



our differences are our strength



AUDIT ■ TAX ■ ADVISORY

Diversity at
KPMG

TIM FLYNN
CHAIRMAN AND CEO

Foreword

In my 28 years with KPMG LLP (KPMG), I have had the opportunity to work with a broad spectrum of talented people and to experience firsthand what happens to a team when we bring together individuals with diverse skill sets, knowledge, experiences, and backgrounds. Their unique perspectives and differences strengthen the team and help the individuals to learn more, grow more, and accomplish more. The results are extremely powerful. In fact, I truly believe the diversity of our people, and the collective strength it brings to our everyday work, is not only critical to achieving our strategic business goals, it is essential to making KPMG a great place to build a career.

I am extremely proud of the work we've done to create an environment that is inclusive and embraces the differences of our people. Our diversity networks are a valuable part of this environment. Our networks — including the African-American Network, the Asian Pacific Islander Network, the Disabilities Network, the Hispanic/Latino Network, KPMG's Network of Women, and pride@KPMG, which focuses on the Gay, Lesbian, Bisexual, and Transgender (GLBT) community — are helping us to further the professional development opportunities for members of these groups, and provide them with a forum through which they can build professional relationships and leadership skills.

“The unique perspectives and differences of our people strengthen our teams... In fact, I truly believe the diversity of our people, and the collective strength it brings to our everyday work, is not only critical to achieving our strategic business goals, it is essential to making KPMG a great place to build a career.”

Our commitment to all of our diversity initiatives is a logical extension of our core values. That is why I am also very proud of KPMG's longstanding commitment to making a difference in the communities where we do business and reaching out to support the development of future minority and female leaders through such programs as The PhD Project and our partnership with Major League Baseball's Reviving Baseball in Inner Cities™ (RBI™) program.

In 2007, we became the presenting corporate sponsor of Major League Baseball's RBI program, which is designed to increase youth participation in baseball and softball in inner cities across America. The RBI program encourages academic achievement, promotes the inclusion of minorities in the game, and demonstrates the power of corporate citizenship.

The mission of The PhD Project is to increase the diversity of business school faculty by helping African-Americans, Hispanic-Americans, and Native Americans to enter and complete business Ph.D. programs. In only 13 years, The PhD Project has contributed to a dramatic increase in the number of minority business school faculty — from 294 to 889, with nearly 400 more candidates currently immersed in doctoral studies.

In terms of our profession, we have strong relationships in place with such national accounting associations as the National Association of Black Accountants, Inc. and the Association of Latino Professionals in Finance and Accounting. I am particularly proud of our relationship with Howard University's Center for Accounting Education. These organizations address the under-representation of minorities in business, higher education, and the accounting profession.

In 2007, we established the Diversity Advisory Board (DAB), a national team of business partners and leaders from various functions to help ensure that diversity is a top priority. The DAB advises KPMG's management committee and the board of directors, and sees to it that our diversity strategy is carried out consistently throughout the firm. All of KPMG's diversity networks are represented.

At KPMG, our focus on diversity also extends to our procurement and vendor partnerships. Our firm does business with minority- and women-owned businesses, and we have expanded the scope to include veteran-, special disabled-veteran-, disabled-owned, and GLBT-owned businesses.

The feedback I often receive about the culture at KPMG — one that values the contributions of all our people — is extremely rewarding and resonates beyond our offices. In addition to other awards we've received, the firm consistently is ranked each year by the Human Rights Campaign Foundation as one of the Best Companies and among the Best Places to Work for GLBT professionals. Year after year we achieve 100 percent on the Human Rights Campaign's Equality Index score. We've also been recognized as one of the top 10 organizations for working mothers by *Working Mother* magazine, and recognized as one of its "100 Best Companies" 11 times since the list's inception.

While receiving these accolades is gratifying, what is most important to me is that we are living our core values and helping to ensure that KPMG is a great place to work and build a career, for all our people.

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Jack Taylor, executive vice chair, Operations, and co-chair of the KPMG Diversity Advisory Board.



Kathy Hopinkah Hannan, Midwest Area managing partner, Tax, co-chair of the KPMG Diversity Advisory Board, and chair of the Women's Advisory Board.

