



ANDERSEN  
ALUMNI™

## Straight Thoughts, Straight Talk

*"Serving Andersen Alumni Worldwide"*

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### Editorial

#### The Immortality of Influence

I attended a funeral a few years ago and it has never left me. While no one likes to go to a funeral, I do find them a time to stop and reflect on what is important. This one was particularly challenging.

It was for a man who lead a long, quiet life. He had a good job, nice home and a wonderful family. He was charming, smart and never craved attention. He appeared to be like so many other men that I have had the pleasure to know. However, there was more to him than I had imagined.

The minister took to the podium and started the comforting funeral rituals. He vouched for the man's spiritual wellbeing. He then veered off the comforting clichés and started asking the tough questions. He knew the deceased very well. The minister asked about

immortality. It does not get any deeper or profound than that subject. He talked about the spiritual aspects of immortality. Then he did something I had never heard before. He talked about the immortality of influence. This struck a chord.

You see, the deceased led a successful suburban life: a good job, retirement, nice home, even a vacation home. Most of that will be forgotten over time. However, his legacy will last a long time. Perhaps it will have immortal consequences. He was a scout master. He did it for decades. He poured countless hours, weekends, vacations into young boys to instill the timeless values of the scouts. It had been many, many years since he had camped or attended a meeting. However, those scouts grew up.

The minister asked those in attendance to stand if the deceased led them in scouting. I was shocked when 30 to 40 middle aged men stood as a testament to the deceased's investment in them. The minister asked those standing to remain standing if they or their children were involved in scouting. Most remained standing. His influence had transferred from one generation and it was now spreading to the next. He poured his life into these men and they were pouring into the next generation. That is the immortality of influence.

That service got me thinking. What was I doing that would leave a legacy? What would the minister say at my service? More importantly what would I do today to ensure that the minister would have something to say?

As always, we need your help to further strengthen and maintain our Andersen Alumni network. Please leverage our Social Media Presence and [LIKE our Facebook page](#) and [JOIN our LinkedIn network](#), and lastly you can [FOLLOW us on LinkedIn](#) as well.

Sincerely,  
Kirk Hancock  
Editor

## **We Are Changing The Game**

**By Mark Vorsatz, Global Chairman and Andersen Tax LLC CEO**

*Arthur Andersen, LLP (1979-2002)*

In the Spring, Andersen Global held our international Partner meeting and our Partner/Manager meeting in Chicago, a natural location for us because of our ties to Arthur Andersen. We gathered with about 700 internal professionals from nearly 40 countries over the course of the week, demonstrating our growth and global presence. We focused on near term goals and long-term strategy while tying back to our broader theme for the meeting, "Changing the Game."

When I talk with folks in the marketplace, I comment that what we are doing as a firm is different and is disrupting the environment. I describe our strategy as disruptive with the objective of having a "game changing" global approach. With this as the primary meeting theme, our discussions throughout the week focused on the challenge of being great and

how we can continue to be nimble, borderless, and best-in-class. We had three different guest speakers addressing the topic of being a game changer in their environments respectively, as each of those individuals had a significant impact on the world in different ways: Myron Scholes, Bill Browder, and Robert O'Neill.

Myron Scholes, a Nobel Prize winner in Economics and a close friend of mine, changed the manner in which all assets are valued by creating the Black-Scholes options pricing model. This model is widely used and led to a boom in options trading while also leading to a plethora of other models that are currently used in risk management, demonstrating how much of an impact Myron has on his field.

Bill Browder was responsible for getting the Magnetsky Act passed by the U.S. Congress and has an extraordinary amount of integrity. An enemy of the Russian state, he found a way to take on Vladimir Putin and become a human rights activist. He has been successful in seeing his legislation passed in seven different countries, which is truly a game changing act.

Robert O'Neill, the individual on Seal Team 6 who shot Osama Bin Laden, discussed the essence of preparation, never quitting, and managing stress. There were many life lessons that we can put into practice from his experiences, including training for every potential outcome, working as a team, and effectively using communication to motivate people. Robert also touched on complacency and how it can be caused by success, and because of this, we want to change the way things have been done in the past and focus on our firm's points of differentiation. These points include transparency, building a legal and tax practice that is a top five platform, and putting the relationship first as opposed to the transaction.

