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Accounting for Customer Relationship Changes - The Case of Arthur Andersen

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Abstract

This paper deals with connected relationship changes. The case under study is customer relationships of the audit firm Arthur Andersen, where the triggering changes are the Enron scandal, its consequences for Arthur Andersen and Deloitte & Touche's acquisition of Swedish Arthur Andersen. The paper targets connected changes on a company-to-company and on a person-to-company level for thirty-five customer companies and illustrates how a connected change may affect several customer relationships simultaneously. The paper also introduces a method to map relationship changes derived from accounting data.

Results show that twelve of the thirty-five investigated customer companies changed auditing firms during the years following the Enron scandal and Deloitte & Touche's acquisition of Arthur Andersen. During the same time period, fourteen customer companies shifted auditors. A majority of those companies continuing to Deloitte & Touche remained with their previous auditors. The results indicate that changes may have severe effects on connected customer relationships, both on a company-to-company and on a person-to-company level. Compared to earlier research, the study indicates some surprising results regarding personal ties; if the auditor decided to leave the acquiring party, customers that followed the auditor to a new audit firm soon shifted auditor.

Keywords: Auditing, Acquisition, Change, Customer relationship

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- The Case of Arthur Andersen

Introduction

In recent years, the audit sector has been given increased attention in the press. The independence of auditors has been scrutinised. The on-going debate primarily targets the double role of auditors. Auditors approve the board's work and the financial accounts of their customer while at the same time they risk losing their customer if they disapprove of the customer's way of pursuing business. It is also a fact that audit firms often provide consultancy services to their customers, which highlights audit firms' double role. Customers' relationships to auditors are often referred to as long-term; relationships that have persisted for fifty or sixty years can be found (e.g., TT Nyhetsbanken, 2002; Dagens Industri, 1988). These relationships are two-dimensional, in the sense that the bond on an audit firm-to-customer company level is complemented by an auditor-to-customer company dimension. Whereas often representing an audit firm, it is the auditor in person that approves the works and accounts of the customer company.

One of the reasons behind the increased questioning of auditing independence is the breakdown of Enron. As the breakdown was a consequence of false book keeping it also meant an instant closure for Arthur Andersen, the company auditing Enron. Later, the audit firm, Arthur Andersen, was divested in parts, meaning that various audit firms acquired parts of the company. In Sweden, Arthur Andersen was acquired by Deloitte & Touche. This acquisition was thus a consequence of the Enron scandal. This paper targets connected customer relationship changes. The changes concern dissolutions (and creations of new relationships) on both a company-to-company level and a person-to-company level, or more specifically on an audit firm-to-customer company and an auditor-to-customer company level. Based on data about audit firms and auditors for a total of thirty-five Swedish companies that previously had Arthur Andersen as audit firm, the purpose of this paper it *to map changes of customer relationships triggered by changes external to these relationships.*

Through taking relationships on a person-to-company and on a company-to-company level into account, the paper contributes to the understanding of how personal ties may moderate or possibly reinforce changes of relationships. Previous research on change in the audit sector has, for instance, focused on how acquisitions affect competition (e.g., Choi and Zéghal, 1999), where the relational aspects are not considered. Seabright, Levinthal and Fichman (1992) researched dissolution in auditor-to-customer company relationships as a consequence of shifts in needs of the customer company (resource fit), but did not focus on triggers outside the dissolved relationship. Changes of relationships towards auditors as studied in this paper targets change where the initial triggers are external to the customer relationships, meaning that the audit sector is approached from a new angle. The paper further introduces a way to map relationship changes derived from accounting data and illustrates how a connected change may affect several customer relationships simultaneously.

