

Bill Knese

COMMITTED TO THE PROFESSION AND THE COMMUNITY

By Lori Colaccio Parks

William F. “Bill” Knese, CMA®, CFM, CPA, cares about language. As an undergraduate, he was an English major, enthralled by poetry and captivated by the cadences of the written and spoken word. Later in his life, he pursued a career that also involved language—the language of business.

“People think that accounting and English are polar opposites, but that’s simply not true,” he explains. “Accounting is the language of business because businesses use accounting to determine and communicate the health of their enterprises. Numbers are what show management how well they are performing their stewardship of the organization. I consider myself a student of language, so becoming an accountant really was just a natural progression.”

This year, Bill continues his progression as he assumes the role of IMA® Chair for 2013-2014. He comes to the position after a successful career as a management accountant and after providing decades of service to IMA, including a long stint on the ICMA® Board of Regents. For Bill, who retired this past spring, it’s an exciting and opportune time to be IMA’s head volunteer leader because he will help guide the future of this growing, global organization.

Early Years in Minnesota

A Midwesterner all of his life, Bill was born and raised in St. Cloud, Minn., which is located in the middle of central Minnesota's lake country and currently has a population of about 65,000. Growing up as the son of a small-business owner, Bill grasped early on the value of hard work and discipline.

"I was always working: I started cooking chicken in a drive-in restaurant at the age of 15, swept floors as a janitor, did odd jobs at my father's business, carried out groceries at a supermarket, and mowed lawns as a groundskeeper at a city park," he says. "I also was involved in activities in high school that included class leadership and that often related to fundraising and finances."

When it came time to apply to college, Bill never even considered that he could trade his snow shovel and harsh Minnesota winters for some shades, shorts, and sunscreen. "My horizons were somewhat limited by financial considerations as I am the second-oldest of seven," he explains. "My uncles on my mother's side were all St. John's grads, so it didn't occur to me to apply to school somewhere far away."

Bill enrolled in nearby St. John's University in Collegeville, Minn., which gave him "a terrific liberal arts education" (among the school's alumni is Sen. Eugene McCarthy). During his sophomore year, it also introduced him to poetry. "I just loved the internal discipline of it, the sound and the sense," he recalls. After starting out as an "undecided" major, he switched to English and intended to become certified to teach high school in the state of Minnesota following his graduation.

But history intervened (as it sometimes can). The year was 1970, the Vietnam War was raging, and a draft was still in place. Bill drew number two in the lottery, so two months to the day after graduating from college, he was wearing a uniform.

Bill gave two years of service to the U.S. Army. After being discharged, he returned to Minnesota and began looking for a teaching post. The teaching market was terrible—and Bill concluded that the best way to get a start on some kind of career was to go back to school. "Most of the available jobs seemed to be in business, so I decided why not give that a try," he recalls. "My friend's dad was owed a favor by a recruiter and offered that I could be that favor. Because I didn't have any formal business training, however, I was concerned that my advancement would be limited. Instead, I enrolled in an MBA program at St. Cloud State University."

Unlike many other MBA students, Bill had taken no math or science electives as an undergraduate, so he was required to enroll in a number of entry-level courses, such as Algebra I, Algebra II, and Calculus, which somewhat lengthened his program. He did enjoy the discipline of accounting, which he made the functional concentration of his program, and in 1974 he earned his MBA.

From Public to Management Accounting

Bill began his career like so many management accountants do: in a public accounting firm, this one a Big 8 firm. He joined the staff of Coopers & Lybrand's Rockford, Ill., office in 1974. He chose that office because it employed only 40 professionals, and he presumed (correctly, as it turned out) that he would be more likely to work on diverse assignments in a smaller office than in a larger one, some of which had upward of 500 accountants on the payroll.

"I wasn't disappointed," Bill notes. "I had the opportunity to work with many different industries and on a lot of different engagements. After a couple of years at C&L, I earned my CPA [Certified Public Accountant] certification, which is essential for a career in public accounting. It gave me a great foundation and was an excellent technical distinction that I've always valued."

