

Business, Marketing & Accounting Regional Advisory Board
Accounting Breakout
Friday, December 7, 2018
Cisco – 130 Theory, Suite 100, Irvine, CA 92617

Panel Representatives:

Noelle Nitz, CFO/CEO, Nitz Consulting

Greg Pfeuffer, Partner, Mueller Prost CPA

Ann Fong, CFO/COO, BB Dakota, Inc.

Johnny Tai, Business Development, Mueller Prost CPA & Business Advisors

Arabian Morgan, Accounting Dept. Chair, Orange Coast College:

Welcomed everyone and panel introductions.

What sort of major skill sets would you like to see from an entry level person working with you?

Noelle Nitz, CFO/CEO, Nitz Consulting:

- When I am hiring someone I am really looking at the personality. The best accounting folks I have are highly detail oriented, they love organization and structure.
- In accounting you have your accounting calendar, daily, weekly, monthly, annual and they love it. They love every detail. They want to find every penny and if someone is like that they can pick up the accounting. When I am interviewing I try to get them to talk about their day, how they organize, if they get into a tizzy if 3 things are thrown at them at once or whether they like that.
- I look at personality more than anything and asking your students about that to really be honest with themselves about what determines whether they are going to be happy in that or not.

Greg Pfeuffer, Partner, Mueller Prost CPA & Business Advisors:

- We also look at candidates with as much practical experience that they can have the better.
 - It may be internships which seem like they are happening at the freshman and sophomore years now which is fantastic.
- The more practical experience a person can have the better before they even enter the full time job market. If they don't have that practical experience to be able to bring their knowledge about their case studies from their college classes and apply that as best as they can in their frame of reference to a real life scenario.

Ann Fong, CFO/COO, BB Dakota, Inc.:

- It's knowing that you take sense of ownership because you add value.
- In accounting you learn debits and credits and does everyone use it in my department? Yes absolutely.
- They have to have the fundamentals of debits and credits because everything you touch you do a return authorization credit memo and you have to know you have to plug it into the GL.
- All these things have to be coded properly so what you're recording is correct.
 - If you know your debits and credits and you can add value and you are more solution oriented so you can problem solve. I think a lot of times people don't teach those.
 - When I say confidence skills, they are going to get confidence from learning.
 - As I progressed through my career and as I look at these students that I hire the confidence comes from their knowledge and their learning.

- I still think about journal entries because I still have to review it.

Noelle Nitz:

- I think about when I was coming out how I used to do bank recs. On your bank recs you have to do your thing and work it out and it's just basic logic.
 - I would say go through some case studies where things are missing because you need to be able to understand the logic and be able to problem solve. If inventory is always wrong I say walk out into the warehouse and look at it and use your brain and then figure out how you are going to do it.
 - Practical knowledge is really important but also like the real world. The accounting is the base and then you go start learning.

Ann Fong:

- You have to be logical. Inventory for example, I always tell someone to step back and give me 5 things that would affect inventory. Why is my inventory number off? Either someone stole it, someone put it away incorrectly, someone didn't receive it right, or someone shipped out extra units that they weren't supposed to. So then how do you plug the holes? Every company, it doesn't matter if it is 50,000 in inventory or half a billion in inventory, it's the same fundamentals. You step back and you understand conceptually well there could only be 7 or 8 things that really have made an impact and once you plug that one hole at a time you are basically problem solving one at a time. That's really what the students and people have that I look for.

Johnnie Tai, Business Development, Mueller Prost CPA & Business Advisors:

- One of the biggest traits that I think is really important is follow up and follow through and relating to the accounting side. Part of it is really going through and following up and following through in terms of not only what we see on the surface whether it is the relationships that we have and we build as we connect to those that are in our team but also those clients that we work with. Following up with them and following through with them is very vital and making sure that those elements as simple as they may seem. There is a level of respect in terms of building those continuous relationships.
- The biggest part of any growing company is sustaining relationships and continually building those referrals. That's an element that's hard to teach unless we can actually incorporate it at a much younger age in terms of not only fundamentally but also the real relationships that we work with.
 - What I've noticed with some of the high schoolers is that when they come to our table and they share with us, many of them actually, they are very well respected kids in terms of how they present themselves and how they relate to those that are in the room.
 - Very mature and there is no fear at all in speaking because they've established and built themselves into society.
 - I think the most difficult part is for those kids that are not as well integrated into society for them to build that confidence and the earlier we can embed it and encourage these kids to pull themselves into society much earlier.
 - I heard earlier in the main session where we are engaging a lot on the social media side and perhaps too much time on the phone. I believe that there is a lot to be said about that and one of those elements is that if we can set that aside and build those relationships and really spend that extra time.
 - I would tell you straight out myself where I am today I am in business development but I was actually brought up as a really, really shy kid. If we can

socialize much earlier and spend that time that's going to be a big, big factor to helping our society move ahead.

