CATWALK CAPITAL
From hemline to bottom line

GOTCHA! 101
Use math to nab criminals

BALLPARK BUDGETING
The Cleveland Indians’ go-to player is a CPA

SPLIT$VILLE
THE FINANCIAL WORLD OF CELEBRITY DIVORCE

Even Superheroes Have CPAs
Hello again,

We got bling! Oh yes indeed, Start Here magazine, this trusted source of information for your journey through college to a fulfilling career, nabbed three awards in 2006 acknowledging our excellent, interesting writing as well as our fabulous design and creative art work (check out the MySpace cover that won in the Best Cover category at the Ozzies), and the process by which we’re getting our message to you. The ceremonies weren’t quite the Oscars, but there was a big smiling-with-trophies vibe going on. I have no photos to boast with; I was too shy to walk across the room… I sent the publisher!

Now, if we win again this year, things could be different. For this issue, I interviewed the fabulous designer Phillip Lim about his background in accounting. Those skills help guarantee him a profitable business because he is acutely aware of how much each garment costs to make and uses that information to price merchandise. Flip to page 16 to meet Sarah Taylor, the CPA who keeps the Cleveland Indians as their Controller. From creating and overseeing the team’s budget to devising promotional gimmicks, she’s got the reins on this up-and-coming American League club.

And we don’t stop there. You can also read up on how your CPA credentials will help you nab a career in finance, as well as get the low-down on forensic CPAs who help celebrities sort through their divorce proceedings. Take a look, too, at how Monica Levinson, the executive producer of Borat: Cultural Learnings of America for Make Benefit Glorious Nation of Kazakhstan, relies on accounting skills to make successful films.

Keep in mind that these pages are just the beginning. We have loads of information in store for you. Log on to our website www.startheremagazine.com and register to read interviews, view video profiles, find professional resources, and play our games and workshops. It will all help you navigate your career path. Plus, it’s easy, it’s fun and it’s free. We’ll also keep you in the loop throughout the school year with our e-zine. Watch out for it in your email.

As you read through this issue, feel free to let me know what you think of the magazine by writing to me at editor@startheremagazine.com. Don’t be shy – let me know which subjects are interesting to you and what you’d like to read about next time.

What’s the most fabulous class you’ve taken in college? Do you have a professor who makes learning more fun than work? In each issue we focus on two courses or professors who are going above and beyond to engage students. Let’s get your favorite in print. Let us know who and what are tops on your campus for the next issue. You can write to me at editor@startheremagazine.com.

Check out The Turnaround Game, at www.playturnaroundgame.com. There you will be called on to rescue a failing music company. You may not get extra stock options for doing a great job, but you will have a chance to win prizes! Log on and register, it’s free and fun!
The Ledger
Spidey's accountant speaks up; where tax meets basketball; environmentally aware accountants; and professors who impress.

Gotcha! 101
Meet an IRS criminal investigator who nabs the bad guys by day and teaches students how to do so by night.
By Diana Anderson

Splitting the Pie
The nitty-gritty on celebrity splits – the forensic divorce CPA's findings.
By Petra Bartosiewicz

Puzzling Matters
As the Brand Turns...
Advertisers can’t figure you out – herewith, their efforts to get the message out. Plus, test your wits on our brain-teaser.

Go Figure
She's Got Game
As a utility player, ballpark budgeting is just one role for Cleveland Indians' controller, CPA Sarah Taylor.
By Fred Goodman

Ledgers, Payroll, Action!
Film producer Monica Levinson couldn’t have made the hit film Borat without sound accounting advice.
By Jill Neiberg

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

Personal Account
Fashionably Profitable
Designer Phillip Lim relies on his fashion sense and his accounting background for success.
By Jill Neiberg

Kickin' It
i-Banking style
The world of finance relies on the expertise of CPAs, and here’s how to get in on the action.
By Michaela Cavallaro

Future Value
Basic Math: MBA + CPA = A Door-Opening Combination
By Anthony F. Marone, Jr.
Shooting Hoops

The Tax Man

ethics, he adds. While basketball is guided by good sportsmanship, tax professionals follow a code of ethics at every lecture, comparing it to good sportsmanship. Resler’s exams are notoriously difficult, sort of an empowering opponent for students who are getting ready to face the real world, and the consequences of how the ball bounces. “Students will have to defend themselves in their lives, same as in the classroom,” he says. “Tax law changes constantly. They have to be prepared to constantly reinvent themselves.”

