

Speech by Prof. Dr. Leen Paape RA, RO, CIA, at the opening of the academic year 2009-2010, Nyenrode Business Universiteit, Breukelen, 7 September 2009.

Mr. President, distinguished guests, colleagues, and students,

This is the first time that the Dean of the School of Accountancy & Controlling has been asked to introduce the keynote speaker at the beginning of our academic year. Who this year is, as most of you already know, Jules Muis, a gentleman with quite an impressive career behind, and perhaps even ahead of, him. Among other things, he used to be vice president and controller of the World Bank and director general of the Internal Audit Department of the then European Commission. Before that, he was chairman of the Royal Dutch Institute for Chartered Accountants - better known here in The Netherlands as NIVRA - and executive partner of Ernst & Young Europe.

But that is only number two on my list of tasks, and by far the easiest. The first is to tell you something about the School of Accountancy & Controlling. Which is more complicated and daunting, and difficult to do while being both to the point and amusing. Where we have come from and why - our roots, if you will - where we are right now, and where we are heading. For from this day forward, as it is sometimes rather portentously put, our school, which has been a separate unit here, will now be a full fledged and integrated part of Nyenrode Business University.

In order to understand what that does, and will, mean, some quickie history is in order. When NIVRA, and Nyenrode launched this school 15 years ago, their aim was to update and upgrade the education and training of accountants and controllers. NIVRA believed, correctly, that all concerned would be much better off if practitioners were thoroughly versed in the virtues of academic rigor and sophistication and grounded in scientific

methodology and mindset. Nyenrode, which was founded on the notion that practice and theory should go hand in hand, was the obvious choice.

Over the years our school has seen many students, and faculty, come and go. For most it has been a very successful passage through our hallowed halls. But not all. No one and no thing is perfect, no matter how well-meaning and -designed. Other things are also required. More than a modicum of luck, to be sure. Having God on your side. Hard work. The human touch. Good cheer and leadership and the sense of common purpose. The determination to pull together in the same direction toward the same goals, and the clarity of vision to know what that direction and those goals are. It's an ongoing process and there's always room for improvement.

But along the way to right now we have passed some major milestones. From an academic perspective, we have been granted accreditation by the Nederlands Vlaams Accreditatie Orgaan (NVAO).

Our 30 faculty members have been playing a very active role in the public debate. Our vast pool of some 600 freelance lecturers are important in sustaining our off campus teaching model. As we tell students, we reach out for you wherever you are. To be honest the latter is not 100% true, especially if you are a student in my far away province of birth Zeeland.

40% of Chartered Accountants and 20% of Chartered Controllers receive their diplomas from our School. We are market leader and our Master of Science in Accountancy program is unique and acknowledged as a best practice by the NIVRA Committee Basisaccountant. This Committee concluded that the Basisaccountant is already there, here at Nyenrode, via our Master of Science in Accountancy.

From the business perspective – and as a business school you wouldn't expect us to lose sight of that - the annual number of students has increased from

about 3.000 in the beginning to well over 4.000 now. Revenues have increased from € 7 million to € 22 million last year. Permanent & Executive Education has been growing significantly and already makes up for some € 5 million of the € 22 million. Although the market is at shambles, we expect some kind of a green shoot in the near future. Yes, we are aware of this phenomena as well! A substantial percentage of Chartered Accountants and Controllers hasn't fulfilled their obligations to keep up their qualification.

But you haven't seen nothing yet, as the Americans say. Together with my fellow Dean from the business school, Willem Burggraaf, and in short time also with our new Rector Magnificus, Maurits van Rooijen, it is our ambition to create a sustainable university that is also internationally recognized. The Dutch have always had a strong reputation in the area of accountancy and we are considering establishing an international program to attract students beyond our borders.

Right now, I would like to take the opportunity to thank Henjo Hielkema for his authentic leadership during the past turbulent months. Henjo, you have a way of making complexity look simple. We at Nyenrode know that our business is teaching future leaders what leadership is all about. And the best way to do that is by example. In that respect, Henjo, you are an excellent teacher, even though you don't show up in the classroom! By the way, perhaps, you should consider doing just that. And if you will earn your PhD we will make you a professor as well. Shortly, you will have the time to do that. Don't you?

