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Hard times are good for accountants

BY SUSAN TOMPOR • FREE PRESS COLUMNIST

Jeff Bergeron, managing partner for Ernst & Young LLP's Detroit office, said metro Detroit is at a crossroads like it's never seen.

His office is involved with the rescue activities throughout the auto industry, as auto suppliers and automakers seek outside help working through the numbers and engineering game plans.

"One of the challenges these companies face is they really cut back over the years," Bergeron said.

He notes that companies were under so much pressure to cut costs in past years that they did not invest in technology or the necessary infrastructure to track the business. So outsiders, like Ernst & Young, can help companies become more efficient.

"As our clients go through change, it usually creates opportunities for us."

Change is the only game in Michigan. Even though the state must work through a deep recession, there are pockets that aren't doing all that bad.

Many firms that are doing OK are outside consultants and accountants that help others revamp to deal with the new realities.

Timely tax advice

James Jenkins, a Southfield accountant who specializes in taxes, said he's busy now because he's in the "recession-management business."

Jenkins noted that more companies want advice on how to keep a lid on tax bills.

"When things go badly, there's even more pressure not to pay taxes," Jenkins said.

Bergeron said manufacturing companies and others recognize that they need help improving their information systems.

"We help management but we never replace management," Bergeron said.

Bergeron became managing partner of the Detroit practice in 2002 when Ernst & Young absorbed Arthur Andersen's Detroit practice.

Ernst & Young's Detroit office had 531 employees as of January, up from 515 the previous year. In January 2003, the firm had 332 employees in Detroit.

Ernst & Young is doing some hiring this year. Some of the jobs have been for experienced managers, but others have involved new college graduates.

So far, hiring has been slower than last year because of the economy. Still, the firm expects to add employees in the coming year. Openings are listed at www.ey.com.
Economic Woodstock

Bergeron said most people, including him, never would have anticipated the magnitude of what has happened during this recession.

"Obviously, the situation is precarious," he said of the auto industry and Michigan's troubles.

Ernst & Young -- and professional-services firms Deloitte, PricewaterhouseCoopers and McKinsey & Co. -- are working as part of the team involved with what's now being called "The Economic Woodstock."

The Detroit Economic Club is convening the National Summit on June 15-17 at Ford Field.

Bergeron said he remains optimistic that the U.S. economy could work its way to a turning point this summer, especially if Wall Street continues to stabilize.

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