The self-described “basketball junkie” has passed his philosophy towards teaching tax law and life in general on his website: “Struggle to fashion each day to be superior to yesterday. Work hard, play hard, and avoid confusing the two. Make clear choices between what comes easiest and what you feel is most meaningful.”—Melissa Russell

START HERE: Do you use your CPA status to fight for the forces of good or evil? KENNETH WEST: Good! Marvel owns 5,000 different characters, like The Hulk and Spider-Man. I assure that when we license those characters out—far movies and T-shirts and toys—we structure the deals properly from an economic standpoint. SH: As a CFO, what are your other superpowers? KW: I perform treasury functions, banking duties, I’m responsible for our relationships with analysts and investors. I keep track of the revenue from our various divisions—the studio group, comic group, toy division.

SH: Were you a comic-book junkie when you got this job? KW: No, I wasn’t. That’s the benefit of being a CPA. The skills are pretty universal, and once you pick them up, you can apply them to so many different industries.

SH: So how did you show Marvel you had the might to be Spider-Man’s CPA? KW: They were looking for someone who had a background in public accounting. I had been at Ernst & Young for 15 years, working with a wide range of public companies. It ended up being a good fit.

SH: Which Marvel character makes the company the most money? KW: The X-Man comic books are the world’s largest selling, but there are other factors, the movies and the toys. SH: Did you work on Spider-Man? KW: I’m involved in all the movies involving Marvel characters. I review the budgets, the scripts; I keep up on the status of hiring actors.

SH: With Iron Man, which comes out in 2008, Marvel is starting to produce its own movies, instead of just licensing the characters to studios. Does that mean more work for you? KW: It means Marvel has more control over how the money is spent—how a particular action sequence is shot, for instance.

SH: So can you tell us what Tobey Maguire makes? KW: Do you know Tobey? KW: Um, yeah, we go way back. KW: I see.

SH: So, that’s a no? KW: That’s a no.
It’s Not Easy Being Green

If you want to make a difference in the environment, you can always hug a tree. But if you do want to do it while earning a paycheck, consider what you can accomplish as a certified public accountant. With an eye on the balance sheet, environmental accountants are in a position to have a great impact. The practice of environmental or “green” accounting really took off after the Exxon Valdez oil spill of 1989, which dumped 11 million gallons of crude oil into an Alaskan sound and devastated an entire town’s fishing economy and millions of birds, otters, seals and other marine life, says accounting professor and CPA M. Murphy Smith of Texas A&M University. From that disaster came a list of formal guidelines, now called the Coalition for Environmental Responsibility Economics (CERE) Principles, that were created to hold corporations accountable for the protection of the environment. The list covers such issues as sustainable use of natural resources, reclamation and disposal of waste, energy conservation and environmental restoration. “Environmental accounting is twofold,” says Charles Alexander, a CPA who does forestry industry appraisals at Fenecon, a company in Jamstown, NY. “A little bit of prevention can save a lot of problems down the road.” By analyzing the costs of pollution prevention in a manufacturing operation and comparing those numbers to the costs of lesser, cheaper forms of abatement, environmental accountants have defined public accountant. With an eye on the bottom-line responsibilities. “Most companies are paying attention, and assign people to report specifically on environmental issues,” says Smith. To nab this gig, you’ll need sharp communication skills – you’ll work with scientists, risk managers, regulatory specialists, public relations professionals and senior executives – and a general accounting degree with electives in environmental issues as sustainable use of natural resources, pollution prevention in a manufacturing operation and comparing those numbers to the costs of lesser, cheaper forms of abatement, environmental accountants have defined public accountant. With an eye on the bottom-line responsibilities. “Most companies are paying attention, and assign people to report specifically on environmental issues,” says Smith. To nab this gig, you’ll need sharp communication skills – you’ll work with scientists, risk managers, regulatory specialists, public relations professionals and senior executives – and a general accounting degree with electives in environmental issues related to the environment. “Overall, corporals America is doing its part to take care of the environment,” Smith says of the fact that business entities are, for the most part, ahead of the federal government’s guidelines. And, by joining them, you can do your part, too. —M.R.

Environmental management accountants
collect and analyze information on materials flows and pollution costs. They analyze the internal and external costs of environmental impacts.

Environmental finance accountants file reports for investors and regulators.

Environmental national accountants track the big picture and analyze how natural resources are used and how environmental impacts are managed across the nation.

> How would you like to be the boss of Janet Jackson, Keith Urban and Coldplay? Today, charging $100 million a year, you can explore an abandoned wizard’s tower, wander the halls of a king and create your own world from the primordial ooze on up. These new games will keep you busy between classes (and studying).

Fantasy role-play, inject yourself in a TV series or create a new world from the primordial ooze on up. These new games will keep you busy between classes (and studying).

Join the Las Vegas cast to reconstitute crime scenes and gather and analyze evidence.

From The Sims’ creator comes Spore, an epic journey from the gelatinous goo of the prehistoric era through the development of civilization, into outer space.

