

# Fostering Innovation

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, the Committee Encouraging Corporate Philanthropy, Catalyst, and the U.S.-India Business Council. Veihmeyer received his B.B.A., cum laude, from the University of Notre Dame in 1977.



John B. Veihmeyer

**COMPANY BRIEF** KPMG LLP ([www.kpmg.com/us](http://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 is your take on the U.S. economy and does the U.S. market offer growth opportunities for KPMG?

While the general direction of the U.S. economy is trending positively, we need to see stronger and more sustainable growth in the years ahead, as well as greater employment, to really make progress. Getting there involves a number of different factors, but one of the keys is going to be a clear signal about how the nation's long-term fiscal challenges will be resolved.

Our clients are generally optimistic. Most of the CEOs I speak with, while still concerned about macro issues, believe their companies are fairly well-positioned for the next 12 to 18 months. They also have a number of key strategic initiatives that they remain committed to pursuing. This creates opportunities for us to help our clients execute against those priorities. So we are seeing strong demand for our audit, tax, and advisory services, while we continue to focus on innovation and on the enhancement of our offerings and capabilities for specific industries – such as health care and financial services – and growth areas like the cloud and data analytics.

## Despite the size and scale of KPMG, you focus on maintaining an entrepreneurial culture. How are you able to drive innovation throughout a large organization?

Today's rapidly shifting economy means that companies must be nimble and innovative. Innovation requires a long-term focus, as well as a willingness to change course when the market calls for it. It also takes a healthy dose of optimism.

One of the great things about KPMG – and part of our culture and DNA – is that we are very entrepreneurial in our spirit and approach to the marketplace. This is a delicate balancing act because we need to deliver the same level of consistency and service our clients demand while ensuring that all of our partners and professionals feel empowered to approach their unique clients in the way that they believe is most effective.

My job is to continue to sustain an entrepreneurial culture that fosters innovation. This is why we hire the best people and do our best to get out of their way so they can serve clients in the way they are capable of doing.

## What is the top challenge facing KPMG today?

Attracting and retaining the best talent continues to be vital for our firm, and a top priority. Deploying the best people on our engagements is our ultimate differentiator in a competitive field. Having the best talent is important to ensuring that our firm remains on the cutting edge and meets the growing demands of an increasingly complex economy. Diversity is an especially critical component. We seek the broadest possible range of ideas, creativity, and experiences because they drive our firm's success in serving a wide range of global clients. The challenge for every enterprise and any organization, including KPMG, is to create a culture that enables and rewards high performance. This includes having the opportunity to work with some of the world's leading companies, receive great training, and collaborate with other professionals in an environment that embraces the strengths of each individual as the foundation of creating high performing teams.

## Why is diversity important and how do you build a workforce for the future?

The markets we serve are dynamic and diverse, and to thrive in the 21st century, we need to reflect that. It's also about reflecting the values of our people and creating the firm we want to be. We want to build an organization where everyone believes they can achieve their full potential at KPMG – but we want to go beyond that and ensure that our firm is a place that people are proud to be a part of. Building a culture of inclusion helps us to achieve that goal.

We proactively cultivate the skills we need. We work closely with our talent supply

chain – the universities – to develop and find the right people for our organization. University curricula and the focus of academic programs have a direct bearing on our ability to meet future workforce needs.

Once talent is attracted and hired, they have access to our world-class training programs that encourage a mindset of lifelong learning and skill building. In addition, we have various programs – including mentorship and sponsorship – to foster professional growth and development.

## KPMG is known for its community engagement. When it comes to corporate citizenship initiatives, what is KPMG's main focus?

A huge part of what defines KPMG is our focus on making a positive difference in the communities in which we live and work. Youth education is our primary focus. To ensure that we build a sustainable, diverse talent pipeline for our organization and the broader market, we have invested in multiple programs from early childhood and throughout the education continuum, including helping build a cadre of diverse professors in academia.

KPMG's Family for Literacy (KFFL) program is the entry point on the educational continuum. It all starts with literacy. The toughest roadblock to children's literacy, especially in low-income neighborhoods, is a lack of books. Through KFFL, our people raise money, visit classrooms, read to children, and personally put new books into their hands – in many cases the first books they have ever owned. One of the great things about this program is that it's truly a family initiative. Our spouses help drive this effort. Interns, the children of our people, retired partners, alumni, and many more are engaged.

This year marks the fifth anniversary of KFFL. To date, we've distributed more than two million books to underprivileged children and hope to distribute millions more. My wife Beth co-founded KFFL, and we are deeply involved with and committed to this program.

At the middle school level, our people work with Junior Achievement's Finance Park program to increase financial literacy. We work to inspire interest in the accounting profession among high school students through the National Academy Foundation's 250 Finance Academies. In the higher education realm, our Ph.D. project helps encourage minorities to pursue doctoral degrees and has increased diversity in the teaching ranks nearly four-fold at business programs nationwide. ●