Bean Counters No More!

By Neil H. Baier, CMA, CFM

No one is quite sure when and where the term "bean counter" originated, but by the mid-1950s the phrase had become ubiquitous as a derogatory term describing accountants. For nonfinancial employees, a bean counter conjures up images of someone slaving over a calculator all day, trying to save the company a few bucks on some kind of expense or, worse, building spreadsheets armed with data to support management's decision to cut staff or programs.

The term may have an even stronger, more negative connotation in the corporate world. When Bob Lutz, former vice chairman of General Motors, wrote his famous book about saving GM from bankruptcy, he titled it *Car Guys vs. Bean Counters: The Battle for the Soul of American Business*. Yikes! It's bad enough being looked at as a numerically obsessive, tight-fisted human calculator, but to be labeled a soul-sucking monster intent on killing American business crosses the proverbial line!

It's very difficult to begin a conversation about how financial professionals can add value to an organization when people have such negative preconceived notions of the profession. What's even more damaging is that accountants often help promote the stereotype. Countless times I hear my fellow professionals introduce themselves as "the bean counter." We make jokes at our expense and then wonder why we're excluded when real business decisions are being made, even though our skills and insight can often lead to more-informed, risk-defined decisions. We've made progress in some companies where we're considered strategic business partners, but we need to keep moving forward. It's time to discard the old negative image forever and display our true worth.

