

# Keyword

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## Stars of the financial stage

PG\_14



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Winter 2009\_Vol. 02

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It is a blessed  
thing to have an  
imagination that  
can always make  
you satisfied,  
no matter how  
you are fixed.

— Mark Twain



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## Dennis Nally

Even in a challenging economic time, our people shine through to deliver their best.

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There is real  
value in building  
long-lasting  
relationships with  
one another.

Now more than ever, I believe PwC is a tremendous firm. Even in a challenging economic time, our people shine through to deliver their best. We have a lot to be proud of, and I do believe we are beginning to distinguish ourselves from many other firms. What differentiates us is our people. Every day, our people look for ways to enhance their performance—whether it's in the quality of service they deliver to our clients or in the responsible leadership they demonstrate in our communities. A lot of that PwC spirit comes to life on these pages, as you'll read how our people—past and present—use the building blocks they have gained at PwC to deliver their best.

This issue of Keyword focuses on pursuing personal passions and performance...not only individual performance, but the performance industry. In fact, some of the biggest businesses in the entertainment and media industry are being led by our PwC alums.

I always look forward to reading about our PwC alumni and to have this opportunity to tell you how proud I am of all of your continued accomplishments. Staying in touch with you is important to me, and Keyword is one way of preserving that connection. I welcome your feedback, suggestions and insights to help us further strengthen our ties. I hope you enjoy this issue of Keyword.

Regards,



Chairman and Senior Partner, PricewaterhouseCoopers US firm

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Lights, camera, action.  
In this issue of Keyword,  
we focus our lens on  
the challenges, changes  
and rewards found in  
the entertainment and  
media industry.

Contents

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Want to learn more about  
our alumni programs?  
Looking for a local event?  
Trying to connect with  
other alums? Visit our  
Alumni Key website for all  
the latest alumni info at  
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## Behind the curtain: PwC alumni fit in among Jedis and Wookiees

PG\_06

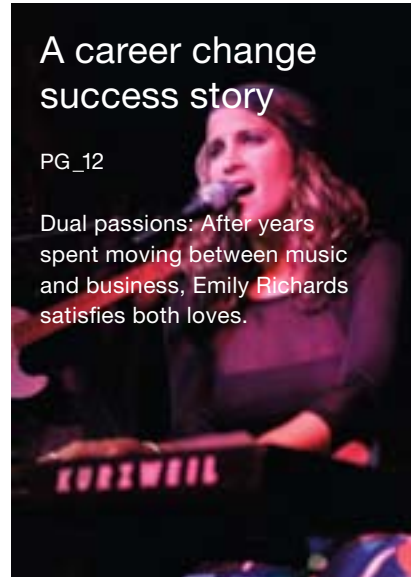
Just beyond San Francisco's Golden Gate Bridge you'll find another landmark: the offices of Lucasfilm where former PwC employees help support movie magic.



## A career change success story

PG\_12

Dual passions: After years spent moving between music and business, Emily Richards satisfies both loves.



## Stars of the financial stage

PG\_14

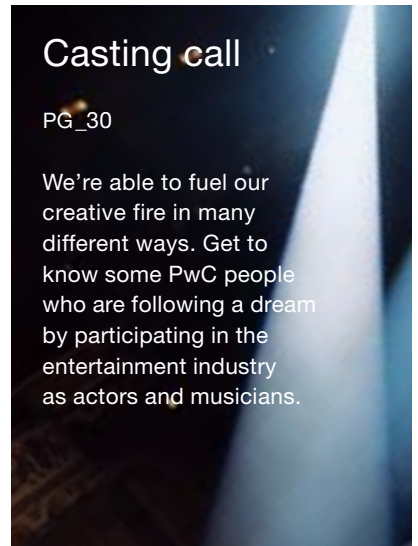
What does it take to pilot some of the biggest media companies through today's economic challenges? Four PwC alumni share their experience and insight.



## Casting call

PG\_30

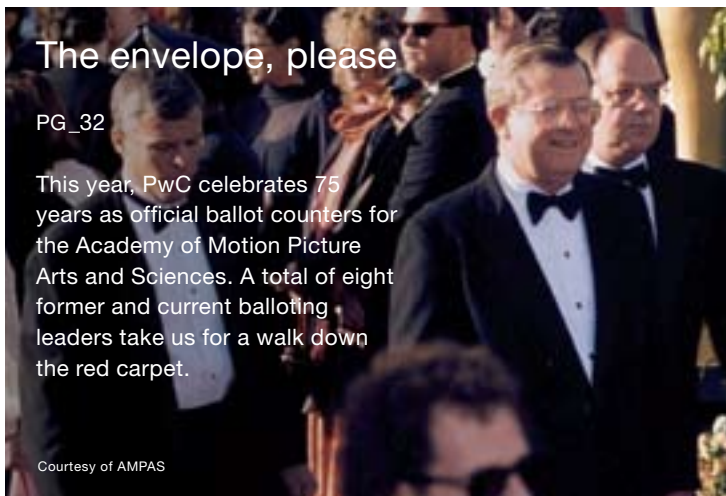
We're able to fuel our creative fire in many different ways. Get to know some PwC people who are following a dream by participating in the entertainment industry as actors and musicians.



## The envelope, please

PG\_32

This year, PwC celebrates 75 years as official ballot counters for the Academy of Motion Picture Arts and Sciences. A total of eight former and current balloting leaders take us for a walk down the red carpet.



Courtesy of AMPAS

## Join us

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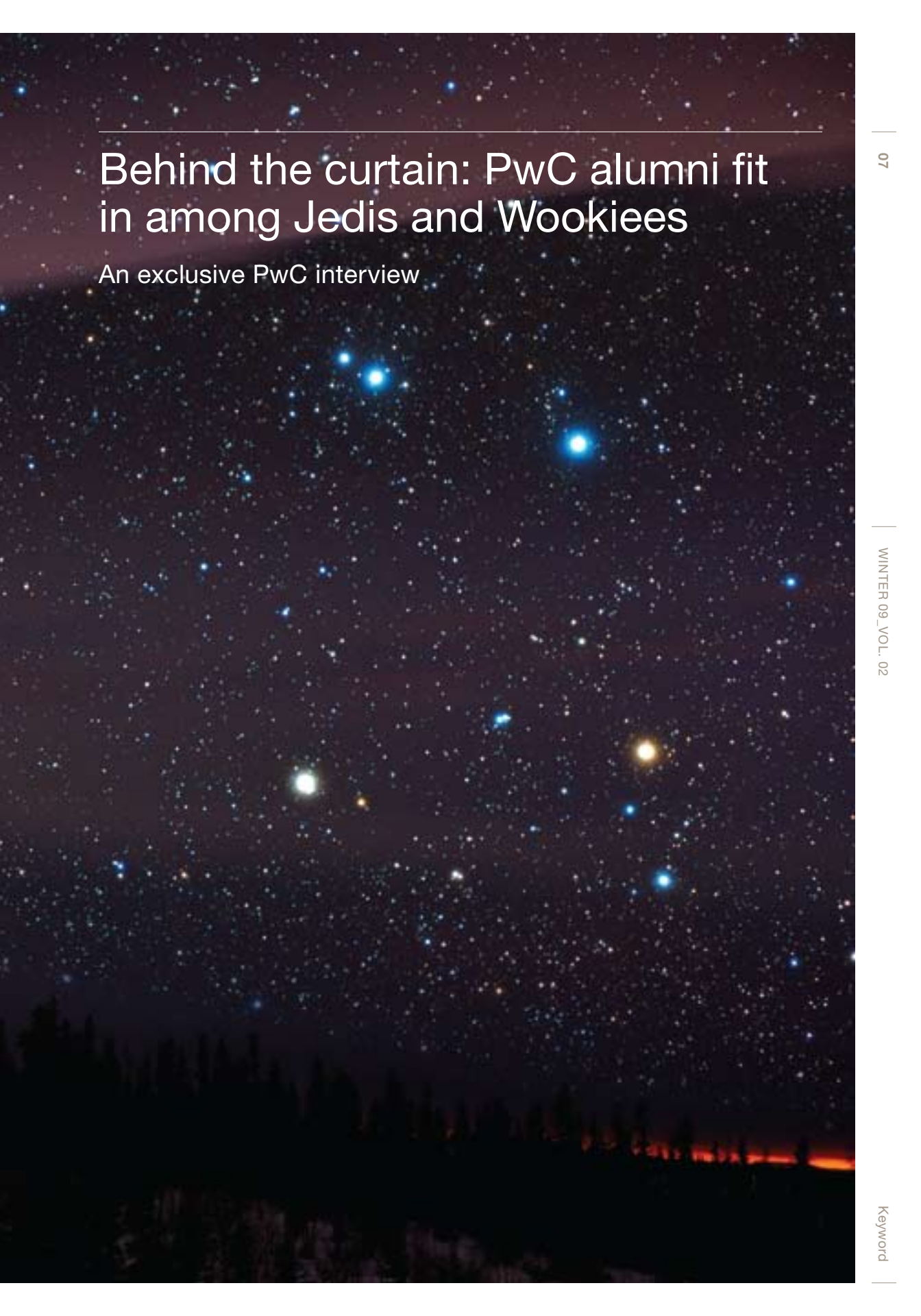




