Official Newsletter of the Andersen Alumni Association

Straight Thoughts, Straight Talk

"Serving Andersen Alumni Worldwide"

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Editorial

Warren Turner — Editor

As we celebrated Independence Day, many of us reflected on the extraordinary freedoms and opportunities we enjoy as Americans. The Fourth of July reminds us that our nation was founded by courageous men who pledged their lives, fortunes, and sacred honor in pursuit of liberty. Their legacy continues to inspire each new generation.

No one appreciated that history more than our friend, former Andersen Partner **Ed Maier**, who died on June 20, 2026. Ed had a deep love for our country and often shared stories about the signers of the Declaration of Independence, reminding us that America's founding was shaped by ordinary individuals who demonstrated extraordinary courage, faith, and conviction.

Those same qualities, integrity, service, and character—are values that resonate with all of us who were fortunate enough to call Arthur Andersen home. They are the principles that continue to unite our alumni community.

Ed was not only a devoted supporter of the Andersen Alumni Association, but also a trusted friend. He cared deeply about people and about preserving the relationships that made our Andersen experience so meaningful.

The words from Matthew 25 seem especially fitting:

"*Well done, good and faithful servant.*"

I have no doubt those were the words that welcomed Ed home.

As you read the tribute to Ed in this issue, I hope you'll reflect on those who shaped your own Andersen journey. Our greatest legacy is not found in the engagements we completed or the titles we held, but in the lives, we touched, the friendships we forged, and the values we chose to uphold.

As we celebrate our nation's independence and remember our friend Ed Maier, may we continue to **Think Straight. Talk Straight.** May we honor both our country and our Andersen heritage by living lives marked by integrity, service, and faith.

Warm regards,

Warren

Alumni on the Move

Andersen Alumni Association — Admin

Congratulations to the Following Alumni and Best Wishes in your new roles.

Alumni on the Move

Bill Koefoed
Bradley Korch
Brian Kimball
Britt Jeffcoat
Cecil Hicks
Chris Kelly
Ciaran O'Loughlin
Coley O'Brien
Coreen Sawdon
Debra Meyer
Dennis Randolph
Edward Giordano
Eric Sans
Frank Long
Gabe Cortes
Gary Merrill
Greg Westfall
Heather O'Connor
Jack Azagury
James Olender
Jamie Britton
Jerod Steigenberger
Jerry Short
Jim Murphy
Jim Richardell
John M. Gay
Jon Baksht
Katerina Cozza
Kelly Heape
Kristy Kennedy
Kristy McKnight
Laurence Capone
Lee Shuman
Lucas Bravo
Marie Washburn
Mark Ingebritson
Matt Capuzzi
Matthew Kirk
Michelle Hook
Mike Provenzano
Mohamed Karama
Paul Connelly
Paul Stellato
Rachel Barger
Scott Cooper
Scott Cunningham
Scott Healy
Sean Farnan
Stacey Bradley
Stephanie DeFlippis
Stuart Langer
Todd Heeter
Tony Cannon

Andersen Alumni Association

A Partner’s Partner, a Tribute to Ed Maier

Arthur Andersen — Partner Emiritus Founder and Chief Administrator for the Andersen Alumni Association

Often referred to as a Partner’s Partner, Alumnus Ed Maier died on June 20, 2026. Ed was a devoted husband and loving father and grandfather and touched the lives of so many. Ed was a faithful supporter of the Andersen Alumni Association. He provided valued guidance and contributed countless articles for quarterly newsletters. A full copy of his obituary can be found at https://www.dignitymemorial.com/obituaries/dallas-tx/edward-maier-12938393

As a tribute to Ed below is the Introduction to his book *Think Straight. Talk Straight* which was published in 2019.

Throughout my nearly fifty-year career in business, I have had the opportunity to meet many people and learn countless things. In the first chapter of my business life, as a partner with Arthur Andersen, I worked on and led many teams. I eventually was in charge of one office, and later of a regional division that included over 1400 employees and partners. I am deeply grateful for those experiences. Beyond accounting and finance, I learned innumerable things about people and business; I had the chance to travel internationally for the first time in my life. I developed a much greater appreciation for the world around me and the variety of people in it. Since retiring from Arthur Andersen and the public accounting profession and beginning my second business life chapter, I have worked with many different people as an executive coach, a mentor, and a volunteer. These individuals have come from even more varied walks of life, businesses, organizations, and backgrounds. They, too, have added immeasurably to my experiences.

In conversations over the years, very often someone would say something like: “Why don't you write these ideas down in a book?” or “These are good thoughts. They helped me. You should write a book.” I would like to express my thanks for their appreciation and file the thought away. Then in 2010, our first grandchild was born. That set me to thinking.

I don't know very much about my grandfathers. I knew who they were; I knew what they did. But I really didn’t know anything about them. Then the accountant in me did the simple math. By the time my two grandchildren (2 arrived in 2014) are old enough to have a conversation with me about some of the topics in this book, I might not be around or able to engage in a worthwhile conversation with them. If I wanted my grandchildren to know more about me, I needed to do something to make that possible.

For several years, I had been putting some of my thoughts to paper for a newsletter supported by Arthur Andersen alums. So, I started with those and added additional thoughts and observations. The results are what you are about to read.

This book has no particular purpose, other than to share some of my points of view about different facets of business and organizational life, and to share them in a fashion that models the theme of the opening chapter—Think Straight. Talk Straight.® I am not “telling it like it is.” I am telling it like I think it is and believe it should be. As I repeat later in the chapter, this is one of the first principles of behavior I learned at Arthur Andersen. It has stayed with me ever since. It is my hope that a few ideas included in this book may resonate with you and my grandchildren just like the Think Straight. Talk Straight. principle impacted me all those years ago.

This book is not something you need to read cover to cover, although you certainly can. Look at the topics in the chapter list and select one based on what interests you or fulfills a need at this time. Read it and enjoy it. Each chapter is relatively short, and, I believe, an easy read. A principle I adopted a number of years ago from a Business Writing class told me to “write like I talk.” I am not sure I have fully achieved that, but along the way if I have any broken sentences, dangling participles, or faulty punctuation, I hope the spirit of the good sisters of Saint Dominic who taught me grammar school English will forgive me.

I appreciate the many suggestions and encouragement given to me over the years to write my thoughts down. I am thankful for the many relationships with others that have contributed to forming these thoughts. As you read them, I hope they provoke your own thinking and move you to action.

Enjoy!

Ed

Arthur Andersen

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*Arthur Andersen, Partner Emeritus, Founder and Chief Administrator for the Andersen Alumni Association. Alumni and Friends are encouraged to **FOLLOW** the Association on LinkedIn*

Alumni Reflections: Interview with Brendan Giuseppe, Founder & CEO of BGS Consulting, Arthur Andersen Alumnus (1990-02)

Andersen Alumni Association

Andersen Alumni Association has begun an ongoing series “Alumni Reflections” highlights members’ reflections. We would like to thank Alumnus Brendan Giuseppe for sharing his reflections in this issue of our newsletter. Today Brendan serves as the CEO of BGS Consulting, BGS Consulting is a management consulting firm specializing in providing flexible, tailor-made solutions around Finance, Technology and Talent, to address the unique challenges of its clients. It’s led by former Andersen partners who carry on the values and commitment to Client Service every day. The BGS team has a blend of public accounting and operational experience across numerous industries which allows the collaboration, design and delivery of solutions to its clients.

How did your career at Arthur Andersen begin, and what initially attracted you to the firm?

I joined Arthur Andersen's Washington, D.C., office in 1990 and remained there until the firm's final days in May 2002. At the time, Andersen was the gold standard of the profession. It was "Big Blue", the firm everyone admired and aspired to join. For me, accepting the offer was an easy decision.

What I couldn't have appreciated as a 22-year-old was just how special the firm truly was. Looking back, Andersen wasn't simply a great accounting firm; it was a remarkable collection of talented people united by a common set of values. The culture, the camaraderie, and the commitment to excellence were unlike anything I've experienced before or since, despite spending years at several other global firms.

One phrase that has stayed with me throughout my career is "*Think straight, talk straight.*" It wasn't a slogan, it was an expectation. Integrity wasn't something we talked about during training; it was woven into every client interaction and every business decision.

Perhaps Andersen's greatest lesson was teaching me what it really means to build trusted client relationships. Outstanding technical work was simply the starting point. We were expected to understand our clients' businesses, make their challenges our own, and build personal relationships based on trust that extended well beyond the boardroom. That philosophy has shaped every stage of my career.

Looking back, which experiences or assignments at Andersen had the greatest impact on your professional development?

One of Andersen's greatest strengths was its commitment to developing people. Experienced professionals didn't simply supervise, they invested in you. My mentors challenged me, expected more than I thought I was capable of, and encouraged me to ask questions without hesitation. That commitment to developing young professionals is something I've tried to carry into my own leadership style.

Responsibility came early. By my second year, I was already leading audit engagements as a senior. Looking back, it seems almost unbelievable, but Andersen believed that if talented people were given responsibility and properly supported, they would rise to the occasion.

Another lesson I never forgot was that everyone "pulled the tarp." Titles mattered far less than commitment to the client. Partners certainly had partner responsibilities, but when the client needed something, everyone rolled up their sleeves. Andersen's partners led from the front. They weren't managing from behind spreadsheets (or 14 column paper, as it was back then); they were in the marketplace, beside their teams, serving clients. That leadership by example created enormous loyalty.

One assignment changed my confidence forever. One of our financial services clients had begun originating HELOC loans in Illinois and needed standalone financial statements with complete footnote disclosures to satisfy state regulatory requirements. I was only in my third year when the engagement partner sent me to the client's Delaware headquarters for four weeks to deliver the project on my own.

I remember wondering whether the client expected someone to be far more experienced. But the partner believed I was ready. With guidance available whenever I needed it, I delivered a successful engagement.

The experience taught me something far more valuable than technical accounting. It taught me to trust myself when others had already demonstrated they trusted me. That confidence to step into unfamiliar situations with preparation, humility, and a willingness to learn has served me throughout my career.

Arthur Andersen was known for its culture, commitment to client service, and investment in its people. Which elements of that culture have you intentionally carried into BGS Consulting?

From day 1 when we founded BGS, our goal wasn't simply to build another consulting firm, it was to carry forward many of the principles that made Andersen extraordinary and to carry on its legacy.

That begins with putting the client's interests first. Our philosophy is straightforward: deliver exactly what we promise, deliver it on time, and deliver it within the agreed fee. Those simple commitments build trust.

It's also why several former Andersen leaders have joined BGS. My managing partner, Frank Mencini, was actually my first audit senior back in 1991. He was a second-year senior, and I was just starting my career. More than thirty years later, we're still building together. Relationships like that don't happen by accident; they're the product of shared values, mutual respect, and years of working through difficult challenges together (and as a first-year auditor, I certainly provided many challenges for Frank)!