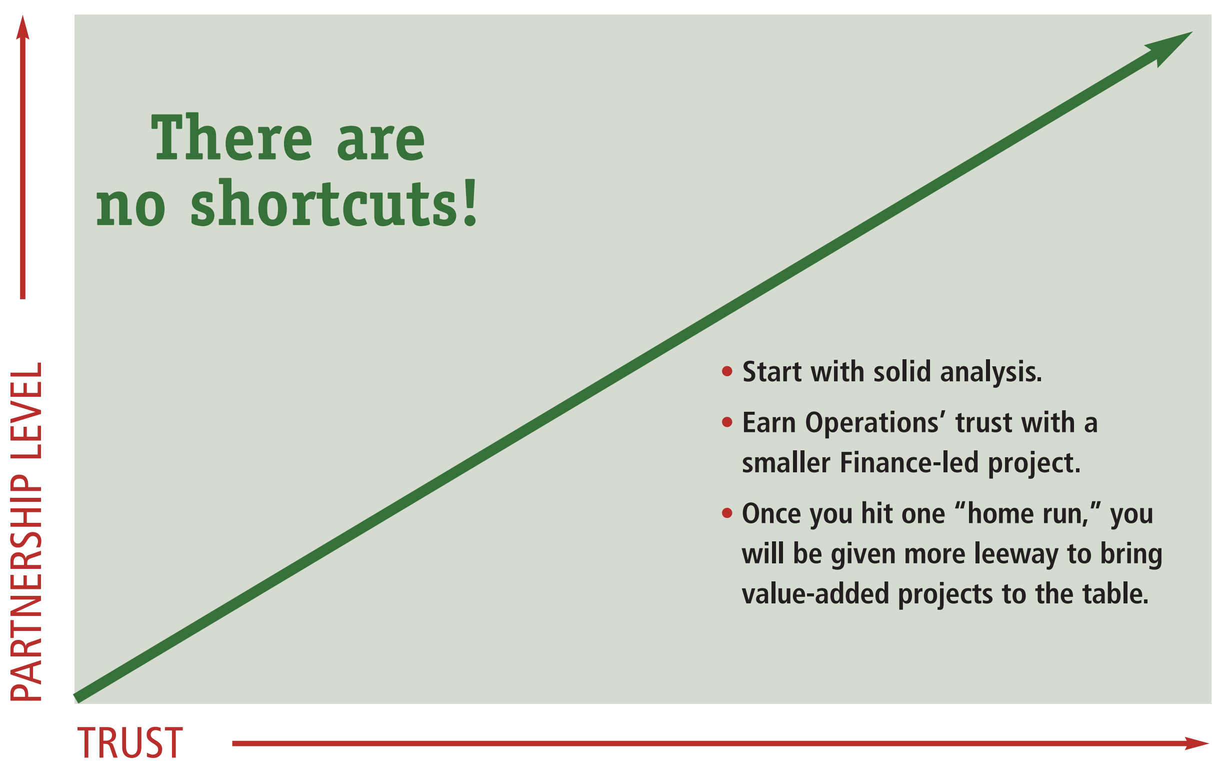
An Accountant's Call to Arms

To advance as a financial professional while also driving the entire profession forward, we must overhaul the thinking of what the primary role of the accountant should be. Business.com stated that "Expanding overhead—all of the expenses not directly related to making your product or delivering your service—is a dangerous thing." Statements like this, as well as some of the collective actions of our profession, can lead to the conclusion that accountants are nothing but "overhead" or members of a "dangerous" department that needs to be shrunk instead of being leveraged to the benefit of business. So the simple call to arms for accountants is this:

- **Stop being "overhead."**
- **Start being valued business partners.**
- **Stop counting the beans.**
- **Start helping to GROW the beans!**

Many of us—from students to seasoned professionals—have a hard time grasping this concept. Let's face it, most of us love spreadsheets! In fact, we're drawn to the statistical nature of the profession in no small part because of our natural personalities. After all, if accountants were more outgoing, we would probably be in sales.

Figure 1: The Partnership/Trust Curve



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The tendency for a number of us to be introverted, however, doesn't excuse us from making every effort to maximize our value to our employers and businesses in a proactive way. In fact, survival as a profession requires it. In these challenging financial times, all companies are looking to slash overhead, and any employees who don't do their part in driving profits to the bottom line threaten their job security. No, you don't have to be as charismatic as a politician to drive change in an organization. But you do have to spend a little time outside your comfort zone, grow as a professional, and learn how to provoke change by proving a point through what we know best—the numbers.

The journey from "bean-counting numbers-cruncher" to "valued business partner" can seem daunting at first. As vice president of finance at Crescent Crown Distributing (CCD), the 11th-largest beer distributor in the United States, with 1,000-plus employees doing business in Arizona and Louisiana, I've experienced this journey firsthand. I came to the company in 2008 with the usual toolbox. I had the education, experience, and certification that enabled me to get the job in the first place. Nevertheless, despite my successes in previous companies, I came to CCD starting from scratch: new coworkers whose trust I had to earn, new operations that I had to learn, and new cost-savings opportunities that I had yet to discover. As much as I would have liked to jump ahead, I knew from previous experience that I had to start small and work my way up the Partnership/Trust Curve (Figure 1) if I wanted to have long-term success with the company.

All of this can seem overwhelming. So how can it be done?

The Intrapreneur's Ten Commandments

In 1985, roughly 15 years before cofounding the Bainbridge Graduate Institute, the first school to offer an MBA in sustainable business, Gifford Pinchot III wrote the best-selling classic, *Intrapreneuring: Why You Don't Have to Leave the Corporation to Become an Entrepreneur*, in which he defines intrapreneuring in two ways:

- A set of business practices that liberates people with entrepreneurial personalities to innovate rapidly inside larger organizations for the benefit of that organization and its customers.
- The actions of an individual and/or a team that is acting in an entrepreneurial manner to serve the best interests of a larger organization and its supply chain, with or without official support.

In his book, Pinchot included a concept that helped revolutionize the way internal action drivers thought about their jobs. He called it "The Intrapreneur's Ten Commandments." The commandments are a great starting point for accountants to change the way they look at their jobs and to transition from "bean counters" to "bean growers."

In 2008, I was at the point in my career where I was ready to take Pinchot's commandments to the next level. Here's a description of each of them, followed, where appropriate, by how I've been able to apply them in several real-world situations.

Commandment #1: Come to work each day willing to be fired. (Translation: "Stand up for your beliefs.")

The first thing accountants have to understand is that our ideas have value and that they deserve to be heard. So stand up for them even though you'll likely experience resistance at first. The operational and management leaders probably won't be expecting, nor be receptive to, your newfound confidence in expressing a business opinion or idea. But don't let this pushback derail you from becoming a bean grower. Keep plugging away!

Commandment #2: Circumvent any orders aimed at stopping your dream. (Translation: "Don't take 'No' for an answer.")

