

how to be a

FIRST YEAR ALL-STAR

in accounting



the

BEAN COUNTER

with Andrew Argue

Table of Contents

1. Introduction
2. Chapter One: The All-Star Mindset
3. Chapter Two: Help Your Senior, Help Yourself
4. Chapter Three: Plan, Execute, Repeat
5. Chapter Four: Utilize Firm Resources
6. Conclusion
7. Appendix A: Public Accounting Firm Hierarchy

Introduction

You will learn more in your first year working in public accounting than you learned in four or five years of college. In fact, you may learn more in your first month. Take everything you know about accounting, all the debits and credits, all the journal entries, and throw them out the window.

Working for a public accounting firm is a whole new world and for the first year associate it is an exhilarating miasma of stress and glory.

Introduction

Public accounting firms are organized in “classes.” When you start working at a firm, your class is made up of those who started at the same time and level as you. You will spend countless hours with your class, go to trainings with your class, hang out at firm social events with your class, and become great friends with (some) of the members of your class. However, you will also be ranked against the other members of your class and compete with your classmates for projects and promotions.

There will come a day when some members of your class are promoted and some are not. The impression you make in your first year of public accounting and your standing in the class will set the tone for your career in accounting.

**Do you want to put yourself on the fast track?
Become the All-Star in your class.**

What is the All-Star?

Every class in public accounting has at least one All-Star. It is not something that is talked about openly, but it is understood by everyone. The All-Star is the person in each class who turns the head of the Seniors and Managers.

The All-Star is one of the few names in the new class that trickles up to the partners. The All-Star is the associate that the Seniors fight over when building their teams. The All-Star is the person that even the Experienced Associates fear because he or she takes work away from those associates.

Most importantly, the All-Star is the one who gets ranked #1 during the annual performance review, gets the biggest raise, and is the fastest to be promoted.

Who is the All-Star?

Everyone wants to be the All-Star and everyone thinks he or she will be the All-Star. Most public accounting employees stood out in college and are used to winning at everything they do. They assume that their college successes will lead them to standing out in their careers. Unfortunately, the whole firm is made up of people who were among the best in their college classes.

So who becomes the All-Star?

The All-Star is the person who combines hard work, insight, social skills, and accounting knowledge to become a trusted member of his or her team. The All-Star builds a rapport with the Senior and is trusted with advanced work. The All-Star knows that while the number of hours he or she works is important, it is the accomplishments in those hours that will set him or her apart. The All-Star knows how to utilize often-overlooked firm resources to gain a huge, but fair, advantage over others.

What Does it Take to be the All-Star?

Becoming the All-Star requires fierce determination. The All-Star cannot be complacent with just getting the job done or doing what everyone else is doing. The All-Star does not get his or her work done in a timely and concise manner and consider the day's work done.

The All-Star must decide early on that he or she will be playing a different game than the other members of the class. The All-Star must think five moves ahead of everyone else. When everyone else is worried about first-year performance appraisals, the All-Star is already thinking like a partner.

The Pyramid vs. The Ladder

You often hear the phrase “climbing the corporate ladder.” There is no ladder in public accounting. Instead there is a pyramid. On the top of the pyramid are partners and on the bottom are first-year associates. As you move up the pyramid from First Year Associates to Experienced Associates then to Senior Associates, Managers, Senior Managers, Directors, and finally Partners, the pyramid gets narrower. Why is that? Because not everyone can move up in public accounting.

In public accounting, you move up the pyramid or out the door.

It is that simple. While this may sound harsh, it is a reality of the public accounting model. Not every First Year can become a partner. This is bad news for some and great news for the All-Star. Why is that? Because at the very, very top of the pyramid there is a great party and only All-Stars are invited.

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Do you want to be the All-Star?

If you are interested in being the All-Star of your class then this book is for you. The tone of this book is that of a friend talking to a friend. I will teach you how you can become the All-Star in your class and give you the tools to blaze your own trail and rise to the top.

I hope you're ready for the ride of your life!

