Behind the scenes at MYSPACE.com

FASHION STAPLES
Retail accountants decide what you buy

HOG WILD!
Harley-Davidson’s surprising president

SCARED STRAIGHT
Stories from the slammer

CPAs + NBA
By turning their passion to work, these guys got game
EDITOR'S LETTER

Howdy,

Wait ‘til you see what we’ve uncovered here in issue number three to help you plan for a successful, rewarding future in an accounting or business career after college.

Why do we feel it’s so important to share with you the hidden gems of our profession? Here at the American Institute of Certified Public Accountants, or AICPA, our members are passionate about their roles as vital members of virtually every business around. Indeed, CPAs are essential to business and personal financial success.

Of course, you might think you know what a CPA does, but we’re here to tell you that the range of fields waiting for—and in dire need of—CPAs is far wider than ever. Did you know that a CPA is part of the team that decides if a designer pocketbook is worth making? Or whether Kenneth Cole’s new line will be profitable enough to launch? Find out more about retail accounting on page 22.

Any cool kid can build a website from his dorm room, but it takes the smarts of an accounting whiz to turn that site into a viable—and bigger than that in the case of MySpace.com—business. Turn to page 20 to meet the CPA who helped MySpace.com jump the hurdle from community site to $580-million Murdoch entity. Cha-ching!

In these pages, you can also discover some hotshot twentysomethings who felt they had a service to provide when they saw NBA players and major recording artists living from paycheck to paycheck. They’re on page 12.

The mother lode of information about earning a degree in accounting, which today practically guarantees a job post-college, is on our website. Log on and register at www.startheremagazine.com. It’s chock-full of stories, including tips for getting a summer internship, interviews, video profiles, professional resources, and business simulation games and workshops. It’s free, easy, and here to help you!

Consider, while reading this issue, how many fields and industries you can enter with a CPA credential. There’s so much more than you might have ever known, and we’re here to share it with you. If you have questions about a particular career, or comments about this issue, please don’t hesitate to write. You can catch me at editor@startheremagazine.com.

See ya! —Jill

Going it alone? We hope not! The most successful folks always credit a mentor with launching and supporting their career. Do you have one? Let us know how you found your mentor and how he or she has helped you on the road to making it big-time! Send your story to editor@startheremagazine.com and we may profile you and your personal navigational assistant in our next issue.

If you’ve been tearing apart the couch looking for pennies—hey, every bit helps—to pay for school, check out the scholarship suite at www.startheremagazine.com for the most up-to-date info on how to snag a general or accounting-major scholarship.

www.startheremagazine.com
GO PLACES

Your future is more than a game, but that doesn’t mean it can’t be fun.

CLICK HERE

Without financial whiz Josh Berman, the community website’s launch might have been grounded. Instead, it reaped more than a half billion bucks from a sale to Murdoch.

By Jerry Ross

ACCOUNTANTS ARE MORE THAN JUST ACCESSORIES IN THE FAST-PACED WORLD OF FASHION AND RETAIL. MEET THE CPAS WHO KEEP AN EYE ON INVENTORY AND MERCHANDISING.

By Michaela Cavallaro

MYSPACE.COM BLASTS OFF

WHAT’S HOT THIS (FISCAL) SEASON?

When financial figures baffle rock stars and athletes, they turn to the twentysomething founders of Mindlab for sound advice.

By Rebecca Keegan

STUDENTS GET EXTRA CREDIT FOR GOING TO PRISON... TO MEET WHITE-COLLAR CRIMINALS WHO HAVE A SERIOUS LESSON TO TEACH.

By Lesley Alderman

SCARED STRAIGHT

WHAT’S THE BOSS? I AM!

Read up on one college student’s entrepreneurial journey.

By Kurt West

KEEPING TABS

DJ’s make a comeback, CPAs arm soldiers with financial savvy, American Apparel’s American appeal, and how to gang up on the boss and still be right.

PERSONAL ACCOUNT

HIGH ON THE HOG

Meet Donna Zarcone, the woman riding high as president of Harley-Davidson’s Financial Services division.

By Ralph Gardner, Jr.

GO FIGURE

NEW BALANCE

When financial figures baffle rock stars and athletes, they turn to the twentysomething founders of Mindlab for sound advice.

By Rebecca Keegan

MYS PAC.COM BLASTS OFF

Without financial whiz Josh Berman, the community website’s launch might have been grounded. Instead, it reaped more than a half billion bucks from a sale to Murdoch.

By Jerry Ross

WHAT’S HOT THIS (FISCAL) SEASON?

Accountants are more than just accessories in the fast-paced world of fashion and retail. Meet the CPAs who keep an eye on inventory and merchandising.

By Michaela Cavallaro

CLICK HERE

00 PLACES

Your future is more than a game, but that doesn’t mean it can’t be fun.

PUZZLING MATTERS

DRIVE TIME

Test your wits on this brain-teaser.

FUTU R E VALUE

WHO’S THE BOSS? I AM!

Read up on one college student’s entrepreneurial journey.

By Kurt West
FROM SCRATCH TO Shuffle: A RECENT HISTORY OF OUR MUSIC-LISTENING HABITS

“Hey Mr. DJ, put a record on…” Baffled by Madonna’s request? Thomas Edison would have been, too. After all, when he crowed “Mary Had a Little Lamb” on a tinfoil cylinder phonograph in 1878, he had no idea what was coming. While DJs still spin vinyl, you’re most likely listening to ones and zeros on an iPod. Check out some old-school options that are making a comeback, and glimpse forward to some futuristic gadgets. Which will be music to your ears?

