Ray Petkovsek, CPA radiates a singular energy

BY ANN DEE ALLEN, DIRECTOR OF PUBLIC RELATIONS AND COMMUNICATION

Ray Petkovsek is a life coach. He is also a partner in the Madison accounting firm Petkovsek & Moran LLP. So how does he find time to guide people in making major decisions and own an accounting practice? Here’s the catch: Ray’s a CPA.

Think of any positive idiom with the word “ray” in it and you get a clear picture of Petkovsek’s nature—as a human being and as a CPA. “I’m a financial psychologist,” he said in a sunlit interview at summer’s end. “In my opinion, public accounting is half knowledge and technical skills and half people and communication skills. You can buy technical skills. But clients are people, they want to deal with people. Accounting is one of the few professions in which you can do that anymore.”

Petkovsek joked that he puts away his more direct Slovenian side in favor of patience and understanding when delving into a client’s needs. He brings out the Slovenian when he’s ready to lay the cards on the table.

“Many times a client comes in and I have a general idea of what he’s looking for in about a minute. But it’s really important to keep digging,” Petkovsek explained. “If the client wants to start a coffee shop and wants to know what kind of entity it should be and the tax implications, that’s easy. But I want to know, ‘Why do you want to start a coffee shop? What experience do you have? Why do you think you can be successful?’ I know all the other answers, but I don’t think that’s a real service.”

According to Petkovsek, clients want both straight talk and support. “I’ve found in 30-plus years that clients don’t come to us for a wishy-washy answer, they want to be told what to do. And if you have a client who’s going through a divorce, you have to listen with an empathetic ear.”

Being a life coach extends to Petkovsek’s volunteer work, whether it’s speaking about accounting or working on behalf of his church. He has been speaking in several Wisconsin high schools as a WICPA volunteer for about 20 years.

“When I talk to kids in high school accounting I tell them, ‘You are doing the most boring part. You have to learn why 1 plus 2 equals 3. After that, you can tap into your other talents,’ ” Petkovsek said.

He also tells students they can go as far as they want to go in life, even if they get a rocky start. Petkovsek is the eldest of seven children who were raised on a dairy farm near Willard, a tiny town in west-central Wisconsin. One of his role models is his brother Dale, who, after becoming a quadriplegic in an accident as a young man, went on to develop a fully accessible resort for the disabled. Petkovsek returns to the area frequently, to speak to students at Greenwood High School and help out at
When the tax laws lost their favor for real estate development, Petkovsek found, however, that he had less interest in real estate sales and management than he had imagined. “Sometimes unexpected things make you stronger and more tolerant.” Although Petkovsek’s parents didn’t go to college, they saw value in a college education. When he arrived at the University of Wisconsin-Eau Claire in 1969, Petkovsek took general business courses and computer science.

“In my first accounting class, I had four Ds and an F after five quizzes,” he said. “Then, all of the sudden, the credit-debit light came on. By the end of the semester, I had an A in the course and a genuine interest in accounting.”

He consulted his college guidance counselor about a career and, ironically, the counselor said he didn’t see much of a future in computers but he saw great opportunity in accounting. “I liked accounting because it was very analytical,” Petkovsek recalled. “I grew to love it even more after I got out of college and could see how to apply it.”

Don E. Giacomino, CPA, Ph.D., now a well-known accounting professor at Marquette University in Milwaukee, taught Petkovsek as an instructor at UW-Eau Claire. Giacomino said he recalls Petkovsek well, characterizing him as outgoing and respectful.

Now Petkovsek funds the Ray Petkovsek Accounting Excellence Scholarship at UW-Eau Claire, which awards $400 to a deserving student each year.

Petkovsek began working for the Wisconsin Department of Revenue in 1973 as a tax auditor, then joined White, Reinholdt & Pfefferkorn in Madison a year later, where he practiced public accounting for about nine years. Through John White, CPA and others at the firm, Petkovsek learned how to be a mentor himself.

The next step was the formation of a real estate development company with three clients. Petkovsek found, however, that he had less interest in real estate sales and management than he had imagined. When the tax laws lost their favor for real estate in 1984, he started his own CPA firm in his home. Real estate continues to be a major focus of the firm, which provides a multitude of accounting services.

“I enjoy the analytical side but prefer the creative aspect,” Petkovsek said. “That’s what real estate has done for me. I have the ability to express my artistic talents in something that is economically viable.”

