

An Interview with
Nancy Pechloff

at the Historical Society of Missouri St. Louis
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Interviewed by Dr. Blanche M. Touhill

Transcribed by Valerie Leri and edited by
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Oral History Program

The State Historical Society of Missouri

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PREFACE

The interview was taped on a placed on a tripod. There are periodic background sounds but the recording is of generally high quality.

The following transcript represents a rendering of the oral history interview. Stylistic alterations have been made as part of a general transcription policy. The interviewee offered clarifications and suggestions, which the following transcript reflects. Any use of brackets [] indicates editorial insertions not found on the original audio recordings. Physical gestures, certain vocal inflections such as imitation, and/or pauses are designated by a combination of italics and brackets []. Any use of parentheses () indicates a spoken aside evident from the speaker's intonation, or laughter. Quotation marks [""] identify speech depicting dialogue, speech patterns, or the initial use of nicknames. Em dashes [—] are used as a stylistic method to show a meaningful pause or an attempt to capture nuances of dialogue or speech patterns. Words are *italicized* when emphasized in speech or when indicating a court case title. Particularly animated speech is identified with **bold** lettering. Underlining [] indicates a proper title of a publication. The use of underlining and double question marks in parentheses [(??)] denotes unintelligible phrases. Although substantial care has been taken to render this transcript as accurately as possible, any remaining errors are the responsibility of the editor, Josephine Sporleder.

STATE HISTORICAL SOCIETY OF MISSOURI-ST. LOUIS
INTERNATIONAL WOMEN'S FORUM ORAL HISTORY PROJECT
AUGUST 14, 2014
NANCY PECHLOFF INTERVIEWED BY DR. BLANCHE TOUHILL

Blanche Touhill: Would you introduce yourself?

Nancy Pechloff: Yes, Blanche, I'm Nancy Pechloff, I'm managing director at Protiviti and a business leader.

Blanche Touhill: Would you talk about your childhood: where you grew up, your parents, your grandparents, your siblings, the kids you played with, your elementary and secondary school. Was there a teacher or a group of teachers that encouraged you to be what you wanted to be when you grew up? Was it your family? Was it both? Just talk in general about your childhood and how did it help to make you what you are today?

Nancy Pechloff: Sure. I grew up in Chicago, a suburb of Chicago, family of five. I was the second oldest. My parents were incredible parents who were very much in love with each other and very much in love with their children and I think it's like a building with a good foundation, that just was so blessed to have both my mom and dad as role models and as people that supported me and all their kids in terms of whatever we wanted to do. My dad made \$15,000 a year, worked very hard, got up early in the morning, got home late, was in business. My mom stayed home to raise the five kids and then later went back to be a teacher after the first part of the family was grown and gone.

Blanche Touhill: Did she go to school or she had her education and then was able to go teach right away?

Nancy Pechloff: She didn't have her four-year degree but she was able to start her teaching early in her career because you didn't need a four-year degree, so she raised the three girls and when the boys got into grammar school, she went back to St. Xavier's College and, when I was finishing up college,

she was going to college and so she kind of had a, "Part Two" to her career and worked even into my dad's retirement.

Blanche Touhill: Now, you say your father made \$15,000. Was that a lot of money in those days?

Nancy Pechloff: It was enough to buy a house and we had everything we needed. We made our clothes; the dress for the prom or the dance was fun. Mom and I would go to the material store and pick out what...I could pick whatever fabric I wanted and have a custom-designer dress and I would help her cut it out and she would make it for me. When I see the photos of some of the clothes we wore, you know, I don't...but at the time, we always felt like we looked great. We went on vacations that were, pile everybody in the station wagon and drive places, went out to the West Coast. My parents later tell us stories about being at restaurants and when the bill would come and what the kids ordered, they thought they were going to run out of money, but we never felt poor. We never felt poor. We got jobs. I got my first job when I was barely 16 working at the grocery store as a cashier and then in the service counter, kind of doing bookkeeping. My mother used her relationships with the manager of the grocery store to get her daughters...so, like, help getting us to the right places, both to make money, but to get the right experiences and I think that was wonderful, learning at an early age how to be a good employee, how to learn things. But it was fun. Lots of young people working at the grocery store, you met new friends and very positive experience. Only at \$15,000, my parents were also able to pay for Catholic school education for all five of these children, which was significant and my mom fought to get the public school bus service to be willing to pick up the Catholic school kids and drive us.

Blanche Touhill: You know, you could do that in Illinois but you couldn't do it in Missouri. The State of Missouri, or the local district, I'm not sure which, would not pick up, other than children for the public schools. That was always a big bone of contention.

Nancy Pechloff: And that was the rule. My mom had to fight for it.

