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Philadelphia: an office profile

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OFFICE PROFILE

Philadelphia

In Philadelphia three hundred years of history are as real as the old narrow streets in the Society Hill section with ruts worn in the cobblestones by the horse-drawn carriages and wagons of long ago, as real as the Liberty Bell, Independence Hall or nearby Valley Forge. On a mild autumn

morning, as traffic builds on the pikes, expressways and highways leading into the city, oars dip and sweep, occasionally catching the sun, as sculls glide through the morning mist on the Schuylkill River.

At Penn's Landing on the Delaware River the wooden-hulled, square-rigged

Gazela Primeiro, built in Portugal in 1883 as a fishing boat and still virtually as sound as the day she was launched, dreams under a warm sun of voyages lasting up to six months on the Grand Banks off Newfoundland. Berthed nearby, aging veterans for children of a newer age to stare and wonder at, are



the U.S.S. *Olympia*, the cruiser that served as Commodore (later Admiral) George Dewey's flagship during the Spanish American War, and the U.S.S. *Becuna*, a submarine that saw combat in the Second World War.

During the autumn of 1980 three hundred years of history were forgotten as the city reveled in the fact that its baseball team, the Phillies, was a contender for the World Series championship. Banners flew from store fronts, from lamp posts, from City Hall itself. The streets were deserted on the nights of the home games, when all those without the prized tickets to Veterans Stadium either rushed home or jammed themselves into bars to watch the contests on television. Philadelphia has always been a great sports town, and when the Phillies, after ninety-eight years, took their first World Series, Philadelphians celebrated with what could only be termed appropriate enthusiasm. Only three months later the city's sports fever rose to another peak when, also for the first time, the football Eagles were named to meet the Oakland Raiders in Super Bowl XV.

There have probably been more "put-down" jokes about Philadelphia than about any other city, due in part to the biting humor of native son W. C. Fields. When speaking seriously, however, both Philadelphians and their neighbors to the east in Camden, New Jersey, express a strong loyalty to and pride in the region.

It is this very geographical location that serves as the focus for a campaign spearheaded by the city's business community to promote Philadelphia as America's First International City. Operating under the name of the Greater Philadelphia International Network, Inc., or GPIN, the organization points out that the Port of Philadelphia is the largest industrial port in the United States and the largest in international trade on the eastern seaboard. A large portion of the port area has been designated a Foreign Trade Zone, providing a broad spectrum of financial, tax and other benefits to foreign manufacturers and importers.

Philadelphia has much to offer in attracting overseas and domestic business to the area. Today, the city's historic loca-

Dominic Sabatini (r.), managing director of OPDC Penn's Landing Corp., leads Philadelphia PIC Joe Healy (2nd l.), audit manager Jim Lavin and staff accountant Ellen Wolf off dock after visit to the square-rigged, wooden-hulled Gazela Primeiro, a former Portuguese fishing boat. In the background you can make out the Olympia, the cruiser that served as Admiral George Dewey's

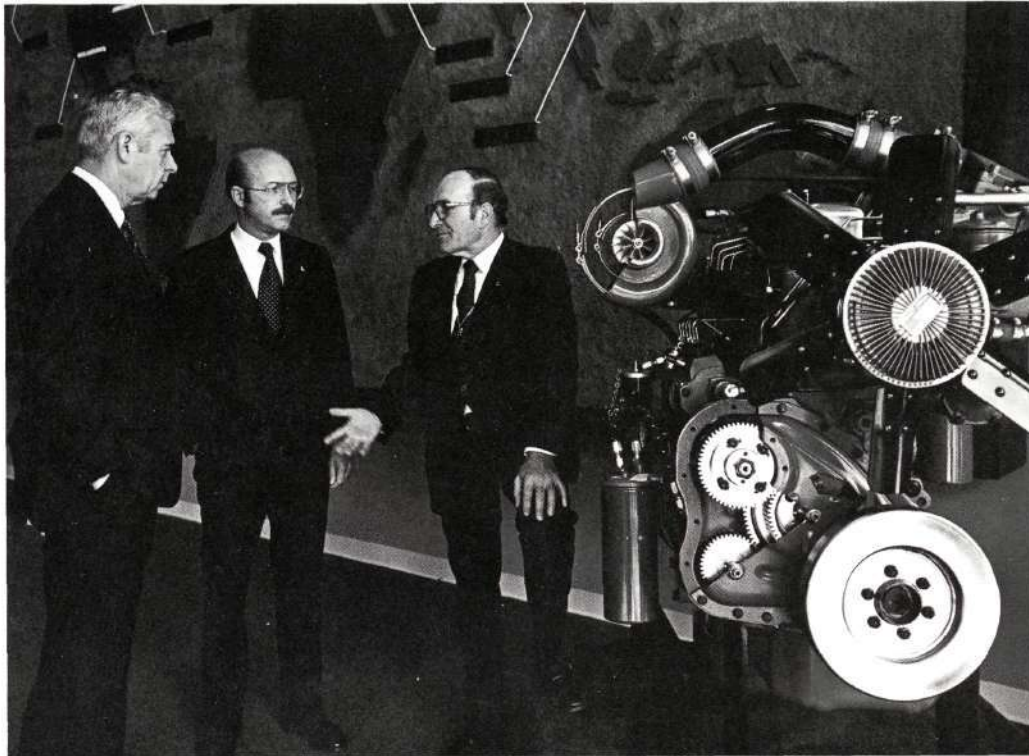
flagship during the Spanish-American War, and the conning tower of the U.S.S. Becuna, a World War II submarine. OPDC Penn's Landing was formed in the 1960s as a not-for-profit organization to develop the waterfront area that now includes a boat-turned-restaurant, a maritime museum and the three vessels mentioned above.



