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Charles G. Steele: Deloitte Haskins & Sells USA managing partner

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**Deloitte
Haskins & Sells USA
Managing Partner**

Charles G. Steele

In a large organization of professionals who made their career decisions early, it is unusual to come upon a man who did not decide to study accounting until he was past the normal college age. Yet that is what Charles G. Steele did just thirty years ago. And needless to say, that is far from the only unusual thing about the eighth managing partner of our firm.

Now well into his first year at the helm of Deloitte Haskins & Sells USA and of Deloitte Haskins & Sells International, Charlie Steele has taken hold, quietly and firmly. To many of those around him, the transition of this past June from Managing Partner Mike Chetkovich to Managing Partner Charlie Steele has been accomplished quietly and efficiently, with neither loud fanfare nor the grinding of gears. Such a change of leadership is a sign of the maturity and strength of our organization. Yet the very fact that Deloitte Haskins & Sells USA now has close to 6,000 people and more than 100 offices in this country means that it has grown well beyond the point where everyone can be acquainted with the head of our firm, at least when he first comes into office. Of course, Charlie Steele is well known in San Francisco, where he spent most of his years in the profession, and in the Chicago office, where he served for four years before moving to Executive Office. But for most of us a few introductory remarks, as toastmasters say at banquets, may be in order.

Charles Glen Steele was born in the summer of 1925 in Faulkton, South Dakota, a prairie crossroads community with a population of about 700. His father, Clifford Steele, was a tenant farmer and the Steele home was a farmhouse twenty miles out of town. Charlie's first five years of school were spent in a rural one-room schoolhouse. In the depths of the long economic depression and drought of the 1930s, the family left the farm and moved into the town of Faulkton, where the elder Steele found employment. Charlie did farm work during his summer vacations from school. He graduated from high school in 1943 in a class numbering about twenty-five, and immediately enlisted in the U.S. Navy aviation cadet program.

Looking back on those days now, Charlie Steele recalls that he had always planned to go to college, although he had not settled definitely on the career for which he would prepare. "I had a

strong interest in engineering," he told *DH&S Reports*, "because in school I was good in math. But I also became interested in medicine through a friendly association with our local doctor. I suppose if World War II had not come along when it did, I probably would have gone to college and then to medical school."

Charlie made a landlubber's tour of naval training stations in the U.S., finally receiving his wings and commission in Corpus Christi, Texas in February 1946, six months after the surrender of Japan. He then decided to stay in the service for another two years to enjoy the benefits of his long training period. He was transferred to Florida for qualification as an aircraft carrier pilot, then was shipped in the fall of 1946 to Alameda Air Station in California – an act of the impersonal personnel machine of the U.S. Navy that held great portent both for Charlie Steele and for DH&S.

Here Ensign Charlie Steele caught up with an old high school buddy from Faulkton. The buddy and his fiancée arranged a blind date for Charlie with Shirley Ferguson. That first date led to others, and a year later, in November 1947, Shirley and Charlie were married in San Francisco. In the year between meeting Shirley and marrying, however, Charlie spent much of the time at sea, including stops during a Navy goodwill tour of the Pacific Ocean at Hawaii, Japan, the Philippines, Australia, Truk, Guam, Saipan and China. On July 4, 1947, when the Philippines celebrated the first anniversary of their independence, Charlie marched with his fellow crew members in the big parade in Manila.

That summer Charlie was twenty-two, engaged to Shirley, sailing and flying the wide South Pacific, and thinking more and more about engineering as a post-Navy career, particularly aeronautical engineering. Accounting was not yet even a tiny speck on his horizon. When he returned to California from sea duty in the fall of 1947, he looked into engineering schools in Southern California, and talked with the personnel people at Lockheed.

"I remember that they recommended a certain engineering school, and told me I could have a job with them while I was attending school," Charlie said. "Then I found that the part-time job without





an engineering degree would pay \$1.25 an hour, but that after graduating I could expect a job that paid \$1.35 an hour. I decided aeronautical engineering must be an over-crowded field. In February 1948, I completed my tour of Navy duty. I then went through a period when I thought of starting a business of my own and considered a number of possibilities. Then one day I was in San Francisco City Hall and saw a sign that read:

‘VOCATIONAL GUIDANCE TESTING –
GALILEO HIGH SCHOOL.’