As 2018 continues, I am excited to share our astounding international growth. For perspective, in January of 2017, we had 56 office locations, and today we have over 107. At the end of last year I proposed that we would hit our 100<sup>th</sup> location milestone at the end of 2018. Although this is a marathon and not a sprint, we have hit that target much sooner than expected. We are continuing expansion in Latin America, Europe, and Africa, and adding depth and breadth to our existing practices globally. Andersen Global's integrated services, comprehensive geographic coverage, seamlessness, combined tax and legal services, and common vision and culture has allowed us to be a true game changer.

The global meeting in Chicago was undoubtedly a significant moment for the firm. I am proud to lead the Andersen team and if we continue to dream big dreams and function as a family we will have success.

If you would like additional information about [Andersen Global](#), please contact me directly or connect with us on our LinkedIn page or at [www.Andersen.com](http://www.Andersen.com).

# July 4, 1776 Part II

By Ed Maier, *Former Andersen Partner*

Once again, we just held our annual celebration of the birth of our nation, which took place 242 years ago.

Last year, as I suffered from all the “noise” from various communication channels, I wrote that I would not spend any time on the 4th to listen to those from the right, or the left, or the middle, tell me what’s right or wrong with my country, or what needs to be done to “make it great again”. While it might be tarnished once in a while, it is still great.

This year, with the “noise” continuing to blare over subjects like trade, nuclear disarmament, immigration and the next Supreme Court nominee, once again I decided to ease my frustrations in a similar manner. Last year, I read the Declaration of Independence and thought about it. And I recommended you do the same.

This year I read the “**Constitution of the United States of America (1787)**” which I found at: <https://www.billofrightsinstitute.org/founding-documents/constitution/>. To be complete, in addition to reading the Constitution itself, I read the first ten amendments, also known as The Bill of Rights (<http://www.billofrightsinstitute.org/founding-documents/bill-of-rights/>) and the subsequent seventeen individual Amendments, which you will find at <https://www.billofrightsinstitute.org/founding-documents/additional-amendments/>. Once again, I suggest you do the same. If you are an average reader, which I consider myself to be, this effort will take you about thirty-five minutes.

I read these casually, without the intent of understanding every word and phrase, but just to get a sense of the various issues that our original writers were concerned about as they designed our government. I could also see how some societal trends during our 242 years affected the Houses of Congress and their rule-making authority to deal with change. For example, I noticed in the original constitution it says, in the first paragraph of Section 3: “The Senate of the United States shall be composed of two Senators from each state, chosen by the legislature thereof, for six years; and each Senator shall have one vote.” I never knew that. Did you? I always believed that Senators were chosen by the popular vote of the people in their state. It was not until the 17<sup>th</sup> Amendment was ratified in 1913, that this voting procedure was changed for Senators to be elected by the people of their state. Why was it changed? According to my Google search, by 1912, many states and the people in them realized that the biggest issue in selecting senators was corruption. Many of the Senators were “elected” by their state legislatures as a result of making corrupt bargains with their legislators. Many people were angry over the lack of choice they had. By the time the 17th amendment was proposed in 1912, almost thirty states were in favor of directly electing senators. The 17th amendment was proposed in 1912 and was completely ratified very quickly by 1913.

Another social change you can see develop over the years was the change in society’s views on alcohol consumption. The 18<sup>th</sup> Amendment, which passed the Prohibition laws

and was ratified in 1919, was repealed by the 21<sup>st</sup> Amendment in 1933. As the country has evolved and continued to develop, other key amendments affecting society have been proposed and ratified. These include the abolishment of slavery, guarantee of due process and equal protection, affirmation of the right to vote regardless of race, color or servitude and the right to vote for women.