One lesson from Andersen has stayed with me more than any other. A partner once told me that not everyone you help will become a paying client, but everyone you help should be treated like one. We didn't define client relationships solely by engagement letters. We looked for opportunities to help people, professionally and personally, in ways they never expected.

I still remember Andersen's "Ways You Never Imagined" campaign narrated by George Clooney. The message was bigger than the marketing. It reflected a mindset that if you genuinely help people, business success follows. That's still how I lead today.

How did your experience at Andersen influence your decision to start BGS Consulting, and what did you want the firm to do differently?

When we founded BGS, we wanted to recreate many of the things we loved about Andersen: exceptional people, trusted client relationships, technical excellence, and an unwavering commitment to service.

At the same time, we saw an opportunity to combine those values with the agility of an independent advisory firm. We wanted to move faster, create measurable value more quickly, and bring experienced professionals to every engagement, people who could contribute immediately because they understood both the technology and the business context.

In many ways, building BGS was also personal. I missed what Andersen represented. I missed the culture, the collaboration, and the sense of purpose we shared. I often say that we're committed to doing things "the Andersen way," not because we're trying to recreate the past, but because those principles remain timeless.

Above all, we want every client to feel they have a trusted advisor sitting beside them, not simply another consulting firm delivering a report or “power point speak”.

You mentioned working for Frank Mencini at Arthur Andersen before later becoming business partners at BGS Consulting. How did that experience shape your relationship?

By the time we reunited at BGS, the trust already existed.

We had worked through demanding client engagements, long hours, tight deadlines, and the high expectations that defined Andersen. You learn a great deal about someone's character in those environments. I knew Frank's commitment to excellence, his integrity, and the way he treated both clients and colleagues.

When the opportunity came to build a firm together, it honestly wasn't a difficult decision. Our partnership had been tested for years before BGS even existed.

Looking back, it's one of the best decisions I've made professionally.

BGS has evolved significantly since its founding. What challenges are clients asking you to solve today?

Today’s clients are navigating constant change and more than ever, they're looking for trusted advisors who understand their business and the technology landscape. We are seeing more pause and more time spent in the decision-making process around technology, as there’s a lot to digest and concerns that software will get outdated or out paced by the next generation as technology is advancing at neck break speeds.

Clients want help making informed decisions in an increasingly complex environment, especially around technology, which continues to evolve at a rapid pace. Artificial Intelligence with Agenta AI is top of mind for many executives that we meet and serve. We are building Artificial Intelligence capabilities and successes that are repeatable and have speed to value, something I've mentioned before. As a nimble advisory firm, we aren’t trying to boil the ocean but rather, implement automation and Artificial Intelligence solutions that are practical; outputs are transparent/auditable; data, both inputs and outputs, have the right context and the right governance.

Speed matters, but so does judgment.

What do organizations that successfully navigate growth, transformation, or uncertainty tend to do particularly well?

The organizations that consistently succeed don't simply react, they prepare.

They invest in leadership, make decisions based on reliable information, communicate clearly, and embrace change without losing sight of their people.

Technology certainly enables transformation, but people ultimately determine whether transformation succeeds.

One phrase we've adopted at BGS is that technology should remain the co-pilot while people remain the pilot. AI is an extraordinary tool, but judgment, leadership, and accountability still belong to people.

What motivated BGS Consulting to become the corporate sponsor of the Arthur Andersen Alumni Association?

Arthur Andersen shaped my career in ways I continue to appreciate more each year.

Supporting the Alumni Association was never really a business decision, it was a personal one.

I've remained active within the Andersen community in the Washington area for years, and when Warren Turner approached me about supporting the organization nationally, it felt like a natural extension of everything Andersen gave me.

I'm convinced I would not be where I am today or have been able to provide the opportunities my family has enjoyed without those eleven years at Andersen during my formative professional years.

There are simply too many people to thank individually, although several deserve special mention, many of whom I remain close with today and still live here in Northern Virginia. From the partner who hired me, Bob Kovarik, to the partners who moved believed in me to transition me from audit to business development in 1998, CE Andrews and Carl Berquist, to my business development partner, Marc Andersen, to Rich Jeanneret who supported and encouraged my decision to make the move to business development, to Paul Feeko who sits on our BGS Advisory Board today. These partners and many others continue to influence my career to this day.

Their confidence changed my life.

Supporting the Alumni Association is simply one small way of giving something back to a community that gave me so much and that I could never repay.

What is your fondest memory from your time at Arthur Andersen?

Without question, it's the people.

Some of my closest friendships and many of my most trusted professional relationships began at Andersen and remain part of my life more than three decades later.

The firm challenged you every day, but it also surrounded you with people who genuinely wanted to see you succeed. That's a rare combination, and I don't take it for granted.

And, of course, in the spirit of one of Andersen's mantras, "work hard, play hard," I've got more than a few memorable late-night memories at Mike Baker's, but we'll save those stories for another day.

Thank you for this opportunity to reflect and share what Arthur Andersen has meant to me and my family.

Andersen Alumni Association

Established in 1998, Andersen Alumni Association (aka www.andersenalumni.com) helps former employees and retirees of Arthur Andersen & Co., Arthur Andersen LLP, Arthur Andersen, Andersen Consulting (Now Accenture) and Andersen Worldwide collectively "Andersen Alumni" maintain contact with one another on both a social and professional level.

The People Who Stay - My Andersen Experience

Ralph Schonenbach — Former Consultant Andersen Business Consulting, Founder and CEO of Meerkat, Inc.

I was a few months into my first job when I stepped into an elevator and made small talk with the man standing next to me. I introduced myself, he gave me his name, and I told him it sounded familiar. He smiled. "It should. I'm the office managing partner."

That man was Lou Salvatore. And that small moment, the simple act of putting out my hand instead of staring at the floor, changed the course of my career.

To get to that elevator, I first had to get hired, and the way I got hired is something I still smile about. My first job out of college was with Andersen in New York. In the first interview, the person across the table had to stop and explain to me what a Partner even was. I genuinely had no idea. In the second, someone asked me the classic question, where do you see yourself in five years, and I answered honestly: I really did not know. It was hard enough to imagine one year from now, let alone five. By the time the third interviewer asked me the same question, I had given up on inventing an answer. "I haven't figured that out since the second interview," I told her.
Somehow, they hired me anyway.

And so a few months later, there I was, standing next to Lou in an elevator. He could have nodded politely and gotten on with his day. Instead, he made time.

I remember him stopping by for one of my early presentations. The topic, fittingly, was the value of technology, and the moment I clicked into the deck, my laptop froze. He gave me a quiet, encouraging smile, and that was enough to settle me and get me back on track.

Lou was generous with his time, his counsel, and his belief in me, and he supported my career in ways he never had to, long after I left Andersen. I admired him deeply, and I still do.

I think about that elevator often. So much of what came afterward, the mentors, the friendships, the opportunities, had their roots in that small moment of choosing to say hello.

The Andersen years gave me everything I needed for the career that followed. I learned how business actually worked, and I had mentors who took the time to teach me, not just manage me. As a junior consultant, my knowledge was, to put it kindly, limited, which meant we worked as a team to get anything done. Work was our life, and somehow that did not feel like a sacrifice. It felt like belonging. When we were not at the office, we were out with clients. When we were not with clients, we were with each other.

There was something rare about the culture at Andersen. People talk about company culture all the time now, but that one was the real thing. We trained together at St. Charles. We traveled together. We sat in the same hotel restaurants in cities we did not live in, sharing meals and trading stories, and somewhere along the way, we built a shared language that I am not sure anyone outside the firm could fully translate. We were taught to think straight and talk straight, and that ethos seeped into everything, including how we showed up for each other.

When I moved to Frankfurt with Andersen, those bonds traveled with me. New city, new colleagues, same culture of relationships that mattered.

What I find remarkable, all these years later, is that the firm is gone, but the culture is not. When two Andersen alumni meet at a new company, at a conference, or in a city far from where any of it began, there is an instant recognition: ah, you know. You were there. The shorthand still works. The trust shows up before the introductions are even finished. People who never overlapped in their Andersen years find each other across continents and pick up like old friends. There is no other firm I know where that happens quite the same way.

Today, I am still in touch with many people from those days. We do not connect regularly, but the bond holds. There is something about the people who saw you when you were just starting out, green and earnest and still unable to define a Partner, that makes the connection feel permanent.

Whether you are at a large corporation or a startup, the people you meet along the way are an opportunity. Not just for your career, but for your life. If someone comes to mind right now, send them a message. Not a long one. Just enough to say you were thinking of them.

Below, I have listed some of the people from my Andersen days who shaped my life. I am sure I have left people out, and to those people, my apologies up front. The list is incomplete because there are many memories.

Barbara Rothenstein Mary Ellen Ciafardini, SPHR Ann Flanagan Teresa Boyle Lou Bastone Paul DeBartolo Richard M. Fagan William Green Denise Schaaf Jeremy Mears Rudolf Moschitz Charles Chang, CAMS Michael Hab Fabio Cattaneo Jennifer Nuckles Richard M. Fagan Serkan Katilmis Warren Turner Gail P. Steinel, CPA Kerri McKechnie Gabriel Sharlin Adolf Johann Doerig Alan Rosenblatt Andersen Alumni Association Derek Fitteron Dustin Kukuchka Julianne Bing Kristen Kraus Lena Tenzer Borak Markus Tensing Michal Petrzela Mike Emsley Sharmili Basu Tara Gustafson

To all of you: thank you.

The firm may have ended. The family did not.

#relationshipsmatter

Ralph Schonenbach

Ralph Schonenbach is an entrepreneur, author, and relationship expert with over two decades of global experience. As the author of Relationships Matter, he offers practical strategies to foster meaningful connections, combining deep personal insights with actionable advice. With a strong consulting, leadership, and product development background, Ralph has helped individuals and organizations enhance their networks and achieve lasting success. Passionate about personal and professional growth, he enjoys writing, international travel, and meeting new people, continuously advocating for the power of relationships in creating impactful opportunities.

The Winds of Change: Why CPA Firm Leaders Should Set the Sails, Not Just Weather the Storm

Gary Thomson — Andersen Alumnus and currently a Managing Director at Thomson Consulting

I began my career in public accounting 41 years ago and spent the next 34 years in the profession before launching my advisory practice in 2019. When I started, my firm was just adopting automated trial balances. Lotus 1-2-3 and WordPerfect were replacing the ledger paper and typewriters that had defined the profession for decades. Those tools didn't just change *how* we worked—they eliminated the "grunt work" traditionally assigned to the youngest staff, forcing firms to rethink training, career paths, and what it meant to develop a young professional.

