

Seizing Opportunities

**An Interview with John B. Veihmeyer,
Chairman and Chief Executive Officer, KPMG LLP**

EDITORS' NOTE *John Veihmeyer joined the Washington D.C. office of KPMG in 1977 and was elected to the partnership in 1987. Since then, he has held a number of positions with KPMG prior to assuming his current post. He is a member of the Governing Board for the Center for Audit Quality (CAQ) and previously served as a member of Chairman Christopher Cox's SEC Advisory Committee on Smaller Public Companies. He received his B.B.A., cum laude, from the University of Notre Dame in 1977. He is a licensed CPA in New York, Washington D.C., Maryland, and Virginia.*



John B. Veihmeyer

COMPANY BRIEF *KPMG LLP (www.kpmg.com) is a Big Four public accounting firm that provides audit, tax, and advisory services, and the U.S. member firm of KPMG International. KPMG International's member firms have approximately 140,000 professionals, including more than 7,600 partners in 146 countries.*

Were you surprised at the speed and severity of the global economic crisis, and where do you see us today in regard to recovery?

We are emerging from an unprecedented global economic crisis that was difficult to predict and required governments to make massive investments to rescue and stabilize the system. Today, we're seeing signs of stability, even pockets of optimism, though we are still in the early stages of a fragile recovery.

How much of an impact has the economic crisis had on KPMG's business and how is the firm positioned for growth?

Any impact on our clients' business activity affects our business to some extent, so we are not immune to the business conditions that have existed for the past 18 months. As a profession, we've experienced volume declines, and have had to manage our costs accordingly. However, we are seeing significant opportunities in the marketplace and demand for our services as organizations look to adapt and thrive in this dynamic environment.

As our clients are impacted by this constant change in public policy and regulation, the continuing virtualization of business processes, and an array of other disruptive forces we're helping them anticipate the impact of global tax policy changes, improve their business performance,

utilize technology to increase efficiencies in their operations, prepare for the regulatory changes that are inevitable, re-define their risk management structures, achieve better cash management, buy and sell assets, optimize costs, restructure their debt, and improve the depth and transparency of their financial reporting.

There are key industries – including financial services, health care, and energy – that are transforming, emerging economies that are creating major shifts in capital flows, and significant infrastructure investments being made

by governments around the world. KPMG is uniquely positioned to help companies and other organizations cut through the complexity of these challenges, and we are investing aggressively to take advantage of these accelerating opportunities.

During these challenging times, how critical has it been to communicate regularly with your employees on the strength of KPMG and the long-term focus for the firm?

Ongoing communications is always important, and reaching people when times are tough is crucial. I'm a firm believer in the importance of face-to-face interaction, and I try, along with my Deputy Chairman and senior leadership team, to spend as much time as possible in our operating offices, meeting with our people. But with over 22,000 people in 88 offices in the U.S., this is a challenge. So our office and business unit leaders are key to our communication strategy as well.

We also work hard to reach our people through several other channels. We hold scheduled calls on a regular basis with all our partners, as well as our senior managers, and next month, all of our partners will gather for an in-person meeting. We also use written and video messages posted to our firm wide intranet. As an example, several months ago, we videotaped a town hall discussion between senior leadership and about 20 of our professionals at all levels of the firm, and posted a series of short excerpts from that session on our intranet, over a six-week period.

As Chairman and CEO, I also think it's important for our people to see my personal involvement on key initiatives such as diversity. In addition to ongoing communications about the importance of increasing diversity at KPMG and in the accounting profession, this month I'm leading a KPMG webcast meeting on the

topic, which will be attended by approximately 1,000 of our people.

Many leading companies today place a major emphasis on social responsibility and corporate citizenship. How important is corporate responsibility to the culture of KPMG and how do you engage your employees in this process?

Commitment to our communities is one of KPMG's global values and is at the heart of our culture. This means more than simply volunteering or writing a check; it means empowering our people to make a difference in the world.

In the U.S., we have a particular focus on education. One example is our Families for Literacy program, which was founded, and is led by, spouses of KPMG people. The goal of the program is to attack the literacy challenge in the U.S. by putting new books in the hands of children who otherwise would have none. In the three years since its inception, KPMG partners and employees and their families, along with retired partners and college interns, raised the funds for and distributed nearly 1.5 million new books, and logged thousands of hours reading to elementary-age children throughout the U.S.

Our visible commitment to and culture of social responsibility is vital to our people, and creates tremendous pride in being part of the KPMG family.

Many business leaders refer to the importance of Mayor Bloomberg's leadership in making true impact on many of the issues being addressed in New York City. How valuable has it been to have a Mayor who comes from the private sector and understands the business community?

Having a successful entrepreneur in the mayor's office, particularly from the financial sector, has brought an invaluable perspective to city government. Mayor Bloomberg's experience and pragmatic approach to solving issues has served New York well during the economic crisis.

Having been founded in New York City more than a century ago, the economic health of the city is important to KPMG. As the economy recovers and business conditions improve, having policies in place to encourage positive growth takes on even greater significance. Mayor Bloomberg's private sector experience gives him clear insight into the demands of running complex organizations, whether that's a global business or a global city's government. ●