The deceptively idyllic town of Bright Falls, Washington, is the site of Alan Wake, a psychological, action-thriller where you’ll take on the role of a best-selling horror writer looking to recover from the mysterious disappearance of his fiancé.

In DragonAge you can explore an abandoned wizard’s tower, wander the halls of a kingdom and create companions to befriend, romance or exploit. Engage in combat, uncover hidden magic, battle horrific creatures and challenge powerful hungry nobles.

Command the power of the gods! Mythology comes to life in Gods and Heroes: Rome Rising, an online multiplayer game. The gods are very jealous, and the barbarians are just outside the gates. But not for long. —M.R.

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Francis "Skip" Bedics often compares himself to Eliot Ness, the pillar of anti-corruption who nabbed mobster Al Capone in the 1920s and was immortalized by Kevin Costner in the film version of The Untouchables. Capone sold booze, evaded taxes and terrorized Chicago. He laundered lots of money and helmed a ring of gangsters. It wasn’t violence that brought him down. Rather, it was Ness’ creative law enforcement: Capone was busted on 22 counts of tax evasion and sentenced to 11 years in jail.

Bedics, it seems, channels the spirit of Ness in his role as Special Agent with the Criminal Investigation Division of the IRS in the Philadelphia field office. He mostly goes after white-collar criminals, but has a wide range of responsibilities. “We get involved with money laundering, drug trafficking, health care laundering, insurance fraud – it’s not just income tax,” he says. He works around the globe. “Anything that would affect the U.S. statutes, we get involved in.”

For the past four years, Bedics has been teaching an elective class called “Financial Investigations – The Forensic Accounting Approach to Detecting and Resolving Crimes” at Muhlenberg College in Allentown, PA. The goal is to help students understand the basic criminal statutes and elements required to prove a criminal case; to understand and apply investigative techniques in solving financial crimes; and to understand forensic accounting methods, rules of evidence, and statutes in a complex criminal financial investigation.

Most of his students are seniors majoring in accounting, and the class gives them a chance to learn about the federal tax system as well as all kinds of criminal activity. Bedics estimates about 10 to 15 agents teach similar classes across the country.

“More and more schools are recognizing the importance of this class, since it deals with white-collar crime and how to solve financial crimes using forensic accounting,” says Bedics, 44, who’s been in this line of work for 16 years. “I spent seven years in corporate accounting before he decided to get into law enforcement.” He has handed everything from tax evasion to major money-laundering investigations, and even had his hands in the secret service – he watched over Fidel Castro when the Cuban president came to New York in 2000.

Like all special agents from the IRS Criminal Investigation Division, Bedics is a trained accountant. He also has a bachelor’s degree in Criminal Law, as well as his Certified Fraud Examiner certificate. And he trains other agents in the fine art of firearm use.

Bedics reckons. “It’s been a career thing that doesn’t look right.” Otherwise it’s an agent picking up on something that doesn’t look right.”

Instead of relying solely on textbooks (he does use one, Financial Investigations – A Forensic Accounting Approach to Detecting and Resolving Crimes, published in 2002 by the IRS), he takes a hands-on approach. Sometimes he’ll bring in several agents and law enforcement officials to pretend to be witnesses and suspects in tax-fraud cases. "The students are told what kind of crime has been committed; it’s their job to come up with a list of questions and try to get the subjects to admit their crimes. It gives the students a little taste of what it’s like to work the streets," Bedics says, adding that it takes years to develop truly good interviewing skills. "I want them to build respect and professionalism, asking the right questions, and possibly getting a confession."

Bedics acknowledges that it’s a tough field and getting tougher every day. Most young agents have master’s degrees because the competition is so fierce. “We’re trying to hire the best and the brightest today, so you’ve got to develop truly good interviewing skills,” Bedics reckons.

That said, he can’t imagine doing anything else with his life. “It’s been a career that I could only have dreamt about.”

By Diane Anderson

Skip Bedics won’t call a bad guy a bad guy until he has the proof to back it up. This IRS criminal investigator nabs white-collar criminals by day, then teaches students how to do so by night.

By Diana Anderson
Celebrity divorces may fascinate tabloid junkies but the real juice – the forensic divorce CPA’s findings – never hits the papers. Here’s the nitty gritty.

By Petra Bartosiewicz

When celebrity couple Britney Spears and Kevin Federline announced they were splitting last November after a mere two years of marriage, one of the first questions asked by every tabloid was how much money “K-Fed” (now “Fed-Ex,” ha!) would get from his much-richer wife in their divorce settlement. Breaking-up is certainly hard to do for any couple, but it gets infinitely more complicated when there are big bucks on the line. That’s why it’s a safe bet that as they began figuring out how to divvy up their houses, cars and cash, Britney or Kevin turned to someone like Stephan Wasserman. He’s not a divorce attorney (though he’s married to one), nor is he a private investigator (though his work often requires serious PI-style digging). Wasserman is a certified public accountant whose job description as a forensic accountant essentially entails being the financial detective in divorces with high financial stakes. Think of any major celebrity split – Jessica and Nick, Charlie and Denise, Nicole and Tom – and chances are they’ve hired a forensic accountant.

