Steps for Developing an Accounting Career

Introduction
Ross Career Services (RCS) created the Career Path series to assist students with the career search process. Each Career Path handout examines a common business functional area in which Stephen M. Ross School of Business students and graduates pursue jobs each year. The first four steps of RCS’s recommended career search process are detailed for each specific business field.

RCS believes self-assessment is an essential first step to any career search; please take the time to review the entire CareerLeader online self-assessment program and meet with a career consultant as part of your career search effort. Go to these links for access to MBA CareerLeader™ or BBA CareerLeader or go to the Career tab on iMpact.

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I: Accounting Overview

The accounting industry has much to offer in terms of opportunities, professional development, and exciting career paths. To be successful in an accounting position one must possess strong analytical abilities, be detail-oriented, and have the ability to work very quickly and adeptly with numbers. Moreover, those who are the most successful possess not only strong analytical abilities, but also the ability to synthesize, interpret and develop applicable business strategies utilizing financial data. Thus, a career in accounting offers its professionals the opportunity to challenge themselves, work closely analyzing financial data and provide significant value-add to corporations, governments and organizations around the world.
A career in accounting can entail many different specific job functions ranging from an audit or tax-consulting career with a public accounting firm, to an accounting position with an industrial company, to a position with the Government Accounting Office or a non-profit organization.

**Types of Accounting:**

As noted above, accounting organizations provide a range of services. Traditionally, the two primary services provided are *audit* and *tax*. However, many accounting firms have grown their advisor services to offer: corporate finance, risk management, transaction services, business process outsourcing, people and change consulting, IT advising, and personal financial planning.

- **Audit:** An auditor examines the financial statements of a company or organization and independently certifies the statements are valid, accurate, and relevant. Additionally, an auditor often also provides advisory services such as recommending ways to improve profitability, etc.

- **Tax:** Accountants who provide tax services primarily create strategies to minimize tax liabilities for their clients. Additionally, they prepare tax returns, advise on tax laws, assure clients tax law compliance, etc.

- **Advisor:** The advisor role within public accounting serves to analyze key data issues, patterns and trends to identify implications, and improve efficiency and effectiveness for clients. The division of specialty that fall within the advisor line of service differs among the firms.

**Types of Accountants:**

- **Public Accountants:** Public accountants generally work for a public accounting firm (for example: Ernst & Young) and provide accounting services to companies, governments, etc. Large public accounting firms provide the range of services discussed above in “Types of Accounting,” and because public companies are required to have yearly audits, a large part of public accounting firms’ business is providing auditing services to public companies.

- **Private Accountants:** Private accountants work directly for a company, government or non-profit organization. They receive their paycheck from the organization for which they are providing accounting services (for example: Internal Accountant at Kraft Foods). Generally, these accountants prepare the financial statements for the public accountants to audit and certify. Additionally, private accountants may also prepare their company’s tax statements, consult its management on changing accounting principles and ensure the financial integrity of the company’s business transactions.
Changes in the Field

While students’ interests in accounting related fields ebbs and flows depending on the economy, a career in accounting has long been considered “recession proof” and offers significant job security. In 2008, Forbes ranked Accounting Executive #4 and Accounting Staff #5 in its list of “10 Most Recession Proof Jobs.” Additionally, the U.S. Bureau of Labor Statistics ranked Accountants and Auditors in the Top 20 Occupations with the most demand for 2006-2016.

Accountants are especially in demand when the economy is in a downturn. This is because in times of economic uncertainty the public becomes distrustful of current accounting and reporting systems, leading to changes in regulation and accounting practices. The collapse of companies such as Enron and Worldcom led to the passage of the Sarbanes-Oxley Act of 2002. The SOX Act enhanced accounting standards for corporations and those auditing corporations and organizations—leading to increased demand for exceptional accountants. With the inception of SOX, public accounting firms began to divest their consulting services to more easily comply with the tighter regulatory scrutiny. However, firms have recently begun to rapidly rebuild their consulting arms and expand hiring to BBAs again. The recent financial crisis calls for even greater accounting scrutiny and stronger accounting standards and offers those entering the accounting field immense potential for an exciting, promising and challenging career.

The median base compensation for the Ross BBAs entering the accounting field in 2010 was $55,000. At the Ross School of Business, the employers of the highest number of BBAs have consistently included the “Big 4” public accounting firms—Deloitte, Ernst & Young, KPMG, and PricewaterhouseCoopers, as well as mid-tier firms such as BDO, The Rehman Group, and Plante & Moran. In addition to the audit and tax positions available at the public accounting firms, several students each year go to work for industrial employers as accountants and financial analysts.

