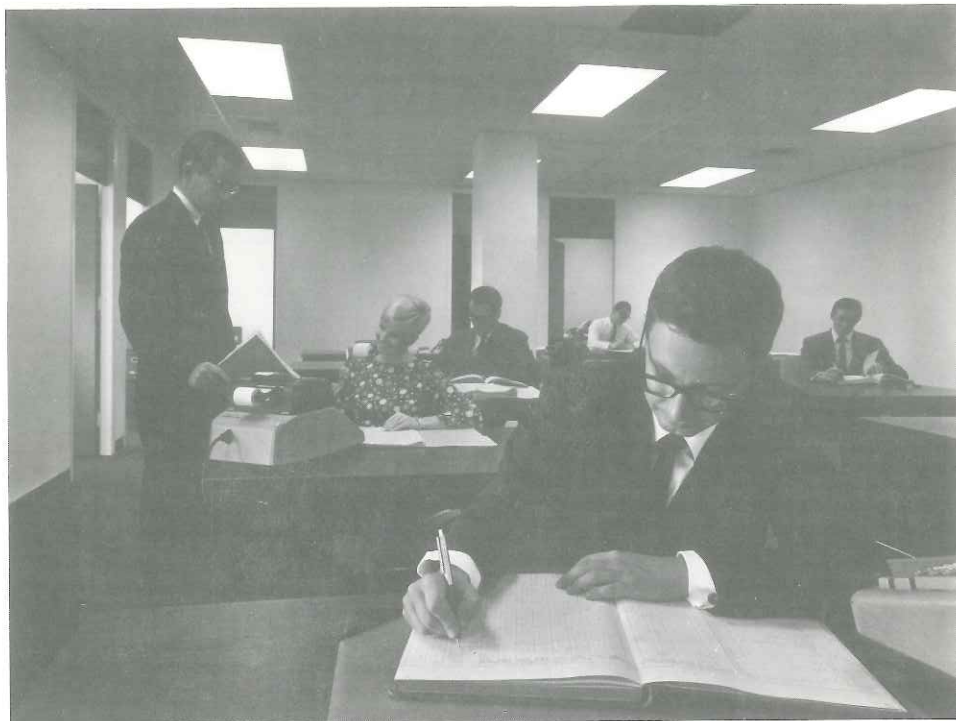


The firm often made headlines. Local and national newspapers carried the firm's opinions on recent tax developments, outstanding UFE exam results, appointments or the firm's role in public engagements. Receiving their CA certificates in 1971, from left, Al Byrne, now a partner in Halifax; Michael Meagher, now chief accountant, Ontario Securities Commission.

| H. R. DOANE AND COMPANY | | | |
|--|--|------------|-------------|
| Profit and Loss Account | | | |
| Fiscal year ended September 30th, 1940 | | | |
| Revenue: | Professional fees | | \$19,158.88 |
| Expenses: | Salaries | \$5,466.50 | |
| | Advertising | 203.01 | |
| | Rent | 309.97 | |
| | Bank charges | 89.14 | |
| | Interest on bank loans, etc. | 247.28 | |
| | Travelling expenses | 343.11 | |
| | Telephones and telegrams | 161.47 | |
| | Postage and excise | 70.11 | |
| | Stationery and supplies | 188.70 | |
| | Institute fees, etc. | 77.00 | |
| | Library | 4.00 | |
| | Legal fees | 108.00 | |
| | Donations | 37.00 | |
| | Taxes and insurance | 163.48 | |
| | New Glasgow office expense | 93.88 | |
| | Sundry expenses including light, cleaning, repairs, etc. | 317.92 | |
| | Loss on automobile sold | 181.60 | |
| | Provision for allowances, adjustments, etc. | 2,690.25 | |
| | Depreciation — furniture and fixtures | | |
| | — automobile | \$109.06 | \$11,202.48 |
| | | 251.00 | 360.06 |
| Profit | | | \$ 7,956.40 |

The firm's first statement.

The people factor



A photograph from a firm brochure of the 60's.

Reflections written by a Doane Raymond partner with 18 years experience.

Our greatest asset is not even recorded on our balance sheet: our people.

During the past 50 years, the most significant element in our success story has been our people. Intelligent, capable, assertive, hard-working professionals who have made their careers with our firm.

What has been the formula? Why did so many people join our firm to build their careers and the firm? And how were we able to retain their loyalty and commitment, so that all of us have benefited collectively from their individual successes? How have we maintained the respect and support of our alumni - the capable professionals who worked with us and then left to pursue careers elsewhere?