tions are literally surrounded by new office buildings, hotels and shopping complexes under construction. Philadelphia is favorably located in relation to major eastern markets — particularly the Washington, D.C.-New York City-Boston corridor — and it is accessible to these and other important markets and business centers such as Chicago through a substantial network of highways and railroad systems as well as air terminals linking Philadelphia with the rest of the United States and the world. In promoting Philadelphia, GPIN notes the availability of legal, banking and other financial services; the vast range of recreational and cultural activities nearby; the city's long tradition of being able to boast of being home to some of the country's finest educational and medical institutions. In what may be the most revealing indication of GPIN's cosmopolitan approach, the statement that the advantages of Philadelphia "... encompass the entire Delaware Valley, a long, wide strip extending from the State of Delaware north into New Jersey, and well to the west of Philadelphia."

Under partner in charge Joe Healy, the Philadelphia office of DH&S tends to think of its practice in the same rather wide-ranging terms. "We don't really talk about the Philadelphia practice and refer only to our Philadelphia office clients," Joe said. "We have affiliated offices in Allentown, about fifty miles to the north, and Wilmington, Delaware, some thirty miles to the south. Our practice covers an area that includes the State of Delaware and roughly the eastern half of Pennsylvania." The Appalachian and Allegheny Mountain ranges, running roughly north to south, divide the state close to its middle and serve as a natural boundary separating the Philadelphia and Pittsburgh practice areas.

There are few cities as rich in American history as Philadelphia. Henry Hudson discovered the Delaware River in 1609, and for about the next sixty years the Swedes, Dutch and English contended for control over the area stretching from Wilmington to Philadelphia. In 1681 England's King Charles II approved a petition by William Penn for a grant of land in the New World in part payment for a sizable claim by Penn against the crown. A



(above)

Alfred W. Pelletier (r.), chairman and chief executive officer of Mack Trucks, Inc., discusses features of new Mack Super Saver 350 diesel engine with Guy D. Coffelt (l.), Mack executive vice president for finance, and George Spill (c.), partner in charge of the DH&S Allentown office. Some cover sections of the engine, on display in the lobby of Mack's Allentown headquarters, have been cut away to show the internal workings of the high-efficiency engine.

(below)

Philadelphia partners Bob Schapperle (r., facing camera) and Joe Cappalunga (l., facing camera) confer with students at the conclusion of a class in auditing at The Wharton School of the University of Pennsylvania. Bob, who has been teaching the auditing course as part of The Wharton School's MBA program, occasionally enlists the expertise of DH&S people like Joe.





Jim Gabrellas (3rd r.), vice president for administration/finance for Philadelphia Gear Corp., explains part of machining operation to DH&S tax partner Frank Carolan (r.) and audit partner Bill Cobb (2nd r.). Behind them, inspecting a large gear in the company's King of Prussia, Pa. facilities, are (l. to r.) John Yaglenski, corporate controller for Philadelphia Gear; DH&S audit manager Bill MacDonald; and Philadelphia Gear treasurer Charlie Slinghoff. The company produces precision gears and gear drives to customer specifications for use in many industries, as well as valve controls, linear activators and mixers and aerators.