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# Behind the curtain: PwC alumni fit in among Jedis and Wookiees

An exclusive PwC interview



Walls covered in movie posters, halls filled with movie props and even a Yoda statue—it may sound like a workplace designed by a sci-fi fanatic, and to an extent it is. But it's also the very real Lucasfilm headquarters at the Letterman Digital Arts Center.

Besides churning out some of the biggest blockbusters in cinema history, such as the Star Wars™ and Indiana Jones™ series, Lucasfilm has also drawn rave reviews as a great place for people to work, attracting a handful of PwC alumni.

A company built on characters such as a 7-foot Wookiee space pilot and a fedora-wearing, whip-cracking archaeologist may seem an unlikely place for auditors and accountants to thrive. Yet, four former PwC employees are fitting right in at a company that is writing the script for mixing work and play.

*Were you always a fan of Lucasfilm and its properties?*

**Daniel Tsang**, internal audit manager at Lucasfilm and former PwC senior auditor: I watched all the movies growing up. They were a part of my childhood. To me, the company seemed to be a bit mysterious; it seemed like a magical place.

**Kevin Cronin**, Lucasfilm's corporate accounting manager and former PwC senior auditor: I respected how Lucasfilm marketed Star Wars. My parents have never seen the films, but they still know the characters. You have to admire the brand and the company behind that.

**Aaron Feibus**, financial analyst at Lucasfilm's special effects arm Industrial Light & Magic (ILM) and former PwC associate: As a kid, I was a pretty big Star Wars fan. I had the clothes and toys. In fact, I asked my mom to dig them out so I could decorate my office.

**Deborah Pfann**, director of finance at Lucasfilm and former PwC manager: I wouldn't have called myself a fanatic, but Lucasfilm was a client while I was with PwC. I started an audit right when *Star Wars: Episode I* came out. The more I learned about Lucasfilm, how the video games and special effects are made, the more of a fan I became.

*What made you decide to pursue a job at Lucasfilm?*

**Kevin:** I worked in PwC's audit practice for five years and for the last two I had all media clients, including Lucasfilm. I was impressed with the variety of people and their creativity.

**Deborah:** I was with PwC for nine years, and Lucasfilm was a client for seven. They had some of the smartest and most casual accounting people I ever worked with.

**Aaron:** The people are wonderful. When I interviewed here, I thought the people who were going to be my bosses were just cool. And they were brilliant, too. Plus there seemed to be a great deal of social responsibility at Lucasfilm.



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*Left:* Daniel Tsang and Deborah Pfann enjoy views of the Palace of Fine Arts from just outside their offices.

*Below:* Aaron Feibus stands center stage along the walkway between buildings on the Lucasfilm campus.





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One thing I feared after leaving PwC was that I would get stuck working on something repetitive month after month, year after year.

— Daniel Tsang

*Lucasfilm has an impressive reputation for social responsibility. What sustainability practices at Lucasfilm have changed your day-to-day habits?*

**Aaron:** We have a rideshare program that encourages employees to carpool or take public transit. I actually got rid of my car and got a scooter because that qualifies for the program.

**Daniel:** We had a strong push to educate employees about composting. My idea of composting was putting leaves and egg shells in a bin in your backyard. I've learned that a lot of things you normally throw in the garbage are compostable, such as paper towels and Post-it notes. That even changed my behavior at home.

**Kevin:** I live close enough that I can walk to work, and that's made me even more apt to walk to the grocery store or run errands on foot.

*People seem to really enjoy working for Lucasfilm. What are some of the things that make it so cool to be an employee?*

**Aaron:** Lucasfilm wants you to be able to do the things you need to do in your life. You can bring family and kids to company functions. At ILM, we have weekly screenings at the on-site movie theater with seats available to family members. Our cafeteria brings in more produce than it uses, so I pick up whatever fresh veggies I want, ring them up with my lunch and avoid a trip to the store.

**Deborah:** Everyone understands what's going on in your life. If my daughter is out of school for the day, no one ever second-guesses me staying home.

*What do you like best about your job at Lucasfilm and in the entertainment business?*

**Daniel:** Variety. One thing I feared after leaving PwC was that I would get stuck working on something repetitive month after month, year after year. At Lucasfilm, I haven't repeated anything more than twice, as far as projects go.

**Aaron:** You can have a life while you're at work. The people you work with are your friends. And at ILM, we work on more than just Lucasfilm properties. It doesn't matter if you're a fan of movies or video games or something else, this place will treat you well.

*Left: Daniel Tsang and Kevin Cronin enjoy a laugh as the photographer keeps the film rolling.*

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# Dual passions: After years spent moving between music and business, Emily Richards satisfies both loves

A career-change success story

Classically trained pianist, most downloaded indie artist and female version of Elton John—all are apt descriptions of Emily Richards. So are accountant, company president, entrepreneur and, for a time, PricewaterhouseCoopers associate.

For Emily, these seemingly unrelated interests actually complement each other. “Music and math go well together,” says Emily. “Musical expression is the creative side of math; accounting is the business side.”

Of the two, music has been her lifelong passion. Emily has released ten albums and is currently recording songs for an eleventh. She’s been on four national tours, headlining a 50-city show for MP3.com, as well as participating in the 2004 Rock the Vote Tour.

“I joined my first band when I was 18. They had to sneak me into bars to play,” she reminisces. “Today, I’m often compared to Sarah McLachlan or Tori Amos. I’ve been called a female Elton John, although I don’t do tall boots or crazy glasses.”