The philosophy, established in the firm's early years, provides the basic and direct answers to those questions:

- Hire the brightest minds you can.
- Provide them with the opportunity and challenge to excel on their own.
- Encourage an entrepreneurial attitude.
- Support their efforts with technical expertise and administrative discipline.

- Take a direct interest in their successes and failures.
- Reward them financially and promote an atmosphere of mutual interest for the overall good of the firm.
- Encourage participation in their local community for both personal and business reasons.

In short, the firm would become their "second family."

After the first office was established in Halifax, the young firm of H.R. Doane and Company looked to other communities for growth opportunities. A bright young chartered accountant would be identified and asked to go to a specific community to help establish an office. What an opportunity to excel! Your success and commitment would become well-known throughout the local community and the firm. You could very quickly establish a good professional reputation. Later, as more communities boasted H.R. Doane and Company offices, relocations became commonplace: an obvious opportunity for more responsibility that is still popular today. Relocation, or transfer, was a step up in your career and was a way to advance within the firm.

Annual visits by H.R. Doane, and later Cal Rice, were looked on with great

anticipation. Not only did you exchange information about the firm and current issues and problems, but you were personally encouraged to keep up your good work and to continue your development. The psychological effect was fantastic.

Similarly, the annual autumn technical sessions not only held educational value, but they were also the opportunity to establish new and re-establish old friendships with colleagues in the firm. For many years the senior partners knew most staff and took an interest in their development.

Over the years, the firm has been true to these basic philosophies. As the firm grew and the complexity of our profession increased, more sophisticated systems and procedures were implemented to achieve these same goals. Recruiting changed from casual contact and some advertising, into an intensive recruitment program targeted at the very competitive university campuses. Little or no regular training evolved into annual technical sessions and eventually to our present day professional development courses and workshops.

Our employee appraisal and interview system evolved from casual discussions at salary review time into a structured, well-organized and regular process that was scheduled separate and apart from salary review. Firm news which in the early years travelled via the grapevine (which continues to thrive), is now formally communicated through our quarterly newsletter.

While many things have changed for the better, the basics have remained the same. Hire the most promising professionals you can. Provide an environment where they can be challenged, encouraged to excel and recognized for their achievement. Support their growth and development. Do not lose sight of them in the system.

And our people continue to achieve. They are professional accountants, auditors, consultants and tax advisors to businesses, individuals, governments at all levels, and other organizations. Our alumni list is also impressive: presidents, chief financial officers, directors and owners of large and small businesses; professors and lecturers at universities and other educational institutions; elected politicians, senior civil servants and heads of government boards and commissions.

Individual growth and achievement, and recognition in the communities in which we practice, and by our fellow professionals within the firm, are the foundation of our success. Our people have been and continue to be our most valuable asset. ■

Professional development in 1939

The first treatise on double-entry bookkeeping, as used in the Italian city states, was written by the Franciscan monk Luca Pacioli at Venice in 1494. In 1812 the English mathematician Charles Babbage invented the first computer, complete with punched cards, calculator and control unit. It had only one defect - it wouldn't work. In 1854 the accountants in Edinburgh organized a professional society to standardize the ticking and checking systems used to verify their clients' accounts. And in 1917 Canadians were introduced to the temporary Income War Tax Act, with one rate for all, 4 per cent.

A whimsical observer might conclude that by 1939 not much had changed in the accounting profession, except that tax rates were now generally 10 per cent. Nearly all the growth that brought us to our present state of sophistication and excellence occurred after World War II. But

this was the milieu I entered a year earlier, in March 1938, when I walked into the Nova Scotia Trust Building on Hollis Street in Halifax to commence a career with Lloyd and Doane, Chartered Accountants.

I was already an articled student, having worked for a few months as a teacher at the Maritime Business College and student auditor in the part-time accounting practice of the principal, E. Kaulbach, CA. I had been attracted away, no doubt to his great relief, by a promise of a 20 per cent increase in remuneration, from \$50 to \$60 per month.

It is interesting now to try to recall my indoctrination into the profession. It was not formalized, but it must have met the needs of the day - even though it would not compare with the comprehensive preliminaries we now go through to settle in new employees.

Somehow I have a vivid memory from my start-to-work interview. H.R. Doane placed special emphasis on the fact that I was now part of a self-regulating professional society, subject to its rules of ethics and conduct; that this was something to have pride in; and that it was important, when the time came, to be active in the management of its affairs. It was also made clear that the firm was expansion-oriented, that development of new accounts (within the parameters of those rules of professional conduct) was to be encouraged. Further, I was never to say that any job was too big or too small or too difficult; if a client or prospect had some special need, we would find the expertise to handle it.