Blanche Touhill: Well, she was able to?

Nancy Pechloff: Yes, and got us on the bus. It was only probably a mile to school and sometimes we'd walk but this way, in the cold weather, we could ride the

bus. So this school that they were paying their scarce amount of resources for us to attend, my first grade class had 60 students in the class with the nun in the habit and two children at a desk. Now, the desks were big and everyone was in alphabetical order. You were really pretty anonymous and did not get a lot of attention and it was law and order and very, very strict discipline. We were afraid of the nuns, frankly, but I think we got a good education and I can remember, the schools became somewhat over crowded in third and fourth grade and we had to be out in temporary classroom facilities and sometimes they smashed the third and fourth graders together. So one year my older sister and I were actually in the same class together. So, looking back at some of the dimensions of it, you're like, and this was an education you would pay for? But I know my parents thought we were getting our religious education and this was the best and the kids were going to have the best. Education was a priority and it's something that was a value that I have. I work hard, I've been successful in terms of financially but really, the purpose of that money, the value to me was I could provide my daughters with the best education that they wanted and other opportunities, whether it be travel or other experiences.

Blanche Touhill: Was there a teacher in elementary or secondary school that said you have ability and you should think about what you want to do?

Nancy Pechloff: There isn't particularly someone that comes to mind. I can picture this red-haired nun and I can't even think of her name, so she mustn't have been that significant to me, but she got me into some special leadership programs, YCS, that I think were extremely valuable in terms of developing my leadership skills and just my interest in being a leader and what are the important elements in being a good person as a leader.

Blanche Touhill: She saw something in you?

Nancy Pechloff: Yes.

Blanche Touhill: And are you friendly with any of the individuals you went to grade school or high school with? You moved out of town?

Nancy Pechloff: We moved out of town but I do keep in touch with two of the girls that I went to high school with. I went to an all-girls Catholic high school and my husband that I'm sure we'll talk about later, Bob went to the all-boys

Catholic school right next to...so I went to Queen of Peace and he went to St. Lawrence and two of my friends I do keep in touch with.

Blanche Touhill: Did they have dances together and things like that?

Nancy Pechloff: Yes, and I was a cheerleader and Bob was a basketball player, yes.

Blanche Touhill: You were cheerleading for his team?

Nancy Pechloff: I did, I did, yes.

Blanche Touhill: So it was a very close connection between the schools?

Nancy Pechloff: Close connection between the schools and really, very early on in my life, I met my husband so I was 15 and Bob was 17 and so he's been a part of my life for a long time and very close to my family, saw my brothers grow up and actually was there. Bob taught both of my brothers in high school.

Blanche Touhill: Does that mean he taught at the Catholic high school?

Nancy Pechloff: He didn't teach at that school. He taught at a school, Quigley Seminary South which was a...

Blanche Touhill: But it was a Catholic school?

Nancy Pechloff: A Catholic seminary preparatory school in Chicago.

Blanche Touhill: Did your parents encourage you to go to college?

Nancy Pechloff: Yes, going to college was never a question. My dad did not get his degree. He had, like, two years of junior college but was still able to be in a supervisory role at American Can Company, worked his whole career, from age 18 until he retired from American Can Company, loyal employee. I think I took that trait and value from him.

Blanche Touhill: Did your brothers and sisters go to college?

Nancy Pechloff: Yes, all five and both my sisters and one of my brothers have Master's Degrees but the two that went into business, my brother, John, who owns his own business and I have Bachelor's Degrees.

Blanche Touhill: So where did you go to college?

- Nancy Pechloff: I went to Western Illinois University and, how did I pick Western Illinois University? Bob, who I was serious with, got a baseball scholarship to Quincy.
- Blanche Touhill: Not basketball?
- Nancy Pechloff: No, he played many sports but it was baseball that he got a scholarship.
- Blanche Touhill: At Quincy?
- Nancy Pechloff: At Quincy College at the time.
- Blanche Touhill: And where is Western?
- Nancy Pechloff: Western is 45 minutes from Quincy.
- Blanche Touhill: What's the name of the town?
- Nancy Pechloff: Macomb, Illinois is where Western is and Quincy, and so I kind of...not the most astute way to choose a college or university but it turned out to be a good place for me and, again, somewhat related to that relationship with Bob and we were meant for each other and getting married. I went through college in less than three years. They were on the quarter system so I took classes in the summer at University of Illinois at Chicago and at Marin Valley and took 20 hours a quarter. Really, one of the silliest things I can imagine, why do you want to take your four years of college and do it in less than three years? But it made sense at the time and, again, the economic efficiency of that, I got out of school, I think I had \$400 in college loans and I was a resident assistant so that paid, after my first year, my room and board and got some scholarship money and my dad helped fill out all the forms. And so I was able to graduate with virtually no college debt.
- Blanche Touhill: And what was your major?
- Nancy Pechloff: Accounting.
- Blanche Touhill: Now, how did you happen to choose accounting?
- Nancy Pechloff: So, I was very good in math in high school and, going back to that first job, cashier, worked in the office, kept the books, balanced things, math, accounting. I really had no idea what accounting was, I really had no idea what are the jobs in accounting but just made that connection and right

when I started, I chose my major and, again, was very efficient, didn't bounce around. So I took the right courses in the right order and was able...

