S31/32: Strategies for Sustained Career Success: Lessons Learned from the Boom & Bust Economy of the New Millennium

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Strategies for Sustained Career Success: Lessons Learned from the Boom & Bust Economy of the New Millennium (Part 1)

Todd Weinman:
President and Chief Recruiting Officer

I. Boom and Bust Economy

1990s Dot.com boom
Boom and Bust Economy

2000/2 Dot.com bust

2002 Sarbanes Oxley
(The Full Employment Act for Auditors)

2007 SOX revenues start to decline in Big 4 and consulting firms
Boom and Bust Economy

2008/9 The Big Double Whammy

Let’s Talk About SOX, Baby!

What does this all mean?
The 3 phases of SOX

Years 1 & 2

• Utter chaos
• Creating from scratch
• Many new departments starting (especially in high tech)
• Most audit departments burdened with SOX
• High reliance on external consultants!!!

The 3 phases of SOX

Years 3 & 4

• The heavy lifting is done
• Companies develop internal SOX functions
• Companies develop sustainable processes (some SOX activities pushed out into the business)
• Companies look to reduce number of key controls
• Most Audit departments shift attention back to risk-based auditing
The 3 phases of SOX

**Years 5+**

- SOX is old hat
- Many companies reduced key controls by a large percentage
- Demand for SOX resources plummets
- Rates for SOX consultants plummet
- Big 4 and other consulting firms go through rounds of layoffs, primarily shedding SOX-related resources

Recent Survey of Chief Audit Executives:

I asked:

*What do you see as the primary difference in skill sets between someone who has done risk-based auditing, and someone who has primarily done SOX-related work?*
SOX Descriptors:
- Checklist
- Structured
- Black and White
- Overly focused on Financial Risks
- Repetitive
- Straight forward
- In the box

Audit Descriptors:
- Risk-based
- New Areas
- Many Shades of Grey
- Persuasive skills
- Value-added
- Must flow from business knowledge
- Judgment!!!
- Must answer the question: “So what?”
“Auditors are paid for their professional judgment to answer the very important question, “So what?””

“In SOX, if there is an exception, it’s black and white; in risk-based auditing, the Auditor needs to use their judgment and business knowledge to assess the significance of the exception.”

“More important, they don’t assess risk to determine what you audit...how do you design the audit...and how do you interpret the results.”

Why should we care?

Todd’s Marketability Formula:

- Difficulty of acquired skills set
  \[ \times \]
  - Scarcity of Skill Set
  \[ \times \]
  - Perceived Value of Skill Set

= Marketability of Skill Set
What Does This Mean for People Who are Primarily Focused on SOX?

- **First the Bad News:**
  - Your marketability is likely never to be as high as it was 2-5 years ago
  - It may be difficult to transition out (more on this below)

- **The Better News:**
  - SOX is not going away – there will still be jobs out there
  - A more highly regulated business environment could result in more opportunities in the compliance space
  - Similarly, increased focus on the concept of GRC in organizations could also create relevant opportunities

What if I Want to Transition into Risk-Based Audit?

My Survey asked two more questions:

1. Do you see any potential difficulty in someone who has been used primarily as a SOX resource to transition into risk-based Auditing?

Bad News/Good News
What if I Want to Transition into Risk-Based Audit?

2.) What things can an individual, who is hoping to transition from a SOX focus to risk-based auditing, do to help facilitate that transition?

- Acknowledge what you don’t know
- Pick up certifications focused on risk-based auditing (CISA, CIA)
- Read everything you can (books, trade journals) about risk and risk-based auditing
- Look for training classes focused on risk-based audit
  See if you can get lent to internal audit for some projects
What things can an individual, who is hoping to transition from a SOX focus to risk do?

- See if you can get put on some projects where you have to exercise more judgment
- Develop some sample programs for risk-based audits to show both your interest and potential aptitude
- Seek out projects where you have to demonstrate leadership/project management skills
- Sometimes the easiest path is moving out into the IT or the Business first, and then into Internal Audit

Other Lessons Learned from the Boom and Bust Economy

There is no such thing as complete job security

We’ve seen that major companies can disappear overnight. Departments can get outsourced in a blink. There is a high probability that you may experience involuntary unemployment during your career.

We need to take responsibility to maintain our marketability!
Other Lessons Learned from the Boom and Bust Economy

These things still matter – ESPECIALLY in a downturn:

- Credentials
  - Degrees
  - Certification
- Career Stability! Too many moves = not enough interviews
- Career progression – demonstrating history of advancement
- In-depth (versus generalist) Technical Skills or areas of deep SME

These things still matter – ESPECIALLY in a downturn:

- Ability to speak about your experience intelligently
- Whole package – no obvious areas of weakness
- Building a strong personal network
- Having a nest egg
During the first 8-12 years of one’s career, most people will have a natural increase in their marketability.

But in years 8-12, we start to see a divergence, with professionals falling into three buckets.