What else? Well, there were no procedures or policy manuals to study, no CICA handbook, no introduction to the income tax system. I was told that I was to wear a jacket and tie at all times, and avoid calling partners and clients by their first names. I was told that I would learn by doing, working with senior articled students and CA's on the job.

Half an hour later I was sent with one of the other four students in the office up the hill to audit the books of a local furrier. Within the next hour I realized that I was the senior on the job and he was the junior. I had not been told this in advance; it must have been inferred from my experience with Mr. Kaulbach. What to do? Why, look up the audit program in the working paper file, of course. This proved to be a simple narrative of what was done last year, augmenting the procedures that were obvious from the other worksheets in the file.

This was the approach to all our audits, as it was with the other firms of CA's; and these comments are not being made to ridicule them, as they served the purposes of those simpler times. In those days before statistical sampling and cents-less accounting, direct confirmations and physical observation of inventories, we, like those sturdy Scots of the 19th century, ticked and checked our way through all or most of the available documents. All the bank deposits and cheques, all the purchase invoices, all the duplicate receipts and sales invoices were each subject to a quick discerning glance. We checked the additions of the columns in the books of original entry. We checked the postings



In the firm's early days, client engagements often required a train trip. For one of Randy Manning's audits, the ride was followed up by one with the local mailman.

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from those books to the ledgers and added the ledgers. If the books were not in balance, we balanced them.

We asked to count the cash, implying apologetically that we certainly were not suggesting that some might be missing. We reconciled the bank balances. We listed the accounts receivable, accepting the premise that each individual ledger sheet was prima facie evidence that the customer owed the amount stated thereon. We did the same with the accounts payable. Invoices for acquisition of fixed assets were evidence that such assets were owned and in use, even if they were not in sight on the premises. And we left management with responsibility for the existence and valuation of the inventory, secure in the comfort of a time-honoured judicial dictum, that it is no part of an auditor's duty to take stock. In fact, it would be nearly 10 years before the CICA

Research Committee issued a bulletin encouraging attendance at physical stocktaking.

Perhaps the closest I came to a physical inspection of assets was on an assignment in January, 1939 to audit the accounts of a company that had reopened an abandoned gold mine in Guysborough County, eastern Nova Scotia; reached by train to Antigonish and then with the mailman to Forest Hill. One evening I got the notion of going down the shaft to watch the night crew at work, and see what gold ore looked like. This was accomplished by placing me alone in a large bucket and sending it down several hundred feet by winch and cable. In the chamber below were a few men tapping with small hammers to break up the bedrock as delicately as possible, in the hope of finding a promising vein. There was no inventory to verify, but at least I found a spot that was not as cold as the bunkhouse.

For me, 1939 was a good year. In March, I received the first annual raise, this time 25 per cent to \$75. H.R. Doane took over the practice and the firm of H.R. Doane and Company embarked on a 50-year period of uninterrupted growth. In September I was married, entering on a similar period of domestic happiness and contentment. There was even a raise to recognize my married status, 33 1/3 per cent to \$100 a month.

I grew a lot that first year. As I remember it, the personal growth in self-reliance and maturity was due in large part to being thrown on my own resources right from the first day. ■

Randy Manning retired from the partnership in 1976 and he currently resides in Charlottetown, PEI. He was president of the Canadian Institute of Chartered Accountants in 1967.

From the memoirs of Harvey Doane, FCA (1910-1989)



Harvey Doane, FCA, founding partner of Doane Raymond

On June 10, 1989, Harvey R. Doane, FCA, died. He left behind memoirs of his 24 years in practice with H.R. Doane and Company. From 1939 to 1963

H.R. first nurtured his fledgling firm, then managed its early growth into an Atlantic regional firm. In 1963 he retired from professional practice. His short memoirs record his reflections about the first quarter century of the firm.

Growth and expansion dominated H.R.'s thoughts as he wrote about the early years.

"We were convinced we could build profitable branches in many Maritime centres," he wrote, "if we could but obtain a nucleus of business in the community to ensure the contacts and to provide a base of operations." By 1945 the firm had offices in three locations and a total staff of 20. Similar office expansion followed.

By the early 50's a merger with Morrell and Co. added offices in Moncton and Amherst, as well as expanding the existing Charlottetown practice. "The acquisition of the Morrell firm," he wrote in his memoirs, "provided the incentive for similar growth action in other parts of the Atlantic Provinces." And it did.