What to Expect When You Start in Public Accounting

After the trials and tribulations of navigating the public accounting hiring process, many candidates find that they do not really give thought to what it will be like to work for a public accounting firm once they are hired. College students are told from day one that if they want to start their careers on the fast track that they should get a job in public accounting.

However most candidates do not have a clear idea of what to expect as a First Year in public accounting. What follows is a general overview of what you can expect from your first few months in public accounting.

Training, Training, Training

Before you do any real work in public accounting, you will go through an extensive training program. First Years typically go off to training prior to even stepping foot in their respective offices. These trainings are held in large cities across the country (e.g. Dallas, Boston, Chicago, Atlanta) and First Years from all over the country travel in large groups to these locations. It is not uncommon for 500 First Years to have their initial trainings together.

While this population is split into smaller groups of 20-30 for the actual classroom sessions, the large group may participate in various social activities and team-building events together. The whole group typically stays in the same one or two hotels so there are plenty of informal social activities in the evenings. These trainings typically last one or two weeks.

More Training

The core of this first training is to learn your firm's audit methodology. You will learn how to use the audit database to practice documenting your work and work on various case studies. The atmosphere of these trainings is fairly informal.

The instructors are typically senior associates or first-year managers. Most instructors are outgoing and fun and will participate in the evening activities as if they are your peers rather than your teachers or bosses.

First Weeks in the Office

Once training is out of the way you will report to your office. Depending on the size of the office and the backload of work to be done, you may be immediately assigned to a team and go off to a client site. Or you may have some “unassigned” time in the office. If you do not have a project right away, you will report to your office each day.

Typically there are other members of the firm working on client engagements remotely from the office. If you are not assigned to a client it is a good idea to ask around the office to see if you can help anyone else. This is a way to display your willingness to help out and get some chargeable hours. Sooner or later you will get picked up on a client and your real work will begin.

First Client

While every client engagement is different, there are some elements that are fairly standard at each client site. When you report to the client you will likely be given an ID badge or keycard to access the building. Most clients have one contact person who you primarily report to for logistical needs like accessing the building, getting an internet connection, and accessing a printer.

First Client

Sometimes the amenities at a client site are great. In the best circumstances you will have your own cubicle or office, wireless internet access, a Herman Miller Aeron chair, use of the coffee or break room, and a quiet environment to work.

Other times you will not be so lucky.

Some clients just do not have room for a bunch of auditors. In that case, you and ten other people may be crowded around a small conference table sitting on metal folding chairs and passing one internet cable around each time you need to check your e-mail. I've heard a story of an engagement wherein the team was situated in an unheated warehouse in the middle of winter!

First Client

One thing you will learn quickly is to make the best out of any situation. Eventually you will be able to work comfortably regardless of your location. You will develop the ability to quickly drop into any situation, carve out a comfortable working niche, and get the job done.

One of the best parts about working in public accounting is that nothing is permanent. If you do not like one client it is only a matter of time before you are doing something completely different!

Rule 1: Don't Lose Yourself

When you start working in public accounting you will be entering a world that is completely different than the world to which you are accustomed. You will be faced with new pressures and new situations and often you will be pushed out of your comfort zone. It is times like these when we are most likely to forget who we really are in an effort to fit the mold of our surroundings.

If I can stress one thing, more than anything else, it is to remember who you are and where you came from.

Working in public accounting will change you professionally, but it should not change you personally. If at any point in your career you feel that you are trying to be someone you are not, take a step back and reevaluate. There is not a right way to succeed in public accounting.

Rule 2: Be Realistic

Because competition to work in public accounting is so fierce and students are inundated with claims about how great the firms are from the outset of their college careers, it is often difficult for First Years to accept that, at the end of the day, working in public accounting is just a job.

Further adding to the mythical status of the firms are the many campus events where expensive dinners are lavished on new hires before they even step foot into the office.

Rule 2: Be Realistic

On my first day in public accounting I honestly expected to walk into a bee-hive of activity with vibrant, passionate people engaged in stimulating debate. I expected everyone to be as energized and thrilled to be working for the firm as I was. While I found the people to be bright, vibrant, and passionate, working in public accounting was just their job, not their life. Like every other job, people couldn't wait for Friday, had complaints, and, in some instances, were <GASP!> even thinking about leaving the firm to do other things.