Mark McCallick, Accounting Faculty, Santa Ana College: The whole object of us being here is to try to prepare our students better for work industry and keep that going on but I'm thinking I might turn around a little bit.

Do you do your own in-house training and if you do, can you tell me do you write your own curriculum and what do you teach?

Greg Pfeuffer:

- We are a middle market CPA firm so we are not a Big 4 but we are not a sole entrepreneur or one or 2 partners, so what we do as a firm is a couple different things.
 - One we have internal CPE which at a minimum there is always a class on a monthly basis that everybody can participate in. We customize that for staff, seniors, and managers. Shareholders are included in that as well.
 - Then we are part of an affiliated group of CPA firms similar in size and nature to us and they offer standardized staff training, standardized senior training, and standardized manager training. It's a program that every other year you know that for a week during the summer you are going to go to this dedicated area for your particular level and then you will have training there as well. So they develop all the curriculum as far as that goes.
 - Last year being a great example we've got ad hoc for all the new regulations and new guidance that comes out and that's pretty routine that anytime something like that comes out we've got training either in person or video conference to go over those new rules and regulations.

Mark McCallick: Do you think it would be worth our while to take a peek at because I have been thinking of going to Ernst and asking them. Do you think that would be worth our time to do that just to see what is being taught at that level and we could come back and compare it? Most of what we teach is 101 and 102 basic. We offer intermediate but I don't teach those so we don't really get into the new rules and all that as much. Do you think it would be worthwhile to take a look at the curriculum if it is being offered that way?

Greg Pfeuffer:

- I think so, at least the core standard staff and the standard manager or senior training. I think it would be beneficial because you will know, it'll be parts of that as you move up the ranks. Part of that is more soft skills. Early on it's pretty technical stuff, getting to know the foundation and then as you progress and start managing people and start having more client interaction than soft skills.

Mark McCallick:

- Rather than reinvent the wheel maybe if you look at what they are wanting then we can target that and show me what you need maybe I can see if I am teaching those.

Don Bradshaw, Irvine Valley College: Have you considered having people like us come to your facility to give a presentation or somebody from your organization to come to our facility and give a

presentation? The kind of interaction which might be a little bit deeper in terms of meaning and results?

Ann Fong:

- Absolutely and I think that is how I started in accounting. I didn't know what I wanted to necessarily major in. I took accounting classes and it was my controller that I worked at that actually had said you should really go and get your CPA.
- I think its people that you are exposed to. I do like consumer products because it's tangible to me and it's something that I can relate to.

Bennett Tchaikovsky, Irvine Valley College:

Do you believe that there would be value to a certification such as a professional accountant similar to what Santa Monica College has? Also, what would you want to see in that curriculum? Do you want to see somebody coming in with, things like Microsoft Excel skills or what is that you are looking for?

Ann Fong:

- Absolutely pivot tables for accountants. If you don't know how to do a pivot table you are pretty much way behind. If they were really strong in other things I would probably send them to an Excel course or that type of thing.
- I won't hire anyone who doesn't at least work for a CPA firm as my controller because it's a fundamental. Auditing is what you do. You present financial statements and make sure everything is in the right place.
- For a staff member who wants to be an accounting manager or assistant controller I always tell them I'd really like them to go to a CPA firm and get an audit. If not I'd like them to get certified in accounting so at least I know that they understand just the basic fundamentals that are I think important and why we do accruals. Deposits and accruals are very difficult for people to comprehend and part of that is because there is a law associated. There is gap between what you can do and what you can't do and believe it or not all my staff is involved in making sure that things are coded correctly.

Johnnie Tai:

- One of the trends in public accounting too is to understand where is their place? Because there definitely is a place for non CPA. That could be accountants that are non CPAs, that could be IT people, and that could be operations people.
- Our profession is expanding in that capacity and so we are in the middle of trying to figure out if they need some sort of certification. If they are going to just pursue taxes or just an enrolled agent level. On the surface it is a very easy answer that certifications are great but then we are literally having this discussion now and that is, "The industry is going here, the workforce needs people, but how does that impact the people that are there that have committed to getting their CPA?" Perhaps they didn't know there was another avenue or have been previously capped out because the industry said, "Unless you are a CPA you can't get above this." So that's where we are spending a lot of time trying to figure out how this impacts our current workforce because that's equally as important. It's going to be interesting where that goes because absolutely we are going to need more than just people with a CPA destination.