On auditing

At large, audit firms can be divided into two groups; the numerous small audit firms serving small customer companies, and a handful of international audit firms mainly serving medium-sized and large companies. The audit sector has undergone several waves of consolidation, partly driven by a parallel consolidation among customers; as the customers' business grew larger, the audit firms grew to keep pace with them (Veckans Affärer, 1989; cf. parallel

M&As; Öberg and Holtström, 2006). Prior to the Enron scandal, Arthur Andersen was one of the "Big Five" audit firms in the world (Affärsvärlden, 1997). Today, the audit sector consists of four large international companies: KPMG, Deloitte & Touche, PricewaterhouseCoopers and Ernst & Young, and numerous small audit firms.

Auditors should serve the interests of shareholders and other stakeholders. Legal acts narrowly regulates the activities of auditors, both in terms of when auditing is requested (e.g., The Company Act; Aktiebolagslag), and in terms of how auditing should be pursued (The Auditor Act; Revisorslag). *Independence* is one of the key-pillars in auditing, where independence targets that the auditor judges the works and accounts of its customer impartially and in an unbiased manner. In practice, this means for instance that the auditor may not have any business interests in the customer company. It further constrains the work the auditor may do on the accounts of the customer, where the recent debate primarily focuses on consultancy services.

However, the independence could be questioned, as it is the customer company that via its shareholders' general meeting elects the auditor. A conflict of interest from the audit firm's side may arise. Auditors approve the board's work and the financial accounts of their customers at the same time as the audit firm risks losing its customer if it disapproves with the customer's way of pursuing business. Fierce competition between audit firms creates a situation where it is difficult for the audit firms not to sign the audit report (Sundqvist, 1995). Furthermore, over the years the scope of business of audit firms have changed; in the middle 1990s, for example, price pressure directed towards auditing made the audit firms diversify into consulting (Affärsvärlden, 1996); a development also driven by increased efficiency within auditing (Affärsvärlden, 1997; Affärsvärlden, 1998). The consulting business included management consulting, corporate finance, tax advice, law and IT-services. The fact that the audit firm also provides consultancy services means a further bond of *interdependence*. As the audit firm gives advice and later audits the same company, this clearly challenges independence. This was debated already in the middle 1990s, but the debate escalated following the Enron scandal.

Arthur Andersen

Arthur Andersen was founded in 1913 by the man who came to give his name to the company, Arthur Edward Andersen (Skaalmo, 2002; Dagens Nyheter - ekonomi, 1993). The company grew and became a major actor in auditing and consultancy. In 1988 the consultancy part of the company was separated from the audit firm, creating Andersen Consulting (Dagens Nyheter - ekonomi, 1993). In 2000 Arthur Andersen Consulting broke off the relationship with Arthur Andersen after a long dispute (Computer Sweden, 1997), and changed its name to Accenture (Skaalmo, 2002; Dagens Reklamnyheter, 2000). Whereas Accenture entailed management consulting, consulting on accounting and taxes remained a part of Arthur Andersen.

The Enron scandal and its consequences

Enron was one of the largest companies in the US, positioned as a trading house in the energy sector. In October, 2001, the first signs of a company scandal were brought to light as the company presented its interim report. The company was deeply in dept, something that had previously been hidden via a construct of subsidiaries (Dagens Industri, 2002). Media attention was directed towards the company, unmasking further details about the company's activities. Attempts to save the company failed, and Enron went bankrupt in the late fall of 2001. As the scandal was largely a result of bogus accounting, the audit firm Arthur Andersen was one of the suspects. Arthur Andersen had approved the accounts, and the board's work, and further, Arthur Andersen had also provided Enron with consultancy services. As the affairs around Enron were investigated, it was further found that Arthur Andersen had destroyed documents related to Enron's activities (Dagens Industri, 2002).

The approval of illegal transactions and the destruction of documents came to be the end for Arthur Andersen. Arthur Andersen attempted at finding a new partner, but these attempts failed. Instead, various audit companies acquired parts of Arthur Andersen on a national level. In Sweden, Arthur Andersen was acquired by Deloitte & Touche in June 2002 (Deloitte & Touche AB, 2002; Deloitte & Touche AB, 2003).

