

Success Stories

A publication for the North Central Sub-Area

 **ERNST & YOUNG**

Quality In Everything We Do

**Seize
the
Advantage**

North Central is *Seizing the Advantage*

Inside: People First • Elevating Quality • SGM Refocused



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On the cover:

This issue highlights many of our 6+5 execution focus areas that will help North Central seize the advantage.

Letter to Our Readers:

Thanks to all of you who tuned into our recent town hall webcast. Frank, Lou and I really enjoyed the chance to share with all of you the energy and enthusiasm coming out of the September PPEEDD meeting.

The theme of the webcast and our recent PPEEDD meeting, Seize the Advantage, is becoming part of the North Central's vocabulary, but more importantly, it's also becoming part of our actions. This issue of *Success Stories* highlights a few of the areas where we are making great progress in growing our market leadership, connecting our employees and their families to our business and promoting a brand that attracts the best people and clients. Our 6+5 focus (back cover) will help us improve in those areas that are important to our people, our quality and our growth. Look for special Focus Area graphics throughout this issue to see how our people are implementing these 6+5 initiatives.

In *Tales from the Road*, we examine the Strategic Growth Market (SGM) portion of our business. With the recent appointment of Rich Mitchell to SGM market leader and over 200 Russell 3000 companies in North Central, the potential to refresh our focus on serving fast-growing, future market leaders is significant.

In *Developing the People of Tomorrow*, Americas Area Managing Partner Steve Howe, and some of our own North Central people demonstrate how inclusiveness, working abroad, EY learning programs and flexibility all ensure our future success in a changing workplace.

Finally, our *Professional Spotlight* section examines Detroit's Working Parents Network, the first such organization in North Central. The importance of nurturing the relationship between our business and the large Ernst & Young "family" is critical to our continued commitment to a People First culture.

With the holidays approaching and busy season just around the corner, I want to thank all of you for your continued dedication and ask that you help us seize the advantage we have built in North Central!



Mike

Michael E. Ventling
North Central
Managing Partner

Creative Services Group Brings Style and Substance to Everything They Do

If there's a limit to what the Creative Services Group can do, no one has found it yet. From a memory book for area leadership to a storybook invitation for a charity event – if you can dream it, they can do it.

Actually, they'll even consult with you on the dream. Senior Designer **Sean Siwik** says that the earlier CSG can be involved in a project, the better it will be. "It's always nice to be involved up front, to get an idea where people want to go. A little more time can get a lot better results," says Sean. Sean cites a storybook that CSG created last year as a great example of what can be accomplished with good planning. The children's story was an invitation to an EY charity book drive at the Detroit Auto Show. The invitation was as memorable as the event, and Sean notes that such projects generally are "where we spread our wings a little more as far as packaging and out-of-the-box thinking for design."

Creative Services is a national team, where resources are routinely shared. "Work comes in through the area hotline and we have customer service coordinators who assign the work and manage our staffing resources," explains North Central Creative Services Leader **Ann Marie Gerda**. Depending on workload, deadlines and the location of the external client, a proposal might be designed in Cincinnati and printed in Cleveland or vice-versa.

Last year, CSG created this special invitation to a charity event in Detroit.

processors have increased their knowledge and skillsets to be able to produce much more than financial statements and audit



Cleveland reprographics team members Ken Krumrei and Roman Ochrin (right) work on binding a proposal.

While creativity is their game, there's much more to CSG than great design and packaging. The word

reports. If you need assistance creating or formatting an Excel workbook, a PowerPoint presentation with animation, an electronic form in Word, or a database in Access, give CSG a call.

CSG's proofreading service is also invaluable, with 18-year EY proofreading veteran **Terri Pendleton** leading the way for all of the North Central from the Pittsburgh office. "During busy season, I'm probably seeing eight to 10 documents a day." Some of those, continues Terri, "can be pretty lengthy. Financial statements can be 40 pages long." A recent form 10-k of 101 pages took 14 hours to proof, recalls Terri, because "I'm responsible for a comprehensive review – proofreading, editing and mathematical accuracy."



Pittsburgh's Terri Pendleton represents the North Central on the National Proofreading Standards Committee which recently distributed the 2007 Creative Services Proofreading Manual.