Noelle Nitz:

- My clients are small clients and if you think about 80% of companies are small companies. Most people that come through and start doing the bookkeeping have no education in accounting whatsoever, but they have this office experience and all these other things that happen practically in a company that is valuable information.
- They all need a path toward greater competency but also to making more money. That's what we want for everybody is to gain a great skill and if they have a path to moving up. They need a path and you need competencies in those companies which will also help those companies to also save money.

Johnnie Tai:

- If somebody is willing to go back to get a certification or a nontraditional student that really speaks volumes because that's something that they want.

Ann Fong:

- It's like learning and knowledge and to me if someone who went through a certification accounting program at a junior college just tells me all right I can teach you the rest because I hire my second person in command who is just as smart as me or as diligent as me. Between the two of us we are going to be able to really bring this person to that next level and they don't have to necessarily get a CPA because I got one. I need at least one and the rest it also comes with pay.

Jeanie Neal, OCC: At OCC we've created a lot of payroll certificates, non-profit certificates of specializations and one of the directions that we kind of hear is getting across campus and across divisions.

Would you see that accounting student coming from a community college with experience in other areas on the campus of making those kinds of divisional connections? We've got art, airline mechanics, fashion apparel, culinary and all these other career areas. If our accounting students actually had accounting specifically for your field or your clients, would that be of value?

Ann Fong: Absolutely.

Johnnie Tai:

- If a student could go to the fashion apparel division and say, "Okay, how does this apply to my accounting?" That turns it into practical and that turns it into reality and that's tremendous because it's not like you have to then go to a firm that all they do is fashion apparel. You've learned the lesson and now you just continue to find what industries you like to work with.

Jeanie Neal:

- Accounting for the skilled nursing facilities vs. construction vs. culinary lifestyle brands. It's all accounting but there's different things you need to focus on and so yes that would be great.

Ann Fong:

- I will tell you right now I probably have friends who have 7 or 8 positions open in accounting and even staff accountants. We are robbing them from people left and right so it's really, really hard and part of it is even though we have technology and efficiency, accountants are what you need.

Johnnie Tai:

- I did my undergrad at USC and one thing I have noticed with the previous person that was on the board that the biggest thing that he did bring forward was synergies across different departments. As an example, the number one thing out there is games and what they did was to

synergize engineering with cinema and taking classes across the board where they were creating these new majors and what have you and we have seen that trend quite a bit as far as where we are in our society.

- On the side of accounting one of the things why we are even out here is that we actually worked with a boutique firm that actually specialized in healthcare and on that same note working with as a more generalist tax audit accounting and merging that with a specific specialty and someone creates those opportunities.

Don Bowman: I want to back up and talk earlier about the fact that we have a lot of people coming back taking the high level courses. I get a question probably 2 or 3 times a year from somebody who is coming back and they are going to take the accounting program. They meet all the units and maybe they had a marketing degree or something, pass the exam but they have no experience.

How do you balance in your mind somebody that has a 4 year accounting degree and they completed an internship but haven't passed the exam vs. somebody who has now passed the exam but they are not a CPA because they are trying to get their foot in the door and they can't find anything?

Greg Pfeuffer:

- From the CPA perspective that's fantastic. If somebody has already passed the exam and they are wanting to get into accounting there is no downfall to that. If they have a degree, and this is definitely our firm philosophy, if they have a degree in a different area we see that as also a good thing. Engineering, marketing, finance, economics and different disciplines like that.

Noelle Nitz:

- For my size clients, I need experience because they have a firm that's got a number of people and a training program. They know I am going to get out of school and I am going to start at entry level and I am going to do these things.
- I need people who can actually run transactions and do a check and do all kinds of things right from the get go, so knowledge to me is way more important than that. No one is ever going to hire a controller without both experience and a lot of knowledge and also the CPA. I would rather have a smart person with experience who knows how to deal with stuff any day.

Arabian Morgan: Noelle a lot of our students are encouraged to just begin at a temp agency in accounting just to get their foot in the door and just to get practical hands on. These are the returning students not the traditional so to speak.

How would you view that sort of experience?

Noelle Nitz:

- Any experience they can start with from anywhere, great!
- I'm not taking anybody from a temp agency now just because the quality is so bad but if you are somebody who is getting on the entry level where some large organization is going to hire you for a little very narrow thing, great go get it and go do it but I'm just not hiring from there right now.