Blanche Touhill: Did you work part-time while you were going to school?

Nancy Pechloff: Yes, I always worked. When I would come home at Christmas, did some bookkeeping jobs, worked at J.C. Penney's one time. I had internships in a public accounting firm that a college professor helped connect me with, but even while I was doing the internship, I was taking classes at night and so I had a very full schedule of things that I was doing, but still had fun, still managed.

Blanche Touhill: But when you got into accounting, did you like it?

Nancy Pechloff: I loved it. It was easy. The great thing about an accounting class in college is you know when you're done studying. You had an assignment, everything balances. It's easy.

Blanche Touhill: You get a sense of accomplishment?

Nancy Pechloff: Sense of accomplishment, yes.

Blanche Touhill: Why did the instructor recommend you for the internship? Did he ever say he thought you were bright?

Nancy Pechloff: Interestingly...you asked me about my grammar school and high school teachers and they didn't come to mind but my college professors, okay, Dr. Ross helped me get that scholarship; Kenny Lindquist, Bob Crowley, these professors saw me and said, "She's smart, she's motivated, she's going to do well," and they inspired me in those classes. A number of the classes I took, I had them multiple times so it wasn't just one class. So I was very inspired and motivated by my college professors. And so, perhaps being in a small...even though it was public state school, it wasn't on the scale...you were known.

Blanche Touhill: Yes. Were there many women in accounting in those days, in the courses?

Nancy Pechloff: I would say there were 15% of the class was women, so definitely a minority but it wasn't just one in a million.

Blanche Touhill: Were you a leader at all in high school and college? You said you were a cheerleader in high school.

Nancy Pechloff: I wasn't the president of student council and in high school, I wasn't an A student and I didn't have exceptional test scores on my standardized tests. In college, straight A's. I think I may have gotten a C in a physical education course which my husband, who was a PE major points out. After that, I was smart enough to know to take those classes Pass/Fail so they wouldn't impact my grade point.

Blanche Touhill: Were you an athlete at all?

Nancy Pechloff: Not really, no.

Blanche Touhill: I heard that when your husband coaches, you help him?

Nancy Pechloff: Oh, my goodness.

Blanche Touhill: Is that true?

Nancy Pechloff: Yes, I coach the coach and try to add a little bit of emotional intelligence but so much of my life has been spent watching Bob either play sports or coach. We love to tell the story, back to when Bob was an athlete and played baseball at Quincy and they came to Western and played at Western and I was there and he hit a home run off Rick Rushell who made it into the big league. So he coached in Chicago and St. Louis, soccer and basketball, was a head coach in both, had very winning records and it was such a good escape for me, from work, you know, tonight Bob's got a game, throw the kids in the car and just following his seasons, the good, the bad, the ugly, whatever was going on, usually there was drama and he's a wonderful, wonderful coach and has had wonderful teams and the athletes that he coached have stayed connected to him through the years, send him e-mails, are now connected with him on Facebook, even ones that he battled. You know, later in life, "Coach, you were right and you really shaped my life." And so, yeah, watching and supporting Bob's teams has been a big part for me.

Blanche Touhill: Are your children athletes?

Nancy Pechloff: My oldest two daughters, one, 38 and one, 32, the oldest was not. She went to an all-girls Catholic school and was a cheerleader and swam. We

didn't really encourage her that much in sports or probably didn't really support her that much. She will tell you that neither Bob nor I came to any of her swim meets and I really am embarrassed and feel terrible about that. The other daughter was our son so from the time she was a toddler she was dribbling a basketball. She played a number of sports. She played field hockey and lacrosse and basketball but basketball was her sport and she was starting point guard as a freshman and went to a small private school but did fabulous and so Bob actually stopped coaching for those four years so he wouldn't miss any of Carrie's games. So he coached her in grammar school, in AAU and the crazy...we were two of the crazy parents with the athlete that we took it more seriously than it really was, given that she was 5'2" and probably, this is probably not going to be her life, but it was an important part of Carrie's life and our life for that period of time.

Blanche Touhill: Did any of their children become athletes?

Nancy Pechloff: They're still young. Carrie's daughter is just two-and-a-half right now and the older one has three children and two of the three are very interested in sports.

