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## Birmingham: an office profile

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# Birmingham

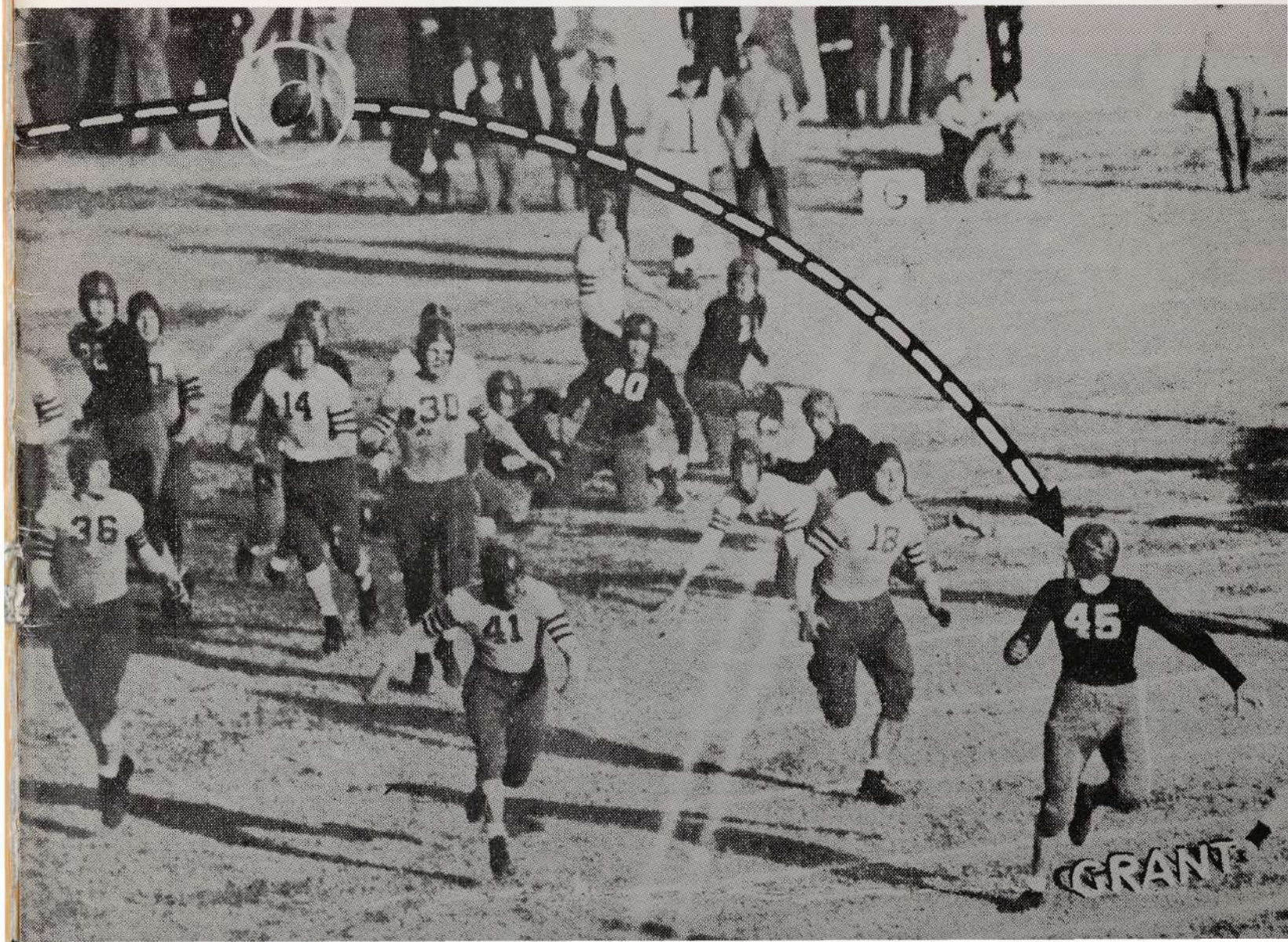
Looking Back with Pride,  
Looking Forward with Confidence

**B**irmingham is football country — sports capital of the South, and site of Legion Field, the arena seating more than 72,000 people, where some of the country's most exciting football is played. In Bir-

mingham, when people talk about the SEC, they usually mean the Southeastern Conference, which makes its headquarters in that city, rather than the federal agency.

In many respects the city of Birmingham today reflects the best elements

*Football is a deep-rooted tradition, a way of life in Birmingham and other cities of the South. Here, in a 1934 photo, University of Georgia halfback Cy Grant (in end zone) prepares to receive a pass in game against Auburn University.*



of really great football – the competitive nature, the imagination, the teamwork. It is a city whose people will boast one moment of their teams' athletic prowess and the next of the beauty of the floral displays that explode in bright bursts of color around homes and in parks in the spring, when the area celebrates its Dogwood Festival. Birmingham is a friendly city, where traditional southern hospitality soon makes converts of those moving there from other parts of the country.