If you want to achieve your goals, it's important to not automatically cower back to the cubicle when coworkers or superiors tell you to return to your bean-counting ways. You may have some great ideas, but there will be times when your ideas simply aren't the best or are impossible to execute. That said, you deserve a reason why. If one isn't forthcoming, it's up to you to continue to make your ideas heard until they're evaluated with the same due diligence given to the organization's more traditional idea generators. In short, don't take "no" for an answer without an explanation.

Commandment #3: Do any job needed to make your project work, regardless of your job description. (Translation: "Your project can affect any department, not just Finance/Accounting.")
This commandment has multiple meanings for accountants. Of course, financial professionals—even those as high up as CFO—should be willing to do any job in their department. A true bean grower, however, shouldn't focus just on projects or ideas that affect only the accounting department. The real win is being able to impact the overall direction of the company to maximize profits. Broaden your company-wide vision by using your knowledge of the numbers.

One of the first projects I worked on for CCD was a lighting project at our warehouse. Because of the nature of our operations—we store a large amount of beer and have to keep it cool at all times to prevent it from spoiling—we use a huge volume of electricity. Naturally we're always looking for ways to reduce our bills. In late 2008, our utility company, Salt River Project (SRP), was offering rebates to help companies install new high-efficiency lighting fixtures. In addition, we wanted to replace our air conditioning units with more-efficient ones and install occupancy and motion sensors that would automatically turn off lights in parts of the warehouse when they weren't in use.

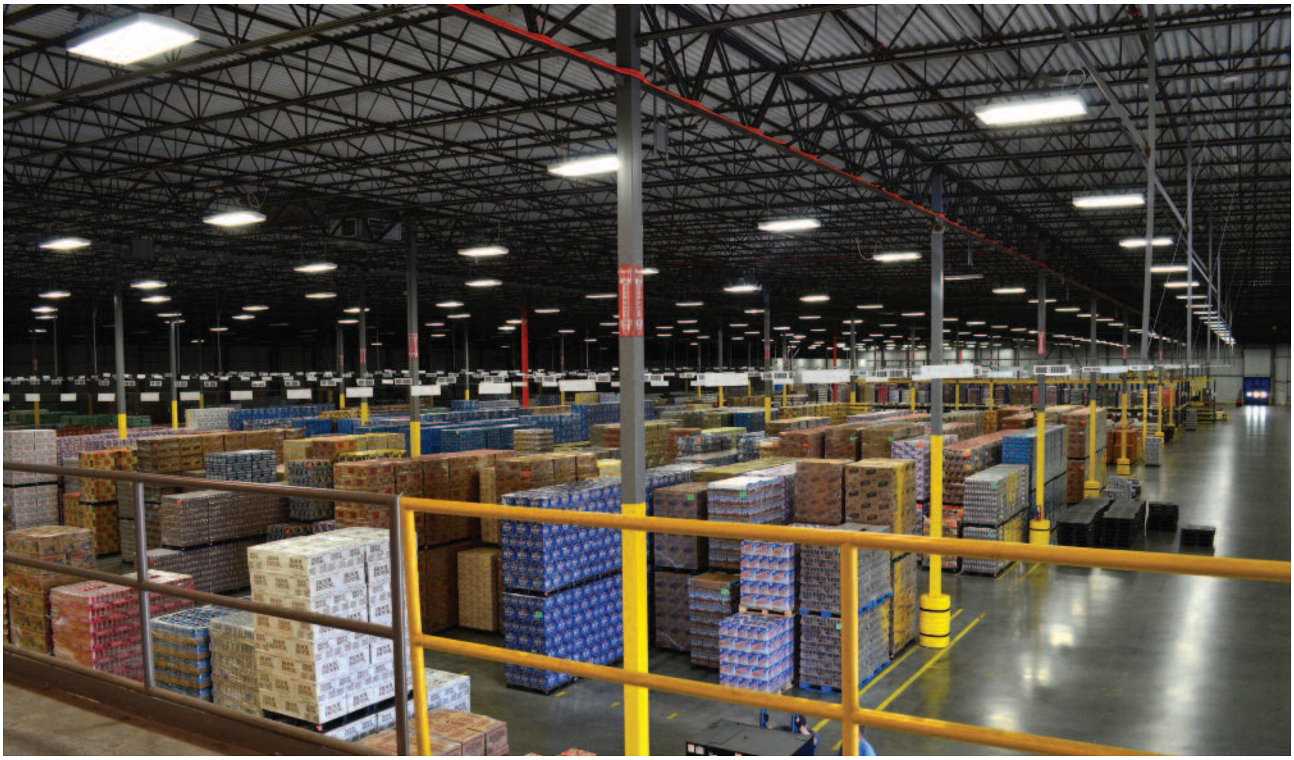
At this point, I hadn't yet earned any trust with my counterparts in Operations, so my role was limited. When I was asked to analyze the financial feasibility of the project, I jumped at the chance and, in the process, began proving myself to CCD's management and my fellow team members. I showed that our $516,000 investment would save the company $150,000 per year, generating a positive return on investment (ROI) in less than four years. I also provided the net present value (NPV) of the cash flows and an internal rate of return (IRR), financial metrics that the team hadn't ever received for projects like these. While this was clearly an Operations-driven project that would have likely been done with or without my analysis, I was able to contribute directly by showing the value of accurate and relevant financials as well as proving the project's cost savings.