The management accounting bug caught him in a way that it often does, while Bill was performing client engagements. He recalls, "When I worked on the audit side, I would go to clients and ask the accountants about decisions they had made six or eight months before. After a while, I started feeling like a Monday-morning quarterback. I thought to myself, 'I don't want to be asking people about decisions that were made months ago and checking their work. I want to be the one *making* the decisions.'"

The opportunity to become a decision maker came not too long after that realization. In 1978, Bill sought out a position as manager of financial planning and analysis at Greenlee Bros. & Company, a manufacturer of machine and contractor tools, also in Rockford. He stayed a year at Greenlee before beginning the internal audit function at CLARCOR, which was then based in Rockford and is an NYSE-listed manufacturer of quality engineered products and services for the engine/mobile and industrial/environmental filtration markets and packaging market. To Bill, beginning the internal audit function was both challenging and rewarding, as internal auditors need to make their point for the benefit of the company with the

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"buy-in" of operations people. Looking back, he says, "I felt great satisfaction beginning this function, as I had the opportunity to shape something that would continue to benefit the company for years into the future."

Bill spent 20 years at CLARCOR, moving up the ladder in the accounting and finance function—and moving geographically, too. In 1981, he was assigned to serve as the controller of Baldwin Filters, a new CLARCOR subsidiary in Kearney, Neb. "It was quite a change," he admits. "I went from living in the second-largest city in Illinois to a small city in Nebraska, population 21,000."

After less than two years there, Bill was transferred back to Rockford, where he assumed the role of corporate controller of CLARCOR and started a steady climb of increasing responsibility under titles of controller and assistant treasurer; treasurer and controller; vice president, treasurer, and controller; and vice president and treasurer. In his 16 years in controllership responsibilities, he was involved in details great and small: corporate accounting policy and practice, financial controls, accounting systems, analysis, financial materials for annual and quarterly reports, Securities & Exchange Commission (SEC) filings, supervision of operations controllers, management information systems, and taxes. He also was an in-house consultant to operations.

Bill had set his sights on ultimately becoming a CFO, and in early 2000 he received an offer to "move south," he now quips. He was offered a senior leadership position at Angus Industries, which was then an employee-owned company that designs, manufactures, and markets rollover protective structures, cabs, cab components, and steel fabrications for the agricultural, construction, material handling, recreational vehicle, and truck markets.

"I joke about it because my wife, Suzan-Oda, wanted us to move away from the harsh climate of the upper Midwest. She asked that if the next time we moved, it could be south. The day I got the call about the opportu-

nity at Angus, she asked, 'Where is it?' When I told her South Dakota, she said, 'That's not the south I had in mind!'"

With Suzan-Oda's support, they began their next adventure. Bill and his wife moved to Watertown, S.D., where Bill assumed the title of vice president and CFO at Angus. Life in South Dakota proved to be the adventure they had anticipated. Suzan-Oda spent seven years on the board of South Dakota Public Broadcasting. They both participated in the state's annual buffalo roundup at Custer State Park as guests of Governor Bill Janklow, attended the Sturgis Motorcycle Rally, and visited South Dakota's many attractions, including Mt. Rushmore and Deadwood. They've also made some lifelong friends in the state. Perhaps their fondest memory of South Dakota may be "The Knese Quintet," an original piece of classical music that was commissioned, performed, and recorded as a result of Bill's successful bid at a fundraising auction for the South Dakota Symphony.

During the 13 years that Bill spent at Angus, the company grew fivefold. In guiding it through this expansion, Bill became a valuable strategic partner to the CEO. His responsibilities gradually broadened from general and cost accounting and audits to include risk management, shareholder communications, insurance, employee stock ownership plans, lender relationships, and much more. He also was in charge of corporate development, including acquisitions and divestitures, and the corporate secretary function.

In 2011, Angus was purchased by Worthington Industries, a \$2.5 billion public company, and a year and a half later, Bill retired. "I've had a great professional run," he smiles. "I've learned a tremendous amount and had the opportunity to share my skills to help several companies achieve their strategic and performance goals. But I think it's time to focus on other things."