Each year the trees and bushes that have been planted along the mall-like Birmingham Green grow taller and more luxuriant, providing a verdant oasis in the heart of the city's business district. At one end of Birmingham Green stands the modern First Alabama Bank Building, where Deloitte Haskins & Sells maintains a suite of offices on the eleventh floor.

For the Birmingham office, this past spring was a time of great transition – the change in name for the Firm, the retirement of the man who had led the office for more than twenty years, the taking over of the reins by a new partner in charge.

Ed Powers was a partner in the Birmingham firm of Scarborough & Powers, which he had formed five years earlier with J.J. Scarborough, when it was acquired by Haskins & Sells in 1956, and he was admitted to H&S as partner in charge of the office.

A native of Birmingham, Ed Powers was the driving force responsible for developing the DH&S practice in Alabama to the second largest of any of the Big Eight public accounting firms. (All Big Eight maintain offices in Birmingham.)

Long active in state and national professional organizations, Ed has served as president of the Alabama Society of CPAs, and at present is chairman of the Alabama State Board of Public Accountancy. He has been a very strong personal and professional supporter of Miles College, a Birmingham school with a black student body, and a client of DH&S.

Dan Norris, who was partner in charge of our Orlando office before transferring to Birmingham late last year to succeed Ed Powers, spoke of the role played by Ed in building the DH&S practice in Alabama.

"Between Birmingham and our affiliated office in Mobile, our practice covers the entire state of Alabama and includes substantial government work. Ed Powers is not only a first-class professional in his own right, but he brought in and developed outstanding people at all levels, from staff accountant on up. Indeed, the Birmingham of-



*Dr. H. Boyd McWhorter, commissioner of the Southeastern Conference, enjoys a light moment with DH&S small business services manager Bob Greer (r.) and Henry Denbo (l.), audit staff. The schools in the SEC, which makes its headquarters in Birmingham, include the University of Alabama, Auburn University, University of Florida, University of Georgia, University of Kentucky, Louisiana State University, University of Mississippi, Mississippi State University, University of Tennessee and Vanderbilt University.*

*Bob Wright (l.), DH&S audit manager, and Lawrence Preston, audit staff, tour Japanese Garden, part of the 67-acre Botanical Gardens located in Birmingham's Lane Park. The Japanese Garden is the only one of its kind in the South.*

office has been a major source of top-flight professionals both to other DH&S offices and to the private sector. What he's given us is a very strong base – both in clientele and in our professional group – on which to continue to build. The growth this office achieves in the future will reflect that foundation.”

The Birmingham office today is an unusual combination of youth and outstanding experience and technical qualifications. Of the three partners – Bob Wailes, accounting and auditing coordinator; Dilmus Richey, tax partner; and Dan Norris, PIC – Bob Wailes is the “old man” of the trio. Bob will be forty this fall. Dilmus turns thirty-nine and Dan thirty-eight this summer.

A native of Florida, Dan Norris graduated from the University of Florida. He attained the highest grades in Florida on

the November 1962 Uniform CPA Examination, a performance that earned him the award of the Florida Institute of CPAs and an Elijah Watt Sells certificate of honorable mention from the AICPA.

Dan joined the Firm's Leesburg, Florida office and later transferred to Miami. In 1971 he moved to Orlando, where, while still a manager, he was put in charge of the office in 1973. He became a partner in the Firm the following year. Despite his busy schedule since arriving in Birmingham, in addition to many business involvements, Dan has become associated with the local Big Brothers organization and participates regularly in its activities.

A native of Birmingham, Bob Wailes completed a tour of duty with the Marine Corps before graduating from the University of Alabama in 1964 with a BS degree.

He had joined the DH&S Birmingham office in 1962 and was awarded the Elijah Watt Sells gold medal for receiving the highest grades in the country in the November 1965 Uniform CPA Examination.