Commandment #4: Find people to help you. (Translation: "You can't do everything alone, and you don't have all the answers.")
The best financial professionals are those who are business generalists—they have a general knowledge of the whole business and can see the big picture. But accountants often don't have in-depth knowledge of many parts of the business. That's why it's important to consult with the people in the department that your ideas impact. By relying on them, it will help provide the details that will allow you to flesh out your financial analysis and help clear pushback hurdles.

Commandment #5: Follow your intuition about the people you choose, and work only with the best. (Translation: "To find your answers, you need the people with the most expertise.")
Related to Commandment #4, make sure the people you talk with, and perhaps bring on board to your project team, are experts in their field. Similar to venture capitalists who often give money to good people rather than the best business plans, your projects will have a much better chance of getting past the corporate gatekeepers if the operational people you partner with have credibility within your company.

My next focus at CCD—improving the efficiencies within the Accounting Department—required me to find experts both inside and *outside* the company. The target was Accounts Payable, specifically expense reporting. At CCD, we process more than 2,000 expense reports a year. The process in place at the time was both inefficient and costly. Employees typically waited two months to be reimbursed, which hurt company morale. Moreover, on the administrative side, we received very little useful spending data, which meant that even a simple analysis often required digging through thousands of expense reports for information. And last, the process used lots of paper, including costly check stock.

After we researched all of our options, our Finance group recommended going to a corporate travel and entertainment (T&E) card program, first through Comdata and later through Wells Fargo. The Finance Department handled the analysis, implementation, and training of operational employees. (We were able to reduce the department headcount by one as a result of efficiency improvements. When the person who had handled expense reporting retired, I didn't refill the position.) We all but eliminated the paper stock used for checks, and—best of all—we now receive rebates of up to 1.25% of all purchases on the card. We've implemented the program company-wide and are saving CCD almost $200,000 per year. More important, the program gave our Finance group more credibility when bringing other projects to management for consideration. We were able to move another step up on the Partnership/Trust Curve.



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Commandment #6: Work underground as long as you can; publicity triggers the corporate immune system. (Translation: "Get your ducks in a row.")

Often an accountant's ideas will be considered controversial and could cause a shift in the way a company does business. These types of ideas generate pushback from the "that's the way we've always done it" crowd. As a result, play it smart, and don't pitch an idea unless it can withstand scrutiny up and down the organization. Nothing destroys a project quicker than a mistake in a spreadsheet or by giving an "I didn't think of that" answer during your project pitch. Before you say or present anything, get your ducks in a row.

We needed to do that a few years ago when we were investigating the use of solar power in our warehouses. While we had done smaller projects to help mitigate our electrical power usage, we were looking for opportunities to impact our costs on a much larger scale. After being approached by a solar vendor in early 2009, our Finance team was tasked with investigating the financial feasibility of installing solar panels on our warehouse rooftops.