From IMA Member to Regents Chair

One of the "other things" to which Bill has always been dedicated is community and professional service. Active community volunteers, both Bill and his wife have served as president, officer, and board member of numerous not-for-profit organizations and civic ventures. Bill's activities have included the Watertown Chamber of Commerce, Watertown United Way, Watertown Rotary Club, Watertown Art Festival, Rockford's New American Theater, Rockford Art Museum, Rockford Symphony Orchestra, and other organizations. Bill's level of service to the community was so commendable, in fact, that in 2000

the Rockford Rotary Club (of which he wasn't a member) honored him with its "Service Above Self" award.

And then, of course, there's IMA.

Bill first learned about IMA in 1978, when it was known as NAA (National Association of Accountants) and near the end of his tenure at Coopers & Lybrand. "The firm really encouraged us to join professional organizations," he explains. "They saw it as a great way for us to network and meet potential clients. I also considered it a way to rub elbows with people who did what I did and to hear what I might not know." Bill became a member of the Rockford Chapter Board, where, he says, "important grassroots member contributions are made to both the community and the profession." Later, he became Chapter president.

Bill eventually discovered the CMA (Certified Management Accountant), NAA's management accounting certification, and, in 1982, while working at CLARCOR, he decided to take the exam.

From early on, Bill was a strong advocate for certification (he felt so strongly about it, in fact, that he was one of the last professionals to take and pass the CFM (Certified Financial Manager) exam when there was no career benefit to doing so). "The CMA met my expectations in spades," he notes. "Without a doubt, certification helps you financially, as the IMA salary survey has consistently shown that, on average, certified professionals earn more than noncertified ones do.

"But it's not just about the financial rewards. The exam helps to sharpen your professional skills, especially if you take it after you've been out of school for awhile, like I did. Passing the exam also gives you confidence because it means you've joined a select group of people with a proven set of knowledge and abilities." Bill admits that when he's been in a position to make a new hire, he usually favors those who hold a CMA because "it shows they know what management accounting is, and they've gone that extra step to differentiate themselves by earning the certification."

He also highly values the continuing education requirement of being certified. "It means that you must stay in touch with what's going on in the profession. And that's important. Think about it this way: Would you go to a physician who went to medical school 30 years ago and yet doesn't keep up with the latest advances in the field?"

Given his passion for the CMA, it isn't surprising that relatively soon after taking and passing the exam, Bill became involved in the work of the ICMA® Board of

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Regents, the body that manages, administers, and sets policy for the exam.

In 1986, ICMA was looking for about 20 CMAs to serve on a new Regents Assistance Committee that would help the Board of Regents do its job by reviewing exam questions. Bill applied, was accepted, and at the committee's first meeting entered IMA volunteer service.

At that initial meeting, Bill was introduced to several individuals who later became legends of the organization. Among them were Jim Bulloch, head of ICMA, and new staffer Priscilla Payne, who would succeed Jim as the head of ICMA when he retired. Through his work with this committee, Bill also met Bill Brower, Fred Schea, and John Pollara, all of whom eventually went on to serve as IMA Chair.

Bill enjoyed his work on the Regents Assistance Committee so much that, nearly 10 years later, he contacted Priscilla about becoming a Board of Regents member. Bill's service as a Regent lasted for nearly a decade: He was a member from 1997 through 2003 and then served as chair from 2004 to 2006. During his time as chair of the Board of Regents, Bill helped guide the expansion of the CMA program into the Middle East and to Asia, notably approving the translation of the CMA exam into Chinese. It was also during Bill's tenure that the Regents completed a job analysis and a revision of the ICMA vision and mission statement, as well as approved the two-hour ethics continuing professional education (CPE) requirement. In 2006, after stepping down from his Regents' role, Bill joined the IMA Global Board of Directors as a member-at-large.