Kevin Erdkamp, Coastline College:

- A couple things, one I would love to invite all of you to our "Meet the Firms" if you are interested in that. Second, a lot of us in this room have come the CPA route but there are CMA,

and government. **Would you consider someone who has a CMA instead of CPA or are you strictly looking for CPA? If someone came in and had a CMA and maybe they went that route first are you at all interested in those types of people or is it just strictly advised to go get your CPA?**

Ann Fong:

- Absolutely I am interested in the smart individual who problem solves.
- I think it depends on the industry that you are in and it depends on the size of the organization. So that will determine what sort of skill sets. Can I get someone who just passed the CPA but was not or didn't have any experience? Sure, but do I want that? Not likely because we are a smaller organization and need someone with very specific skill sets preferably in the industry that we are in.
- In the case of whether or not they need to be a CPA, I would hire someone who I believe can do the job and I look at things outside of soft skills. At the end of the day you are in a service industry and so they have to grow into that and bring clients in. It's the same thing as us, at the end of the day I have deliverables so I need the smartest person on my team and I don't care what your designation is but you do have to have the fundamentals of debits and credits.

Greg Pfeuffer:

- That's a good segue because in CMA we have a niche that is manufacturing and distribution. In order to fulfill client requests or obtain new clients, that's incredibly marketable for someone to come into our firm with a CMA. That is how they distinguish themselves among the competition and it works for our firm because we have a specialization in manufacturing and distribution.

Noelle Nitz:

- The really good news for all of your students is there are so many different ways to get into and participate in accounting.
- I always had a portfolio and I ended up starting my own company and I have a basket of clients and I love the strategy in the upper level but the detail of it allows me to make sure that all the information is actually correct. There are so many different ways to participate in accounting and it's so different from the different industries, to the type of company, to if you are thinking, "Oh no I really want to go the large CPA firm route." Great. Go do the education route but there are so many other ways that you can come through it.
- It's not just a one stop and one way through so however they start it in and whatever they need to go back and do there are tons of different ways and manufacturing is so different from so many other things. I need someone with hard core cost accounting.

Don Bradshaw: Do any of you have a need for significant additional units that are relevant to your CPA practice? In order to get their CPA 150 hours do you hire people who don't have enough units or striving for certification but they lack significant semester units? If so, are you aware of what we offer that might really be tailored to help in your practice?

Greg Pfeuffer:

- Our hiring is different work than definitely what it used to be. If you are hiring new staff they are getting an internship, probably in their sophomore or junior year, and then following the course knowing that the expectation is that they will get their required units and sit for the CPA exam. So by the time they get full time employment they have either obtained the units or are within a

semester of obtaining the units so they are able to continue wherever they're at until they get to that point.

Ann Fong: Do you give offers in the junior year like Ernst and Young?

Greg Pfeuffer:

- Yes, usually the Big 4 tend to be a couple years like junior year. We might be a little behind that but definitely well before graduation.

Ann Fong:

- So you do a traditional. To answer your question, what I've seen in most CPA firms is they look for accounting major units. They don't want to go through and wait to not get their CPA because they are grooming them to become a senior manager because you can. I don't know if Ernst & Young has changed, but you couldn't make manager unless you were a CPA. I don't know about other firms.

Johnnie Tai: Most all firms are like that.

Don Bowman: A new requirement that they kicked in a few years ago about 150 units, it doesn't have to be a master's degree.

How much do you value that MS or MBA vs. just taking some other type of college course obviously accounting education but maybe took it in hotel industry or architectural management or something like that. Do you just say MBA superstar or do you go really into what that extra stuff was?

Ann Fong: CPA firms like MBA right?

Greg Pfeuffer:

- The MBA is absolutely nice. When I see it on a business card it doesn't mean extra to me but it's a good skill set to have and again I might look at things a little differently.
- I like those extra courses in various other disciplines but that's truly a personal preference.
- Two candidates completely equal I might give a little bit to the MBA but it's not going to make or break my decision.

Don Bowman: MBA versus MS in accounting?

Greg Pfeuffer:

- An MS in Accounting is probably similar. It's nice because there is again a focus there and you get the taxation specialization and that's good as well as long as that person knows and understands that tax is their path. I truly believe that people coming out get the baseline and then you figure out what you want. You may think you want tax, you may think you want audit, everybody thinks they want consulting and you know until you start doing it and feel the questions and see the work and sit behind the desk and maybe get bored in certain areas you know, you just don't know.

Arabian Morgan: How important are the schools that students are graduating from to you?