Start Here: How did you prepare to play a CPA?

B: My godfather was an accountant. He was a very meticulous man. In the scene in 1982, audiophiles have sounded off about sound of accountants. I thought, wouldn’t it be great if this guy was buttoned-down at work and a maniac at home: a deeply passionate, screwed-up guy, a guy who loves numbers and figures, and, by the way, wears leopard-skin underpants.

S: Did you pattern Babson off anyone you know?

B: My godfather was an accountant. He was a very meticulous man. In the 1970s, when guys had big Afros and daisikis, he was wearing his hair parted. He had suspenders, perfectly shined glasses, erect posture. He looked very neat, but there was another guy underneath, a wilder guy.

S: There are plenty of doctor shows and cop shows—do finance types get wild rides thrill you, hop aboard Professor Ibrahim Helou’s Investment and Portfolio Management class. “The market has been a real roller coaster the last couple of years,” says Helou, which with UCLA, he helped launch a student-managed mutual fund for Caltech students. “It’s a great way to give students actual money management experience. Not all of them will use the same techniques, but they’ll understand everything that happens in the real world.”

B: During my senior year, I won a quarter of the fund. It was quite a range.

B: I’m in a movie that’s just out called Kalamazoo. I play an angel.

S: From CPA to angel, that’s quite a range.

B: Yes, obviously I’m not being typecast.

Apple was developing the iTunes program when it had a lighthearted moment.”We were testing MP3 players and they all (stunk),” said Phil Schiller, senior vice president of Apple Worldwide Product Marketing. The company believed it could do better. Before the 2001 holiday season, the company introduced the iPod, a portable music player that has changed the way we think about digital music. Today, Apple controls 75 percent of the portable digital media player market, and the iTunes store accounts for 70 percent of on-line music sales. The on-line music market has matured. Sites like Beatport.com are finally bringing those obscure DJ vinyl-only hits to your MP3 player, rounding out the scene for those who enjoyed losing themselves in the maze, but could do without the vinyl.

Digital music wends its way into every aspect of our life, from the bags we carry to how we accessorize. Take the Oakley Thump 2 sunglasses ($450). So what if they look like rejects from the frontiers of science fiction—they come with a built-in MP3 player, adjustable telescoping earbuds, and 1 GB of flash memory, enough to store 240 songs. The Thump 2 shades aren’t cheap, but they’re easy to use. Just plug them into a USB port and drag your songs over. A word of warning: While they will work with a Mac, they cannot play music bought from the iTunes store. Apple reserves that right for the iPod.

With the launch of the Xbox 360, on-line video games have also taken off. In fact, according to The NPD Group, a research firm, titles like Tony Hawk’s Pro Skate 5 and Grand Theft Auto IV have been the best-selling games, with some 21 million units sold worldwide.

B: During my senior year, I won a quarter of the fund. It was quite a range.

B: I’m in a movie that’s just out called Kalamazoo. I play an angel.

S: From CPA to angel, that’s quite a range.

B: Yes, obviously I’m not being typecast.

Could you be your own boss?

Number of accountants who are self-employed: 10 percent

(Source: Bureau of Labor Statistics)
**Operation CPA**

Deployed soldiers aren’t just heading into minefields, often times they are leaving behind family financial situations that could detonate with a call from just one credit card company’s collections department.

The military is more than an army of one. It is an entity built on the strength of soldiers, and the hearts of everyone who supports them. And that includes accountants and financial professionals.

That’s right, CPAs are proving to be a vital resource for soldiers heading abroad.

The Montana Society of CPAs was ready to implement a financial literacy project when a call for help came from the military in 2004. Montana has the second-highest deployment of National Guard troops per capita in the nation. “We thought we could help,” says Margaret Herriges, the Society’s communications director and creator of “Operation CPA.”

Montana’s group took its three-pronged approach and town-hall-style meetings on the road to meet with Guard soldiers before they headed overseas. They created a free website designed specifically for National Guard troops and an information packet complete with tax forms, worksheets and other information to help soldiers get their financial houses in order. The CPAs also did some digging and uncovered state laws that offer financial benefits to soldiers, like deductions for military license plates.

Volunteer CPAs meet with soldiers to explain potential financial pitfalls and how to avoid them. “Just knowing who to ask can be the hardest part of the problem,” says Jane Egan, executive director of the Montana Society of CPAs. The program is so helpful, troops began to access the Society’s website from overseas. “It feels good to help,” says Joe Shevlin, a CPA and veteran in Helena. “A lot of these people would not normally use a CPA.”

The program is part of 360 Degrees of Financial Literacy (www.360financialliteracy.org), a national AICPA-led program to improve the financial literacy of soldiers and civilians alike.

In the last year, some 900 National Guardsmen returned to Montana from Iraq. And in February, the Montana Society of CPAs held another series of meetings to help soldiers get back on their feet financially. “I’m very appreciative of the CPAs who took their time to help us,” says Tasha Herrin, who works at the National Guard Assistance Center in Helena and whose husband returned from Iraq last year. “They genuinely care about us.” — Brian Clark

**INSIDE AMERICAN APPAREL**

**WHERE AMERICAN MEANS MADE IN AMERICA**

Spring is the busiest time of the year in the fashion industry. So, convincing Dov Charney, the 36-year-old, muttonchop-sporting, pinball-bouncing, Canadian (!) senior partner of American Apparel to make time for an interview is no easy task. There’s clothing to make, trade shows to attend, and buyers to schmooze. It’s a roller-coaster ride that’s easier to stomach when your nine-year-old, $250-million company is one of the fastest-growing consumer apparel brands in the United States.