Emily has been playing piano, writing songs and performing since childhood, so it’s fitting she chose to pursue music and modern dance degrees at the University of Utah. It was there that she took her first musical detour. Tragically, a car accident left Emily with a back injury so serious she couldn’t sit at the piano, let alone dance, and it prompted her to change majors. She didn’t know much about

accounting, except that it was considered the hardest business major and that graduates could work for prestigious firms. The challenge hooked her. After graduating, Emily talked to the big accounting firms and found an immediate connection at pre-merger PwC. The man who recruited her—and later became her mentor—was a professional baseball player; he worked at the firm in the busy season then took leave to play ball. Seeing someone who could strike a balance and still support the firm made a big impact on Emily. Because of this, Emily was encouraged to join PwC as a way to ignite her musical career.

“Scott, my mentor, said that if I dedicated myself to the firm and proved my value, which might require letting go of my music to some degree, the firm would support me in whatever I do because it would benefit them as well.”

Her trust was rewarded when she won a contest and was invited to record in Nashville. PwC allowed her to make it happen. “I’d take Fridays and Mondays off to record. It was a lot of work to not let either side slip; I couldn’t allow myself to provide anything but the very best client service. There were times, in the middle of recording where I’d have to step out and do a conference call,” she remembers.

Emily was invited to open for country star Martina McBride. That led to a record deal with a Grammy-winning producer in Los Angeles, and the firm

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happily accommodated her. PwC relocated her from Salt Lake City and cut her work schedule to three days a week. Then in 2004, she was given a 10-month leave to do the Rock the Vote Tour.

Afterwards, she planned to return home and record another album while working at the firm. But her direction was about to change again: Emily was contacted by Michael Robertson, founder of MP3.com. Before its sale in 2001, MP3.com was the most popular digital music site and Emily was the site's most-downloaded artist.

“Michael found out I had a background in accounting—he already knew me as a musician,” Emily explains. “You don’t get a call from Michael Robertson saying, ‘Come be the president of my new company’ every day. It was the best of my PwC experience combined with my music experience.”

Emily joined the new company, MP3tunes.com, in 2005. It was a great opportunity to give other artists the same digital opportunities that helped launch her career, and it also allowed her to work with leading technology companies as well. But after three years, the site was getting increasingly tech heavy and Emily longed to get back to making music.

She left MP3tunes.com in mid-2008 to record her next album and start her own venture, ArtisTech Media. One of its offerings, Tune Track, she

describes as similar to Facebook but specific to musicians. Serious fans can listen to recording sessions, see rehearsals and access downloads of live shows.

To launch the service, Emily is featuring the recording of her new album. She’s also working with a new band, 2012 am, which she describes as having more of an electronica sound when compared to her earlier music. She still makes time to connect with friends from PwC, though, and recently joined the local San Diego office in a volunteer project, painting a homeless shelter.

It’s those connections that Emily says define her success—in business and music. “Lots of things are considered successful. I’m grateful I had a song downloaded a million times. But I preferred playing that song at a wedding for two people who asked me to play, and seeing what it did for them.”

# Stars of the financial stage

PwC alumni balance the bottom lines at leading entertainment and media companies





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## Anton Guitano

In their New York City studio, CBS Radio's Guitano keeps one hand on the mic and the other on the pulse of his industry.

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A gold record is a big deal in the music industry, awarded to albums with sales of at least 500,000 units. The vast majority of artists never reach that milestone, and only the biggest stars earn multiple gold records.

On the walls leading to Kevin Kelleher's office hang dozens of these gold records, along with several platinum records recognizing million-selling albums. And who is Kevin Kelleher—the real name of some smash recording artist, member of a super group, or the best-kept secret in the music business?

No, Kelleher and his counterparts work behind the scenes in music and movies, television and radio, publishing and media, ensuring their companies have the financial muscle to create tomorrow's stars and headlines.

Welcome to the world of the chief financial officer in entertainment and media.

A number of PricewaterhouseCoopers' alumni get top billing as lead financial executives for companies that shape what we watch, listen to and read. Because of their focus, they have a firsthand view into some of the most interesting trends and changing consumer habits—and they occasionally get to rub shoulders with celebrities.

### **Sweet sound of success**

Kelleher is CFO and Executive Vice President of Sony Music Entertainment, the second largest

music company in the world. In fact, the only music company that is larger in terms of market share is Universal Music. That's where PwC alum Nick Henny is CFO and Vice Chairman.

Kelleher and Henny guide the financial performance of companies responsible for one out of every two records sold globally. And since record sales are still the primary driver of revenue, that's a statistic both men track carefully. In that respect, their roles are cut from standard CFO cloth.

"There's a big misconception that you go into entertainment and everybody takes off their ties, goes crazy, parties all the time. But as chief financial officer for an entertainment company, the fundamental chores are the same as anyplace," clarifies Henny. "What's different is the people, the environment and the product."

Those people include the performers under contract. "We spend a lot developing talent. And we've got to get the music that comes out of that relationship consumed by as wide an audience as possible," Kelleher explains. "And a lot goes into breaking new artists. We invest not just in the recordings but also in creating awareness."

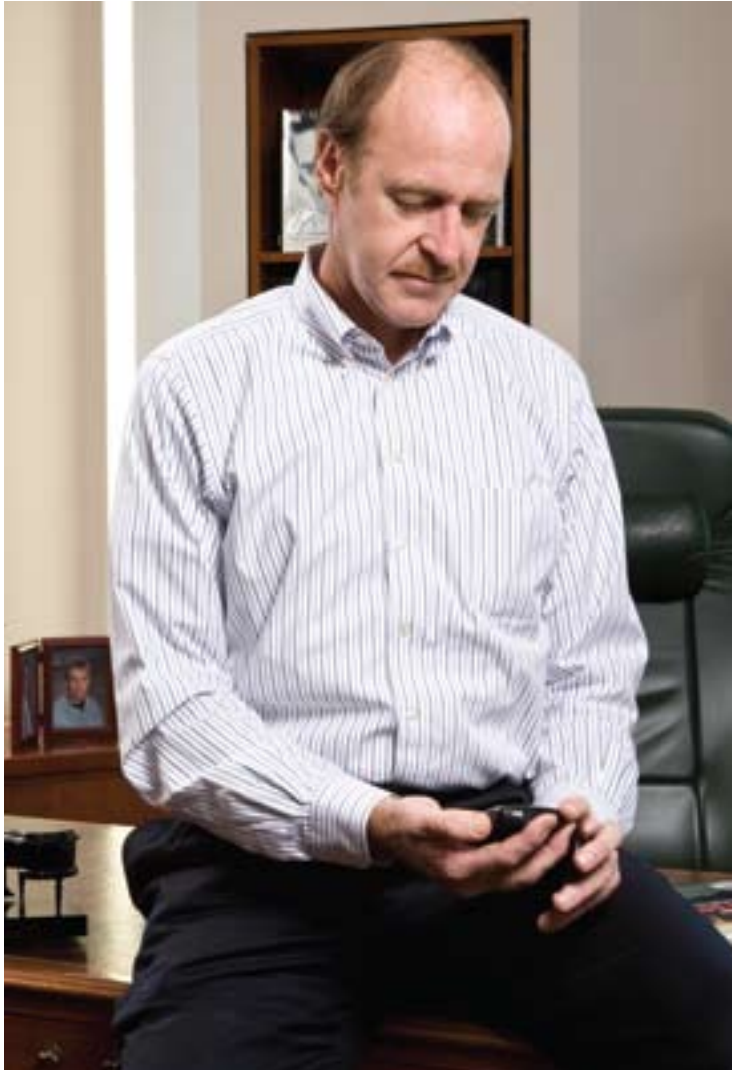
Pointing to Mariah Carey as a prime example of music company power, Henny notes, "That act of becoming cool—marketing, promoting and building the popularity of an act—is what record companies do."