Ann Fong:

- I went to Cal State Fullerton so I didn't go to a big school like most people do when they work at Ernst & Young. That tells you that The Big 4 firms still recruit at state schools that have accredited business programs. I think it helps obviously someone at UC Berkley or a lot of the UC schools have grade requirements that you know okay just like the firm they recruit someone, usually GPA matters right. It's the same thing with schools but it doesn't weigh if someone went to USC versus a state school and again back to it depends on the industry right.
- It depends on the industry and every industry has a different requirement in what they look for in an individual.
- I work for mostly entrepreneurs who it's very hard for them to understand the value of accountants and then they don't usually want to pay.
- I think it depends on where you go. It's getting your foot in the door with your temp agencies or someone you know so networking help.

Don Bowman: I know my partner in charge and before I started there was from Ernst & Young and coming from Cal State were about half the people they hired and the other half were Loyola, USC, Chapman, but yes they always have a great reputation.

Ann Fong: They really do and I think the only 2 credited business programs left in California is USC and Cal State Fullerton that's fully accredited. I could be completely wrong.

Audience Member 1: You are right about the accreditation, although Cal State Fullerton has dual accreditation from 2 different bodies.

Ann Fong: I started in the acquisitions world and worked with investment bankers and private equity and you look at them on paper like bigger, very rare do you see someone that's papered in a state school.

Audience Member 1: It's hard to get in to Cal State Fullerton.

Ann Fong:

- Again it depends on the industry that you want to be in. I started at Volcom and they were snowboards, surf and skate. I skied, I boogie boarded and I rollerbladed, so completely opposite of what they stood for. When it came down to it my CFO at the time was from KPMG and he saw the value in someone that came from EY because he came from the Big 4. We didn't have experience outside of Ernst & Young but he saw that and at that time they had 12 million dollars in revenue but we had 3 CPAs from a firm. Everyone always wondered how they made so much money. The reason is because the father had a seat on the New York Stock Exchange and he was an MBA Harvard grad and he believed in accountants. So he hired accountants and said we are going to go public in 7 or 8 years and I need people who know internal controls and a good set of financials and be the police. Volcom was the perfect story of getting to 350 million, going public and then going back private. He made all this money going public and then sold it to PP&R for 750 million dollars. It tells you that there are success stories and accountants are a big part of it.
- I didn't think I wanted to be an accountant or I thought I did but then I couldn't match myself to a lot of the companies that I worked for. If you find a good match then it just becomes natural.

Accounting isn't just about debits and credits as you know when you get to my level and you do so many fun things but you do still work a lot of hours.

Johnnie Tai:

- When I used to work at The Boeing Company, commercial airplanes were our main products but I had the opportunity to contract out as part of the global staffing. They are a very diverse firm and one of the things that I did notice as far as having to break forward and as far as what we are discussing here is when they are bringing folks on board there really isn't, when we are talking about schools undoubtedly there are national brand schools that they bring forward and bring in
- One thing I did notice when I was in the various different teams was that there were folks from all different calibers and all different schools. As much as there may be preferences for one school over another. Ultimately what they really want to see for a successful team are people from different experiences and different schools because everyone brought something different to the table. Whether it be Cal Poly's, Cal State schools tend to be a lot more practical and a lot of UC schools tend to be more theoretical and as USC they took a little from both sides and they are more in the middle and when you can just bring them all together and create a team, especially as companies grow, it just adds a lot more diversity but also a lot more experience to the table.
- That was one of the biggest factors that I thought proved to be success with The Boeing Company.

Greg Pfeuffer:

- The interview is always the proof in the pudding. GPA is one thing we look at but then we look at experience and what the rest of the resume reads like and then we talk to them.
- In recent times, because I have been running our office here for a little over 2 years, a lot of what we are doing now has been new to this area. In establishing relationships with universities I will just talk to the people in the know. I will talk to the professors and say look here is what I'm looking for I want somebody that is intelligent but I want somebody with personality and these skills. Tell me who I should be talking to and I kind of get around all that stuff because I get the names of the people that meet the criteria that I am looking for and I don't have to filter through all these resumes and try to figure out what's real and what's not.