Some people were just sitting around browsing the internet, complaining about certain managers, and making their weekend plans. I was shocked to find that not every single person at the firm was on the “partner track,” that is, planning to work with the firm long enough to make partner.

Rule 2: Be Realistic

It is hard to come to terms with the fact that someone could want to leave the firm that you worked so hard to get into.

You should not expect the environment of the firm to be a constant source of motivation. Some people simply do not like working for the firm and often the morale at the firm is low. If you are prepared to witness this then you can use it as a source of strength.

The motivation you have as a First Year, the motivation that prompted you to read this book, is something that you must cultivate and maintain from within. As you will see in this book, much of what public accounting has to offer is dependent on what you make of it. Do not be discouraged by the naysayers.

Rule 3: Spend the Majority of Your Time in Someone Else's Shoes

The essence of being a First Year All-Star is to not think like a First Year at all. While your peers take a self-centered approach to their work, you will take a broader view. Later in the book you will learn techniques you can use and actions you can take to transcend the quality and quantity of work that is typical of a First Year.

Imperative to this approach is to think beyond the horizon of a First Year. The best way to do this is to think of certain situations from the viewpoint of someone else in the firm. We will explore this through a series of examples.

Example 1: Think like a Senior

For the most part, a senior associate will be your “boss” during the first year. Seniors typically have three or four years of experience. While it varies for different engagements, there is typically a ratio of four of five First Years for every Senior.

The Seniors are in charge of managing the day-to-day operations of an engagement, assigning responsibilities to the First Years and Experienced Associates, and, most importantly, reviewing the work of the staff below them. Seniors must also complete their own assignments for the engagement and bring the Managers up to speed on how things are going.

Example 1: Think like a Senior

It is widely accepted that the Seniors are generally busier and more stressed out than anyone else in the firm. Seniors have been with the firm too long to plead ignorance when they make a mistake (though even as a First Year you should never do this!); however they have not been with the firm long enough to step back from the day-to-day annoyances of running an engagement. Whereas Managers have the ability to deal with complex issues and worry about client relationships, the Seniors are either doing or reviewing all of the “grunt work” of the engagement. Understanding and empathizing with the Seniors will serve you well as a First Year. This is so important that Chapter Two is entirely dedicated to building and leveraging your relationships with the Seniors.

Example 2: Think like a Manager

As discussed above, Managers are one layer removed from the day-to-day audit work. Managers are more concerned with specific and complex areas of the audit. The Manager's greatest fear is that something big will be missed in the audit work and that the Partner will demand that the team do additional procedures before the audit can be complete.

No matter your level in the firm, you could potentially come across an issue that has huge implications to the audit. If you do, be sure to notify your Senior and/or Manager with plenty of time to make sure that the issue can be resolved.

Example 2: Think like a Manager

Use your professional judgment. If something does not seem correct, even though you have performed audit procedures on it, articulate this to your team quickly. One of the benefits of being a *Manager* have is that they do not need to know about every single detail of the audit—that is for you and your Senior to worry about. Nevertheless, there are times when the *Manager* may ask you what you are up to or how things are going. To be prepared for this, keep a running list of the more important things that you are working on. Have this fresh in your mind so if asked for a status update you will be able to provide a thoughtful response.

Example 3: Think like a Partner

It is never too early to start thinking like a Partner. While the full reach of what a Partner deals with is extensive, there are certain items you can focus on as a First Year that will get you thinking like a Partner.

To start, you should focus on the complex accounting scenarios that your clients will inevitably face.

Example 3: Think like a Partner

Examples of these complex accounting scenarios include issuing convertible debt, entering agreements that contain embedded derivatives, issuing a new stock compensation plan, or completing a merger or acquisition. While it is likely that you, as a First Year, will not be assigned a role in dealing with these transactions, you can take it upon yourself to get acquainted with these issues and the appropriate accounting guidance.

