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People in DH&S: Richard D. Skelly

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Richard D. Skelly
Dick Skelly's last visit to Cuba, where he was born, was in 1969. "After completing work for a client in Pennsylvania," he recounts, "I was flying from Pittsburgh to Atlanta for a connecting flight to Miami. The Midwest was being swept by a blizzard, and it was snowing in Pittsburgh when we took off, so I thought myself lucky to be heading south, away from the bad weather."

As the plane in Atlanta was preparing to depart for Miami, Dick admits that his suspicions were aroused by three passengers sitting near him. "It was the height of the 'take-me-to-Cuba' period," he said, "and these three were sitting there wearing sunglasses and gloves. Sure enough, off the west coast of Florida, they pulled guns and announced that we were detouring to Havana, where we landed that evening."

The layover in Cuba was tense but uneventful. The passengers, minus the hijackers, were flown to Miami the next day and Dick never even had a chance to say hello to Fidel Castro, the man who married the girl next door. "Fidel married the daughter of our neighbors in Banes, where I was born and grew up," Dick said. Fulgencio Batista, president of Cuba during the 1950s, whose regime was overthrown by Castro's revolution, also was a native of Banes.

Banes is a city on the north coast of eastern Cuba where Dick's parents, originally from Connecticut, settled late in the 1920s. His father was superintendent of railroads for United Fruit Company (now United Brands), which had large holdings in Cuba. For Dick, his two brothers and a sister, growing up in Cuba meant exciting excursions on horseback, boating and swimming in warm tropical waters, and attending the one-room schoolhouse that United Fruit maintained for the children of its U.S. employees. There were thirteen students in the school when Dick graduated.

Dick speaks Spanish like a native, which, considering the circumstances, is not surprising. "Under Cuban law, we were required to receive two hours of instruction in Spanish in school every day. My parents spoke English at home, of course, and so I grew up speaking English with my parents and other Americans in Banes and Spanish with the Cubans, without even realizing most of the time that I was switching from one language to the other."

After completing primary school in Cuba, Dick became a resident student at Mount St. Joseph High School in Baltimore, where he had an uncle. "United Fruit paid part of the tuition, and also allowed their employees and families to travel on their ships, so I could go home to visit the family during summer vacations."

The Korean conflict interrupted Dick's formal education. Graduating from high school, he began a three-year tour with the U.S. Army that included twenty-one months in Korea with the Army Security Agency monitoring North Korean and Chinese radio communications.

Receiving his discharge from the military in November 1953, Dick started the new year by entering the University of Florida in Gainesville under the GI Bill, with a major in inter-American trade. The college years were busy ones for Dick, who supplemented his income by working part time in the

Dick Skelly (r.) confers with Robert Brooks White, financial and legal vice president for Bacardi Imports, Inc., in lobby area of Bacardi's national headquarters in Miami. The lobby is regularly used to house exhibits of painting and sculpture.
The early years, during which he worked closely with now-retired partners Hugh Purvis and E. Frederick Halstead in what was then a four-man MAS group, were exciting ones for Dick. "Hugh Purvis, who came to DH&S when we merged with the Miami-based firm of Pentland, Purvis, Keller & Company, was what I would call the perfect example of the true Southern gentleman. I think if I had to sum up Hugh Purvis, it would be to say simply that he cared about people, that they were important to him."

By this time, many of Dick's old friends and acquaintances who had left Castro's Cuba and settled in Puerto Rico had risen to high posts with their companies. Dick was assigned to pioneer our MAS practice in Puerto Rico (which now has its own MAS team), and he later played an important part in expanding the practice into Central and South America.

Dick was made a director in 1975, about a year after the firm had announced that in the future the Miami office would be responsible for supporting all MAS activities in areas south to the equator and that Buenos Aires would have parallel responsibility below the equator.

"We've come a long way since those early days, a long way in only ten or twelve years," Dick observed. "The Miami MAS group now consists of nine people, including three in Puerto Rico, and there are six MAS people in Mexico, two in Colombia, three in Ecuador and one in Venezuela. Miami, of course, continues to provide support and assistance to offices in these countries when requested.

