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People in DH&S: J. William Stewart

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he business and professional literature abounds with discussions of various kinds of leadership style. One concludes from them that many styles have worked well, and that success depends on the way certain people fit their own methods to certain conditions. In a professional services firm like Deloitte Haskins & Sells, the conditions involve a large measure of human relations—dealing with people both within and without the firm. Fortunately for DH&S, we have in Bill Stewart a successful and well-liked professional who is both perceptive about the process of motivating others to perform well and articulate in explaining his methods.

J. William Stewart, Jr., to give Bill his full name, has been Executive Office partner in charge of client services coordination for the past six years. In this role he has supervised the firm's work in tax, management advisory services, small business, industry and functional specialization, marketing and the Washington national affairs office. Before he transferred to Executive Office in 1975 he had been partner in charge of the highly successful Charlotte office for eight years. And overlapping his late Charlotte years and his first few years...
in New York, he served as partner in charge of the southern region of the firm from 1971 to 1978. Clearly, Bill has assumed heavy responsibilities. His record of accomplishment shows that he has handled these challenging jobs with admirable skill. And through it all he has become particularly known for his effectiveness in dealing with people.

What methods has Bill Stewart used in these positions? What outlook does he bring to his work of coordinating such a wide range of services to our firm's thousands of clients? The answer might be summed up in three aspects of Bill's operating style, which are related to one another:

First, ever since his early days as an auditor in Charlotte, he has taken a great interest in the selection and development of people;

Second, he recognizes that the art of managing depends on having an orderly mind, giving one the ability to keep ten balls in the air simultaneously; and

Third, he has been willing to delegate because he has had confidence in those to whom he delegated.

It would be futile to argue whether these interests and insights are acquired through experience or are innate—perhaps both, in part. In Bill's case, he thought out with care what he wanted to accomplish at various stages in his career, and then went on to reach his goals. Along the way he has recognized the value of working with other people, of cooperation, and of appreciating the other fellow's feelings and objectives. Instinctively he has followed the principle that the Chinese call 'gung ho'—meaning 'work together'.

The route by which Bill came to Executive Office and his present responsibilities goes back to Winston-Salem, North Carolina, where he was born and went to school. In the fall of 1938 when Bill entered the University of North Carolina, the country was still in the grip of the long economic depression that had started with the 1929 stock market crash. Bill remembers working on a National Youth Administration job on campus, building wooden mazes for rats to run in psychology department experiments, and assembling lab stools for the science department. NYA pay in those days was forty cents an hour, and every little bit helped. Bill knew that he wanted to take business-related courses, though he was not certain about studying accounting until his final two years. He was pretty good in math, he recalls, "and I found the accounting courses appealed to me because they seemed more concrete, while the other courses were more abstract. I had some vague knowledge at the time that there were CPAs out there, but the idea of studying accounting was not revealed to me in a burning bush, or anything like that".

In December 1941 when Pearl Harbor was attacked and the U.S. went to war, Bill had only six months to go to get his bachelor's degree. He signed up in a Navy program that permitted him to finish at the university the following spring before entering the Navy supply corps as an ensign. There followed three and a half years of Navy duty, which turned out to be an eventful period in his young life. His first station was Norfolk Navy Yard in Virginia where, as he remembers with a laugh, "I was walking along in my ensign's uniform and people started saluting me even before I learned how to return a salute!" During his brief stay in Norfolk, he took time out to marry Jean Slaughter, whom he had met at Myrtle Beach five years before when he was seventeen and she was a girl of fifteen.

Now married, and with a quick course in saluting and other Navy ways under his belt, Bill was sent to the Harvard Business School to learn the Navy system of accounting. Then he was shipped off to Natal, on the coast of Brazil, to sink or swim as a supply (financial) officer for an anti-submarine patrol unit. Bill remembers the positive side of this duty: "The wartime emergency forced the Navy to separate the men from the boys right quick. As a result, I had to make major decisions early on. So it was a fine learning experience, and I put it to use later!"

Later in the war, Bill returned to the U.S. and was sent to Harvard again, this time to be trained in contract cancellation and disposal of surplus materiel. Then, in May 1945, he was assigned to the Navy office on Madison Avenue in New York, and this proved to be a fortunate move. As Bill and Jean saw the war coming to an end they discussed their future. Bill recalls it this way:

"I realized that I wanted to go with a Big Eight CPA firm, and I knew there were only three with offices in the Carolinas, of which two were in Charlotte. Haskins & Sells was one of the two. Jean's family was in Charlotte, and that's where we wanted to go. I knew that H&S had its headquarters in New York, so I went there for an interview in the fall of 1945 when they would take almost any warm body. I remember I was received by George Greene, who was
doing interviewing. I told him I realized I'd have to take a reduction from my Navy income, but I couldn't get along on less than $50 a week. He first said that they couldn't pay me that much in Charlotte. In New York they could, but not in Charlotte. Then a few days later Mr. Greene called and told me they had a spot for me in the Charlotte office at $200 a month. I said: 'You've got yourself an accountant.'