As of today the Nyenrode Business School and the Nyenrode School of Accountancy & Controlling are officially married, some say re-married, for better or for worse. Standing here in my professor's gown, looking somewhat like a priest with a PhD, I watch them walking down the aisle, hand in hand. From this day forward ... may your union be blessed by great new initiatives and adventures, especially in

the field of in depth and appropriate academic research.

A major part of our challenge in these uncertain times centers around three seemingly simple and easy to understand words: "being in control". What does that mean? Good question. The short answer is that there is no short answer. Or even a long one. And it is far from certain that anyone being asked to swear by and sign off on "being in control" knows what he's getting into. But, you may say, "being in control" - or coming as close as possible to that ideal - is a major part of what many of us do.

So what is it going to be? Are we in control of being in control, or not? The answer is that our professions, like science itself, is and always will be, a work in progress, with lots of room for expansion and improvement. Accepting new ideas and paradigms, abandoning old ones. Remaining fresh and flexible in the face of new challenges and, yes, crises. Like the one we are currently confronting.

The major question on everyone's lips – and it is an exceedingly good question – is, "What went wrong?". Is it all the fault of Bernie Maddoff's, and people like him? Or do some of the buck stop closer to home? Can some of the blame and responsibility be dumped on our very own doorsteps?

In my opinion, the current situation is not the consequence of a lack of knowledge or understanding of accounting and auditing principles. It is not due to lack of tools and talent. So the failure must lie elsewhere. Where? In the gap between the very two things we at Nyenrode have striven so hard to bring, and keep, together: theory and practice. Between stating, and affirming with your hand over your heart, certain principles, methodologies, ethics and goals, and actually implementing and living by them. Or, returning to the priest metaphor, practicing what you preach.

I firmly believe that many of our colleagues could see the writing on the walls and in the numbers in their own books. But for one reason or another they chose to nod and wink and go with the flow. Why? The short answer could be lack of backbone and character. The long one is that they were unable to withstand pressures coming at them from all sides. Sometimes fast and furious. Sometimes creeping up so slowly and seductively that they hardly even noticed them until after they succumbed. Until the apple had been reached for and bitten into.

As someone stated: "How is it possible to become *homo clausus* when survival requires one to be *homo apertus*?" Meaning it's very difficult to be, at one and the same time, part of the community you support - and supports you - and not go with the flow and, at the extreme stages, blow the whistle. The Chairman of the Autoriteit Financiële Markten (AFM) was either unaware of this dilemma, or pretended to be when he said, "Such nice pay checks should create a lot of independence". Having been in the profession and

knowing a bit about human nature, the very opposite seems closer to the hands on reality.

So tools and talent is one thing, but courage and character are entirely different. The latter can't be drilled into anyone, but it can be encouraged, given room to grow. And although our curriculum doesn't provide credits in these areas, it is my express purpose to use the facilities of this business school to help nourish those qualities and communication skills. So that in good times and bad, for better and worse, our students can bring their messages to the fore, and with force.

With those sentiments still ringing in our ears it is time to turn to my second and more agreeable task: introducing Jules Muis, our keynote speaker. He has been one of the very few who has consistently showed grit and good leadership in the often shifting, and even shifty, sands of accounting and controlling. For years he has been warning us of storm clouds on the horizon, that a credit crisis was brewing, and it

was only a question of when, not if. How right he was about that. As with so much else.

He could have left it at that. Leaned back on his laurels, enjoyed his well earned retirement by his pool in Washington, D.C., thumbed his nose at the rest of us, and say, "You should have listened to me then!" But Jules Muis has never been that kind of man. To be smug and self righteous while the rest of the world suffers. So, completely in character, he goes on tapping into his deep reservoirs of experience, insight, ideas, humor and decent human caring and doing what he can, here and around the globe, to throw light and hope on these turbulent times.

Now, without further ado, I will clear the stage and make way for him. His lecture is entitled,

"Financial Crises: Are They Predestined?
Predictable? Inevitable? Preventable?"

Some say that a large part of getting and keeping any audience's attention is having the right message at the right moment. I have no doubt that Jules has the right message for us. And if this isn't the right moment, I don't know what is. Please, help me welcome Jules. Jules.....