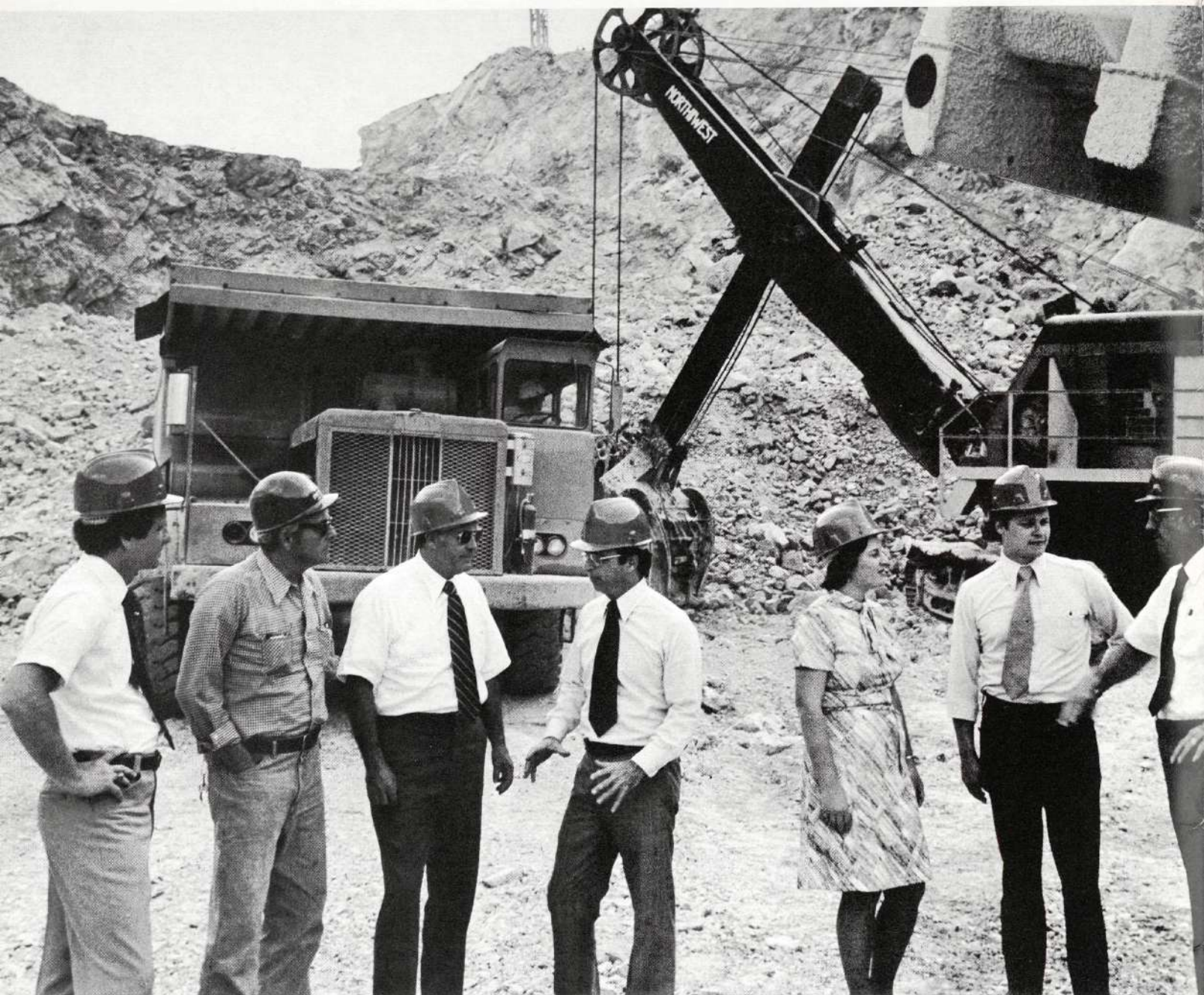
Bob was admitted to the Firm as a partner in 1972 and has been very active in the Birmingham chapter of the National Association of Accountants.

Tax partner Dilmus Richey was born in Grove Oak, Alabama and holds a BA degree from St. Bernard College. He spent years with the Internal Revenue Service, Dilmus joined our Birmingham office in 1969. He became a partner in 1975.

Dilmus is a member of the Birmingham Estate Planning Council and the Birmingham Tax Club. He is also past chairman of the University of Alabama Federal Tax Clinic.



*“... in the spring...  
the clouds of white dogwood  
punctuate the dark green pines in the  
surrounding countryside....”*



*Inspecting operations at Helena Quarry of Vulcan Materials Company are (r. to l.) Herbert A. Sklenar, executive vice president of finance and administration for Vulcan; Peter Clemens, Vulcan's controller; Roberta Byrum, DH&S audit staff; Dan Norris, Birmingham office partner in charge; W. Houston Blount, president and chief*

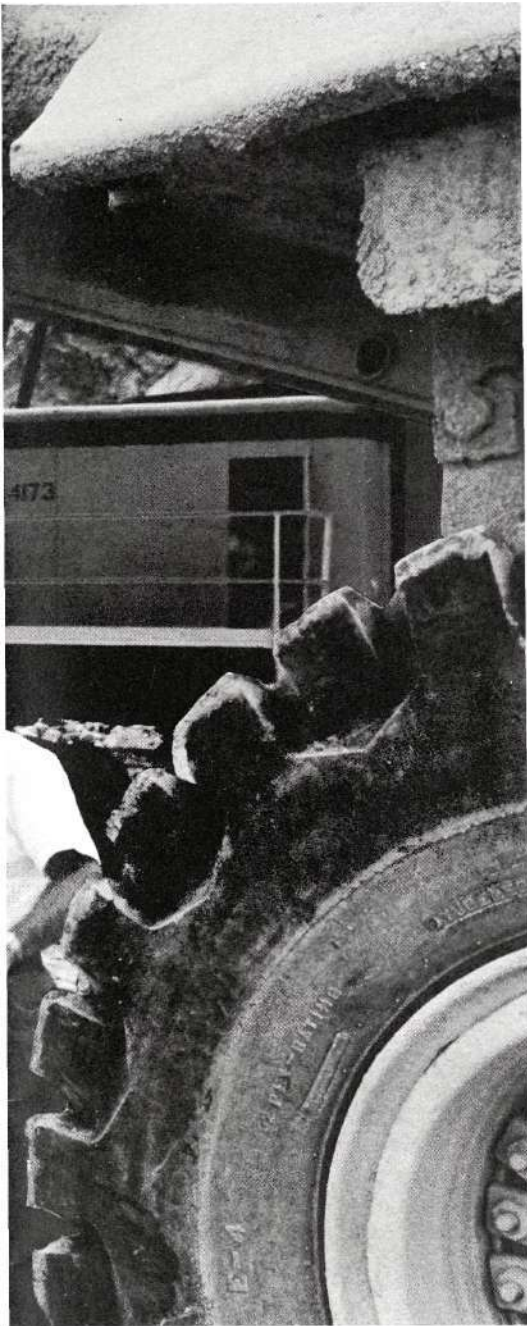
*operating officer of Vulcan; Howard Kay, quarry superintendent; and Mack Holloway, DH&S audit manager. Vulcan, which has operations in construction materials, chemicals and metals, mines limestone in the Helena and other quarries in the Birmingham area.*