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## Kevin Kelleher

Kelleher shares his enthusiasm as he discusses the ins and outs of the music industry.





## Nick Henny

More than numbers, Henny knows that record companies have a role in finding and sustaining talent in a marketplace that is constantly moving and changing.

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Carey debuted with a string of successful albums. At the height of her popularity she was paid a huge amount to switch record companies. But success didn't follow the new direction in her career. She fell off the charts and parted ways with the second record company. It was then that Universal signed Carey to its Island Def Jam label headed by three-time Grammy award-winning record executive L.A. Reid. The move was a wise choice for Carey, as her following album reignited her career.

"If a record company had a role in her initial success, another one brought her back again," Henny says. "Did our company have anything to do with that? Is it coincidence or is that what record companies do? Draw your own conclusions."

Artists are signed every day. But when those arrangements involve top stars and multi-million dollar transactions, it's the CFO's call on whether the deal makes sense. Increasingly, record companies are looking to maximize their investments through deeper partnerships with their artists.

"When we sign an artist, we want to be involved in a much more serious way," Kelleher says. "Instead of just participating in the sale of their master recordings, we're investing millions of dollars in creating them as an artist brand."

Those brands may include endorsements, sponsorships and even product development. Managing the associated costs and getting the

most out of each investment is critical as record companies grapple with shrinking revenue.

PricewaterhouseCoopers' *Global Entertainment and Media Outlook* predicts that spending on recorded music will decrease worldwide from \$33.4 billion in 2007 to \$32.5 billion by 2012.

Record company earnings peaked during the mid 1990s as consumers replaced their music collections with CDs, a higher-margin product. But by early 2000, that curve started dropping as habits changed. Digital music files took a bite out of CD sales; Peer-to-peer sites allowed people to share songs, and consumers realized they didn't have to buy pre-packaged albums to enjoy the music they liked.

The extended contraction has forced record companies to re-examine operations: releasing fewer albums, signing fewer artists, striking new partnerships and looking for unique ways to monetize the music.

For Kelleher, it also meant leading the 2004 merger between then Sony Music and Bertelsman Music Group (BMG). "One of our rationales was to gain synergies from merging two global companies," he says. "We delivered well over half a billion dollars in savings and achieved tremendous efficiencies. Every day, we look for better ways to get the same results and spend less. It's like a drumbeat."

There's good news, too. The appetite to consume music is now greater than ever. "People haven't

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stopped listening to music or buying music,” Henny acknowledges. “They’re just listening and buying in different ways.”

Kelleher agrees, pointing to music as the centerpiece of pop culture. The highest-rated television shows in the U.S. and U.K. are music focused: *American Idol* and *X Factor*, respectively. In addition, the hottest video games are *Guitar Hero* and *RockBand*. Music can be downloaded at home, plugged into cars and shared with friends. Music is now a central use for cell phones, as well as a growing number of products.

In fact, PricewaterhouseCoopers forecasts that digital music distributed to mobile phones will reach \$1.3 billion by 2012, up from \$879 million in 2007.

“Device sales are incredible,” Kelleher says, “But without music, the device is just a box.”

### Talking radio

Fellow PwC alumnus Anton Guitano also understands the relationship between good content—be it music, news or talk—and a good bottom line. Guitano is CFO and Senior Executive Vice President of Finance and Operations of CBS Radio. Of the 140 radio stations in 29 markets, some are branded with the CBS name, such as WCBS AM in New York, while others are not as easily identified as CBS properties. But the common tie is local focus, including programming and advertising.

In his role, Guitano keeps close watch on the financial and operational aspects of the radio division, searching for structures and strategies to boost performance. “I’m looking not only to improve our cost side, but also to focus and energize the sales side. We want to be easier to buy from and we also want to be more reactive to our customers’ needs,” he explains.

That means giving a business the opportunity to buy local radio in the most effective manner to address their perceived need. And in certain cases, selling those radio spots in conjunction with other CBS divisions gives clients local exposure in TV, radio, outdoor and on the web. It’s a reach that few companies can match.

Guitano is admittedly a hands-on CFO who sees himself as part of the sales function. He travels to local markets, listening to the issues stations are facing and sharing what the company is trying to accomplish. He also participates in sales calls to better understand what clients need to be successful.

“I love meeting the station people and our customers, to hear what they have to say,” he explains. “I love the challenge of solving problems; that’s where I get the most satisfaction.”

Drawing on those discussions, as well as his 30-year CBS career, helps Guitano drive innovations that boost the business. For example, CBS Radio just completed its best political year.

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Even in a tough economy, I've never experienced a time where if you have a creative idea that would help their business, clients wouldn't spend the money.

— Anton Guitano

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Radio had not previously embraced opportunities in the political area, Guitano believes. But he was determined to change that.

“We made a number of trips to see people I knew from my time in television to let them know it wasn't business as usual. I wanted them to know we would be more of a partner and run the spots they wanted and needed to achieve their stated goals,” he says.

Expanding relationships is critical. Like the recording industry, radio has seen a downward trend as changing attitudes and habits eroded the audience base, which, in turn, cut into advertising. CBS Radio also suffered through a split with popular shock jock Howard Stern, who left the company for satellite radio.

In the face of these challenges, the company has fundamentally changed its market structure. Gone are individual silos with general managers, sales managers and staff focused on individual stations. Now a single market manager, sales director and controller oversee all stations in a market, streamlining decisions and making the company more nimble. Sales teams are encouraged to sell across stations within a market to take advantage of CBS Radio's multiple formats (rock, hip-hop, easy listening and talk) and access to key demographics.

Guitano believes success also hinges on finding creative ways to satisfy customer expectations. His guiding insight: “Even in a tough economy, I've

never experienced a time when, if you have a creative idea that would help their business, clients wouldn't spend the money.”

It must be working. For the first time since 1995, CBS Radio expects to beat the market for revenues consolidated across the markets they're in. That's music to any CFO's ears.

### **Beyond the headlines**

Think of The Washington Post and what probably comes to mind is the iconic newspaper. But PwC alumnus John “Jay” Morse can tell you there's more to the story.

As CFO for The Washington Post Group until his retirement in December 2008, Morse oversaw magazine, cable and broadcast divisions, in addition to the newspaper and its companion website. Additionally, the company runs a thriving education division centered on professional training that accounts for more than 50 percent of its business.

“The unifying factor, the hallmark about everything The Post does, is dedication to quality,” Morse says. “Of course, the challenge we face is that our name pulls people back to that single traditional product.”

That flagship publication has seen what Morse terms a “sea change” in readership. It's harder than ever to keep audiences engaged and therefore hold advertisers.

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## John Morse

Morse recognizes that the news business is facing real challenges as traditional media gives way to new, digital formats like the Internet.



