

# Accounting Leader. Technologist. Visionary.

Anthony Pugliese



## Meet the New CEO

After 14 years as CEO of CalCPA and CalCPA Education Foundation, Loretta Doon, CPA, will be retiring in June. Having led CalCPA to become the largest state CPA society in the country, Doon hands over the leadership to Anthony Pugliese, CPA, CGMA, CITP, at an exciting and critical time for the profession.

Pugliese comes to CalCPA at a time of significant change in the accounting profession. Complexity is relentless and ever-increasing. Forces of change are driving disruption and new models. But amidst this backdrop of mounting challenges are also significant opportunities.

We spoke with Pugliese to learn more about him and gain insight into his vision.

## Before you share your insights and vision, tell us a little about yourself.

I'm a passionate member of the accounting profession. I hold an active CPA license in North Carolina and California, as well as the Chartered Global Management Accountant (CGMA) and Certified Information Technology Professional (CITP) certifications from the AICPA. I've spent my career in accounting and served as an advocate for our profession because I strongly believe in the role we play in business and society.

I worked for Deloitte & Touche for over seven years, and having family in California, I also worked in the firm's San Francisco office. So coming to CalCPA as CEO is like coming back to my roots. Beginning in 1997, I assumed a national role at the AICPA, where I spent almost 21 years in several leadership roles. I was most recently the Executive Vice President of Membership, Technology and Learning, and prior to that, I served as AICPA's COO. I also led AICPA teams for assurance services, as well as specialty practice areas of personal financial planning, valuation, financial forensics, IT and others.

## What three words would you use to describe yourself?

Adaptive, genuine and a people-person.

## Elaborate on those for us.

I've always tried to adapt to my professional and personal environments as quickly as possible. There's so much being thrown at us in the workplace, the broader market and society in general, that we have to break through that clutter to make sense of it all and adapt to—and get in front of—the changes. Change can be good for the soul and gives me energy because it often leads to something new and exciting. Change is always an opportunity to learn.

I'm also an open book and strive to bring my genuine self to my work and home. There is no artifice to me. It has a lot to do with my upbringing and the values my parents taught me. I accept people for who they are, and I hope they do the same for me, because what you see is what you get.

I also thrive on engaging with people, whether as a manager, leader, collaborator or colleague. During my career, I've had opportunities to lead teams and work with boards, committees and volunteer leaders. My experience leading two chambers of commerce in North Carolina, however, really helped me expand my thinking around engaging with people in a different way—as more of a nurturer or coach. I wasn't leading as much as I was bringing people together and helping others grow and succeed. I think this fits well with the role of a CEO. CEOs guide resources and lead

people to help them achieve their best for the organization, and I believe CEOs need to like working with people to be most effective.

## Talk to us a little about your leadership style.

Brené Brown's "Dare to Lead" is a book I feel a strong connection with. It helps you see that *who you are* is *how you lead*. Being authentic is central for me as a leader—and colleagues can tell when you aren't being authentic. Strong leaders also listen more than they speak, and I try to do this as much as I can. Being humble and approachable are also important to me as a leader, as is a sense of humor at appropriate moments. My goal is to never stop learning what it takes to lead with integrity.

## How about a peek into the personal side of Anthony Pugliese.

My family is very important to me. I'm the father of three children: 8-year-old fraternal twin daughters and a teenage son. My husband and I are dedicated to our children and work hard to provide them a quality home life, good education and opportunities to be whoever they want to be. I'm also a twin (my fraternal twin brother is in the U.S. Army) and my mother was a twin, as was her mother. The odds of this many

sets of twins occurring so often in a family must be slim, but it's something that's part of my life journey and makes my story more interesting. Having a work-life balance is important to me, too, so I can devote the necessary time to my family and my work. I'm also a huge animal lover and there's never been a time in my life where I didn't have a pet.

## Tell us something our members might not know about you.

I'm a huge movie buff, especially documentaries and horror films. I've probably seen all of the ones on HBO and Netflix! I also have a large collection of DC comic books I've collected since childhood. I've been a runner for as long as I can remember and find time to keep at it. I also have a sense of humor; it's important to laugh at life sometimes. And I'm a fair person and tend to give people the benefit of the doubt.