All of the public accounting firms have tools (e.g. PwC Comperio, EY GAAIT) that make it very easy to get a general understanding of complex topics. By researching these issues, you will have a greater understanding of the situation and potentially be able to add a point or two to the dialogue between the Managers and Partner should the opportunity present itself. All it takes is one or two well-timed comments to put yourself on the Partner's radar.

Rule 4: Don't Let Down Your Guard... Too Much

When you are spending most of your daily waking hours with the same people, things tend to get a little... shall we say... “casual.” Friendships build, walls come down, and suddenly you and your boss are telling “This one time in college...” stories.

More than other work environments, the line between what is appropriate and what is inappropriate is completely blurred in public accounting. Due to the fact that Seniors are only three or four years older than First Years, and Managers are not that much older than that, the whole team is relatively close in age.

Rule 4: Don't Let Down Your Guard... Too Much

If you think about it, is a 28-year-old Manager really that different than a 22-year-old First Year when they have had a few drinks after an 80-hour work week? Not really. This bonding and sharing contributes to team morale and fosters some of the best friendships in public accounting.

It is definitely okay to relax, have fun, and treat your coworkers as friends. However, do not forget that the Seniors and Managers hold the power to control your destiny with the firm in the palms of their hands.

Rule 5: Trust Yourself

Warning: What you are about to read is going to sound like a cliché. Acknowledge that and then read it again. Okay, here goes. If you cannot trust yourself you will not succeed. You may be asking, *Trust myself? Of course I trust myself.* But do you really?

When you uncover an error during the audit, do you trust yourself to do what it takes to get it resolved even when it will entail many hard conversations and additional work?

When your work is reviewed by the Senior and you feel that you are right and he or she is wrong, do you trust that you will speak up and make your point known?

Rule 5: Trust Yourself

When your work is reviewed by the Senior and you realize that you were wrong, do you trust that you will be humble and learn from your mistake?

The answers to these questions has to be “yes.” On the long road to success in public accounting, the only constant will be you. Colleagues will come and go, the project that you hate will eventually end, and the project you love will eventually end.

In the end it is you, the body of work that you have completed, and the difficult decisions that you made.

In Summary:

In the upcoming chapters you will learn specific techniques to become an All-Star First Year. These techniques can only be successful if you have a strong mental foundation. You will have difficult days with public accounting, days when ANY job seems easier. You will envy your clients who leave at 5 PM and return the next day bubbly and refreshed when you worked until midnight and got in at 7 AM.

Sometimes the path that you are on will not seem to make sense. This is why people fail in public accounting or burn out before their time. I want you to be different - so keep your head in the game (and if you need to vent, send me an e-mail at andrew@thebeancounter.org!).

Chapter 2: Help Your Senior, Help Yourself

As we discussed previously in Chapter One, the Senior Associates are typically the busiest and most stressed members of the team. The sheer amount of work that either falls on them or those below them creates a seemingly never-ending stream of responsibilities and deadlines. On the surface, the role of a First Year is much simpler. As a First Year you will be given a set of responsibilities and tasks to complete.

While you will have some freedom to design the tests and procedures you perform to accomplish these tasks, you are not required to worry about the bigger picture. In short, you are only responsible for the “How” of the work you do, not the “What” or “Why.”

Chapter 2: Help Your Senior, Help Yourself

Also, you're not responsible for the “What else.” Identifying what is expected of you is the easiest way to transcend the expectations placed on you and step up to the next level. Your gateway to (1) being allowed to elevate your game and (2) being trusted to do so repeatedly is helping the Senior Associates on your team. In this chapter we will explore one of the pillars of the All-Star's game: Helping the Seniors.

If you have already started working in public accounting at the time you are reading this, you should start implementing this strategy today. If you have not yet started working in public accounting, this should be ever-present on your radar as you begin your time with the firm.

Let's get started.

Chapter 2: Help Your Senior, Help Yourself

To shape our discussion we will need to quickly explore some areas of a typical audit engagement. It should be noted that we use an audit engagement for the sake of an example. This information equally applies to a tax engagement or any other project (compilation, review, benefit plan audit, SOX work, etc.).