Over the next two years, the Finance-led team:

- Analyzed feasibility with Operations, including peak usage and building structure capabilities;
- Researched available grants and incentives, including those in the 2009 federal stimulus package, state-based

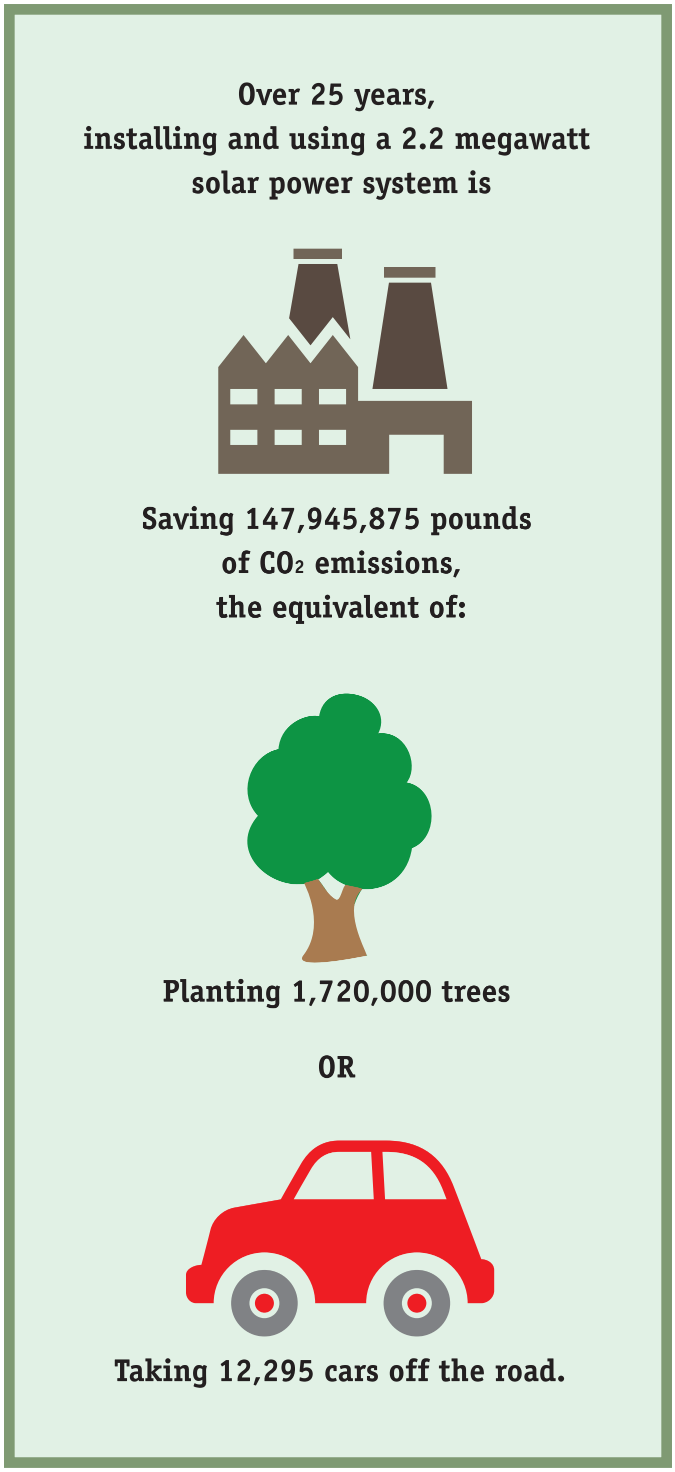
Top: CCD's new lighting and air conditioning systems have helped improve the warehouse and save the company money. Bottom: Installing 6,840 solar panels on the warehouse roof has had a huge positive environmental impact.

tax credits, and utility rebates and incentives;
- Selected vendors and received multiple bids;
- Completed an ROI analysis using advanced analytical techniques; and
- Made the final pitch to the owners for approval.

In the end, the project was approved. CCD partnered with Green Choice Solar of Scottsdale, Ariz., to install a 1.6-megawatt system in our Surprise facility (totaling 6,840 solar panels) and a 600-kilowatt system in our Mesa facility (totaling 2,400 panels). The two systems will offset almost 150 million pounds of carbon dioxide over 25 years, the equivalent of planting more than 1.7 million trees or taking 12,295 cars off the road (see Figure 2). Just as important for Crescent Crown, the original $9 million investment will save us more than $25 million over 20 years through incentives, grants, taxes, and, of course, sharply lower electricity costs, representing an ROI of 24%.