portunity to function in certain areas and at advanced levels perhaps earlier than they might in a very large office. Manager Bob Greer, for example, is responsible for our expanded Small and Growing Business Services program. Bob Greer and audit manager Bob Wright are in charge of our recruiting program, while Bob Wright also heads the office training program. Charlie Coggins, Phil Lewis and Mack Holloway have all been involved this spring and summer in Firm programs. Charlie has attended meetings to increase his knowledge of computer systems and to broaden our expertise in the area of the Falcon/Forecast program. Phil and Mack have assisted in writing and

The Birmingham office boasts three winners of the awards for top grades in the state on the Uniform CPA Examination. Audit manager Phil Lewis won the award for his grades in the November 1971 examination, tax senior Randy Herring took first place in the May 1974 examination, and

audit staff accountant Roberta Byrum came in first in the state in the examination held in May 1977.

Dan Norris intends to take full advantage of the top-flight team he has inherited from Ed Powers. "We're of a size here in Birmingham that gives our people the op-



office has had excellent results from its recruiting efforts at all three schools. This explains, at least in part, why a majority of the people in the Birmingham office are from Alabama. They are, however, a fair number of professionals from other states.

"I think it's important to recognize that Birmingham has changed — and is changing," Bob Wailes pointed out. A major iron and steel producing center located virtually atop vast reserves of iron ore, limestone and coal, Birmingham for many years evoked the image of a grimy industrial center. And for a time the image reflected reality. In the past, steelmaking was a dirty process. For Birmingham, which sits in a

long valley, air pollution may have seemed at times an insoluble problem.

But it wasn't. Community leaders, elected officials and representatives of industry in the Birmingham area united and worked out a program to clean the air and beautify the city. The results are readily apparent to those who visit Birmingham today, especially if they have not been there for some years. "Obviously we are nowhere near perfection yet," Bob said, "but the people who live and work here, the businesses based in Birmingham and nearby, take pride in the city and its contributions to the country. If progress seems slow at times, we nevertheless have a goal and are

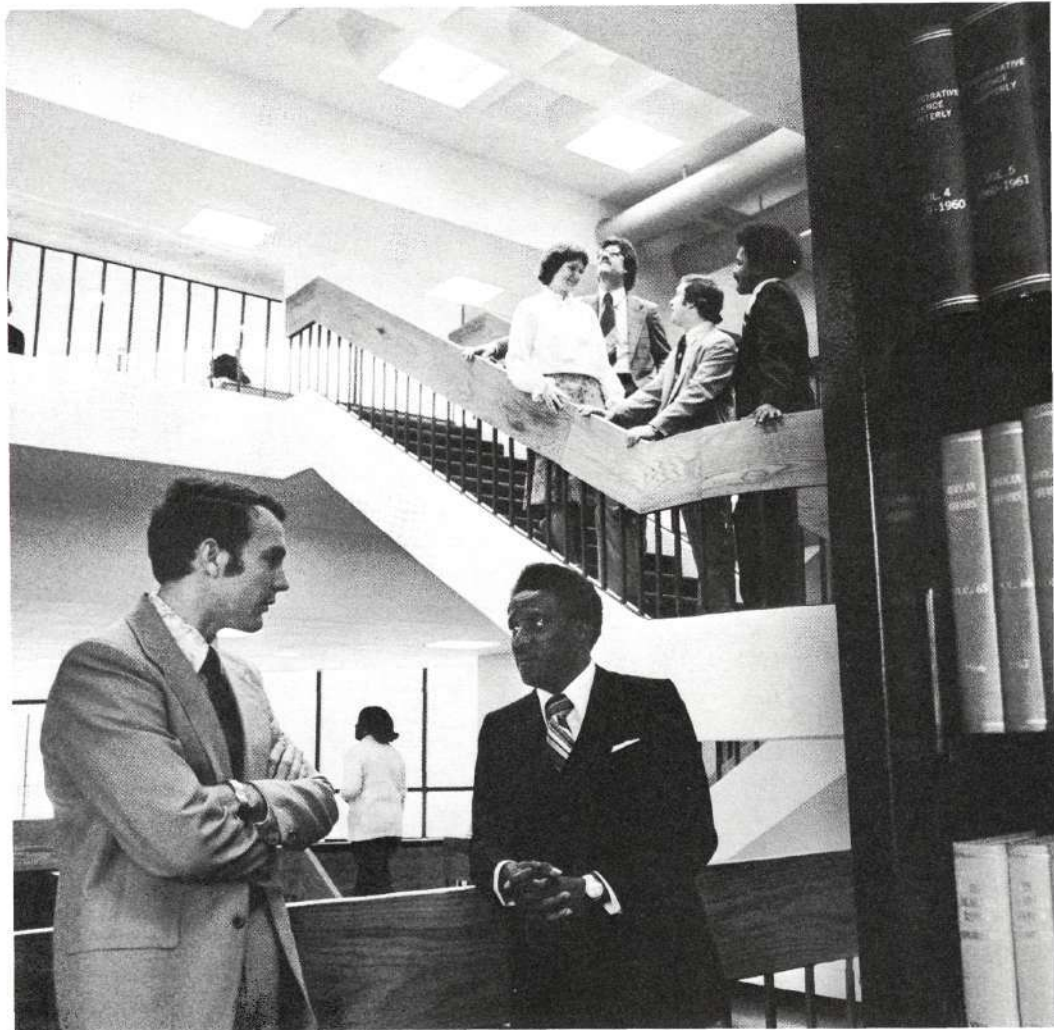
*Dr. W. Clyde Williams (r. foreground), president of Miles College, and audit manager Philip Lewis discuss financing of school's new library. On stairway behind them, touring the new \$1.6 million facility, are (r. to l.) William S. Armstead, vice president of administration and finance of Miles College; Phillip Guthrie, DH&S audit*