**Bucket 1 – The Leadership Bucket**
Todd’s Bucket Theory of Sustained Marketability

**Bucket 2 – Hanging in There**

![Image of houses]

**Bucket 3 – The bucket none of us wants to be in**

![Image of man with a certificate]

**BOTTOM LINE:** Complacency is NOT an Option!
Methodical Approach to Building Marketability

How do we get ahead?

First, we need to know the skills (Core Competencies) that are needed to maintain and accelerate our marketability!

Audit Leadership Survey question #2.

What do you feel are the major factors that have contributed to your success and career progression?

What are the key traits or attributes you seek when looking for fill a leadership (Dir or Manager) position within your group?
Core Competencies

These are the successful building blocks of a career in Audit and Business.

Communication Skills

- Oral and written skills – the basics!!!
- Know your audience
  - Concise, straight forward communication
  - Knowing what and how much information to communicate
- Audit-speak versus Business-speak
- Persuasive communication
Communication Skills

- Ability to deal with conflict
- Negotiation skills
- Ability to communicate complex or technical issues to non-technical individuals
- Capturing the right points, in the right tone, and the right context

Technical Skills or deep SME

- Must have something to hang your hat on
- Allows you to add value
- Credibility
- Career path options
- Essential to being an Exceptional Manager/Director
**Technical Skills or deep SME**

- **Where to focus:**
  - IT Auditors core skills
    - Windows
    - Unix
    - Relational Dbs
    - Network Security
  - Other key platforms and SME for IT Auditors
    - Web Application Security
    - ERP Packages (Oracle Financials; SAP)
    - Mainframe technology
    - CAATs and Data Analysis (becoming increasingly important)
    - Latest tools
    - Continuous Monitoring techniques
Technical Skills or deep SME

F/O Auditors

• Technical Accounting skills
• In-depth knowledge of specific business processes
• Industry-specific knowledge

Regulatory Issues:

• SOX
• HIPAA
• Basel II
• PCI/DSS
• ISO
• FISMA
• And a myriad of others
Technical Skills or deep SME

Emerging areas of SME:
- CAATs and Data Analysis
- Fraud and Forensics
- Contract/licensing Compliance

It is really key to being able to understand risk

- Understanding the global business environment
  - Reading business journals and publications
  - What's going on that might impact your company?

- Understanding your company's business
- Understanding the technologies that support the business
- Understand the concerns of Senior Management
**Political Savvy**

Politics are everywhere
Avoid negative politics
Developing relationships with people of influence
Understanding how things get done
Knowing which battles to fight (judgment)

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**Leadership Skills**

- Taking initiative
- Demonstrating competence (leading by example)
- Being a mentor
Intangibles

Problem Solving Abilities
- Analyzing data
- Being able to see what others cannot
- Being able to see/understand root cause

Teamwork

Attitude

Emotional Intelligence (Daniel Goleman model)

Self-awareness -- reading one’s own emotions and their impact
Self-management -- controlling one’s emotions
Social awareness – the ability to sense, understand and react to others
Relationship Management – ability to inspire, influence, and develop others while managing conflict
How Do You Methodically Develop?

Create a Template

- Set monthly or quarterly goals
- Evaluate each month/quarter
- Involve your management

Strategies for Sustained Career Success: Lessons Learned from the Boom & Bust Economy of the New Millennium (Part 2)

Todd Weinman: President and Chief Recruiting Officer
10 Habits of Highly Successful Audit Professionals

Audit Leadership Survey question

What do you feel are the major factors that have contributed to your success and career progression?

What are the key traits or attributes you seek when looking for fill a leadership (Dir or Manager) position within your group?

1) Build your Network – the Importance of Relationships

• Strategic Approach to relationships
  ° Within Your Organizations
    - Mentors
    - Key Stakeholders and people of influence
    - Key Audit Business Partners
    - Leaders in Areas in which you may have an interest
1) Build your Network – the Importance of Relationships

• Strategic Approach to relationships

  ° Outside your organization
    - Professional Organizations
    - Birds of a Feather – best practices
    - Recruiter

2) Breaking the Ice: How to Build Rapport
10 Habits of Highly Successful Audit Professionals

2) Demonstrate Initiative

• Volunteer for projects and assignments that:
  ° Have high visibility/impact
  ° Allow you to broaden your skills
  ° Allow you to demonstrate leadership

• Let the people above you know that you want to move up

3) Visibility

• Build your reputation/brand in the company
• Showcase your skills to key stakeholders
• But when the spotlight is on; you NEED to shine! Risk/Reward.
4) Work Ethic

- Common Theme; those in leadership roles cited a strong work ethic

- Working smarter
  - Getting more done each hour
  - Looking for efficiency
  - Compartmentalize
  - Focus – Eliminate distractions
  - Reward System

5) How can you make others look good?!

- Most respondents cited a focus throughout their career of trying to make their bosses look good

- Also, other team members; colleagues; business partners

- Also, how can you make your Manager’s job easier and build your leadership skills at the same time?
6) Executive Presence

- Do you look and act the part?
- Don’t reinvent the wheel!
  - Find role models
  - Pay attention to how successful people: look, talk, dress, carry themselves

7) Be accomplishment Oriented!