So what exactly is it that a forensic divorce CPA does? You’re forgiven if you don’t already know. After all, their work is highly specialized and goes on almost entirely behind the scenes. They’re generally hired by divorce attorneys to delve deep into the books and records of a soon to be ex-couple and figure out how much they’re really worth (not just what they claim on their tax returns). A wife, for example, may want to know how much cash her husband’s various business affairs bring in, or, as in Britney and Kevin’s case, vice versa. The idea is to get a clear financial picture of the individual’s net worth so that a fair divorce settlement can be reached.

In his 17 years at Los Angeles law firm Gursky, Schneider & Co., Wasserman, 42, has worked on over 1,000 divorces, among them A-list celebrities, major league baseball players and top executives at some of the largest companies in America. And though he won’t name names when it comes to the well-heeled clients his firm represents, Wasserman says, “the bigger divorces you read about in the news or see in People magazine, we usually represent...
Think of any major celebrity split and chances are they’ve hired a forensic accountant.

one side or the other.” In fact, when we asked him to comment on some of the more recent celebrity splits in Hollywood, we were hard pressed to find a case where his firm hadn’t been involved. Although different states have different laws when it comes to divorce, the process forensic accountants follow is largely the same. The mantra, in a nutshell, is “follow the money.”

Wasserman practices, is known as “no fault” state, meaning couples split their communal assets down the middle no matter what the reason for the divorce. Whether Brad cheated on Jennifer with Angelina is not an issue. Instead, the financial proceedings center on two areas: establishing a dollar amount of spousal support, for which they rely on a court-mandated formula where the primary variable is the value of the wealthier spouse’s assets. This is where the detective work comes in. Wasserman gets his hands on as many financial documents as he can. Sometimes we’re literally dealing with a bag of receipts.”

If the individual Wasserman is looking at is an independent business owner, one of the best resources is the company’s detailed general ledger, where expenses are broken down. Most people who own their own business pay some portion of personal expenses through the company, says Wasserman. These perks are counted as part of an individual’s assets, so they’re in play when it comes to establishing support payments. The amounts can run from a few thousand dollars (occasional use of the company car or an expensive dinner) to the outright abusive.

In one recent case, says Wasserman, he represented the wife of a man who owned a business and reported $120,000 in wages, but neglected to mention the $600,000 in perks he’d expensed to his company. “We went in and looked at his records and found this guy didn’t even have a personal bank account. He was expensing everything — his kid’s school tuition was listed under marketing; meals were listed as entertainment; he had a hobby of collecting cars and had six or seven leases on sports and luxury cars.” The additional expenditures Wasserman uncovered resulted in a much higher financial settlement for his client.

Not surprisingly, all this highly personal financial detail often gets embarrassing. “When we’re dealing with high-level executives of public companies we talk to them directly because the stuff we’re discussing — the salaries they make and the perks they get — they don’t want their assistants to know about,” he says.

Wasserman recalls one such case where the husband, an executive of a public company, spent over $500,000 of his and his wife’s money on other women, buying them cars and expensive jewelry. “Obviously he was concerned, that being an executive of a public company, you don’t want this to hit the public airwaves. People might think if he’s misappropriating personal money he’s misappropriating corporate money.” The husband opted to settle with his wife out of court rather than face the public scrutiny of a trial.

Wasserman estimates he’s testified as an expert witness at least 50 times but, he says, most cases settle without a trial. Once spousal and child support is established, Wasserman values the couple’s joint properties such as homes and investments, which will be used to reach a final financial settlement in the case. When he’s recruiting new hires to the family law department at Bours, Schneider & Co., Wasserman says he’s looking for individuals with two to seven years of accounting work under their belt, and with both tax and auditing experience. But the firm also hires students fresh out of school to the litigation support staff. “We look for people with accounting undergraduate degrees, and we’ll also hire people with economics or finance backgrounds and train them in family law,” says Wasserman.

Wasserman gets his hands on as many financial documents as he can, looking at everything from company records, retirement and 401(k) statements. “basically what we do is determine the cash flow, their investments and also how they spend their money. So you really utilize all your financial tools, your auditing skills, your tax skills and your understanding of investments.”

