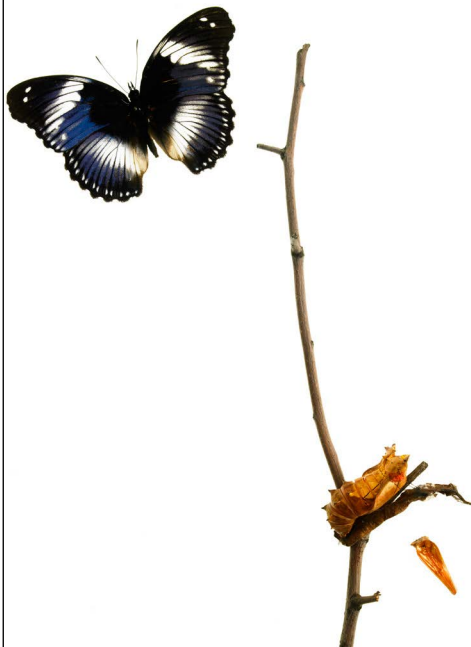


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Deloitte would like to congratulate **Tom Nehila** for being recognized for his accomplishments at **Reader's Digest** in transforming their organization to better address business risks and enhance the value of the company.



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**C BRIGHT IDEA**

## Reader's Digest

# URNS A PAGE

## Tom Nehila leads a venerable American brand into a new financial future

BY BRIAN JUSTICE

**J**ob titles are often vague and seldom give any real indication of what, exactly, the holder of that title does. **Tom Nehila's** title is the exception to the rule. As vice president of global finance transformation at the **Reader's Digest Association (RDA)**, he is charged with just that: transforming the structure of a company that's over 90 years old and is also an iconic, beloved American brand.

Nehila joined RDA in 2009. After 20 years in telecom with **AT&T, Lucent**, and then **Avaya**, he was presented with an opportunity and a challenge: to help reorganize, restructure, and simplify a complex company into a nimble organization with a renewed focus on its customers. "And I'm always up for a challenge," says Nehila.

When he came aboard at RDA, streamlining, simplification, and standardization were immediate priorities. Working with legal, tax, human resources, and other departments, Nehila helped reduce the number of the RDA's legal entities by two-thirds in two years. Today, there is just one-fifth the number of cost centers compared to two years ago. This has led to increased accountability and focus on expense management and vendor relationships; increased transparency and ownership of the drivers of expense and

product profitability; and standards that would provide for centralized reporting, external benchmarking, and process control of management reporting.

Following that shift, Nehila and his team designed and deployed a financial and operational data warehouse that further streamlined management reporting and level-one analytics. A cloud-based financial environment is in the final stages of planning with deployment targeted for January 2015. The new environment will reduce costs, provide leading-edge flexibility and functionality to the evolving business, and serve as a building block for the future enterprise architecture. "Building the governance and structural foundation will enable both our financial and operational leaders to concentrate on the forward-looking aspects of running and growing the business," says Nehila.

While the changes he spearheaded at RDA were primarily structural, Nehila also had to adjust to a new culture. "The world of telecom is very engineering-based," he explained. "Precision, high quality, process management, structure. The world of publishing is fluid, creative, innovative—and not steeped in process—and more conversation-based than 'This is how we do things,' documented in print. It's much more collegial;



**TOM NEHILA**  
Vice President, Global Finance Transformation  
Reader's Digest Association  
New York, NY  
Career Advice: *"Do what you like to do, what makes you happy, what challenges and makes you think. Make an impact every day and a difference to the lives of the people around you."*

Photo: Bob Carey Photography





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**“MY PLAN WAS NEVER TO SHIFT RDA FROM WHERE IT IS TO THE TELECOM WORLD, BUT TO LEVERAGE THE BEST OF BOTH INDUSTRIES.”  
—TOM NEHILA**

### Getting to know TOM NEHILA

**What three words define you?**  
Builder. Catalyst. Persistent.

**What is the best advice you've ever been given?**  
Don't give up; don't ever give up.  
From Jim Valvano, Rutgers University class of 1967.

**If you had to work in some area other than finance what would it be?**  
Architecture. I see the parallels: I'm a builder, catalyst, designer. The structure is critically important. The beauty is in how it functions, how it's designed both internally and externally.

it requires much more discussion. My plan was never to shift RDA from where it is to the telecom world, but to leverage the best of both industries.”

Nehila credits several mentors and influencers with the development of his work philosophy. **Lloyd Whittall**, the leader of a task force at AT&T, challenged him in a way that stuck. “Tom,” Whittall had asked of Nehila when they worked together, “I expect you to have the answers to questions I haven't thought of yet.” **Jim Lusk**, former controller of Lucent and now CFO of **ABM Industries**, imparted the phrase “OC equals FE,” or, “operational cause equals financial effect.” And **Mike Reuter**, director of the Center for Leadership Development at Seton Hall's Stillman School of Business, one of Nehila's alma maters, had more to share. Brought in

to participate in a finance-development program at Reader's Digest, Reuter said, “The magic of being in the world of finance is your ability to peek around the mountain.”

“That had the same meaning for me as what I heard from Lloyd,” Nehila says. “I expect you to have the answers to questions I haven't thought of yet,” OC equals FE, right? It's the predictive nature of what finance aspires to. Our value to an organization is in illuminating what they don't know, or showing them what they can't see. Most executives today can read a financial statement, but what they're looking for from their financial partner or leader is to tell [them] what's between the numbers, to connect the dots, [and to] tell them what you discern through analytical patterns to help them run and grow the business more effectively.”

“I've seen more positive change in the last five years at RDA than I saw in over 20 years in telecom,” Nehila adds. “And I look at the qualitative aspects: Do we understand where we are? Do we understand what we need to do? Do we understand who's accountable for what? Do we have clarity of that accountability? Is there transparency of information? The foundation is in place and it is much stronger than it's ever been before.” ■

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