Dick enjoys discussing Latin America. "I like to talk about things I know," he says with a smile, "although perhaps it's more accurate to say that I don't like to talk about things I don't know." But the fact is that his work in the United States and his expertise in our Latin American practice have helped in other areas as well.

"The computer was essentially an American development — North American, that is. Because of our long familiarity with electronic data processing," Dick pointed out, "we forget sometimes that our sophistication in EDP and its myriad applications tends to run ahead of certain other parts of the world. I suppose you could call these countries emerging nations, emerging into the age of the computer but enjoying the advantage of having available to them today's advanced state of the art. For these countries, the selection of people, consultants who not only know computer technology, hardware and software but understand the particular and individual problems and needs of the client in its national context, is critical. Careful selection, application, analysis — all are important if the solution to the problem, the answer to the need are to be found. Otherwise, you'll be giving a huge dump truck to a man who wants to carry an occasional small load of firewood, or an expensive high-performance road machine to the proverbial little old lady who uses her car only to go to church on Sunday."

A good example is the Natal Building Society, a major South African financial organization similar to a savings and loan institution in the U.S. By the mid-seventies, Dick recalls, convinced that it had outgrown its EDP system, the NBS decided to seek outside assistance. Executives of the Society came to the U.S. to talk to various consulting organizations, including Deloitte Haskins & Sells. During their stay in New York City, they conferred with Bob Niemeyer, who before his retirement was one of the Executive Office coordinators for Management Advisory Services.

Bob referred the South Africans to the Miami MAS group, which had extensive experience in similar engagements. After the NBS representatives had conferred with Fred Halstead, Dick Skelly and MAS manager Juan Galan, DH&S was given the engagement on the spot. Both
Dick and Juan were on the team that was assembled to handle the project. The result was the development and implementation of a new, highly efficient system for the Natal Building Society that has worked, according to the client, superlatively.

Another important development took place about the same time — 1975 — that provided DH&S with an important key to the prestigious banking community of Latin America. In 1974, the Banco del Pacifico opened its doors in Ecuador. A private bank headed by general manager Marcel Laniado, Banco del Pacifico has its headquarters in Guayaquil.

“The bank wanted an on-line system, an EDP system that would tie together all branch terminals and the main headquarters computer using telephone lines,” Dick said. “There was nothing like it in Ecuador at the time, and the hardware manufacturers told us that, for any number of reasons, it simply could not be done. But we selected a system and supervised its installation, and it works — works so well, in fact, that Sr. Laniado’s praise of our work has led to a number of other important engagements in Latin America.”

At the moment Dick is particularly enthusiastic about talks we are having with CAFAM in Colombia.
an acronym for the Spanish name of a very large private-sector social-service entity. It is vaguely analogous to our Social Security agency but far more diversified. According to Dick, CAFAM was established to better the life of the low-income worker, and it operates everything from medical and dental clinics, high schools and vocational schools, to drug stores and supermarkets.

"CAFAM has been using an outside EDP service bureau," Dick explained, "and we were asked to survey the system and offer recommendations. We recently presented our preliminary report, which recommends that CAFAM adopt an in-house EDP system, and its board of directors approved the report."

For Dick, much of the fascination and excitement of Latin America lies in the potential of that part of the world.

"There's so much happening there," he observed, "so much that can affect the future. The people have a growing sense of pride in themselves and their heritage, a growing nationalism. At the same time there is an awareness of the need to accelerate their progress in certain areas: accounting is one of these, electronic-data-processing applications are another.

"There is," Dick continued, "increasing recognition of the need to upgrade the education of the accountant in Latin America, to demand more of the individual who wants to enter the accounting profession and to raise the standards of the profession itself. People in other parts of the world often forget that Latin America is a group of independent countries and that it's not really accurate to talk about Latin America as if you were talking about the fifty states of the U.S. But certain trends are common to many, perhaps even most, South American countries.