Once upon a time, lots of things were made in America. Not anymore, particularly in the garment industry, where 94 percent of clothing sold in the U.S. is made in cheap labor countries like India or Vietnam (average hourly wages are $2.54 and 42¢, respectively). Check the tag on that Hilfiger or Old Navy shirt you’re wearing and you’ll see what we mean. But Los Angeles-based American Apparel has brought “Made in America” back, and with a vengeance. The 800,000-square-foot facility in a not-so-lovely section of downtown L.A. is modern, and the employees are happy. And why not? American Apparel offers full-time jobs, sick and family leave, bus passes, and free English-as-a-second-language classes. Workers even have access to on-site masseurs. Quite simply, American Apparel goes to great lengths to distance itself from the sweatshop rap of most other clothing makers. “It’s about technologizing the process in a way that we can lower costs while still offering our workers a living wage,” says Charney. “Our clothes are better because they’re not made in a sweatshop.” — Brian Clark

**Going up**

**American Apparel growth stats**

**Where America means made in America**

**Thousands of dollars a newly-minted accountant earns at a large firm**

www.startheremagazine.com

www.startheremagazine.com
Some years ago, Jack Treynor, a professor at the University of Southern California, began to do a curious thing. He would bring a jar of jellybeans to class and ask his students to guess just how many jellybeans the jar contained. The answers ranged widely—some students guessed high, some guessed low, and a few were close to the actual number of beans in the jar. The remarkable thing, though, was this: Whenever Treynor ran this experiment, the class’s average guess was close to perfect, and was better than the individual guesses of nearly every student in the class. On a day when the jar held 850 beans, for instance, the class’s guess was 871, off by just two percent. And out of 56 students, only one made a better guess.

This was no party trick. Instead, the jellybean-counting experiment demonstrated something called the wisdom of crowds: Under the right circumstances, groups are remarkably intelligent, and are often smarter than the smartest people in them. When we’re confronted with problems, or when we have to make difficult decisions, our natural inclination is to look to a single expert for the answer. We assume that groups are inefficient and dumb, and that group decisions cater to the lowest common denominator. But the truth is that if you can figure out how to take advantage of their intelligence, groups can be excellent at problem solving, especially when there are a large number of people contributing. And in this Virginia college’s Economics of Nonprofit Organizations class, that’s exactly what students learned.

“Last year’s foundation reaped enough green to present checks to a women’s crisis shelter to upgrade their computer learning center, and to a local Boys and Girls Club, which used the money to introduce teens to the world of work,” says Rycroft. “The class began with a $10,000 donation from The Sunshine Lady Foundation of North Carolina and will continue with its support for as long as students show interest in it. It could go on indefinitely.”

The class has taught Rycroft students the basics by doing just that. Writing mission statements, filling out grant applications and soliciting local charities for support is all part of the curriculum for Professor Robert Rycroft’s students, who, he says, tend to be altruistic. His classroom’s seats are filled with students who have experience as volunteers in nonprofit organizations. “In this course, they get to see how the other side works,” says Rycroft. “It gives them valuable experience; a real leg up. Their classroom’s seats are filled with students who have experience as volunteers in nonprofit organizations. ‘In this course, they get to see how the other side works,’” says Professor Robert Rycroft. “It gives them valuable experience; a real leg up.”

The idea of collective wisdom, on the other hand, assumes that employees in an organization collectively have lots of valuable information, and if you give them a chance to contribute to a group forecast or decision, that information will emerge. To wit: Hewlett-Packard set up a stock market for its employees to forecast printer sales in upcoming quarters, and over three years that market outperformed HP’s own internal forecasting method three-quarters of the time.

The experts do a reasonable job: They get the answer right 65 percent of the time. The audience is close to perfect: It gets the answer right 91 percent of the time. On the Internet, meanwhile, Google is able to routinely survey 4.3 billion web pages and pick exactly the one that has the information that you are looking for, and it’s able to do this only because it’s tapping into the collective intelligence of the web. Roughly speaking, Google finds the right pages by asking web page producers to vote on which other pages are most worthwhile, with each link to a page counting as a vote. That collective vote, as someone who uses Google knows, routinely produces excellent results.

The wisdom of crowds can be especially valuable for corporations and government agencies. Simply put, big hierarchical organizations often have a hard time accessing all of the information that their employees have. Hierarchies and bureaucracies set up perverse incentives when it comes to telling what you know. They actually encourage people to hoard information, to tell their bosses what they think their bosses want to hear, and not to do anything to rock the boat. The idea of collective wisdom, on the other hand, assumes that employees in an organization collectively have lots of valuable information, and, if you give them a chance to contribute to a group forecast or decision, that information will emerge.