The setting

The Enron scandal and its consequences can be seen as a chain of connected events. First, the scandal broke off the relationship between Enron and Arthur Andersen and the activities between these two companies strongly affected the reputation of Arthur Andersen. The bad reputation of Arthur Andersen could both be seen as an effect of the unmasking of the affairs related to Enron, but also as a new event, which in turn made the company losing its credibility towards other companies. Deloitte & Touche's acquisition became a way to save the Swedish business of Arthur Andersen. This acquisition thus constructs an effect of Arthur Andersen's international acting, but also a new event that potentially affected customer relationships of Arthur Andersen. The events are connected in a cause-and-effect like pattern and via relationship connectivity with Arthur Andersen as a common node the events came to involve other companies.

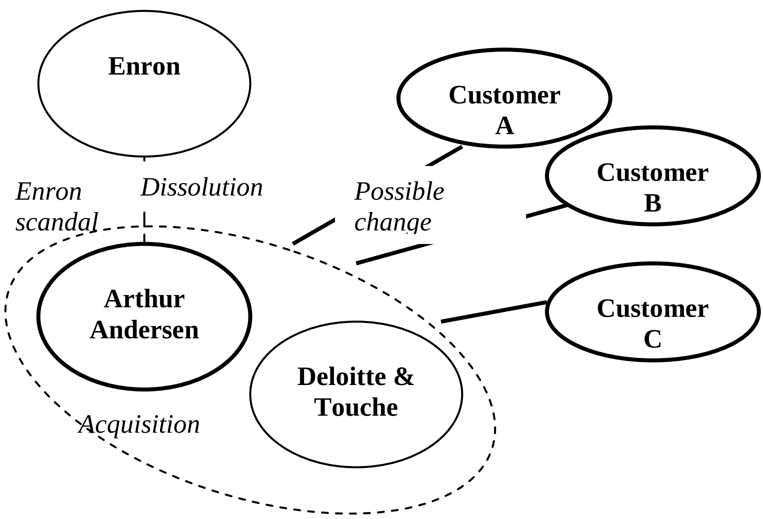

Figure 1: The setting. The focus of this paper is on the relationships between previous Swedish Arthur Andersen and its customers.

This paper focuses on relationship changes between previous Arthur Andersen in Sweden and its customers (see Figure 1). The events leading up to these changes are multitudinous, including the Enron scandal, the bad reputation of Arthur Andersen, and Deloitte & Touche's acquisition. In terms of customer relationship change, four options apply: (i) the customer continuing with its present auditor at Deloitte & Touche, (ii) the auditor shifting to another audit firm and the customer follows the auditor to that firm, (iii) changing auditor, but continuing with Deloitte & Touche, or (iv) the customer changing both auditor and audit firm outside Deloitte & Touche. Whereas Deloitte & Touche is a new audit firm for Arthur

Andersen customers, the acquisition constructs a connecting link between the companies, as does continuing with the present auditor at Deloitte & Touche or at another audit firm.

Business relationship change

Whereas business relationships are commonly characterised as stable (Gadde and Mattsson, 1987; Johansson, 1966) built on longevity, interdependence and adaptation (e.g., Webster, 1979; Johansson and Thoresen, 1983; Hallén, Johanson and Seyed-Mohamed, 1991), they do change over time. These changes may either be incremental changes *in* on-going relationships, or radical meaning that relationships are created or dissolved (Halinen, Salmi and Havila, 1999).