It also doesn’t hurt that he met his wife, Lynn Soodik, a well-known divorce attorney who has represented celebrities like Meg Ryan during her divorce from fellow-actor Dennis Quaid, while working as a forensic accountant on one of Soodik’s divorce cases. “The daughter of the couple who was divorcing later told us she was happy at least some good came of her parents’ split,” Wasserman said.

And, of course, you can’t discount the sheer drama of it all. “When people are married they’re on the same team, but when they get divorced, you see there’s a real fine line between love and hate,” he says. “While you’re married you tell your spouse all your secrets. When you get divorced all the secrets come out.”
Your eyeballs are valuable. Real valuable. And this isn’t some gory story line from *Nip/Tuck*. Rather, it’s the reality of TV advertising. Now that you’re armed with what is undeniably the coolest, most practical tool of the 21st century — TiVo or DVR — advertisers are stumped as to how to get your attention. Take a look at the effect the revolutionizing of these machines is having on how we watch TV and the way commercial messages are delivered.

**PuZZling Matters**

A census taker goes to a house for some information. The woman says she has three kids, and the product of their ages is 36. The sum of their ages is equal to the address next door. He goes and comes back for more information, and she says the oldest one is asleep upstairs. What is the age of the oldest child?

**SOMebOdy’S wATcHInG YoU**

To protect the $70 billion or so a year advertisers spend on television commercials, Nielsen Media Research will launch a service to capture the average number of viewers who watch a commercial rather than a TV show, which they traditionally measured for ratings.
For baseball fans, January is the longest, dullest month: The days are cold, the stadiums are dark, and it’s an eternal six weeks before the first pitchers and catchers will wander into spring training, a signal as sure as the umpire’s call of “Play ball!” that it’s finally time for another year of baseball. While there may be snow outside the Ontario Street office of Sarah Taylor, CPA and the controller for the Cleveland Indians, she is already in full swing, her baseball season in high gear.

In fact, January may be Taylor’s busiest month. In the coming days, she will complete work on the team’s budget for 2007, then turn to the year-end close and audit for 2006. By the time the Indians’ players are oiling their mitts and stretching their limbs, Taylor and her own 10-man finance team will be well into one of the full quarterly reports and working through a myriad of issues – from helping the ticket department devise new programs for Jacobs Field, to advising players and their agents and interfacing with the baseball club’s seven minor league operations and a Latin American facility located in the Dominican Republic.

“What’s my favorite part of the job?” Taylor asks with a laugh, “It depends on what day it is and the time of the year.” Indeed, the tremendous variety of tasks that come across her desk is what she loves most about coming to work every day. “It’s the kind of job where things change every year,” she says of her unique position. “No two things are ever going to be the same.”

SAFELY ON BASE

A graduate of Wake Forest University, where she received a B.S. in accounting, Taylor’s first job after being certified was for Ernst & Young. “I found my public accounting experience very valuable,” she says, adding that the experience she acquired auditing banks has proven extremely helpful now that she handles cash management for the Indians. From there, she moved on to be assistant controller for Cleveland real estate developer The Jacobs Group, owned by Richard Jacobs – who also owned the...
Creating the Indians’ budget requires focus on attendance: “They can’t buy a hot dog if they’re not here.”

HOT DOG DILEMMAS

“Cash management is a big area for us because we’re a cyclical business,” Taylor explains. “We get season ticket money, for example, and invest it, and then have to have it available when the season starts. And when it comes to payroll, there are a lot of compliance issues.”

“The business of sports is very interesting,” she says, “but there’s no textbook to follow. Instead, you have to look for parallels.” As an example, Taylor notes that players are carried on the team’s books as an asset, and she’s had to figure out how to account for them with the help of fixed asset schedules.

Coming up with month-to-month budget projections is one of Taylor’s more difficult tasks. “The budget process is a great cost accounting exercise,” she says, “because the attendance assumptions drive everything. It all comes down to how many fans are expected to come to the games. Attendance drives T-shirt and refreshment sales. That means we also have to look at the no-show factor. They can’t buy a hot dog if they’re not here.”

Revenues and expenses are recognized as the games are played — another factor that complicates Taylor’s projections. “If we have 15 home games in April, we book revenues as they’re played, and it’s the same with payroll. It’s very difficult, based on scheduling, to compare year-to-year since we don’t play the same number of home games each year.”

FROM FAN TO FINANCIAL OFFICER

One of the most enjoyable aspects of the job — aside from going to games — is getting to interact with so many departments and operations. “I’m a resource for others in the organization,” Taylor says. “For example, if the ticket office is doing a promotion, I help them structure it. There are special projects that come along — a few years ago, we converted to a different ticket system, and we’re dealing now with gift cards, which is something new for us.”

