

Adapt, Innovate, and Execute

An Interview with Lynne Doughtie, Chairman and Chief Executive Officer, KPMG LLP

EDITORS' NOTE *Lynne Doughtie assumed her current post on July 1 of this year. She joined KPMG's Audit practice in 1985 and went on to serve in a number of national, regional, and global leadership roles, including as the lead engagement partner for some of the firm's major clients. In addition to her U.S. leadership role, she serves on KPMG's Global Board and Executive Committee. Doughtie most recently served as Vice Chair of KPMG's Advisory business (2011-2015) and steered it on a path of tremendous growth that has established it as the U.S. firm's fastest growing business. She is a Governing Board member for the Center for Audit Quality and a member of The Committee of 200.*



Lynne Doughtie

COMPANY BRIEF *KPMG (kpmg.com/us) is one of the world's leading professional services firms, providing innovative business solutions and audit, tax and advisory services to many of the world's largest and most prestigious organizations. KPMG is the fastest growing Big Four professional services firm in the United States and is widely recognized for being a great place to work and build a career. For the eighth time in nine years, KPMG was named one of the country's "100 Best Companies to Work For" by Fortune magazine, advancing 17 spots on this prestigious annual list to become the highest ranked of any Big Four firm.*

In your new role as KPMG U.S. Chairman and CEO, you've recently appointed a new leadership team. Would you discuss these changes and how they effectively position KPMG for the future?

I'm extremely excited about the tremendous momentum KPMG has today, and our success is a testament to the strong leadership others provided before me. As is true with most changes in leadership, there is a natural succession process, and we relied heavily on that planning in ensuring we had the right team in place to lead KPMG these next five years. We also adhered to some strong guiding principles in which we leveraged our historical strengths with fresh ideas. Our team has deep knowledge and experience, along with a proven understanding of how to adapt, innovate, and swiftly execute in a marketplace that offers enormous opportunities for our clients and our firm. We are well-positioned to continue to serve our

clients with the highest quality, grow our business, and meet the many challenges in this time of rapid change.

Where do you see the greatest growth opportunities for KPMG in the U.S. market and will much of the growth come through acquisitions?

Company leaders today confront business challenges that were unheard of even five years ago. The pace of change, technological disruptions, and increasing regulatory requirements have these leaders focused more than ever on being innovative, managing new risks, engaging

their employees, and delighting their customers. Our client's greatest concerns and opportunities serve as the road map that we use to chart our own growth strategy, focusing on a number of priority industries – such as financial services and health-care – and services where change and disruption are most pronounced.

As part of this effort, we are making strategic acquisitions and forging alliances to broaden our scope of services for clients. We recently completed a number of strategic acquisitions in areas such as business transformation, cybersecurity, customer analytics, digital and mobile technologies, and alternative investments. These expanded capabilities enhance our growth prospects and the quality of our services across Audit, Tax, and Advisory.

How have analytics and the impact of changing technology affected KPMG's business and how important it is for KPMG to continue to invest heavily in technology?

New and disruptive technologies are impacting all of our businesses. The implications are far-reaching and are transforming complete business models for many organizations. At KPMG, we are constantly evaluating the impact of technologies on our own business model in terms of how we interact and collaborate more efficiently – and in innovative ways – with one another. We also are using new technologies to enhance our solutions and service delivery to clients. We are investing heavily in data and analytics (D&A) and cognitive, as these are critical in allowing us to enhance the value of our services. For example, D&A enables our auditors to provide deeper and broader insights about an organization's financial condition and performance while maintaining and continually enhancing audit quality.

It's also impacting the skill sets and capabilities resident within KPMG. Not only do we have accounting, operational, and industry expertise but

our D&A center also is staffed with data scientists and engineers that work shoulder-to-shoulder with our teams to provide deep technical expertise.

Professional services firms will need to remain at the vanguard of this evolution to continue to enhance audit quality and provide companies with better insights on their position in the marketplace in order to serve and protect the capital markets.

How critical is it to have a diverse and inclusive workforce and how would you highlight your efforts in this regard?

In a competitive environment where change is constant, companies need to innovate in order to stay ahead of the curve. A true innovative culture can only be achieved when diversity and inclusion are woven into every fabric of the organization. Diverse perspectives and experiences are a must at KPMG, along with creating a culture of inclusion where every individual can achieve his or her goals.

We see every day that our people are passionate about diversity, but we know that it takes more than passion to achieve our goals. Real progress requires concrete steps and accountability for meaningful results. At KPMG, the process begins with educational initiatives that start with early childhood through KPMG's Family for Literacy program and continue all the way through our PhD Project, which supports diverse doctoral candidates. Equally important are the various diversity networks, mentorship and sponsorship programs, and leadership development initiatives, which our Diversity Advisory Board drives through all levels of our organization. We are proud of the progress we have made, and are committed to continuous acceleration of our efforts.

What are your key priorities for KPMG in order to ensure that it maintains a leadership position in the future?

I am honored to be leading our firm at such a pivotal time for us and our clients. I have a number of critical priorities that I will remain focused on in the years ahead, which include ensuring that KPMG maintains the highest levels of quality in all of the services we deliver across all of our businesses; continuing to build and strengthen our inclusive, purpose-driven culture; driving innovation across all of our businesses in order to enhance all of our services offerings; and attracting, retaining and developing the best talent and continuing to create growth opportunities for our people. All of these priorities are linked to one goal – that KPMG is the clear choice – for our people, clients, and the public that trusts us. ●