The trigger to change may originate from either of the involved parties, their relationship or be external to the relationship, that is, a *connected* change (Dwyer, Schurr and Oh, 1987; Giller and Matear, 2001; Halinen, Salmi and Havila, 1999). Inspired by Flanagan (1954), ideas developed primarily in the field of service marketing (Edvardsson and Strandvik, 1999; Giller and Matear, 2001; Hoffman, Kelley and Rotalsky, 1995; Holmlund and Strandvik, 1999; Keaveney, 1995) describing triggers of change in terms of *critical incidents*. Critical incidents were initially a technique to identify events that were perceived, or referred to, as especially positive or negative, and in service marketing the technique was developed as a tool to reflect, for instance, quality, (dis)satisfaction and their consequences on relationships (Edvardsson and Roos, 2001). Halinen, Salmi and Havila (1999) define a critical incident, or event, as "an incident that triggers radical change in a business dyad and/or network" (p.786), indicating a focus on outcome rather than on the trigger. Early research focused on *single* critical incidents in order to explain, for instance, dissolution. More recent research refers to how a critical incident constitutes one parameter, but that the present state of the relationship affects whether, for example, dissolution will be the result. Dissolution of business relationships has recently been given increased attention in the literature (e.g., Dahlin, Havila and Thilenius, 2003; Giller and Matear, 2001; Hocutt, 1998; Pettersen, 2002). Dissolutions modify the business network in that they cause a definite disruption of ongoing business relationships. Research on dissolution of business relationships largely targets why relationships end, or the dissolution process. Much research on dissolutions is built on case studies focusing on single relationships, whereas this paper illustrates possible dissolutions of several relationships.

Personal level of relationships

The importance of social ties in the creation of long-term business relationships was early recognised (e.g., Hammarkvist, Håkansson and Mattsson, 1982). In the field of dissolution, social ties have come to play a significantly important role to stabilise, or trigger, change of business relationships. The personal relationships may stretch beyond the company-to-company relationship also after this is dissolved (Alajoutsijärvi, Möller and Tähtinen, 2000; Havila, 1996). Perrien, Paradis and Banting (1995) showed that the most common reason for a business relationship to dissolve was that the manager of the supplying party changed jobs (cf. Anderson, Havila and Salmi, 2001), and Hocutt (1998) and Alajoutsijärvi, Möller and Tähtinen (2000) explored how relationships may not continue when one individual is replaced. Equally, Grönhaug, Henjesand and Koveland (2000) point at the relative ease of dissolving relationships if social ties are weak. Seabright, Levinthal and Fichman (1992) use the approach of personal relationships as stabilising company-to-company relationships through pointing at how social ties may decrease the likelihood of shifting suppliers.

Research questions

In the case of auditing, radical change would mean that one auditor-to-customer company relationship is instantly exchanged for another since legal requirements stipulate that a company needs to have an auditor. Changes in relationships between Swedish Arthur Andersen and its customers are connected via the dissolved relationship between Arthur Andersen and Enron. Critical incidents driving these changes are bankruptcy, acquisition and reputation (cf. Halinen, Salmi and Havila, 1999; Anderson, Havila and Salmi, 2001; Alajoutsijärvi, Möller and Tähtinen, 2000). Deloitte & Touche's acquisition invites to a continuance of relationships, as do the individual auditors. If applying the concepts of incremental and radical change to the case, where these describe change in and of relationships on a company-to-company level, continuing with Deloitte & Touche would mean a non-change, whereas shifting to another audit firm is a radical change. Not shifting auditor makes these changes less far-reaching, and if the auditor was changed but the customer stayed with Deloitte & Touche, an incremental change is at hand. The four options presented previously (in the Setting section) could be classified the following way (see Figure 2):

Audit firm / Auditor	Deloitte & Touche	Other audit firm
Previous	Non-change	Semi-radical change
New	Incremental change	Radical change

Figure 2: Possible change patterns. Note that continuing to Deloitte & Touche is classified as non-change on a company level since it was not an option to stay with Arthur Andersen and since there is a direct continuance via the acquisition from Arthur Andersen to Deloitte & Touche.

Given the connectivity of change, the following questions are formulated:

- In terms of change, how common was it that customers of Arthur Andersen chose to change audit firm following the connected changes?, and
- How common was it that customers shifted auditor following the changes?

