

On Tax—Jim Piazza, formerly of Deloitte

Len Teti: Welcome to On Tax—A Cravath Podcast. I'm Len Teti, a partner in the Tax Department of Cravath, Swaine & Moore, a premier U.S. law firm based in New York City.

On each episode of On Tax, I talk to professionals in the Cravath network about their life and work in the world of tax. We focus on the human side of tax law, highlighting the people, connections and stories that make the space such a fascinating and dynamic area of practice. I hope you enjoy this episode.

Today, our guest is Jim Piazza. Jim retired in June of 2024 as a tax partner at Deloitte. Jim, welcome to the podcast. Thanks for being with us.

Jim Piazza: Thanks for having me, Len.

Len: It's great to have you here. So, Jim, where do we have to go in your life story to chart a path to tax? When did you start to think that you were going to be on that trajectory?

Jim: So, that's an interesting question. I started my career in 1983 as an auditor at Arthur Andersen. And I spent five years doing that, and I really didn't care for it.

In 1988, the managing partner of our office came to me and said, "Hey, listen. We need managers in tax, and we'd like to put you in as a manager in our tax practice right now. We'll train you. We'll do everything you need to get you up to speed. What do you think?"

And I thought about it, and I said sure, because I didn't like what I was doing at the time. And I joined our tax practice knowing nothing about tax and did a lot of training, and that set sail for a 40-year career.

Len: Well, that's interesting. Many of our guests have had exposure to tax either in undergrad, in some sort of accounting program, or in law school when they take tax classes. But your exposure to tax first came in your professional career after five years of doing something else.

So, what do you remember about learning about tax on the job in that way? Did you have particular ways of learning it or people who helped you learn it in an effective way? How did you dip your toe into that universe?

Jim: I was very fortunate in that, at Arthur Andersen, they had very robust training for various levels. So, what they did is they sent me away to training for most of the summer at the St. Charles facility that we had.

But they also threw me right on accounts—clients—and they said, "All right, you are the tax manager on this client now." And I worked closely with tax partners, but I also leaned on my tax manager colleagues very much because, obviously, I didn't have the technical background.

I got tremendous help and I committed myself to learning the technical aspects of things. The relationship stuff I was already good at. The business stuff I was already good at. And with the support that I got from the partners and my colleagues, it was very successful.

Len: Can you remember when you started to feel like it was going to be very successful? A particular project or moment where you said, "You know, I think I could do this for the rest of my career at a high partner level"? When did that happen?

Jim: So, I was probably three years into it as a manager. I was finally feeling like I was somewhat technically up to speed and astute. And I had a client doing a transaction, and I was very immersed in it. And the partner was a little less involved than I thought he should have been.

So, it was kind of on my shoulders. And we found a lot of great opportunities for the client to save tax dollars in the process, and the reviews that we got from the client for that transaction were just overwhelming. And that's when I said, "You know what, I think I got something here. This is a career for me."

Len: And what did you do with that feeling? Did you talk to your bosses and say, "I want to keep growing and I want to make partner or do what you're doing?" Or did you kind of keep it under the radar for a while? How did you focus on the next step to get where you wanted to?

Jim: Yeah. So, that's interesting, too, because I had been thinking, "All right, this tax thing, I don't know if it's good for me or not. I'm still learning," which I found is always the case. But after that situation, I just said, "You know what, I'm going to throw myself into this."

And I talked to some of my partners and said, "Look, I need to be involved in some bigger accounts." And at the time, I got very close with some of our senior audit partners and said, "I want to hit the marketplace with you, and I want to bring in new business with you."

And that really excited me. And that really lent to my success because, in that world, being able to network and bring in new business was critically important.

Len: I imagine that your partners were pretty receptive to that kind of outreach. There are associates who I think are shy about their ambition. They're shy about maybe admitting to themselves or to others—saying out loud what their goals are.

And I guess I sort of want to observe that you said it out loud, and I'm curious about what the reaction was from them.

Jim: So, they loved it because not everybody in my world, in public accounting—or I assume in your world, in the practice of law—are thinking, "Partner is the track I want to be on." But I just viewed it as an opportunity to be helpful to clients and make a difference, which I couldn't do in audit, really.

In audit, I was really looking over people's shoulders to make sure things were accurate. But in tax, it was different. And when I went to the partners and said, "This is for me. I want to do this," they were very receptive to it.

And I got put on better projects. I got more guidance. But I also got thrown into the pool more often to let me fend for myself. And I found it to be a fantastic experience.

