

On Tax—Josh Gordon of IBM

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, we're joined by Josh Gordon, who is the Vice President, Finance - Controller for IBM Americas. Josh, thanks for joining us, and welcome to the podcast.

Josh Gordon: Thanks for having me.

Len: Sure. So, Josh, tell us about your background in the tax law.

Josh: I was doing tax law for probably close to a little over a decade, I guess, maybe a little longer, and started with an interest in tax law. I learned about it in law school, but kind of fell in love with it after I took a couple of planning classes.

Len: Did you always know you wanted to be a lawyer?

Josh: Pretty much. I mean, I was very big into, like, social studies and history as a kid.

And by junior high, I couldn't tell you what kind of law I wanted to practice, but I knew I wanted to be a lawyer. I just, you know, you read all the history books about various presidents and senators, and all the things lawyers had done in contribution in history.

It just kinda made me enamored with the profession. And so, going through high school and then college, I always knew I wanted to do a legal track. I looked at a couple of, like, pre-law law school tracks that you could do. 'Cause I just knew that's where I would end up. Again, I couldn't tell you what kind of law I wanted to practice. I think even when I got to law school, I couldn't really tell you.

But I loved it. And so, I knew going into college, I went to University of Maryland, studied, they call it government and politics. It was like political science, and, you know, just really enjoyed that. And at some point I realized, one, I came in with so many AP credits. I knew I needed to fill up some time at Maryland. And two, poli sci wasn't really gonna pay the bills eventually. So, I decided to double major in accounting. And I think with that business combination kind of steered me when I got to law school, to start taking a bunch of, like, business law classes.

And that kind of just headed me in that trajectory to try, "OK, well, I'm doing business law, corporate law, a bunch of other stuff. Let me try tax." I took a basic tax class and found it interesting. And I had done tax accounting as part of my accounting studies, but didn't really enjoy it much. And then I took a planning class, which was a comparative study of corporate and partnership tax law, and got introduced to planning and, like, the light bulb went off my head as to, "Hey, this is great. I enjoy the tax law materials, the code-based stuff."

I really liked the commercial law, UCC type stuff, and the tax law wasn't too different in terms of laying out the regs and all that kind of stuff. And I like this kind of planning idea that, hey, once you understand the rules, you could understand how to structure transactions to fall into the rules you want versus the rules you don't, and just took more and more tax classes.

Len: So, at this point, you're sort of now gravitating towards tax law as a professional career, or at least for the beginning of your professional career. What were some of the jobs that you looked at coming out of law school and that you considered?

Josh: I had been interning or working part time, really, at a small transactional boutique. And I really enjoyed the

transactional work I'd done. In my first summer, I had worked at a small, relatively small entertainment law boutique firm. I did a lot of litigation work there, and realized I don't like litigation. And so I found this firm that does transactional work and, for a small firm, they had some high-profile clients in the fashion industry, and then they did a whole bunch of commercial real estate stuff.

And so I really enjoyed the transactional aspects and working with different businesses. And I was really contemplating kind of staying on that track, the commercial law track. When I was interviewing, I guess my second summer for internships, I met with an M&A partner at PwC and we hit it off well, but I ended up not getting an internship for that summer. And when he came back for on-campus interviews in my third year, he remembered me and said, you know, he wants to find me a role in PwC. And so having that tax role in hand, I was a little hesitant at first because I had law firm in my head, obviously.

But after meeting a bunch of people there and talking to others, I realized, you know, "OK, tax is tax." And there's lots of ways you could practice, and was very happy that I made the decision to go join PwC and stay on the tax track versus commercial law.

Len: So, you did decide to go straight out of Cardozo Law School to PwC, and you spent, as I recall, two or three years there. What kind of tasks were you doing?

Josh: At first, I was doing pretty much nothing. I'd say for the first six months — this was the interesting part about being a lawyer at an accounting firm. I started in, I guess it was September, when most other people start right after college, in June, July, August. So they had already stacked up all their engagements by the time I joined. And I would hop around from client to client, spending a week here, two weeks there, just helping out where I could.

But I would literally go to a client to help support an audit, and they weren't ready for us. We'd make ourselves available, the client would come back then say, "We don't have any work for you. No papers."

And so I'd just go back to the office and I realized I just, I couldn't take it anymore. I needed to be busy. And after probably like four or five months of this, I went to HR and I was like, "Look, you gotta find me another group or I gotta go find another job."

And that'll be the end of my tax career. But I was really fortunate that the international tax group was staffing up on a big project just as I was looking to get out. And so I met with them, really liked the team, the project sounded interesting, and it ended up being the best move I've ever made in my career. Just from, you know, speaking up and branching out. I had the choice, actually, to go into international or into SALT. And I'm very glad I did not choose state and local, no offense to all your state and local colleagues.