Since then, I've watched the Big Eight become the Big Four. I've lived through staffing droughts and gluts, the rise of outsourcing, and the constant challenge of building culture across generations who see work and technology differently. Each time, it seemed as if the challenges were deeper and more consequential than ever, with a nagging sense that we'd never been here before. That sense wasn't entirely wrong, every wave of change is unique in its particulars—but each time, we adapted and thrived.

I share this not to suggest today's changes are just more of the same. They're not. The scope and speed of what artificial intelligence can do to our profession dwarfs anything an automated trial balance system ever did. That much is true, and pretending otherwise does our profession no favors.

But I've been thinking about the Scorpions' anthem "*Wind of Change*" lately, and it captures something I believe firm leaders need right now: a felt sense that transformation is underway, paired with hope rather than dread about where it leads. Too much of what's written about AI and the future of accounting leans on hyperbole "nothing like this has ever happened before," "the challenges have never been greater." That language is meant to spur action, but I think it's had the opposite effect on many leaders. Faced with a threat that sounds insurmountable, some quietly concede to others the opportunity to shape the future rather than shaping it themselves. Caution has its place—there are moments when restraint is the wiser course—but too often that concession comes far too early, before leaders have even tried to lead through it.

The opposite failure is just as costly: leaders who tell themselves this is overblown, that nominal adjustments will do, that the fundamentals of the business won't really change. That complacency may be even more dangerous than the fear, because it leaves firms unprepared for a shift that is, in fact, real and significant. Neither posture—resignation or denial—serves our clients, our people, or our profession.

There is a third option, and it's the one exceptional leaders will choose: treat this moment as a wind at our back rather than a storm to survive. Winds of change don't ask permission before they arrive—but leaders decide whether they get swept along, dig in and resist, or trim their sails and use that wind to move faster than ever toward a destination they've chosen. The firms that come out ahead won't be the ones that simply installed the newest tools. They'll be the ones whose leaders decided, early and deliberately, what kind of firm they wanted to become.

That is the real work ahead for CPA firm leadership—not simply adapting to what AI does to our profession but deciding what kind of profession we want to build with it. What do we want client service to look like when technology can produce the analysis in seconds? What does career development mean when technology absorbs the tasks that used to teach judgment—and how do we replace that training ground rather than just eliminate it? What does culture look like across generations navigating this together, some who've never known a firm without AI and others who remember when the trial balance was done by hand?

Our history gives us reason for that confidence, not complacency. We've adapted before, through changes each generation believed were unprecedented. Now it's our turn to lead—and to let the wind be at our back.

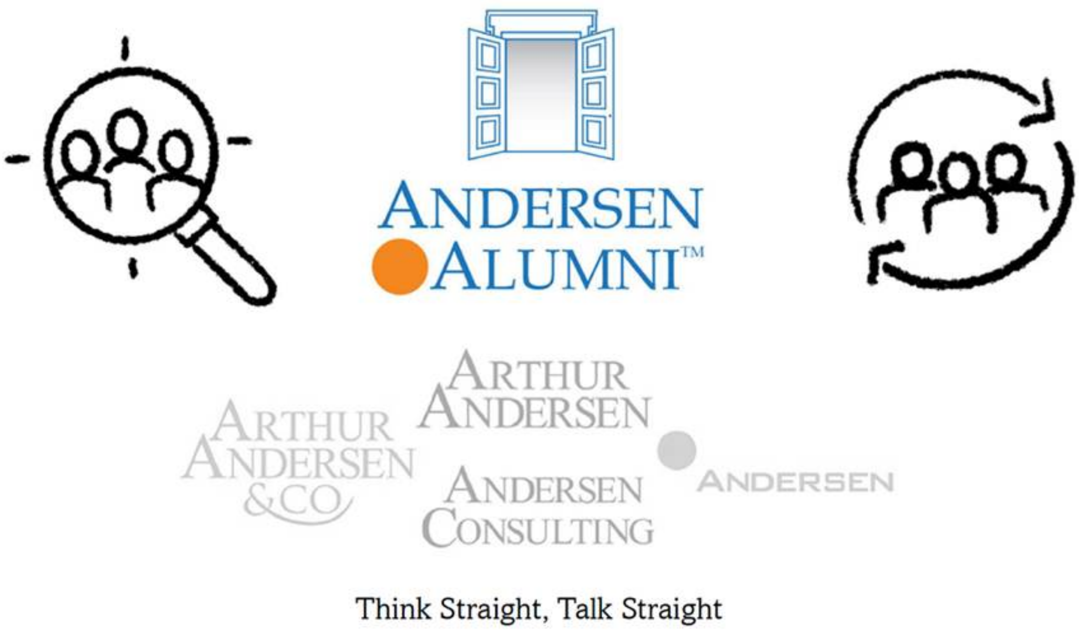
Gary Thomson

Gary Thomson *is founder and Managing Partner of Thomson Consulting LLC, which helps professional services firms, primarily accounting firms, in the critical arenas of leadership development, succession planning, personal coaching, M & A, strategic planning, culture, leadership planning and innovation.*

Finding The Right Resources Isn’t As Challenging When You Leverage the Association

Arthur Andersen — Partner Emiritus Founder and Chief Administrator for the Andersen Alumni Association

Andersen Alumni Association is more than a network, it's a community of accomplished professionals who understand the value of relationships, trust, and helping one another succeed. If your company has open positions, post them in the Andersen Alumni Association’s LinkedIn Group. There is no cost, and it's one of the many benefits available to our members.



Whether you're looking for your next great hire or helping a fellow alumnus find their next opportunity, this is a simple way to strengthen our community and create meaningful connections.
Don't let your next great hire come from outside the Andersen network. Post your opportunities today and put the power of 23,000+ Andersen alumni to work.

Arthur Andersen

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*Arthur Andersen, Partner Emeritus, Founder and Chief Administrator for the Andersen Alumni Association. Alumni and Friends are encouraged to **FOLLOW** the Association on LinkedIn*

What companies are getting right about AI in 2026, And why there's still some way to go

Patrick Thompson — Former Managing Director, Andersen Business Systems Consulting and Celonis Global Senior Vice President Customer Transformation

AI is at the top of every CIO's agenda, yet most organizations still struggle to turn pilots into profit.

According to Deloitte’s 2026 State of AI in the Enterprise report, just 25 percent of companies have moved more than 40 percent of their AI experiments into production. Bain & Company adds a second, complementary angle: as organizations push beyond pilots, executives say roughly 80 percent of genAI use cases met or exceeded expectations. Meanwhile, only 23 percent of respondents say they can tie generative AI initiatives to more revenue or lower costs. That’s a crisp way to say “the models can work, but enterprise value capture is harder.”

Those stats sound dire, but they do have a flip side, which I have experienced firsthand.

Some companies are capturing value, and those companies have something in common.

Broadly speaking, they’re using the same AI available to everyone. What they’re doing differently is focusing on details like integration, governance, and perhaps most importantly, context.

That focus has implications for the types of projects that have been prioritized over the past year. In many ways, these initiatives offer a preview of the enterprise technology trends that continue to shape 2026.

The enterprise AI reality check

Before looking at the types of projects that thrive in 2026, it’s worth taking a step back to understand what we’re talking about when it comes to companies using AI at scale.

Almost every meaningful AI use case comes down to processes: a sequence of repeatable steps, decisions, and handoffs.

There is a big gap between how processes look on paper and how they run in real life, where extra steps and exceptions accumulate. Fragmented processes are one of the biggest reasons AI and automation fail to scale.

That isn’t the only challenge. Gartner continues to rank poor data quality among the largest obstacles to AI adoption.

Why AI isn’t scaling: The missing context layer

Taken together, messy, siloed data and fragmented processes show why scaling AI is so difficult. AI systems are being asked to act without understanding how the business actually works. Models see tables, tickets, and logs, but not the end-to-end process they belong to.

This is where process intelligence comes in.

Process intelligence is the discipline of continuously capturing, connecting, and analyzing operational data from every relevant system to create a system-agnostic digital twin of how work really flows across the enterprise.

It’s essential to AI at scale. Gartner has started calling this kind of work “context engineering.” It refers to the practice of designing the data, workflows, and environment so AI systems can understand intent and make enterprise-aligned decisions, rather than relying on clever prompts. Without that context layer, even the best models will optimize the wrong step, automate a broken workflow, or reinforce hidden failure modes.

At enterprise scale, there is no AI without process intelligence. The organizations that are getting real value are the ones that first build an accurate, cross-system view of their processes, and only then let AI reason over, simulate, and improve those workflows.

Simply put, AI depends on data quality, which remains a pervasive struggle at many organizations. And even when data is properly cleaned, many organizations run into another problem. It’s locked in silos like ERP and CRM systems, emails, and IT service management platforms.

Where AI delivers this year

Despite the challenges that enterprises have faced when deploying AI, there’s clear cause for optimism.

The most promising AI use cases have shared three traits:

Understand context: Operational context provides the necessary grounding. AI performs best when it can see the full picture - both upstream and downstream of its actions. This level of visibility requires a cross-system Process Intelligence layer that connects fragmented data and exposes how work actually flows across the business.

Be deployed strategically: AI delivers the highest ROI when deployed strategically - focusing on measurable business impact and tracking outcomes across the value chain. Yet too often, organizations get stuck in fragmented pilots driven by local priorities instead of strategy, failing to target the high-value opportunities that move the P&L.

Work with everything else: AI must embed into existing workflows and operate alongside humans. While machines handle routine, rules-based tasks, humans remain essential for judgment, edge cases, and decisions requiring context and accountability. To scale, AI must operate as part of a cohesive system that connects people, systems, and other agents.

In other words, AI delivers where CIOs pair advanced models with an accurate cross-system view of how their business runs today, and a controlled way to change it.

The new CIO mandate

This shift is rewriting the CIO job description in real-time. As we look at the remainder of 2026, CIOs are no longer being judged solely on uptime or budget. They are being evaluated on their ability to cut through the hype and orchestrate complex, cross-functional transformations.

The organizations that invested in building a contextual foundation in Q1 are the ones seeing AI pay its way today.

For the rest, the hype is starting to feel like a liability.

Patrick Thompson

Patrick Thompson is a Global Enterprise Digital Transformation Leader with the strong combination of C-Suite leadership, business acumen and proven digital & Enterprise Modernization & AI experience. Brings expertise in enterprise business digitization, turnarounds and integration management, operational improvement and global business services, and supply chain automation. Recognized as a Top 100 CIO honoree from both CIO and Computerworld magazine. Inducted into the CIO Hall of Fame by CIO.COM from IDG. Global Charlotte Orbie CIO of the Year Award and HMG Global Chief Digital Officer of Year.