The only way to know the real inner workings of a nonprofit foundation is to start one up yourself. And in this Virginia college’s Economics of Philanthropy and the Nonprofit Sector course, students learn the basics by doing just that. Writing mission statements, filling out grant applications and soliciting local charities for support is all part of the curriculum for Professor Robert Rycroft’s students, who, he says, tend to be altruistic. His classroom’s seats are filled with students who have experience as volunteers in nonprofit organizations. “In this course, they get to see how the other side works,” says Rycroft. “It gives them valuable experience; a real leg up, if they are looking for a career in the nonprofit world.” One valuable tool is using an accounting background to determine how nonprofits operate, and how balance sheets and financial statements at nonprofits differ from those at for-profit companies.

Last year’s foundation reaped enough green to present checks to a women’s crisis shelter to upgrade their computer learning center, and to a local Boys and Girls Club, which used the money to introduce teens to the world of work.

The class began with a $10,000 donation from The Sunshine Lady Foundation of North Carolina and will continue with its support for as long as students show interest in it. It could go on indefinitely, Rycroft notes, as the satisfaction of seeing class work pay off in real-world dividends has other schools calling for a copy of the curriculum. — Melissa Russell
DONNA ZARCOME, CPA, PRESIDENT OF HARLEY-DAVIDSON FINANCIAL SERVICES, MAKES CLIMBING THE CORPORATE LADDER LOOK AS EASY AS RIDING A BIKE.

By Ralph Gardner, Jr.

Donna Zarcone had just returned to her Chicago office from Grapevine, Texas, where Harley-Davidson held its Winter Dealer Meeting with 6,000 people in attendance. Among the attractions was a motorcycle auction that featured—how shall we put it—previously owned bikes. "Unfortunately, in our business, we repossess motorcycles," Zarcone explains.

In a way, those recycled bikes are a symptom of Zarcone’s success. As president and chief operating officer of Harley-Davidson Financial Services (HDFS), she’s made it easier than ever to buy a Harley, an icon of the American Dream. Her innovations have included a Harley-Davidson credit card that bears a photograph of not just the cardholder, but also his hog. Then there’s something called “Harley Chrome Cash,” money accumulated by using the card that can only be redeemed for merchandise at Harley dealerships. But since Harley-Davidson is as much a cult as a brand, who would want to spend their hard-earned Chrome Cash anywhere else?

The career of Zarcone, a CPA, is a read map—as straight and true as a strip of desert blacktop—for the ways accounting can take you anywhere your talent and imagination desire. Zarcone’s initial goal, after graduating from Illinois State University with a bachelor of science in accounting and then from the University of Chicago with an MBA, was to become a partner at a Big Eight firm (now known as the Big Four, due to years of consolidation).

Not a uniform, she insists, Donna Zarcone dons the corporate garb she wears when she rides (as a passenger).

She would teach them the fundamentals of accounting, basics like how to create a financial statement, and they would teach her how to razzle-dazzle, to think like an entrepreneur, to dream big. Not that that ever seems to have been a problem for Zarcone. "Maybe they’d make it, maybe they wouldn’t," Zarcone explains of her reason for ultimately deciding to work with NFC. She adds that her education gave her a built-in safety net if the risk didn’t pay off. "I always knew I could go back to public accounting," she says.

But after going to work for NFC Leasing, a start-up company that leased computer equipment, she caught the entrepreneurial bug from the company’s co-founders and struck a tacit deal with them. She would teach them the fundamentals of accounting, basics like how to create a financial statement, and they would teach her how to razzle-dazzle, to think like an entrepreneur, to dream big. Not that that ever seems to have been a problem for Zarcone.

This entrepreneurial mindset helped turn Harley-Davidson Financial Services into a corporate American success story. When the company, formerly Eaglemark Financial Services, was acquired by Harley-Davidson in 1995, it earned $1 million and managed $100 million in assets. By 2005, their operating income had soared to $191 million and the assets they managed amounted to more than $5.4 billion.

One of the many things Zarcone has learned along the way—is that there’s no shame getting a piece of the company when you negotiate your employment contract. According to Forbes.com, Zarcone made almost $1 million in 2004, and she owned shares in the company worth almost $5 million.

There are other perks, too. She and her husband are the proud owners of a dream machine: a 100th anniversary commemorative edition chrome Harley-Davidson Road King. "My husband customized it extensively," Zarcone beams. "It’s silver, beautiful."

She admits, however, that most of her rides have been on the back of Harleys rather than clutching their handlebars. "I’m more of an occasional rather than an avid rider," she admits. Her motorcycle adventures include one through the Austrian Alps and another as part of a motorcycle rally from Baton Rouge to Milwaukee, the home of Harley-Davidson, to celebrate the company’s centennial.

These days Zarcone does much of her commuting by jet. In addition to her work at HDFS, and lending her expertise to several nonprofits, including the Girl Scouts, she also sits on the board of CIGNA, the healthcare giant. At 47, she’s the board’s youngest member.

"I’m designated as the financial expert for CIGNA’s board," she explains. "If you want to talk about how the accounting comes into play, it’s right there."