Blanche Touhill: So go back to the math. So you realized that accounting was your thing. So you graduate from college and what happens?

Nancy Pechloff: Well, at the time, the Big Four accounting firms which were then Big Eight accounting firms recruited at Western Illinois University. I don't think they do right now but they did come to campus and, through the college placement office, I signed up for an interview and I think they were impressed with my academic record. I had a relevant internship, albeit with a local accounting firm. The interview on campus went well and got invited to various office interviews. At the time, Arthur Andersen was definitely on top in terms of the Big Eight and Arthur Anderson's world headquarters was in Chicago. Any client you would want to work on, they had that type of client; went downtown to their offices, to the ivory towers. I'm not even 21 years old, maybe easily impressed but you're downtown Chicago, 69 West Washington Street, right across from the Picasso. The people were very nice to me. I wasn't sure if I was interested in audit or tax and I mentioned that. They directed me into what was then called the Small Business Group and they said, "In this group, you work on the smaller entrepreneurial companies, companies that may be

going public, and the same team performs the audit work and the tax work so you could do both.” That met with my interests. I don’t know that I really knew what I was talking about but it just fit. I got a great offer. I accepted it and stayed there until Arthur Andersen closed down.

Blanche Touhill: And how many years was that?

Nancy Pechloff: Almost 30 years, in two cities in Chicago.

Blanche Touhill: And you became a partner?

Nancy Pechloff: I became a partner, yes. I joined in ’73 and I became a partner in ’84.

Blanche Touhill: Were you one of the first women in Arthur Andersen to get partnership?

Nancy Pechloff: I wasn’t the first but there were very, very few partners, like, a handful.

Blanche Touhill: How do you get partnership? Do you have to bring in business or do you maintain the business?

Nancy Pechloff: You must have a record of doing good work and having good technical skills in terms of being able to do work. I was in External Audit where we would certify two financial statements, so your technical competence has to be there at a certain level. Clients have to respect you, like you, want to work with you. You have to prove that you’re successful in terms of leading a team; people who work under you feel or are saying the right things about you. I would say you definitely need to have demonstrated that you would be good at selling work, so they can see that in you, and I was very fortunate, when I was a manager, so after just five years with Arthur Andersen, the Chicago office decided to open a network of suburban offices and I was assigned to an office in Olympia Fields. There was one partner and I’m this new manager. I think he really felt like “I get stuck with her.” He didn’t really know me that well but it was kind of based on geography, from where people lived and it was a wonderful opportunity to work very closely with senior partner and to have a very specific market, geography that we were focused on trying to develop business, meet with the lawyers in the community. And so, somewhat by luck, I got thrown into thinking about how does one build relationships with intermediaries, sell work, make proposals. And so I got involved early on. Again, some things just get lucky and the group I was in, one of the partners got transferred to Phoenix in the year I was up for partner.

Blanche Touhill: So there was a spot?

Nancy Pechloff: There was a spot and my boss in that office got sent downtown to lead the division and now he had more power.

Blanche Touhill: And you got along with him?

Nancy Pechloff: Great, absolutely great, yes.

Blanche Touhill: Did you bring in business?

Nancy Pechloff: Yes.

Blanche Touhill: Did you bring in a lot of business?

Nancy Pechloff: Oh, you know, I think a lot for the level that I was at. Again, it's more like people can kind of see you being successful and see you having an interest versus...you know, the role of an External Audit partner is more doing and keeping your book of business than being a salesperson, okay. The thing that you sell, then you actually go and do. It's not like this is a sales force and these are the people that execute. So you are selling yourself and your competence and your judgment to the person that you're selling to.

Blanche Touhill: How does honesty come into the accounting market?

Nancy Pechloff: It's very fundamental. Trust, transparency, telling people what they need to know, telling people...not trying to mince words, saying what they need to hear, whether it's what they want to hear or not and so it's very fundamental and some of the words or a phrase that I use, "I want the unvarnished truth," that I tell my people; "Bad news had to travel twice as fast as good news," but just trust and honesty with clients, using your skills of persuasion to help clients do the right thing because sometimes they may be tempted in terms of what they want the numbers to be and just convincing them, "Don't go there." I don't know if that answers your question.

Blanche Touhill: Is that hard?

Nancy Pechloff: Sometimes, but I can't think of any time when I wasn't able...because you just stay at it and, I think, especially when people know, you really have their interests at heart, do the right thing; do the right thing.

Blanche Touhill: Did you take ethics in school? I say that because I noticed a lot of business schools now require that the students take an ethics course, not that an ethics course proves that you're an ethical person but it would be able to organize your thoughts, I would think.