By the time you read this newsletter, the time for celebration will have passed. The barbecue grilles have been cooled and put aside, the picnic paraphernalia has been stored away, and we returned to our regular daily lives. But don't let the opportunity to talk about what you read in these documents pass. At an upcoming family or friend's event, have a conversation with other family members, or a group of friends and talk about what you read. Share some of the documents with them and encourage them to do the same. Have a real discussion. Don't lecture; don't argue; just listen. There is nothing to be "won" or "lost" here, just an exchange of ideas.

And don't forget another important fact related to these words, these thoughts, these ideas that are so carefully recorded in our history. Millions of American men and women have served in our armed forces over these past 242 years. Many have died or suffered significant loss as they have served to protect these sacred rights. The next time you see one or a group of them in a restaurant, shopping mall, airport or just walking down the street, take a moment and thank them for their service.

I hope my focus on this topic again reminds you of the benefits we have of living in a nation that was created in accordance with the beliefs in these documents. We are still a young country. Like all others we must adapt to change as we continue to grow. But the foundation on which we stand is incredibly strong. It is worthy to aspire to continue to build America's greatness.

But as I said earlier and will repeat, over and over. There is no need to make America great "again". America is great. We must maintain and increase her strength. But her greatness lives on. If it does not, why do more people want to come here than want to leave here?

As always, I am interested in your thoughts. Write me at [ed@thinkstraighttalkstraight.com](mailto:ed@thinkstraighttalkstraight.com) and share your thoughts. And, I hope you and yours had a happy Fourth of July!

P.S.--For those of you who have enjoyed my writing over the past several years, you can enjoy it again in my book coming out later this year. More to come on that in the future.

# New SEC Disclosures Show Major Impact to Balance Sheets From New Lease Accounting Standards, What Companies are Doing About It

By [LeaseAccelerator](#), a friend and sponsor of Andersen Alumni

What are the new lease accounting standards?

The new lease accounting standards are a result of the efforts of the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB) to close a major accounting loophole. Under the previous lease accounting standard, companies were able to report a certain type of lease, called operating, off-balance sheet. The new standard will close that loophole by requiring companies to report their operating leases on-balance sheet as right-of-use assets and lease liabilities. The hope is that this change will increase transparency into the true financial position of corporations.

As a result of the updates, the IASB estimates that over \$2 trillion of lease assets and liabilities will transfer onto company balance sheets as a whole. But now that the deadlines for the new standards are moving closer, many are wondering how individual companies will be affected.

What are the new SEC disclosure requirements?

LeaseAccelerator analyzed the SEC mandated SAB 74 (Staff Accounting Bulletin, No. 74) disclosures of the 100 companies with the highest leasing obligations out of the Fortune 1000 to determine individual company impact. SAB 74 disclosures are a recent requirement for companies to report on the impacts of the new accounting standards, including the new lease accounting standard.

What have companies disclosed about the impact to financial statements?

The first deadlines for implementing the new standards are not until January 1, 2019, so unsurprisingly many companies are still in the evaluation phase of their projects. These companies have hundreds to thousands of leases to analyze, a time-consuming process. Despite the scale of the project, of the 100 companies analyzed, 82% of companies were able to conclude that there would be material impacts to the company balance sheet. Only 2 of the companies, Bank of America and UnitedHealth Group, did not anticipate a material impact. The remaining 17 companies were still in the evaluation process or did not state whether a material impact was expected. Only a few of the companies provided a quantitative estimate of the impact to the balance sheet, and those estimates ranged from \$1.3 to \$13 billion. Almost no companies predicted a material impact to the income or cash flow statements.

What are companies doing to implement the new standards?

While many companies are still in the beginnings of their implementation projects for the new lease accounting standards, some companies reported that they have begun making decisions about practical expedient selection, lease accounting software, and design of future processes.

**Practical Expedient Selection:** The new lease accounting standard offers various practical expedients to help companies transition to the new standard. 19% of companies stated that they are either evaluating or have selected practical expedients. While all the expedients are designed to help companies transition to the new standards, it's still crucial for companies to analyze the impact of each expedient on their financial statements and company metrics. As evidenced by the disclosures, not all companies will want to select every practical expedient.