Expanding the CMA Program

As a former Board of Regents' chair, Bill's vision as IMA Chair includes a strong focus on expanding the global penetration, awareness, and reputation of the CMA program. Part of this vision entails making it easier for

professionals—within the broader accounting community, among students, and even IMA members—to appreciate the value of the credential. Targeting students perhaps may be the greatest challenge.

“We need to build a greater awareness among students that management accounting is a viable, rewarding, and financially fulfilling option,” he says. “Colleges are bursting with courses that prepare you for the CPA. Most schools have CPA tracks despite the fact that only a small percentage of students actually pursue a long-term career in public accounting. Unfortunately, there just isn’t as much support for advising students about careers in management accounting, and that needs to change. I think we really do a service to students at the start of their educational careers if we tell them about the CMA and what it can do for them.”

Bill also is committed to growing the total number of CMAs. “Size really does matter in this instance, especially if you want to be a player in the field. As the number of CMAs proliferates and the more critical mass we achieve, the more we’re a force to be reckoned with.”

A similar passion colors Bill’s other priority: thought leadership. Bill strongly believes that IMA must continue to grow its reputation—to be the go-to organization when standards setters want a management accounting perspective. “Who wants to be a member of an organization that doesn’t matter? That’s why it’s so important that we continue to cultivate relationships with influential standards setters like the FAF [Financial Accounting Foundation], the FASB [Financial Accounting Standards Board], the SEC, and others,” Bill emphasizes. He commends the excellent work of IMA’s Financial Reporting Committee, whose members have been increasingly called upon by these standards setters to share their insights.

Bill personally contributed to IMA’s thought leadership as the organization’s representative on the Blue Ribbon Panel on Standard Setting for Private Companies. Established in December 2009, the project represented a cooperative effort between the American Institute of CPAs (AICPA), the FAF, and the National Association of State Boards of Accountancy (NASBA). The Panel was charged with providing recommendations on the future of standard setting for private companies, including determining whether separate, stand-alone accounting standards for private companies are needed. After reviewing the relevant issues for about a year, the Panel issued a report and recommendations to the FAF Board of Trustees.

“My service on the Blue Ribbon Panel was both chal-

lenging and enlightening,” Bill notes. “It was an honor to be part of the decision-making process on this important issue that affects so many IMA members working at private companies.”

During his term as Chair, Bill also would like to see IMA’s influence continue to broaden beyond the United States, so he looks forward to leveraging the organization’s relationship with U.K.-based ACCA (Association of Chartered Certified Accountants). He also applauds both the IMA staff and volunteers for the “extremely good job we’ve been doing growing on a global stage” and looks to help increase the presence of IMA and the CMA around the world, particularly in the Middle East and China.

Commenting on IMA’s global presence, he noted that the CMA is an especially attractive certification to employers abroad, particularly multinationals, because it provides a way to validate a person’s skill set. “If someone has a degree from, for example, an international university that you’ve never heard of, it’s hard to be sure they have the requisite skills and qualifications. But if someone holds a CMA, then it means they have achieved a certain validated level of skill and expertise.”

More Learning Ahead

Bill assumes the mantle of IMA Chair during a time when he has finally shed the rigorous responsibilities of a private-to-public-company CFO and vice president. Upon his retiring this past May, and after 40 years of marriage, he and Suzan-Oda finally are making the (real) move down south that they’ve always dreamed of: to Scottsdale, Ariz. (Coincidentally, it was in Scottsdale that Bill attended that first meeting of the Regents Assistance Committee back in 1986.)

The couple, who, in Bill’s words, “still immensely enjoy spending lots of time together,” plan to be busy in the years ahead not only in giving service to IMA and to the arts and human service organizations that they will certainly become part of, but also with trying some new challenges. “We want to learn Spanish, we want to learn how to play an instrument, we want to dance, and I want to learn to cook,” Bill says. “When you’re working, there’s lots of pressure, and some of your priorities get pushed back, so you don’t get to pursue some things that you’d always wanted to do. I’m looking forward to this time.” And IMA is looking forward to what the next year will bring under Bill’s leadership. **SF**

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