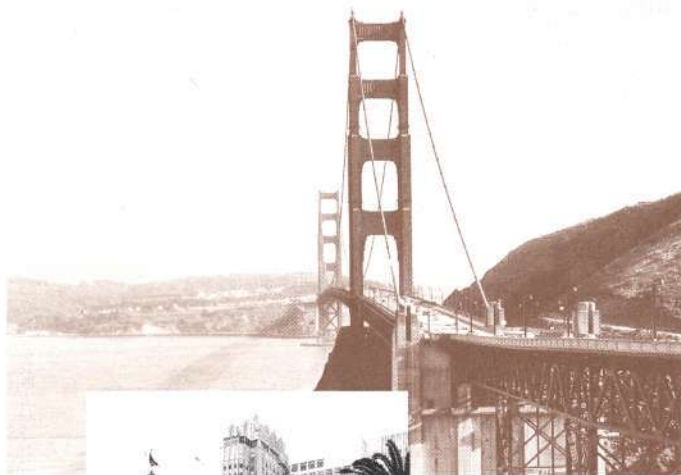
“I liked puzzles so taking a guidance test sounded like a good idea to me. Afterward the guidance counselor told me that the test results showed I had a strong aptitude for accounting. She recommended that I go to college and become a CPA. At that time I didn’t know what a CPA was. When I asked about schools, she recommended Golden Gate College, in San Francisco. – I owe a lot to that counselor. I wish I knew who she was!”

Then began a concentrated three years of dedicated, devoted teamwork to make up for at least some of the time that the war had cost in Charlie’s professional education. He enrolled in Golden Gate College in June of 1948, and pursued his accounting studies without summer vacations for nine straight semesters, squeezed into three calendar years. Golden Gate was one of the few schools that had adopted the trimester schedule, which made this possible. Charlie’s tuition was paid for under the G.I. Bill of Rights, Shirley worked as a clerk-typist in an optometry supplies business, and the pair of them did not have much time or money for vacations or socializing.

Charlie had originally planned to sit for the CPA examination in November 1950, as he was finishing his undergraduate courses. Then the dean of the college, impressed by this student’s academic record, said he thought Charlie had a good chance to win the Forbes Medal, awarded by the California Society of CPAs for the highest grades on the examination, if he would wait one year and take the examination after graduate study. Charlie agreed to the delay and enrolled in the MBA program. Part way through the first semester of graduate work, he became concerned that his reserve squadron would be called to active duty in the Korean War, so he changed his plans and sat for the examination in May 1951.

Leaving Golden Gate College in mid-1951 and setting out on his career, Charlie joined McLaren, Goode, West & Co., the prominent West Coast firm that was to merge its practice with our firm’s just one year later. Soon Shirley broke a rule and called Charlie at the office – the exam results had arrived – all As. It was a couple of weeks later that he came home to find a letter from the American Institute of CPAs notifying him that he had won the Elijah Watt Sells competition gold medal, for having scored the highest marks in the country.

“At first I did a lot of comparing and proving,” Charlie recalls of those early days in San Francisco. “Jim Runser was head of the office then, and one of the first jobs I worked on was Hills Brothers Coffee, which was his favorite client. In the seven years I



The military years, San Francisco and the Elijah Watt Sells Gold Medal of the AICPA – landmarks in the life and career of Charlie Steele.

was in San Francisco before I moved, I was a generalist, and I worked on a good many engagements, although none of them were really big. The largest client I handled at that time was perhaps \$70 million in sales.

"Then in 1958, when I was a senior accountant, Jim Runser received a letter from Gordon Hill, who was supervising the General Motors engagement in Detroit, asking that I be transferred to Detroit. Shirley and I talked it over, and recognized it as an opportunity, and felt also that it was an honor to be asked. We were both very happy in the Bay Area, but going to Detroit did not mean that we were saying goodbye forever to San Francisco. So we went to Detroit for three years and I worked only on the GM engagement. I became a manager in our firm in 1959."

In 1961, when Charlie Steele was approaching thirty-six, he was asked to transfer again, this time to Executive Office. His duties, as it was planned, were to work with Ken Stringer in certain technical areas and to make a post-issuance review of all reports issued by practice offices. The program did not work out quite as planned, because Charlie found himself getting deeper than was originally foreseen into statistical sampling, a subject in which he had become especially interested in Detroit, where he had taken part in the first field test of the firm's statistical sampling plan. In EO, working with Ken Stringer, he developed training materials for teaching the statistical sampling plan, and also took part in training practice office professionals in using the plan. As if this were not enough, Charlie also got into SEC work, and in addition helped produce a course on report writing with partner Frank McClelland.