While most of the proofreading work is financial statements and proposals, Terri says that any document is fair game. Whatever it is, she'll be happy to proof it. "It's a service we offer – and it is highly recommended," says Terri, who notes that while tight deadlines can make it a high-pressure job, she loves her work. "I've always been a very detailed person. I enjoy the work I do, and I love being able to improve a document."

At the end of every project you will find the reprographics team hard at work copying, cutting, saddle stitching, folding, laminating and binding. On complex jobs they work closely with the customers and suggest options to ensure a high-quality product. The production operators are the last set of CSG eyes that will quality check your product before it is delivered to the client. §

Strategic Growth Markets is Refocused, Ready to Dominate

Buoyed by a stellar FY06 performance, the North Central is heading into this year's busy season poised to expand our market position on several fronts. One practice area embracing the "Seize the Advantage" theme from September's PPEDD meeting is Strategic Growth Markets. SGM has refocused its target, and an aggressive strategy has been put in place to capture a significant share of the marketplace in FY07 and beyond.

Leading the rejuvenated SGM charge in the North Central is **Rich Mitchell**, a 20-year EY veteran with significant audit and business development experience. The redefined SGM targets the "Russell 2000" (which is the Russell 3000 less the Fortune 1000), Forbes largest private companies, and priority private equity and venture-backed companies.

In recent testimony before the House Financial Services Committee, **Maria Pinelli**, Americas strategic growth markets leader, stated that the five largest IPOs in 2005 resulted from the privatization of state-owned enterprises. Maria presented the committee with findings from EY's *Third Annual Global IPO Report*, and noted that the U.S. still leads the world in global IPO offerings, and competition for IPOs among exchanges continues to accelerate.

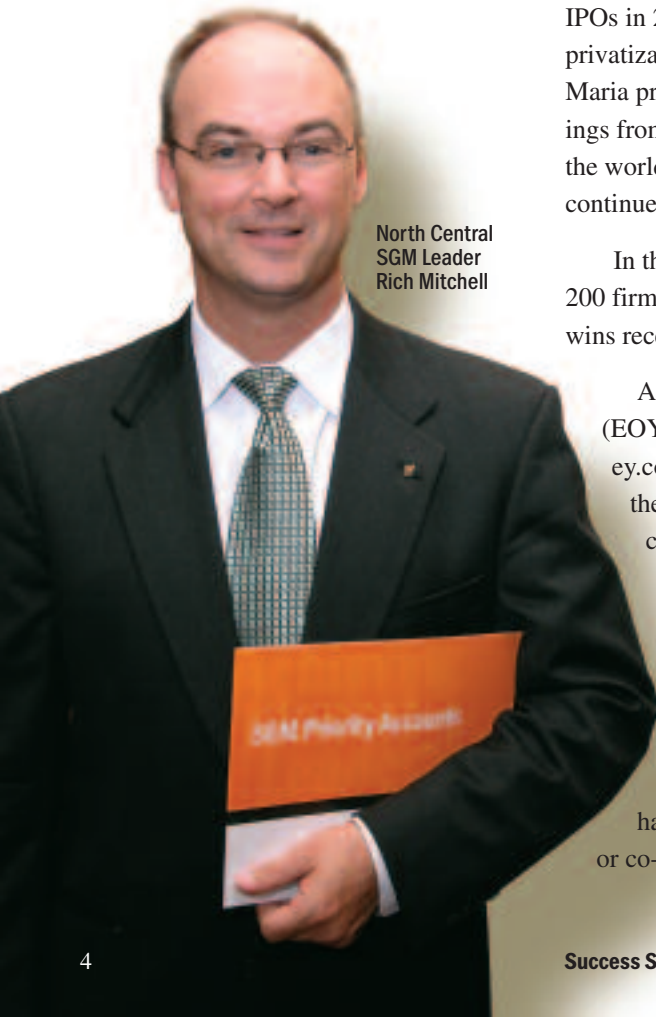
In the North Central, the SGM target group has a combined footprint of more than 200 firms.