The logical next step in Zarcone’s career is to become a CEO, perhaps of a Fortune 500 company. It’s not a challenge that intimidates the self-confident CPA. "Who knows?" she muses, "I could run a company. I’m running one now!"
As high school buddies and promising athletes growing up in Los Angeles, Glenn Milus and Reid Rogers always wanted sports to be their lives. They just never knew their paths would lead them to the NBA, the NFL and Major League Baseball—and that their glory plays would involve a balance sheet. Both 29, Milus and Rogers are the co-founders of Mindlab, Inc., an upstart L.A.-based company that offers financial planning, tax preparation and business consulting for athletes and entertainers. Milus, now a CPA, and Rogers, an MBA, got the idea for their business when they noticed some surprising behavior by stars in the sports and music worlds. “We saw all these successful people, NBA players and major recording artists like TLC, who were having financial problems, living paycheck to paycheck,” says Milus. “It got us thinking, ‘Somebody needs to help these people. There’s an opportunity here.’” Today Mindlab counts sports clients like Trevor Ariza of the New York Knicks and Manny Wright of the Miami Dolphins, as well as entertainment clients like hip-hop artist Dena Cali, and Momentum Experience, a black theatrical distribution/DVD company funded by Will Smith and Blair Underwood.

**NEW BALANCE**

Hotshot athletes and entertainers know that making sound financial decisions isn’t always a slam dunk. Now they look to Mindlab’s founders for the assist.

By Rebecca Keegan

www.startheremagazine.com
We saw all these NBA players and recording artists living paycheck to paycheck and thought, 'Somebody needs to help these people.'"

For Milus, the decision to study accounting followed a pivotal moment in his life. A talented high school baseball player reaching for the major leagues, Milus learned in his senior year that he was going to be a father. "The plan changed," he says. "I had to get serious. I wanted to make sure my son had more than I had." Milus's mom sat him down with the newspaper's classified section. "There were pages and pages of accounting jobs," he says. He went on to study the subject at L.A.'s Loyola Marymount University and moved from there to a handful of corporate accounting jobs. At 23, he became the youngest at his firm to obtain his CPA license. All the while, he stayed in touch with Rogers, who went on to graduate from Penn State University with a finance major.

Three years ago, when the pair both found themselves working in Southern California—Milus at Honeywell Inc. and Rogers at Lucent Technologies—the idea for Mindlab took root. "At first, we met in a Starbucks, printed up some business cards, and started pound ing the pavement for clients," says Milus. While keeping their day jobs, Milus and Rogers opened an office to meet clients at lunch. Soon they were attending college football and basketball games, handing players business cards as they left their locker rooms. "We'd share our story," says Milus. "We'd try to help them understand the big picture: You're about to sign this multimillion-dollar contract, but the average NFL career is 3.5 years. What if you get hurt? What would you like to do besides play football?"

The young entrepreneurs left their corporate jobs when their fledgling business became too consuming for lunch-hour meetings. "That was scary," says Milus. "Good-bye steady paycheck and 401(k). But you've got to have a vision. You've got to have some guts."
If you think all felons are Tony Soprano-like hit men, you haven't heard the guest lecturers in Richard Davis's classroom.

By Lesley Alderman
Most students don’t get credit for going to prison.

And most don’t get extra credit for attending evening lectures given by prisoners. But the students, who may have assumed that only outright deviants could end up in prison, were sobered. “It’s scary that one error in judgment can result in years of imprisonment,” Chief Counsel, believes that prisoners have a lot to teach accounting and psychology double major. For Megan Sites, who was a white-collar criminal coming into my class in a prison uniform to tell his story and say, “Hey, I was in your position not that many years ago. Look what happened to me, it could happen to you.”

Porro explains that the drive that helped him become a powerful attorney eventually led to his downfall. “You start believing that no one could get you down. You also start wanting more and more. ‘If you look at white-collar criminals, they all come to a point of crossing the line into a danger category. It’s a gradual process. Your thinking starts to change, to say to yourself, ‘Everybody does it,’ ‘No one will get hurt,’ ‘I can sell this one piece of software for millions of dollars. Or, ‘I can sell this one piece of software to this person illegally and no one will know.’”

On a sunny day last fall, Davis drove 26 of his business majors to Pennsylvania’s Lewisburg federal prison camp, a low-security facility 15 miles from campus, to listen to white-collar criminals tell their stories. [The criminals also go to Davis’s class to talk, but a cautious warder had forbidden prisoners from leaving the grounds that semester.] The students filed into a stark, purty green auditorium, with a soda machine humming in the back, and sat on stiff metal chairs. Three inmates, dressed in prison khakis, filed into the room, guards trailing behind them. They began to speak. One had owned a small business, another had owned a securities consulting firm, and the other had been a stockbroker. All had been earning six-figure incomes. Sometimes defensively, they explained how oversights, small lies and false steps had suddenly caught up with them. As a result of greed or stupidity, their careers had been destroyed, their fortunes all but wiped out, their families humiliated, and in most cases, their marriages finished. “These were smart, articulate men,” says Davis.

Alfred Porro, above, and his prison pals teach students the ethical lessons those white-collar prisoners learned the hard way.

Porro is out of jail now, and he and Joan (who was also sent to prison) continue to speak to students about ethics. He urges students to look at their own behavior. “I ask them, ‘Do you cheat on exams?’ because studies show that a high degree of students do. I say, ‘How many of you download music? Share music?’ I tell them, ‘Well, you have violated the law.’ Students, he believes, need to be in touch with their moral conscience and to examine their motives. “One of the biggest goals is making money. That was me, and it ended up tragically,” he admits.

While he seems Pollyannaish, almost quaint, to talk to students about right and wrong, experts in business ethics say it’s essential. Jim Brackens, a CPA who runs his own accounting firm in Richmond, Virginia, served on the AICPA’s professional ethics executive committee for three years. Brackens says it’s dangerous to enter the work world with a “just me” attitude. He defines ethical behavior as “thinking about what is good not just for the company, but for the client, the corporation, the society as a whole.”