Diversity Advisory Board Managing a Golden Opportunity

Most organizations understand the importance of diversity. And, most will acknowledge that pockets of their organizations leverage diversity well. The broader challenge lies in establishing diversity as an operating principle that is followed consistently throughout an organization.

At KPMG, we are driving this effort through our Diversity Advisory Board (DAB), which was set up to deliver a unified strategy around diversity and make it an integral part of our organization. The board, which was established in 2007, helps the firm achieve three key objectives:

- Align the activities of our national diversity networks and better leverage best practices;
- Advise the KPMG management committee and board of directors on our diversity strategies and objectives, the progress we're making, and the ways we can continue to integrate diversity and inclusion in our business strategy; and
- Provide support and ensure that we continuously enhance the recruitment, retention, and advancement of a diverse team of professionals.

"As someone who helps lead KPMG's business operations, I understand the importance of diversity and inclusion to our business. By valuing our differences — as well as our similarities — we build upon our individual, team, and firm strengths." — JACK TAYLOR

By bringing together the individual ideas, skills, and leading practices of each of the firm's national diversity networks, the DAB serves as a "center of excellence" and enables us to better execute against our goals as one firm, for the benefit of all our people.

Also of note is the makeup of the DAB's membership — many serve as co-chairs of our six diversity networks. Not only are these individuals passionate about diversity, they have significant responsibilities for leading key parts of our business. Their involvement demonstrates how seriously KPMG takes the issue.

As KPMG partners, DAB members also have clear insight into the firm's operations and processes and can call on a variety of resources to create and implement initiatives. The board is well positioned to advise firm leadership about diversity issues, and also to advance the firm's efforts to recruit, retain, and develop our people.

We believe we have captured something special and exciting in the DAB, and we are committed to making the most of it — whether we're helping one manager with a local decision or counseling the firm's chairman about diversity policies that will affect every employee and partner. Large or small, every move we make reflects the essence of our firm. With diversity, we're talking about nothing less.

"As a woman and a Native American, I am proud of KPMG's diversity efforts and delighted to help lead them." — KATHY HOPINKAH HANNAN

COMMITMENT TO AN Inclusive Culture

Diversity is not only a business imperative, it is the right thing to do. At KPMG our commitment to building a diverse and inclusive environment is a collective effort that draws on the talent and experience found throughout our organization. As Yasuko Metcalf, an Audit partner and member of our Asian Pacific Islander Network notes, “None of us is a bystander when it comes to diversity.”

That is why I am so proud of the diversity networks that our partners and employees have created, and KPMG has supported, over the past several years. These networks, now in offices across the country, are a key component of our diversity strategy, and support KPMG’s Employer of Choice strategy. No doubt the networks contribute to the strength and cohesiveness of our culture. In fact, our latest Work Environment Survey results reflect that the majority of our people think KPMG is a great place to work and build a career.

KPMG has three primary goals for our diversity networks:

1. Help us meet our diversity goals.

Today, we serve clients nationally and globally, and they expect us to understand and appreciate the complexities of their cultures and customs. The diversity networks help us to meet the needs and expectations of our clients.

Senior Associate Amber Jackson, a member of the African-American Network, says, “Los Angeles is such a multicultural community. Clients want to see diversity in their business partners — and they tell me how much they appreciate working

with our team because it is diverse. Working with such a mix of people, we get a blend of perspectives.”

2. Foster a diverse and inclusive work environment.

The networks extend into the job market and onto college campuses, so they help support our efforts to hire a diverse workforce. They provide a welcoming experience for new hires. And they help their members grow personally and professionally by offering them support and guidance through networking, personal and career development, and mentoring opportunities.

The KPMG Network of Women (KNOW) is extremely effective at addressing the professional development needs of its members. When the firm introduced Employee Career Architecture to provide employees with enhanced career development support, KNOW was among the first groups to create a training toolkit and set up meetings where members could learn how to use the tool.

The National Association of Black Accountants, Inc. (NABA) is helpful in career development. Director Earl Fagan, a



BRUCE PFAUS
VICE CHAIR, HUMAN RESOURCES

member of the African-American and Hispanic/Latino networks, says, “I have seen my career, and those of others, develop at the firm through KPMG’s support for NABA. KPMG’s relationship with NABA has afforded me the opportunity to strengthen my technical skills, enhance my interpersonal skills, and expand my personal and professional network.”