## What will you focus on during your first 100 days?

Loretta has helped immensely with this transition. The first 100 days will go by quickly, and there are a couple of key items I'd like to accomplish in that time.

This is a professional society supported by a membership community of over 45,000 CPAs and other professionals. As such, it's my goal to get out and meet as many members and students as I can in the next few months. I plan to conduct a listening tour and visit chapters, state committees, universities and other venues where our members come together. I plan to speak a little, as well, to share my ideas about the future and give them a snapshot of where the profession is headed. But I really want to hear from current and prospective members. What are their needs and expectations of CalCPA and Education Foundation? What are their concerns about the future of the profession and learning new skills?

I plan to meet with current volunteer leaders as well as future ones. Students and young professionals are central to these discussions, as their input is key to considering what the future holds for

the profession and how CalCPA and Education Foundation can best meet their needs. This is especially true with new technologies and moving from CPE credits to building competencies.

## Can you elaborate on this shift to competency-based learning?

So much of the profession's education has been focused on gathering hourly CPE credits to demonstrate CPAs have taken the right training in the right quantities. However, the profession has an opportunity to elevate the focus on *competencies* and away from just *compliance* so CPAs can be best positioned to handle current—and future—market needs.

To be best aligned for the future of work, our members need a process to find the gaps in their knowledge and a means to grow that knowledge in a more focused way. We will need to adapt our education business models to be successful in this new world of competency-based learning.

Competency-based learning will disrupt how the profession learns today. CPAs today cannot simply sit in high-level sessions and learn everything they need to know. They need deeper knowledge—and the experience to apply that knowledge.

I also believe that competency starts in college classrooms. Tomorrow's CPAs need to be minted in today's university classrooms with a fundamental understanding of accounting, audit and tax, as well as technology skills.

The world of accounting and finance is changing due to advancements in technology. Will future CPAs change with it? I hope so, and CalCPA is there to work with students, professors and learning institutions to help.

**A 2018 World Economic Forum report on the future of jobs indicated two of the top 10 declining roles are related to accounting. Specifically, by 2022, the second-largest declining role would be accounting, bookkeeping and payroll clerks; the seventh-**

## largest declining role would be accountants and auditors. What is your perspective on these findings?

A key driver behind the decline is the rapid advancement of increasingly complex technology. Technology is having a far-reaching impact on our profession, particularly in robotic process automation, AI and cognitive machine learning, data analytics, Blockchain, and advanced cloud solutions. It's important to realize you can either look the other way or embrace new technologies and use them to your advantage. Technology isn't someone else's job to handle—CPAs need to be adept at these technologies to realize their full value, both internally and for clients and employers. Lower value tasks are already automated through technology, and higher-level tasks are increasingly being conducted using AI and smart machines. CPAs need to move higher up their internal value chains to stay relevant alongside their "cobots"—co-workers that happen to be robots.

We also need to recognize that there are not as many future CPAs in the pipeline. This means those who will enter the profession need to be skilled and knowledgeable to maintain not only market share, but in a sense, society's "license to operate." The reality is that there are non-CPAs chipping away at markets and practice areas that were traditionally and securely in our realm. Arming CPAs with knowledge about advanced technology, data analytics, data science, leadership, negotiation and strategic problem solving will help to both defend our existing markets and take on new frontiers.

## What challenges do you see the profession facing? Where is the profession going in the next three to five years?

Technology is perhaps one of the greatest factors driving change in our profession. The emergence of the technologies I mentioned earlier are just some of those that are transforming—if not, disrupting—all areas of our profession.

As someone who embraces change, I welcome these new technologies and look for opportunities they provide to enhance the value of our profession. For example, Blockchain and robotics are very likely to redefine the audit through the application of cognitive, artificial intelligence; more secure, trustworthy data; and high-speed automation. The audit function will eventually include cobots, as well as human specialists, domain experts and strategists all collaborating on audits.