*staff; Terry Creel, tax staff; and Linda Alexander, audit staff. The library, opened this spring, is the newest addition to the Birmingham campus of the liberal arts college.*

updating certain of the Firm's continuing professional education programs.

"They receive supervision and assistance from a partner when necessary," Dan said, "but we believe in giving an individual added responsibility when he or she shows the capacity and a willingness to take it on. I've been most pleased by the eagerness they've shown and the cooperation they've given me since my arrival here in Birmingham."

Most of the office's recruiting efforts are directed toward Auburn University in Auburn, Alabama; the University of Alabama in Birmingham; and the University of Alabama in Tuscaloosa. Dan said the of-



## '...the city's future was secure.'

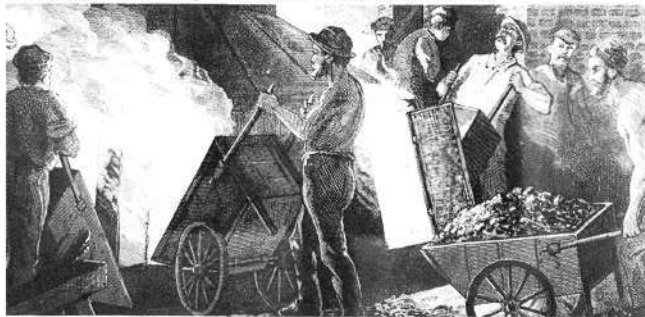
It is quite probable that the Indian braves who first roamed the valley at the southern end of the Appalachian Mountains in Alabama used the red rock found in abundance there for war paint. For their women, it proved an excellent dye. The first white settlers arrived in Jones Valley in 1813. Eight years later, Elyton, now part of Birmingham, became the county seat of what was by then a thriving farm community.

In 1858, with the release of a state geologist's report, the importance – and value – of the valley's extensive mineral deposits were recognized. The area was a key iron-producing center for the Confederacy during the Civil War.

It was the coming of the railroads that changed the future of the valley. Land speculators formed the Elyton Land Company and, in 1870 bought 4,456 acres of land at twenty-five dollars an acre near the hamlet of Elyton. The railroad was used to lay out a baseline for a new community, Birmingham, which was chartered on January 27, 1871. It was perhaps prophetic that the first building erected, other than the railroad camp, was a blacksmith shop.

Led by Col. James R. Powell, a land speculator of the first order, Elyton Land Company marked off a grid for the city of Birmingham and began selling lots. The first parcel, a lot at the corner of what is now First Avenue North and 19th Street, was auctioned off at \$100. Land was set aside and donated for

Making iron in 1873 – filling the furnace. From The Bettmann Archive.



churches; a brick manufacturer was invited to settle in the area with the pledge that the city would guarantee to purchase his entire output. A year after its birth, Birmingham had 125 houses, a 37-room hotel, 52 stores, two lumber mills, two gristmills, a newspaper, a livery stable, two bakeries, five boardinghouses and two restaurants.

Birmingham's future political importance was assured when Col. Powell, who had named the city after the English industrial center of the same name, employed what some considered questionable tactics in a referendum to determine whether the Jefferson County courthouse, then located in Elyton, should be moved to Birmingham. The courthouse was moved, making Birmingham the seat of Jefferson County.