One result of this deep involvement in statistical sampling was that after Charlie returned to San Francisco in 1962, that office became one of the firm leaders in its use – a major reason, according to Charlie, being that Jim Runser gave it strong support. Charlie Steele directed the statistical sampling course for the office. Another angle to Charlie's interest in statistical sampling – it supplied him with an intriguing topic for his master's thesis, leading to the master's degree that he was awarded by Golden Gate College in 1962. When he had first gone to work after leaving college, he had continued his association with Golden Gate, both as graduate student and teacher. As Charlie recalls those days:

"In January 1952 I started teaching at Golden Gate, and I kept at it for six years. I would teach one night, and go to my graduate courses the next night. I'd often get home after eleven p.m. I also had staff training at the office at night. So I remember them as hard-working days, and nights!" His course work for the master's degree finished by the time he transferred to Detroit, Charlie prepared his thesis on the strength of his statistical sampling work in Detroit and in Executive Office. The paper ended up being published in the *Journal of Accountancy*, and also winning for the writer the firm's Best Paper Award in 1962.

Charlie Steele became a partner in the firm in 1963. Through the succeeding nine years in San Francisco he showed his versatility as an audit partner, with the ability to handle a wide range of situations requiring a variety of talents. He worked under high-calibre office heads: Jim Runser, Mike Chetkovich and Tom Graves, all of whom doubtless played an important part in his development during these maturing, or shaping, years. It was time for another move in 1972 – this time to Chicago, where Charlie served as partner in charge of the office until 1976.

"I found the job of heading the Chicago office tremendously satisfying and fulfilling," he said in retrospect. "It is most

gratifying to see the office respond to your programs and leadership. We grew in size, morale improved and so did profitability. It is heart-warming to see an office and its people take hold as they did."

During his years as head of the Chicago office, Charlie Steele also held another major responsibility, that of chairman of the firm's advisory committee on objectives and planning. This advisory committee, consisting of nine members, was appointed by the policy committee of the firm. After considering the firm's prospects for the years ahead and discussing its capabilities and purposes, the advisory committee developed, and the policy committee approved, the formal six-point statement of the firm's objectives that was publicized within the firm in June of this year. Because he is a relatively quiet, self-assured person, Charlie Steele does not instantly stand out in a crowd as the central figure. He is, to put it mildly, far from the Napoleonic, self-assertive or flamboyant type. Nor does he display any of the characteristics of the hyper-energetic, driven executive who is courting ulcers. He paces himself well, like the skilled athlete who makes the difficult plays look easy, and accomplishes more in a given hour or a day, according to his close colleagues, than the kind of executives who rush around and talk at high volume. In short, he is cool and collected. He knows what he is doing, asks direct questions, and makes decisions without agonizing over them.

He exhibits similar characteristics away from the office, which is to be expected. Home for the Steeles now means Greenwich, Connecticut, where Charlie and Shirley live in a classic Georgian clapboard house with the remnants of an old apple orchard in the backyard. Their daughter Deborah and son-in-law John Most live with them, and are preparing to make Charlie and Shirley grandparents next March, or thereabouts.

Shirley Steele has told *DH&S Reports* that she still calls her husband "Chuck," not Charlie, because that is the nickname she became used to before his office colleagues started calling him Charlie. He does not have the time that he once had for his handcraft hobbies, which ranged from making and finishing furniture, putting up crown moulding in various rooms of their various homes, and even wallpapering. He plays golf, though not avidly, and these days he finds it an effective way to get outdoors and away from the demands of the telephone and the briefcase. His less strenuous activities include listening to classical music and reading on a broad range of subjects – both fiction and nonfiction. When he travels, he takes a special interest in visiting castles, museums, historic sites and scenic overlooks.

Both at home and at the Princeton Club in New York he plays serious and winning backgammon, a game to which he became addicted after discovering that his earlier favorite, dominoes, is not commonly played by adults east of San Francisco. Shirley says that at first she used to beat him at backgammon. Then she bought him a backgammon book as a Christmas present, he studied it, and now he has turned the tables and defeats her regularly. In his first try at a backgammon tournament at the Princeton Club in New York, where the competition is high-grade, Charlie took third place in a large field.

Accomplished and proven in many ways, adaptable to the changes of a dynamic era, self-assured and self-controlled, and above all, having the capacity to inspire confidence in his peers – these are the primary marks of the new managing partner of the firm. As more of us become better acquainted with him we shall surely distinguish others. □