Pittsburgh: An Office Profile

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Monongahela, Allegheny and Ohio. The names sing of the nation's pioneer past and the great westward thrust. Carnegie, Frick, Heinz, Westinghouse and Mellon. The names speak of financial empires, of the industrialization that built this country into a manufacturing complex whose products find their way into every corner of the globe. Steel City, Smoky City and Renaissance City. The names reflect not only the past of Pittsburgh but its pride in the present and its faith in the future.

Pittsburgh, whose mills produced more steel during the Second World War than Germany and Japan combined, has found it hard to shrug off the Smoky City stereotype in the minds of many.

Today, a modern office-building complex, Gateway Center, built, owned and managed by H&S client The Equitable Life Assurance Society of the United States, is located at the apex of the Golden Triangle downtown business area focused on the point of land where the Monongahela and Allegheny rivers meet to form the Ohio. And, thanks to a cleanup program begun in the late forties, the air is almost as clear today as it was when, in 1753, Virginia Governor Dinwiddie dispatched Major George Washington to the area to determine the intentions of the French and the extent of their penetration of the region. By the following year the present site of Pittsburgh, with its commanding view of the rivers, had become a battleground between the French and English. Washington himself had reported on the military advantages of locating a fort at the point.

A small party of English began erecting a stockade on the site chosen by Washington in the spring of 1754, only to be driven out by a superior force of French and Indians before construction was completed. The French then occupied the area and built Fort Duquesne. Several months later the first blood of the French and Indian War was shed in a battle between the French and Indian forces and troops of the Virginia militia led by Washington.

For the next four years possession of the area was hotly contested by the opposing sides. In November of 1758 an
English force, again led by Washington, defeated and drove off the French and occupied the ruins of Fort Duquesne, set afire by the French as they retreated. The stockade, rebuilt and renamed Fort Pitt, formed the nucleus of a small settlement that sprang up around it which was eventually to become Pittsburgh. Today, the site of the original forts, an eighteenth-century blockhouse still intact, and signs of the original walls and redoubts are part of Point State Park, a lovely open area dominated by a fountain fed by an immense glacial river running diagonally under the Ohio and marking the birthplace of that great artery.

The potential of Pittsburgh to a growing public accounting firm was recognized early by Haskins & Sells, which opened an office in that city in 1903, the sixth since its founding. Pittsburghers still tell of the time when businessmen and executives had to bring a spare shirt to the office because the soot and smoke would soil the first one well before the end of the day. The Pittsburgh of today stands as an outstanding example of what a diverse group of individuals (the city is noted for the exceptionally large number of ethnic groups making up the approximately 2.4 million people who live in the metropolitan area) can do when they have a common goal. Even before the end of the Second World War business and community leaders were mapping plans for a Pittsburgh Renaissance. A broad program, supported by the very businesses that had made Pittsburgh by then the second largest headquarters city in the country, turned first to cleaning up the air and water. The second part of the program was the development of the Golden Triangle, an area starting at Point State Park and stretching about one mile along the banks of the Monongahela and Allegheny.

"Our practice here in Pittsburgh is made up largely of multinational corporations. Pittsburgh is still the third largest headquarters city in the United States, and our practice reflects that fact," John E. Kolesar, partner in charge of the office, points out.

John Kolesar is a man whose background is marked by a deep interest and involvement in management advisory services and the philosophical and practical aspects of professional accounting and ethics. He was chairman of a committee on professional ethics of the Pennsylvania Institute of CPAs from 1970 to 1973, as well as serving as president of the Pittsburgh Chapter of PICPA from 1974 to 1975. He is currently serving on council of the PICPA.

John earned a bachelor's degree with honors in business administration from the University of Pittsburgh in 1953 and started with the Pittsburgh office of Haskins & Sells that same year. He was admitted to the Firm in 1963 and was named PIC in 1970.

The Pittsburgh office management team, in addition to John Kolesar, is made up of a group of five partners and seven managers. Four of the managers came to Pittsburgh in the past several years to help service the rapidly growing practice.

Gordon M. Johns transferred to Pittsburgh in 1974. A graduate of the University of Illinois, where he received the H&S Foundation award as the outstanding accounting student, Gordon joined the Los Angeles office in 1958, was named partner in 1970 and worked in Executive Office from 1971 to 1974. He has been very active on technical committees of the AICPA for many years. Bill C. Wilson, who was appointed manager in 1972, came to Pittsburgh from a two-year special assignment in Washington, D.C. He is a graduate of the University of Southern California and joined our Los Angeles office upon graduation in 1961. Bruce W. Teeters came to Pittsburgh from our Fort Lauderdale office, which he joined in 1968 on receiving a graduate degree from Florida State University. Joseph S. Stelmack, a 1965 graduate of King's College, transferred from Wilkes-Barre to head up the small business services practice in Pittsburgh.