Nancy Pechloff: I don't recall having a separate course in that. I recall it more being woven into...

Blanche Touhill: ...into the curriculum?

Nancy Pechloff: Yes.

Blanche Touhill: And so your faculty said, "Watch out."

Nancy Pechloff: Right, and what does it mean to be a professional and the profession.

Blanche Touhill: Have you ever had to get off of a job because you thought the people were going in a direction that you didn't want to go?

Nancy Pechloff: Yes. I can think of a situation in my current job where we competed for business to be outsourced internal audit for a company, so fully outsourced internal audit. Three companies proposed and we were awarded the work and we signed an agreement, like, on a Wednesday and some events happened in the next few days. There were people on the audit committee that I knew and trusted that then got kicked off and new people came in. There were some events that I had reason to be concerned about. I contacted the leadership of our company and our attorneys and said, "I think we should resign from this." We hadn't even started the work, said, "We should resign. Just use this clause. We can leave" and, of course, we debated that internally, "Does that really make sense, Nancy," and we resigned.

Blanche Touhill: So it might be a revenue loss but it was better to get out then rather than to find yourself realizing what you thought was true was true?

Nancy Pechloff: Exactly. You need to trust the people and when you see evidence in some of their actions that concerns you, sometimes it's better to just get off the ship rather than get sunk with the ship.

Blanche Touhill: The reason I ask that is I've known a lot of accounting individuals who were with the Big Eight or the Six or whatever it is...Four...is it Two now?

Nancy Pechloff: Four.

Blanche Touhill: Four...and they always talked about, that it was something within themselves that told them. Sometimes it wasn't just you looked at the figures but there was a sense that all wasn't going in the right direction.

Nancy Pechloff: Right.

Blanche Touhill: And I thought that was interesting. How do you develop that sense?

Nancy Pechloff: Experience, transparency or people, over time, get evidence that people didn't tell you everything, okay, that they're not sharing the full context.

Blanche Touhill: And you find that out?

Nancy Pechloff: Right, and once you see a pattern of that, as an audit partner, which I no longer...you want to share the information with others. You're in the middle of it, okay?

Blanche Touhill: Yes, you are in the middle, yes.

Nancy Pechloff: And so, what we're trained to do is, when in doubt, consult and collaborate with people that are not emotionally involved in this and can give you the right guidance and wisdom and how to play the cards.

Blanche Touhill: How did you adjust to St. Louis? Was that a hard move to make?

Nancy Pechloff: In some respects, yes.

Blanche Touhill: Because you were coming from a suburb of Chicago.

Nancy Pechloff: Coming from a suburb of Chicago. We had two children, 10 and 4. We had so much family support in Chicago. When my oldest daughter was born, my grandmother lived with us and was our nanny. We'd take her home on weekends so we had this Italian grandmother there who would make meals for us and after a few years, and Bob's sister watched Chrissie and he'd drop her off on the way to school and then Chrissie went to pre-school and my mom was teaching at the time and where my mom taught was close to Chrissie. She'd pick her up at 3:00 and bring her to Grandma's house. My mom lived a block from us. We got my parents to move closer to where we moved so my mom was, as the crow flies, one block from us. Bob's parents had moved out to the suburbs also. They were three miles from us. When Carrie, the youngest was born, we were faced with, "We've got to find a person we don't know to watch her" and just before I went back to work, my father-in-law lost his job.

We said, "Dad, come to work for us." He'd get there in the morning, I'd come down, a cup of coffee for me. He'd be there with Carrie. That little girl was his whole world. We'd get home when we'd get home. When my children were young, it was like there were three family members that the sun rose and set on that child and it was wonderful. So this was going to be our first time moving away from family.

Blanche Touhill: Without that support.

Nancy Pechloff: Without that support and it was kind of a long technical thing that I won't get into. I had an independence conflict in Chicago. My brother-in-law became the chief financial officer of an audit client so I couldn't stay with Arthur Andersen in Chicago and so I was faced with either giving up my career or transferring. Bob was at the same school for 14 years, was now the head basketball coach, the athletic director, at his dream job and so it wasn't a fun move, to come to St. Louis. It was kind of, we had to. It wasn't like, for me to get ahead or ambitious thing, but the school Bob taught at gave him a one-year leave of absence so he had kind of a return ticket if it didn't work out for us and we came here. So, just navigating, there was a little daycare center on the campus where Bob taught and so for the first year, Carrie tagged along with him so she was close.

Blanche Touhill: And you could go down and visit.