**Lease Accounting Software:** Due to the size of the lease portfolios at major companies, most, if not all, will find it necessary to implement a lease accounting software capable of handling all their operating leases under the more complex standard.

While many companies have managed their lease portfolios on spreadsheets in the past, the new standard requires significantly more detail on leased assets. In some cases, over 100 data fields per lease will need to be collected, including information on payments, expenses, and lease options to accurately perform the accounting for each lease. That level of detail will be difficult to maintain on spreadsheets alone, and attempting to complete the accounting manually will increase risk of error. As a result, many companies – at least 25% of those analyzed in the study – are already in the process of evaluating, developing, or implementing a software solution for the lease accounting project.

**Processes and controls:** To implement the new standards by the deadline and to maintain compliance beyond the deadline, many companies are realizing that they need to update the processes and controls for their leasing program. 27% of companies reported that they are evaluating or implementing updated processes and controls, though few elaborated on what those looked like at their company. Based on LeaseAccelerator's work with Fortune 1000 companies as well as the requirements of the new standard, we have found that there are some best practices for designing processes and controls that companies should consider.

For example, companies need to have a control in place to ensure completeness of their data. Auditors are expected to focus on completeness as that is an expected area of weakness for many companies, so these businesses will need to prove that they have reported their complete population of leases. Many companies have instituted a lease versus buy policy to serve as the completeness control and make sure each new lease is documented.

Another area of focus is accuracy of lease data, or making sure that each of the data fields reported for each lease is correct and up-to-date. Since this information is best known by the employees actually using the assets, many companies have set up notifications to remind these asset users to check and update the data periodically, as well as a system of incentives and penalties to encourage these employees to follow through on updating the data.

As the SAB 74 disclosures demonstrate, there is no one right answer when it comes to adopting the new standards. The degree to which companies will be impacted, as well as the methods they use to implement the standards will vary from industry to industry and company to company. However, what is clear is that with the first implementation dates for the standards six months away, now is the time for companies to plan their implementation.

### **About LeaseAccelerator**

LeaseAccelerator offers the market-leading software-as-a-service (SaaS) solution for Enterprise Lease Accounting, enabling compliance with the current and new FASB and

IFRS standards. Using LeaseAccelerator's proprietary Global Lease Accounting Engine, customers can apply the new standards to all types of leases, including real estate, fleet, IT and other equipment at an asset level as specified by FASB and IASB. On average, LeaseAccelerator's Sourcing and Management applications generate savings of 17 percent with smarter procurement and end-of-term management, delivering both compliance and ROI. Learn more at <http://www.leaseaccelerator.com/>.

## From Where I Stand

By **John Blumberg**, Andersen Alumnus and author of *Return On Integrity*  
([www.BlumbergROI.com](http://www.BlumbergROI.com))

Recently, my wife and I were looking out of different kitchen windows to our backyard. She was repeatedly trying to point-out a baby bunny in the grass which I was failing to see. She finally said, "*Come over here ... you can't see it from where you're standing because I think the tree is in your way!*" I walked a few steps over to the other window and immediately could see the baby bunny. I didn't think much about it at the time. At



least, until a few days later when I was in a discussion where we weren't trying to see bunnies, but rather different points of view. It got me thinking about that baby bunny again and wondering ... how much do we not see because of where we are "standing?" And just what we might see if

we would simply ...

### **Walk over and look out another window.**

In the years I worked at Arthur Andersen's world headquarters in Chicago, I had a nine-block walk between the train station and my office. That 20-minute walk proved to be beneficial in a number of ways. I became quite proficient at my timing of the walk to efficiently board the train with only 60-90 seconds remaining before departure. It was also a great built-in exercise program for sure. Yet, what proved most beneficial was something I stumbled upon one beautiful spring afternoon when I left the office for the train station just a few minutes early.

While I'm generally aware of others around me, I intentionally started noticing everyone along the way. With the heavy winter wear discarded for the spring temperatures, the



diversity of all on their way somewhere stood-out just a bit more. As I boarded the train, the images of those whom I had noticed on the walk stayed with me. It dawned on me that if I could sit down with any one of those individuals for a whole afternoon ... they would have a unique story to share about their life journey.