Although not all the remaining partners and managers are native Pittsburghers, they were either raised or educated in western Pennsylvania. James B. Miller graduated with honors from Pennsylvania
have to be able to deal with the challenging aspects of a large multinational operation. These clients are headed by the very best executive talent available, and they expect the equivalent—in people and service—from us. And we’ve grown by proving to them that the Pittsburgh office, as part of the H&S and DH&S worldwide practice, can deal with their national and international requirements.*

One of the reasons the Pittsburgh office proves to be such an excellent training ground for young accountants is not only the operational and structural complexity of so many of its clients, but also the variety of industries in which they operate. (It is one of the more active offices in the visitor exchange program which gives DH&S professionals eighteen months of experience in the United States.) This becomes clear when one scans a list of some of the Pittsburgh home-office clients:

Practice development is the underlying theme running through almost every activity in the Pittsburgh office. “We look for versatility and initiative in our people,” John Kolesar asserts. “We don’t have as broad a range of clients as some of the larger offices perhaps have—we could use more so-called small businesses, for example—but we deal with large corporations with extensive international operations. To be effective, our people

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* The imposing Cathedral of Learning at the University of Pittsburgh forms the backdrop for (l. to r.) Prof. James H. Rossell, Graduate School of Business; H&S staff accountant Walt Mezick and Noel McGarrity; and John Hunter Davis, assistant to the dean for corporate relations of the Graduate School of Business. Noel and Walt both hold MBA degrees from the university.

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Top right: H&S partner Barry Huff (r.) holds al fresco conference in Gateway Center plaza with Robert H. Mitchel (2nd r.), vice president, finance for PPG Industries, Inc., and Eugene B. Mosier (l.), PPG controller. Others in group are H&S manager Roger Towle (2nd l.) and senior Dave Navickas. In the background is the PPG Industries Building, headquarters for the company.

Bottom right: Theodore R. Lon (l.), controller for television station WJIC-TV, Glen Thor (seated), H&S tax manager, and staff accountant Henry Boch (r.) listen as William (Bill) Cardille presents some original thoughts on how to cut operating expenses. Mr. Cardille, better known as Chilly Billy to Pittsburghers, is host of the Saturday night Chiller Theater on Channel 11.
The Pittsburgh Press, a newspaper in the Scripps-Howard organization, which is a client of H&S Cincinnati.

WTIC-TV, a television subsidiary of H&S client Cox Broadcasting Company of Atlanta.

WTAE, a subsidiary of Hearst Consolidated Publications, an H&S New York client.

Waterford Park, a race track owned by Ogden Corporation, a New York client.

Ambridge and Butler Works of Armco Steel Corporation, major manufacturer of steel products and a Cincinnati client.


Several coal-mining companies associated with Pennsylvania Power & Light Company, a New York client.

The effectiveness of John Kolesar's practice-development, team-oriented approach is reflected in a 77-percent increase in service hours reported by the office over the past four years, despite the fact that the city's business community has remained relatively stable during this period. (The office's practice for the most part is located within a 150-mile radius of Pittsburgh, including parts of Ohio and West Virginia.)

Some of this expansion is attributed to the relocation of Rockwell International's headquarters from the west coast to Pittsburgh several years ago. But the biggest part of it, according to John, is the result of a strong practice-furtherance program that included establishing close ties with the legal and banking communities.

"I felt it was important to take a long, hard, realistic look at the area we served, so in 1971 we evaluated the situation and developed a concrete plan for an expansion of our practice," he said. "We established formal goals and objectives and made sure everyone understood..."
them. We put stress on the fact that practice furtherance and development must be the concern of every professional. It may sound a bit simplistic, but we emphasized a 'can-do' attitude, putting the accent on the positive. We wanted everyone to understand that we could do more for our clients and that we could do it better—and they were to get this message to the client and potential client. This, we felt, in an area where there was very little new business growth, was the key to a sure expansion of our practice.

Emphasis was put first on broadening our tax practice, in developing tax specialists, and in providing more tax services to a larger number of clients. How well it worked is revealed in a growth rate of the office's tax practice that has averaged 20 percent a year over the past five years.

Just how successful the overall practice development effort has been is reflected in the office's recent leasing of new space on the eighth floor of Two Gateway Center, the third expansion in about three years. “Haskins & Sells moved into Two Gateway at the end of 1952,’ John pointed out. “We were on the sixth floor then, and it became apparent shortly after I became partner in charge that we'd need more space. Our practice, and our staff, were growing. We moved up to larger quarters on the eighth floor but about two years ago had to take additional space. We're leasing another wing on the eighth floor, mostly to accommodate the expansion of our tax department, for our Small Business Services department, and an MAS department.”