For our Finance team, the project brought a high degree of credibility and increased the company's faith in our ability to bring value-added projects to the table. We had taken a huge step up the Partnership/Trust Curve, and when we came up with our next idea, the hurdles for Finance to overcome were significantly lower.

Figure 2: Environmental Impact



Commandment #7: Never bet on a race unless you're running in it. (Translation: "Change your mind-set. You want to *grow* the beans, not just *count* the beans.")

This commandment sums up the entire point of this article. Not only should accountants want to be empowered to suggest ideas, but we should also want to take responsibility for the outcome of our ideas. While we'll always have a "scorekeeper" portion to our job, if we can use advanced analytics to make recommendations that change the overall strategy of the business, that's a huge leap forward and transforms accountants from bean counters to bean growers.

Here's what I mean: While researching the grants available from the state of Arizona for solar power, we discovered the Arizona Commerce Authority (ACA), which administers all of the state's corporate incentives and rebates. As part of its ongoing projects, the ACA offers a program called the Arizona Job Training Grant, which is designed to meet the specific needs of employers, create new jobs, and help increase the skill and wage levels of employees in Arizona.

Our Finance team took the lead in researching the rules of the grant. Working with an external consulting firm called Tax Credit Co., based in Los Angeles, Calif., the team created a custom project plan and submitted it to the state for approval. In March 2012, Crescent

Crown was awarded Arizona's ninth-largest grant, making us eligible for more than $625,000 in grant money toward the training of our employees. To date, we've received roughly $350,000 of that money, and we'll submit another grant application when we are eligible to do so in March 2015.

Commandment #8: Remember, it's easier to ask for forgiveness than for permission. (Translation: "Don't let people project their fear of failure on you.")

If you see an opportunity that you know is right, go for it! Take it, and ask for forgiveness later. After you drive a big cost-savings or revenue-increasing idea, your operational partners will thank you later, as opposed to being upset that you may have stepped outside your immediate area of influence.

Not surprisingly, by this time in our journey along the Partnership/Trust Curve, the Finance team had earned a high degree of trust from the company's executive team. As a result, when we explored hedging our fuel purchases to help protect ourselves against price volatility, our pitch to management received little or no pushback. In fact, one executive put it bluntly: "Given the success of the prior project, if Finance says it's good, then I'm betting on them to be right!"

So starting in late 2012, Crescent Crown Distributing joined a fuel hedging program administered by the consulting firm Fuel Risk Management (FRM) of Phoenix, Ariz. Using FRM's advanced analytical tools, CCD periodically purchases futures contracts on diesel fuel when market conditions best dictate it. To date, we've saved about $25,000, or $0.09 a gallon. While this impact has been minimal, the goal isn't to make money on the program but to mitigate cost run-ups and better predict what our costs will be. To those ends, it has been a big success.

Commandment #9: Honor your sponsors. (Translation: "Give credit where credit is due so people will want to work with you again.")

This is extremely important if you want long-term success. As the previous commandments show, you can't do everything on your own, especially when you're trying to drive a project that's outside of Accounting. If you want people to work with you again, liberally give credit where credit is due. This isn't about ego; it's about creating an environment based on teamwork and continuous improvement. The personal accolades and career advancement come naturally after that. As Bryan Cranston's character in *Argo* said, "If we wanted applause, we would have joined the circus."

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Commandment #10: Be true to your goals, but be realistic about the ways to achieve them. (Translation: "There are no shortcuts.")

At this point, I hope you're energized to make real changes regarding how you and others think about the accounting profession. The first nine commandments give you a roadmap of behavioral changes needed to enact that change, but the reality is that *there are no shortcuts*; you *always* start at the bottom of the Partnership/Trust Curve. At first, you'll garner little trust, but as you show more and more value, you'll gain more and more trust. This will allow you more leeway—and cause less pushback—in pitching bigger and better projects.

Returning for a moment to the Partnership/Trust Curve, you can see that my experience at Crescent Crown was just as I had expected: There were no shortcuts (back to Figure 1). Each project that our team decided to work on was influenced by where we were on the curve. As we inched our way upward, we were able to suggest more-impactful projects. You, too, can make a difference at your company, but it takes time and effort.

Using your "Intrapreneuring" spirit, work your way up the curve to stop *counting* the beans and start *growing* the beans. You can do it! **SF**

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