# The Washington Post

## Jan. 20 Housing Is Risky Business

Insurrection Hovers, Lenders Face Perils Of Dispute, Default

WASHINGTON, Jan. 19 (AP) — The housing market is facing a new round of risk as the nation's largest mortgage servicer, Fannie Mae, reports a sharp decline in its portfolio of loans. The company's earnings fell 10% in the fourth quarter, and its stock price has fallen 15% since the end of the year. Analysts say the decline is due to a combination of factors, including a rise in defaults and a decline in new loan originations. The housing market is also facing a new round of risk as the nation's largest mortgage servicer, Fannie Mae, reports a sharp decline in its portfolio of loans. The company's earnings fell 10% in the fourth quarter, and its stock price has fallen 15% since the end of the year. Analysts say the decline is due to a combination of factors, including a rise in defaults and a decline in new loan originations.

## With Orders to Get Organized and More Relevant, The American History Museum Rebrands Itself



## America's Attic Is Ready for Its Public

WASHINGTON, Jan. 19 (AP) — The American History Museum is preparing to open its new exhibit, "America's Attic," which will showcase the nation's most treasured artifacts. The exhibit is expected to be a major draw for visitors, and the museum is looking forward to a busy season. The exhibit is expected to be a major draw for visitors, and the museum is looking forward to a busy season.

## Stocks Slump As Signs Point To Harder Times

Key Indicators Suggest Deep Recession

WASHINGTON, Jan. 19 (AP) — The stock market tumbled on Monday as investors reacted to a series of reports suggesting a deep recession. The Dow Jones Industrial Average fell 150 points, and the S&P 500 index dropped 1.5%. Analysts say the decline is due to a combination of factors, including a rise in unemployment and a decline in consumer spending. The market is expected to continue to decline in the coming weeks.

## U.S. Drops in Baghdad Takes a Softer Approach

WASHINGTON, Jan. 19 (AP) — The United States has announced a new approach to its military operations in Iraq. The new approach is expected to be a major draw for visitors, and the museum is looking forward to a busy season. The new approach is expected to be a major draw for visitors, and the museum is looking forward to a busy season.

## For McCain, A Subdued Return to Capitol Hill

WASHINGTON, Jan. 19 (AP) — Sen. McCain's return to the Senate was a subdued affair. He was greeted by a small group of colleagues and a few members of the public. McCain's return to the Senate was a subdued affair. He was greeted by a small group of colleagues and a few members of the public.

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# Consumers have so many more options. What hasn't changed is that people still have two eyeballs and 24 hours in the day.

—John Morse

“Consumers have so many more options. What hasn't changed is that people still have two eyeballs and 24 hours in the day,” he says. “All these different media are competing for the eyeball time. And people have less time to spend doing any one thing. That's in real conflict with a traditional newspaper.”

Increasingly, consumers are demanding immediate news. The Post has put more resources toward making its websites the destinations people visit first. The move underscores how traditional media are challenged in trying to hold their own. What helps The Post is that its other businesses, especially cable and education, continue to grow. Another advantage is that the company is still controlled by the Graham family.

“The thing that distinguished me from most of my peers is that I had a family and a board that didn't worry about the current quarter and meeting numbers,” he says. “They focused on building the business and doing it the right way. That goes hand in hand with the philosophy of most CFOs.”

While Morse wasn't on the newspaper staff and didn't sit in the newsroom, working for a premier publication in the nation's capital did have a glamorous side. Many world leaders visiting the White House stop at The Washington Post to meet the paper's editorial team. And while he admits that working for a media outlet that covers big news stories, such as the presidential election, can be exciting and vibrant, Morse couldn't divorce himself from the financials.

“Looking at it with my CFO hat on, the election is a cost center. Here, we have reporters going out, traveling with the candidates, and we don't get any money like broadcast TV stations do,” he notes, referring to the television spots purchased by political parties and their candidates.

Morse was responsible for understanding the expected outcomes and potential challenges whenever The Post proposed to spend money. Once, when it sent reporters into Serbia, the paper purchased an armored car. “That was definitely an unusual disbursement. But,” he assures, “we're going to protect our journalists who are risking their lives.”

## **Common backgrounds, shared perspectives**

In addition to their roles and industry sector, these CFOs share something else important: an appreciation of how PwC prepared them for their current responsibilities.

Morse didn't join the firm with a strong accounting background. He didn't know what he wanted to do, only that he was interested in publishing and wanted to travel. He'd taken some accounting courses, though, and landed offers from several Big 8 firms. PwC's strong international program and breadth of opportunities made the firm a great fit.

His first two assignments were The World Bank and The Washington Post, clients that he held throughout his 17-year PwC career. Ultimately, it was these relationships that led to the offer to be The Post's CFO.



“Working in an accounting firm, there’s a certain sense of discipline that’s instilled. There’s a process, a logic that is irreplaceable,” Morse says of his experience. “Those are great building blocks for whatever you tackle.”

Guitano came to PwC out of undergraduate school. In addition to standard corporate audit work, Guitano was given a heavy dose of manufacturing experience. This background led to a strong appreciation for process management, useful when he moved to CBS.

“My manufacturing background has been helpful as I look at our stations and even as I looked at other operations when I was in internal audit with CBS,” he recalls. “I’ve always thought PwC gave me great concepts and experiences that I still use running today’s operations.”

Henny joined the New York office right out of college and sees the total immersion in a business as a key benefit of working for PwC.

“You start off with basic financial chores. After a while you get involved in inventory and product flow. It’s great experience. You get more from auditing a business than many people get from actually working in it,” he says.

Building relationships and working on deals also proved valuable for Henny. One of his first PwC clients was Joseph Seagram & Sons, which later

bought Universal Music. When Henny moved to Sony, he helped merge Sony’s movie theater chain with another owned by Seagram. His counterpart at Universal Studios remembered that transaction when Universal Music was looking for a CFO and recommended Henny.

Kelleher joined PwC after graduate school and was heavily involved with entertainment companies including Viacom, Showtime, MTV and Sony. He credits the firm with giving him business and team management skills—as well as a comprehensive baseline of knowledge—that he drew on to complete the Sony BMG merger.

### **Tackling trends**

These CFOs are no strangers to challenge. And while each faces hurdles specific to their company, they agree that some forces are shaping the overall entertainment and media industry.

Foremost is a march toward ubiquity, the omnipresent availability of content in whatever form people prefer. That’s been driven by the meteoric rise of the Internet and mobile technologies as sources for music, movies, news and information. Nowhere is this progress felt more than in the music industry, where everything—from discovery to publicity to consumption—happens online. Aspiring artists now have alternatives to traditional business models, such as websites like MySpace, where they can upload their music and interact with fans.

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# I've always thought PwC gave me great concepts and experiences that I still use running today's operations.

— Anton Guitano

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The Internet boom has also empowered users, who now have near limitless ability to customize and control the content they consume. The recording industry has seen seismic shifts in how listeners interact with music. People wield unprecedented power to build buzz for their favorite music by recommending songs they like to their friends, and even acquaintances.

"People like to discover new music," Henny says. "And people like recommending music. It's no fun if you're the only fan. Being the only one into something isn't that cool."

"Record companies have taken note," he points out. "Gone are the days when a guy with the magic ear would hear someone singing in a bar, sign them and make them a star." Now label representatives scour the web for talent. But record company muscle can still be the difference in an artist making the leap from Internet phenomenon to household name and commercial success.