Len: Wow. And so as I recall, we've talked about this a little bit before. You then got put on a task, an account, that had you traveling a lot, right? You were traveling out of New York City a bunch, maybe for a week at a time?

Josh: Yeah. Down to your neck of the woods. So my client was Tyco International, and the project they were starting then was the split up into three different publicly traded companies. I think they were around a \$60 billion market cap. I can't remember, 60 or 90, but split into three companies of about equal value.

And starting off as an associate on that project, aside from some of the other tasks I got assigned, I was driving the team from New York City down to Princeton, New Jersey, several times a week, almost daily, at some point. And so I learned I was better off just staying in Princeton and became a fixture at the Westin Route One.

Len: My high school prom was at that hotel.

Josh: It's a lovely hotel. It was one of those things where I really, it felt like "Cheers," because you'd walk in, you know, kind of late at night. The front desk attendants all knew who I was.

They saw me walk in. They got my key ready. It was a big open floor plan and the bartender would see me come in and he'd get a beer open for me. That's when I realized it was time to go. I'd been there way too long, but it was a great ...

Len: It's good to have a place though, isn't it?

Josh: It is. I mean, it was a home away from home, and I racked up more Westin or Starwood points than I ever could have hoped for. After the project — I was on a project for probably a year and a half to two years out of my three years at PwC. And it paid for like a two-week vacation in France for my wife and I.

Len: That's great.

Josh: Between the Amex points and Hilton, sorry, Starwood points. And I used to have a ton of Hertz points 'cause I was renting cars every day, so it was fantastic from that perspective.

Len: And when you went back for your LLM, did you go full-time for a year, or did you do it at night over a longer period of time?

Josh: I did it part-time. You know, it didn't really cross my mind to go back full-time, at least for long, because I really enjoyed, once I got settled into the International team and working on that project, I really enjoyed it and I didn't want to leave.

And it was just a valuable, or invaluable, learning experience from many standpoints between the technical things I was learning into all the project management and client relationship stuff. It really was this intensive training course that I really enjoyed and didn't wanna put aside. And so I was willing to do the work, especially ... I kind of wanna say this, when I started, it was pre-kid, when I graduated, I had a little one.

It was just so much more appealing to me to do it part-time, do it at night and as I started to do online classes, you know, around my probably second year of it, it made it even easier.

Len: So were you living in New York City at the time?

Josh: Yeah, we were living in New York at the time, for most of it. And so it wasn't bad. I go right from Princeton. I leave early, drive to downtown, to NYU's campus. I'd have classes for somewhere between two to four hours and then just drive uptown. And then we lived on the Upper East Side at the time.

Len: Wait. So on a daily basis, you would wake up in New York City, you would drive down to Princeton, you'd spend a full day working for PwC and this client. Then you would drive into the city at rush hour after work?

Josh: Yep.

Len: And then you would go to class for a couple of hours and then go home and do it all again.

Josh: Yeah. It was a long day. Yeah, that sums up that show.

Len: So, that sounds like kind of an intense daily schedule, but we were young and you were young and so, I think, that's fine. You can get through that. You can do anything for a year.

Josh: Exactly.

Len: And so, what were you thinking as you finished your LLM? Are you thinking that you want to just stay at PwC and do more things, or were you thinking that you were ready for a change?

Josh: My career path was to stay at PwC. You know, I was very fortunate between, the LLM was really accelerating my tax knowledge. I felt like I was becoming very technical very quickly, and because I was working on this big, complex project which had a bunch of U.S. issues and international issues, I felt like I was being able to see all the things I was learning in class directly applicable to my job, and help me make the connections quicker.

And so I really liked this track I was on at PwC. I was also very lucky/fortunate that I started there as an associate and then my manager on the project quit, another manager quit, a director quit. And pretty soon, probably within like six, seven months, I was working directly for the partners.

And so I really enjoyed the position I kinda found on that client of working directly with, like, the international head, the head of tax, the various regional directors, and learning a lot from them, learning a lot how my partner interacted with the client, and so I really had no intention to ever leave PwC. I saw myself as, you know, on this partner track at that time. I certainly didn't mind the travel both to Princeton and around the international pieces, too.

I felt that it was kind of a nice perk of it all, and I just really enjoyed all the problem-solving and different challenges I had and getting to see different clients. It didn't really cross my mind to do anything else, quite frankly.

Len: We're talking to Josh Gordon, who's the Vice President, Finance - Controller at IBM Americas. And so, Josh, like I just said, you're now at IBM.