Masters in Accounting

In most states, only licensed Certified Public Accountants (CPAs) may provide qualified public opinions and audits on financial statements. In order to qualify for a CPA license, one must fulfill the education and work experience requirements, and pass the Uniform Certified Public Accountant Examination. Education requirements vary by state, but in most states, 150 credit hours are required to sit for the Certified Public Accounting Examination. Ross students most commonly meet this requirement through a fifth year of education, such as the Masters of Accounting program, at Ross or another institution.

For more information about University of Michigan’s MAcc program, please visit the website:
http://www.bus.umich.edu/Academics/MAccProgram/
II: Recruiting Process

Step #1: Conduct Self-Assessment
Regardless of the specific position, there are some basic skills and interests that most accountants possess. Common to most accountant positions is the need to secure information on processes and decisions, evaluate the efficacy of those processes and systems, and create and establish methods of improving the data flow and financial reporting processes of the companies they represent. Progression in the field results in senior management positions which daily impact significant company decisions.

In addition to the obvious interest in numbers, calculations and quantitative analysis, accountants often have an interest in improving systems and methods and in being a part of significant decisions which influence their companies or clients. Career Leader offers a typical detailed profile of interests and values common to accountants.

Accounting requires a strong interest in analyzing financial information. Also, strong communication and interpersonal skills are vital, as you will be working with teams of people. You should be very adept in working with computers, particularly with spreadsheet packages. This career path requires a strong GPA, especially in accounting courses. Additional qualities the major accounting firms look for are a demonstrated ability to juggle and prioritize projects, strong poise and professional demeanor, as well as maturity and confidence.

To summarize, be prepared to communicate these skills to the recruiter:

- **Analytical Skills:** To analyze financial data and explain changes
- **Teamwork:** To work well with other team members and the client
- **Communication:** To interact with the client and audit staff in a professional manner
- **Organization/Time Management:** To balance numerous tasks and issues at the same time and to properly prioritize projects
- **Attention to Detail:** To complete work effectively the first time and identify potential accounting issues

Accountants are very likely to work overtime, particularly during busy season. You need to possess self-discipline and flexibility in order to accommodate the workload demands and potential travel to client sites in public accounting.

Other aspects of public accounting include a culture of active people, relatively high starting salaries, and outstanding training opportunities. Other issues to consider include an environment that is demanding and extremely competitive; you have many bosses with different priorities, and somewhat conservative cultures. Accounting careers in industry, non-profit, and government tend to be less competitive and demanding, with lower starting salaries. You should consider all of these factors as you assess which path to take.
Step #2: Investigate Possible Career Opportunities and Firms

Accountants at the BBA, MAcc, and MBA levels are in demand in many industries in positions ranging from Secret Service Agents to traditional tax specialists and staff auditors.

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<tr>
<th>Public Accounting</th>
<th>Industry/Non-Profit</th>
<th>Government</th>
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<tbody>
<tr>
<td><strong>Staff Auditor</strong> - Member of audit team working on-site at client location.</td>
<td><strong>Staff Internal Auditor</strong> - Duties are similar to staff auditor. Travel time may be excessive (10% to 60% in some cases). Many firms hire staff exclusively with public accounting experience.</td>
<td>IRS Revenue Agent</td>
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<tr>
<td>Performs tests on financial statement accuracy, strength of internal financial controls and systems, and interviews client personnel regarding changes in business focus, structure, and financial policy. Seasonal responsibilities include inventory observations and counts, interim financial statement analysis and maintaining and building client personnel relationships. Travel time varies between 10-30%, and can be more depending on which city you are working in. Begins to develop industry specialty such as Banking, Retail, Manufacturing, High Technology, etc.</td>
<td></td>
<td>FBI Agent</td>
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<tr>
<td><strong>Staff Tax Accountant</strong> - Prepares individual, corporate, partnership and trust tax returns for clients as needed. Conducts research on tax law/issues and writes position memorandums, file memos, client letters, and various correspondence to state and federal tax authorities. Participates in 300-1000 hours of financial statements audits typically in first two years depending on state CPA licensing requirements. Begins to develop specialty in a particular area of tax law such as Corporate, Partnerships, S-Corporations, International (In-bound or Outbound transactions), M &amp; A, Real Estate, etc., or an industry specialty such as Banking, Retail, Manufacturing, etc.</td>
<td><strong>Staff Corporate Accountant</strong> - Analyzes and reconciles various accounts, ledgers and books of record. May assist in financial statement analysis, preparation of budgets and misc. special projects.</td>
<td>Secret Service Agent</td>
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<tr>
<td><strong>Staff Info. Systems/Operational Consultant</strong> - Depending upon background, some BBAs and most MBA's would be eligible.</td>
<td><strong>Staff Cost Accountant</strong> - Analyzes, projects, and calculates inventory and cost of goods sold. Strong spreadsheet skills are desirable.</td>
<td>U.S. Postal Inspector</td>
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<td>Drug Enforcement Agent</td>
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<td>Federal Reserve Staff Analyst</td>
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<td>Department of Treasury</td>
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<td>State/Local Gov't. Auditor</td>
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2010 Vault Rankings: Most Prestigious Accounting Firms