Nancy Pechloff: Exactly, and then we were fortunate enough to find a wonderful school, Andrews Academy, that really catered to families where there were two professionals. The children could get there, I think, at 6:00 in the morning. They fed hot breakfast to the kids. They had great activities before and after school. Kids could take music lessons, Girl Scouts, and the children really were almost like siblings with each other. It wasn't odd for your parents to be working, both of them, and so that school was really ahead of its time and very close to where we lived. So we had to navigate through some of those things. I was just transferring with Arthur Andersen from one office to another.

Blanche Touhill: So it was a lateral move?

Nancy Pechloff: It was a lateral move. St. Louis needed someone to lead their Small Business division that focused on entrepreneurial companies. So, on some level, I was leading a team, responsible for something. It was the head of the office...I won't say his name...but wonderful, wonderful

person who said, "This is terrific. We not only get somebody who knows small business and has worked on the that, her entire group, but it's a woman and we don't have a woman partner in the office"...

Blanche Touhill: So you were welcomed?

Nancy Pechloff: Welcomed, absolutely.

Blanche Touhill: Were there any salary discrepancies?

Nancy Pechloff: I don't know. You know, I think the structure within, I think it was pretty structured, particularly at that level, professional level, that you get a certain number of units and it is what it is and maybe a little more discretion...

Blanche Touhill: Now, did you find this job in St. Louis or did Arthur Andersen find this job?

Nancy Pechloff: Arthur Andersen did, found it.

Blanche Touhill: Because you couldn't stay in the job?

Nancy Pechloff: I couldn't stay there. The SEC and the regulators don't make you, like, do it on a dime. It took, like...

Blanche Touhill: You have to show progress towards the move?

Nancy Pechloff: Exactly and I think everybody kind of thought, well, St. Louis isn't too far from Chicago. It wouldn't be...and, plus, too, even getting back for family and all. But it was, I had done well in my career with my style and so I think as many people, you make assumptions, I'm just going to get in there and be the same. It was interesting because people would work with me and I think these were people who were, like, my friends who were trying to subtly whisper in my ear, would say, "Nancy, St. Louis is a very conservative place," and I kept hearing that and I'm like, "I don't really know what you're talking..."...you know, I'm like, respectful, okay, but I think what they were saying is, "Why don't you just, like, absorb the culture. Why don't you absorb the politics." See, we kind of don't like a lot of change and new ideas and all and I think my transfer from one office to another went well but if I transferred again, I could do it even better because I would just be a little more sensitive to some things.

Blanche Touhill: Chicago was probably a faster pace?

Nancy Pechloff: Fast pace, it's more of a northern city, just various things are different.

Blanche Touhill: What happened to Bob?

Nancy Pechloff: Bob took...through some relationships that I had, I belonged to the NAWBO, the National Association of Women Business Owners in Chicago that I had been involved in since I was a new manager and there's a chapter in St. Louis so word kind of got out, "Nancy is going to be moving to St. Louis most likely" and that organization spoke to that chapter and connected me with Judy Meader who was then the president and I said, "We do have this little complication, that Bob's not coming to St. Louis unless Bob gets a job and it has to be a head basketball coach job and teaches physical education." So actually through some of my friends, they found out about a job opportunity in North County. I think the first one wasn't McClure North; it was, like, a Hazelwood job or something and Bob made a call and they said, "Yes, we have an opening but the job's wired. We know who's going to get it but the head coach at McClure North is retiring. They're going to need a coach. You should check into that" and so I was on a visit in St. Louis for business and I went to McClure North and I just, without an appointment, waited to see the athletic director and told him our situation, "Bob's a great basketball coach from Chicago and I understand they're going to have an opening and I really think they should meet with him, interview him." Then they interviewed him and he was very, "I need to get credit for at least 10 years of service and also..."...

Blanche Touhill: Well, he probably did.

Nancy Pechloff: In his own mind, but anyway, he struck a really good deal and he taught and coached at McClure North until he retired.

Blanche Touhill: How many years was he there?

Nancy Pechloff: He was there from '86 until 2010. So quite a long time.

Blanche Touhill: So he knows the Ferguson Florissant School District?

Nancy Pechloff: Exactly and he coached boys' and girls' basketball.

Blanche Touhill: And how was his record? Did he win?

Nancy Pechloff: It was great. He had a number of wonderful seasons and affected a lot of young athletes' lives in a very positive way.

Blanche Touhill: So, go back to St. Louis. So you were in this company and, well, you stayed?

Nancy Pechloff: I stayed and I was tapped for exceptional experiences. After I was in St. Louis for a few years, I was asked to serve on what was then called the Chairman's Advisory Council where they had identified kind of young, up-and-coming partners from all over the world, across Solutions, not just Audit but Audit, Tax and Consulting partners and so there were, like, 24 partners you could...you had to have more than two years of experience and less than six but people that they believed would become the future leaders of the firm and you worked directly under the chairman of the firm, which was Dwayne Kullberg at the time, and studied the top issues that the firm was facing and provided advice. You didn't have any power but it was like an advisory council to the chairman.