So something happened on your way to partnership at PwC. What happened?

Josh: Yeah, I moved. I moved up to Westchester in the New York suburbs and I remember very clearly — I moved up in, like, February. I was commuting from here to Princeton, which made it even longer. I was commuting to the city a lot of the time and I want to say maybe, like, my first week or second week of commuting on the train, getting ready for the train to come into the station and these two older guys, you know, probably in their early 60s, are getting up in front of me and they're putting on their winter coats.

And one guy turns to the other and was like, "I'm tired." Other guy's like, "Long day?" And he's like, "No, just I'm tired of commuting." And the other guy's like, "Well, how long have you been doing it?" He's like, "It's been like 30 years." And I was like, "Oh man, I've been doing this for like three weeks, and I'm already tired."

Still though, I just assumed, "Okay, this is going to be my life. We picked our house to be close to a train station and all that kind of stuff." But I got a call, I think it was in, like, March, you know, a few weeks later from a head hunter. He was like, "Hey, I have this opportunity at IBM." I think it was an M&A role working under Bruce Maggin, who you know well.

Len: Right. This was an M&A role in the tax department.

Josh: In the tax department, yeah. This is to do M&A tax because IBM is very acquisitive company, and so they staff their own M&A team. And I said to him, "Look, I'm not really interested in leaving. I'm happy here at PwC, but thanks for thinking of me." He was like, "Well, I understand you just moved up to Chappaqua." And like, "Yeah." And he's like, "Well, this is in Armonk." And I was like, "Look, I just moved to Westchester. I don't really know the towns well." He was like, "Well, Google Map it and call me back."

And so I do that and I'm like, "Oh, it's like a 10-minute commute from my house. Maybe I should hear him out. And so I went and I met with the team at IBM, Bruce Maggin and Bruce Lassman, who was the International VP — still is, actually. And the M&A role wasn't quite right for me, but Bruce was starting to look for someone for his international team and we hit it off. And so it was tough to really think about, but what Bruce said to me at the time, and I will never forget this.

Len: Bruce Lassman?

Josh: Bruce Lassman. Sorry, there's two Bruces. I should be specific. Bruce Lassman said to me, "You know, for the next five years of your career, you will learn more here than you would at PwC, because of all the different types of things, you know, we do at IBM." And he's like, "After five years, it evens out a bit." And so, you know, if you wanted to move on at that point and go back to PwC, you know, he thinks I can make a certain amount of sense. And I went back to my partners at PwC and talked to them about it.

And they didn't really disagree. You know, they were sad to see me go, but they knew IBM very well. It was a PwC client. Both the partner I worked for and some of the others I knew had been on the account at various points, and so I felt like I was going into a known commodity. I felt like if I wasn't happy, I had a safety net in going back to PwC. And so it seemed pretty low risk to make the jump and go to IBM. And that was 12 and a half years ago.

Len: And that's where you and I first met each other because, of course, IBM is a long-time client of the Cravath firm. And my very first deal in 2005 out of law school, we were in the same law school class actually, at different law schools. So we've been doing this for the same amount of time. My first deal at Cravath was an IBM deal and I've done many since then. If you'd gone to the M&A group, we would have worked together probably sooner than we did, because we ended up working with them, you know, on a daily basis. But you and I got to know each other when you were in that role in Bruce Lassman's international tax group. What kind of things were you doing there? Was it what you expected when you made the move?

Josh: You know, I don't know if it was what I expected, but Bruce wasn't wrong about learning a ton. I mean the great thing is, and I always tell this when I'm out recruiting for IBM. We do business in 170 countries. We've got legal entities in 90 of them. We've got five very different brands. We have every fact pattern under the sun. So, for a sandbox to do tax in, it's just about the best place you're gonna find.

So, we were doing all sorts of different types of planning transactions, and helping the business optimize in a number of ways. And so I got to see all sorts of different issues on a regular basis. And because we were a fairly small shop, I owned the project soup to nuts. And so, we'd do some collaborative brainstorming as a group, but once we had our list of things we wanted to go achieve for the year, we'd dole them out. And I'd have my list and I'd be in charge of getting them done, and I pretty much started.

I mean, if you think about the trust Bruce Lassman had in me at the time, you know, I was coming in just shy of three years at PwC and he's given me some fairly large projects to go run. And so I'm going out and making connections within the company between our foreign tax teams and in various countries, the local legal teams, the accounting teams, et cetera, and just quickly expanding my network and learning who I could rely on, and how to get things done in the company.

And, I don't know that it's really quite a sink or swim moment, but I was luckily able to swim enough that I didn't need to go to Bruce very often for help and then I just started getting bigger and bigger projects as we went along.