At The Washington Post, Morse knows the Internet satisfies people's need for the most current information. But he worries that in the rush to go live with a story, quality can take a back seat. "It's a huge challenge to be both right and first," he says.

From a readership standpoint, he is concerned the web makes it too easy for people to self-select what they learn. "I worry about a generation that's so selective; they'll know a lot about a little, but not a whole lot in total."

CBS Radio has embraced online delivery and sees digital media as a primary growth engine. On the business side, Guitano has noticed an increase in advertisers and their agencies moving online. CBS Radio has responded by developing ideas and advertising packages to help clients take full advantage of the web.

The transformation has forced companies to develop new partnerships, products and services to generate revenue. With a nod to consumer demands, CBS Radio now offers a product called "play.it" that allows users to essentially build their own radio stations.

"We're creating a sense of community by allowing you to share your radio site and get critiques, or even let people modify your site," Guitano explains.

From a sales perspective, advertisers can better understand the preferences of their potential audience based on the types of music the members play, leading to more targeted ads. Guitano also sees commercial opportunities. Car dealers, doctors' offices or CPAs can create custom stations and let clients add to the mix through recommendations.

Sony Music is launching an offering to tap into the billion-dollar device market by bundling music with cell phones and portable music players. Users might pay \$100 more for a cell phone, for example, but would receive access to a music library licensed to a device manufacturer.

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Gone are the days when a guy with the magic ear would hear someone singing in a bar, sign them and make them a star.

— Nick Henny



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“Apple projects that they may sell 60–80 million devices over 12 months. Cell phone manufacturers sell several hundred million devices each year,” Kelleher notes. “If we can get a small percentage to sell the device with the music, and we’re compensated fairly, we immediately restore growth.”

That bottom line is never far from these CFO’s minds. Another trend they’re dealing with is the faltering economy. All expect that 2009 will be challenging, although there’s hope that consumer confidence might rebound late in the year. But each CFO believes that his company has the structure, efficiency and financial strength to weather the storm.

The economy, coupled with changes across entertainment and media, can bring opportunities. “With any transformation, there will be casualties, but there will be winners too,” Henny says. “Go back to what the chief financial officer does. He’s supposed to ensure that his company is the winner.”

# Casting call

## PwC employees fuel their creative fires

Pursuing passions and hobbies is essential for maintaining a happy work life. Some of our PwC talent satisfy their creative side outside of work. Here are a few of their stories.

### Keeping things rocking

Greg Billings, a field service technician in Tampa, Florida, has spent the last six years troubleshooting IT issues for PwC colleagues. But at night, he switches from his role of making sure information systems are in harmony to one he's practiced for nearly 30 years—front man for a rock band.

Right out of high school, Greg hit the road with a band called Stranger. But this wasn't a case of some starry-eyed kids chasing rock and roll dreams. The band actually signed a record deal in 1981 with Epic Records. "We were supposed to be stars after that first record, but it never quite happened that way," Greg says. "We still recorded another five albums and stayed together for 15 years."

After Stranger, Greg fronted Damn The Torpedoes for eight years before forming The Greg Billings Band. Through his musical journey, he's shared the stage with legends such as Cheap Trick, Ted Nugent, Foreigner, Styx and Molly Hatchet. And he's kept many of those relationships strong, with Brian Johnson of AC/DC and Robin Zander of Cheap Trick appearing on Greg's most recent album.

While dozens of years on the road have taught Greg plenty of lessons, he's picked up a few from PwC as well. "Working with coworkers and different

personalities has taught me to be more patient," he says. "It's a team game. It helps me be understanding when the band has a bad night or when we're under pressure in the studio. It's also made me more organized with the business side of music."

Greg acknowledges that planning ahead and having a solid team at PwC helps him balance both work and music. "The guys in my group at PwC know what I do and they support the band. I plan my shows a few months ahead so I know when I need to leave town. I've got great teammates that help."

### The real Ben Andrews

Ben Andrews, a senior associate in Austin, Texas, spends his weekdays with the PwC audit practice. Weekends, however, he can be found recording and producing songs, mostly for the artist The Real Matt Jones. "I record and produce almost every weekend at my home," says Ben. "Eat, sleep, work, girlfriend, music."

Ben had a rocky beginning with music. "I began playing piano when I was five. My parents had to force me through the lessons. But once I hit middle school and high school, I found I could play pop songs for girls. That was a benefit."

In college, he met Matt Jones and began to help him record. That was when Ben discovered producing. "I was never into becoming a great performer, but producing albums is a blast. Some producers have the luxury of just being there to provide vision for the sound. At the other end of

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the spectrum is the producer who writes and performs the track. I fall in the middle.” He’s also honed his skills producing music for Ryan Holly. As for his future as a producer, Ben takes opportunities as they come. “If there was a good opportunity, I could see asking for some time to tour or produce, but that’s something that’s just going to happen, or it’s not,” he says. “For now, my only goal is to continue to produce great music and write better songs. That keeps me satisfied.”

### **Following her passion**

Ferrell Marshall, a geography marketing leader in Los Angeles, California, caught the acting bug early, playing an elf at Santa’s workshop in a first grade production. From that small role grew a lifelong passion. “I auditioned for the American Academy of Dramatic Arts summer program when I was a freshman in high school and was the youngest student ever accepted,” says Ferrell, of her first foray into an acting career. “My mom said I had to wait until I graduated high school before dedicating myself full time to acting. As soon as I graduated she drove me out to Los Angeles, put me in an apartment, and I went to acting school. I was fortunate to have her full support in pursuing my dreams.”

After acting school, Ferrell found roles in theater and danced before taking a steady job with PwC. “I originally joined PwC so my mother would know that I was taken care of,” Ferrell explains. “But it was great. It’s given me a family, a place to grow and a wonderful training ground where I can always pursue my first passion.”

Today, she successfully balances PwC duties, acting with the West Coast Ensemble Repertory Company, pursuing commercial work and building a voice-over career. “The firm fully embraces someone following their passion. They have so much invested in us,” she remarks. “They recognize the happier we are in our general lives, the happier we are in our PwC lives.”

The firm fully embraces someone following their passion. They have so much invested in us. They recognize the happier we are in our general lives, the happier we are in our PwC lives.

### **Giving acting a chance**

Ryan Tolentino, a field service specialist in Chicago, Illinois, fell into acting after a few unexpected turns of events and some spare time. “I worked at Arthur Andersen until the end. At that time the economy wasn’t doing great, so my wife and I decided to take the summer off,” says Ryan. “My wife was pursuing her interests and asked me what I wanted to do. I said acting.”