Ann Fong:

- I think for the firm's GPA is their starting point but after that they go through and pilfer through the different types of people. Grades are one criteria but it's the same thing as SATs or ACT, usually they go hand in hand. So you have a 3.8 or 3.9 student and their SAT scores are usually within that 1400 or 1450. Very rare do you see and there are some exceptions where people are just not very good test takers and they have a really good GPA but it goes back to the interview. How well do they write their essays and how well do they do all those things to get accepted?
- Finally there is an avenue for students and you are getting the reputation of a lot of choices. Students have choices now and the reputation that it's okay to go 2 years at a junior college and transfer to a bigger school. It is okay for me to go to junior college and get a certification. I think in the past those options were not really available. People talked about them but even college counselors at my son's school will say Santiago has this program and they've had these students go into these types of colleges. He specifically named all of the junior colleges and told my son about their programs and it wasn't that my son couldn't get into good schools. He was just at

least giving him the options. If you don't get into these schools or schools that you want to, this avenue is just as great which is great for me because that means the institution is making these changes and the institution is actually holding hands with these colleges and saying that they have options and I think that is really good.

Johnny Tai:

- The world has changed significantly. There are definitely more applicants on the global side. How does that impacts what we are seeing here and how do you distinguish yourself? I think if you can find that curriculum above and beyond that can outweigh what everyone else is doing.
- I think, with Vital Link for example, what they are trying to do is to help us create that extended curriculum and to create those advantages for the local kids here. Hopefully we can provide that information to you to make that distinction and if it means more communication than this once or however many times a year that we have this.

Don Bradshaw: Would be willing to serve on a community college advisory board that was organized at that college is what you are saying maybe?

Johnnie Tai:

- You can do that or I'm actually an investor with Irvine Chamber and I participate in the Business and Workforce Development Committee. I see folks at Irvine City College and the other universities that are actively participating and we are getting that feedback to our business community. I encourage if there is any information that you want to transmit or receive, that is a great place to communicate and build relationships as well.

Don Bradshaw: Is there any particular curriculum suggestion you have now that you haven't talked about that maybe you have been thinking about?

Greg Pfeuffer:

- Big data, data analytics, IT, forensics.

Don Bradshaw: What can we do at the community college level that you would suggest to get ready for those students going into the university who want to emphasize that, the data analytics?

Arabian Morgan: May I just blow that question a little higher? At the community college level people have been talking to us about offering data analytics courses even to compliment what is going on at the 4 year levels.

What specifically would you like students to be able to do when they begin working for you in this data analytics area? Is it the analytics, is it the harvesting, the interpretation? What specifically would you like to see in a person that has graduated?

Noelle Nitz:

- From my standpoint what I like people to do is I would say the numbers are just the beginning. Great you produced some numbers for me and then printed out some reports. Take a look at it. Go walk around and go out into the warehouse and go out into the production floor and ask yourself does this make sense? To me it's like there is all the data you can put in and it can all be accurate but just for me for what I look at I need for people to use their eyeballs and their brain and figure out what it is telling them. Great it's some numbers, but is this good or bad or does

this make sense, does it look like it should be correct? What does this mean? That is the most important thing.

- On the other question with respect to how you are evaluating someone, I just look for poor, smart and hungry and you don't have to be hard core but people who will just own, solve and deliver but they look at things and they have a question and they think about it and if they have a great work ethic. I don't really care where they went. They call that the PSH degree, poor, smart and hungry.

Ann Fong:

- I agree with that. I think what's important when you are talking about the person's skill set like data analytics for example. It's exactly what Noelle said. I just don't need a report that I can have the computer run. ERP systems are sophisticated and you can do all these things but when you are doing data analytics it is really mining the data and the fundamentals. Most organizations care about gross profit. Do we make money? Do we not make money? What is the data telling you and how do you add value with that data? So when you are mining the data for any type of analytics whether it is Google or where organizations like us spend 30, 50,000 dollars a month on paid advertisements. All of these things that we are mining and trying to figure out what's the return on that ad spend?
- I think it would be really helpful. I believe that mobility and technology is moving that forward and now this data that is coming out you want to be able to understand and read that so that you can make meaningful decisions. It's at your fingertips now.
- That type of data analytics course would be amazing.

Greg Pfeuffer:

- One of the things that we work with Cal State Fullerton on is they teach a class using Tableau. We've worked with their class and gotten permission from our clients to use actual data to help develop our data analytics group.
 - That data is not just financial in nature but it could be any data. This particular client was having turnover issues so we approached the class, it was a masters level class, and said here is the information that we have available to use from their time and bookkeeping systems and their HR system. Here are some basic objectives and you tell us the rest.
 - Why are people leaving? What are some commonalities of anybody that's left that you see in this data?
 - They came back to us with just absolutely fantastic results. Since this semester we've expanded that into a few different areas. HR is not even accounting related. We are a public accounting firm but that's the kind of stuff we are getting into so now we are working with them on some non-profit initiatives and reporting and identifying trends in donor behaviors. That's where we have seen a great interconnection with the universities.
- The community colleges are on the cutting edge of the technology and the programs and your students are going to be more in the know with how to use these resources than we are and in that case we are learning quite a bit from you guys.