Quaker, Penn wanted to found a colony that would be a refuge for people of all faiths and beliefs. A group of his representatives and several boatloads of emigrants preceded Penn to the new colony of Pennsylvania, while he remained in England to settle certain boundary claims and wind up other related matters. Penn had instructed the advance parties to select the site for what would become the chief city and capital of Pennsylvania. The city was to be named Philadelphia, from a Greek word meaning brotherly love. Penn finally arrived in New Castle (Delaware) in October 1682, took formal possession of his territory, and continued up the Delaware River to the site chosen by his representatives for Philadelphia.

The earliest colonists in Philadelphia had

been forced to dig caves to shelter their families. Following his arrival, Penn supervised the layout of streets, and by the summer of 1683 about eighty families were housed in reasonable if rough comfort. Only two years later the population of Philadelphia had blossomed to about 2,500 people living in some 600 homes built of wood, stone or brick. Philadelphia was the capital of the commonwealth from 1683 until 1799. Following the end of the American Revolution, it was also the capital of the new United States from 1790 until 1800. The city had a population of more than 41,000 by the beginning of the nineteenth century, while the population of Philadelphia County had increased to nearly twice that figure.

Benjamin Franklin, then a young printer,



ter of wealth created by trade and commerce — a vital port city — with an excellent road system linking it with other Pennsylvania cities. By 1751 a line of packet boats ran on a regular schedule from Philadelphia to New York, and a stagecoach line was added only five years later.

Anne Myers of the Philadelphia office small business services staff and John Rooney, audit staff, stroll through NewMarket, a collection of shops and restaurants popular with tourists and Philadelphians alike. NewMarket is in the older section of the city that includes Society Hill, Head House Square and other historic locations.

The growing unrest of the colonists over England's tax and import-duty policies was apparent in Philadelphia as well as in Boston and New York. The First Continental Congress assembled in Carpenters' Hall in Philadelphia in September 1774. Two months later twenty-eight young men of the city formed the Philadelphia City Cavalry (better known as the First City Troop) and volunteered their services to the Continental Congress. News of the battles of Lexington and Concord reached Philadelphia in April 1775, and the focus of the movement for American independence shifted to that city the following month with the meeting of the Second Continental Congress. The following January Thomas Paine, then a writer in Philadelphia, produced his pamphlet titled *Common Sense*, urging separation from England. The Declaration of Independence, written by Thomas Jefferson in Philadelphia, was approved by the Continental Congress on July 4, 1776. Four days later it was read to a crowd of people assembled on the State House lawn, after which the bell in the State House tower, now the hallowed Liberty

Bell, was rung and bonfires lighted in celebration.

That same July Philadelphia sent five battalions to join the forces of General George Washington, only to have the British occupy the city a year later following their victory at the Battle of the Brandywine. The British spent the hard winter sampling the cosmopolitan delights of Philadelphia, while Washington's army, cold and hungry, shivered in crude shelters at Valley Forge, only twenty-five miles to the west. The British evacuated the city in June 1778, and the American forces and Congress returned. From 1785 until 1790 the government of the new United States was seated in New York. In the fall of 1790 the government moved to Philadelphia, where it remained for the next decade while the city of Washington was being built on the banks of the Potomac River.

Philadelphia today is a city of contrasts. A visitor can go from the bustle of the

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arrived in Philadelphia from Boston in 1723. It was Franklin who published a pamphlet in 1749 that led to the establishment of a "College, Academy and Charitable School" which eventually became the University of Pennsylvania. Franklin was instrumental in the establishment of the Pennsylvania Hospital in Philadelphia, and used his printing and publishing business to spur many civic improvements.