When it comes to the baseball operation, Taylor deals with players and their agents who have payroll and taxation questions. “I just help them fulfill the contract and follow the laws,” she says. “I also have a lot of involvement with the Latin operations. We have a facility in the Dominican Republic. It’s run very smoothly; I’ve been down there, but there are different tax laws and we hire a Dominican company to help us comply.” Taylor also works with the club’s fantasy camp, and is the accountant for the club’s charitable corporation in Cleveland.

And then, of course, there are meetings involving the other clubs. “The financial folks are all connected. We have annual meetings and a chance to hear other’s views and ask questions,” she says.

So what’s Taylor’s advice for students with an eye toward entering professional sports accounting? Well, it certainly doesn’t hurt to be a fan or to understand the principles of public accounting, but she also says a well-rounded education is an important tool.

“I’ve found that the importance of developing writing skills is often overlooked,” she says. “And don’t forget people skills. You absolutely have to get along with a lot of people. Don’t just focus on the accounting — it’s very important to the company to have strong relationships with the front office.”

Ultimately, Taylor says, her greatest reward and perk is coming to a job she loves. “It doesn’t matter if it’s July or January, every day is a home run. ‘It’s just plain interesting!’ she says.
The red carpet strut, kiss-and-tell tabloid coverage and free couture—treatment, so rampant in Hollywood, is reserved for directors and actors, yet they aren’t the only real heavyweights who prop up this flash bulb-seducing industry.

Producers, too, have clout. They are the people responsible for making sure a director has every resource available to him or her and that it all falls within the budget. They set the wheels in motion so that directors can smoothly film complicated scenes, making sure, once on location, that everything is in place—from set construction, equipment, crew and extras—to pull off the action.

So, if being in pictures isn’t your thing, how about making them?

A film’s head honcho—the one charged with development and creative tasks—is the executive producer. Typically, that’s the person who comes up with the idea for the film in the first place and then must find the coin to make it happen. At an average cost of $63 million plus another $35 million for distribution costs for a feature film, the strongest sells can be the ones with the director, scriptwriter and stars already lined up.

For Monica Levinson, the executive producer of last year’s comedy Borat: Cultural Learnings of America for Make Benefit Glorious Nation of Kazakhstan, the big pieces were already in place. It was the execution of Sacha Baron Cohen’s mostly non-scripted flick that was going to require a lot of creativity. To allow Cohen the freedom he needed to follow through on his vision, she says, she talked to the film’s accountant often. “Being a producer is complicated, like a good puzzle. I love budgeting. A budget acts as an outline on how the film will be made. Since it has to be very detailed, I much prefer working with an outline on it.”

Similar to those required of a CPA, the skills critical for a producer...
are the ability to analyze, budget and keep sound accounting ledgers. Levinson, who has worked in Hollywood for more than a decade, says being able to manage the cash is as important on a $58 million dollar film (28 Days) as it is on a $24 million dollar one (Dodgeball). At the end of the day, a producer must collaborate with an accountant to make sure things can happen.

My job is to facilitate anything the director needs, making sure his vision is accomplished,” says Levinson. And that was the case when, on Dodgeball, the custom-built set inside a high school gym was painted the wrong color. Rather than miss an entire day of shooting (which could cost one hundred thousand dollars), Levinson had the director shoot tight that day (think close-ups) and that night had the gym transformed - at an unbudgeted cost of $50,000. It was the accountant who built a cushion into the budget in advance who saved the day. That kind of planning for unexpected issues makes an accountant invaluable to a producer.

While a producer backs up the director, a line producer is often hired to back up the executive producer. The line producer is often charged with creating a production plan and shooting schedule, hiring a crew, figuring out locations and working out tricky logistics. Years of film experience coupled with common sense, a savvy financial head, and mind for minutia, makes a line producer an effective manager on the day-to-day business of the set and shoot.

"So much of what we do is analysis of various possibilities and a fundamental understanding of the numbers is of great value," says Joe Hartwick, head of Twentieth Century Fox’s Feature Films division. "An accounting background just seems to aid in one’s ability to look at a location a set or other design elements and assign a value that very often is extremely close to the final detailed result." The line producer also oversees the budget. But if you think it’s a cakewalk to balance a bankbook with $63 million, think again. Half the money is gone right up front, says Ezra Swerdlow, who has line produced a dozen or so films including Secret Window (2004) and Head of State (2003). That’s because some stars command a 10– to $20-million paycheck while big-name directors can snag $5 million a pop.

Even with close to $40 million left, you’re still cutting it close after you add up the 'below the line costs,' which cover visual effects, design, crew and equipment. And just like the list your parents suggested you keep detailing every last can of Coke you buy, the line producer (or one of his minions) keeps a ‘Hot List’ which he uses to keep the studio up to date on the film’s daily expenses. It includes all the money spent on everything from sandwiches for the crew to crane rentals.

