

A Shared Set of Values

An Interview with James S. Turley,
Chairman and Chief Executive Officer, Ernst & Young



Ernst & Young National Headquarters
at 5 Times Square

EDITORS' NOTE Jim Turley began his career with Ernst & Young in 1977 in the U.S. firm's Houston office. Over the years, he has held a series of leadership positions throughout Ernst & Young. He was named Metropolitan New York Area Managing Partner of Ernst & Young LLP in 1998 and was appointed Deputy Chairman in 2000. In July 2001, he became Chairman and CEO. Based in New York and London, he serves as senior advisory partner for many of Ernst & Young's largest global clients. Turley Co-Chairs the Russia Foreign Investment Advisory Council and is on the board of directors for Boy Scouts of America, Catalyst, the National Corporate Theatre Fund, and on the board of trustees for Rice University. He is also a member of the Business Roundtable and IBLAC (International Business Leaders' Advisory Council for the Mayor of Shanghai). In March 2009, he was appointed Chair for Catalyst and in the summer of 2010, he was appointed to the President's Export Council.



James S. Turley

FIRM BRIEF Ernst & Young (www.ey.com) is a global leader in assurance, tax, transaction, and advisory services. Worldwide, their 152,000 people are united by their shared values and an unwavering commitment to quality. Ernst & Young refers to the global organization of member firms of Ernst & Young Global Limited, each of which is a separate legal entity.

In light of the economic downturn, are you hearing optimism from CEOs or is there still concern?

There is a mixture of optimism and concern, because people are realizing that the depth of the crisis has passed us, but they're also seeing that we're in the middle of one of the most rapid transformations in economic history.

When I was asked to lead Ernst & Young, the top five economies in the world were the U.S., Japan, Germany, France, and the U.K. In 2030, it's likely to be China, U.S., India, and Brazil, and there will be a fight over number five.

So executives are dealing with that shift when Europe is facing a huge challenge – both the sovereign debts and the fiscal problems we hear about – combined with virtually no growth across most of the Eurozone; there is enormous social change that has to take place for Europe to be competitive, which will be tough.

In the U.S., we're looking at the fiscal cliff, and every CEO I speak with realizes that something has to be done or we're going to push the U.S. and likely the world back into a recession.

Ernst & Young has seen so much growth overseas. Is the U.S. falling behind? Where will future growth come from?

Some people took their eyes off the U.S. ball too early.

We do a capital confidence barometer in which we ask companies around the world where the most attractive points

of investments are, and the U.S. is in the top three.

This past year, at Ernst & Young, our Americas practice was our fastest growing in the world; we had the fastest growth in South America and Mexico, but in North America, we were near 10 percent growth.

So we're feeling optimistic about the U.S. as a destination for investment and I'm optimistic about New York City, because when people think about the U.S., they still think about New York in many ways.

Are you surprised by how quickly New York has become a technology hub?

Part of the reason New York has done relatively well during these times is because of the diversity of talent we have.

Winning in the world is all about talent. We have millions of talented people from all different backgrounds coming together and that creates innovation – getting different perspectives on the same subject working together.

So it's not surprising that New York has supplemented that financial services strength with a variety of industries, including technology.

Are you surprised by how close-knit the business community is in New York when it comes to getting things done for the city?

No. The Partnership for New York City and the men and women who put their hearts and souls into this great community are focused on one thing, which is making this the place that companies and people want to be.

If you look at investment coming in, it doesn't happen without leadership and the Mayor and his team have done a wonderful job, as have the business leaders.

How critical is it that New York's next Mayor recognizes the needs of business leaders and maintains the strong public/private partnership?

It's important, but this is not a one-person city. What different administrations have done is move the city forward. I'm confident the next administration will do the same, but they must have a balanced view of what it takes to make a business be successful. Because without successful businesses, you won't have a successful middle class and you won't have jobs.

For a market like Brazil where you have grown so quickly, how do you maintain the culture?

In Brazil, our growth has been both organic and inorganic. We acquired Terco, and Ernst & Young Terco in Brazil now has 4,000-plus people.

Acquisition for us is all about talent. The organic piece of growth is the same – it's just getting people one or two at a time instead of 700 at a time.

The way you protect the culture is by having a shared set of values around the world that get reinforced, that are owned and lived by the leaders of practices and are cascaded down through the practice.

In Brazil, Ernst & Young was selected to be the professional services supporter for Rio 2016. We are optimistic about the success that the Olympics will have in Rio following the great games that London put on.

Is business making the necessary strides today in diversity and inclusion?

Ernst & Young is doing well but there is more to do. And society needs to continue to make progress. At day's end, the teams that people at Ernst & Young will be a part of are going to be more diverse.

Diverse teams are either incredible or horrible. You need to have the right culture to bring all of these ideas to the table. If you don't have that culture, then you have a bunch of disaffected people that get demoralized.

So this is about the mix of talent we have and maintaining a culture that makes that mix work effectively.

You have some of the largest companies around the world as clients, but you also own the entrepreneurial space.

The entrepreneurial men and women have been driving job growth around the world for a long time. Ernst & Young is pleased to celebrate their successes.

We have an unparalleled brand serving entrepreneurs. But it's not apart from our top-end strategy of serving great blue chip companies because, more than ever before, these entrepreneurs grow into the future leaders of tomorrow. ●