Introducing the Ambipreneur

Louis Gump — Andersen Alumnus, Author and partner in the Executive Operations practice at TechCXO

A new term for people capable of building within an organization, and building on their own

M&A has been part of many of our careers, and certain stories repeat themselves. One is the story of the entrepreneur who joins an organization as part of an acquisition.

The scenario is this: A founder sells their company and stays on to run it as a business unit leader. Are they still an entrepreneur, or something else now?

There's a new term for it, one I coined after hearing this question again and again.

You may have encountered the term "ambivert." It describes someone who functions effectively as both an introvert and an extrovert, depending on the situation. It resonates because it names something real that the terms introvert and extrovert, on their own, cannot.

The same gap exists in the world of innovation.

We have a word for someone who builds from within a larger organization: intrapreneur. We have a word for someone who builds their own venture: entrepreneur. But what do we call someone who moves fluidly between both worlds, sometimes multiple times in a career?

Ambipreneur.

The most vivid example is a founder who sells their company to a larger organization and stays. Technically, they are now an intrapreneur. But their entrepreneurial capability didn't just disappear at closing. The reverse happens too: corporate leaders who set out to build their own ventures don't leave their organizational instincts at the door.

Here's why this matters beyond the label. Both intrapreneurship and entrepreneurship are practices, with distinct skills, rhythms, and rules of engagement. The ambipreneur who adapts consciously when navigating between the two can unlock outsized impact. Done without awareness, it can produce friction, missed opportunities, and a quiet erosion of credibility.

That adaptation requires specific skills and behaviors. I'll be exploring those in future posts and, for those interested, through workshops currently in development. For a deeper foundation on intrapreneurship itself, my book The Inside Innovator is a good place to start.

Louis Gump

Louis Gump is a business builder, transformational leader, and pragmatic optimist. Following his experience at Andersen Consulting, he held senior executive roles at leading companies including The Weather Channel, CNN, and Cox Communications, and served as CEO of multiple digital media ventures. Today, he is a partner at TechCXO, where he works with leaders of high-growth companies as a fractional CEO/COO, executive coach and frequent speaker. Louis is also the author of the award-winning, best-selling book The Inside Innovator: A Practical Guide to Intrapreneurship, published by Fast Company Press in March 2024.

AI Isn’t a Change Management Problem. It’s a Diagnosis Problem.

Jennifer Eggers — Andersen Alumnus and Founder & President of LeaderShift Insights®

Everywhere I go right now, leaders are talking about AI. Boards are asking about it. CEOs are demanding plans. Technology teams are being told to “move faster.” HR teams are trying to support employees through uncertainty. And somewhere in the middle of it all, organizations are rushing to launch “change management” initiatives to help people adapt.

There’s just one problem: **You cannot manage a change when you don’t yet know what the future state is.**

Most organizations are still in diagnosis. They don’t yet know what AI will fundamentally change, which work will disappear, which will become more valuable, what new capabilities leaders will need, how teams will operate differently, or what “good” even looks like six months from now.

That is not a traditional change management problem. It’s a fundamentally different leadership challenge.

The Technical Trap

One of the biggest risks I see right now is that organizations are assigning AI transformation primarily to technical leaders.

That sounds logical. After all, AI is technology. But implementing AI at scale is not primarily a technical challenge. It’s an organizational one.

The hardest part isn’t building the technology. It’s deciding what should change, what shouldn’t, where AI creates value, where human judgment still matters, how work should be redesigned, and what kind of organization you’re actually trying to build. Those are *organizational leadership questions*, not engineering questions.

This is the kind of challenge where there is no proven playbook yet. No executive team has fully solved it. The organization must work its way toward the answer through experimentation, discussion, learning, and real-world testing.

The Real Work Is Diagnosis, Not the Solution

I recently spoke with a leadership team in a major technology organization experiencing this exact tension. They were moving at an extraordinary pace while dealing with acquisitions, restructuring, and burnout, all while employees asked understandable questions: What does AI mean for my role? What skills matter now? Will my job still exist?

The leadership team wanted “change management” support. But as we talked through it, it became clear they were trying to manage a change they couldn’t yet define. **The swirl itself was the issue.**

People can tolerate difficult change better than prolonged uncertainty. When organizations stay in ambiguity too long, employees create their own narratives. Productivity drops. Anxiety rises. Politics increase. Teams fragment.

The priority isn’t managing the transition. It’s landing the plane enough to create directional clarity, not five-year certainty, but enough to answer:

- What are we experimenting with?
- What problems are we trying to solve?
- Where will AI likely create leverage first?
- What work still requires human judgment?
- What capabilities will become more important?

That is diagnosis work. And it requires broad organizational engagement, not just technical expertise.

Stop Offering False Certainty

Another mistake organizations make is trying to reduce anxiety by overcommunicating certainty that doesn’t yet exist. Employees are smarter than leaders think. People know when leadership is pretending to have answers they don’t.

Ironically, false certainty often creates more distrust than honest ambiguity.

Strong leaders right now are saying something different:

- “We are still learning.”
- “Some of this is not fully defined yet.”
- “We know this will change work.”
- “We are actively diagnosing where AI creates the most value.”
- “We will involve the right people in shaping that future.”

That honesty settles organizations more than artificial confidence ever will.

Mobilize First. Then Manage Change.

The organizations handling AI best right now aren’t rushing straight into rollout plans. They’re first mobilizing people into the diagnosis. They’re bringing together technical experts, business leaders, operations teams, customer-facing employees, HR, product leaders, and frontline teams.

Because AI implementation isn't just about what the technology can do. It's about what the business should do.

The future state cannot be designed by a small technical group in a conference room. It has to emerge through experimentation, discussion, alignment, and enterprise-level thinking.

Only after that work begins to stabilize should organizations move fully into traditional change management: addressing transitions, skill development, behavior change, and adoption strategies.

Launch change management too early, and you risk tremendous confusion. And confusion is usually a diagnosis problem, not a communication problem.

Right now, most organizations don't need better AI change management. They need leaders who can help organizations think through uncertainty before rushing into execution. Because the challenge isn't simply helping people adapt to change. It's figuring out what, exactly, will change.

If this resonated, I'd love to hear how your organization is approaching the diagnosis phase. Reach out at jeggers@leadershiftinsights.com or visit www.leadershiftinsights.com.

Jennifer Eggers

Jennifer Eggers *is a President of LeaderShift Insights, Inc., c-level advisor and author of International Best-Seller, "Mastering The C-Suite Mindset: The senior leaders playbook to build a c-level mindset, command respect and lead an enterprise." The book is based on 30 years of patterns observed while working with and coaching C-Suite leaders across 17 countries and over 20% of the Fortune 500.She works with leaders and organizations going through disruption to improve their capacity to adapt.*

Navigating Microsoft 365 E7 Discounts, When a Discount Isn't a Savings

Warren Turner — Former Arthur Andersen Enterprise Group Manager, Founder of Andersen Alumni Association and Partner Cardinal Points Group

Microsoft 365 E7 represents one of the most significant advancements in enterprise productivity and AI. Before committing to long-term licensing agreements, organizations should ensure their investment strategy is driven by business value—not just attractive pricing.

Every major technology platform shift creates a familiar pattern.

Early adopters rush in. Vendors offer aggressive incentives. Quarter-end discounts appear. Executive teams worry about being left behind.

The conversation quickly shifts from 'What do we need?' to 'How much can we save if we sign now?'

Microsoft 365 E7 is no exception.

Organizations should slow down—not to delay AI adoption, but to ensure they're investing in the right capabilities, for the right users, at the right time.

Every Platform Shift Creates a Gold Rush

Microsoft 365 E7 combines the Microsoft 365 E5 security and compliance foundation with an integrated AI platform. The opportunity is real, but attractive pricing can unintentionally shift the conversation from business value to purchase timing.

Discounts Can Become Expensive

History has shown that discounts do not reduce cost—unused software creates cost. The largest software expense is often paying for licenses that deliver little or no business value.

Four Questions Every Organization Should Answer Before Upgrading

1. Are we maximizing the investment we've already made?
 Many organizations underutilize E3/E5 capabilities while carrying inactive or duplicate licenses.

2. Are we ready for AI operationally?
 Evaluate governance, identity, data quality, AI policies, and user readiness.

3. Do we know what our AI agents will be able to see and do?
 AI inherits existing permissions. Understanding what AI can discover and act upon is a governance

exercise.

4. Which employees actually need Microsoft 365 E7?
Role-based deployment frequently delivers stronger adoption and better economics than enterprise-wide licensing.

AI Readiness Is a Financial Exercise

AI licensing is now a strategic investment requiring participation from the CFO, CIO, CISO, Procurement, Compliance, HR, and business leaders.

The Value of an Independent Assessment

Organizations benefit most when their licensing strategy begins with an objective assessment rather than a sales quota. Whether performed internally or with a trusted advisor, the assessment should focus on business outcomes, adoption readiness, governance, and long-term value—not simply the size of the next licensing agreement.

Final Thought

The productivity potential of Microsoft 365 E7 is significant. Before signing the next enterprise agreement, remember a principle every CFO understands:

'A 30% discount on something you don't need is still 70% too much.'

Independent assessment before commitment is how organizations turn AI investments into measurable business value. Alumni if your organization has more then 250 licensed users and you would like a complimentary assessment, please email wturner@cardinalpoints.com

Warren R. Turner

Warren R. Turner is the Managing Partner of Cardinal Points Group, LLC*, a professional services firm providing fractional C-Level Executive expertise to technology OEMs and their channel ecosystems helping business owners and leadership teams drive profitable growth and transform. His work spans M&A, branding, talent, and new business development, supported by globally taught methodologies he has authored to help leaders build durable, high-performing organizations. In 1998 he founded the Andersen Alumni Association*™

JOB HOPPING THE RIGHT WAY

Todd Dewett — Andersen Alumnus, author and speaker

Believe it or not, job hopping has not changed a lot over the years. It's still about 2-3 years of tenure before someone hops, very similar to when I was coming up. According to the Bureau of Labor Statistics, if you break it down by age, you find that young professionals jump about every 1.5 years. Around 25-35 years old, it's every 2.7 years. Then it slows down. When you get to 55-64 it's every 9.6 years.

In some ways this makes sense based on stage of life. We're more mobile when young and like to be anchored down more when we're older with more obligations (e.g., children). However, the question remains – how is hopping interpreted and is it a net positive or negative for the employee and the employer?

For employers, I don't see a big upside. It's a challenge in terms of maintaining and building culture, capturing institutional knowledge, dealing with learning curves, the costs of disruption associated with turnover, etc. The upside may include rapid access when needed to special talent and the disruption of groupthink or other unproductive cultural artifacts.

