

The Keys to KPMG's Success

An Interview with John B. Veihmeyer,
Chairman and Chief Executive Officer, KPMG LLP (U.S.), and Chairman, KPMG, Americas

EDITORS' NOTE John B. Veihmeyer joined KPMG in 1977 and was elected to the partnership in 1987. He held a number of leadership positions within the firm prior to assuming his current post. He is a member of the governing board for the Center for Audit Quality, co-chair of CEOs Against Cancer, and a board member of the Kennedy Center Corporate Fund and the Committee Encouraging Corporate Philanthropy. Veihmeyer received his B.B.A., cum laude, from the University of Notre Dame in 1977.



John B. Veihmeyer

FIRM BRIEF KPMG LLP (www.kpmg.com/us) is a Big Four firm that provides audit, tax, and advisory services, and is the U.S. member firm of KPMG International.

What makes KPMG a premier service organization?

Our people define us, and the integrity we bring to the services we provide is critical to our role in the capital market system. Our strategic platform is built around four key priorities: a commitment to professionalism and integrity, being an employer of choice, driving quality growth, and global strength and consistency. These strategies drive everything we do.

Second, we recognize that the companies we serve are looking to adapt and thrive in an environment that is complex and rapidly changing, and they value our insights and collaborative approach. A key differentiator for us is that our partners and professionals have deep industry expertise and experience to help provide clarity to the complex issues our clients face.

What is the outlook for KPMG's growth in the U.S. as well as internationally?

The outlook for business globally remains very challenging. Spending and investment continues to be hampered by difficult economic conditions, particularly in Europe; concern over the election and the "fiscal cliff" in the United States; and uncertainty regarding regulation. Despite this, we are still seeing strong demand for our services as clients are turning to professionals who understand risk management, can help them navigate the regulatory environment, and counsel them on complex tax issues. We also see opportunities around digital media, data analytics, and cloud-based technologies, which in many cases are enabling fundamental changes to business models.

We're helping companies with these transformative projects.

KPMG is seeing strong growth worldwide. Last year, KPMG member firms across the globe grew to a combined \$22.7 billion, which is 10.1 percent growth over 2010. We're the fastest growing of the Big Four networks. We've done it through organic growth, by sticking to a global strategy, and by investing in the right services and the right regions of the world. We've enjoyed strong success in high-growth markets and the mid-market. We help

companies expand their presence or invest in markets such as the traditional BRIC countries, Mexico, and Vietnam. We've also been successful in helping companies headquartered in high-growth markets, like China and India, enter the U.S. market. Additionally, we are working with more mid-market companies interested in establishing global operations or expanding abroad. In a recent survey by our firm, 75 percent of U.S. business executives said that global expansion is integral to their company's growth strategy, which is up from 37 percent in 2007. That's a big jump in interest and investment and there's a great deal we can bring to the table in helping mid-market firms manage risk and transform their operations.

What does KPMG's corporate responsibility program entail?

Our corporate responsibility program is the heart and soul of KPMG and is defined by an uncompromising adherence to ethical behavior and a steadfast belief in doing the right thing for our people, clients, and communities. Let me share with you a program that speaks to who we are and what we are all about. Some five years ago, we recognized that the toughest roadblock to children's literacy in many communities is a lack of books. And we aimed to do something about it, establishing KPMG's Family for Literacy program, in collaboration with the nonprofit organization, First Book. This is a unique program in corporate America as it is led by spouses of KPMG partners, and engages the entire KPMG family including retirees, current professionals, interns, and their families. As part of this initiative, which is consistent with our focus on youth and education, our extended KPMG family raises money for the program, visits classrooms, reads to children, and personally puts new books into the hands of children – in many cases the first books they have ever owned. We've provided some two million new books to date, and

are all so proud of the smiles those books bring to the children and the impact we are having in the communities in which we live and work.

How does your firm attract and retain young talent?

Talent is the lifeblood of any organization and my most important priority. We've increased our recruiting targets across our businesses and are competing hard for talent right now. The ideas, creativity, and engagement of our people are the enablers and key to performance. The challenge for us is to attract the best young recruits and to develop them into high-performers who will enjoy great careers with our firm. We work hard to equip our people with the tools and training they need to deliver above and beyond what's expected. We also value global experience, which is why we offer and support global rotational experiences at the earliest stages of our professionals' careers – as interns. KPMG was voted by business students as one of the world's most attractive employers, ranking second on Universum's 2011 list of "The World's Most Attractive Employers." This ranking validates the outstanding opportunities we offer and reflects our focus on making KPMG a great place to work and build a career.

What is KPMG doing to attract, promote, and retain a more diverse workforce?

This is a personal priority for me as Chairman and CEO, and we're focused on attracting and retaining a more diverse workforce. I believe strongly that diversity cannot be something that's off to the side as "another priority" of a high-performing company. At KPMG, we believe that diversity is fundamental to each of our four strategic priorities and, as such, is a critical business priority. I'm proud to say we're making progress. We have a strong mentoring culture and six national diversity networks, and these are helping to drive and support the culture we want and need. We also have a number of programs and initiatives geared toward enhancing the leadership skills and professional development of our diverse professionals at different stages of their careers. Our "Leaders Engaging Leaders" program establishes one-to-one relationships between our firm's most senior leaders and high-performing diverse partners for client and operational opportunities. The importance of this effort overall is understood throughout our organization and it's a priority for every partner and professional. My goal is to ensure diversity is "operationalized" throughout our firm so that it becomes part of our organization's very fabric and being. That's part of the legacy I want to leave behind for my successors. ●