Discussing the Disabilities Network, Principal-in-Charge, Operations Services, Stephen Clemente says, “Whether from a physical or developmental disability perspective, the firm hires and creates an environment for all to succeed.”

3. Educate people at KPMG.

The networks seek to raise diversity awareness and inclusiveness among leaders and colleagues by organizing cultural events, community support projects, and other activities.

Senior Manager Suzette Longfellow says, “Through the Hispanic/Latino Network, we are raising awareness of our cultural differences so we can all understand each other in the firm.”



YASUKO METCALF
PARTNER, CHICAGO

Diversity Is a Business Imperative

Because she is a Japanese native, 70 percent to 80 percent of Yasuko Metcalf’s clients are Japanese companies with operations in the Chicago metropolitan area, where she is based.

“Our clients want us to be well-versed in the U.S. market, but also to understand the Japanese business culture and language,” says Metcalf, who joined KPMG in 1990 and became an Audit partner in 2000. She also is a member of the Asian Pacific Islander Network.

“A diverse workforce,” she says, “is more than nice — it is a business imperative. Our clients are global and, therefore, diverse. They expect the same from KPMG.

“Diversity is not something you can accomplish with rules and regulations. It is part of our culture, how each of us acts, thinks, and feels — and how we all interact. It is how we maintain and energize this dynamic organization.”

- Diversity Networks at KPMG
- African-American Network
 - Asian Pacific Islander Network
 - Disabilities Network
 - Hispanic/Latino Network
 - KPMG’s Network of Women
 - pride@kpmg (GLBT)

“As a parent of a child with special needs, I am proud to serve as co-chair of KPMG’s new Disabilities Network. It is indicative of the firm’s inclusive culture and its commitment to helping our people, as well as their families and loved ones, achieve their full potential.”

—SHAUN KELLY



SHAUN KELLY
VICE CHAIR, TAX
CO-CHAIR, DISABILITIES NETWORK

Gaining Global Perspectives

As part of an international organization, KPMG recognizes that its workforce should be diverse in its appearance as well as global in its perspective. The firm is aggressively expanding the opportunities for its partners and employees to work and live abroad.

KPMG member firms are encouraging their people to take short- and long-term international job rotations through a revitalized rotation program called **Global Opportunities**, or **GO**. In 2007, about 2,400 KPMG professionals — including 441 from the United States — took advantage of these opportunities in 57 countries. The goal is to double that number by 2010.

“Living and working in another country gives you an in-depth understanding of how the rest of the world works,” says Aidan Walsh, partner-in-charge, International. “You develop a greater appreciation for different cultures and the different ways in which people manage and grow their business. Generation Y wants to explore the world. Our international assignment programs make KPMG a more desirable place to launch and build a career.”

Rotational assignments usually run from three to 18 months but occasionally go longer. Stephen Johnson, a partner with the U.S. Capital Markets Group, is halfway through a three-year rotation in Tokyo and has learned a great deal since leaving the Detroit office.

“I have a newfound understanding of the multiple, unique Asian nationalities and cultures,” he says. “I am seeing up close how the Chinese differ from the Japanese or from the Malays, for instance. They all think, work, speak, and live very differently. Logistics, sales, and marketing all have to be specific to the market, which may be different in each country.”

Global training

KPMG member firms offer numerous training programs designed to broaden global perspectives. In 2007, KPMG launched an **International Internship Exchange Program**, giving summer interns the chance to gain a real-world perspective on a global career with KPMG (see “New Hire on a Global Path,” page 9).

Compass, KPMG’s global training and development initiative, is launching programs that expose colleagues to a diverse mix of people and cultures through sessions held around the world. In 2007, these programs included:

- **New Manager Training**, which brought together KPMG professionals from North and South America and Europe.
- An **Experienced Manager Conference** that drew nearly 140 managers, from more than 35 countries, to New Delhi, India.
- The **Global Awareness Seminar** that held two sessions for the first time, in Barcelona, Spain, and in Shanghai, China. Senior managers from more than 30 countries attended the six-day program.
- Audit’s new **Global Audit Fundamentals** program in Madrid, which attracted more than 300 newly hired associates from five countries, including 100 from the United States. The firm plans to triple the number of participants in 2008.