Auditors will be able to move, for example, from sample testing to full analytics of all data at fractions of the speeds seen to date. This will either allow a firm to increase its capacity for audits, or spend more time on exceptions and higher risk areas requiring further examination. Transformative technology also may allow more firms to perform audits of organizations due to the scalability and cost-effectiveness of the growing number of cloud-based solutions.

All of this may sound daunting or scary given the pace at which this is occurring, but our obligation at CalCPA is to prepare our members for these inevitable changes and equip them with the skills and knowledge they need. But we can't do this alone. Members need

to be active participants in determining their future and that of the profession. I see this occurring in a couple of ways:

1. You must have greater awareness and understanding of your environment. For example, understand the competitive landscape around you: Who's emerging as competition and who's waning? What's the likelihood of competitors taking market share from you? You must also understand how practice areas are evolving and what new markets might open. Then there are current or anticipated regulations and legislation that could impact what you do. Will these place obstacles in your way or clear your path? Collectively, this is the backdrop against which you will be competing in the future. Understanding your environment helps you differentiate your offerings and knowledge so you can stand apart.
2. You also need to lay the foundation now that best positions you in the future to benefit from new technologies or other opportunities that arise. Learn these new technologies and how they will impact your business; improve your

competencies; and realign your firm or organization's strategy with where you think the market will be in the next few years. It's like being the captain of a ship: You know your destination on the horizon, so you adjust and fine tune your heading and speed, taking into account wind, tides, currents and other factors to ensure that you reach that point on the horizon—preferably before everyone else does. If you arrive too late, you probably can't win. Even if you're scared about what the future holds, start today!

### What keeps you awake at night regarding the profession?

Complexity and chaos will always exist in business and society, but with sound strategy we can overcome any challenge. Still, there are issues that the profession and CalCPA and Education Foundation need to keep an eye on from both a risk management and strategic perspective.

One of the main issues is the demographic shift in the profession. We're facing large waves of retiring baby boomers without an equal number of CPAs coming down the pipeline and entering the profession. More CPAs will be going out of the profession than coming in.

We need to ask questions like whether we're doing enough to preserve the future of the profession by building a solid pipeline of students and candidates. Have we trained them properly in college to tackle business challenges, including the needs around technology in accounting and finance?

I also focus on the necessity for additional revenue streams for CalCPA and Education Foundation beyond traditional membership dues and CPE products. We need to continue exploring innovative new business, pricing and revenue models.

Looking to adjacent professions like bankers, attorneys and other specialists will help fill in some of the gaps we anticipate. Perhaps their educational and professional needs won't require much of a leap from what CPAs and finance professionals will be doing in the near future.

I also have concern over the lack of diversity and inclusion in the profession. The profession needs to



**If you could vacation anywhere, where are you headed?** Oh that's easy. I want to visit Argentina again, and Antarctica and Iceland are on my bucket list. I just hope I can survive the cold temperatures!

**Favorite music?** 1980s pop is top on my list, but I have wide-ranging tastes that also include classical music. It depends on my mood, but you'll find a nice mix on my iPhone while I'm out running or on a plane.

**What is your favorite app?** That's a tough one—I like so many. I use apps like Yelp a lot. I have an app to track my running and exercise. I am addicted to TED talks and use their app all the time. I also like various news and media apps—with three children there is

## FUNFACTS

no such thing anymore as sitting down to read a print newspaper or magazine.

**If you weren't a CPA, what would you be?**

Probably a financial planner and worked in investment advisory, estate planning or wealth management. I always had an interest in those areas. In fact, while in high school, I took a class on capital markets instruments.

**Dogs or cats?** Yes!

**Rock, paper or scissors?** Scissors! You can cut through all the complexity, clutter, confusion and bureaucracy. Scissors also let you cut through outdated mindsets that inhibit growth of the profession.

**Glass half full or half empty?** Half full. I'm an optimist and I embrace change. One doesn't last long with the half-empty approach.