Len: So, back then, of course, there was the Big Five, of which Arthur Andersen was one—and when Arthur Andersen disbanded, it became the Big Four. So, we don't have to go through the gory details about how you experienced the disbandment, but talk about how you made a plan for yourself after Arthur Andersen wasn't going to be there.

Jim: So, once I saw the writing on the wall and Arthur Andersen was likely not going to make it, I started taking the phone calls that I was getting from the other firms. And, pretty quickly, I had offers from two of the firms right away and some smaller firms as well.

And I think that was really attributed to the fact that, by that point, I had been a partner at Andersen and I had a great reputation in the marketplace for outstanding client service. And it came around where all the firms eventually came to me and said, "Hey, we want you to come on board."

And I joined Deloitte, obviously, which, for me, looking back, was the best move I could have made for my career.

Len: I want to talk in a second about how you transitioned to Deloitte and what your initial impressions were. But first, I think this might be a good time to ask a variant of a question I ask a lot of my guests: What do you think the best tax lawyers do well?

And I think I want to change that question a little bit for you because, as you noted, you come from the public accounting side of the tax world and not the law side. But the question's similar—you just mentioned that you had a good reputation, an excellent reputation for client service.

And I guess I would ask you: What do you think people with that reputation are doing that other people aren't? What makes a good client service partner?

Jim:

First, I think to be an outstanding tax professional, you need to communicate well. You need to be able to break down very complex technical matters into what I'll call layman's terms. Because oftentimes you're dealing with CFOs, controllers, and many times even VPs of tax that may not have the same technical background that you do. So, the communication is probably one of the most important things I could say.

Also, knowing to find the right resources within your organization—because not everyone knows everything, and to find the right people to back you up on your client matters is critically important. And then, in general, as I said, in my world, bringing in new business was very important.

So, the ability to network and develop relationships—I think I was able to differentiate myself in the marketplace because I was pretty good at that. And I think a lot of that training came from my audit background.

But I realized that it's no different in any aspect of business. If you can network and you can communicate and you know when to say, "I don't know all the answers, but I know who does,"—that's when you excel in your profession.

Len:

I think that's a really good mix in there of professional talents and characteristics like technical knowledge. You have to do good work for somebody to get rehired or to have them highly recommend you. That's part of client service.

But there's also, I think, the personal element of staying in touch with people, even when you're not working on transactions with them: ask them what they're working on; ask them how their families are; ask them what they've been up to; ask them to go to lunch with you.

There's all sorts of ways to stay in touch with people that don't necessarily require an analysis of some professional question. It's really just keeping relationships alive.

It's a good thing for all professionals, but especially—in our world—tax professionals to keep in mind because I think it's too narrow to think, "If I am merely excellent at the tax stuff, people will come find me and ask me hard tax questions."

I mean, people will, but I think it's maybe a broader way to think about professionalism, and—at least in my experience, and I'm sure yours—more fun to do tax in a way that is kind of mixing personal and professional skills.

Jim:

No question about it. People like working with people they like, right? And if people like you, they're going to want to work with you and they'll give you the benefit of the doubt if something isn't perfect.

So, all those things that you said—staying in contact, developing those relationships—critically important. Even if you're within a company and you're a VP of tax, if you don't develop good relationships with the businesspeople—with the treasurer, the controller, the CFO, the board—you're going to be leaving things on the table because you're not going to be looked at as part of the key management.

The best VPs of tax I ever worked with were, frankly, the ones that knew how to communicate with the board and the CFO and the controller and get to know the businesspeople.

Len: That's well said.

Are there particular experiences where working as a team, you feel like that was particularly gratifying for you when you think about client service—it's not just your own performance?

Jim: There's a bunch, Len. I think partnering with talented people in your organization is critically important.

As a perfect example, I had a client come to me several years ago and they said, "Hey, Jim. We have this significant capital loss carryover that we have to utilize"—it was close to a billion dollars—"and it's going to expire. Do you have any ideas on a way we can use it without really wasting other resources?"

And I partnered with a couple of other guys in our practice, and we came up with an idea to trigger essentially a billion-dollar gain that the company could then amortize in over a 15-year period. They got to utilize the capital loss, which for a public company is a big deal, and everybody was very happy with the result.

And it just was a great feeling knowing that you could do something like that. And essentially, you're putting \$350 million into the company's bank account by doing that.

Len: Yeah, and it's very rewarding when you do something like that where the team and the client notices. The client can say, "Jim, if you hadn't put me in touch with so-and-so, I don't know how we would've ever been able to get there—but, wow, the whole Deloitte team was fantastic."

I mean, that kind of feedback is very gratifying, and to be able to share it with the members of your team is huge.

