

# Driving Innovation

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 regional, national, 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 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, LUNGeity 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 widely recognized for being a great place to work and build a career.*

**What have been the keys to KPMG's industry leadership and consistent growth?**

Our ability to innovate – particularly as we and our clients face extraordinary disruption and market transformation – is really what stands out the most.

Across our firm, we encourage fresh thinking, creativity and experimentation from all of our people. That mindset is a big part of our culture. Innovative thinking can come from anyone in our organization. That's why we listen. We actually use a crowdsourcing tool that's tech-enabled to gather ideas, observations and insights from our more than 31,000 people about trends, existing services and potential future offerings.

We take a strategic, enterprise-wide approach when making our innovation-focused investments, which are informed by external trend analysis and longer-term objectives. Striking the right balance between succeeding today and investing for tomorrow is critical, so we regularly assess our innovation portfolio and determine whether we need to build, buy, or partner in order to offer new products or services.

Through these efforts, we're ensuring our clients, and our firm, remain a step ahead of the competition.

**Will you discuss KPMG's commitment to building a diverse and inclusive workforce?**

Our commitment to inclusion and diversity is embedded in our values and core to our beliefs. It's not just a business necessity, it's a moral imperative that influences everything we do – how we attract and develop next generation leaders, how we serve clients, engage in

corporate citizenship and build public trust. All are essential to sustaining our business and the communities where we live and work.

Leading with inclusion allows us to give voice to the diverse perspectives we need to drive innovation and take sound solutions to the marketplace. In these transformative times, as businesses embrace new technologies like artificial intelligence and robotic process automation to reinvent themselves, it's more critical than ever to harness the ingenuity and experiences of everyone in the organization in order to adapt, grow and thrive.

Driving meaningful and lasting change takes a clear strategy, deliberate focus at all levels and sustained execution. We continue to invest in programs that develop and challenge our diverse professionals to become tomorrow's leaders. Our inclusion and diversity initiatives extend beyond our internal networks. We also engage clients, communities and business associates so that we ultimately build a pipeline of diverse talent for the future.

**How has technology impacted the industry and will advances in technology change the workforce for the future?**

Technology is reshaping our current workforce and dictating the skills we'll need from our future hires. We see this as a huge opportunity. In fact, we're deploying technologies like robotic process automation because we recognize that by automating manual, repetitive and administrative tasks, our people can focus on more strategic, higher value work.

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To ensure we have the talent we need for the future, we're equipping students now. We know that data and analytics experience and knowledge will be a requirement for future audit and accounting professionals. That's why our firm launched the KPMG Master of Accounting with Data and Analytics Program in 2016. Through this first-of-its kind program, we're partnering with leading business schools to provide data and analytics tools, case studies and data sets to students. Our goal is to prepare the emerging workforce for the data age.

**How is KPMG continuing to foster innovation within the firm and for clients?**

To grow in today's fast-changing marketplace, collaboration is a must. You can no longer "go it alone." To help our clients tackle their greatest challenges and opportunities, KPMG continues to grow its portfolio of alliance partners and make acquisitions. This past year, we announced a new alliance with Google Cloud and expanded existing alliances with IBM Watson and Microsoft. Our firm also agreed to acquire the Identity and Access Management business of Silicon Valley-based Cyberinc, which provides cyber security solutions globally.

The ability to see the next disruptive force or innovation is important, so we continue to develop capabilities that detect weak signals in the market as well as emerging trends – and we translate those signals into action.

This past year, to continue fostering fresh, innovative thinking, we formed innovation networks, or hubs, across our firm to encourage

the exchange of new ideas. We also continued our innovation competitions where winning teams receive funding to develop and deploy the technology or process they've envisioned.

**What were some of the key takeaways from your latest CEO Outlook study?**

KPMG's 2018 U.S. CEO Outlook, based on a survey of 400 chief executives across all industries, found that U.S. CEOs are primed to pursue growth aggressively through mergers and acquisitions, overseas expansion and investments in innovation and collaboration. They're highly confident in their business prospects and their ability to disrupt the sectors in which they operate and confront risks head-on.

It's also evident from the survey that the robust U.S. economy, along with the digital and demographic changes that are transforming the business landscape and society, are creating invigorating yet formidable opportunities for growth.

Our researchers concluded that CEOs need to be flexible and agile. At the same time, they need to adopt a new mindset to move decisively – and fast. Below are some foundational ideas.

• **Successful leadership in the digital era depends on an educated awareness of what's at stake.** New technologies are bringing about possibilities for business transformations. But CEOs need to carefully weigh what they stand to lose if they don't adopt new technologies, and what they stand to lose if they adopt new technologies imprudently.

• **Cyber risk is the top risk, no matter the industry.** It is getting more sophisticated and not going away. CEOs are becoming more mature in their preparedness for cyber risk. To mitigate risk, they're moving from basic blocking and tackling to developing long-term, comprehensive strategies.

• **Talent management calls for balancing short-term skills gaps with the long-term needs of the core workforce.** Smart companies combine their core and contingent workforces. They're invested in retraining all employees and providing new career opportunities.

**What advice do you give to young people interested in a career in the professional services industry?**

Our profession really is full of promise. A career in the professional services industry allows you to learn and grow in an environment where inclusion and diversity, respect, and doing right is embraced. It also promises the chance to work alongside the best and brightest people and with the world's greatest and most innovative companies.

Be purpose-driven. You will help provide the capital markets with confidence and assurance in financial reporting – and that's critical to workers, retirees, communities, investors, the capital markets and the global economy. ●

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