**Left- or right-brained?** I'm a balance of both. I work hard to keep up my technical and analytical side as a CPA, but I am a creative, visual person.

start earlier to help young students see and understand the possibilities of a career in accounting and finance. We can no longer wait until accounting graduates get into the workforce. This goes beyond simply looking at ethnicity, gender or age.

The true value of diversity



and inclusion comes from the inclusivity—respect for all. Greater collaboration and inclusion often leads to more innovative approaches, which leads to growth and true value creation.

**BEING AUTHENTIC** is central for me as a leader—and colleagues can tell very easily when you aren't being authentic.

preparation work to additional valuable strategic advisory and planning services. MBAs and other non-CPAs who hold advanced degrees in accounting, tax and finance areas also pose a threat to our core practice areas. We need to be prepared to counter this, while simultaneously enhancing the value

we provide to the market. CalCPA and Education Foundation have a role to help educate CPAs about these shifts and provide them with training, resources and guidance to help them build their competencies in more strategic advisory areas.

at the AICPA; I oversaw the shift of AICPA operations from New York and New Jersey to North Carolina, which allowed me to rebuild and enhance the culture there; and I have chaired two different local chambers of commerce, which gave me new perspective on being a good listener and bringing people together in a way I had not done before.

**If you could do something over again, what would that be and why?**

I don't have any regrets about what I've done in my career. I treat every mistake or misstep as an opportunity to learn and grow. Those learning moments are the point, really. I'm a better person because of them.

I also think failure helps build character and move us forward. With respect to innovation, we must have a license to fail. It's built into the innovation approach, which tells you how important it is.

**As competition from non-CPAs increases, what are the risks to the accounting profession?**

Competition is always a factor with our profession. For decades, the profession enjoyed a domain that was somewhat insulated against external competition from non-CPAs. The AICPA made specialty credentials available to CPAs to practice within financial planning and wealth management, technology, business valuation and forensic accounting, and thousands of CPAs became certified specialists in those areas. However, within the last several years, the dynamics of the accounting ecosystem have shifted due to external competition.

Although CPAs have been competing with wealth managers, technologists, valuation experts and forensic investigators all along, our attention must turn to non-CPAs who are encroaching on our core areas, such as tax. CPAs providing traditional individual tax return services are beginning to face competition from financial planners who hold competing credentials. Some competitor credentials test taxation, for example; this is a wake-up call to our profession and an opportunity to move to even more strategic roles as tax advisers.

This shift moves CPA tax experts from offering even more than tax

**Why did you become a CPA?**

There are two reasons. One, I was working in a hospital during college and had the opportunity to assist with the audit of the hospital by working with CPAs from Arthur Young. One CPA really acted as a mentor and talked about the future of the profession. This prompted me to take a few accounting classes to test the waters and I was hooked!

The second reason is that I saw the CPA license and an undergraduate accounting degree as keys to an exciting career. Technology was becoming increasingly important to the audit—even in the 1980s—and I had an interest in that. Becoming a CPA gave me a sense of security in both up and down markets; it also made me feel employable and in demand by the job market.

**What accomplishments are you most proud of?**

First and foremost, I'm proud of my family! In terms of my career, I look back fondly on a couple of milestones and achievements: I launched multiple specialty credentials for CPAs and the bodies of knowledge related to each; I helped launch the global XBRL data standard for digitizing business reporting when it was being incubated

**What other thoughts would you like to share?**

There is a quote from Abraham Lincoln that shows us that life and business are full of opportunities: "The best way to predict the future is to create it."

We have the opportunity to get out in front of the dramatic, disruptive changes facing the profession and adapt our business, learning, membership, advocacy and revenue models to position the profession, CalCPA and Education Foundation to overcome these changes through bold moves of our own. We have the power and ability to create our future, but we also need to be properly prepared for what the future holds. Members and the profession need to be prepared by understanding and adapting advanced technologies and analytics in their roles; strengthening their competencies in core and specialized technical skills; and enhancing their softer skills around leadership, strategy, communication and negotiation.

Through it all, CalCPA and Education Foundation are committed to helping our profession and our members prepare and create a promising future! 🇺🇸