In 1873 a cholera epidemic and a panic on Wall Street almost put an end to Birmingham. By 1878 the population had declined from 4,000 to 1,200. But the small ironmakers who had been attracted to the area by the rich ore and mineral deposits held on. The industry flourished when they found a better way to make iron, using coke produced from nearby coal deposits instead of charcoal.

The first of Birmingham's rolling mills opened in 1880, followed by foundries and machine shops. By 1890 there were twenty-five blast furnaces in the city, and the population had grown to more than 26,000. The city was a major terminal for six railroads.

In 1907 Birmingham's future balanced on a knife edge once more, as a financial panic engulfed the country. This time it was saved by U.S. Steel Corporation, which moved in and bought the financially ailing Tennessee Coal, Iron and Railroad Company, a major employer.

Only four years later, with U.S. Steel debating whether it should close down or expand its Birmingham operations, the city again faced disaster. Emmet O'Neal, then governor of Alabama and the father of Kirman O'Neal, founder of DH&S client O'Neal Steel, Inc., pleaded the case of the city and state at the annual banquet of the New York Chamber of Commerce. Present were Thomas Edison, Andrew Carnegie and, most important, J. Pierpont Morgan, Sr. Shortly after Governor O'Neal addressed the group, Morgan told him that U.S. Steel would proceed with the improvements in its Birmingham operations, and the city's future was secure. □

working toward that goal.”

Progress already has been made in two key directions. The first has been the general efforts to clean up the environment, notably by reducing substantially the level of air pollution. The second has focused on improving and beautifying the city and expanding its facilities. In addition to Birmingham Green mentioned earlier, the Birmingham-Jefferson Civic Center was dedicated recently. The \$64-million center, whose striking modern architecture sprawls over four city blocks, houses an exhibition hall with an area of 230,000 square feet; a 3,000-seat concert hall, home of the Birmingham Symphony; an 800-seat theater;

and a coliseum, primarily for sporting events, that has permanent seating for 16,500 people and can accommodate up to 18,000.

The Civic Center, of course, is only the latest addition to other long-established Birmingham attractions. Among these are:

- The Birmingham Museum of Art, with collections ranging from the Samuel H. Kress Collection of Renaissance Art and pre-Columbian, oriental and modern art to an outstanding display of Frederic Remington's famous bronzes of the old West and a superb collection of early Wedgwood pieces.