Len: You know, I worked with you on some of those large projects and I got a sense about how effective you were in your role, but also how well respected you were, even though you hadn't been at the company for very long. And it was clear to me that Bruce, who worked with you directly, but others saw a very bright future for you in the company, but also more specifically, in the tax group.

And the story could have been as simple as you grew up in the tax group and stayed there forever and continually got more responsibility, but yet, your career took a sort of a sideways path, not in a bad way at all, but you took an unusual step to decide outside of the tax group, an opportunity that was made available to you probably by reason of your having gotten to know other people outside throughout the company. So tell us about that step that you took. What did you end up doing?

Josh: Yeah, I'll say I think some of the tax department will say it wasn't a good step, leaving tax, because why would you ever wanna leave tax? Yeah, you know, I guess I'll preface it by saying my career ambition was to have Bruce's job at some point, and just be the number two in tax. I love international tax planning. I really thought that was, like, the best profession in the world. It gets, you know, both the creative side of me and the legal, logical side working together.

And I just loved the creative problem-solving aspects of it and helping the business. But through that, through all my work and through meeting people, I worked a lot with the treasury team at IBM, supporting them on various transactions from as simple as like bond issuances to complex hedging strategies and stuff like that, and especially helping them on cash flow back to the U.S. 'Cause as a U.S. company, you know, repatriation is obviously a big thing for us.

I got to know Martin Schroeder, who was then the assistant treasurer, I think around the time I started, had just come back from a long international assignment in Asia and as he rose up the ladder, I kind of followed him around just coincidentally. So, when he was assistant treasurer, I'd come in and talk about various projects with him. When he became treasurer, I started doing bigger projects that we would involve him in.

He then became the general manager of our global financing business, which is our capital finance business. And shortly after that, they put me on, like, the IGF brand, because it's very similar to treasury, helping them tax optimize their business, and after maybe — I think he was there for maybe two years. Our CFO at the time, Mark Lockridge, retired, and Martin Schroeder, the treasurer and then GM, was selected to be the CFO.

Len: Of the entire company? Of IBM corporation.

Josh: Yeah. So it was a major promotion for him, and just around that time, I was working with all of the former CFOs, direct reports on the FATCA implementation because it touched a wide range of areas within IBM. And this was before we got regulations giving us some broader exemptions for non-financial companies.

Len: FATCA is the Foreign Account Tax Compliance Act, which basically means foreign banks need to disclose who their U.S. depositors are and other related issues. Go ahead.

Josh: That's right. And because of our financing business, we had a lot of entities that might have qualified as being a foreign bank.

Len: Got it. Huge compliance lift for you to consider.

Josh: Exactly, yeah. And even though I didn't have much compliance experience heading in, I was voraciously reading all the rules as they came out. And so, I got chosen to head our implementation across the company and that gave me an opportunity to, once a month, I think it was roughly once a month, sit down with the leadership across finance, legal and a couple other areas and let them know how the project was going.

And so Martin was impressed by that. And I had also been working on some big planning transactions that we wanted to take the CFO through, and I have to say, we took Martin through it as the incoming CFO because it was around three or four weeks before he took the job. I was really looking forward to pitch this to the outgoing CFO, Mark Lockridge, who I had met a few times, but never really in a business, you know, pure business setting. It was always like at a networking type thing.

So I was really looking forward to pitching to him before he left and then he realized, "Well, I don't care. Just talk to Martin." So I was very disappointed that I got stuck in Martin, but there you go.

Len: But the good news is you got stuck talking to Martin.

Josh: I got stuck talking to Martin. So that when he became CFO, he needed a new chief of staff and I was at the top of his list. I still remember, my wife was out of town with my oldest daughter at a bridal shower in Chicago. We had Elizabeth, who you met, who's now nine, was an infant, you know, just a couple of years old. She and I were just coming in from a walk or something, and I had a message from Bruce Lassman telling me to call him.

Now, I'd been working at IBM at that point for, I don't know, seven years or so, you know, all that time working for Bruce. I can count on my hand the number of times he's called me on a weekend. So I'm like, "Uh oh, something bad has happened. I screwed something up." And he calls me and he says, "Look." He's like, "I don't know if you're familiar with this chief of staff role." And I'm like, "Yeah, I've met a couple of them at various networking things, so I'm kind of familiar with it." He's like, "Well, great. So if you want to, Martin's asked for you to come interview on Monday."

And I'm like, "What?" He's like, "Yeah. You know, think about whether or not you want to interview. But if you do interview and if you do get the job, you kind of have to say yes." So he's like, "So think about it before you accept the interview." I'm like, "Oh, OK. Well, I'll get back to you. Let me call you." It was Saturday. I was like, "Let me call you tomorrow."