How about for the individual hopper? The upside is that jumping is a good path to maximizing compensation for the brave, talented, and mobile. It's the fastest way to add new breadth or depth to your resume. It's also an easy route for escape from a toxic environment. The downside might still include stigma (not invested in the team), limited depth of expertise, no deep ability to deal with conflict or failure, burnt bridges in your network, and the risk of being let go due to "last in, first out" policies when layoffs are needed.

So, to reiterate – it's a valid choice and for the individual professional there are pros and cons. To make your move more strategic than opportunistic, most of the following should be true:

The compensation bump is at least 20%. Anything less is dangerous. You don't truly know what life is like on the other side. If it's not what you expected, you'll at least be compensated adequately.

The role is the same, a promotion, or clearly a better fit. You might want a similar role in a new upgraded organization, a faster route up the ladder, or a place where you believe you will fit in with a lot less faking.

You're not burning bridges. Burning bridges is about leaving on bad terms: big unresolved conflict you're part of, unfinish work that puts them in a tough position, and many other forms. If you know you would never be asked to work at this organization again, you burnt a bridge. If it is possible in any way, never light that fire.

Escape is necessary. If the company is faltering competitively and it's affecting budgets with no prospects of improving, consider your possibilities. If the workplace is some form of consistently toxic or people consistently behave in a manner inconsistent with your values, again, consider your options.

It's the only path forward for a career pivot. If you are highly invested in making a career change that is not likely to be accommodated at your current organization, it might be necessary to look elsewhere.

Do yourself a favor, know the numbers noted here. Know how they might differ in your industry and your organization. Choose to be under the average – don't be among the most frequent hoppers! Never burn a bridge. Also, if you're managing talent that wants to jump and leave, help them. You don't want to burn that bridge from the other direction either. In the end, for better or worse, talent is fluid and you never know when and how you'll meet again. So, be sure that if you do, it's pleasant for all involved.

Dr. Todd Dewett

Dr. Todd Dewett is one of the world's most watched leadership personalities: a thought leader, an authenticity expert, best-selling author, top global instructor at LinkedIn Learning, a TEDx speaker, and an Inc. Magazine Top 100 leadership speaker. His recent book "Dancing with Monsters" is available on Amazon. Todd can be reached at todd@drdewett.com

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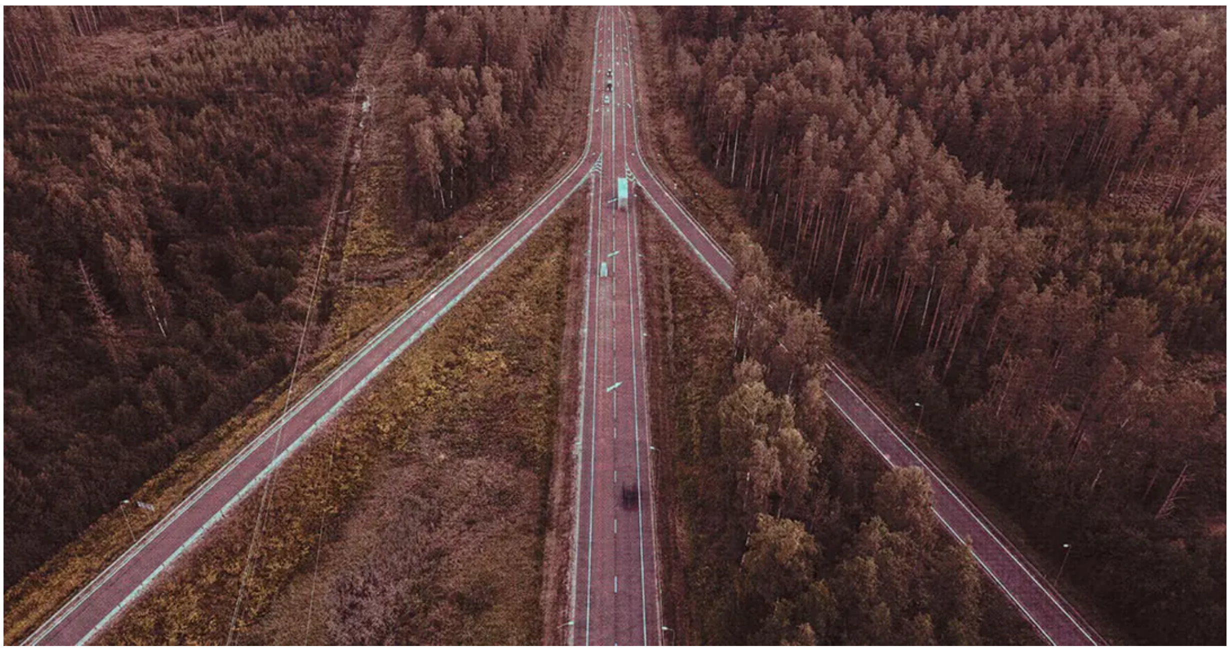
At AI’s Inflection Point, How Do You Go From Experimentation to Enterprise Value?

Jim DeLoach — Former Andersen Partner and Founding Managing Director at Protiviti. He is the author of several books and a frequent Forbes and NACD contributor.

Capturing enterprise value from AI now depends less on the technology itself than on how rigorously executives and boards govern, oversee and steer it.



AI has reached the point where potential isn’t enough and proof is everything. Protiviti’s Jim DeLoach argues that the organizations turning AI into enterprise value are the ones building real discipline around it — ethical governance, formalized risk oversight and boards that treat AI as a standing strategic priority rather than a technology issue — and he lays out the questions directors and executives should be asking now.

AI is at an inflection point — a moment when significant, often sudden, change occurs in a business or industry. The technology is transitioning from theoretical potential to widespread adoption with profound economic, societal and geopolitical impacts. Organizations are scaling AI deployments beyond pilots, achieving measurable ROI in areas like healthcare, finance and logistics, while generative AI tools are revolutionizing content creation and customer service.

The focus has shifted from innovation to monetization, with businesses and governments investing heavily in AI infrastructure and sovereign capabilities. At the same time, AI is expanding into the physical world through robotics and autonomous vehicles, reshaping industries like transportation and manufacturing. Regulatory frameworks, such as the EU AI Act, reflect growing recognition of AI's transformative power and the need for ethical governance. As scrutiny around fairness, transparency and performance intensifies, this inflection point underscores AI's role as a game-changer, offering immense opportunities while posing significant challenges for organizations and societies alike.

But companies are at different stages of the AI journey. Recent Protiviti research, conducted in collaboration with Board Prospects, offers perspectives from 772 board members and C-suite leaders worldwide about their organization's AI maturity and ROI progress. The message was clear: As AI advances and delivers measurable ROI, directors and executives need to address integration, governance, misinformation risks and deployment challenges. Furthermore, AI should be a regular board agenda item.

The survey asked leaders to place their companies on a five-stage curve — from an initial stage of recognizing AI's potential without a strategy, through experimentation, integration and optimization, to full transformation, where AI reshapes the business and its industry.

What we found is that the companies reporting the strongest returns are the ones that built the discipline to earn them: 95% of the most confident organizations say they're seeing significant return on investment (ROI), compared with just a third of those still struggling to show value. The same gap runs through governance — 93% of high-ROI organizations trust that they're deploying AI ethically vs. 42% of their low-ROI peers — and into the boardroom itself, where 63% of high-performing boards treat AI as a standing agenda item, against only 13% at the low end.

Action items for executive management and boards

Overall, our report indicates that company leaders and their boards must do more to become better-educated about AI and position themselves and their organizations to address their AI strategy and challenges and move swiftly, given stakeholder demands to generate sufficient measurable returns from AI initiatives.

Following are action items for directors and executives to consider when engaging strategic conversations in the boardroom and C-suite and improving the AI oversight process.

Engaging in strategic conversations in the c-suite and boardroom

Understand how "successful integration" of AI is defined and measured. Constructively engage and, if necessary, challenge management on where AI is being deployed, how outcomes are measured and whether AI initiatives are delivering consistent, scalable value rather than one-off gains. Consider such metrics and indicators as percentage of AI use cases deployed at scale in core operations and ROI performance of AI initiatives compared to business cases.

Emphasize ethical and responsible AI as an enterprise governance priority. Incorporate defined accountability, risk oversight and integration into the organization’s broader governance framework. Consider such metrics and indicators as existence and maturity of an ethical AI governance framework, management’s confidence in responsible AI deployment and the frequency and severity of AI-related risk issues escalated to senior executives and the board.

For organizations early in their AI journey, encourage a shift in focus. Move beyond process efficiencies, cost savings and productivity gains to a more transformative emphasis, e.g., improvements in customer experiences, products and services that drive revenue growth and market share. Consider such metrics and indicators as distribution of AI investments across efficiency vs. strategic growth use cases; AI initiatives directly tied to customer experience, revenue or market expansion; and management articulation of AI’s role in go-to-market and product strategies.

Evaluate whether the nature, extent and timing of the board’s oversight of management’s AI governance framework is fit-for-purpose. In this assessment, the board should consider the scope and scale of the company’s AI deployments. Consider such metrics and indicators as evidence that the governance framework is functioning effectively and is periodically recalibrated as the organization becomes more AI-mature.

Ensure that AI risk governance has been formalized and integrated into the enterprise risk management (ERM) process. Ensure regular executive team and board-level visibility as AI initiatives scale. Consider such metrics and indicators as a percentage of major AI initiatives subject to documented risk and governance review and the nature of AI-related risks incorporated into the ERM process.

Evaluate the organization’s end-to-end AI roadmap that links AI aspirations to enabling, ongoing investments in technology infrastructure and workforce capabilities. Consider such metrics and indicators as progress against the approved roadmap (with emphasis on the technology modernization and capability enhancement milestones); investments in AI training, upskilling and talent linked to management’s objectives; and percentage of AI initiatives delayed due to infrastructure or skills constraints.

Improving the rigor of the AI oversight process

Make AI a standing board and executive team agenda item linked explicitly to enterprise strategy, value creation, innovation priorities and competitive positioning. Consider such metrics and indicators as the frequency with which AI appears as a standing agenda item at full board or designated board committee meetings and management’s ability to articulate how AI initiatives support strategic objectives, innovation priorities and competitive positioning through a consistent reporting cadence.

Calibrate AI oversight priorities with the organization’s positioning on the AI maturity and ROI continuums, adjusting discussion topics as these factors evolve. As noted in our survey, high-ROI organizations focus on integrating AI into strategy, innovation and competitive position; low-ROI organizations concentrate on identifying opportunities and use cases and establishing governance frameworks, likely because foundational elements are not yet in place. Consider such metrics and indicators as management’s clarity in positioning the organization on the AI maturity and ROI continuums and how executive team and board discussion time is allocated across AI strategy and competitive positioning, AI implementation progress and measures of success, and governance frameworks and foundational capabilities.