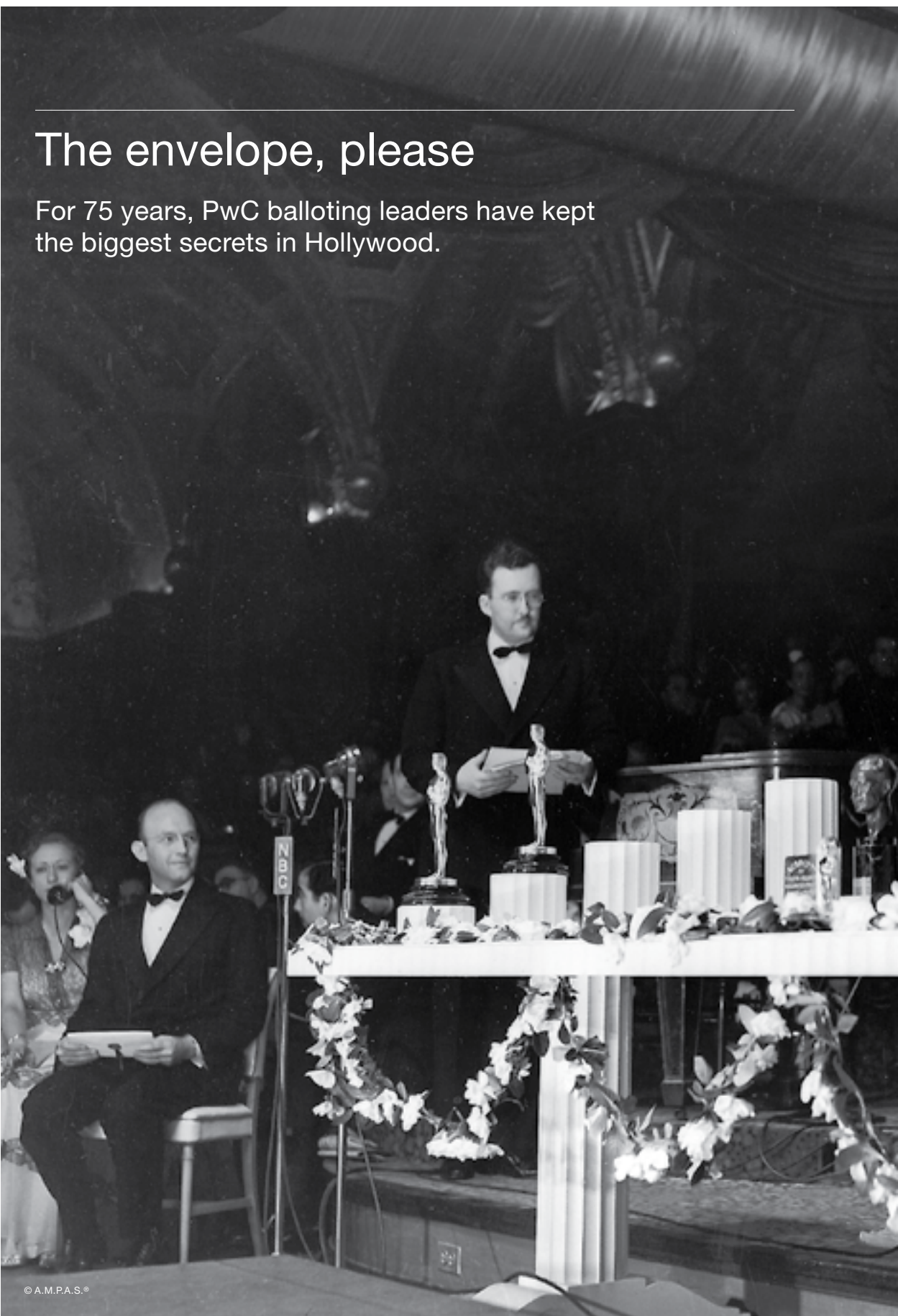
Ryan began attending Act One Studios, taking a mix of classes to learn about the industry and explore his skills. His acting career gained immediate momentum—in his first month Ryan auditioned for an independent movie on a whim. He got the part and a talent agency to represent him.

Ryan landed work in commercials, on stage and doing voice-overs. He also worked a part-time job until a former coworker invited him to join PwC. “I chose Chicago because that’s where my auditions are, and I can audition at lunch time. It doesn’t disrupt the day.”

So why did he wait so long to start acting? “I always wanted to try acting since I was a kid, but I never did. I was a bit of a jock in school. Acting just wasn’t the cool thing to do. But as time passed, I realized I didn’t want to get older and regret not taking the chance. It’s a good lesson for me and my kids. You don’t have to follow the crowd.”

# The envelope, please

For 75 years, PwC balloting leaders have kept the biggest secrets in Hollywood.





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PwC Partner Harold Brewster (seated at left) waits with envelope in hand as another statuette is awarded.

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Let's face it: accounting may not be the most glamorous line of work. It requires precision and discretion, and it's usually a behind-the-scenes gig. But once a year, for two members from PwC's Los Angeles office, the job also requires formalwear, a walk down the red carpet, some celebrity mingling and a briefcase packed with the most sought-after secrets in Hollywood.

As the official ballot tabulators for the Academy of Motion Picture Arts and Sciences annual awards—also known as the Oscars®—PwC members collect handwritten ballots, lead a team in hand-tallying the results, and then hand-deliver sealed envelopes bearing the names of the winners on Oscar night. It's an intentionally low-tech process designed to maintain the utmost secrecy, and it's been at the heart of PwC's relationship with the Academy for 75 years.

PwC handles the ballot tabulation for both the Academy Awards® nomination process and the selection of the winners. Each year, in an undisclosed location, two balloting leaders assemble a crack team of accountants to count the ballots and tally the results for each of the 24 major Oscar categories (not including scientific, technical or special achievement awards). No scanning machines. No computers. And for all 75 years PwC has been involved, no security breaches.

"We kept the door locked and wouldn't let anyone in," says Bill Miller, balloting leader from 1954 to 1969. "All the results were locked in the vault. We even burned the scratch paper."

Over the years, this painstaking process has remained much the same for each of the 12 people who have led the balloting and represented PwC at the annual Academy Awards show. "The balloting leaders are sort of like a fraternity," says Frank Johnson, who oversaw balloting from 1977 to 1997. "We share that experience."

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*Right:* Frank Johnson and Greg Garrison prepare ballots for mailing to Academy members.

*Below:* Brad Oltmanns hands ballots to a Beverly Hills postal worker as Rick Rosas looks on.



Courtesy of AMPAS





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PwC Partners Brad Oltmanns and Rick Rosas are happy to be part of Oscar® history.

© A.M.P.A.S.®



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Greg Garrison and Lisa Pierozzi take their turn on the red carpet.

Courtesy of AMPAS

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# It's a terrific role to have, not just the event, but 365 days a year. The people at the Academy are among the finest I've worked with.

— Brad Oltmanns

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Members of that select group say the experience is a highlight of their time with PwC—a defining moment in their careers. It gives them the opportunity to meet celebrities, enjoy a few minutes of fame, and be part of one of PwC's most high-profile and long-standing client relationships.

“It's a terrific role to have, not just the event, but 365 days a year,” says Brad Oltmanns, a balloting leader since 2004, who watches all the nominated films each year. “The people at the Academy are among the finest I've worked with.”

Before being tapped for the Academy Awards position, Dan Lyle, balloting leader from 1986 to 1996, worked with several large entertainment clients, but he says this role was unique. “It was one of the most exciting jobs PwC had to offer,” he says. “There's a huge sense of responsibility that goes along with the job. You're involved with something that helped make PwC a household name.”

Along with giving the firm worldwide visibility, balloting leaders play a crucial role in making the most glamorous night in Hollywood a success. And they always come away with stories to tell.

### What's in the briefcase?

On Oscar night, off-duty police officers (dressed in tuxes, naturally, yet fully armed) accompany each of the two balloting leaders. They take separate cars and separate routes to the show, and each balloting leader carries a briefcase with a complete set of winning envelopes.