The Stewarts' first child, Jill, was born in September 1945, just before the interview with George Greene. Bill was discharged from the Navy on December 14, and on the 26th he walked into the Charlotte office with a letter of introduction to the partner in charge, Orion Hutchinson. After the briefest of introductions to audit work, Bill found himself in common with others of his generation being thrust very rapidly into a position of responsibility. "I spent much of the next few months traveling on audits, because our clients were scattered throughout the Carolinas. I'd had one or two auditing courses at the university, but it was useful to carry along my auditing textbook in the trunk of my car, and with its help I managed to keep at least one step ahead of the client. If we got stuck, we could always call Charlotte for advice."

Promotion came rapidly to Bill because he was a conscientious worker and a fast learner who took on responsibilities willingly and gave his best to the job. "Almost every promotion surprised me," Bill says now. "I did not feel that I was in competition with others in the office. I was in competition with myself, trying to make up for lost time in the Navy."

Bill became a partner in 1954 at age thirty-three, after eight years with the firm—some kind of record. It is apparent that Orion Hutchinson, the PIC, and Kay Jennell, who succeeded Hutch as Charlotte PIC in 1955, recognized Bill's abilities and encouraged him to exercise them. The Charlotte practice grew steadily, thanks in great part, as Bill attests, to the excellent groundwork that Hutch laid in the years when he was in charge. Certainly, there was broad economic growth in the Carolinas during the first two decades after World War II, and our Charlotte office was in an excellent position to serve new and growing companies in the region. By the time Kay Jennell retired in 1967 and turned the leadership of the Charlotte office over to Bill Stewart, there was plenty of competition from other national firms. Our firm was Number One in the Carolinas then and it remains first today. The practice has grown so fast that the Charlotte office for some years needed people to match the work. As far as market penetration is concerned, Charlotte has long been among the most successful offices in the firm. Even though he modestly pays tribute to his predecessors, Bill must take a large measure of credit for developing one of the dozen largest offices in the firm in what was then the smallest city in which the firm had an office.

Recently Bill was asked when he knew that he could be an administrator as well as an auditor. "When I realized that I was most interested in people, and their selection and development," he answered. "If we are going to prevail in competition with the other firms, it is because of our people. When I was PIC in Charlotte, I never permitted a person to be hired without my interviewing him or her myself, and I made the final decision. We really have an oral contract with every person we hire, and I think it important to hold a counseling session at least annually to see that both the firm and the individual are keeping the contract. This responsibility also extends to terminating contracts on occasion, and, despite the temptation, I could never delegate this task to anyone else."

Bill went on to describe the role of the partner in charge as something like that of a dean of a graduate school, "because in public accounting you are running a graduate school in many respects. There are psychic rewards in managing an accounting practice similar to those in teaching—helping other people grow to their full potential. The fascination of dealing with people is what attracted me to the administrative role."

As for what makes a good administrator, beyond the interest of dealing with the human personality, Bill stresses an orderly mind. "Jean has
said that I think in columns," he says with a laugh. "I find that when I have ten things on my mind I try to delegate eight of them in order to get them done. That's the way you can keep ten balls in the air—which is what an effective administrator must be able to do. You are always responsible for the ten things, but that doesn't mean you have to handle all of them yourself. Being an executive is getting things done through other people.

"Now, we all think that we can do most everything better than anyone else. To be a good delegator you have to be willing to accept an 85 percent job from someone else working with you." The smile that comes over Bill's face proves that he really doesn't mean it literally. He is the first to acknowledge that sometimes the one to whom he delegates can do certain jobs better than JWS. But not everyone latches onto Bill's self-deprecating humor the first time around. You have to stay wide awake to catch all of his lines and appreciate them fully.

Bill's ability to delegate enabled him to become heavily involved in community affairs, and this involvement helped him to expand his business contacts and consequently the office practice. Because he cares deeply about all aspects of community life, Bill did not restrict his activity in his Charlotte years to professional and business organizations. He was also an active worker and leader in the United Community Services of Charlotte, the United Arts Council, the Episcopal Church and others. He served as president and board member, and in other positions in most organizations in which he was active, including the North Carolina Association of CPAs and the Middle Atlantic States Accounting Conference.

Thanks to this generous and effective commitment to community activities, he was recognized informally by his peers as "Mr. CPA in North Carolina." He got a bit of a bang out of that, Bill admits, adding:

"I did what I enjoyed doing. And I told our staff they should choose the outside activities they wanted and would enjoy, whether or not it benefited our practice—although it was pleasing when it accomplished both goals. I said also that if they did not choose some activity I would be disappointed, because I believe that as good citizens we owe something to our community!"