In the North Central, the SGM target group has a combined footprint of more than 200 firms. Significant inroads have already been made at many of those firms, with key wins recently recorded in Northeast Ohio, Pittsburgh and Upstate New York.

A critical focus of the revamped SGM practice is the Entrepreneur of the Year (EOY) program. EY's international signature program will be more visible on ey.com, and will be tied very closely to SGM through increased targeting around the Russell index companies, and the addition of two new SGM-intensive award categories – "Emerging" and "Energy, Mining and Chemicals."

To support the SGM effort, go-to-market teams will be established with cluster leaders in every market in the North Central. Detroit Tax Partner **Dave Mullett** says the North Central Tax Practice is enthusiastic about the new SGM focus and the resources EY is putting behind the effort. "The companies in this market typically have a high demand for our services because they may not have significant in-house tax resources and frequently have a strong appetite for tax planning. This profile is ideal for tax outsourcing or co-sourcing as well as our federal and state solutions and international planning.

North Central
SGM Leader
Rich Mitchell



They also need assistance with IRS exams, tax provisions and FIN 48 implementation.

“These types of projects,” continues Dave, “are typically very leveragable and provide great learning opportunities for our people. Furthermore, this work can add great value that is easily recognized by these clients. For all of these reasons, SGM is a critical market for our tax services.”

SGM has strong audit and non-tax services potential in the North Central as well. In fact, “SGM is both channel 1 and channel 2 focused,” says Rich, adding, “We’re going after both... we want to provide the highest value to each SGM client.” §



The Ernst & Young Entrepreneur of the Year program is tied very closely to the SGM market.

2007 *Team Spirit* Awards

Last year, 18 teams from across the North Central nominated themselves for the Team Spirit Award.

Does your team have what it takes to be the 2007 winner?

As you prepare for another busy winter, remember your role as a team player is one of the most important.

Are you supportive of the flexibility needs of your fellow colleagues?

Are you willing to go the extra mile to help support the team?

What fun things does your team do to stay positive and energized?

Look for the nomination form in the Weekly Connection throughout the winter! The 2007 winner will be announced in early spring!

People First – Today and Always

Flexibility, global experience among the keys to successful work/life balance, client satisfaction and continued market leadership



Americas Area Managing Partner Steve Howe spoke at September's PPEDD meeting.

“Launching and deeply committing to a People First strategy has really transformed the organization.”

Anyone who has been with EY for more than a few months has no doubt heard the expression “People First.”

But is this commitment really working in the North Central? Are we creating a people-first culture here, and, if so, will a people-centric focus today help ensure that EY attracts and retains the right “people of tomorrow” in the North Central?

From a macro perspective, **Steve Howe**, Americas area managing partner, says that we are, indeed, making great strides. “I’ve noticed a big difference in the last five years,” noted the 23-year EY veteran in a recent presentation. “We have made a transformation in realizing our assets are our people, and focusing on their learning and development, affording them rewarding and challenging careers, recognizing they need flexibility and challenging work. Launching and deeply committing to a People First strategy has really transformed the organization.”

Steve cites inclusiveness, global experience and shared values as key factors in creating and maintaining a culture that will consistently attract the best talent and provide an environment in which our people can thrive both personally and professionally.

“Part of our ‘People First commitment’ is recognizing that all of our people need flexibility in their lives,” says Cincinnati Partner **Julia**

North Central LGBT+ Champions gather at a recent event.

Poston. “The firm works hard to encourage people to focus on where they need/want flexibility and then make it a reality,” explains Julia. “This is a competitive advantage for our firm... many people who have left the firm came to realize very quickly that a People First commitment doesn’t necessarily exist at other organizations.”

Julia says her flexible work arrangement (FWA) gives her “the flexibility to be involved in a number of my kids’ activities and manage other family/household commitments.”

Mary Beth Beck, Core Assurance partner in Akron, agrees. “I do think that EY is making good on its People First commitment. I think that the framework is out there for people to avail themselves...” While she says that there is still work to be done in this area, Mary Beth notes that EY is head and shoulders above most organizations, including some rather rigid firms where her three siblings work. Compared to them, “I feel very fortunate,” she says.