The thought inspired me into a new habit ... to leave the office a few minutes early, just one day a week, to intentionally notice individuals along the way and wonder about their story. The stories of those rushing to the train, others aimlessly strolling along, young moms or dads pushing strollers, sweating joggers, workers visibly stressed inside and out, those of different colors, either gender, different orientations, a variety of sizes and an endless array of experiences ... would each be unique. Their own stories would likely be a mixture of victories and defeats, joy and tragedy, connection and isolation. Probed deeply with interest and without judgment, I envisioned how each would be intriguing to hear.

I loved those walks to the train. And I love stories. Yet, I've also come to realize how much our stories can get in the way ...

### **When we solely let them determine where we stand.**

There is no question, that our stories can determine what we see. And they can determine all we see if we let them. Our stories also have a way of greatly influencing our needs, wants, opinions, beliefs and behaviors if we let give them permission. Sometimes that can be good ... and sometimes it can be blinding. Especially when we get too focused on our own story and are blind to the stories of others.

As I've watched so many commit to the journey to discover the values at their core ... I've seen them remove the blinders created by needs, wants, opinions, beliefs, behaviors (and yes, their stories). It's nothing short of walking over to look out of a completely different window.

### **From there, it's amazing what you will see in your own story ... and in the stories of others.**

Maybe it could give new meaning to the first line of our USA Star Spangled Banner ... *Oh, say can you see?* It makes for a great question. I suppose it all depends on where you are standing ... or sitting ... or kneeling. And if you are digging.

If all of us ... and each of us ... committed to the journey of deeply digging to our core, we might be more interested in discovering each other's stories and helping each other see just a little more clearly. And from there, we may very well find the moment where we could all stand together, sit together and kneel together ... to respect what our nation should stand for ... each other.

As always, I'd love to hear your thoughts.

John G. Blumberg is an Andersen Alumni, a national speaker and author of several books including his just released book, *Return On Integrity: The New Definition of ROI and Why Leaders Need to Know It*. It is available on Amazon and at major bookstores. You can connect with John at <http://www.blumbergroi.com/connect>

## How Do You Know What to Put on Your LinkedIn Profile?

By **Wayne Breitbarth**, Andersen Alumnus and CEO-Power Formula LLC (Author of “The Power Formula for LinkedIn Success: Kick-Start Your Business, Brand and Job Search”)

*Should I put [fill in the blank] on my LinkedIn profile?*



I'm asked this question several times each week. I always answer *I don't know*, which usually comes as a surprise to them and probably to you as well. After all, I'm the expert!

What I really mean is I can't answer that confidently until I understand what someone plans to accomplish on LinkedIn.

If you're unsure about whether you should put something on your profile, I suggest you start by asking yourself three questions:

Would putting this on my profile:

- help people find me?
- improve their perception of me and my brand?
- help them understand what I do and how I can help them?

If your answer to any of these questions is "Yes," then I suggest you put it on your profile.

Let's look at the three questions more closely.

## Help people find me

Trust me on this one. [Connections are the gas in the tank](#) on LinkedIn, especially if the connections are strategic (for example, customers, potential customers, influencers of your customers, people at organizations where you want to work, etc.). You want people to find and connect with you.



For example, on my profile, I list my first job out of college, Arthur Andersen & Co. This entry helps people from the "good old days" find me—and they just might need some LinkedIn training or consulting at their company.

## Improve their perception of me and my brand

People are using LinkedIn to size you up. Entries that display your expertise, emphasize your integrity, and show your creativity will cause people to like and trust you. Hopefully this leads to more connections and more business.

The Arthur Andersen entry also applies here, because most experienced business people around my part of the country recognize that if AA&Co. hired you right out of college, you are probably a really smart person.

So, even though I didn't have a 3.9+ GPA, like most students they hired, people assume I'm in that group, and it gives me positive branding kudos. (FYI, I had a 3.4, but I could interview with the best of them!)

## Help them understand what I do and how I can help them

After all, if your profile doesn't get this done, why are you on LinkedIn anyway?