The pattern of growth within the Atlantic provinces continued up until H.R.'s retirement in 1963. Throughout those years he always remained committed to an independent firm. He was never interested in selling the practice he was developing. The firm was to pass to the younger

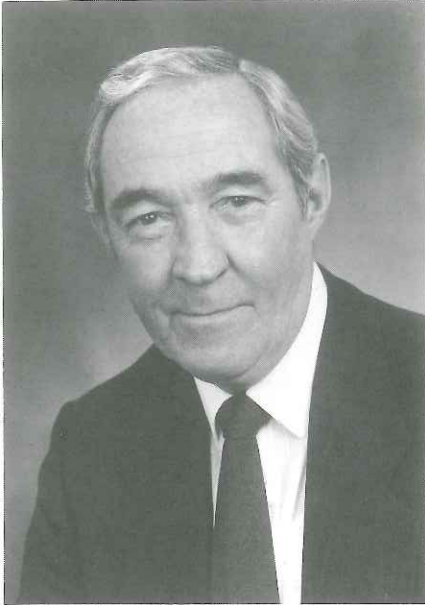
partners. The following story, one of his favourites, illustrates his enthusiasm for this goal. A large international accounting firm approached H.R. and asked him, "Are you and your partners interested in selling H.R. Doane and Company?" Quickly H.R. replied, "No, but we would be interested in buying yours."

The early years of H.R. Doane and Company were molded by principles: take the service to the client, no job is too small, hire the best professionals we can, staff should be involved in their community and their profession, provide sound practical professional service, never shy away from a challenge.

The firm was also molded by such down-to-earth attitudes as the following from H.R.'s memoirs. "My experience has always been," he wrote, "that the bigger a man is, the easier he is to talk to. Only small men pretending to be important have ever given me difficulty."

In 1963, H.R. retired as managing partner of H.R. Doane and Company, but he was able to later record, from the distance time provides, his sense of accomplishment as part of a team that built a strong firm on a solid foundation. He also noted his satisfaction with the strong group of partners and staff that constituted H.R. Doane and Company in 1963. ■

An interview with Calvin Rice, FCA, former executive partner



Calvin Rice, FCA, former executive partner and current counsel to Doane Raymond.

In 1963, Calvin Rice was appointed administrative partner, later executive partner, of H.R. Doane and Company. For the next 24 years Cal was a key player in the development of the firm, retiring from the position in 1987. A graduate of Queen's University's accounting program, Cal joined the firm in 1952. In 1955 he was admitted to partnership and before assuming the

responsibilities of administrative partner was the managing partner of the Dartmouth office.

Cal recalls clearly the strength of the firm in the early sixties.

"The foundation for this firm," said Cal, "was laid solidly by H.R. and was based on his foresight; his strength; his dedication to the firm, to the profession, to community service; and on his faith in his partners."

Remembering the years 1963-1987, Cal says it was the firm's people that played the biggest role in the development of the firm. "My motto was," said Cal, "that what was good for the individual was good for the firm." It has been watching the firm's people develop and grow that has given Cal the most satisfaction and is the accomplishment of which he is most proud.

Cal credits the firm's success to the basic policies and philosophies that have been constant over the years. He quotes Buck Rogers of IBM. "The only sacred cow in an organization is its principles... While a company must be flexible, always regrouping and changing with the times, its beliefs must remain irrevocable, deeply embedded throughout time." Belief in people, says Cal, is one of those principles.

Action is another one. "See things, recognize them and do something about it," he said. One example of this is the negotiation of a 1968 merger.

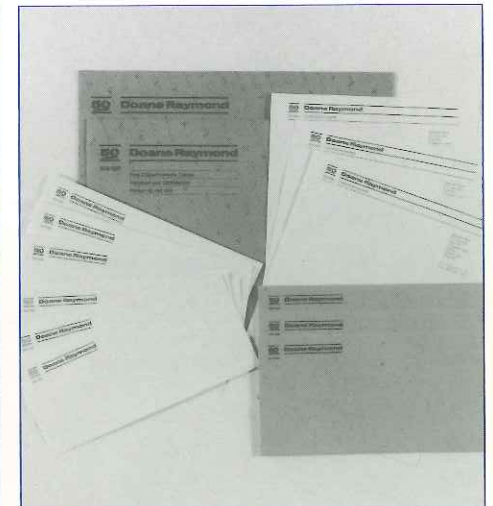
After receiving a call on a Thursday that a firm was interested in merging, Cal drove several hundred miles the next day to meet the representative of the other firm. By 3 p.m. on Saturday, a merger deal was struck and the following Monday at 8 a.m., eight people from Doane Raymond reported for work in the new office. That tendency for action, said Cal, is part of the culture of the firm and translates every day into good, decisive client service.

"My motto was that what was good for the individual was good for the firm."