Jim: Yeah, we were able to get a lot of people involved, and a lot of people learned from that. And frankly, Len, we were able to replicate it in a couple of other situations. Not at the same scale but it was great.

Len: That's great. So, I want to go back to this shift you made to work at Deloitte—I suppose that was in the early 2000s. You were already, for many years, a leader in your world. What did you feel when you were starting at Deloitte?

I mean, in many respects, maybe you had the same relationships and similar clients who were coming over with you, but you had a whole new organization that you had to navigate. What do you remember about that period?

Jim: Well, I remember I had confidence. But I also remember I had anxiety because it was a new environment. I remember I showed up with about 25 of my people, and it was as if they forgot that we were coming.

So, we didn't feel welcome at first, and I talked to the regional leader at the time about it. He assured me that we were wanted, and we were there for a reason. And it took a while for everybody to accept us as the newcomers.

But over time, I found most people saw that there was a difference that we were bringing. They saw our work ethic and we acclimated very well.

And as a result, I got to know our leadership very quickly, which again, for me, was very important but it wasn't without trials and tribulations. Whenever you move to a new organization, there's always a little bit of people sizing you up, I think.

Len: Did your day-to-day life start to transition into more management tasks—people management tasks—and at maybe some expense of your normal tax advisory practice? I mean, how did that transition happen?

Jim: So, when I was at Andersen, I had just taken over leadership of our tax practice. But when I came to Deloitte, I was a line partner.

I was responsible to go out and network and bring in new business. I wasn't in a leadership role, other than the fact that I brought 25 people with me. But I wasn't running anything at that point. It wasn't until several years later that I asked to take leadership roles in different areas.

Len: And tell me about some of those experiences. And in particular, I'm curious about what it was like when younger folks, like you had been, expressed their ambition to you like you had when you were younger. What kind of turnaround did that feel like and how did you deal with it?

Jim: Well, I think a successful partner in any firm is one that believes in stewardship and leaving the place better than you received it. So, for me, teaching the younger folks, helping them be successful, and then hearing that's what they wanted—it used to drive me crazy when I would hear people say, "I don't want to be a partner. I don't want to do what you do."

And it was saddening to me, but I get it. I get it's not for everybody. But the people that really wanted to do that, I was all behind them. I was 100% supportive and they were going to get the best clients that I could find for them and the best opportunities.

And frankly, I was going to throw them into the pool every once in a while—let them fend for themselves, just like people did to me.

Len: There's a little bit of a transition. I think I'm only now starting to enter this phase of my career where I've done a lot of high-profile deals; I have great relationships with clients; and I certainly want to continue to practice and I want to continue to deepen those relationships and form new ones.

But I also have younger tax partners now, which I didn't have when I was a young tax partner because I was the young tax partner. But now there are younger tax partners and associates and other senior members of our team who are coming up through the ranks.

And I think there is a usefulness and also a real joy to bringing those people along in the organization and giving them the opportunities that I had when I was coming up to work on big, significant transactions for our clients and to develop those relationships.

Now, it's tough because you and I didn't get to be partners in these kinds of professional service firms without touching everything and doing everything and making sure everything's perfect, and making sure clients know that you're responsible for that.

And so, it's tough in many ways to kind of change the mindset. But I do think for those who do change the mindset, it's really good for the firm over the long-term—from a stewardship perspective, like you mentioned—because you are leaving the firm in a better place than you found it.

You're putting it in a position where its young talent can grow into senior talent and thrive. It's an important thing for professionals to keep in mind.

Jim: Yeah, of course. We all want to see the fruits of our labor, and the stewardship aspect enables us to do that. And I just really believe helping people be successful—I mean, first of all, it's human nature. You feel good when you help somebody else out in any aspect of life.

But when you can help somebody in their career and you see them blossom and you see them blossom with their families and everything that comes with success, it's a rewarding feeling. And we have an opportunity to do that. Not everybody does, but we do.

Len: One of the things I was reading in the bio you sent me in advance of this was your participation in Deloitte's Catalyst program. I think maybe this is a good point in the conversation for you to tell the audience what that is and what your role was, and how it was a sort of capstone to your professional career.

Jim: Sure. So, after I rolled out of my leadership position for our New Jersey practice and part of our East Region leadership team, the firm came to me and a bunch of other senior tax partners and said, "Look, we want to start this Catalyst tax partner program. And basically, what we want you to do is a variety of things.

"It's to enhance relationships at our clients. It's to develop new business for the younger, less experienced partners. It's to help tax directors and VPs of tax that are in transition getting a new role and helping them be successful. It's taking tax planning ideas or opportunities, or changes in tax law and finding ways to bring that out to our clients to help them, and, obviously, enhance our business and enhance our revenue."