Professionally, I do speaking and consulting. Here's one of the ways I promote my speaking business:

*I am consistently asked to speak at Executive Agenda (EA), YPO, Vistage and TEC meetings as well as CEO Roundtables and Renaissance Forums (REF), where my 35+ years of experience as a business owner and manager enables me to help my peers understand how social media can benefit their companies.*



Personally, I am involved with some awesome nonprofit groups. Including them in my LinkedIn profile helps me spread the word about the great things they're doing. By including links to their websites, I am encouraging others to get involved, too.

You can look at [my profile](#) to see several examples of this, both in the *Experience* section and the *Volunteer Experience* section.

I hope you're now equipped and motivated to beef up your LinkedIn profile.

If you want me to perform a detailed critique of your profile and help you develop strategies to skyrocket your business and career, then take advantage of my special \$175 LinkedIn consultation. This consultation will take place on the phone, and I'll share my desktop screen with you. I will email your marked-up profile to you prior to our session. Click [here](#) to book your time.

Here are a few comments from my recent clients:

*"Great job offer received via LinkedIn only two days after consulting with Wayne!"*

*"I highly recommend Wayne's 1:1 Linked In coaching session. Per Wayne's guidance, I reached out to the SVP of Client Success for a company I saw a suitable role. I used language Wayne provided in our 1:1 session to initiate the contact...Since then I've had an initial interview and interacted with the SVP multiple times."*

*"He made the learning experience fun, interesting, and was a big help to me. It has increased my exposure almost two-fold in a couple weeks."*

## SPECIAL OFFER

For more simple strategies to improve your LinkedIn ROI, along with a detailed critique of your profile, take advantage of my limited time offer: a one-hour, [one-on-one phone consultation](#) for just \$175 (50% off my regular fee).

I will share my computer screen with you during the call and send you a marked up copy of your profile prior to the call.

# 85,000 The Movie

**By Larry Katzen**, former Andersen Partner in charge of worldwide retail industry practice and managing partner of St. Louis office and the Great Plains Region. Larry spent 35 years with Andersen and worked in the Chicago, Melbourne, Dallas and St. Louis offices. Larry recently wrote a book on his life with the firm entitled “And You Thought Accountants Were Boring – my life inside Arthur Andersen.” Larry and his wife Susan are the proud parents of quadruplets, three boys and one girl and now have seven grandchildren.

When was the last time you saw a pro-business movie? Well now under the leadership of our former partner, Larry Katzen, we will be able to see a movie about the power of government and how they disrupted the lives of 85,000 innocent people in 84 countries around the world. It is a human-interest story that is told from the perspective of what happened from September 2001 through the summer of 2002 to the people of the St. Louis office, as the firm was indicted for destroying documents. As indicated in the movie, this scenario was replicated in over 300 other offices around the world. It ends with the Supreme Court overruling the lower court, but it is too late to make a difference in the lives of so many innocent people.

Larry, started this process more than 4 years ago when he hired Christopher L. Rehr as his script writer. Chris attended UCLA film school and later worked at Orion pictures for over 20 years where he was involved in reviewing literally thousands of scripts. Subsequently he became a writer himself and is still involved with UCLA film school. After completing their script, they then needed to find a movie producer.

J. Todd Harris, founder and CEO of Branded Pictures Entertainment, liked the script and the story. Todd received his undergraduate and graduate degrees from Stanford University and has produced over 45 movies, including some Golden Globe and Oscar nominations. He is currently working with Larry on finalizing the budget, identifying directors and lead actors and raising the money to make it a reality

Larry frequently gets asked, why make the movie on Andersen now? The reason is that after completing the research with Chris Rehr, they found out not only what happened, but why it happened and who was involved to make it happen. It is not a documentary, but a human-interest story of what it was like to go through this historic process. This is the biggest travesty in the history of business. The government never in its history has destroyed an entire business with 85,000 people.

Some Andersen alum have raised certain objections, such as:

1. Why open sore wounds? The past is the past.
2. Who would be interested in a movie about accountants?
3. This is ancient history. Who cares? Many of us went on to bigger and better careers.