And so, I immediately panicked. I'm a tax guy. What do I know about general finance stuff? And I started, like, I went on LinkedIn to see who had had this title before, and it's all, you know, they're all either still at IBM and they're leaders in the finance group or they're CFOs at other companies now. So, I immediately, literally, like, set into a panic of why on earth would he wanna talk to me?

Len: Let's just stop here and recognize that this is one of those moments in life, in professional life, when there's really kind of, like, a crossroads. I mean, you haven't been offered anything yet, but you've got to make a serious decision because the path you thought you were on is still in front of you.

Josh: Yes.

Len: But there's this other really tantalizing path off to the side that you haven't considered before, and you have to consider very quickly.

Josh: Absolutely. Yeah. So I hemmed and hawed. I talked to a few friends, both in the tax business and out. And I kind of came to the conclusion, "You dummy, why wouldn't you do this?"

It's one of those once in a lifetime opportunities. Odds are I'm not gonna get the job because if he's interviewing five people, I gotta be number five on that list, just rounding it out. So I went in, I said, you know, I called Bruce back on Sunday. I said, I'll do it. I met with Simon Beaumont, who is the Head of Tax, and Bruce early Monday morning just to get some coaching.

And, you know, even though I had met Martin a number of times, he's a really nice guy, I was still very intimidated and nervous, especially when I went to go. I'd never been up on the executive wing of IBM before. And he was up in his new office, which at the time, now it's been redone, it's very agile and cubes and all that. But at the time, it was the traditional, like, oak-paneled walls and nice paintings. And he had a huge, massive office suite to himself with the bigger conference room and all of that. And so I had about an hour between when I met with Simon and Bruce to head over to corporate. Super nervous, I remember. And I walk into Martin's office, he asked me to sit down. And he's like, "So do you know much about the position?" And I was like, "Not really what it entails." And so he kind of explained it to me in a nutshell and was like, "Do you want the job?"

Len: He just offered you the job on the spot.

Josh: Oh, what now? Yeah. Unbeknownst to me, Bruce and Simon knew it, but of course didn't say anything. Yeah, I was top of his list, which I was obviously very flattered to hear. And he warned me. He's like, "You know, it's got a lot of travel involved. If you want to talk it over with your wife, you know, you can do that." I said, "I wanna go out on a limb and just say yes."

Len: Good for you.

Josh: And I'll smooth it over with the wife later. So yeah, it was nerve-racking and life-changing, but all in good ways. And so I really, I can't stress how much I enjoyed my time there working for him 'cause he's an amazing guy.

Len: And now, all of your professional skills and training are in the tax area. And what you're doing now, I mean, curious to know what kind of substantive tasks Martin had you doing. But you're also just a sort of fly on the wall as the CFO does that job. And that's a very valuable experience too, I imagine.

Josh: Oh, incredibly. I mean, and he was very quick to acknowledge that the point of the chief of staff role is developmental. It's for me to learn. It's more about me learning than it is for him to get things out of me.

It doesn't mean I can't do anything the whole time, but he was very aware and upfront about, you know, he wants me to get the most out of the experience. And so literally, I'm his, call it his left-hand man, because he would always sit to my right, I'm on his left.

Every meeting, unless he was in the CEO's, like, conference room, but every meeting that we had or he traveled to, I would be there with him.

Len: All around the world.

Josh: All around the world. Helping him prep for all the earnings stuff, I'm in the room during the earnings call helping him with various things, helping him prepare for board meetings, getting to travel to board meetings, interesting

places, all the client meetings he'd go on, investor meetings, I'd be traveling to. It was just an amazing learning experience to see how he and the other senior leaders of IBM deal with their responsibilities, including getting a pretty upfront view as to how Ginni [Rometty], our CEO at the time, did her work, which was amazing. So it really was, I did it for a year and a quarter about, and I'll never have an experience like that again.

Len: Sounds like an amazing experience. Now, we should mention that in the last year, IBM has announced that it's gonna separate a large business into a company that I still think still has no name.

Josh: Still call it NewCo.

Len: And NewCo is gonna be spun out to the IBM shareholders, creating two public companies, essentially, with the combined businesses and they're gonna be separated. And just recently, Martin was named the CEO of NewCo.

So he'll be a public company CEO and we'll come back at the end to what you think might be in store for you and your future, but let's get back onto your story. So after 16 or 18 months as the chief of staff for the IBM CFO, you have a choice to make, I guess. The choice is to go back to the tax group and kind of resume your career path there, or do you do something different? What were your options and how did you make that decision?

