

What We Do Matters

**An Interview with Stephen R. Howe, Jr.,
Americas Area Managing Partner, Ernst & Young LLP**

EDITORS' NOTE Before assuming his current post, Steve Howe was the leader of Ernst & Young's Financial Services office. He has a long background in working with leading global financial services companies, serving as audit partner or senior advisory partner on many of EY's largest clients. Howe is also Executive Sponsor of the Americas Area Inclusiveness efforts and represents Ernst & Young in the Americas in maintaining regulatory relationships. He is a member of the Board of Trustees of Carnegie Hall and of Colgate University, where he received a B.A. degree in Mathematical Economics. He also holds an M.B.A. in Accounting and Finance from the Stern School at New York University.



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COMPANY BRIEF Ernst & Young (www.ey.com) is a global leader in assurance, tax, transaction, and advisory services. Its 144,000 people in more than 140 countries provide a range of sophisticated services to clients in a variety of industries, including banking and capital markets, biotechnology and pharmaceuticals, consumer products, power and utilities, media and entertainment, technology, and telecommunications. The Americas Area, with 13 business units, encompasses the U.S., Canada, Latin America, and Israel.

Were you surprised at the speed and severity of the global economic crisis, and where are we today in terms of recovery?

The severity of the crisis surprised even many of the experts, but the worst of it appears to be behind us. However, we also know from talking to our clients in the U.S. that many have become quite conservative in their approach because of the recession and are reluctant to invest. This will take some time to work out, so we expect the economy to be sluggish for some time. Globally, however, we expect the emerging economies to have robust growth this year and into the future – and we are seeing that growth in our own businesses in these countries.

During these challenging times, how critical has it been to communicate regularly with your employees on the strength of Ernst & Young and the long-term focus for the firm?

Communications are always critical to success – in good times and bad. You must establish

the lines of communication when things are going well so that people will be attuned to listening when there are challenges. We have many ongoing channels of communication that we use, and we ramped up the central communications during the economic crisis, holding webcasts for all our people about the causes of the crisis, what it meant for us, and what we wanted them to do.

Communication is one of the reasons we have a reputation for being a great place to work, and we believe this reputation is a competitive advantage. Earlier this spring, our Americas Vice Chair of People, Nancy Altobello, went on a Listening Tour, holding meetings around the Americas so our people could talk about their ideas to make this an even better place to work. I joined Nancy at a session in Los Angeles, where we brainstormed ways to make people feel more connected to their teams, their leaders, the firm, and its strategy. We believe that communication like this is essential to success.

There is much debate about the United States losing its leadership position to the BRIC countries and other emerging markets in regard to innovation and entrepreneurship. Does this concern you, and what needs to be done for the U.S. to remain the global leader?

The U.S. has long been the world leader in entrepreneurship, and we are proud that our firm is closely identified with that movement through our Entrepreneur Of The Year™ (EOY) awards program, which began in this country more than 20 years ago. There is no question that entrepreneurship is growing in the developing countries. This does not mean that the U.S. is any less committed to the entrepreneurial spirit; it just means that the other countries see the value in it and are racing to catch up. The interest in EOY around the world has grown so much that our program is now held in 50 different countries.

The key to success with developing economies is to embrace globalization, as we have as an organization. We see the BRICs and other emerging markets as places of great opportunity – in fact, we are the number one or number two firm in all of those countries. We are investing in the world's fastest-growing markets, such as China and Brazil. To preserve our own leadership position in innovation and entrepreneurship, we have embraced diversity, and are

drawing strength from diverse people, viewpoints, and markets, including the BRICs.

Many leading companies today place a major emphasis on social responsibility and corporate citizenship. How important is corporate responsibility to the culture of Ernst & Young and how do you engage your employees in this process?

A commitment to the public good is part of Ernst & Young's mission. We know that what we do ourselves matters every day – to our clients, to capital markets, and to our communities, so we endeavor to fulfill our responsibilities to the best of our ability. We also fulfill our corporate responsibilities by investing in social programs and encouraging community engagement. We focus on education, entrepreneurship, and environmental sustainability – areas that align with our business strategy.

We focus energy into our communities through efforts like the Corporate Responsibility Fellows Program, where our high performers contribute their time to entrepreneurial businesses in emerging markets. And we are creating opportunities for the next generation of business leaders through our Entrepreneurial Winning Women program and the presentation of Youth Entrepreneur of the Year awards in New York City and 25 other cities.

We have a decade long relationship with Adlai Stevenson High School in the Bronx, New York. Adlai Stevenson is also a pilot site for College MAP, an innovative program we launched in nine U.S. cities last year that has a laser focus on helping low-income students apply to and succeed in college.

Finally, as an organization that provides Climate Change and Sustainability Services, we believe it is important to focus on reducing our environmental footprint – and have already reduced our carbon emissions by 15 percent across the Americas.

How valuable has it been for New York City to have a mayor who comes from the private sector and who understands the business community?

True leaders come from many walks of life, but there is value in having a businessperson as the mayor in the world's financial capital. We are pleased that our firm has an excellent relationship with Mayor Bloomberg and his administration. Ernst & Young is an organization with a major presence in all the world's great cities, but nowhere are our people more proud to be part of their city than in New York. ●