Well, Larry has found out that these objections are not what the world thinks. During the past several years, Larry has spoken to people from over 35 Universities in the U.S., Canada and Mexico. He has also spoken to YPO groups, Libraries, Country Clubs, and met with various other movie producers. The fact of the matter, is that not only are these people interested, but they are VERY INTERESTED and can't wait to see the movie.

What Larry found out when talking about, "Arthur Andersen, So, Who Was Really at Fault," was that many of these Universities teach the students that the reason for Enron's downfall was because of Arthur Andersen. That we did poor quality work and because of that this firm deserved what they got.

In doing research for the movie, Chris and Larry looked at tons of material that was in the press and on TV during this period of time. They also met with our former Houston partner David Duncan, our attorney, Rusty Harden, various members of the DOJ, including Michael Chertoff, and Representative Michael Oxley, the co-author of Sarbanes-Oxley. Michael shared his first-hand knowledge of the indictment with us. He said that in his view Andersen was the gold standard of the accounting profession and he wanted to pilot the Sarbanes-Oxley law with the firm to make us the model for all other firms to follow. He then explained why it couldn't get approved. He said, "we were doomed from the start."

So now that we have written the script and hired a movie producer, the only remaining task is to raise the money. The movie will be filmed in a state where we will get at least a 25% credit to film in that location. The remaining amount, about \$6 million, must be raised. So far, we have achieved about 20% of our goal.

Recently we have met or talked with former partners and other alumni from Southern California, Northern California, Pacific Northwest, St. Louis, Dallas, Chicago, Japan and Europe. In meeting with these individuals, we talk about how each Andersen alum can make a difference through one of 3 ways:

1. Spread the word to other Andersen folks
2. Identify other successful individuals or organizations that have a concern for the power of government and/or an emotional connection to the firm and who may be interested in investing in this movie.
3. Make an individual investment of their own that they feel comfortable doing.

To view a 90 second teaser click on [85,000 the Movie](#). This was produced to show prospective producers when they were marketing the script. Larry also shows this at the end of each of his presentations. You can find more information about the movie "85,000" on his website, [www.Larrykatzen.com](http://www.Larrykatzen.com). We can all make a difference in getting the truth be told. Let's follow our old principle of "Think Straight-Talk Straight" and show the world the REAL Arthur Andersen.

Thanks for all your interest and help. Your partner and friend - Larry

# LinkedIn's Limitations, It Can Help, But Also Hurt Recruitment

By **J. James O'Malley**, *Former Andersen National Director of Experience Recruiting, Jim joined TalentRISE as a partner in 2012 to focus on clients' executive leadership challenges by leveraging his passions for executive search, on-demand recruiting, workforce planning and analytics and executive coaching.* [jimomalley@talentrise.com](mailto:jimomalley@talentrise.com)

The use of online technologies in our daily, personal lives has grown by leaps and bounds in the last dozen years. Some have come and gone - anyone still remember Napster? Others have evolved over the years to become even more useful than perhaps originally intended. LinkedIn, for example, founded in 2003 primarily as a networking tool, has become far more sophisticated since 2005, when it introduced features squarely aimed at recruiters.

No doubt about it: LinkedIn has been useful to many of us personally and professionally as a way of staying connected with current and former colleagues and clients and building our networks. But, like any tool, LinkedIn has drawbacks that need to be recognized. In my view, even when well-intentioned, an overreliance on LinkedIn can hurt your ability to recruit the best talent possible. More specifically, many of my concerns about LinkedIn are based on the self-reported demographics of the site:

[70% of LinkedIn users](#) are from outside of the U.S.

133 million users are from the U.S.