Audience Member #2:

- Back to Arabian's question though, our students are not at the master's level. I mean we get the whole gamete so that's what we are struggling with and I'm sure probably OCC is and other colleges are as well as.

How do we create even basic assignments and basic courses that get their appetite wet but that aren't at that graduate level? We want to facilitate this but we want to get them in that direction but we know at the same time not everybody is going to have a statistics backgrounds and so how do we scale that?

Noelle Nitz:

- That's the beautiful thing about accounting and finance. It is such simple math and so it doesn't have to be really that and one of the ways that we could help you and I'm happy to do so is I have millions of case studies.
- The best way you can do these things is to have case studies and one thing we haven't talked about is then you have them go do a case study and then you have them work some numbers and you say, "Okay, so what do those numbers mean? What would you advise the business owner based on these numbers?"
- Then the biggest piece that was probably the toughest piece for me to learn was communicating. I really had to learn not only how to communicate and when to communicate but the other piece is not speaking a foreign language to them. We have clients who are creative people who are management. They didn't get into business because they love accounting so these numbers are a burden to them and they just want someone to tell them. You have to know how to communicate and what these numbers mean in a way that gets them excited.
 - Like my construction client I was tracking overtime for and they had overtime percentages on some of these jobs that were like 28%. I had someone look at me like okay that's cool and I was like wait what, that's not cool. So usually when I show someone overtime like that they can't believe it. Now they get it and now I need to show them why it matters to them. That's the crux. Why does it matter to that person?
- To your point about HR. Most of the business owners would be like well yeah but all those people sucked that left but let me show you how this is costing you and how it is impacting your ability to make additional dollars and that communication is the thing that sets you apart from everybody else so that skill they had no matter what company they are in they not only have to be able to present reports but present nontraditional accounting reports in a way that is actually helpful to somebody.

Arabian Morgan: Like an infographic.

Noelle Nitz:

- Infographic small amounts but they have to be able to verbally communicate to a non-finance accounting person why it matters to them. Case studies are beautiful for that. Do as many of those as you can do and then take them all the way through. They've got to stand up and tell someone why it matters. The more they can do that the better.

Arabian Morgan: I am going to ask a question of the faculty members here, based on what Noelle has said and actually all 4 of our panelists have used the phrase soft skills to some extent today. In our 101 or 102 or introductory courses does anyone here actually have their students do any sort of verbal communication exercises with the class?

Don Bradshaw: It's a requirement for a transfer articulation agreement between all of our students I think isn't it?

Arabian Morgan: Are they getting up and doing presentations that kind of thing?

Don Bradshaw:

- Depends on the class. There are a lot of practical business considerations and not just the answer numerically but what are the secondary impacts and the tertiary impacts? Take it a little farther and that kind of thinking and also digging for the information that is not always there. That often or sometimes shows up on the test and not necessarily in the discussion but yes in those lower level classes I have a hard time having a group project with 60 people in the classroom.

Arabian Morgan:

- We break into groups and we just finished last week. It is hard to squeeze it in but they have to work on it for half a semester. I give them a K1 and they get to pick a company. I tell them to go to edgar.gov and they download it and have to know how to read it, find the financials, and do certain ratios. If they just want to be a pure marketing major then they can just do the ratios and not know what they mean. If you are going to be an accounting major you have got to tell me so in your group. They need an accounting major to tell the audience what the gross profit percentage is and this is what it means. Here is the trend and this is what this means comparing the horizontal or the vertical or the whole bit. They are graded on that so I always try to put, we only have about 5 accounting students that say I don't know why that is mainly because they don't know what a CPA is but I try to convince at least everybody in the group to be the accountant and to do what Noelle said.
- Smart people can figure out the formulas but if you don't know what they mean or if you can't communicate and even if you do know what it means and you don't have the skills to communicate. I had one girl start breaking down because she couldn't finish and she is brilliant. I told her in the hall that she can't run out of a meeting, it's just not going to work. She is going to have to get through it and if she is going to work in business she is going to have to communicate. So yes, we have 101 and 102 and I thought it was part of our agreement in the transfer process.

Audience Member #3

- I don't have the time for them to specifically get up in front of the class and do a presentation. I just invite students who would like to practice that skill set. I don't have time for everybody to do that nor does everybody want to do. It's only for those go getters that really are going to have that success story that you are going to share with the rest of the faculty a few years down the road. The ones that are actually willing to talk.