Auditors could both be seen as carriers of the customer relationship, but also carriers of badwill from the Enron scandal, meaning that shifting auditor would be a way to further disconnect from Arthur Andersen. Based on assumptions of persons as carriers of relationships, the third research question concerns effects of auditors shifting audit firm or staying with Deloitte & Touche:

- How common was it that customers followed their previous auditor in terms of staying with Deloitte & Touche or shifting to another audit firm but with the same auditor?

Method

Data collection – Background data

For the background data about Enron and Arthur Andersen, a newspaper search was performed capturing newspaper items referring to Enron and Arthur Andersen simultaneously. A search tool, *AffärsData*, comprising Nordic newspaper items, was used.

The background data search was performed in September 2006. The search resulted in 411 news items covering a time period from 2001 to 2006.

Data collection – Data on auditors and audit firms from customer companies

The results are built on data collected from annual reports. Annual reports were collected from companies that had once had Arthur Andersen as audit firm. As different audit firms acquired Arthur Andersen following the Enron scandal, the search was delimited to Swedish companies. The search for previous customers was performed through three different sources (i) a CD of annual reports from 1998 published by Hugin (with a total of 89 annual reports), (ii) a CD of annual reports published by Waymaker in 2002 (containing reports from 117 companies), and (iii) a search on Google after companies referring to Arthur Andersen in combination with auditing ("Arthur Andersen" in combination with the words "auditor" or "audit" in Swedish). These search methods could be expected to cover large companies to a higher extent than small businesses, something which might affect the results.

The initial search resulted in 54 companies of interest. Through the web sites of each of these customer companies, annual reports were collected for as many years as possible. In certain cases, annual reports comprising the time from 1989 to 2004 could be found, but often only the past five years were available. In case no annual reports could be reached via the company website, the company was contacted and asked to send its annual reports. In total, 325 observations (data per year and company) were found. For the customer company cases to be relevant, it was important that data could be found for 2001 (the year of the unmasking of Enron's activities) or earlier, and for a period covering years following the scandal. As the annual reports also present facts about the preceding year, the search of annual reports published by Waymaker also included 2001. Out of the initial 54 companies, relevant data (data comprising at least from 2001) was found for 50 companies. The search in annual reports was performed in October 2005, meaning that the last year of observations was 2004.

The data was in a first step analysed to see whether the company had used Arthur Andersen as audit firm. Of the 50 companies with relevant data, only 35 companies/company groups referred to Arthur Andersen as audit firm, whereas the rest might have been buying consultancy services from Arthur Andersen, but did not use them as audit firm. For the further analysis, only data from these 35 companies were used.

Coding

The observations were coded the following way; if the customer company shifted to Deloitte & Touche following the acquisition of Arthur Andersen, this was coded as a non-change, given that the company continued with the same auditor. If the auditor continued to another firm, this was referred to as a shift in audit firm, but not in auditor, a semi-radical change. If both the auditor and the audit firm were changed, this was stated as a radical change. Lastly, if the company shifted auditor but stayed with Deloitte & Touche, this was coded as an incremental change, the continuance from Arthur Andersen to Deloitte & Touche is thus stressed.

Dissolutions of relationships following the Enron scandal and Deloitte & Touche's acquisition of Arthur Andersen

Changes on an audit firm-to-customer company level

The bad reputation of Arthur Andersen and Deloitte & Touche's acquisition could be expected to lead to dissolutions. Of the thirty-five companies having had Arthur Andersen as audit firm, eighteen continued with Deloitte & Touche following these changes/events. The dissolutions on an audit company-to-customer company level were thus numerous. However, as the data captures customer companies that at any time had had Arthur Andersen as audit firm, five companies shifted away from Arthur Andersen during 1998 to 2001, that is, before or during the year of the Enron scandal (since the scandal was unmasked during late 2001, changes during 2001 are not taken into account; the annual general meeting electing auditors is commonly held early during the financial year). The remaining twelve companies did however dissolve their relationships with Arthur Andersen and its successor Deloitte & Touche at years following the scandal (see Table 1).

