



THE COLLEGE AT 25: GLOBALIZATION AND THE GLOBAL ECONOMY

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Out of Iowa

Into the World

From a common classroom in 1979, a teacher and her student take their places on the international stage of business.

International business your calling?

Today, you can run your global operations stateside from your iPhone. For others, though, there's nothing quite like being "on the ground," especially if you're seeking a career with a large multinational concern.

Either way, today's students will necessarily be tomorrow's international businessmen and women. And in a global economy that is more interconnected by the day, the College of Business must give those students the tools they'll need to compete on a global stage.

EYES WIDE SHUT

That wasn't the case 25 years ago, when Jan Van Ekeren ('81 Industrial Administration) sat in the accounting classroom of Cyndie Jeffrey, a young teaching assistant in the industrial administration program.

Van Ekeren hadn't studied a foreign language at the New Monroe Community School nor at Iowa State, which dropped the language requirement before she matriculated. But that was OK—Van Ekeren didn't plan to leave Iowa. Landing a job in Des Moines after graduating, she was well on her way toward a modest career in a state known for its modesty.

Yet by 1983, Van Ekeren had been lured to Chicago by a corporate headhunter who convinced her that

the Chicago suburb of Rolling Meadows, home of manufacturer McGraw-Edison, was "Iowa-like" in its culture and pastoral setting. After all, company founder Max McGraw was himself a native Iowan—but that's where the similarity ended.

"It was a big leap for me," Van Ekeren recalls. "But I just closed my eyes and jumped—and ended up in Paris for six months. It was a whole other world, very different from Iowa."

Since making that leap, Van Ekeren has opened her eyes to the world. She's directed foreign operations for global banking concerns across Europe from her London-based headquarters. She's been posted to Singapore, Hong Kong, and now Bangkok, where she is CFO and executive director of the Bank of



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Ayudhya, managing \$22 billion in assets and driving growth across 582 branches of the GE Money joint venture.

A POLYGLOT BUSINESS EDUCATION

A generation later, the pace of economic globalization has only accelerated. Van Ekeren’s former accounting teacher, now an associate professor and the Bandle Faculty Fellow in Accounting, reflects in her Gerdin Business Building office on 25 years of dramatic change in international business—and foresees an even more dramatically different future.

“Accounting’s been around for over 500 years,” Cyndie Jeffrey observes, “and the business model has changed more in the last 30 years than in the prior 470. Because of technology, communications, and globalization, business has become much more complex very, very quickly.”

Jeffrey believes students should have a rigorous preparation to deal with this complexity, and that means things Van Ekeren scarcely imagined 30 years ago—travel abroad, overseas internships, the study of foreign languages and culture. Today, though, Jeffrey contemplates another form of linguistics: the looming “translation” from Generally Accepted Accounting Principles (GAAP) to

International Financial Reporting Standards (IFRS).

In a globalized economy, she says, the move is both necessary and inevitable. “A single language worldwide to talk about what businesses have done,” Jeffrey notes, “will facilitate the efficient allocation of capital and resources, because we would be talking a common language and, hopefully, have easier comparability.”



In order to succeed in the globalized economy, then, students must become not just bilingual or even trilingual, but *multilingual*—conversant not only in, say, English and Mandarin, but also in *both* GAAP and IFRS in order to help their companies “translate” to IFRS.

It’s an added educational burden, Jeffrey concedes, but one that is not without its rewards. “That opens up

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tremendous career opportunities, because all of a sudden you’re a global rather than just a local player. You’re an auditor; you can go anywhere.”

BORN TO GO GLOBAL

Virginia Roberson, a senior in accounting and international business and president of ISU’s International Business Club, experienced that mobility firsthand this summer when she served an internship with Landesbank Baden-Württemberg in Mannheim, Germany.

If anyone was born to be Jeffrey’s “global player,” Roberson’s that person, with advantages Van Ekeren never dreamed of in the ’60s and ’70s:

her mother is a native German and a professional accountant, and she enjoyed extended stays with her German relatives growing up. In fact, she lived in Germany six years, becoming fluent in the language—and disposed to learning others.

“I chose accounting in particular because it’s the language of business,” Roberson says. “That allows you to have some versatility.”

While language study and the new international standards will play critical roles in educating students in years to come, Roberson feels equally strongly about other “languages” in which Americans must become fluent in order to compete in global markets. These include a better understanding of geopolitics and international relations, as well as

the cultures of people who have not always seen eye-to-eye with the United States.

“At the bank in Germany where I did my internship,” Roberson says, “the U.S. relationship with certain countries in the Middle East had to be taken into consideration, and the business the bank did was limited as conflict between those countries and the United States escalated.

“Another challenge is cultural or legal differences,” she continues. “The differences in business practices and expectations play a huge role in the business relationship.”

BRIDGING THE CULTURAL GAP

Nowhere is sensitivity to cultural differences more critical than in the audit relationship—particularly, Van Ekeren notes, in traditional cultures where social and political hierarchies more rigidly define status than in the United States.

“Asian culture is very different: it starts with the family, and the young are not quick to challenge,” Van Ekeren observes. “So there’s a great deal of deference to senior leadership. But if you look at the typical audit relationship, you have young teams coming in to audit senior, much more experienced business teams, and it’s not in their nature to challenge and question.”

That’s a situation, Jeffrey notes, fraught with even more risk for young Americans sent overseas to audit foreign operations. “If I’m an auditor, and I come into an Asian company,” she asks, “do I feel comfortable challenging management as to whether they’re giving me the honest truth?”

“In the United States, that can be hard too,” she continues. “But we have

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a culture where that is acceptable—I can challenge the president of the United States, if I want to. But that is not necessarily acceptable in other cultures. So, does that affect the audit?”

That question informs Jeffrey’s scholarship, and she believes its importance will only grow in the future. Indeed, while she feels the college eventually may no longer teach “international accounting” due to the eventual convergence of GAAP and IFRS, the increasing

into the unknown, but instead a leg up through knowledge.

And those students will have international careers—even if they never leave Iowa.

“In 1994, when I started offering the international accounting course,” Jeffrey recalls, “I asked a partner at one of the major firms in Des Moines, ‘Which would you prefer, if we offered a master of tax here or tried to internationalize our program?’ He told me, ‘master of tax.’”

“About four years later,” Jeffrey continues, “he came to me and said, ‘Do you know anybody who speaks French?’ He had a client he couldn’t talk to—in Des Moines, Iowa. And he needed a translator who knew both business and French. If he couldn’t deal with the international subsidiaries of his clients, he was going to lose them.”

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presence of American accounting practices—not to mention American accounting practitioners—will require continuing attention in b-school curriculums in order to navigate potential cultural pitfalls.

PARLEZ-VOUS ‘BUSINESS’?

While these questions have some immediacy for a more cosmopolitan student, most entering the college in the next 25 years will likely still resemble Jan Van Ekeren in 1979 than Virginia Roberson 30 years later. However, unlike Van Ekeren, tomorrow’s students will begin their international careers not with a leap

For a former small-town girl from Iowa, though, the challenge transcends business itself to touch upon questions of core identity—and an individual’s relationship to a much larger world. The role of the college, she suggests, can be transformative.

“The challenge for Iowa State is to position people for this,” Van Ekeren says. “How do you open their minds, help them think of things in a new way?”

“It’s challenging,” she adds. “You’re dealing with many more dimensions than you would staying in a more homogeneous environment. But it’s very rewarding.” ■