Josh: Yeah, my options were to come back to tax and my ambition at that point, I'd grown a little more since seeing Simon up close in action and how he got to present to the audit committee, and some of his other responsibilities.

Len: Simon is the Head of Tax.

Josh: Simon Beaumont, the Head of Tax.

Len: Bruce's boss.

Josh: And he's now both—he has a lot of hats, but seeing him talk to the audit committee on tax matters, and tax risk, and just getting a better appreciation for what he did as head of tax made me more interested in competing for that role, long-term. Previously, I'd always thought of the tax accounting and the domestic return as kind of the more boring parts of tax.

And, so, I wasn't too interested in the head of tax role for that reason, but I kind of got convinced that, "OK, it's a small price to pay for everything else." So that was one track that I could have done, or the other one that Martin was really pushing me towards was to think bigger, not just being head of tax someday, but CFO someday, and competing for the CFO role at a company. And that really hadn't crossed my mind even when I was starting to get to the end of my chief of staff gig.

I just kind of assumed I'd go back to tax, but he kind of put this bug in my ear that, "Hey, you know, it's really not that different to go into financial planning and just help lead the team, ask the right questions." I didn't need to be an expert in all of the financial systems and things like that. And he kind of got me excited, and again, I hemmed and hawed over this a bit too, but to declare, "Hey, I wanna do something outside of tax going forward."

Now, it just so happened there was an urgent need for me back in tax because they were gonna do a big restructuring of the global financing business. They really wanted to be back to work on the project. And then, after the project was done, I had to go back to my financial planning track. So that was what I ended up doing. I spent about, I think it was about a year and a half or so, working and working with you and Cravath on this project. We took our global financing business and made it a separate public debt issuer, which it had not been in a very long time.

And so that was, I mean, that was a fun project. I really enjoyed getting to work on that, because it had not just the complex tax issues, but learning a lot about the corporate law side of it, and working with your Cravath colleagues on all the SEC filings and stuff like that.

Len: A very unusual project. And so that was your last hurrah in the tax group.

Josh: Yeah. As soon as that was done, I stayed on maybe a little longer to help train my replacement, but then, actually, it was about three years ago now, I was on Presidents' Week break. We were in Florida with the kids and I got a text from Martin's assistant saying he wanted to talk to me, and was not expecting that at all.

Len: Another one of these calls.

Josh: Yeah, exactly. I kept my phone by the side of the pool and as soon as he called, you know, hopped to a quiet place at the resort and he had found the role for me. I think he had left the CFO role by then, actually. I think he was then our Head of Global Sales, and Jim Kavanaugh, who's our CFO, I think he had just taken the role. But Martin was still the one to reach out to me and say, "Hey, they found you this role as the CFO for their public cloud division."

And that I should go talk to the guy that would be my boss next, Dave Wiseman, when I got back to the office on Monday. So, it was interesting. I hadn't really thought about, well, you know, what that next role would be. This was, I thought it was pretty cool because, you know, obviously cloud computing is a big deal in the technology space right now. You know, we'd been growing our public cloud business for several years at that point, but still trying to catch up to AWS and Microsoft in this space and had a lot of work to do.

And so, I met with Dave on, I think it was Monday, and then it was basically in the job come, like, Tuesday. So, it was kind of fast and furious, but I've enjoyed it. So I've been three years out of tax. I did about two and a half as the CFO for the public cloud business. Really enjoyed that just because of all the challenges it has to helping define the strategy, helping with all of the development we have to do. It's a place where you really have to invest heavily.

It gave me a chance to work with Arvind Krishna, who is our CEO now. He was the head of the business for quite a while. So I got to work with him. I got to present a lot to our CFO, Jim Kavanaugh, to our controller, and it just really gave me a good crash course in FP&A, and being a financial planner, and a CFO.

Len: Another great opportunity, and then now you're the Vice President, Finance - Controller for IBM Americas. How did you make that next step to where you are now?

Josh: Yeah, so that was something, again, that kind of caught me off guard. I had worked for this guy, Dave Wiseman, for probably the first year, maybe a little longer, when I was in cloud. And then he moved on to be the CFO of what's now the Americas. And when he moved up, I moved up too, and took his role as the CFO for the broader group and really enjoyed that experience. You know, as much as I liked working with him, when he left, it was all on me. So I kind of enjoyed that aspect.

I had built a good team under me and wasn't really thinking I would leave mid-year last year. I kinda thought I'd stay through the end of it, but then he had an opportunity that he needed a controller and reached out to me. Because I'd done the brand work, helping the public cloud business - IBM kind of has two matrices that we operate on. One's the brand's and one is the geographies, and basically the sales teams.