- Build a history of accomplishment in each position
- Value-added focus on every project – (never going through the motions)
- What have you done for me lately?
10 Habits of Highly Successful Audit Professionals

8) Create a Work Journal

- Chronicle every project
  - The objective
  - Your role
  - Tools or methodologies used
  - Challenges overcome
  - Value-added recommendations implemented by the client

Benefits of Creating a Work Journal

- This will become a very helpful tool for:
  - Updating your resume
  - Preparing for an interview

- Allows you to more effectively analyze your career progress

- Could also become helpful if you ever need to CYA
10 Habits of Highly Successful Audit Professionals

9) Gaining a Breadth of Experience

• Have a career plan/vision
• Piecing together key core skills and experience
• Being open to opportunities that may present themselves unexpectedly

10) Become an Agent of Change

Managerial Courage/Moxie

• Find the issues that others don’t
• Take a difficult position – but know when to back off
Strategies to get Promoted

My Survey asked another question:

*How does one distinguish themselves as a Senior Auditor in order to get promoted to a Manager role?*

Excel in these 5 Critical Skill Sets

1. Leadership
   - On the team
   - Managerial Courage
2. Judgment
3. Initiative
   - Volunteer for special project
4. Communication
5. Emotional Intelligence
Strategies to Get Promoted

Demonstrate these Core Values

• Integrity
• Trust
• Honesty
• Ethics

Strategies to Get Promoted

Demonstrate Positive Results

• Value-Added
• Client Satisfaction
• Finding the Issues others don’t
Strategies to Get Promoted

Show your Managerial “Stuff”

- Leading Audits (teams) soup-to-nuts
- Volunteering to take on managerial responsibilities
- Things to make your Manager’s job easier

Three words:
- Dependable
- Reliable
- Consistent

and,

Let them know you want it!
Branding Truths and Myths Exposed

Branding as a concept for your career

- Can be a valuable way to conceptualize your career

Brand = Reputation

Challenges with the Branding Concept

- Won’t help if the product isn’t strong
- Can’t just change your name if you destroy your brand
Branding Truths and Myths Exposed

Branding as a concept for your career

- Developing your market presence

• The resume
  - It's a big ad campaign
  - Most are bad
  - Cannot have typos or grammatical errors
  - It’s not a position description – It must be accomplishment-oriented and sell YOU!

Branding Truths and Myths Exposed

Branding as a concept for your career

Social Networking?

• LinkedIn – Yes!

• Facebook/Twitter – the jury is still out
Branding Truths and Myths Exposed

Challenges with the Branding Concept

Dangers of Social Media
- Corporate Spies
- What's on your Facebook (Michael Phelps)?
- What do your friends’ posts say about you?

Conceptualize Career for Advancement

How do you make career changes?

Strategic vs. Arbitrary
Planned vs. Unplanned
Positive Motivation vs. Negative Motivation
Proactive vs. Reactive
Growth vs. Maintain
Planning

- Long term planning -- If you know where you want to go, you can piece together the necessary skill sets and experience.
- 2-3 year chunks
- But, be open to unique opportunities that may fall into your lap

When is the Right Time to Consider A Career Move?

- Before you need to – Strategic
- Not growing or developing new skills or SME
- Lack of career path
- Opportunity to move to a stronger/healthier company
- Getting closer to career and life goals
Important Factors to Consider When Making a Career Move:

**Career factors**
- Building new skills or SME?
- The Role -- Satisfaction
- Growth potential / Career path options
- Access to new technologies and/or areas of knowledge or skill
- Career building block
- Resume panache
- Strength of the Company
- Corporate Culture
- The company mission
- Industry

**Life factors**
- Work/Life balance (time with family)
- Travel
- Commute
- Stability of the company

Don’t chase the money!
Strategies for Good and Bad Economies

**Good Economy**
- Move forward
- Upgrade
- Promotions

**Bad economy**
- Safe haven
- Maintain (but continue to focus on building your skills sets and relationships)
- Make yourself invaluable

How to deal with a Prolonged Period of Unemployment

- Cut back expenses immediately and hard!
- Consider Contract work (if available)
- Good time for continuing education or to pick up certifications
- Be realistic – get an accurate read of the market
  - You may have to be more flexible
How not to Commence a Job Search

It’s 12AM, Do you know where your resume is?
The perils of “spray and pray”

• Taking control of your resume and career search
• Resume Tracker
• How you conduct yourself in a job search is a reflection of who you are as a professional
• The Audit World is a Small World!

Strategies for dealing with a difficult situation

• Be Proactive – Try to address potential problems quickly (before they get out of hand)

• Seeking out mentors

• Transfers within the company

• Making the best of the situation
  • Seeing out interesting projects?
  • Manageable chunks of time
  • Outside study
  • Stress relief!!!
Final Thoughts

Take Charge of your Career Development!

Final Thoughts

Build and Maintain your Network!
Final Thoughts

*Find your Passion*

If you can’t learn to do what you love;
learn to love what you do!