The key to his success? Cal describes himself as a coach. "There is no real secret," he said. "You're always encouraging, developing, and recognizing your people." He then adds: "And I consulted with my partners."

Coaching and consultation, building the human resources of the firm and searching for the best opportunities, living a philosophy were Cal's methods.

These were exciting years. And Cal Rice sums it up with characteristic enthusiasm: "It makes me feel proud." ■



Anniversary promotional items and artwork carry the anniversary theme to staff and clients

Client service is fundamental

Reflections written by a Doane Raymond partner with 21 years experience.

The growth of Doane Raymond, like that of a lot of other successful businesses, is a function of its relationship with its clients. This growth can be a reflection of not only an increase in the number of clients but also of the growth of the services provided to each client, whether they be large or small. This growth is directly related to the quality of service provided, and the creation of a reputation for client service has probably been the objective of the firm throughout its history. Though the approach has varied over the years and by geographic location, there have certainly been threads of similarity in the approaches to the delivery of this service.

In the early years, it was decided that the services of the firm should be taken to the clients in their own communities and that our professionals should become part of that community.

"Doane Raymond in its approach...seems to give an aura of trying to resolve the problem..."

- a prominent legal practitioner

It was this early principle that led to the opening of H.R. Doane and Company offices in New Glasgow, NS, in 1941, followed by Charlottetown, PEI, and Kentville and Truro, NS, later in the 1940's. Local businesses used local professional services and when, for example, in 1946 Frank Sobey was thinking of incorporating his grocery business in the New Glasgow area, H.R. Doane and Company had professionals right in the community to handle his work. The firm obtained the appointment as auditors of Sobey's Stores.

This principle is still evident today in our aggressive policy on growth through mergers and acquisitions in reasonable-sized communities across Canada.

One of our other great principles regarding clients is to provide sound advice to the owner-managed business. We have maintained steady growth in that business sector by following that principle. There are numerous examples of owner-manager

relations with the partners and staff of Doane Raymond which could be related; however, a good one is Oland and Son, one of the earliest clients of our company.

Oland and Son, a brewer in Halifax, has been a client since 1940. The company expanded rapidly in the 40's, 50's and 60's and then in 1971 sold its brewery business to Labatt's. But Doane Raymond still provides audit services to Oland and Son, whose name has been changed to Lindwood Holdings Limited. The current president of Lindwood Holdings is Bruce Oland, and his father was the president of Oland and Son when the account was acquired.

Giving some insight into the relationship of Doane Raymond partners with this owner-managed business, Bruce Oland remarked, "our relationship over the years with Doane Raymond can best be remembered by recalling the partners who handled our account: Errol Davison in the early years, John Gorrill in the 60's and Greg Fraser in more recent years."

There are many examples of this family-to-family relationship where the account was obtained with the parents and continued with sons and daughters and then grandsons and granddaughters while being handed down from partner to partner within Doane Raymond.

Another important factor which enhanced our client service reputation was our dedication to satisfying all client service needs. This is evident in our early recognition of the need to develop specialties in our profession. Backed up by teams of specialists in selected locations, all offices are able to offer clients a full range of skills and knowledge to handle their problems.

For example, specialists in North York can provide the clients of offices in the immediate area with the expertise they may need to address a wide range of client needs. And the same is true of Edmonton and St. John's.

Not only has the firm grown in its capacity to respond to the increasingly complex problems encountered by businesses, but it has also responded to the need to provide service in increasingly diverse locations. As local businesses became regional in scope, and regional businesses became national, the need to expand the network of locations became evident. To provide for these changes and for the growing

international orientation of Canadian business, the firm provides its clients with a network of offices from coast to coast and professional services worldwide through the 50 associated firms of Grant Thornton International.

These principles are enduring, and are rooted in something even more fundamental. That something is very simple: the clients' needs are the reason we are in business. As they change, we must adapt. As they grow in size, so must our capacity to respond. As they diversify geographically, so must our ability to deliver the service. But as we adapt and grow, our service must retain simple qualities: it must be professionally sound and relevant.

A prominent legal practitioner recently remarked that "Doane Raymond in its approach to audit and accounting problems, seems to give an aura of trying to resolve the problem and of being part of the solution, not part of the problem," - this typifies the approach our firm brings to client service.

It is this down-to-earth approach to professional practice that will fuel our growth even more in the years ahead so that the next 50 years of Doane Raymond will eclipse the first 50 years. ■

The Doane Raymond Review

The DOANE RAYMOND REVIEW is an internal publication of Doane Raymond Chartered Accountants. It is produced at the firm's National Office, Halifax, for all staff members.

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