Table 1: Number of companies changing audit firm per year.

Year	No. of companies changing audit firm
Before 2002	5
2002	4
2003	6
2004	2
Deloitte & Touche	18
Total	35

This means that forty percent of the companies shifted away from Arthur Andersen and its successor Deloitte & Touche during the years following the scandal and the acquisition (those shifting away before or during 2001 are not accounted for here). With customer company-to-audit firm relationships commonly being referred to as long-term, in certain instances comprising fifty to sixty years (Dagens Industri, 1988), the disruption of as much as twelve relationships ought to be regarded as a clear indicator that the scandal, or the acquisition, was a critical incident. As sixty percent of the companies decided to remain with Deloitte & Touche following the acquisition, the acquisition could both be seen as a stabilising factor and a possible trigger to change. As all customers were exposed to the same incidents, customer companies responded in various ways, which indicates that there is more than a critical event or chain of events that decides who stays and who leaves.

As seen from Table 1, the year of the dissolution differ between the customer companies. The year with most dissolutions is 2003, that is, the year following Deloitte & Touche's acquisition of Arthur Andersen. Whereas perhaps being the result of two incidents, one disrupting and one stabilising, or delays in reactions, this indicates that Deloitte & Touche's acquisition might have been a destabilising event on its own.

Changes on an auditor-to-customer company level

Relationships on a personal level could be expected to stabilise company-to-company relationships. They further construct a bridge between relationships (Havila, 1996), meaning that if a company-to-company relationship is dissolved, it might be carried forward to a new company-to-company relationship via social bonds. At the same time, it could be expected that if personal relationships are broken off, this is a trigger to also dissolve the company-to-company relationship. On the other hand, if the auditor is coloured by, for instance, badwill of the company it represents, this may trigger a change of auditor.

Based on the data of customer companies that previously had Arthur Andersen as audit firm, fifteen of the thirty-five customer companies remained with the same auditor (that is, the auditing person) also following the scandal and Deloitte & Touche's acquisition. This means that more customer companies remained with the new owner (Deloitte & Touche) than with their previous auditing person following these incidents. Six of the customer companies had shifted auditor already during the years prior to, or of, the Enron scandal, leaving fourteen customer companies that shifted auditor following the scandal and the acquisition. As in the case of shifting audit firms, 2003 was the year entailing most of these dissolutions. Table 2 summarises the number of dissolutions on an auditor-to-customer company level.

Table 2: Number of companies changing auditor per year.

Year	No. of companies changing auditor
Before 2002	6
2002	4
2003	7
2004	3
Not changed	15
Total	35

The relationship between changes of audit firm and auditors

Based on the data, it can be stated that several relationships, both on an auditor-to-customer company and on an audit firm-to-customer company level, were dissolved following the Enron scandal and Deloitte & Touche's acquisition. But, were there any connection between the auditor leaving the audit firm, and the customer company shifting away from the Deloitte & Touche?

Table 3 indicates that there is a strong relationship between those shifting audit firm and auditor. Whereas fifteen customer companies remained with Deloitte & Touche and their previous auditor also following the incidents, seventeen companies changed both auditor and audit firm. Five of these shifted auditor and audit firm prior to these incidents, leaving twelve customer companies that changed auditor and audit firm during the years following the scandal and the acquisition. Those shifting auditor and audit firm mainly changed these during the same year. Only in one case, the customer company changed auditor to later also change audit firm. In three cases, the customer company followed their previous auditor to a new firm, but later shifted auditor. As for companies only changing auditors or audit firms, in two cases, the customer company remained with Deloitte & Touche, but changed auditor during the years following the events.

Table 3: Number of companies changing auditor and/or audit firm per year.

