

Passion and Purpose

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

EDITORS' NOTE Lynne Doughtie joined KPMG's Audit practice in 1985 and went on to serve in a number of national, regional, and global leadership roles. In addition to her current U.S. leadership role, she serves on KPMG's Global Board and Executive Committee. Doughtie previously 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 also serves as a board member for NAF, LUNgevity Foundation, and the Partnership for New York City. Doughtie has received numerous recognitions, including being named one of FORTUNE's Most Powerful Women.



Lynne Doughtie

FIRM 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.

What has been the key to KPMG's strength and leadership in the industry and how do you define the KPMG difference?

What makes KPMG special is our culture. Culture is extremely important to me because it's what makes our firm a great place for our people to work, develop, and build their careers – and extremely difficult for our competitors to replicate. In my 30-year career with KPMG, I've never seen a service offering alone win an engagement. It's always been our people, quality, and values.

Our people work with passion and purpose alongside our clients to deliver real results and are always committed to the highest standards of professionalism, integrity, and quality. We give back to our communities and care for and about each other.

Our inclusive, innovative environment drives our growth because it attracts and empowers top talent who inspire each other – and our clients – with richer points of view. It gives us the ability to differentiate and win in the marketplace.

The accounting profession is not always equated with innovation, but KPMG is focused on it. Will you share the reasons for the firm's heightened focus on innovation?

Challenging ourselves to find new ways to tackle the disruptors affecting our clients is how we stay vibrant and relevant. Like every industry, we are impacted by the rapid advancement of new technologies. This can disrupt existing business models, but it also affords an opportunity to continually reinvent and improve businesses. Innovation is at the core of our organization – embedded within all of our businesses – and we are taking advantage of emerging technologies to enhance our existing services and introduce new ones.

KPMG is investing heavily in advanced data and analytics and cognitive technology. We believe these technologies will have a significant impact on the future of our industry by enabling our professionals to tackle our clients' most pressing challenges.

The ability to "see around the corner" is also important, so we have innovation labs that help clients identify the signals of disruption surfacing in their markets and industries. We also work collaboratively with clients in these environments to develop groundbreaking solutions.

In addition, we recently launched a first-of-its-kind data and analytics master's degree program together with Villanova and Ohio State to develop data-age auditors.

KPMG has been the fastest-growing Big Four firm in the U.S. for the past two years. What's KPMG's growth strategy for the year ahead?

Our solid financial performance these past two years really speaks to the strength of our culture and people, and the strategic investments we've made.

This is a time of unprecedented change as technological disruptions and global economic and geopolitical shifts occur more frequently. Our clients' needs are evolving and we have to continue to provide innovative solutions to address them, so our growth strategy is developing accordingly.

We realize that in today's competitive, fast-moving marketplace, we can't go it alone. Collaboration with other organizations through alliances and partnerships is necessary to spur growth. That's why we will continue to expand our alliance ecosystem and pursue strategic acquisitions to extend our portfolio of Audit, Tax, and Advisory services for our clients and obtain the technology and talent we need.

We also will continue to drive innovation by investing heavily in cutting-edge technologies like cognitive, which enhance quality, powers new services, and provides us with the ability to swiftly bring deeper insights to our clients.

What risks are top of mind for business leaders?

We recently completed a survey of 400 U.S. CEOs that captures their insights on the business outlook over the next three years. The findings confirm a great deal of what I'm hearing about risk from the CEOs and boards I meet and speak with regularly across a range of industries.

Cybersecurity surged to the top of the risk list in this year's study. Business leaders are looking for new products, customers, partners, and channels to support their organizations' growth and they know this further increases cyber risk.

Regulatory risk followed close behind as organizations need to comply with a proliferation of new regulations, tax regimes, and laws emerging in the various jurisdictions in which they operate. Geopolitical risk – which ranked third – is top of mind in light of global events. They're evaluating how people, operations, supply chains, and investments will be impacted.

Despite the myriad of risks and concerns they see, CEOs that participated in our survey are confident overall about the long-term growth prospects of their companies, the U.S. economy, and the global economy. They believe they can successfully navigate these factors and transform their organizations to prosper.

KPMG is widely recognized as being a leader in diversity and inclusion. How are you personally engaged with these efforts?

Inclusion and diversity have been strategic priorities for KPMG for years. They are intrinsic and vital parts of who we are. A major focus for me is to ensure that people at every level of our organization take ownership for strengthening our inclusive and diverse culture.

I serve as executive chair of our Diversity Advisory Board (DAB), which helps drive KPMG's commitment to inclusion and diversity. The DAB is comprised of the partners who currently serve as chairs of KPMG's seven national Diversity Advisory Boards and Networks, and provides strategic guidance to our Diversity chapters and councils at the local office level throughout the country. We are intentional about ensuring that inclusion and diversity objectives radiate throughout our entire organization. These are business goals with business leader accountability. ●