A suitable FWA is what convinced Tax Manager **Michelle McCarthy** in Cincinnati to join the growing number of “boomerangs” – EY people who leave and then return to the firm. Michelle says she left after six and a half years to spend more time with her children, then returned when EY worked out a part-time schedule that allowed her to enjoy the best of both worlds. “I think the People First commitment is a different definition for everyone. To me this means having the flexibility to work while on a schedule I can manage,” says Michelle, adding, “The firm has shown this (People First) commitment to me by allowing me to return to this arrangement.”

While more and more EY professionals in the North Central enjoy this type of flexibility, the FWA is just one example of how EY is fostering a truly inclusive environment.

In the North Central, inclusiveness networks are active in each office. An August Summit for local champions brought together the NC’s eight Ethnically Diverse Champions, 22 Women Champions and four LGBT+ (Lesbian, Gay, Bisexual, Transgender, Allies) Champions to share updates and strategies for their roles as change agents. Local networking events increased over last year providing more opportunity for our diverse professionals to connect and have a voice about equity in the workplace. These efforts, as well as the goals set for recruiting and staffing diverse professionals, are paying off – for example, the percentage of billable hours that ethnically diverse professionals invested in priority accounts jumped from 13 percent in FY05 to 20 percent last year.

Developing the EY leaders of tomorrow also entails a strong focus on global participation. Steve explains that putting people first means exposing them to global opportunities – either through domestic

work on international engagements or via international rotations. North Central professionals continue to embrace these challenging but very rewarding opportunities.

In Upstate New York, EY people at all levels have brought tremendous value to the Kodak engagement, and in doing so many have gained unsurpassed international tax experience. In Detroit, Executive Director **Steve Ferguson** just returned from a Tax assignment in Australia, and AABS Senior Manager **Aaron Krabill** recently returned from Amsterdam. Both concur that their rotations were invaluable for the business experience and client benefit.

“Putting people first means exposing them to global opportunities – either through domestic work on international engagements or via international rotations.”

out of four North Central staff hires came from our internship class, and we began implementing formal mentoring programs such as Learning Partnerships, Career Watch and Pathways to Partnership.

By emphasizing such personal and professional development, EY will always



North Central Ethnicity, LGBT+, and Women Champions, and People Consultants at the August Inclusiveness Summit.

But rotation benefits extend well beyond the workplace. Exposure to different cultures and practices mandates personal reflection and growth – which in turn benefits EY, our clients, and the families and communities of those who serve in an international capacity. In supporting such opportunities, EY is supporting relationship building and integrity – two of our essential shared values. The North Central is also executing extraordinarily well on the firm’s recruitment and professional development goals – last year, three

lead by example – even when our people leave the firm. “We take a very broad view of our people,” says Steve. “We know that there are those who will stay with us and have long careers at Ernst & Young, those who will go into other parts of the business world, and those who will leave and do other things. And some of those who leave will eventually be hired back. We’re committed to developing all of them, and believe their development is important no matter where they land.” §

Elevating Quality:

Federal Mogul Team Proves You Just Have to Be There – Often

How far do EY people go to ensure “quality in everything we do” at an engagement? How about Mexico, Korea, China, Thailand, India, Germany, Poland, Hungary, France, Switzerland, Turkey and the UK?

For the team serving Detroit-based Federal-Mogul, a \$6.5 billion global supplier of quality products, trusted brands and creative solutions to the automotive, light commercial, heavy-duty truck, off-highway, agricultural, marine, rail and industrial markets, with 45,000 people located in 35 countries, such destinations are commonplace, particularly as the company reorganizes and continues its expansion into Eastern European and Asian markets. Beyond simply building relationships – certainly an important reason for travel with any international engagement – the hectic Federal-Mogul travel schedule is critical to ensuring that our audit work remains top quality.

Partners **Jay Young** and **D’ aun Norman** returned to the U.S. just before Thanksgiving from a dizzying 10 days in Korea, Thailand, China and India. Visits such as these to Federal-Mogul’s diverse operations allow Jay (coordinating partner), D’ aun (engagement partner) and other team members to soak up exactly

what is happening in terms of facilities, controls and people. Even when a client is very satisfied with the quality of audit work, there are experiences and insights EY people gain on the ground that just can’t be replicated with any conferencing technology, says Jay.