Audience Member #4:

- We had this discussion with our advisory board last June. We actually had the Chair of Long Beach State and Public Holding. We have been doing this at Saddleback a long time but the presentations, analyzing the company, and talking about it. I got into looking at the history and it was a verbal agreement we had with the former chair of Fullerton. At the last meeting a couple years ago I point blank asked her and she said they don't do it in 1A but they definitely do it in their intermediate courses.
- We point blank asked them last year if this is required and they said no but it's really desirable. I then did some research on general articulation agreements on the web and I couldn't really find anything that specifically said it was required at the community college level for most of the

state schools and most of the other schools around here. I think a lot of it has been a historically verbal agreement. If I have a large lecture class I will go ahead and do mass discussion boards project on campus and some we do presentations if it is a smaller class, but something to research.

Arabian Morgan: I thought it was required by all of us.

Does our panel have any concluding thoughts they would like to leave us with on any topic before we leave today?

Audience Member #5: Can I ask one question and this is the ammunition I need to go back so I need you to give me the right answer on this. **I noticed that all of you when you filled this out said that Excel was an important skill for all 4 of you but only one of you, Noelle said that accounting software is important. Is it because I know Noelle works mostly with small to midsize businesses? Is it really not that important?**

Ann Fong:

- I can teach it. I can train someone. ERP systems they are all very different like SIP, Net Suite and QuickBooks so a lot of that stuff is you have to maneuver the wheel within your ERP system. I can teach that because usually you are only allowed certain permissions depending on your level and so you have to be familiar with the ERP software.
- It's not a requirement if a person has never been on it and I actually have 2 folks who were straight from college that didn't use an ERP system before and they are great. Both of them are very quiet as well. The person who is hiring, and if they are good hires, they figure out what their strong skill sets are and they match them for what the need is. That's different in every company.

Audience Member #5:

- So that would make a distinction because my position to my department is that they and I tell my students this, "Don't leave Santa Ana College without Excel skills at least a medium level and some kind of software and we offer 2, we offer QuickBooks and we offer MS Dynamics". I am with you. It's all the same but I thought that employers would really look at that and say if it was between Jane and I and Jane doesn't know the software package then I would probably get the job because as an auditor you have to know why.

Ann Fong:

- I agree with you in the sense that yes QuickBooks and any Intuits absolutely. I would probably take that person over a person who didn't have. I think that it's not going to, if I wasn't comparing 2 candidates I am going to look at them and say what is it that I need? Definitely they would have an advantage if they did this.

Audience Member #6:

- I want our students to leave with Excel specifically towards business application and software experience. ERP let's just call it that. I tell them to not leave our college without that.

Ann Fong:

- Absolutely and that would be great if you could partner with a QuickBooks or a NetSuite.

Audience Member #6: Yes we have.

Noelle Nitz:

- It increases efficiency greatly, especially with my small companies. Once I have gotten somebody on an ERP I don't want anyone without it because they tend to really resist. The other thing I think I have underestimated, because I have been in and out of so many software systems and everything else, I forget that for some people it is really hard for them. If I have someone who has already done it I know that's not something I have to fight against. I don't have a lot of time for training.

Ann Fong:

- One last thing I would do is I do a lot of networking and there is another gentleman who is a CFO but he solely focuses on ERP implementations so working with this construction company they really need to get up and onto an ERP system. Getting people up on to ERP and solely doing that is not my happy place. There are so few people who do that so if you have people who are interested in data and sort of accounting work but also like IT work, boy is that an opportunity.

Johnnie Tai:

- As a last thought I would just kind of point out the socializing part of it as well as the networking side. Networking is a skill that hasn't really been developed that much. When we were all in school we were all to ourselves and we are not really engaging with others. That's a side that I don't think has really been talked about as much but it's such an important part. We can easily live in our silo, especially in the accounting world.
- We need to find some balance and teach folks how to engage with others where they can learn to listen and build with those skills of listening and interpreting that information that they are pulling in to where they can analyze it, and build it to where they can utilize it not only from an interview standpoint but just in a daily basis where it becomes part of who they are and working with others. I think it becomes that more fruitful.
- I think that is an element, as basic as it sounds here, but it is a big part of the business world that we live in and how we communicate with others. I see that as much as we have gone on the far end of social media, but I really see that aspect coming back and I really believe those skills are going to be that much more important in the future.

Noelle Nitz:

- I would not have a consulting practice if I did not know how to network and to do all of this. It was really, really hard to learn but you don't have a business without clients.

Arabian Morgan:

Meeting concluded. On behalf of Vital Link and the accounting faculty represented here today and our schools, thank you so much for taking the time.