3 million active job listings are on LinkedIn

40 million students and recent college graduates are on LinkedIn

Users are [57% male](#) and 44% female

After the U.S., India, Brazil, Great Britain and Canada have the greatest number of users

13% of Millennials (15-34 Years old) use LinkedIn

[28% of all internet male users](#) use LinkedIn, whereas 27% of all internet female users use LinkedIn

44% of LinkedIn users earn more than \$75,000 per year

## The Implications

**User Versus Jobs Ratios.** If you rely on LinkedIn to recruit for openings in the USA, 133 million users may seem like a lot. But that doesn't really hold water considering the overall size of our labor force and the total number of job openings. Back of the napkin math seems to indicate that there are far more jobs being posted than job-seekers, particularly since many LinkedIn users aren't on the site as a way to search for a job; most still use it as contact database for their personal and professional network. As a tool, it's used by some professions for reasons beyond recruitment, such as business development, for example, by salespeople or by research firms for due diligence. If you buy this argument that job opportunities posted on LinkedIn far exceed active candidates, you may need to look elsewhere for candidates to fill your talent pool.

**A Generational Gap.** For those of you focused on hiring millennials, note that the majority of that age group is NOT on LinkedIn. If your recruitment efforts are predominately focused on sourcing candidates from LinkedIn, you are probably missing out on a whole generation of potential employees. Millennials still tend to populate other social media sites like Snapchat, Pinterest, Twitter, Instagram and Facebook.

**Professions That Don't Hang Out on LinkedIn.** If you're hiring for certain professions, be aware that many industries and roles, such as candidates with technology backgrounds, don't use LinkedIn. In scenarios such as this, using a search firm with deep expertise with a variety of very targeted tools is your best bet for finding candidates with in-demand skills. Most recruiting firms are investing in training and research that includes LinkedIn, but also utilize dozens of other tools including, but not limited to, deep internet sourcing and research proprietary databases, association/conference lists, diversity and veterans' organizations and highly specialized job boards that cater to functional roles.

**Candidate Overload.** If you're not getting as many responses to your postings on LinkedIn as you think you should, it could be that:  
Potential candidates are simply getting too many inquiries from too many recruiters  
Your target candidates are skittish because of all the scams on the internet these days  
A high proportion of LinkedIn users (estimated at 70%) are passive job candidates and they find your Inmails intrusive. Many have their InMail notifications turned off so they won't even receive an email notifying them when someone sends them one. The only way to know whether you have InMail is if you log into LinkedIn and check your notifications. Considering that only 40% of LinkedIn users login daily, the chances of someone receiving and replying to your InMail within a day or two is very low.

All the above bullets explain why savvy recruiters use LinkedIn as a research tool but employ a personal approach to get the attention of an in-demand executive, like a personal phone call or sending a direct email. As recruiting continues to become more transactional, I'm still a believer that a bit of wooing can go far to entice a passive candidate to consider a move.

**Recruiter Dependency.** Finally, apply some "tough love" if your recruiters just can't seem to find good candidates and suggest that they cut back on their use of LinkedIn. I've witnessed a somewhat alarming tendency for LinkedIn to make corporate recruiters lazy when they assume that it's the only place to find candidates. The mistaken assumption is that posting an opening on your website to attract active talent, combined with a posting on or a search of LinkedIn plus a bit of research will generate hires. That approach, in today's labor market, isn't going to increase your chance of success. If your internal team can't give up their over-reliance on LinkedIn, hire an external firm with deep research capabilities and expertise in working multiple sourcing strategies to generate candidates from a wide array of sources. That's far more likely to uncover the types of candidates that will add value to your business, especially when you are hiring senior level leaders.



## Summary

My advice - and precautions - about using LinkedIn can be summed up as:

Use it wisely; not exclusively.

Recognize its limitations. Don't get lazy.

Investigate new research and sourcing tools and adapt the ones that best fit your hiring needs, by function and by position.

Finally, think creatively. Don't be lulled into thinking that LinkedIn is the be-all, end-all tool.

# Continuing Professional Education



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70% of Americans over 65 will need some form of long term care. And that care will be expensive. According to a recent survey, the cost for long term care can currently range from \$48,000 a year for home care to \$98,000 a year for a private room in a nursing home; and costs are increasing every day. Planning for these expenses with long term care insurance can help you maintain your lifestyle, protect your assets and savings, and give you the options necessary to receive care and services.

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