Also, such travel is not limited to the partners leading the Federal-Mogul team. For example, Audit Manager **Piper Kelly** visited new shared service center facilities in India and Poland earlier this year to help ensure that the audit work had been properly transitioned to the local EY teams. Senior Manager **Chris Zuidema**, an 11-year EY veteran, says that with regular face-to-face time, “You can better understand what the issues are that the local teams are dealing with, and help them try to resolve those issues or properly communicate those back to headquarters.”

With Federal-Mogul, the client is well-aware of the elevated quality of our audit work and the value that results directly from the extensive site visits. In fact, says D’ aun, “The client is always traveling with us to identify/address issues together and build relationships at the same time.”

D’ aun cites a recent trip as a perfect example of how having the right people on the ground can drive quality improve-

ments. In the Asia region, Federal-Mogul has

identified India as a strategic market for both growth and access to a highly educated workforce at competitive wage rates. During the visit to India, Jay, D’ aun and the company’s assistant controller met with local EY and F-M executives to discuss a recent, strategic acquisition. The discussions focused on both the integration of this business into Federal-Mogul, as well as complexities associated with the portion of the business that continues to be publicly-traded in India. These discussions helped to ensure that the transition to EY as the statutory auditors for the acquired business, as well as the integration into Federal-Mogul, were successfully on track.

Addressing issues such as this, and framing them so the company can see the potential impact down the road, is what makes the EY team’s physical presence on the world stage valuable to Federal-Mogul. It’s just one more indication that while technology can facilitate client communications, there’s no substitute for having talented, experienced EY people in the right places with a strong connectivity to the lead office. **\$**

Working Parents Network Up and Running in Detroit

When it comes to parenting, there's never going to be a magical work/life equation that works for everyone. But there's always going to be a need for support. That's why EY began the Working Parents Network (WPN), a national initiative that is adaptable to meet the specific needs of local EY offices.

The WPN was created to provide support, resources, networking and mentoring opportunities for parents and expectant parents to help them achieve a successful work-life balance, and also to attract and retain top professionals who might otherwise choose to stay at home for fear of not being able to find the work-family balance that's right for them.

In the Detroit/Toledo cluster, staff, seniors and partners wasted no time taking a good idea and making it better. "One of the great things about the way the firm rolled out the network is that they are allowing each office the flexibility to tailor their program based upon the needs

and interests of those involved," notes Detroit AABS Senior Manager **Heidi Cieslik**. "In the Detroit/Toledo cluster we also have many fathers that are interested in participating, and have thus developed our

network to be inclusive of all working parents." **Mike Martell**, TSRS principal, **Greg Schmidt**, Toledo AABS manager, **Jamie Simpson**, AABS senior manager and Heidi Cieslik are the champions of the Detroit/Toledo Working Parents Network.

The Detroit/Toledo WPN kicked off with a breakfast meeting attended by approximately 40 men and women representing all service lines and levels within the cluster. "I have been involved since we kicked off the network, which has really been over the past six months," says Jamie. The WPN's first event was a September hayride/cidermill/apple orchard trip for the family and kids, organized by TSRS Manager **Lisa Maiz**. With more than 100 parents and children participating, it was a tremendous success.

Jamie says her son, Drew, enjoyed a day in the orchard, and "I really enjoyed the opportunity to network with other EY employees and family members. It was great to be able to share common ground both as EY employees and parents."

Jamie adds that through the network, she has gained a new appreciation for the firm's commitment to helping parents achieve a healthy work and family bal-



Caption

ance. "It has really opened my eyes and made me aware that North Central is very committed to all working parents and recognizes all of the challenges parents face trying to balance a career and raise a family. I was definitely one of those women who, when I started with the firm, never thought I could have a family and work at EY."

The WPN "has also given me a network of other women and men in the firm to talk to about work/life balance and figure out ways to make a flexible work arrangement successful," adds Jamie.