And he cautions students that if they find themselves in a culture “that doesn’t push a moral agenda, if one person tries to intimidate you, then don’t cave—go elsewhere.”

Davis is all too aware of the pressures his students will face in a fast-paced, bottom-line oriented business climate. “As my students head out into the world, they will find the pressure to make a splash in the short term. When those pressures become intense, the temptations to cut corners, to, say, accurate income from one quarter to the next, become intense too,” says Davis. The students, who may have assumed that only outright deviants could end up in prison, were sobered. “It’s scary that one error in judgment can result in years of imprisonment and a completely ruined career,” says Davis. "It’s frightening how easily one can veer into trouble."
When some buddies with entrepreneurial tendencies built MySpace.com, they looked to the CPA to make their "little concept" into a viable business. By Jerry Ross

Small start-ups can grow exponentially, and so can their accounting departments. During the early days of MySpace's development—we're talking 2003 here—Berman wore two hats, as both chief operating officer and chief financial officer. When revenues started kicking in and he had to recruit additional CPAs, Berman knew the company had reached a tipping point. "We knew we were on the path to success, and it made sense to bring in a team to handle the volume of accounting that was necessary," he states.

Unlike many dating and networking sites, MySpace doesn't charge its members—something Anderson insisted on from the get-go. But as thousands of users grew into millions, and then tens of millions, advertisers caught on and fell over themselves to attach their brands to the young, hip regulars who spend hours roaming the portal. By the time Murdoch ponied up to buy parent firm Intermix last July, MySpace had attracted 8 percent of all ads on the Internet, putting it in the vaulted company of Google, Yahoo, MSN, and America Online.

When revenues started kicking in and he had to recruit additional CPAs, Berman knew the company had reached a tipping point.

First "friend." But behind the scenes, two old pals, stylish strategist Chris DeWolfe and financial and accounting whiz Josh Berman, helped make Anderson's little concept into a viable company, leveraging its growth to build a niche website into a booming operation.

"If they came from a Big Four audit company, I'd want to know what kind of clients they were working with—was it the oil and energy companies or more of the emerging market-types. We look for people used to working with flexible, super-growth entities rather than the big cash cows." How about schooling? Berman believes every class he took at USC was helpful. So were the personal relationships he made, joining DeWolfe in other ventures before MySpace rocked their world. His advice to students: "It was definitely the entrepreneurial classes that allowed you to be flexible and understand key metrics that drive growth in emerging companies," he stresses. While the courses that teach advanced accounting principles, like FASB and IRS tax codes, are an integral part of the major and the accountant as a whole, they are a lesser job function for Berman and other entrepreneurial accountants.

A cutting-edge CPA like Berman is a part of a new generation of accountants. He's a fan of mainstream rocker Dave Matthews. And he's fond of golf. But he also plays the racing game Burnout 3: Takedown and listens to masked metal-hardcore hooligans Hollywood Undead. As for his financial background and his desire for growing new companies, he says there's nothing that's helped him more in his business life than being passionate about his work: "It's in my blood."
A few years back, Mark Ellis had a problem. Ellis, a CPA and CFO at Michael C. Fina—one of New York City’s best-known purveyors of fine china, silverware and other housewares—knew that square plates were all the rage among the bridal registry set. Brides-to-be were looking for right angles on their dinnerware, and his shop needed to give them what they wanted.

The problem? Ellis and his colleagues also knew that square plates were not going to send their round counterparts crashing off tables nationwide. With that in mind, they needed an answer to this question: How many square plates should they stock? Too few, and they’d disappoint the current bevy of brides. Too many, and they could end up stuck with thousands of leftover plates when brides decided that square was, well, square.

Ellis isn’t the only CPA making fashion statements. He’s among a growing number of financial professionals helping to keep profits in style. Ellis, along with his colleagues Mark Katz at Kenneth Cole and Ed Meredith at John Varvatos, faces merchandising, inventory, even product profitability problems all the time. Each has to come up with solutions by combining insights from various colleagues with their own intuition and smarts about the situations they encounter. And each is quick to credit his accounting degree with providing him access to the fun, fast-paced world of retail. And they wouldn’t have it any other way.

MAKING CALCULATED DECISIONS

Ellis’s duties don’t include forecasting trends. That’s more the job of the marketing department. Nor does he select the specific plates the company will sell. That’s a task for the merchandising department. Ellis has another role: He brings those departments together to figure out the best course of action.

For example, say the merchandiser wants to buy a new line of sterling silver candlesticks. Ellis’s department analyzes how much profit the company will make on the sale of each item, both in stores and on-line. Part of calculating the value of a product to the store can be assessed by initiating a discussion with the
A retail accountant must initiate discussion with the heads of merchandising and marketing about merchandise to determine whether it will take space from more profitable products.

**THE RINGER**
Watching over everything from rings to plates is the job of a CPA. At Michael C. Fina, that man is CFO, Mark Ellis.

**KEEPING AN EYE ON PROFITS AT KENNETH COLE**
Like Ellis, Mark Katz spends most of his day focusing on how to make his company more profitable. Katz, a CPA who earned his accounting degree at Lehigh University, is group vice president of finance operations for Kenneth Cole Productions. His fancy title means that, in a world of creative designers like Cole, Katz is responsible for keeping an eye on the bottom line. For example, when the company launches a new line of handbags, Katz is the guy who establishes just how profitable the new line must be to be worth pursuing.