The team on an audit varies depending on the size of the client. However, your role should not change whether there is one Senior and four First Years or five Seniors and twenty First Years.

Chapter 2: Help Your Senior, Help Yourself

In most engagements you will be reporting to one primary Senior. The Senior will be responsible for coordinating your area of the audit. He or she will oversee you and other First Years, assign roles and responsibilities, and review your work. At the same time, he or she will be responsible for performing audit procedures on some of the more complex areas of the engagement.

There are certain areas, such as auditing cash and bank reconciliations, which are typical First Year responsibilities. These are the lower-risk areas of the audit that provide good practice for First Years who may only have a limited understanding of audit procedures.

Chapter 2: Help Your Senior, Help Yourself

When you start an engagement you will be assigned accounts that you are responsible for auditing. Before you have built a relationship with the Senior your assignments will be designated at random. Seniors will split the workload evenly between all the First Years.

Think of it like the batting order in baseball. If the manager knew nothing about the players on the team it would not make sense to put much thought into who should hit leadoff, second, third, clean-up, etc. However, once the players have shown their relative strengths and weaknesses, the manager will strategically plan the batting order to optimize the offense of the team.

Chapter 2: Help Your Senior, Help Yourself

For example, he or she will likely place the hitter with the best ability to get on base in the leadoff slot, followed by the hitter with the best ability to move base runners. The third and fourth slots will likely go to the best overall hitter and the best power hitter, respectively. Just how in baseball each player has the ability to determine his place in the lineup by his level of performance, you will be able to determine your place in the First Year order.

Once you implement the strategies in this chapter you will be getting the best assignments. In case you were wondering, the “best” assignments are the most difficult and complex assignments. Your goal is to not only do the best of the First Year assignments but also to start doing Senior-level work as a First Year.

Chapter 2: Help Your Senior, Help Yourself

Because the Seniors are so busy, their goal in planning the engagement is to make sure that all the work gets done efficiently. Also, while Seniors are usually happy to help out and lend their expertise, they must stay focused on their own assignments. Once the Seniors get to know the First Years, it is in their best interest to designate assignments based on the level of competency of the members of the team.

Competency includes both the quality of the work that is done and the speed at which it is done. Demonstrating your ability to do high-quality work in an efficient manner is the first way to scoring points with the Seniors.

Chapter 2: Help Your Senior, Help Yourself

There are two paths you can take when completing your work: The path of the common First Year and the path of the All-Star. A typical First Year will take his or her list of responsibilities and think, *This list represents all of the work I need to do for this engagement. I will do my best to do solid work and have this all done on schedule.*

This is not a bad mindset, per se, and it may even lead to a solid performance review for the project. The All-Star, however, must always ask the question “What's next?” The All-Star thinks, *If the Senior is expecting this work to take me two weeks to complete, what will happen if I complete it in one week?* In an audit or other engagement, there is always more work to be done.

Chapter 2: Help Your Senior, Help Yourself

There is a reason why public accounting teams work tons of overtime: There is just that much work to do. While this is a huge drawback for some people, the All-Star views it as an opportunity.

There is always another way to score points, another area to master.

Help Your Senior: Step 1

1) Control your schedule so you have flexibility to help the Seniors.

The key to building a relationship with the Seniors is to establish yourself as someone who they can rely on for assistance. That being said, your first priority is to always execute your own assignments. This is where planning skills come into play.

Most First Years do not plan their work load efficiently and therefore are not able to realistically assess where they stand on their assignments at a moment's notice. We will explore planning in subsequent chapters, but for now we will focus on how proper planning can help your relationship with the Seniors.

Want the full version?

This is just a preview, for the full version of this eBook, visit the link below and join The Bean Counter's course!

thebeancounter.com/course

If you have any questions so that I can better help you obtain your goals, please don't hesitate to reach out to me at andrew@thebeancounter.org.

You can also follow me on twitter @andrewargue.

Thank you!