Evaluate the executive accountability framework for AI transformation and the board-management engagement model and, if necessary, take steps to strengthen them. Consider such metrics and indicators as clarity and consistency of executive ownership for AI outcomes, as reported to the board, and alignment of the board oversight model used (full board vs. distributed committee model) with AI’s strategic importance to the organization.

It’s “Show me the money” time

AI’s path has arrived at a fork in the road, a time at which the “show me the money” era of AI has eclipsed the technology’s experimentation phase. It is time to move beyond trial-and-error mode into practical, revenue-generating applications of AI in the enterprise. The focus has shifted from potential to proof, with organizations and governments alike prioritizing scalable deployment, ethical governance and demonstrable value creation. This moment is characterized by both immense opportunities and challenges as AI reshapes the future of work, innovation and global competition.

If there is a single takeaway from our global survey, it is that board and executive team AI oversight is dynamic and evolves. As the organization’s AI maturity evolves, board and management discussions should shift noticeably beyond foundational questions, with fewer repeated debates about what AI is to more focus on scaling, optimization and strategic impact. AI-related risk discussions should be integrated with assessments of AI value-creation opportunities, rather than treated as an afterthought, shifting from *ad hoc* and reactive updates to more forward-looking strategic dialogues.

As boards and management teams focus more frequently on AI ethics, transparency and trust, their confidence in the organization’s AI strategy and its connection to long-term value increases, especially when AI is viewed as a business priority, not as a mere technology issue. Advanced maturity is supported by clearly defined AI oversight roles across the board, while regular briefings, independent learning and continuous education help both board members and executive team members build AI fluency.

Jim DeLoach

Jim DeLoach, a founding Protiviti managing director, has over 35 years of experience in advising boards and C-suite executives on a variety of matters, including the evaluation of responses to government mandates, shareholder demands and changing markets in a cost-effective and sustainable manner. He assists companies in integrating risk and risk management with strategy setting and performance management.

When Business Challenges Become Talent Challenges

J. James O'Malley — Former Andersen National Director of Experience Recruiting, Jim is Managing Director at Kensington International Executive Search

Over the past 40 years, I have had the privilege of serving organizations from several perspectives. I have worked inside Arthur Andersen and other global professional services firms, led human resources organizations, advised private equity investors, and spent the last decade in executive search. While industries, markets, and technologies have changed dramatically, one lesson has remained remarkably consistent.

Most business challenges eventually become talent challenges.

Organizations invest significant time developing a strategy. They build growth plans, evaluate acquisitions, invest in technology, enter new markets, and refine operating models. Yet many of these initiatives succeed or fail for one reason that often receives less attention than it deserves, leadership capacity. A strategy is only as strong as the leaders responsible for executing it.

Every week I speak with CEOs, CFOs, board members, private equity sponsors, and Chief Human Resources Officers. Regardless of industry, the conversation usually arrives at the same question. Do we have the right leadership team for the next stage of our business?

Growth requires different leadership than stability. Companies entering rapid growth need executives who know how to scale organizations, build teams, establish processes, and make decisions in changing environments. The leaders who successfully managed a $100 million business are not always the same leaders who will lead a billion-dollar enterprise.

The same principle applies to acquisitions. Transactions rarely fail because of the financial model. More often, integration stalls because leadership teams struggle to align their values, recognize cultures, communicate priorities, and make timely decisions. Turnarounds present another challenge. Organizations need leaders who make difficult decisions quickly, establish accountability, and inspire confidence during uncertainty.

Succession planning is another example. Many organizations still view succession as an HR process. Boards increasingly recognize it is one of their most important strategic responsibilities. Replacing a CEO is not simply about identifying a successor. It is about determining what kind of leadership the organization will need over the next five to ten years. As businesses evolve, leadership requirements evolve with them.

One of the biggest mistakes organizations make is assuming yesterday's leadership profile will meet tomorrow's business needs. Past success deserves respect, but it does not remove the responsibility to evaluate whether today's leadership capabilities align with tomorrow's strategy. The strongest organizations make leadership assessment an ongoing discipline rather than an exercise prompted by retirement or resignation.

They ask difficult questions. Do we have the capabilities needed for our future strategy? Where are our leadership gaps? Which executives have grown with the business? Which roles have outgrown the people currently filling them? What external talent would strengthen our leadership team?

Artificial intelligence, automation, and digital transformation are reshaping business, but technology alone will not determine success. Organizations still need leaders who communicate clearly, make sound decisions, build strong teams, and lead through uncertainty. Technology accelerates business. Leadership determines whether organizations keep pace.

The most rewarding part of my work today has little to do with recruiting itself. The best conversations happen before a search assignment begins. They focus on organizational design, succession planning, executive assessment, and leadership capability. Recruiting becomes one solution within a broader business discussion rather than the starting point.

That perspective reflects something I first learned during my years at Andersen. Exceptional organizations do not simply solve today's problems. They prepare for tomorrow's opportunities before the market demands it. Business strategy and talent strategy cannot operate independently. One informs the other, and organizations that consistently outperform their peers understand that great strategies only create value when the right leaders are in place to execute them.

J. James O'Malley

J. James O'Malley is a Managing Director with Kensington International and a seasoned executive with over 30 years of experience. He is an expert recruiter, providing top talent for leading private equity, healthcare, professional, and financial services firms. His search work includes C-suite executives and Board of Directors. Jim has served Private Equity and their portfolio clients across all industries in addition to his background with Management Consulting firms, Architecture, Engineering, Accounting, Tax and Law firms in addition to IT, Healthcare, Operations and Supply Chain consultancies. He also helps large Commercial, Consumer and Private Banks with their hiring needs. Jim can be reached at: jomalley@ki-search.com

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Has Your Business Outgrown the Way You Operate? Five Questions Every Leadership Team Should Ask

Frank Mencini — Managing Partner at BGS Consulting, Arthur Andersen Alumnus and Former Partner (1988-2002)

Growth is a good problem to have but it can also hide weaknesses that become costly over time.

Throughout my career, I have worked with leadership teams at companies ranging from founder-led businesses to large, complex organizations. While every company is different, the warning signs that a business is beginning to outgrow its systems, processes, and leadership structure are often remarkably similar.

The strongest organizations recognize those signs early. Here are five questions every leadership team should consider.

1. Are our systems helping us grow or creating more work?

Systems that supported the business for years may eventually become obstacles. Warning signs include frequent manual workarounds, disconnected information, slow reporting, and employees maintaining multiple versions of the same data.

Modernization does not always require replacing everything. It starts with recognizing when existing tools are consuming more time than they save.

2. Do our metrics help us make decisions?

Most companies have plenty of data. The harder question is whether that data produces useful insight.

If leadership meetings are spent debating whose numbers are correct or reviewing activity without understanding performance, the organization may need a clearer set of key performance indicators. The most effective KPIs do more than explain what happened; they help leaders decide what to do next.

3. Has our finance function evolved with the business?

As a company grows, finance must become more than a reporting function. Leadership needs timely forecasts, reliable information, scenario planning, and insight into the factors driving results.

When the finance team is constantly focused on closing the books and responding to urgent requests, it may have little capacity to serve as the strategic partner the business now requires.

4. Are we developing the leaders we will need tomorrow?

Succession planning is not simply about replacing senior executives. It is about building depth throughout the organization.

Companies that deliberately develop future leaders are better prepared for growth, acquisitions, unexpected departures, and new opportunities. Waiting until a transition is imminent usually limits the available options.

5. Are we addressing issues early or waiting until they become urgent?

Problems rarely become expensive overnight. The warning signs are usually present long before a system fails, a key employee leaves, a transaction begins, or a reporting issue reaches the board.

In my experience, proactive planning is almost always less costly and less disruptive than solving a problem under pressure.

One of the lasting lessons I took from Arthur Andersen was the importance of looking beyond the immediate assignment and helping clients prepare for what comes next. That principle remains relevant today.

Successful companies do not avoid every challenge. They create the discipline to identify issues early, ask difficult questions, and adapt before circumstances force them to act. The best time to address growing pains is while they are still manageable, not after they have become expensive.

Frank Mencini

The Fractional Executive Boom, It is growing. The harder question is whether it fits you.

Robb Thomas — Former Arthur Andersen Bankruptcy/ Turnaround Consultant

Whether fractional leadership is growing is no longer an interesting question. It is, and the data is not subtle about it. The interesting question, for anyone weighing it or advising a company that might use it, is the harder one: what separates the experienced operators who build a durable fractional practice from the ones who try it and quietly go back. That is the part the trend pieces skip, and it is the part worth your time.

Growth is the settled part. Job postings that mention fractional work have roughly tripled since 2018, by Revelio Labs' count, a measure of the language of hiring more than of headcount, but the direction is not in dispute. The more useful question is why the demand looks less like a fad than a standing feature, and the answer is structural: companies large enough to need senior leadership but too small to keep it full-time have that problem in good years and lean ones alike.

It is not only a finance story. The model now runs across the C-suite, with technology, marketing, and people leaders taking fractional seats alongside CFOs. A mid-market company that needs technology leadership through a system migration, or financial leadership through a fundraise or a sale, no longer has to choose between a full-time hire it cannot justify and going without.

Why companies buy it is the easy half. A fractional arrangement turns a large, fixed cost into a smaller, adjustable one, buying leadership a company could not otherwise afford without betting on a full-time hire whose skills may not fit where the business is heading. For a business between ten and sixty million in revenue, that is often the difference between real leadership in the room and improvising without it.

The supply side is less tidy, and I can speak to it from my own start. My worry going in was never the work, it was finding clients, because I am not a salesperson and never wanted to be. So, I joined a firm that places fractional CFOs, on the assumption that its referrals would keep me busy. That was my mistake, not the firm's. Firms suit plenty of people. But even inside one, I won only a few engagements, because every prospect chose from a stack of resumes, and behind that stack stood forty or fifty other CFOs in the same firm's stable. The demand did not come to me. It went to whoever got picked. That is the thing that separates the people who last: the demand is real and growing, but no middleman hands it to you. You reach it through your own network and reputation, or you do not reach it at all.

Which is why going fractional is starting a business, not taking a lighter job, and why the people who struggle tend to learn it about a year in. The work itself is the part they already know. What they underestimate is everything around it: the first year is often as much business development as advisory work, and the income arrives unevenly while the pipeline builds. You are paid for judgment rather than hours, which sounds freeing until you have to price it and defend it with no title behind you. And you operate without an organization beneath you, which suits people who are content to be the whole function and wears on those who drew their energy from running a team.