While directing and acting require a kind of focused tunnel vision, producing requires a big picture (pun intended) approach and a pile of movie-making skills heaped with creativity, business smarts and a knack for solving problems. In fact, those skills are so essential that the majority of the production department at Twentieth Century Fox’s Feature Films division is comprised of accountants and CPAs. "I have found great success hiring people with an accounting background," says Hartwick. It is the accountants, says Levinson, who make all of her budgeting tasks simple ones and who support her like she supports the director. "Without a good accountant it would be hard to do my job, which is to maintain the creative vision while remaining fiscally responsible."
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for accountants. Tim Sherman, CPA with Cohen, Greve & Co., in Mineola, NY, has been working in the fashion and manufacturing industry for decades. He’s watched the business hop from New York City’s garment district to overseas, where labor rates are significantly lower. As an accountant, he knows more than cost sheets and bottom lines. “It is my job to know the nitty-gritty of manufacturing, like how much trims (buttons, zippers and other added details), markers (patterns), shrunken markers (don’t ask!) and fabrics cost,” he reveals.

There are a number of steps designers can, and must, take to make a fashion line a profitable one. For starters, it is essential to price the goods properly. “The standard rule of thumb for pricing is to multiply costs by 2.3 – but which costs is the big question,” says Sherman.

Getting to 2.3 requires the diligence of an accountant who can go in and examine the cost sheet and make sure that everything – from labor to fabric and trim, even the care and size labels – is included.

Equally as important as pricing goods is negotiating a retail price with department stores and other vendors, and making sure they stick to it. “Discounting is the biggest issue in fashion today,” maintains Sherman. “There are not many designers who can march in and say, ‘This is my price. You want this product, this is the price I need,’” he says. But the ones who can have a greater chance of success, like Lim.

Aspiring fashionistas who prefer not to be judged by a hemline but rather a bottom line will likely find more success on the accounting side of the business. That is where invaluable employees delve into the operations and learn how design, production, manufacturing and sales departments work as a team.

To succeed, suggests Sherman, an accountant must pay his dues at the lower level. Knowing the business, any business, is more essential than ever for CPAs. “Accounting is not about numbers anymore. Everything is done with a computer. Clients pay a CPA for intelligence, analysis and the ability to see problems for them, not man-hours,” explains Sherman.

And to those Project Runway contestants aiming for Lim-style success, the designer says that while it is the clothes that make the man, it’s not always just the clothes that make the man successful. After all, he says, “Fashion design is a business first.”

Accounting for the cost of every piece of a garment isn’t a designer’s job – unless that designer is Phillip Lim, a former accounting student.

By Jill Neiberg

If the candidates on Project Runway had a yarn about Phillip Lim, they too might boast of dressing Michelle Williams and Keira Knightley. Hollywood’s hottest celebs know Lim as the CFDA/Vogue Fashion Fund Award nominee for new designer of the year whose sweet, tailored clothing is comfortable and romantic. But Lim’s cutting edge women’s designs (men’s hit the runway this spring) aren’t the only thing that set him apart from other designers.

He’s also savvy with a spreadsheet. Lim, creator of 3.1 Phillip Lim, the highly worshipped clothing line that flies off shelves from Barneys to Nordstrom, is very aware of what every piece on every garment costs, of how complicated designs affect the cost of manufacturing, and of supply and demand. That’s because he studied accounting in college.

“When I work on a design, accounting is always a part of the equation, from gathering elements, textile, and notion selection to considering perceived value,” says Lim. “It is crucial to be aware of your budgets in order to design and produce a successful product. And, more importantly, to continue to have the freedom to design – it’s about the simple idea of cost versus value.”

While Lim is aware of the financial restrictions, he is not responsible for them. For that, he relies on a business partner and a CPA. Like all industries, fashion has its own set of rules and practices that set it apart. Accounting for the cost of every piece of a garment isn’t a designer’s job – unless that designer is Phillip Lim, a former accounting student.

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Here’s how a CPA certification can jump-start a career making billion-dollar Wall Street deals.

By Michaela Cavallaro

**STEP 1: EARN AN UNDERGRADUATE DEGREE IN BUSINESS, ACCOUNTING OR FINANCE.**

Even if you don’t major in finance, be sure to take finance classes. “Finance people look at deals differently than accountants do,” says Mark Goodman, a CPA who is co-managing partner of Janover Rubinroit, LLC in Garden City, NY, and the chair of the stock brokerage committee for the New York State Society of Certified Public Accountants. “Accounting is a required base to have, but finance takes certain analytical skills to the next level,” he explains.
STEP 2: GET A JOB AT A PUBLIC ACCOUNTING FIRM AND EARN YOUR CPA CREDENTIAL.