Pittsburgh’s PIC sees substantial growth potential for small business services as well as for management advisory services. “We've evaluated the SBS outlook in this area, and generally we believe there's an opportunity for real growth,” he said. “We don't see it approaching the level of SBS activity in other areas where there is a very large number of possible SBS clients; Pittsburgh is just not oriented that way. But we certainly feel it's good enough to warrant a real push on our part.”

“We're also quite enthusiastic about the outlook for providing more MAS services to our clients,” John said, and the Pittsburgh office was one of the first in the Firm to reflect a strong MAS involvement. “Some of the Firm's earliest MAS-type engagements—such as those involving EDP executive compensation studies—were done right here in Pittsburgh for our clients.”

The selection of new staff people is of vital concern to everyone. Eleven members of management participate in both campus and office interviews. According to Jim Miller, partner in charge of recruiting, major emphasis is put on such schools as Pennsylvania State University, the University of Pittsburgh, Carnegie-Mellon University, Duquesne University, Indiana University of Pennsylvania, and West Virginia University. In addition to these schools, Pittsburgh has graduates from other colleges and universities on its team, and actively seeks referrals of outstanding candidates from offices all over the country.

“We always have been able to attract...
outstanding people for our office,” Jim said. “This is to a good degree because of the nature of our practice and the quality of the people already on the staff. A new accountant joining us knows he will be exposed very quickly to the intricacies of servicing a large international organization.

“Another important factor is Pittsburgh itself. There’s good housing in the suburbs and building going on in nearby neighborhoods designed to attract those who prefer city apartment living. Just about every cultural advantage is available: several museums, the Pittsburgh Symphony Orchestra under the leadership of André Previn, the Civic Light Opera each summer, the Ballet Theater, the Opera Company, the Wind Symphony, pops concerts, several little theater groups, and many traveling shows of every variety and for every taste. There are great schools like Carnegie-Mellon University, University of Pittsburgh, and Duquesne University right here in the city.

“You can’t ask for better if you’re sports minded. We have the Pirates, the Steelers, the Penguins in hockey and the Triangles Tennis Team. The University of Pittsburgh’s Golden Panthers are coming into renewed prominence in college football, and Duquesne University’s basketball program has been established for years. Dozens of excellent golf courses are located in and around the city.

“Pittsburgh has a reputation for being a friendly town—and it is. It has a cosmopolitan, indeed an international flavor, but a more relaxed pace than some larger cities. It’s a good place to work and to live, and that’s about the sum of it,” Jim said.

For John Kolesar people remain the key to the future of H&S Pittsburgh. This is apparent both in the more technical areas, such as the office’s development and use of a recruiting profile, a more objective method of evaluating prospective professionals, and in his own views of interpersonal relationships.

He feels very strongly about the need for professionals to keep their lives in balance. To do this they must devote a certain amount of their available time not only to the Firm but also to family, faith and fun. Reflecting this fact, the office dinner-dance at a local country club has become an annual event for meeting new members of the Pittsburgh office family and for renewing old friendships. A recognition dinner for new CPAs is a highlight of the social calendar. The golfers have an informal organization called the Hookers & Slicers, which organizes several golf events each year designed to appeal to the beginners as well as to award-winning low handicappers such as Rick Fisher, Alex Hutchinson, Joe Mikelonis and Barry Huff. The office fields a softball team in the annual Pittsburgh Chapter PICPA league. Staff accountant Paula Schipchak has played with distinction as first-string catcher on the team. Staff-sponsored social events include an annual Christmas party, a family picnic, informal basketball games and other social events.

“I suppose I take a somewhat informal approach to management—firm but fair,” John said. “I believe in a team approach, especially when you have as strong and competent a group as we have here in Pittsburgh. What’s important is to make sure everyone has a clear idea of the goals and objectives toward which we’re striving, and that they have a sharp definition of what those goals are. I may have to point people in the right direction occasionally, but everyone here knows they’re going to be judged objectively. The system works. I’m kept informed of what’s happening; they seek my advice and concurrence when necessary. On my part, I share a good deal of information with the management team and they know they can expect this flow of information from me.

“I like to think the Pittsburgh office is different,” John said, “different because of the people. We not only have a group that’s technically competent, but a group that recognizes its responsibility toward training and developing subordinates. Most of our people take a strong interest in this, take a strong interest in the people with whom they work. I suppose what it boils down to is that we really know each other, we work well together, we respect each other. We’re a family here in Pittsburgh.”