Blanche Touhill: And you all got to know each other?

Nancy Pechloff: Got to know each other, and these meetings were held all over the world: Milan, London, Hong Kong, so getting exposure and relationships with other Andersen partners, very top, young partners but senior leaders across Solutions.

Blanche Touhill: And how many were women?

Nancy Pechloff: I'm sure I was the only woman, of 24.

Blanche Touhill: Yeah, I know but I'm just saying...

Nancy Pechloff: Which might have been how I got there. It might have been easier for me to be chosen...

Blanche Touhill: I'm sure there were a lot of women who would have...

Nancy Pechloff: There weren't that many women in the firm but it was a great opportunity and some of the issues that we were studying had to do with the whole consulting friction with the Audit practice that later led to it being a separate business unit of Arthur Andersen called Andersen Consulting. Who knows if we did all the right things but nonetheless, it was fascinating, interesting, important and very wonderful experience. I

was also asked or had the opportunity to become the global leader of what was then called the Enterprise Group which is this market segment that dealt with venture-backed companies, entrepreneurial companies, companies that we would take public. So I served in a global leadership position and, again, traveled all over the world, met people, helped develop our strategy, what services we would offer to the market and met wonderful people. One of the leaders of the St. Louis office, Paul Windseen, he led the Audit division and was very involved in the profession in the State of Missouri with the AICPA and he was asked to provide a recommendation, someone who could serve in the Missouri State Board of Accountancy, so he asked me if I was interested and so, also during my years as a partner, I was appointed to the Missouri State Board of Accountancy, served as a member of the board and then as president. So I got the opportunity to see the profession from the regulatory side where it oversees the CPA exam, any disciplinary actions against CPAs and so it wasn't like you stopped doing your job. This was something you would do periodically and go for a day or two in Jeff City, but wonderful opportunity, wonderful experience, great credential.

Blanche Touhill: Did you take credentials away from anybody?

Nancy Pechloff: Yes, of course.

Blanche Touhill: Was it often? No.

Nancy Pechloff: No, and people, of course, knew we would hire people to do an investigation, very significant because you're affecting people's lives. Sometimes the discipline might be they need to get additional education in terms of knowing how to audit not-for-profits so that they would have the proper wording in the reports; others where you might see ethical violations, would be more significant. They could have their credential suspended or revoked.

Blanche Touhill: Did anybody have their credential suspended?

Nancy Pechloff: Yes.

Blanche Touhill: I want to change the subject just momentarily. Would you like to comment about the IWF, what you get out of the organization?

Nancy Pechloff: Absolutely, I got a chance to get to know you and the opportunity to meet and build relationships and share ideas with top women in other professions. So in my normal course of business, I do interact with other women business leaders but not chancellor of a university, not a federal judge. So that has just been a wonderful opportunity, the relationships, the insights.

Blanche Touhill: If you had been born 50 years earlier, what would your life be like?

Nancy Pechloff: Well, it's hard to know.

Blanche Touhill: Take a guess.

Nancy Pechloff: It's a guess. I'm sure that if I had been born 50 years earlier, I would not...the doors that were open to me in business would not have been open, that there were more stereotypes and less of an open mind. I think I've faced some of that, of skepticism of, could a woman...but you've got a chance. So I think that would have been different, even it being accepted in society for me to have a career and raise a family and that things were going to turn out right and the role...Bob and I were partners. I didn't have this home cooked dinner every night. Sharing the roles of raising the children and family life...

Blanche Touhill: Did you agree on that before you got married?

Nancy Pechloff: No, we didn't. You know, Blanche, I think both Bob and I, really we're not planners; we're more living in the present and so I don't think either of us really knew what was ahead of us and it was just really at the time figuring it out and we have always loved each other, trusted each other, respected each other and just figured it out.

Blanche Touhill: And your two children are here, aren't they?

Nancy Pechloff: They are my two children and my four grandchildren and, very blessed.

Blanche Touhill: Have you gotten a special award that you treasure?

Nancy Pechloff: I can't say that there's an award that I treasure. I think so many of the awards, you get them in recognition of things that you've accomplished but all of those things were really a gift to me, those opportunities that I had and so, I'm just kind of modest about those things and can't say that one comes to mind.

Blanche Touhill: I'd like you to talk, if you wouldn't mind, about Arthur Andersen and its difficulties and, really, the end of the firm.