Petkovsek & Moran now consists of partners Petkovsek, Dave Moran and Tina Lough Nelson; Brian Burant, tax and accounting manager; and Peggy Nelson, client services accountant, in addition to seasonal staff. Together, the P&M team has gone down many amazing roads, from helping a client finance and sell a full-length motion picture, to building a 14,300-square-foot office building on the east side of Madison. The building is home to the firm and a lasting testament to these achievements, with “2004 Petkovsek” engraved in stone outside the front door.

A current goal for Petkovsek is to fill the new office building with tenants so that he can retire by 2011. Just as he learned from his mentors, Petkovsek is working with his partners to make that happen. He has developed a succession plan in which the firm will be ready for his retirement. “It used to be that nine out of 10 phone calls were for me. Now, it’s one in 20,” he said. “When I leave here, if the staff and clients don’t miss me, that’s the perfect transition.”

Petkovsek and his wife, Sue, have three adult children and plan to stay in Wisconsin. He loves the variety of activities and the community attitude so prevalent in Madison. Other than that, Petkovsek—who fishing prowess is legendary among friends and associates—wants to spend “a few months” fishing each year. Petkovsek also enjoys woodworking, astronomy and architectural design.

Retirement will be gradual and will include volunteer work. The couple is involved in Dane County’s National Alliance for the Mentally Ill (NAMI) and Sue recently received the Dane County Good Samaritan award for her advocacy through NAMI. Ray has also been a volunteer for Habitat for Humanity and Muskies, Inc., and an advisor to the Board of Directors of Rock Creek Disabled Outdoors, Inc.

Volunteering also offers opportunities in financial psychology. The Petkovseks have long been very active in Madison’s Dale’s Sunset Pines Resort.

“When everything in life is a learning experience,” he said. “Sometimes unexpected things make you stronger and more tolerant.”

When Ray Petkovsek, CPA joined the WICPA as a sole practitioner in 1990 he needed the insurance benefits. He then joined the AICPA and began to use the resources of both organizations. One of the first things he did when he became involved with the WICPA was to speak about accounting as a career in Wisconsin high schools. He joined the Accounting Careers Committee, as well.

“When the WICPA, I enjoyed working with people in a way that wasn’t number-related and allowed me to give back to the community,” Petkovsek said. “My focus, if you look back at the things I’ve done, has been on trying to help young people understand the benefits and immense opportunities of the accounting occupation. From that standpoint, that has been very rewarding.”

As president of the WICPA Educational Foundation Board from 1997-2002 Petkovsek worked with Board members to broaden the mission of the Foundation. The Foundation now sponsors different types and larger scholarships than before, in addition to career awareness activities around the state. Petkovsek is passionate about urging the State of Wisconsin to require high school students to take a basic financial literacy course.

Petkovsek is a member of the WICPA Board of Directors and has been a WICPA legislative contact, a volunteer for the small business assistance program, and a member of the Health Care Financial Conference planning task force.

“I’ve made many, many contacts through the WICPA,” he said. “We’ve exchanged business or helped each other answer various questions. It’s a good support network.”

Petkovsek said the WICPA has evolved into an organization that has a larger role in business and education. He would like WICPA members in greater Madison get together more often but finds time to attend WICPA offerings whenever he can.

“You have to get out into the community, you can’t isolate yourself. Otherwise, you’re not going to grow as a person and your practice is not going to grow,” Petkovsek said.
First United Methodist Church, where Ray serves on the Finance Committee. Kathie Nichols, business administrator at the church said, “He is just fabulous! He is the most positive, upbeat, helpful, cheerful, just delightful person. He has done so much work for us using his expertise as a CPA. He’s invaluable.”

Recently, church leaders received news that a $5.2 million building project campaign had hit its mark. “Ray the CPA’s” good humor kicked in as he told a story about his relationship with Pastor Keith Schroerlucke:

“We’re going through this building process and here is this man of God who isn’t sure that it’s going to happen, and here’s a CPA who says we just have to have faith. And so the congregation takes the vote and we receive a 96 percent approval rating, after Pastor Keith didn’t know whether it was going to pass. After it was done, I congratulated him and said, ‘The CPA was right after all!’ ”

Wisconsin muskies never lose their allure for master fisherman Ray Petkovsek, CPA.

Internal Controls: Design and Documentation

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