And so after having almost three years of brand experience, it kind of naturally makes sense to go now, get the geography experience, and get closer to the sales motions and the clients and things like that. And so he brought this up and said he had mentioned it to the controller, who was my boss at the time. And then the controller called me shortly after and said, "Hey, this is probably the next right step for you. You gotta think about who's gonna replace you, but you should probably go do this."

And so again, it was just one of those things that kind of fell into my lap. It's been great. I'm learning a ton. It's a good team that I've got under me now and working with Dave again, I really enjoy. And our business leaders, too, are really great.

Len: I've seen this pattern now several times in the various episodes I've been recording, Josh, and that is serendipity has a lot to do with people's professional lives and careers. Sometimes it's good serendipity, sometimes it's bad. And a lot of times, for reasons we can't quite explain, even in retrospect, experienced mentors are looking out for us.

Josh: A hundred percent.

Len: Bruce was telling you that Saturday that, you know, I think he was urging you to interview, but he was telling you that if you did interview, you were gonna get the job. And he wasn't saying that in so many words.

Josh: Right.

Len: And you didn't really realize that until you got the job on the spot, but he was looking out for you and you were resisting, and you were resisting in a very natural way, right? I don't know whether, I'm not ready for this.

Josh: Ginny used to say, "Change and comfort can't co-exist."

Len: That's right. And, you know, a lesson, I think, to some of the younger tax professionals, but other professionals out there, is sometimes you kind of need to let life happen to you. You need to ride the wave a little bit. It's very hard to control.

Life has just a way of happening to you. And I think for young people, while you certainly wanna work hard and control the things you can control, sometimes you kind of need to let the serendipity happen to you the way it's gonna happen in your life. Do you think that your career in tax is likely finished and that your career path is now likely to be in the finance world? Keeping in mind what I just said about how we can't predict these things.

Josh: I was gonna say, and I'll circle back to your question in a second – but just on the topic of serendipity. I've given, like, a bunch of career discussions, just by virtue of having been the chief of staff, I get asked to do a lot of, you know, public speaking stuff and talk to finance teams about careers. And mine, obviously, takes a very different turn. Going back to the only decision I ever fully controlled in this story I just told you was when I went to HR at PwC and said, "I wanna get out of my current job."

I've been super fortunate since then. And people hate when I say this, but like, you know, 90 percent of my career has been luck, in my opinion, because I've been in the right place at the right time consistently. And now, to your point before, I control what I can control, which is, I can work hard.

I don't think I'm always the smartest person in the room, but I'm a pretty smart guy. But I work harder than just about anybody. I'm willing to put the hours in, to learn new things, to try new things. It has just gotten me this far, so that when the opportunity comes, people, you know, think of me. And so it happened within my career at PwC that I got to work directly for the partners and stayed working directly for the partners.

They didn't restaff the directors or anything. It happened when I was lucky enough to get the opportunity to come to IBM the first time. And I'm continuing to stay open to possibilities. And so, to come back to your question, maybe I end up in tax at some point. You know, part of me thinks, "Well, it's only been three years since I left tax, even though it feels like an eternity." Partly because tax laws changed so much.

Knowing that it's only been three years, I wanna try and stay on this track a bit longer. I'll probably be in this role till at least the end of the year, maybe a little longer, and then wanna try at least another role outside of tax. But look, if I'm not happy or if I'm not cutting it, or if some really great tax role lands in my lap, I want to stay open to it.

And realized whatever trajectory I'm on isn't necessarily linear, and I'm gonna learn things along the way no matter what I do. So, we'll see.

Len: You've certainly had enough experiences to convince you to keep an open mind. So that makes perfect sense to me. Let me ask you a question kind of in the tax realm that I've been trying to ask most of our guests. And that is: You've been an external advisor at PwC. You've been an internal advisor to the various people you need to talk to internally about tax planning. You've been an internal consumer of external advice when you were my client and we were talking about matters you were working on. What are the characteristics of a tax professional who does their job well?

Josh: Yeah. A couple of things. One is, they understand my business and the business needs driving whatever transactions has us call them. And I find that the better they understand your business and what the motivations are, the better advice they can give, because then, they could address not just the specific question I came to you to ask, but the things I didn't know to ask.

And so, I find that's always the best. That's why I kind of like the consistency. We would rely on two to three law firms, and one or two accounting firms, and not really spread out more than that unless we really needed a specific expert in something. Because you have the familiarity. You know us, you know what we're trying to do, you know the overall business environment, and you know some of the history in context, too. And so I really look for that. And then, I liked the advisers that challenge us in terms of our thinking, 'cause obviously what, you know we're a pretty smart shop. I'll toot our own horn.