		No. of companies changing audit company					
	Year	Before 2002	2002	2003	2004	Deloitte & Touche	Total
No. of companies changing auditor	Before 2002	5				1	6
	2002		2		1	1	4
	2003		1	5		1	7
	2004		1	1	1		3
	Not changed					15	15
	Total	5	4	6	2	18	35

Taken together, those either remaining with their auditor as well as audit firm when Arthur Andersen was acquired by Deloitte & Touche and those following their previous auditor to a new firm following the incidents, amount to eighteen customer companies. Surprisingly, none of the customer companies that followed their auditor to a new company remained with their original auditor over the years that followed.

Based on the strength of personal ties, dissolution of an audit firm-to-customer company relationship would be expected in more cases if the auditor shifted employer, than if the auditor stayed with the acquiring audit firm. Those cases where the auditor and audit firm were changed simultaneously could be seen as partial proofs of how dissolution on a personal level is accompanied by dissolution on a company level. It is however not clear from the data, whether it is the auditor shifting away from the company, or the customer company deciding to completely change its audit setting.

In two cases only, the customer company stayed with the acquirer (Deloitte & Touche) but changed auditor following the incidents. The number of cases are however small (two shifts of auditor vis-à-vis three cases where the auditor is followed to another audit firm) requiring that any statement about how personal ties affect the tendency to follow the auditor should be interpreted with caution. The strength of personal ties perhaps finds its strongest support through those customers staying with their previous auditor as the auditor simultaneously stays with Deloitte & Touche.

Concluding discussion

This paper addresses connected changes of auditor-to-customer company and audit firm-to-customer company relationships. Using accounting data, the paper maps when and how these relationships were changed. The paper contributes to the literature on acquisitions and on connected change in business networks through focusing on relationships on a personal vis-à-vis a company level, through looking at possible effects of events on several customer relationships, and through the introduction of a way to measure relationship changes using accounting data. The data shows that several relationships, both on a personal and on a company level, were broken off following the Enron scandal and Deloitte & Touche's acquisition of Arthur Andersen in Sweden. Returning to the classification scheme presented previously, the results of the study could be summarised the following way (see Table 4).

Table 4: Change pattern according to the customer data. Those radical changes were auditors and audit firms were not changed simultaneously would first be classified as incremental vis-à-vis semi-radical changes.

Classification of change	Type of change	Number of cases
Changes before 2002	Change of auditor and audit firm	5
	Change of auditor, Deloitte & Touche as audit firm	1
Non-change	Same auditor, Deloitte & Touche as audit firm	15
Incremental change	Change of auditor, Deloitte & Touche as audit firm	2
Semi-radical change	Change of audit firm, same auditor	0
Radical change	Simultaneous change of audit firm and auditor	8
	Change of audit firm before change of auditor	3
	Change of auditor before audit firm	1
Total		35

In terms of the research questions, twelve customer companies changed audit firm, and fourteen companies shifted auditor following the changes. Eighteen customer companies stayed with the same auditor, whereof fifteen did this as the auditor stayed at Deloitte & Touche, and three companies shifted audit firm to follow its previous auditor. These three however changed auditor during the years that followed. The results imply that several customer companies saw the connected changes as critical events triggering dissolution of relationships, whereas other customers decided to continue their relationships with as few changes as possible. Compared to previous research, the study indicates some surprising results regarding personal ties. In few cases, these seem to construct a bridge to continue to a new company if the auditor decided to leave the acquirer.

Further research

As stated by Giller and Matear (2001), it is not certain that what triggers change is the actual reason behind it. Whereas the results above clearly indicate that change is a possible consequence of the scandal and the acquisition, they fail to recognise whether it was the Enron scandal, its consequences for Arthur Andersen, Deloitte & Touche's acquisition, or any other aspects that drove the changes. For further research it would be interesting to map what the customer companies perceived as critical incident(s), and whether and how the various critical incidents from the unmasking of the Enron affair to Deloitte & Touche's acquisition created a web of incidents leading up to the change. Furthermore, as the auditor-to-customer company dimension does not reveal whether the customer company changed CFOs, or equal, during the years of change, it would be interesting to research how changes in CFOs impacted the number of changes.

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