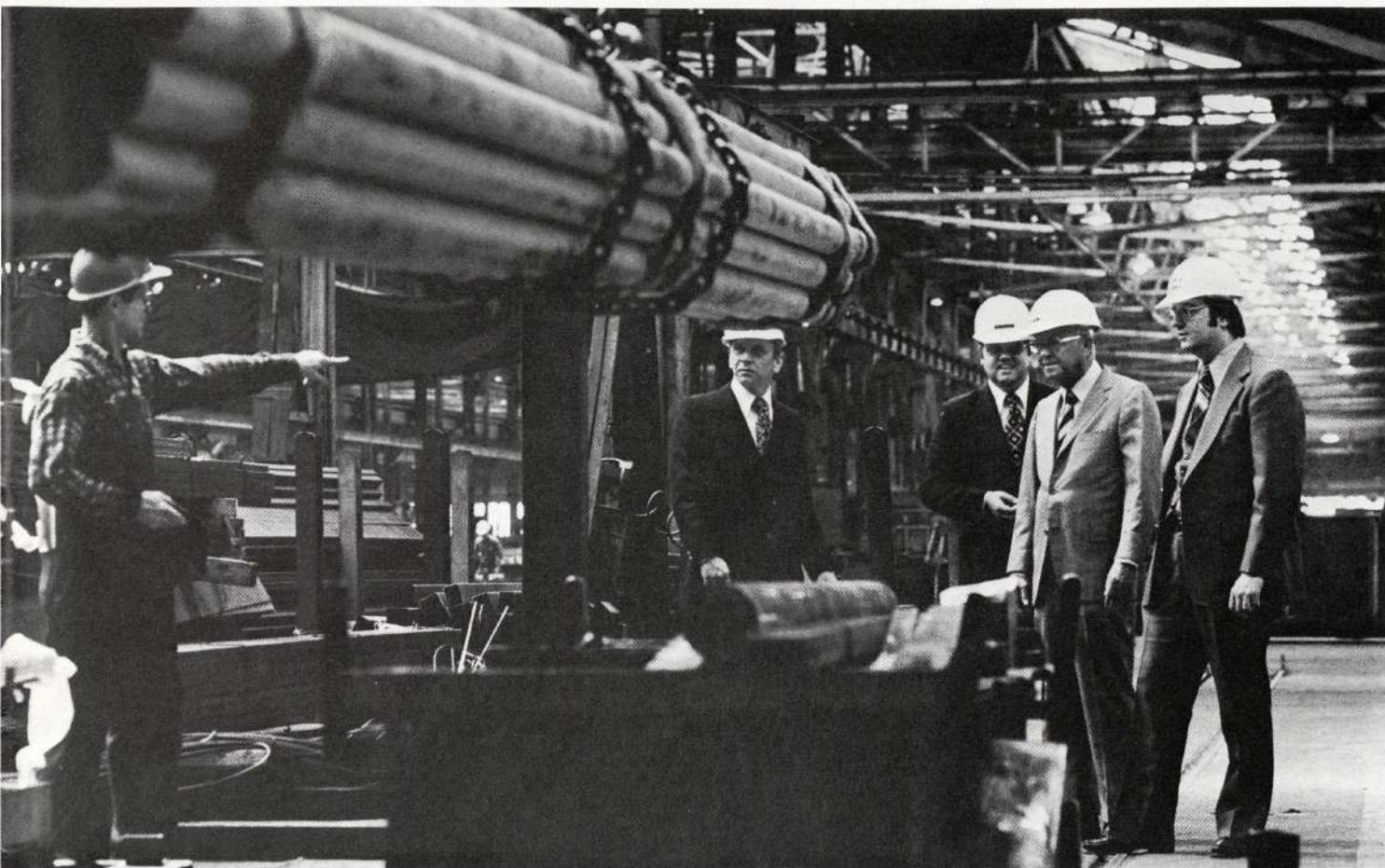
- Lane Park, site of the Jimmy Morgan

Zoo, largest in the Southeast, and the sixty-seven-acre Botanical Gardens, including the Japanese Garden, the only one of its kind in the South.

- The Arlington Ante Bellum Home and Gardens, a two-story mansion, Birmingham's oldest home, built in 1822 in Greek-revival style and now maintained as a museum open to the public.

One need not drive far from Birmingham to enjoy skiing in the winter (mostly manmade snow), a variety of watersports on the many lakes nearby, and hunting, hiking and camping in the open wooded areas or state forests.

“I think that one fact illustrates most



*Watching as worker prepares to move load of steel pipe are (l. to r.) DH&S partner Bob Wailes; Don Donaldson, treasurer and controller of O'Neal Steel, Inc.; Emmet O'Neal, president of O'Neal Steel; and Randy Herring, DH&S tax senior. O'Neal Steel, whose Birmingham headquarters offer the most complete steel service center facilities in the Southeast, also has twelve other branches in that part of the country.*



*Admiring display of antique oriental jade in Birmingham Museum of Art are (l. to r.) Steve Brake, DH&S audit staff; Brenda Barr, audit senior; Linda Lampton, small business services associate; Alan Hartley, audit staff; and Mike Catt, audit staff. The museum's collections range from Greco-Roman and Renaissance to the contemporary and include special displays of art of the old West and art of the North American Indian.*





*Ted Henry (r.), president of Henry Brick Company, Inc., and vice president Art Gleason explain operations of setting machine to DH&S audit senior Ann Hardman. Layers of unfired brick in foreground will be piled to predetermined height on truck and then moved into kilns. Henry Brick Company's completely automated plant, which has been in operation since the turn of the year, is designed to produce up to 120,000 bricks a day.*

*(facing page)*

*As truck loads seed from storage bins in background, Ed V. Welch (c.), chairman and chief executive officer of Ring Around Products, Inc., discusses seed market with Charles Morello (l.), small business services senior, and Charles Huffman (r.), DH&S audit senior. The client, whose headquarters are located outside Montgomery, Alabama, supplies a broad line of seed, including cotton, soybeans, corn and wheat, to farmers in the South, Southeast, West and Midwest from thirteen locations. Much of the seed is chemically treated to protect against fungus, other diseases and insects.*

*Bob Crump (c.), vice president and treasurer of Circle "S" Industries, Inc., points out special features of Weathertrol line of aluminum windows manufactured by the company's Disco Aluminum Products Company, Inc. subsidiary in Selma, Alabama, to Ann Hardman, DH&S audit senior, and Larry Rau, audit staff. Disco Aluminum produces a quality line of aluminum doors and windows, generally for commercial applications, which include energy-conservation features such as reflective glass and a venetian blind sandwiched between the panes of glass.*



clearly how Birmingham is changing," Bob said. "Up until a short while ago the largest employer in the city was U.S. Steel. Today that role has passed to the University of Alabama Medical Complex, a vast collection of hospitals, including one that has achieved an outstanding reputation for open-heart surgery and another that is the country's only facility devoted solely to diabetes research and treatment; schools of medicine, dentistry, optometry and nursing; and research centers."

The Medical Complex presently is in the middle of a large-scale expansion program, with new facilities being constructed adjacent to the existing buildings.

"It may be too early to say with certainty," Bob observed, "but it appears that the economic base of the city is shifting, becoming more diversified. Birmingham and the surrounding area are undergoing an expansion, but it's controlled growth. Birmingham is no longer a one-industry city — we're getting a broader base of business and industry here now than we've had in the past.

"This change is reflected in our own client makeup, which ranges from seed companies, steel service centers and a newspaper, to savings and loan associations, construction companies and paper producers. We're also becoming more heavily involved in government work. At the present time, for example, we're performing special work for the State of Alabama's Interim Joint Committee of the House and Senate on the Study of the Rise in Medicaid Cost." Clients of the Birmingham office include Jefferson Federal Savings and Loan Association and City Federal Savings and Loan Association, among the largest S&Ls in the state, and F.R. Hoar & Son and Robins Engineering, Inc., general contractors. Among the major clients of the affiliated Mobile office are Morrison Incorporated, Mobile Gas Service Corporation and First Bancgroup—Alabama, Inc.