"Two developments are typical. The first is the considerable number of Latin Americans who have studied at our business schools, frequently sent by their fathers to prepare them for the day they take over the family businesses. These are people who now are familiar with the most sophisticated and advanced business, management and financial techniques and who are applying these techniques in their own countries."

The second important trend, according to Dick, is the growing preference of Latin American businesses for full-service accounting firms. Here, too, he says, a part of the reason for this development is the growing awareness in Latin America of the full range of services offered by these firms and how these services can be of benefit.
Dick Skelly is pragmatic and realistic, and as objective as a computer printout — and beneath it all, the humor of his Irish ancestry. Describing his unexpected overnight visit to Cuba — "I decided it was advisable not to boast about my return to the homeland" — and his stays in Central America during periods of civil unrest (one minor revolution and one attempted coup by the military), Dick says, with barely a flicker of a smile: "Well, it does keep you from being bored."

"For business, it's all part of an increasing sophistication, a growing familiarity with the services that are available. This, of course, ties in with the firm's long-range program to develop a strong corps of nationals in all our Latin American offices. This builds confidence in our firm in those countries and improves communication."

"It has been apparent for some time that the program is working well," Dick continued, pointing to the growth of our domestic practices in Latin American countries. "Years ago most of our work was support services for U.S.-based clients with operations in those countries. As our reputation has grown in Latin America, as our corps of nationals has expanded, so too has the number of engagements we have received from Latin American clients. In some countries new laws requiring more stringent recordkeeping, the implementation of more formal financial systems have led to MAS engagements. And these often result in engagements for additional audit or tax services."

Dick is very excited about the relatively recent introduction of the minicomputer, a development that he believes will have far-reaching effects on business and industry in the United States and Latin America.

"The name minicomputer is deceptive," Dick pointed out, "because the field includes remarkably sophisticated and versatile equipment. There's been a lot of talk about and articles written on the subject of how every home can now afford its own computer. But the real impact of minicomputers — compact, high-capability and high-performance units available at much lower cost than older equipment — will be on the vast numbers of businesses that couldn't afford EDP operations in the past. In effect, the minicomputer has opened the age of the computer to a new and substantial part of American business. It may yet be somewhat unrealistic to talk about a computer in every home — a somewhat expensive and exotic gift for the man who has everything — but it's far from wishful thinking to look to the time when even a small business can afford an in-house computer. You might even argue that we've reached that point already.

"What you have to consider," he added, "is the number of businesses that, up to now, have not been large enough to make use of the advantages of EDP — from a financial point of view. In simpler terms, it would have cost them more to obtain computer services than they would have saved using those services. The greatly reduced cost of minicomputers has changed all that and put the advantages of EDP within their reach. I think this is a development that will have a very significant impact on the economy of this country in the years ahead."

Dick sees a somewhat parallel situation in Latin America. "There's a real excitement about the minicomputer among Latin Americans," he explained, "because it gives them access to electronic data processing in an advanced, yet low-cost form. Latin American business doesn't have the heavy investment in hardware and software that we have in this country; an investment that is tied to the birth and development of the EDP industry here. I think the minicomputer is going to have a very substantial effect on Latin America — as it probably will in this country and in other parts of the world. It may well be one of the most significant technical breakthroughs that's come down the pike in a long, long time."

Although his work requires him to be away from Miami a fair amount of time, Dick spends as much time as possible with his four children, three of whom are living at home. His wife and oldest daughter, Marguerite, were killed in an auto accident in 1976.

Daughter Mary Ellen is a senior majoring in psychology and marketing at Barry College in Miami Shores. Richard Jr. is studying accounting at Bentley College in Waltham, Mass., while William is a high-school freshman. Eleven-year-old Colleen is in the sixth grade.

Fortunately for Dick, his children enjoy golf — perhaps his only real interest other than his family and work — as much as he does. William, in fact, is good enough to be on his high school golf team despite his freshman status.

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