

A Teaming Culture

An Interview with Scott K. Halliday,
Vice Chair and Managing Partner, Northeast Sub-Area, Ernst & Young LLP

EDITORS' NOTE In addition to his current post which he assumed in July, Scott Halliday is a member of the firm's Americas Executive Board and Global Management Group. He joined the audit practice of Ernst & Young's Dallas office in 1982 and became a partner of the firm in 1993. In 2004, Halliday took on a management role leading the Gulf Coast Area. In early 2007, he relocated to the United Kingdom and became the Managing Partner of the London practice. In 2008, he was named the U.K. Country Managing Partner. He has previously served on the Board of the Greater Houston Partnership—Economic Development/Chamber of Commerce and chaired the Greater Houston YMCA.



Scott K. Halliday

COMPANY BRIEF Ernst & Young (www.ey.com) is a global leader in assurance, tax, transaction, and advisory services. Worldwide, their 141,000 people are united by their shared values and an unwavering commitment to quality. Ernst & Young refers to the global organization of member firms of Ernst & Young Global Limited, each of which is a separate legal entity.

Were you surprised by the speed and severity of the economic downturn and where we are today in terms of recovery?

It's tough to see a bubble when you're in the middle of it. It only becomes clear when it has popped and you can look back on it.

There are still a lot of worries. The government talks about cutting spending, but history says they aren't good at that. Instead, they have to let inflation run to devalue the national debt in different countries. We'll see that occur at some point, so there is a lot of worry out there.

But I'm an optimist and my experience says that it's often darkest before the dawn. There is a lot of cash sitting on the sidelines that has to be deployed at some point. When companies get a little confidence, there will be a lot of transaction volume and that is what we need for job creation.

Ernst & Young leads in the entrepreneurial space. The debate around regulation is that we're at a stage where we're not spurring entrepreneurship but creating challenges for it. Is there merit to

that and is the U.S. losing its entrepreneurial edge?

I still see the U.S. as a very entrepreneurial society. There is no doubt that we need to continue to foster that. We have great universities and great centers of excellence around different subjects. You can see that with biotech in the Boston market; pharma in New Jersey; digital media in New York; or tech in Silicon Valley. That is what this country has been built on.

We need to continue to ensure that the government supports those initiatives and activities that drive people to create jobs, and entrepreneurial companies create a lot of the new jobs.

How close is the coordination region to region in the firm and how critical is consistent messaging globally?

Any client I see wants to talk about the emerging markets and where they can grow their practices. When you look at the activity in the BRIC countries and the second-tier emerging countries, all of our clients see opportunities and they want to know that Ernst & Young can support them across those markets.

We have leaders with international experience that are conversant in what is going on in these markets.

Has the role of professional services changed with globalization?

The role that we play in the capital markets has been elevated significantly. We are being sought out for our expertise across the globe – we have 141,000 employees around the world and with that comes a tremendous amount of institutional knowledge that a lot of our clients want to tap into to support their firms around regulatory and tax issues in these different countries.

So the interest that companies have in growing outside their home borders has been elevated. Our interaction with C-suites and audit committees has been elevated, partially concerning the regulatory environment but also because of the important role we play in the global capital markets.

Ernst & Young is focused on diversity and inclusion. How critical is that to the firm?

It's critical, because the demographic tsunami is rolling across the globe. You see it in the U.S. and you also see it when you travel around the world and see the rise of some of the emerging markets. It's critical we build a firm that is going to be reflective of the individual markets. China,

India, and Brazil are continuing to have much more of a say in the global economy and we need to make sure we stay current with that as well as with the ethnic diversity that is evolving in the U.S.

Beyond demographics, I also believe we, as leaders, must be "culturally fluent" – that is, sensitive to different cultural norms, adapting our styles as needed, and seeking different views and ways of doing things to come up with the best ideas for, deliver the highest quality service to, and build meaningful, trusting relationships with our clients. My own experience running the U.K. and Ireland practice and working with teams across the globe really highlighted this for me.

Another dimension comes from how our younger people work and want to be communicated with, which is different; it's through social media and the Internet, and adapting to the speed at which that occurs.

So it's about figuring out how to work in a diverse global economy and making sure we create a firm where everyone feels at home.

How critical is corporate responsibility to the culture of the firm and is it a considered a responsibility of companies today?

Absolutely. We've been in business well over 100 years and it's a fiduciary responsibility to make sure we're contributing back to the communities in which our people live and work. It's even more critical when you look at the spending cuts that will have to go on in government and the role of the private sector to step up to fill those gaps.

Our young people want to see the companies they work for actively involved in supporting the communities in which they live and work.

As this industry has consolidated, how do you show what makes an individual firm unique today?

Our firm has great people – our culture and our sense of teaming are competitive differentiators for us.

Also, the globalization of our firm is far ahead of our competition. I think of my own experience on the Europe, Middle East, India, and Africa board. We had 87 countries give up their sovereign rights as an individual country partnership and vote to become part of our EMEA infrastructure. That speaks to the teaming culture of the firm.

Additionally, it's the entrepreneurial nature of our firm and our support of Entrepreneur of the Year programs both in the U.S. and in Monte Carlo each year that is a marquis branding opportunity that sets us apart. ●