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## Developing the specialist

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Specialization, to some an inevitability in a complex age, raises certain thought-provoking issues.

"Every industry thinks of itself as unique, as specialized," Larry Walsh, partner in charge of the Miami office, told *H&S Reports*. "But from an auditor's viewpoint this is not actually true of all of them. Appliance manufacturing, for example, may be peculiar only in its tooling costs and warranty provisions which may not require a major portion of audit attention. However, there are other industries which are intrinsically specialized, such as banking and savings and loan, railroads, insurance, health care. What I mean to suggest is that not everyone has to be a specialist, nor does every practice office need a full complement of industry specialists."

For those fields where specialization is applicable, Larry sees the trend toward someone with broad experience covering the spectrum of audit, tax and MAS: one who can coordinate a team of functional specialists in these areas; one who can counsel in financial, operational and organizational matters as well as in the traditional accounting problems. While the overall focus is narrower, the specialist's background will have to be more inclusive. "The pattern seems to be, if it is useful to have a specialty, if that is characteristic of an industry, the accounting firm with a strong corps of specialists will tend to dominate that industry."

Larry shares the general feeling that as businesses become more complex there will be an increasing need for specialization. "In recent years," he says, "we have seen a number of industries develop which are highly specialized. Financing by lease, virtually unheard of thirty years ago, is now widely used. Fast-food franchising and real estate investment trusts are instances of relatively new, specialized industries. To sum up, I think more and more new businesses will fit the mold of the unique and the particular, thus requiring the attention of a specialist."

In addition to this, the Firm continues to place greater emphasis on constructive services. "It may well be true," Larry notes, "that you can perform an audit and per-

## Developing the Specialist

*"The real push  
comes from within..."*

form it well without an in-depth knowledge of an industry. But if you can talk about the business with the people involved, be conversant with a wide variety of problems in that one field, you can offer a range of services beyond the audit. You come to recognize the usefulness of assigning audit people who *are* familiar with the industry, and this in itself leads to specialization.

"The question of how to train a specialist is a complicated one. I feel that time and resources should be budgeted to this end, but in the final analysis it is the training the potential specialist gets in actual client work that is of most importance. A specialist does not evolve in some abstract realm; his stimulus comes from his own interests and from the availability of clients."

Larry Walsh has ample reason to know about the way a specialist develops. Henry Forer has contributed to the strong position that the Miami office holds in the savings and loan industry. According to Larry, Henry had the background and expertise, plus a broad reputation and a solid client base, at a crucial time in the industry's history. His success with clients then, and his continued service to them now, has led to his being sought out by many other S&L associations.

What Henry has done with savings and loan, partner Al Leiter has done with commercial banks. Larry explains, "This office had a substantial number of bank clients at the time banks began to form holding companies. Nourished by the expanding Florida economy, our bank

clients grew and acquired other banks around the state. These activities necessitated frequent filings with the SEC, with the banks' need for audits increasing steadily. Al was assigned to these audits and began to develop the interest and expertise which were the impetus for his specialization. Now he is our commercial bank specialist, well respected by both clients and nonclients for his superior knowledge of the industry.

"The breadth of our practice in commercial banks in South Florida and the expertise we have developed have enabled us to serve a significant segment of the financial community in a number of constructive ways. For example, we can point out tax-planning opportunities in the timing of security portfolio transactions or in additions to loan loss reserves. Also, we expect to render valuable constructive service in two areas that we see coming up in the future—mergers of existing bank holding companies and substantial broadening of branch banking. I have heard Al Leiter, counseling our younger staff, predict that many new and exciting challenges still face us since banks are experiencing difficulties with their loan portfolios, liquidity and capital. Developing expertise, Al tells them, to serve this specialized industry will provide the professional accountant with significant challenges, and he will derive much satisfaction from his services.

"For many years now," Larry goes on, "Haskins & Sells has enjoyed leadership in a number of specialized fields—railroads, universities, consumer finance, stockbrokerage, to name a few—and our specialists in these fields are widely recognized." So the idea of an industry specialist is not new, but the concept has been gaining increased recognition over the last few years. There are now such things as the program maintained by partner Jule Phoenix for identifying industry areas and the Firm's specialists in them. Yet the fact remains that, while time may be budgeted for selected persons to immerse themselves in an industry, the real push comes from within the individual, who follows up an intense personal interest with a lot of hard work. ○