Well, you know, we'd like to think we know what we're doing and have a point of view. But we're coming to external advisors because we want confirmation that it's right and that we haven't missed anything along the way. And so, you know, I like when advisors will kind of challenge us on some positions, force us to think through, "OK, you know, are we misinterpreting something? Do they not have all the facts?" And really work through that process, you know, which is fairly collaborative in the early stages of making sure we're all aligned on how to treat something.

Len: You and Bruce were really such good sports, too, when we would come back to you, having looked deeply into something and had a different way of thinking about it. You never really missed anything, but we might have a different take on something. And we could have a very professional, constructive conversation without having sort of pitched tents on our respective camps, and sort of fighting with each other. It's an important, delicate discussion, but it's a really rewarding professional relationship to be able to deal with clients like that.

So, Josh, in the few minutes we have left, I wondered if we could talk about something other than tax, although most of this conversation was actually about stuff other than tax because of the trajectory of your professional career. And I'm curious to know what kind of things you'd like to do in your spare time. We've talked a lot about skiing over the years, you and I, but I also know you have some other interests. So what have you been doing lately?

Josh: Yeah, my biggest hobby right now, and I got back into this about a year ago, is ice hockey. I grew up playing ice hockey through high school as a goalie. And I flirted with the idea over the years of getting back into it because really, all my life isn't work and family, as my wife likes to remind me all the time. I needed something else to do on a regular basis. And so, my younger daughter has a friend whose dad plays in a league around here and he had talked to me about playing a couple of years ago, and I kinda didn't think the timing was quite right. I think I was like, just starting out in that cloud CFO role. Wasn't sure how much free time I was gonna have and all that. And I kinda excused my way out of it. And he reached back out to me, I guess it was about a year ago, saying, "Hey, my team needs a goalie, get back in there."

And so with about, I think I had maybe like three weeks before the season started, went to a local hockey shop, you know, spent more than I wanna say on equipment because being the goalie is expensive. I had to get skates custom-ordered because I have clown feet. So I ended up playing my first five or six games in – they're not even hockey player skates. I don't know if you know much about skates, but they're, they're more like recreational, not quite figure skating, but, not far off, which was an interesting experience. But I had the time of my life. I loved it. I was so happy to be out there, aside from all the physical pain I was in afterwards. And realized I was way more out of shape than I thought. And so, I've not only just gotten back in it, I've started, like, training. I do off-ice training so that it doesn't hurt anymore when I play.

During this whole COVID shutdown, I'd go and they had just opened Ice Time for a limited number of people. And I was out there one day, literally by myself, just skating and working on some things. I met the goalie coach at the rink, and he's like, "You know, I do adults, too. It's not just the kids." And I was like, "Actually, you know what? There's a few things I wouldn't mind relearning." And then some things in the game have changed. It was much more of a stand-up position when I was a kid, and now, it's butterfly slides all over as you see in the NHL.

I'm like, you know, I wouldn't mind learning some of that stuff. So I've started. I've seen him maybe like four or five times now in the past couple of months. I'm just really into it. And, you know, while leagues haven't started up yet in New York, I'm excited to get back out there at some point and show my team the new me.

Len: That's amazing.

Josh: Yeah. Especially in COVID, it's just been a great hobby to have to keep me sane.

Len: Well, serendipity being what it is, I would not foreclose the possibility of you starting for the Bruins one day. I know you would love that. What do you think?

Josh: Yeah. Well, we'll see how that goes. You know, you always hear those great beer league, triple-backup goalies. Yeah, I think your Carolinas have – I guess you're a Flyers fan – your kids' Carolinas had one, Toronto had one, the Blackhawks had one. So, it does happen from time to time. So, we'll see. Maybe if I keep working, I can keep getting better at it. Right now, I'm just having a blast.

Len: Just keep taking those weekend calls because, you know, the Bruins might call on a Sunday, and they might need you in Edmonton on Monday afternoon.

Josh: I have to say, when I tell people at work, you know, why I'm sore, because a puck got through my equipment, the look on people's faces alone is like priceless. Like, "You do what on the weekends?"

Len: That's great. Well, Josh, it's been a thrill to have you here. I really miss getting together with you a couple of times a year, and having a nice dinner in New York City when the pandemic is over. That will be one of the first things I put back on the calendar. I hope you'll say yes.

Josh: Absolutely, yeah.

Len: Terrific. Josh Gordon, Vice President, Finance - Controller of IBM Americas. Thanks for joining us on the podcast. It's been great to have you.

Josh: Yeah, it's great to see you.

Len: Thanks.

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