Find a firm that works in industries that interest you, even if it’s a smaller firm. “Someone who works on accounting for construction companies is not going to be in the same position to jump to investment banking in a few years as someone whose clients are hedge funds and investment banks,” says Goodman.

Step 1: Get a Job at a Public Accounting Firm and Earn Your CPA Credential

Step 3: Make the Move to an Investment Bank or Hedge Fund.

A few years spent in public accounting – making contacts and developing your ability to read a balance sheet and understand a profit and loss statement – can pay off with a job offer from a client in the investment banking business. “Investment banking firms generally recruit from among the top MBAs at the leading business schools,” says Goodman. “But if you have strong accounting skills and can demonstrate your knowledge of business, you might be able to gain an advantage.”

That’s what happened to both Ted Mitchell and Zanoli. Investment bank Volpe & Covington (now Volpe Brown Whalen & Company) offered Mitchell a job in corporate finance when he was six years out of college. At a larger investment bank, the position might have meant serving clients in a range of industries. “I worked in real estate, retail, energy, financial services, transportation – it didn’t matter what sector it was, I wanted to see it,” he says.

Zanoli soon began focusing on financial services, working particularly closely with investment banks – a specialization that would serve him well when he took his next career step.

Mark Zanoli has put together multi-billion-dollar financing deals for giant companies like Coca-Cola and Oracle. Unlike most investment bankers, he doesn’t hold an MBA. Instead the path to his high-powered career began with a CPA credential.

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“The CPA:”

Ted Mitchell, who is now managing director for ThinkEquity Partners in San Francisco (at the time of this deal, he was managing director at Merriman Curhan Ford & Co., also in San Francisco.)

The Client: A more than $500 million diversified holding company

The Project: The company wanted Marisca money to build a pipeline from northern Nevada to the Reno area. In the arid southwest, you can’t develop new homes without a verifiable source of water. This company’s pipeline tapped into a giant aquifer at its Fish Springs Ranch.

“The Problems:”

How much was the water worth? What would the construction cost? How would it affect the balance sheet? And what was the best way to structure a deal to raise the required funds?

“The CPA Advantage:”

“My accounting background really helps me understand the profit and loss statements, projections, balance sheet and capital assumptions, a lot better than most people out there,” says Mitchell.

“The Result:”

A $74 million deal in which a behemoth mutual fund bought 2.6 million shares of the stock. The pipeline project was approved early last year. Mitchell’s firm earned a $3.3 million fee. Nice work if you can get it.

Step 4: Use Your Accounting Skills to Structure Complex Financing Deals for Companies Large and Small.

Goodman tells the tale of a CPA who served as CFO for a hedge fund, and then left along with two of the fund managers to start a new fund. “The CPA became the one responsible for going out there and raising money from investors,” says Goodman. “His position as CFO started out as pure accounting, but he ended up developing relationships with the pension funds that invest in hedge funds, and ultimately, he was able to raise enough money for the fund to get off the ground. [Typically, that’s tens of millions.]”

Zanoli has played an important part in many exciting transactions over the years, working with big-name clients like Dell, HP, Texas Instruments and Intel. “I’ve worked on everything you can imagine, from small merger and acquisition deals worth a couple hundred dollars to representing the likes of security company NetScreeen, which we sold for $4 billion to Juniper Networks.”

As an investment banker, Zanoli often finds himself advising the people who run companies on issues ranging from bond offerings to acquisitions. “I advise CEOs on a daily basis,” he says. “They’re the decision makers in companies, so that gives me an ability to have real impact on the strategy and success of a company. That’s why I love my job – it’s demanding, but the rewards, both financially and educationally, make it hard to beat.”

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My father began his career as an accountant, so I knew from him that accounting was the backbone of the business world, and that an accounting background was one way to open a lot of doors in the future. There are some people, however, who will tell you that the combination of an MBA with a CPA license is almost unbeatable. That is exactly why I am writing this article.

Like many college students (you included, I’m sure), every “adult” I met during my college years had an earful of advice about my career – my career. I listened politely, all the while knowing that the most important thing for me was to be in the driver’s seat. Come job-hunting season, I wanted to be hunted, to have companies fighting to hire me, rather than be stressed by having to send countless resumes and wait for an offer. That is how I started down the road to accounting and earning the CPA credential.

There are a number of articles written by people who never thought they would work in accounting, but this is not one of them. There are many who believe that an MBA is the be-all and end-all of business credentials, but I am not one of them. There are some people, however, who will tell you that the combination of an MBA with a CPA license is almost unbeatable. That is exactly why I am writing this article.

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It’s a great experience getting to understand a client’s business from the inside out.

By Anthony F. Marone, Jr.