Katz can only answer questions like that if he knows the answers to other questions. For example, what’s the cost of the materials and labor needed to produce the bags? How much will the company spend to package and distribute the bags? What kind of marketing campaign will catch shoppers’ attention, and how much will that cost? What’s the right price to charge for the bags? And what’s the difference in profit on the bags the firm sells as the website and those that it sells wholesale to boutiques and department stores?

**DECISION MAKER**
Fabulous and fiscally responsible is the John Varvatos store in Soho. Edward Meredith is the CPA who gave the green light to opening the new retail space.

Meredith says with a chuckle, “Now the tide has turned: I get the big discounts these days.” Mark Ellis echoes that point. Like Katz—and many other CPAs working in retail and fashion these days—Ellis is responsible for making decisions about issues ranging from where—and whether—to open new stores to how much to discount last season’s goods. They may also spend considerable time meeting with designers to talk about manufacturing costs for a new line or analyzing whether acquiring another company is the right way to go. The hours can be long, but the perks aren’t bad. CPAs in the retail and fashion business often qualify for deep discounts on designer housewares, shoes and apparel. Ed Meredith, CFO for the John Varvatos division of VF Corporation, pays bottom dollar for his division’s cutting-edge menswear. “I used to work at Escada, and my wife loved that; she could get the big discounts,” Meredith says with a chuckle. “Now the tide has turned: I get the discounts these days.”

**CHOOSING THE ROLE THAT FITS BEST**
CPAs working in retail also do their share of old-fashioned number crunching. At Michael C. Fina, for example, Ellis and his staff of 14 accountants track accounts payable and receivable, and compile weekly and monthly reports on the financial status of the company’s business. While accounts payable and receivable may not sound terribly glamorous, Ellis and others agree that knowing how money flows in and out of an enterprise is key to making big-picture decisions about product lines and store openings or closings.
Knowing how money flows in and out of an enterprise is key to making big-picture decisions about product lines and store openings or closings.

COOL KATZ
From bags to shoes, Mark Katz must know Kenneth Cole’s product line to ensure profitability.

These days, that’s just what Meredith has become. After spending eight years working for well-known brands ranging from Lacoste to Escada to Barneys New York, he landed at John Varvatos last year. Varvatos launched his own line in 1999 after an illustrious career working for big names in American fashion. Among other projects, he launched Calvin Klein’s menswear line and created the Polo Jeans Company. Meredith’s job now calls for him to maintain the financial underpinnings for the award-winning designer’s business plans.

One of Meredith’s tasks is to stay in close communication with the heads of wholesale sales, retail sales, production and marketing, so the company can react quickly when necessary. That job is complicated by the fact that in retail, business conditions often change much more quickly than annual budget cycles. “Sometimes you have to seize an opportunity to open a store even when it’s not in your budget,” says Meredith. “But you need to be pretty sure that it’s going to work.”

For example, if the firm sees an opportunity to open a store in a location that might deliver strong results, Meredith works with the vice president of retail sales to get an idea of what kind of sales other retailers in the same shopping center are experiencing. Sometimes the landlord will have those figures, other times, Meredith and his colleagues will reach out to their own contacts at other retailers to see what information they’ll provide. They’ll also look at the projected hours of operation, which can significantly affect payroll costs, and what the landlord is charging for rent on the space.

The stakes are high. A top brand requires a high-end storefront, like the 5,000-square-foot flagship store John Varvatos opened in SoHo last year. “A designer store can cost $1 million or $2 million,” Meredith notes. “If you can’t pay back your investment in two or three years, you have to think about what you should do.”

Managing growth is another issue for many CPAs at retail chains. Varvatos himself, who acts as the firm’s CEO, recently confided to a New York City reporter that his company’s previous 2,800-square-foot SoHo store was pulling in sales of $2,600 a square foot, and that the company’s retail volume was up 50 percent last year. Meredith still needs to make sure that such growth doesn’t come at the expense of profits. With that in mind, he prepares pro forma financial statements, which he uses to project a store’s performance several years into the future. If the numbers are good—that is, if they not only show a profit but also return the company’s investment on the expansion in a reasonable amount of time—he gives the go-ahead.

Meredith doesn’t do it all. He refuses to even try to predict which of Varvatos’s designs will appeal to customers. “That’s the one meeting a year where I pretty much say nothing,” he admits. “I know what I know, and I know what I don’t know.”

Meredith also knows good working conditions when he sees them. He loves the rock-and-roll atmosphere in the offices of John Varvatos, a small, relatively young division of its $6 billion corporate parent. Mark Ellis and Mark Katz also love their jobs, and they are hooked on the retail business itself. “It’s an incredibly fast-paced environment,” says Katz. “The people are young and enthusiastic. There’s a lot of passion and creativity. I’m having fun.”

www.startheremagazine.com
Click Here

Log On
That’s an order! Use these pages as a guide to help you navigate the endless amounts of information we’ve got in store for you at www.startheregoplaces.com. Each step will lead you to a useful, fun and popular area of the site. But first you must register. Visit the site, sign up and be sure to check the box in step 5 of the registration page to get free offers and the most up-to-date news from us.