So, it was a whole host of things without any definitive definition, but it was: “Let’s make the firm better. Let’s make our people better. And let’s make our client relationships better.” And that’s what they asked us to do.

There were about 10 of us, and the program is now probably in its sixth or seventh year and it’s doing really well. And there’s new people that are looking forward to getting into that role.

Len: That sounds like an awesome program. And again, it’s entirely consistent with the idea that the firm is using its existing talent and partners to make sure that, over the long term, there is talent and partners who can continue the firm’s business. Because people retire, and if the business takes a hit, then it’s kind of a waste of an opportunity to transition that.

Well, that brings us to your retirement. How did you think about the right time to retire and maybe what you wanted to do in retirement? How’s it been so far?

Jim: You know, that’s an interesting question. In the Deloitte world and in the public accounting world, there is no choice.

Len: OK.

Jim: We have mandatory retirement, and at Deloitte, it’s 62. And I’ve hit that number. So, I knew it was coming.

The biggest thing I wanted to do is make sure that I transitioned my clients well because most of my clients were friends. They were longtime clients, many of them. And transitioning them was very important.

And I kind of kept an eye on the date of the retirement to figure out, “All right, when do I really need to cut the cord here?” So, for the past five or six months, I probably wasn’t very involved in many of the clients.

I thought about what I wanted to do post-retirement, and my initial reaction was: “You know what, I’m going to spend some time just chilling out—reflecting, go to the beach a little bit, play some golf.” So far so good. It’s really been fantastic, but I think that I may have to get back into the game a little bit.

I think I will do something; I just don’t know what yet.

Len: Jim, in the few minutes we have left, we like to talk to our guests about what they do in their spare time. Now, we just talked about the fact that you have more spare time now than maybe in the past, but what did you like to do when you weren’t doing tax? How would you blow off steam and how would you occupy your time for hobbies?

Jim: I’m an avid golfer. I do like to golf, and I’ve been doing more than my fair share of that over the past couple of months. I also like just spending time at the beach. I like investing a little bit here and there.

The other thing that I’ll do is I’ll spend time with younger people that are interested in the profession and I will work with them, talk to them, encourage them, try to help them figure out what they want to do.

And that’s something I may leverage into what I’m going to do post-retirement because I do like working with the younger, less-experienced people and helping them be successful. So, I think there’s a little bit of coach in me that I haven’t lost yet, and I do think I’ll tap into that a bit.

Another thing that has been occupying a lot of my time is my wife and I started a charitable foundation many years ago when our son passed away. It’s called The Timothy J. Piazza Memorial Foundation, and we help children who are in need of prosthetic devices because they have limb deficiencies.

Maybe they were born without a limb, or they had an accident, or cancer caused an amputation or something like that. We’ve been going strong. We have our eighth annual golf outing and dinner coming up on August 12 this year, and we’ve raised well over a million and a half dollars.

We’ve helped probably 200 children at this point. That is a big piece of what I do outside of some of the other activities I mentioned—but, incredibly rewarding and incredibly therapeutic for us as well.

Len:

It's an incredibly special organization—I'm glad you mentioned it. I've been to the golf outing now a couple of times. By the time this airs, the 2024 golf outing will have occurred. But I encourage anyone who's serious about golf in New Jersey to keep your eye out for the 2025 and future years' registration for it.

And I will say, my wife is an adaptive skiing instructor. In the wintertime, she teaches adults and children with all sorts of physical or mental or emotional limitations how to ski. And the first time I went to the foundation's golf outing and I saw you giving new prosthetic devices to these kids so that they could live their life the way they want to, I was just totally connected to it and so impressed by the work that you and your wife and everyone at the foundation does.

It's a huge undertaking and you do it with such grace and such success, such apparent success. So, congratulations for that and I hope you have a great outing in August and in future years.

Our guest today has been Jim Piazza. Jim just retired as a tax partner at Deloitte at the beginning of June of this year, 2024. Jim, it's been great to have you on the podcast. Thank you for stopping by and good luck to you in retirement.

Jim:

Thank you, Len. Appreciate it.

Len:

That's all for this episode of On Tax—A Cravath Podcast. You can find us online at cravath.com/podcast. And don't forget to subscribe on Apple Podcasts or Spotify.

If you enjoyed the show, please consider rating or reviewing us wherever you listen. We'd also love to hear from you directly. You can tell us what you'd like to hear on the show by emailing podcast@cravath.com. I'm your host, Len Teti. Thanks for listening.