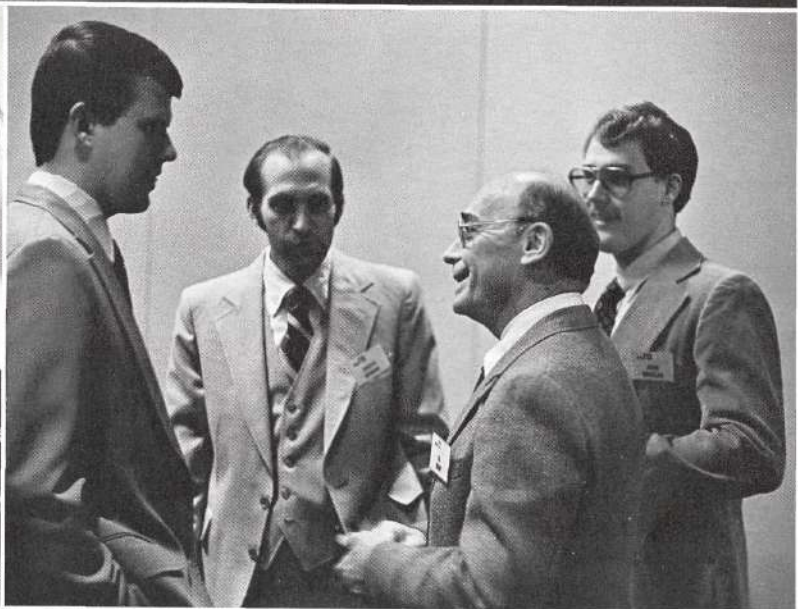
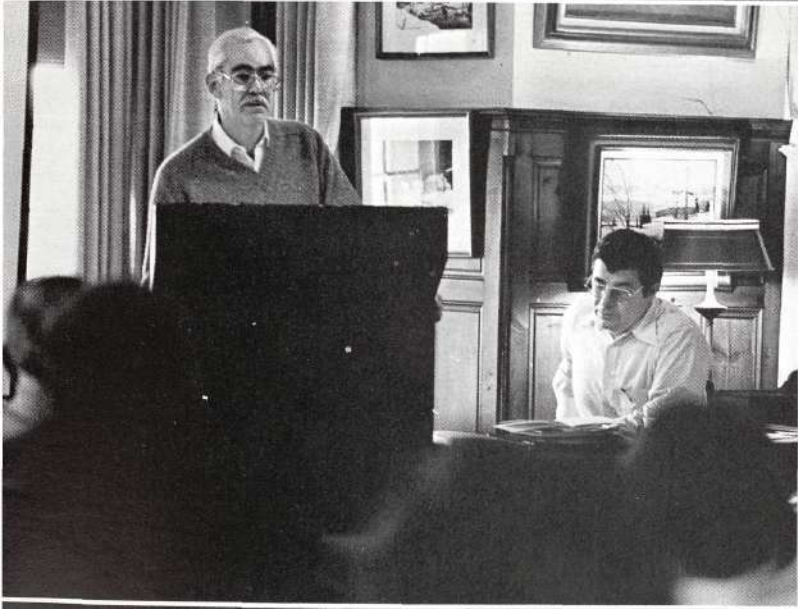
Long before 1800 Philadelphia was the leading center of philosophy and science in America, and it was the financial center of the country from well before 1800 up to about 1836. By the time Penn died in England in 1718, Philadelphia was known as the City of Homes and regarded as the most beautiful city in North America. It had become a cen-

The Philadelphia-area offices held their annual management seminar at the Skytop Club in the Poconos at the end of October. Alumni were invited to attend the two-and-a-half-day program which included both general sessions and specialized seminars. Attendance was 110 people, of whom 35 were alumni. In addition to the large complement of speakers from the Philadelphia-area offices (Philadelphia, Allentown and

Wilmington), presentations were made by Dr. Seymour L. Wolfbein, professor of business administration at Temple University, who gave the keynote address; Rudolph H. Schellenberger, general auditor for The Penn Central Corporation; L. John Goldberg and Stephen G. Graves, both vice presidents of Johnson & Higgins; Bob Atwood, partner in charge of the DH&S National Affairs office in Washington, D.C.; James B.

Miller and Walter C. Meck from DH&S Pittsburgh; G. William Clapp, DH&S New York; and Joseph A. Lopez, James H. Quigley and H. Dean Sellers, all from Executive Office. The photos shown here were taken at the general sessions, the specialized seminars and evening receptions.







His Eminence Joseph McShea, bishop of the Roman Catholic Diocese of Allentown, bids farewell to Allentown partner Al Bova after the latter's visit to Bishop McShea's residence. The bishop's ties to DH&S stretch back to the 1920s, when his father, a CPA, worked for Haskins & Sells. The diocese is a client of the Allentown office.

the Philadelphia office closely reflects the practice itself — that is, the accounting and auditing group has 65 people, while the tax, MAS and SBS groups each have some 15 professionals, figures approximating their proportionate share of the practice.