Let’s Play!
We’ve got game. Because the Internet is for fun, we’ve branched beyond the educational so you can play. And learn at the same time. Our Games section is loaded with simulations that let you track down criminals, rise to CFO, market a new craze—and be back in the dining hall in time for dinner.

This is a Test
You’ve had breakups harder than the CPA Exam, but you’ll still need someone to hold your hand and promise you’ll get through it. We can help. Startheregoplaces.com is the definitive site for accounting and business information, and the CPA Skillset section is where you’ll get the down-and-dirty on taking the big CPA test.

Fast Cash
Don’t just look to startheregoplaces.com for career advice and information. Use it to break out of the “broke” college student mold by finding and nabbing scholarship bucks in our Scholarship Suite filled with hidden sources of financial aid—that’s loans and grants.

Get a Job!!
Here’s where you tie it all together, classes, exams, sleepless nights, even internships. They lead to the road of professionalism and our Jobs & Internships section is the place to head if you’re a Job Seeker. Master the art of getting interviewers interested in you and get the job you deserve.

GOT PERSONALITY?
Of course you do! In our CPA Skillset section, the Personality Quiz identifies your strengths. Are you a Culture Vulture, Fearless Leader, Pragmatic Planner, Critical Thinker or Vibrant Visionary? There’s only one place to find out.
**PUZZLING MATTERS**

**DRIVE TIME**

**TEST YOUR WITS: SOLVE THIS BRAIN-TEASER WITH YOUR CALCULATOR, NOT YOUR CAR.**

Timing the round-trip drive from campus to your parents' house (to do laundry, of course) is a tricky one. Assume you can cover the uphill distance of 55 miles at 42 miles per hour and for the return journey—downhill—you can drive at 56 miles per hour. What is the average speed for the entire journey?

---

**THE BLACK EYED PEAS WANT TO SAVE THE PLANET!**

Their 2006 concert tour, which begins in March, will give fans the chance to win a new gas-electric, one-of-a-kind, autographed, hybrid Honda Civic, customized by the Peas.

Their 2006 concert tour, which begins in March, will give fans the chance to win a new gas-electric, one-of-a-kind, autographed, hybrid Honda Civic, customized by the Peas.

---

**HUMMER VS. HYBRID**

**CAR:**

- Toyota Prius costs about $22,000, a Hummer H2 about $53,000

**SAVINGS:**

- Prius owners get an average tax credit of $2,750,
- Hummer drivers, uh, zilch

---

**WHAT WE PAY FOR IN A GALLON OF REGULAR GAS THAT COSTS $2.90**

(Source: American Petroleum Institute)

- **CRUDE OIL:** 50%
- **REFINING:** 27%
- **DISTRIBUTION & MARKETING:** 8%
- **TAXES:** 15%

---

**WHAT WE PAY FOR IN A GALLON OF REGULAR GAS THAT COSTS $2.90**

(Source: American Petroleum Institute)

- **CRUDE OIL:** 50%
- **REFINING:** 27%
- **DISTRIBUTION & MARKETING:** 8%
- **TAXES:** 15%

---

**did you know...**

There's a law that requires that automakers meet Corporate Average Fuel Economy standards? Of course, there's some wiggle room. The average mileage of all the new cars sold by an automaker should be 27.5 mpg. So, for every hybrid car that gets 60 mpg, it can then sell four big, expensive luxury cars that get only 20 mpg.

---

**ANSWER:**

48 MILES PER HOUR
Who's the Boss? I Am!

By Kurt West

Entrepreneurship is in my blood. My father owns a construction company, and my mother has a small antiques shop. From a very young age, I could see firsthand what owning a business was all about. I observed the tireless work of being your own boss, but also witnessed the freedom and satisfaction that accompanied all the hard work. The older I grew, the more interested I became in running my own company. Years of work for my father's company sealed my intent. As a born-and-bred entrepreneur, I knew that I needed a special skill set to succeed in the world of small business. When the time came to choose a college, I looked for a school that would provide me with the skills I needed to become an entrepreneur. I eventually found Clarkson University in New York. The small classes, strong technical curriculum and top entrepreneurship programs are a perfect fit for me.

It took only one semester for me to learn what I know will be the most valuable lesson of my education—regardless of what type of business I run, I’ll have to deal with financial matters and a thorough knowledge of accounting is a must. I enrolled in my first accounting class and I loved it. I discovered how real companies are run and the processes that are involved in maintaining good finances. By the end of just one semester, I was hooked. I switched my major to accounting, and I haven’t looked back.

The fact that I am studying accounting has not diminished my passion for entrepreneurship. If anything, it has done just the opposite. Today, I am more confident than ever that I want to launch my own company. I am using my accounting skills to increase my involvement in almost every entrepreneurship activity offered on campus. I have started one small business as part of a class, attempted to launch a teen center with 23 other students and run an on-line apparel store. I am now the president of the top Collegiate Entrepreneurship Organization chapter in the country. Every day, I use my accounting skills to look for new opportunities—and for solutions to existing problems.

I have one more year of school before I am confronted with my career decision. Do I want to enter the corporate world, or public accounting? Should I continue my education, or venture off down a path of my own? I cannot yet say what my decision will be. It changes daily. But what I can say for sure is that it was my decision to study accounting that provided me with these options.

"Regardless of what type of business I run, a thorough knowledge of accounting is a must."