Nancy Pechloff: Well, it was a very devastating situation for everyone who worked at Arthur Andersen. That's the only job I had had since I got out of school, put so much into it and it was such an unthinkable thing that could happen. People got hurt by Enron, WorldCom, that shouldn't have happened, but really, it was the management of the company that had devised these schemes. I'm sure Arthur Andersen made mistakes, did we have senior enough people on these accounts. We feel it was very unfair, what happened. The Supreme Court ruled unanimously that the decisions that were made to indict Arthur Andersen were the wrong decisions but it was too late. So, like, the consequences, it very much feels like it was unfair, that while mistakes were made, money should have been paid, the consequences should have been people should have been held to account for actions and responsibility including incompetence in professional judgment but should it really mean the end of a firm? So it was a very, very challenging time for all but I decided not to go and interview with the Big Four at that time. It just, I had turned 50 that year. I wasn't about to go and interview with firms that I had competed with and so Washington University approached me and I ended up teaching at the university for two-and-a-half years and then after that...

Blanche Touhill: In the business school?

Nancy Pechloff: In the business school, I taught auditing and financial reporting and also served on a public company board, not a committee and then I joined Protiviti which is a spin-off of Arthur Andersen and so had a chance to kind of help build a company. So as has happened with almost every person that was affected by the demise of Arthur Andersen, these wonderful, talented, high integrity people have landed on their feet and have gone on to do great things in other organizations. So, just with having the perspective of this many years...sometimes when terrible things happen and the rug is pulled out from under you, sometimes you can go on and take a different direction and really, it can be a new career path for you.

Blanche Touhill: When you left teaching, what did you do?

Nancy Pechloff: So I was approached by Protiviti to lead the St. Louis office. Now, Protiviti was a spin-off, 700 people that had been at Andersen and specialized in internal audit and risk consulting formed Protiviti. We're a wholly owned subsidiary of Robert Half International. Robert Half had been an audit client of Arthur Andersen and the CFO of Robert Half who's still the CFO was an Andersen alum, so he saw this as an opportunity to get these 700 wonderful people, pay nothing for it other than you're going to have to pay the payroll for these people and they don't really have any clients and now they're going to have to get clients and build the business. And so he took risk, went to the board and said, "Let's take these people. Let's form Protiviti." So I wasn't a part of that branch of the tree. Day One I went and taught at Wash U but the St. Louis office really didn't grow at the same pace as the other offices so they knew they needed to bring in someone at the right level and so they approached me. So I was kind of like, "So you want Nancy Pechloff to be in charge of eight people?" and they said, "But Nancy, it isn't that easy to build a brand in a company, to really attract good people, to get good clients. If you do this and it's a piece of cake and you do well, we'll have plenty of other roles and responsibilities for you but why don't you focus on this," and they were absolutely right, it was very challenging. I went out and recruited a number of former Andersen people and others and it was like brick by brick, getting clients, getting people and building a culture of doing great work for clients, hiring really high quality people and we have, like, 54 people in St. Louis right now.

Blanche Touhill: How many were in it when you went with them?

Nancy Pechloff: Eight, and now I am in charge of the central region of Protiviti. I report to the CEO so it's roughly 700 people in the central region that report up through me with the largest operating unit.

Blanche Touhill: In...

Nancy Pechloff: In Protiviti, yes, so it's about maybe 35% of the revenue and a little more than that are the profits, so I've had a chance to build a business and it's been fabulous.

Blanche Touhill: How did you succeed?

Nancy Pechloff: Hire good people and create a culture with the right values and deliver value to clients, so just be determined and do all the right things to

attract clients but retain the clients you have because you're continuing to deliver value, track good people, retain the good people, have them be loyal to you. When you have good people, good clients, all good things happen and, again, a little bit of luck. What does Protiviti do? We are very involved in things that relate to controls, okay, and complying with regulations. So, during this period of time, the government has passed a lot of regulations that companies need to comply with, some in financial services [inaudible 56:54] anti-money laundering regulations, et cetera, [inaudible 57:03] controls over financial reporting, security, there's been cyber security threats. All companies are concerned about security threats so the services that Protiviti offers, we're definitely in the right place in terms of the regulatory environment and the need for our clients to comply, so the demand for our services. So we're a global company, we have over 3,000 people world-wide so we're able to serve global companies and we compete with the Big Four and with other firms but this is our core business and we're able to use that somewhat to our advantage and within the internal audit space, the Big Four recommend clients to us because we do great work and help the companies do better and better in terms of complying and proving their internal control structure.

Blanche Touhill: Well, I've enjoyed this conversation and is there anything you want to close with?

Nancy Pechloff: I'll just say I've been so blessed. I have great parents and great husband and daughters and I've really been able to lead a very full life. I love what I do and when you love what you do, it's like it's not work; it's a gift. So for that I'm very grateful.

Blanche Touhill: Well, thank you very much for the interview.

Nancy Pechloff: Thank you.