



February 12, 2003

Dr. Jane F. Mutchler, Ernst & Young  
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Robinson College of Business  
University Plaza  
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Dear Professor Mutchler:

Re: AAA Award for Innovation in Accounting Education

This letter is in support of Professors Callaghan, Savage and Peacock for the AAA Award for Innovation in Accounting Education.

I was a faculty member at Oakland University from 1997-2002 December, before I joined the faculty at U of Arizona, MIS Program. While my background has been in MIS, I have worked closely with all these colleagues in organizing conferences, running seminars, and exchanging ideas. Given the close collaboration between MIS and the accounting group, both Joe and Arlene have presented their early conception of the FIS program to MIS faculty for feedback, participated in some joint collaboration activities in teaching some aspects of the design course, and shared their view on what they were trying to do. In fact, Arline and I coordinated an independent study project with a graduate student to compare the underlying REA model of some of the FIS program courses, and the traditional process/data modeling of the MIS programs (especially in courses such as systems analysis and design).

Often in MIS, we take a systems approach and look at a problem and scope it, so that the boundaries for the system are defined sufficiently enough for us to build an effective system. While we end up accomplishing that goal, we also end up too quickly freezing the system specifications, which contributes to inflexibility in the system when it has to be integrated with other systems. While today's ERP (enterprise resource planning) systems do attempt to take a holistic approach to this problem, they also are traditionally developed from inside out (from MRP to outer layers of financial and sales/marketing functions). In my view, this is often the reason they suffer from the continual volatility of the business fluctuations and the associated changes in business processes, in spite of their claim to adopting best business practices.

The REA model, developed originally at Michigan State I believe takes a somewhat of a different approach – takes a resource generation/consumption perspective through the basic

revenue and expense cycles of accounting. The FIS program at OU takes the concept to heart and builds a solid program to allow students to practice this approach. This top-down approach allows the accounting students to look the sources and uses of funds within the context of actors who perform it, units/people that control it, etc. and brings them to focus in a conceptual data model that makes a whole lot of sense, and builds the design features around it.

While early work by IBM has also tried to focus on business processes and data classes (using Business Systems Planning techniques), with the thought that these can be fairly static, it was not the case given the changes in the business environment and the complexity of generating such a comprehensive model. However, by viewing the business from the accounting perspective using relatively well developed financial recording cycles (revenues, expenses, etc.), and moving out to define the data models and the processes that manipulate it, the model becomes less sensitive to continual business changes, yet supports them.

The bottom line is - the approach they have taken to build the program is very sound, the program they built is solid both conceptually and technically, and I have not seen any such program built with such forethought and diligence. The courses bring both a rigor and technical acumen to the students that take it, and I have no doubt that it will be one of the solid programs that will be modeling in the future. Hence, in my view, the Financial Information Systems degree is deserving of this award.

In summary, the reasons are as follows:

- The innovative nature of the underlying framework and how it is weaved into the program effectively;
- The wider applicability of the skills developed by this curriculum to students that are majoring not only in accounting but also MIS;
- The differentiating nature of the skill set from other students in similar programs, especially in a way it combines both a theoretical and practical viewpoint.

Sincerely,

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