1. PricewaterhouseCoopers
2. Ernst & Young
3. Deloitte
4. KPMG

These and other non-Big Four firms recruit on campus. You can learn more about the unique qualities of each firm by attending company presentations on campus. It’s a good idea to attend a variety of presentations to get a good perspective on how the opportunities differ before you focus on specific firms.
Career Search Step #3: Develop a Career Search Strategy

The traditional career search in accounting takes place via on-campus opportunities, though there are additional opportunities through an off-campus search. There are several ways to become more familiar with the accounting profession and to strengthen your candidacy:

- **Join appropriate clubs and register for pertinent courses.**
  - Join the Ross School of Business Accounting Club.

- **Utilize RCS services.** RCS sponsors a number of workshops that will help you market yourself to target firms. Workshops include resume and cover letter preparation, interview skills and the off-campus job search. Office hours are available for counseling for all aspects of the career search and skills development process. Career consultants and staff members with accounting experience may be available to provide specific functional perspective.

- **Attend Meet the Firms.** This Accounting-focused career fair is hosted annually by the Accounting Club in early September.

- **Research each firm thoroughly.** Don’t just know about the industry; also know what distinguishes each firm (client base, culture, etc.). Research firms prior to attending career fairs and corporate events so that you ask informed questions. Also, after researching a firm, consider looking for alumni in the alumni database that are currently employed at the companies you are interested in.

- **Attend firm presentations and Pre-Night Events.** Attending these events gives candidates an unparalleled opportunity to get to know recruiters before the interviews. Show interest by first attending in early September and meeting with the recruiters. Follow up with these recruiters in the weeks/months following the presentation with follow-up questions.

**SOME TIPS ON THE RECRUITING PROCESS:**

Resumes should stress academic achievements, awards and honors. Stress extracurricular activities since this involvement shows ability to juggle work, school, clubs, and social life. Evidence of leadership, teamwork, and initiative is important.

The on-campus screening interview is crucial. First impressions are everything! You should demonstrate an understanding of the firm and practice area (audit, tax, advisory/consulting). Understand what differentiates the firm from the others. For example, for many years Deloitte has stressed its “open-door” culture. Show a sincere interest in the firm. Be careful not to convey that you are merely using the firm as a stepping stone to future positions.
In some cases, firms will ask candidates back to the office for further interviews. Candidates typically speak with three to four managers, one partner and the head of recruiting. Candidates may also go to lunch with a senior and one to two staff members. The structure of an office interview day varies by firm, but will involve your meeting with people from different levels in the firm.

**Ask appropriate questions:**

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<th>Partners</th>
<th>Managers</th>
<th>Staff and Seniors Associates</th>
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<td><strong>More macro-focused questions:</strong></td>
<td><strong>More micro-focused questions:</strong></td>
<td><strong>This is your opportunity to get the real story: - (However maintain a professional demeanor):</strong></td>
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<tr>
<td>What are the key challenges and opportunities facing this practice?</td>
<td>Why did you choose to come here?</td>
<td>What are the pros and cons of working here?</td>
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<td>How could these impact me as I progress?</td>
<td>When, if ever, are you expected to specialize in particular industries?</td>
<td>What aspects of training have been most helpful?</td>
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<td>What have been the most difficult aspects of your career as you have progressed from staff to manager?</td>
<td>How easy is it to communicate between levels?</td>
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<td>What is the standard track to manager in this office? How do you see it evolving over the next 3-4 years?</td>
<td>How much overtime and travel have you worked?</td>
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Remember, an office visit does not mean an offer. This is the firm’s primary tool to gain insight into the maturity, professionalism and “fit” of the candidate. Research the firm's clients or the company's primary industries to demonstrate deeper knowledge during your visit. Consider the industries in which you want to work and the reasons why.