The National Working Parents Network kickoff teleconference last June attracted 2,000 EY women and men from nearly 100 U.S. offices. The network provides access to experts in the field of parenting, as well as 'real life' speakers in the firm who can provide tips on how parents can achieve the flexibility they need to succeed personally and professionally. §

Caption



Detroit/Toledo

The Detroit-Troy-Toledo cluster has truly been focused on quality and people this fiscal year as evidenced by our recent wins and initiatives of the Professional Women's and Working Parents Networks.

Most notable of our successes was the audit win at Champion Industries – an engagement with projected global fees of \$1M. Other key wins include a 7,000 hour audit engagement with Acument and an internal co-sourcing engagement at Tecumseh. Our SGM practice also scored a recent audit win with Avfuel Corporation where we leveraged our tax relationship to win the audit from PWC, their auditors for over 20 years. These recent wins combined with our continued commitment to quality client service have us well positioned to make or exceed our revenue plan.

The cluster has sponsored a number of people initiatives including a presentation on communication skills hosted by the Professional Women's Network and the launch of the Working Parents Network designed to address the needs of both mothers and fathers. The group's first family outing to a local orchard as well as the Detroit office sponsored event at the Baseball as America exhibit gave our teams the opportunity to share time with their families.

Our continued focus on our people and the career opportunities presented to our teams with each win have led to higher than average retention rates in the cluster. As further evidence of our People First culture, the Detroit office was recently selected as an Elite Winner of the 101 Best & Brightest Places to Work program.

Northeast Ohio

Expect More: Local team, communication, and commitment were the resonating messages at FirstMerit Corporation in our firm's recent core audit pursuit and subsequent win. The win also was a clear indication of the importance of relationships.

Don Misheff, Northeast Ohio office managing partner, and **Rich Mitchell**, North Central SGM leader, have nurtured and maintained long-term relationships with FirstMerit's Audit Committee and Management. Coordinating Partner **Mark Maurer** and the pursuit team simply capitalized on those existing relationships to unseat PriceWaterhouseCoopers and bring home this key Strategic Growth Market (SGM) win for the North Central Sub-Area. FirstMerit is a \$10.1 billion diversified financial services company headquartered in Akron, Ohio.

"This is a great example of patience and working as a team. With all the changes at FirstMerit and the CEO change, this gave us the opportunity to win a significant new engagement" says Don.

Congratulations to the entire pursuit team. Core team members include:

Don Misheff, Office Managing Partner

Mark Maurer, Coordinating Partner

Mark Rouchard, Independent Review Partner

Rich Mitchell, SGM Leader

Al Kall, Tax Account Leader

Jim Martin, TSRS Partner

Alex Schmitt, Audit Senior Manager

Katie Colacarro, TSRS Senior Manager

Steve Manko, Audit Senior

Tanya Bortan, Audit Senior

Stephanie Thum & Kate Stevens,
Communication & Pursuit Strategists

Laura Dutton, Creative Services

Ohio Valley

Tremendous Account-Centric Effort Helps Columbia Roll On

It's nice to celebrate a great client win – but it's even more satisfying to dive into the work and drive great results for the client. Following the Columbia Sussex auditing win in July, the engagement team had only four months to audit two prior years' financial statements for Columbia's gaming entities in anticipation of a large acquisition and public offering.

Our core cluster team that included **Jerry Luebbers**, **Adam Moyer** and **Tara Deegan** (Cincinnati), and **Neil Thomas** (Louisville), was bolstered by expertise from EY professionals in Las Vegas, Philadelphia, Memphis and several other offices. **Dan Mutzig** from Columbus was a great hospitality resource, and **Dave Schmidt** brought invaluable gaming client experience from Buffalo. At its peak, the engagement team numbered about 40 as EY resources representing all levels of the organization came together to meet this incredibly tight deadline. **Tom O'Neil** and **Steve Beinlich**, the partners on the engagement stated that success was only possible through "incredible teaming" by everyone in the area to make this happen for our client.

In addition to its gaming division (Columbia Entertainment, soon to be called Tropicana Entertainment), Columbia Sussex operates 75 hotels and is the largest Marriott franchisee in the nation. Now it's on to the 2006 audit work!

Pittsburgh/Charleston

Two recent wins – HFF and Berkman PE – exemplify EY's commitment to the redefined Strategic Growth Market sector