The operators who make it work tend to share a few things. Deep, portable expertise that a company will pay for on sight. A network wide enough to keep several engagements in view at once. And enough comfort with ambiguity to walk into an unfamiliar business and be useful inside the first week. The ones who go back are rarely short on skill. They usually wanted the structure, the steady check, or the team. A full-time seat is still the right answer for many capable people, and the honest version of this trend says so out loud.

If any of this sounds like you, the low-cost way to find out is not to quit anything. Take on a single engagement alongside your current work and see how it actually sits, before you change anything larger. Most people who thrive knew inside the first one or two.

What has really changed is the meaning of the move. A fractional CFO, CTO, or CIO is no longer a sign that something went wrong; it is now an ordinary way for a company to get the leadership it needs. Whether it is the right move for you is the harder question, and it turns on the same thing my own first year taught me: not whether the work suits you, but whether building the demand for it does.

Robb Thomas

Robb Thomas is a Seasoned Fractional CFO with over 25 years of hands-on experience across SaaS, healthcare, real estate, and service industries. He is the Author of The Fractional CFO Playbook a no cost copy of which can be downloaded here.

The Quiet Setting of the Bar

John G. Blumberg — Andersen Alumnus and author of Return On Integrity

We say character matters in a leader. We may say it in our values statements or imbed it in our leadership competency models. We include it in the eulogies we give when someone retires.

And we mean it.

But acknowledging it is not the same as setting the bar. The bar gets set somewhere quieter — in the actual moment of choosing. When two candidates sit before us, and the one with more polish and a stronger track record is also the one something in us doesn't quite trust — while the quieter one, with more depth and less flash, is harder to justify on paper. When the quarter is closing and the number is short — and there is a way to close the gap that we would rather not examine too closely. When the board asks a question, and the honest answer and the reassuring answer are not the same answer. And we have a breath to decide which one to give. That is where the bar is really set. Not in what we say we value. In what we reward, and honor, and follow — as we lead.

And here is the honest part. The pressure is real. It is not imagined, and it is not a failure of nerve to feel it. The leader of a global company answers to a board who answers to shareholders. The head of a department answers to a leader who answers to a board. The founder of a twelve-person company answers to a payroll that has to clear on Friday. The pastor answers to a congregation quietly calculating whether they are part of something successful. The head of a nonprofit answers to donors who want outcomes they can point to. Every one of us lives inside some version of a dashboard, and most of those dashboards were built with the best of intentions. We wanted to see clearly. We wanted accountability. We wanted to improve. None of that was corruption. It was care.

But a dashboard only shows what it was built to measure. And character is rarely one of the metrics. Character doesn't post this quarter. It doesn't move the number by Friday. It shows up late, if it shows up at all — in a trust that compounds slowly. In the meeting where someone finally tells the truth. In the talented person who stays because they can breathe. In the drift that never happens because someone was whole enough to notice the current. None of that graphs well. So it slips in the background, behind the dashboard. Not because anyone decided it should. Because the things that graph well ask for our attention every single day. And the things that don't ask quietly, or not at all.

I know this pressure from the inside. Those of us who came through Andersen carry a particular knowledge in our bones, heart, and soul — that a culture is not a monument. It is the sum of every single person in it. On every ordinary day. It is only ever as whole as each individual. And the very pressure to perform, to hit the goal, to prove the number — pressure that almost always begins in good faith — is the same pressure that can quietly make any culture vulnerable. That is not a lesson about one firm. It is a lesson about all of us and each of us, in every organization we have led or served since.

And there is a deeper fear. One that lives beneath even the dashboard. It is what happens when we watch people in the most visible positions get away with blatant failures of character — not once, but as a pattern — and the response is no longer outrage. It's a shrug. *That's just how it is now.* The failures are not the most dangerous part.

The acceptance is.

Because acceptance quietly rewrites the reference point. The bar has not actually moved. But it begins to *seem* as if it has. And for those still forming — a generation coming up inside this ambient permission, with no lived memory of a time the bar held — this illusion becomes the only reality they know. They will not rebel against a lowered bar. They will reasonably conclude there may never have been one. This is a macro drift, and it can occlude reality itself — hiding the bar so completely we forget it was ever there. We cannot control the macro. But we can stay awake to it. Because the real danger is not out there in the culture. It is the moment the macro drift, unnoticed, quietly ignites a micro drift in us.

So this is not about leaders who lack character. If it were, we could all read it comfortably, thinking of someone else. It is about the far more common thing. The leader who has character, and who is slowly, unconsciously, being trained by their own dashboard to set it aside. Not to abandon it. Just to defer it. Just for this quarter. Just until things settle. And things never quite settle.

Depth is what refuses that deferral.

Not because a leader with depth is above the pressure — they feel it as sharply as anyone. But because they are grounded in something the dashboard can't reach. And so the dashboard cannot fully move them. A leader of depth can see the problem and say the sentence most of us find nearly impossible to say out loud: *I might be part of the problem.* And they can say it without shame and without spiraling, because their footing was never in being right.

It was in being whole.

A leader like that doesn't experience reflection as soft. They know it is the most strategic thing they do, precisely because it is the one thing the quarter will never schedule for them.

Here is what I have come to believe, slowly and against my own impatience. Character in a leader is not a higher performance. It is a deeper grounding. And the grounding is not built in the moment the bar gets set. It is built long before — in the quiet, unmeasured hours we are all tempted to skip because nothing on the dashboard is asking for them. The leaders we most admire did not summon their character when the pressure arrived. They had already gone deep enough that the pressure met something solid.

The market will keep asking us to deliver today. It should. That is not the enemy. The question underneath the question is simply whether we are living from something deeper — an essence of our own, chosen rather than absorbed, that the next hard quarter cannot shake. And no macro drift can move.

That essence doesn't show up on any dashboard. But everyone around us can feel whether we are living from it. For character speaks loud and clear, in a memorable way, long after the details of the dashboard have faded from memory.

John G. Blumberg

John Blumberg *is a champion for integrity in an age dominated by performance metrics. As a national keynote speaker and author of four transformative books, including the renowned "* *Return On Integrity*" *series, his mission is to distill clarity from the noise and foster authentic leadership.* As always, I'd love for you to share your thoughts! We could all benefit, if you would be so kind to share your thoughts email me at John@BlumbergROI.com!

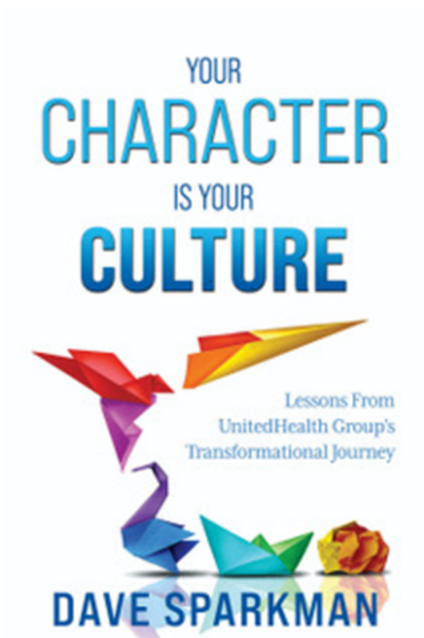
New Book Release: Your Character Is Your Culture: Lessons From UnitedHealth Group’s Transformational Journey

Dave Sparkman — Andersen Alumnus

There is a frustrating reality that needs to be realized: why do most attempts at culture change fail? Too often, they are treated as "outside-in" HR or marketing initiatives—relying on creative slogans, top-down mandates, and compliance training. They skip the hard part of transformation, opting for flavor-of-the-month programs instead of building something that actually sticks.

It is the same pattern I watched play out over a multi-decade corporate career. Drawing on the successful, historic inside-out transformation at UnitedHealth Group, I submit that sustainable change only happens when individuals personally invest in company values and change how they think and work every day.

In my book, *Your Character Is Your Culture: Lessons From UnitedHealth Group’s Transformational Journey* (May 2026), I suggest a different, proven path. Executives, managers, and HR professionals can use the powerful **SPARK framework** and **18 practical Trail Markers** to serve as a field-tested roadmap to build a culture owned by the business and lived by the heart. No superficial slogans. No temporary initiatives. Just a clear, disciplined plan that delivers proven, sustainable results.



As Dr. Larry Senn (another former Andersen partner), "The Father of Corporate Culture," notes: "*The results chronicled in this book, both tangible and intangible, are remarkable and well worth pursuing.*"

For any leader serious about moving past corporate compliance and building a true, values-driven movement, this book provides the exact blueprint.

Your Character Is Your Culture is available on Amazon, Barnes & Noble, and SparkYourCulture.com.

Dave Sparkman

About the Author: *Dave Sparkman is the founder of SPARK Your Culture, an advisory firm dedicated to helping organizations flourish through healthy, high-performance cultures. For nine years, Dave served as the SVP of Culture at UnitedHealth Group, where he helped lead a cultural transformation for the Fortune 5 company. A retreaded CPA and former partner at Arthur Andersen, Dave brings a unique blend of financial discipline and human-first leadership to his work. He also serves as the Executive Director for Crossroads Career, a faith-based ministry that helps the unemployed and unfulfilled find purpose in their work.*

THE TRUTH ABOUT ENRON AND ANDERSEN - EARLY RESULTS ARE IN FROM 85KTHE PODCAST

Larry R. Katzen — Former Managing Partner for the St. Louis office and Great Plains region and author of the book, “And You Thought Accountants Were Boring”

Over the past few months, we've been incredibly encouraged by the response to the podcast. With little to no paid advertising, the story has continued reaching new audiences across multiple platforms ALL OVER THE WORLD!   Hello to our new friends from Italy, Japan, UK and Australia!

Released on April 7th, 2026, here's where things stand today:

- **120,000+ total cross-platform views**
- **65,500+ YouTube views**
- **25,700+ TikTok views**
- **25,800+ Instagram views**
- **2,724 Facebook views** since launching the page
- **4,988+ podcast listens**

Every view, listen, share, comment, and conversation helps introduce more people to the story of the 85,000 lives affected by this scandal we all know so well. We're grateful for every one of you who has supported the project thus far and there is so much more we can do together!

Many of you have asked how you can help.

Right now, the biggest thing you can do—and it's completely free—is help us grow our Instagram and Facebook community!

Please take a moment to:

- Follow our **Instagram page. and our Facebook page!**

- LIKE and COMMENT on any of the few recent posts that connect to you.

- Share your favorite Reel or episode with someone you think would find the story meaningful and helpful.

These simple actions help Instagram recognize that people are engaging with the content, allowing the story to reach even more people across the entire Meta/Facebook platform.

Our goal has always been to ensure this story reaches as many people as possible, and your support plays a huge role in making that happen.   If you haven’t already, please make sure to go to 85KPodcast.com and TELL US YOUR STORY.