"We feel it's important to operate as efficiently as possible," Joe Healy observed. "We want to give our clients maximum service, but we also believe that efficient operation not only benefits our clients but our own people as well. Simply put, this means that we look at the three-office practice essentially as one coordinated unit. We provide Allentown and Wilmington with whatever people are necessary, with the expertise that is needed, when needed, and they return the favor. For that matter, our MAS complement here is a support group for DH&S offices in the northeast region of the country."

The practice has also been shaped by the changing nature of the economy and business climate in Philadelphia and eastern Pennsylvania. According to Joe, business not only has been moving out to the suburbs, a not-unusual phenomenon in today's large cities, but emphasis has shifted away from manufacturing to governmental operations, service-oriented businesses and the wholesale trade. This has meant that the profile of business in Philadelphia is not dominated by one or a few industries, but is made up of a diversity of primarily medium-size businesses.

"Our practice," he said, "is strong in the governmental and the not-for-profit sectors, but otherwise our clientele ranges across the board and reflects closely the variety of businesses located in eastern Pennsylvania."

This diversity of clientele and the opportunity such a practice offers new staff accountants have proved to be a strong

(Continued from page 5)

midtown and City Hall areas, with the din of new office building construction and a project that eventually will link the city's northern and western rail terminals by underground tunnels, and the modern sculpture that dots the plazas in front of buildings in the main business district, to the old sections of the city where the clock seems to have been turned back hundreds of years and the loudest sound on an autumn afternoon is the rustle of the leaves in the trees on the quiet streets.

For Deloitte Haskins & Sells, which came to the city in 1919 and put down strong and deep roots, Philadelphia is a city of today — and tomorrow. Joe Healy, partner in charge of the office since 1973, heads a corps of more than 160 professionals, including 120 based in our offices at Three Girard Plaza in Philadelphia, 30 operating out of our Allentown office to the north, and a dozen more based in Wilmington to the south.

"Our operational structure," Joe points out, "is largely determined by the highly diversified nature of our clientele, the geographic spread of the practice, and our insistence that all our clients receive the high quality of service they've come to expect from DH&S."

In addition to Joe Healy, the partner complement in Philadelphia includes Joe Cappalonga, who is in charge of training; Frank Carolan, in charge of taxes; Bill Cobb; Warren Eisenberg; Jack Fisch, accounting and auditing coordinator; Peter Geleta; Bob Grossman, who heads small business services; Ed McGovern, in charge of management advisory services; Jerry A. Naessens; Larry Rabun; Bill Ryan; Bob Schapperle, head of recruiting for the office; Mel Toren; and Fred Zimmer. Allentown includes George Spill, the PIC, and partner Al Bova. Wilmington is headed by partner in charge Frank Albero.

The size of the major service groups in

selling point in recruiting. The office recruits at Pennsylvania State University and Lehigh University, both clients; at The Wharton School, where partner Bob Schapperle teaches a course in auditing as part of the MBA program; at the University of Delaware in Newark, Delaware; Villanova College in Villanova, Pa.; and Drexel University, Temple University, La Salle College and St. Joseph's University, all in Philadelphia.

"We are most interested in attracting people from other parts of the country on referral," Joe Healy said, "because this provides a healthy personnel mix for the professional staff. However, most of the people from this area want to stay here when they graduate, so we have no difficulty in finding outstanding people to join our professional group."

The Philadelphia office, has, in fact, long held an enviable reputation within the firm as a major developer and exporter of individuals with talent and ability. Today more than twenty-five of its distinguished alumni serve as partners in Executive Office and in practice offices of the firm.

But if Joe Healy talks of the practice in broad terms, emphasizing the need for close coordination between Philadel-



(above)
In a veritable forest of valves and pipes at the Macungie, Pa. tank farm of Buckeye Pipe Line Co., Buckeye vice president for field operations Kenneth S. Shoemaker (r.) explains to audit manager Joe McDevitt and senior Cindy Sobieski how valves in the manifold area control the flow of oil, gasoline and kerosene arriving by pipeline for storage in the tanks. The tanks shown in the background are only a few in Buckeye's sprawling storage facilities at Macungie.

(below)
William C. Spangler (c.), president of Dettra Flag Co., Inc., explains how complicated designs are embroidered on flags to DH&S partner Bob Grossman (r.) and senior Ernie Kollias. Dettra Flag, located in Oaks, Pa., is one of the largest flag manufacturers in the country and supplies stock and custom-made flags to customers in all fifty states and in many countries around the world.