**The BBA/MAcc Career Search**

Some public accounting firms offer leadership programs (two to four days) for students during the summer after their sophomore or junior ear. These programs are by invitation only and are announced through the Accounting Club and/or iM pact.

A typical career search for a BBA who continues on for their Masters in Accounting degree would begin in the fall of their junior year at the Ross School of Business with attendance at company presentations. Based on knowledge gained about accounting careers, you should schedule a career counseling session to investigate self-assessment so that you can be certain that your interests match with positions in the field. Ideally, by mid-October, you will have targeted a career in accounting and be making plans to pursue your MAcc. As with many employment decisions, grade point average is an important part of the evaluation process, so maintaining high academic performance is important.
Based on the company representatives you have met, in early October, it is typical to continue networking with company contacts to express your interest in their firm. When doing so, remember that even though you are learning from the company contacts, you are always being evaluated! Hopefully, as a result of your networking, you will be invited to interview on a “closed list.” Bear in mind that the companies usually establish a recruiter in their local (Chicago or Detroit) office to be the primary contact for the Ross School of Business. If you are interested in the primary contact’s office, that person will be making the employment decision. If you are interested in another office, then the primary contact will be working to get you introduced to that office.

In the accounting field, it is best to have a preference of which city and which discipline you prefer to enter. You may even be asked about these preferences during your initial contact with the firm at a career fair. In some fields, being flexible as to location and division is desirable, but with offices around the world and choices between audit and tax, and possibly advisory, it is better to look focused and knowledgeable about the industry by having your preference ready, but always indicate flexibility. It is difficult—but important—to look knowledgeable when you are first introduced to the field, so be sure to make use of Career Development staff, professors, alumni, and current students who interned at your companies of interest to get you up to speed before you go to make your first impression with the decision makers. In particular, be sure that you understand the distinction between audit and tax. While most students are familiar from classes with what an accountant does, an audit involves examining and testing the supporting documentation underlying a company’s financial statements. The final result of the audit is to ensure that financial statements are presented fairly, and to tell the public that this is your opinion.

Tax professionals are involved in assisting their clients to minimize their tax liability. These two “disciplines” appeal to different students, and recruiters will expect you to understand the distinctions.

If you are prepared for your interviews, your goal in the fall semester of your junior year is to generate a summer internship. Acknowledging that the summer is a slow time for most accounting departments, and that you are in competition with seniors who are anticipating entry into the MAcc program, internships may be difficult to come by. Many students will be placed on a “future prospect” list that indicates that the company will follow up with you for an internship the summer between our senior and MAcc years. Securing an internship in a related field where you can work with ledgers, numbers, and systems will be an excellent addition to your resume so that you can secure the internship of your choice the following year. Ideally, by the time you enter the fall of your MAcc year, you will have an offer from a firm, and your fall interview process will be only to compare your offer to one or two other firms you are still interested in, if that.
If you decide later than your junior year to pursue a career in accounting, it is highly recommended that you speak with the MAcc Program Director about your interest.

http://www.bus.umich.edu/Admissions/Macc/ContactUs.htm

Frequently Asked Interview Questions

In general, the public accounting interview is similar to most undergraduate business interviews. Be prepared for a variety of questions, maintain composure, and be yourself. Be prepared for a technical accounting question -- the interviewer is most likely testing your poise.

1. Tell me about yourself.
2. Why public accounting?
3. What are your strengths / weaknesses?
4. What other “Big Four” firms are you interviewing with?
5. Why do you want to work for this firm?
6. What would your peers say about your teamwork skills?
7. Why “Audit” and not “Tax”?
8. Why “Tax” and not “Audit”?
9. Where do you see yourself five years from now?
10. Do you want to become a CPA?
11. Where do you see yourself in 10 years?
12. What does it mean to act ethically?

Any variety of technical questions, including:

1. Why is it important to match revenues and expenses?
2. What is the matching principle?
3. What does auditing mean to you?
4. What is the current corporate tax rate?

Be prepared for a “fit” interview by having examples of:

- Leadership
- Teamwork
- Time Management
- Flexibility
- Handling Ambiguity
- Rapid Learning

Bibliography of Information Resources

MBA CareerLeader or BBA CareerLeader on the Career Tab on iM pact
- Vault and WetFeet career guides and company profiles