Thank you again for believing in this project and for helping us continue building momentum.

With gratitude,

— The 85K Team | 85KPodcast.com

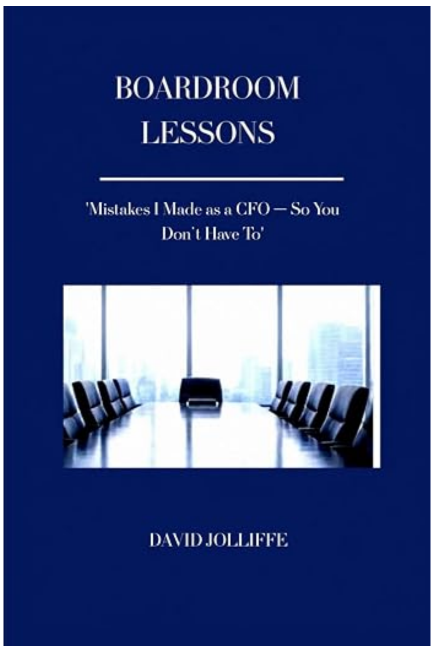
Larry R. Katzen

New Book Release: BOARDROOM LESSONS “Mistakes I Made as a CFO — So You Don’t Have To”

David Jolliffe — Andersen Alumnus

Over forty years in business I have seen companies succeed spectacularly, fail explosively, and occasionally do both at the same time. I have also been fortunate enough to have a great deal of fun along the way.

During that time, I worked with many talented people. Some were colleagues, some were bosses, and some became mentors. A few of them appear in the stories that follow, but many others influenced my thinking and judgement in ways that are harder to capture in a short anecdote.



Like most careers, mine did not follow a perfectly straight line. I worked in a variety of businesses and industries, each with its own challenges, personalities and pressures. Some experiences were clearly successful. Others were considerably more difficult. But even the challenging periods proved valuable, because they often contained the most important lessons.

Looking back, what strikes me most is that the things which shaped my judgement were rarely the topics covered in textbooks or training courses.

They were situations where decisions had to be made when the answer was not obvious: when numbers did not quite make sense, when strategy looked convincing on paper but questionable in practice, or when people and incentives did not people and incentives did not behave in the way they were supposed to. Those are the moments where real learning tends to happen.

Throughout my career, I was fortunate to receive advice and guidance from people who had already learned some of those lessons before I had. Their judgment and experience saved me from making certain mistakes, though certainly not all of them.

BOARDROOM LESSONS describes several experiences that stayed with me over the years. Some are small incidents that carry surprisingly large lessons. Others involve strategic decisions or business situations that unfolded over many years.

They are not intended as definitive answers. Business rarely provides those. Instead, they are simply observations drawn from experience. Moments where events clarified something important about how organizations really are work, how numbers should be interpreted, and how decisions are made.

If even one or two of these lessons resonate with someone starting out in their business career and perhaps help them avoid learning those lessons entirely the hard way, then writing this book will have been worthwhile.

Because in business, as in life, most of the valuable knowledge does not come from theory. It comes from experience.

BOARDROOM LESSONS is now available on Amazon.

David Jolliffe

About the Author: *David Jolliffe is an Andersen Alumnus and works as a Fractional and Advisory CFO. After more than four decades as a CFO and senior finance leader, David Jolliffe learned that the most costly problems in business rarely begin as disasters. They begin as small decisions, overlooked details, or assumptions that quietly go unchallenged.*

The $38 Trillion National Debt 'Milestone' and the Accounting Mirage

Joe DioGuardi — Former Andersen Partner, former U.S. Congressman (New York) and Author

As the United States' gross national debt recently surged past the $38 trillion mark, commentators hastened to ring alarm bells. And surely the figure is eye-popping. But as someone who was elected to the U.S. Congress in 1984 on the very platform of fiscal responsibility—and who was the first practicing CPA ever elected to Congress—I want to sound a more fundamental warning: the number may be much less meaningful than meets the eye. We will never truly know what the national debt really is, or tackle it effectively, unless we adopt full-GAAP accounting at the federal level.

An old warning grows more urgent

When I ran for Congress, it was nearly a long-shot race. No one expected the first practicing CPA to win, but I did—and I did so on the idea that the national books of the U.S. government were not being kept in a transparent, modern accounting framework. I argued then—just as I argue now—that unless we apply Generally Accepted Accounting Principles (GAAP), we are flying blind.

That same conviction led me to author the Chief Financial Officers (CFO) Act of 1990, which President George H. W. Bush signed into law. The Act was meant to bring professional accounting, auditing, and financial reporting standards—based on GAAP—into every major federal agency. Unfortunately, more than three decades later, its full promise has yet to be realized. Much like our incomplete debt accounting, the CFO Act itself remains only partially implemented, and until it is fully carried out, Congress and the public still lack a reliable picture of our government's true fiscal condition.

Today, with the $38 trillion+ figure being splashed across headlines, my long-before-made argument—and the very purpose of the CFO Act—become even more valid.

What the headlines get right—and what they miss

The Treasury is reporting that federal debt outstanding has passed $38 trillion. That is a factual, albeit headline-worthy stimulus to public concern. But what gets far less attention is the underlying accounting architecture.

The current federal "debt" figure is almost entirely a cash/modified cash-basis number. It doesn't fully reflect many longer-term liabilities (pensions, retiree health benefits, unfunded mandates) in the same way that a GAAP-prepared corporation or a sound provincial or state government would present.

There is virtually no requirement at the federal level for the government to produce a comprehensive accrual-based balance sheet that shows all assets, all liabilities, and the resulting net position (equity).

Without that, every “$38 trillion” number is more of an approximation—a rolling sum of borrowed securities plus intragovernmental holdings—than a meaningful “what we owe net of what we own” statement.

And this accounting deficiency imposes two major dangers:

1. *Illusion of precision:* The public and policymakers behave as though the $38 trillion is a precise, well-measured figure, when in fact large portions of federal obligations are off-balance or hidden in footnotes or trust funds that lack the same transparency.
2. *Inadequate policy response:* If you don’t know what truly you owe (and what you own), how can you craft a credible strategy to pay it down or manage it? Without full GAAP reporting, you risk tackling only the visible tip of the iceberg while ignoring the unseen bulk.

GAAP: The missing link in federal fiscal housekeeping

When I stood in Congress as a CPA, one of my first priorities was to push for stronger bookkeeping and financial reporting of the federal government. Think about what GAAP would require: A full balance sheet, listing all assets and all liabilities—including pensions, retiree benefits, contingent liabilities, environmental obligations, etc.; An income (or change in net position) statement, showing revenues, expenses (including non-cash), and how net position changes year to year; Transparent disclosures and footnotes so that any user can see assumptions, commitments, risks, and deferred items; Comparative years, reconciliations, and audit opinions (ideally by an independent auditor). Under GAAP, the U.S. government would no longer simply say “we borrowed $X” and “our debt outstanding is $Y.” We would know “we hold assets worth A, liabilities of L, net position (equity) of E, and here’s the trend.” We would know where the real pressure points lie.

Why the risk is now magnified

With the debt ballooning past $38 trillion and climbing faster than ever, the cost of ignorance grows. The more we delay adopting proper accounting, the greater the risk that hidden liabilities explode, interest costs soar, and the real solvency picture is obscured. Some elements to highlight:

Interest on the debt is already consuming ever-more of federal budget space. If you don’t know the full scope of what you owe, you can’t credibly model how rising rates or slower growth will affect sustainability.

Demographic and program pressures (Social Security, Medicare, veterans’ benefits) will drive longer-term liabilities. Without full accrual accounting, those remain partly hidden.

Policy decisions (tax cuts, spending commitments, new entitlement expansions) are made on the basis of incomplete pictures. If you don't know the real base, you cannot assess new incremental risk properly.

The path forward—what should happen

Here's what I believe must be done—based on the CPA discipline that first took me into Congress:

- Mandate full accrual GAAP accounting by the federal government — not just operating results, but a full balance sheet, net position disclosures, and audited financial statements.
- Fully implement the CFO Act of 1990 — ensure every agency and department prepares and publishes GAAP-based audited financial statements, with consistent standards and accountability for compliance.
- Transparent fiduciary-style reports for major trust funds — show the full actuarial liabilities for retiree benefits, pensions, health plans, etc.
- Integrate macro policy with financial reporting — require that major legislation (tax cuts, program expansions) reference the impact on net position and full accounting—not just budget-year appropriation.
- Educate and engage the public about the true "net debt" number — the public should not be seduced by gross debt headlines alone; they should see net assets vs. net liabilities, trend lines, risk exposures.

Why it matters—and why it's urgent

As I have long argued, dealing with national debt isn't simply a matter of "let's cut spending or raise taxes." It is fundamentally about being honest with ourselves as a country about our financial condition. When a business fails to adopt GAAP, investors lose confidence; when governments ignore accrual accounting, hidden risks can build until they snap.

Now that the debt has breached $38 trillion, the urgency is higher than ever. This moment is not just another round of alarming numbers—it is a warning signal that we are operating without full transparency, without a full balance sheet, without the discipline that any credible organization uses.

Final word

When I ran for Congress, many said my position was academic—but the truth was, I was applying the CPA discipline to public finance. I said that our greatest long-term threat wasn't foreign—it was fiscal. The fact that we are now facing unprecedented federal debts makes that approach not just relevant—it is indispensable.

Until the U.S. government commits to full GAAP accounting and fully implements the CFO Act that I authored, the "national debt" will remain a headline—dangerously approximate, partially hidden—and our ability to legitimately tackle it will be constrained. The people deserve better. The future demands clarity.

Joe DioGuardi

Joe DioGuardi is a former Andersen Partner and former U.S. Congressman from New York and the first practicing CPA ever elected to Congress. He is the original author of the Chief Financial Officers (CFO) Act of 1990, signed into law by President George H. W. Bush, and president of Truth In Government, a nonpartisan organization promoting fiscal accountability. DioGuardi is also the author of Unaccountable Congress: It Doesn't Add Up (1992).

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Message from LinkedIn – Update Feature

Reprint: Communication received by Andersen Alumni Association

Thank you for your continued dedication to your Groups! (Andersen Alumni Association Group Page) Based on member feedback, we have invested in improving the ways that our members can engage in meaningful conversations within safe and healthy communities like yours. In our latest update to Groups, members will be able to easily message anyone in the group without message limits and will have the flexibility to control which messages they accept or privately decline. Members will receive a notification about their message requests just like they would with a regular message and continue the conversation with a single click of "accept". Thank you for your commitment to keeping your community safe and productive. To learn more about this update, visit our help center. Sincerely, The LinkedIn Team