(above)

Bill Krantz (2nd r.), vice president for finance and treasurer of Penn Dairies, Inc., and Robert E. Marion (l.), comptroller, discuss Penn Dairies' profitable chain of Pensu-preme Grocerettes with DH&S partner Bill Cobb (r.), audit manager Jim Lavin (c.) and audit senior Ed Kicak (2nd l.). This particular store, located near Penn Dairies' Lancaster, Pa. facilities, is one of 68 convenience stores opened by the dairy products company in southeastern Pennsylvania since 1966. Penn Dairies processes and packages milk, ice cream and other dairy products under its own and other labels at plants in Lancaster and York.

phia, Allentown and Wilmington, he is well aware of the necessity to treat the individual as an individual. This becomes very clear in his discussion of the inter-relationship between practice development and community-involvement activities.

"We encourage our people to become involved in those outside activities in which they have a deep interest," Joe said. "We do have strong representation in a broad cross-section of the areas important to our practice-development efforts. Frank Carolan is president of the Lay Advisory Board of Holy Redeemer Hospital and treasurer of the Lower Moreland Township Authority; Warren Eisenberg is past president of Jewish Employment Vocational Services and a member of the board of the Federation of Jewish Agencies; Jack Fisch is on the board of the All-Star Forum, a cultural organization, and president-elect of the Philadelphia Chapter of the Pennsylvania Institute of CPAs; and Bob Schapperle is a director of the Urban League."

(right)

Don Romano (2nd l.), senior vice president and treasurer of Atlantic Aviation Corp., and Don Wilhite (r.), controller, explain to Frank Alberio (l.), partner in charge of the DH&S Wilmington office, and audit manager Wayne Stanford how a Westwind I jet has been readied for custom painting at Atlantic Aviation's facilities in New Castle, Delaware, just outside Wilmington. The company, U.S. importer of the Israeli-made Westwind jets, also does a substantial business in customizing the interiors of corporate aircraft as well as in maintenance.

Joe himself is a member of the executive committee of United Way and chairman of that organization's management committee, vice chairman of the board of Rosemont College, a member of the board of managers of a local hospital, and a director of the American Irish Foundation.

"This list represents only a small part of our people's involvement in the broad spectrum of community activities," he pointed out. "Naturally we prefer that they participate in activities that may produce some direct, more-immediate benefit to our practice-development efforts. But we recognize differences in personalities, in personal taste. We admit and, in particular, give recognition to the fact that there are many different paths to individual growth and development and that all these ultimately benefit the firm."

Looking to the future, Joe sees little likelihood of a sudden surge in economic growth in the area. "I don't see anything on the horizon that's going to cause a

major shift in the economy here. But what is important is that the business community and the city are committed to a long-range, solid program to make the city more attractive to domestic and international businesses. In the long run I think this will pay off in growth that will ensure the economic health of the region in the decades ahead.

"We here at DH&S already have a solid practice, with the auditing and accounting sector forming a substantial base. We anticipate that this will grow, but we're looking for an even more rapid expansion of our tax, small business services and management advisory ser-



vices practices because of the demands of the business community in our area. Certainly at least part of our growth is the result of satisfied clients referring us to other businesses that need our services. Our people in Philadelphia, Allentown and Wilmington are not only professionals in the highest sense of the word, but dedicated to the concept of providing all our clients with the finest service possible. That's an unbeatable combination."

Eastern Pennsylvania is a rich and beautiful tapestry. The Mennonite and Amish populations center on Lancaster to the west of Philadelphia where, it seems,

the past and present coexist. Further to the west and slightly south, just north of the Maryland border, lies the battlefield of Gettysburg, scene of one of the pivotal conflicts of the War Between the States. Or follow the Delaware River north to the Poconos, long one of the most attractive and popular mountain resort and vacation areas in the east.

But it is perhaps the ultimate tribute to the cosmopolitan attitude of Philadelphians, who need not go far to enjoy fine food, museums, music, the dance and recreational facilities, that they think in terms of the broader region. They talk of driving to Washington or Boston or

the ski areas of New England; of weekend homes on the beaches of southern New Jersey or the lakes of the Poconos; of the lure of the Atlantic City casinos, or a weekend in New York City to enjoy the Big Apple's theaters, restaurants and museums to see how they stack up against the home-grown variety; of savoring the similarities as well as the differences of one of the most exciting population centers in the world.

As one Philadelphian summed it up: "There are all sort of jokes about Philadelphia, but the biggest joke is on the people who've never been here and sampled what the city has to offer." ■