Dan is optimistic about what the area's growth will mean to our practice there. "I think teamwork is the key, and teamwork not only means everyone working together toward a common goal, but assigning people where their strengths can be best utilized. We have an office basketball team that plays in the city's CPA league and has lost only three games in the past four years. It really helps to have someone like Dilmus Richey, who completed college on a basketball scholarship, as player-coach. But the fact is that the team has taken first place all these years because each player thinks of himself not only as part of the team but recognizes



that each member of the team has individual responsibilities." (Everyone is taking a wait-and-see attitude about a newly formed distaff softball team made up of wives and women from the office.)

Dan has begun what he expects will be an annual three-day spring training program for personnel of the Birmingham and Mobile offices. "I call it a training cluster," he explained. "because the program will include a range of subjects, with emphasis on continuing education requirements. I believe that a meeting like this provides the ideal opportunity for informal dialogue, where professionals can exchange ideas in a relaxed, comfortable atmosphere. It's im-

*Charles E. Charlton (r.), secretary of Southeastern Steel Container Company, and Bill Hulse (2nd l.), vice president of finance, point out operations of automated container line to Charles Coggins (2nd r.), DH&S audit manager, and Don Large (l.), audit senior. Southeastern Steel Container, which also operates two plants in Dallas, produces drums in addition to the five-gallon cans shown here, used to hold such products as paints and insecticides. The plant manufactures up to 18,000 five-gallon cans a day.*

portant to have everyone involved in the practice, to solicit and listen to their ideas, to make them understand that we are interested in what they think. Naturally we'll be leaving enough time for our people to take advantage of the recreational opportunities available at the resort where the session is held."

Dan's concept of teamwork probably is illustrated most clearly in his view of the office practice-development effort. "I think we have great potential for expansion in most areas of our practice. The economic growth taking place now in this area presents the opportunity for a parallel increase in our practice."

As a consequence, Dan is making practice-development everyone's concern. "I want all our people to be PD conscious," he said. "I have met individually with every professional in the office for three to four hours to get to know them and their interests and aptitudes, to discuss Firm and office objectives, and to counsel them on what they can do to support the practice-development program and other office programs in the future.

"We want to find out where their inter-

*DH&S Birmingham's championship basketball team in action. In photo at right audit manager Charles Coggins (#12) sends ball on its way to add two points to score in game against another Big Eight five. Scrambling for ball in top photo are (from left in dark jerseys) audit senior Mike Worrell, Charles Coggins and tax senior Randy Herring. In bottom photo, Birmingham PIC Dan Norris (front left) leads DH&S cheering section at game our team won 63 to 37.*

ests lie so that together we can concentrate their efforts in those areas. I don't like the idea of asking someone to join an organization or take on a project unless it's something he or she wants to do. By talking to our people, I can determine where they fit in best and can encourage them to reach out in those areas that are supportive of personal interests and Firm and office objectives. The range of activities of our professionals is broad enough so that I feel sure we will be well represented in all the areas of importance to us. Their involvement ranges from dealing with minority businesses and work with the Birmingham Symphony to memberships in flying clubs and participation in a cultural exchange program. Staff accountant Linda Alexander, for example, will spend ten days abroad this summer as part of a cultural exchange program sponsored by the Friendship Force, an Atlanta-based international organization. Under the program a cross section of 'ambassadors' from participating cities spend ten days with host families in other countries where one member of the family has a related occupation.

"I am convinced," Dan said, "that it is vital to get our people as deeply involved as possible in Firm-wide activities. This not only broadens their professional horizons, but also makes them more valuable members of the Birmingham team. Their positive and enthusiastic response really has been gratifying.

"We see the practice-development effort also playing a key role in building our small business services practice. This should be a particularly strong area for us in the near future, and we're starting now to focus on those businesses that show signs of stability and the potential for long-term growth.

"I said earlier that Ed Powers had provided us with the foundation we need to





take advantage of the future in Birmingham. Perhaps springboard would have been a better term. We have an improving, growing economy here in Birmingham, and a group of professionals that can only be described as first class. I think it's a winning combination."

Atop Red Mountain, some 600 feet above the city of Birmingham, stands a statue of Vulcan, the Roman god of the smith and metalworking. The statue, fifty-five feet high, was cast of Birmingham iron in Birmingham foundries. Standing on a pedestal 124 feet high, the statue surveys the long valley and the city that lies within it. The choice of Vulcan was appropriate, not only because he was the god of metalworking, but because he was the husband of Venus, goddess of beauty and love. And in the spring, when the pink and white dogwood trees and azaleas burst into bloom in Birmingham, and the clouds of white dogwood punctuate the dark green pines in the surrounding countryside, the contrasting elements that have produced a city proud of its past and with confidence in its future become most clear. □