Balloting leaders enter the Academy Awards show on the same red carpet as Hollywood's A-list, amid the glare of the paparazzi's flashbulbs and a mob of international reporters clamoring for interviews. And, they dress the part: tuxedos for the men, and for Lisa Pierozzi, balloting leader from 1998 to 2001, a formal designer gown. But it's not what they're wearing that makes them stand out; it's that telltale accessory: the briefcase.

“You're quite aware you are in a surreal setting,” says Rick Rosas, who has led the balloting since 2002. “You are one of two people who have the results, and you're surrounded by people you know about and who you've seen in the movies.”

From the red carpet all the way up to the final moments backstage, everyone is dying to know what's in the bag. In 2001, when Pierozzi handed Julia Roberts the envelope for the category that Roberts would be presenting, the actress eyed Pierozzi's briefcase and said, “Don't you have another one in there I'd be more interested in?” Roberts was not just a presenter that night, but also a Best Actress nominee for her role in Erin Brockovich (she won).

Roberts tried again the next year with Greg Garrison, who led the balloting from 1996 to 2005. This time, she wanted to know if her friend Denzel Washington had won Best Actor for *Training Day*. “I said, ‘I'd love to tell you, but I can't. Because if I do, you won't be surprised, and you shouldn't have to act on a Sunday.’ She said, ‘OK, then I've just got to lean on you.’”



Not everyone gives in so easily. Robin Williams seems to take particular pleasure in making PwC accountants sweat—just ask Johnson, Oltmanns, Lyle, Rosas or Garrison, who all endured some good-natured ribbing from the frenetic comedian. One year, Williams recognized Garrison backstage and said, “Oh, it’s the guys from Pricewaterhouse.” Then he lunged at Garrison’s briefcase, saying, “Let’s just open this up right now.”

“The bodyguards jumped up, and Williams said, ‘Just kidding, just kidding!’” Garrison recalls.

Whether it’s from celebrities, family members or reporters, every balloting leader has been prodded to reveal the winners—Robert Ford, balloting leader from 1970 to 1976, remembers being bribed with chocolate cakes and offers of fine Scotch. But, they say it’s always in good fun.

“I found it to be the easiest secret in the world to keep,” says Pierozzi. “There’s a mystique around it that people want to maintain.”

### Brushes with fame

Standing backstage on Oscar night gives PwC balloting leaders a unique view of the awards show and sets the scene for one-of-a-kind celebrity encounters.

Lyle found himself on a first-name basis with Chevy Chase as well as Gene Hackman, who introduced Lyle to his wife, saying, “This is Dan Lyle, and he’s the reason I didn’t win.”

Garrison once momentarily kept Susan Sarandon from stepping out onto the stage, because he was standing on her dress. He also held Ben Affleck’s car keys while the then little-known actor presented an award in 1998. Later that night, Affleck won the award for Best Original Screenplay along with Matt Damon for their breakout hit, *Good Will Hunting*.

In 2007, before the Best Director award announcement, Rosas lived a film buff’s dream. He had the privilege of standing backstage with legendary directors Steven Spielberg, George Lucas and Francis Ford Coppola as they speculated about whether their friend Martin Scorsese would win his first Oscar (he did, for *The Departed*). Rosas was also backstage in 2003 when Best Actor winner Adrien Brody planted a kiss on presenter Halle Berry. “Meryl Streep was standing next to me, and she almost died laughing,” he says.

From their backstage vantage point, PwC partners also get a chance to see the unscripted, memorable moments that make the Oscar history reels.

In 1969, Bill Miller’s balloting team discovered a tie for Best Actress between Barbara Streisand for *Funny Girl* and Katharine Hepburn for *The Lion in Winter*, the only exact tie in a major acting category in Academy history.

“We counted the ballots several times to make certain it was a tie,” Miller recalls. “I was concerned that if I just wrote the names on the card,

*Left:* Bill Miller is all smiles on Oscar® night.

*Middle:* Robert Ford, a PwC ballot leader for seven years during the 1970's.

*Right:* Dan Lyle and Frank Johnson show off those ubiquitous briefcases.

I found it to be the easiest secret in the world to keep. There's a mystique around it that people want to maintain.

— Lisa Pierozzi

the presenter would read the first name and the other name would be forgotten.”

So, Miller wrote “It’s a tie” in bold letters at the top of the card, which came as a shock to presenter Ingrid Bergman. “After the presentation, she said, ‘I saw that and almost had a heart attack!’”

Occasionally, PwC partners find themselves at the center of the action during the live broadcast. At the 1996 awards show, Sharon Stone and Quincy Jones were presenting back-to-back awards, and Stone accidentally handed both envelopes to the first winner. She and Jones went on to read the nominees for Best Original Dramatic Score, only to discover they had no envelope revealing the winner. While Stone stalled, Jones stepped offstage for some assistance from Johnson, who had, of course, memorized all the winners.

“Sharon said, ‘Let me have a psychic moment,’ while I told Quincy it was the score for *Il Postino*,” Johnson says.

### **The show goes on**

One year, after the last envelope was opened, Jane Fonda put her arm around Lyle and said, “That wasn’t so bad!” At that moment, after all the awards have been announced, PwC balloting leaders get a chance to exhale.

Riding a wave of relief, they head to the legendary Oscar after-party, the Governors Ball, where the celebrity encounters keep coming. Johnson shook

John Wayne’s hand at the ball, and Frank Sinatra once greeted Miller with a “Hi Bill!”

“That struck me that he called me by name,” Miller says. “He only knew me from the rehearsal.”

Balloting leaders describe the party as the best part of the evening, when they don’t have to keep any secrets, don’t have to maintain a poker face, and can toast the evening’s winners and nominees along with everyone else.

“The event is fantastic,” Oltmanns says. “You see celebrities walking around and hanging out with their friends. It’s fun to see people who have just been recognized in this way.”

Pierozzi says a few years ago, surviving balloting leaders gathered for a photo, and afterward, they had lunch together and told stories from their years of working with the Academy. “We’re very proud of the work we’ve done, and we’ve all got interesting experiences to share,” she says.

And, because of the secrecy surrounding PwC’s work, many of those experiences can only be shared with this select group of people who have tallied the winners, carried the all-important briefcases and successfully protected the best-kept secrets in Hollywood.

“There are a lot of stories you just can’t tell anyone else,” Pierozzi says. “There’s a reason the firm is still doing this after 75 years.”



Warde Ogden, one of PwC's earliest ballot leaders, on stage and at the ready.

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## PwC ballot leaders at the Academy Awards

Harold Brewster

1935–1941

Best Picture his first year: *It Happened One Night*

Ivan Betts

1941–1943

Best Picture his first year: *Rebecca*

Warde Ogden

1943–1948

Best Picture his first year: *Mrs. Miniver*

Francis Holford

1948–1953

Best Picture his first year: *Gentleman's Agreement*

Bill Miller

1954–1969

Best Picture his first year: *From Here to Eternity*

Robert Ford

1970–1976

Best Picture his first year: *Midnight Cowboy*

Frank Johnson

1977–1997

Best Picture his first year: *Rocky*

Dan Lyle

1986–1996

Best Picture his first year: *Out of Africa*

Greg Garrison

1996–2005

Best Picture his first year: *Braveheart*

Lisa Pierozzi

1998–2001

Best Picture her first year: *Titanic*

Rick Rosas

2002–present

Best Picture his first year: *A Beautiful Mind*

Brad Oltmanns

2004–present

Best Picture his first year: *Million Dollar Baby*



Keyword

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## Winter 2009\_Vol. 02

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