Never one to sit still as the world changes around him, Bill pioneered in opening new offices to serve our scattered clients more effectively and to cut down the travel time of our staff. "We did it with care," he says, "and those offices were profitable from the start. We first opened Greensboro, and then Greenville in the late 1960s. Then we opened offices in Raleigh and Columbia. I stuck my neck way out doing this, but I was convinced it was the right move for the future of our practice in the Carolinas. I think that by being the guinea pig in this kind of expansion we encouraged other offices to do the same in other parts of the country!"

Bill's success as head of the Charlotte office made him a natural choice to pioneer the regional PIC concept by being placed in charge of the southern region in the early 1970s. His gift of diplomacy in leading by example and suggestion again made him a logical choice to take a position in Executive Office, first to coordinate the MAS practice in 1975 when it was undergoing a reorganization, then in 1976 to assume his present post. As coordinating partner supervising client services, Bill is required to keep considerably more than the proverbial ten balls in the air. But he seems to handle the responsibility without strain or pain, and is always willing to turn his attention to the concerns brought to him by others. When someone needs to see him, Bill has time. When you need his advice, Bill gives his close attention and thought. When he speaks his mind on an issue he is generous in his judgments, but he is also decisive. He refrains from making unkind, negative remarks. In short, his manner is that of the southern gentleman.

Asked what advice he might offer to younger people in the accounting profession, Bill said:

"Recognize that the ability to put words together is more important than putting figures together. Mathematical skill is often overrated as a qualification for a CPA. We are in the communication business, but lots of young accountants don't place sufficient importance on that.

"Once you have decided which service area you are most interested in, find a function or industry in which to specialize. Specialization will assume more and more importance in the profession.

"College graduates tend to be idealistic, to see things in black and white, and they often tend to be perfectionists. The fact is that in life we're dealing not so much in black and white, but choosing between shades of gray. A perfectionist cannot have it his way in this imperfect world.

"Early in your career, address the human enigma, the balancing act among your various roles as spouse, parent, CPA, etc. Allocate your time without going overboard. I used to suggest to the staff that they test themselves by asking whether there was any morning they didn't want to go to work, or any evening when they didn't want to go home. If there was, something was out of balance!"

How has the profession changed since he first entered it? "From cooperation to competition," Bill says succinctly. Then he adds: "It has changed from primarily a profession to primarily a business." Then as now, he says, "we would help the local firms, for instance, with SEC matters, or the use of our library. We helped our brother professionals as a matter of course. But today we are much more conscious of the stiff competition from other national firms, and we put more of our time and attention into developing our practice." Bill went on to say that in his own area, client services, "the common thread is that all we do should be addressed to improving the quality and/or quantity of our services." In this respect, delivering the best service possible, the firm's goal remains unchanged.

And the future? What does he see in the years immediately ahead for the
firm? Bill says that “perhaps a greater proportion of our practice will be in the nonindustrial as opposed to the industrial areas. There will be more growth in tax, MAS and small business services than in accounting and auditing. We have seen a maturing of the accounting and auditing market for publicly owned companies, but not of the tax, MAS and small business markets. In fact, A&A may be less than 50 percent of the practice within a few years, so less of our practice will be in auditing. But there is still a growth area in auditing in government, as well as with privately owned businesses. There is a rise in the discipline being imposed on municipalities by investment bankers, and this means audit work. There will also be a continuing struggle over who sets accounting principles for government.”

Part of the process, Bill adds, will be that accounting firms will take more of a full-service approach to clients, which means broadening the concept of what accounting firms should do. Along with this trend he believes there will be “an increasing recognition on the part of CPA firms of the contribution that non-CPAs can make to their operation. In Charlotte I pioneered in hiring non-CPAs to take part of the load off me. One of the first was a personnel director; another was an office manager. I think there will be more of this use of non-accountants in the years ahead.”

Having risen to a leadership position in the firm, and soon to complete his eighth year on the firm’s policy committee, Bill appears to have made up for his lost time in the Navy. Today, as he approaches sixty-two and retirement in May 1983, he looks fit enough to keep going for a long time. He had to quit his regular morning jogging a few years back because of a torn cartilage in one knee. Instead, he now swims half a mile in the morning and again in the evening, weather permitting, and he rides his stationary bicycle regularly whatever the weather. He and Jean say they will probably return to Charlotte one day, although their plans are not fully set. They will certainly keep their beach house on the Carolina coast as a vacation retreat for themselves, their five children and an increasing tribe of grandchildren. At least annual trips to New York City to visit the theaters, restaurants, museums and friends are a certainty. And Bill has already accepted appointment to a new advisory committee under the chairmanship of Ambassador Bill Brock to assist in formulating the future trade policy of the United States government. So he will not be a gentleman of complete leisure.

“I have the best of both worlds,” Bill says. “I have been doing work that I enjoy and I have drawn psychic rewards from it, as well as receiving financial rewards. I have been very fortunate.”