JOHN TANTILLO
PARTNER, NEW YORK
CO-CHAIR, PRIDE@KPMG

Pride@KPMG

During his first 19 years with KPMG, John Tantillo kept his lifestyle to himself.

Then three years ago, a Human Resources representative who knew him well asked Tantillo if he would establish the New York Office pride@kpmg, a network for Gay, Lesbian, Bisexual, and Transgender (GLBT) employees and partners.

Tantillo faced an important and deeply personal question. Accepting the role would be tantamount to having him come out — to announce to the KPMG world that he was gay.

“Many people didn’t know I was gay but I decided it was the right thing to do,” Tantillo says. “Being an owner of the firm, I have an obligation to serve as a role model for our employees. If I am not out and open with who I am, how could I expect our employees to be open?”

Furthermore, Tantillo now mentors many pride@kpmg members, counseling them and providing career guidance.

Tantillo believes there is a great deal of sincerity and understanding at the firm for its GLBT employees and partners, especially among the senior leaders. “Pride’s board has the firm’s full support,” he says. “The leaders ask me, ‘What else should we be doing to support GLBTs in our workforce?’”

Looking back, Tantillo says, “Being out at KPMG has made my work life a lot easier, knowing I can bring my whole self to work every day.”



KARIMA WARNER
ASSOCIATE, NEW YORK

New Hire on a Global Path

Karima Warner joined KPMG full time in September 2007 and already sees herself on a global career path.

Warner’s interest in an international career was triggered while studying in Spain as a college student. She talked to her KPMG recruiter about her interest during the interview process, and he told her she had a chance to participate in the global new hire training program that was soon to debut in Madrid.

Fortunately for Warner she was accepted into the program, and in October, less than a month into her career with KPMG, she found herself in Madrid with 300 other new hires from five countries.

“I got the opportunity to meet people at all levels from four European countries, as well as the United States,” she says. “I was able to establish international relationships just as I was beginning my career.”

As much as Warner appreciates the business contacts, she also gained some insights into the cultural diversity of the other participants.

“I got the opportunity to meet people... from four European countries, as well as the United States. I was able to establish international relationships just as I was beginning my career.”

“People were quite different there. They opened my mind to other cultures,” she says. “I was surprised to see so many of the new hire employees from the European countries who hadn’t majored in accounting as I had. Instead, they studied things like history, art, and music. They seemed so well-rounded that it motivated me to expand my horizons.

“I realized how glad I was to have chosen KPMG,” Warner says, “because the firm invested so much in me and my career from the very beginning.”

LATORIA CARROLL
MANAGER, CHICAGO, AND A RECIPIENT OF
THE 2007 NATIONAL CHAIRMAN'S AWARD
FOR EXCELLENCE IN VOLUNTEERISM

COMMITMENT TO The Community

At KPMG, serving our clients and communities is a privilege, and with that privilege comes responsibility. KPMG's efforts impact the community and give those in need access to a better future, whether the firm is partnering with such national non-profit organizations as the American Red Cross and Junior Achievement, helping inner-city kids learn the values of life through Major League Baseball's Reviving Baseball in Inner Cities™ (RBI™) program, or fostering diversity in the world of commerce through supplier diversity initiatives.

Says Lord Michael Hastings, global head of Citizenship and Diversity: "Diversity is a richer, more significant and multi-layered issue today. Countries are rapidly becoming multi-cultural and multi-colored. That change, which is affecting every part of the developed world, means that for KPMG to attract and retain the best people, as well as grow the business, we need an open approach

to people of different cultures, different colors, and a sustained effort to attract women to the firm."

Corporate citizenship at its best

KPMG's Corporate Citizenship program addresses local needs in the United States while also lending support to initiatives worldwide. To generate aware-

"Diversity is a richer, more significant and multi-layered issue today. Countries are rapidly becoming multi-cultural and multi-colored..."

—LORD MICHAEL HASTINGS

ness of the program, KPMG was the first of the Big Four public accounting firms to create a comprehensive annual review documenting all of its corporate citizenship programs. The review illustrates the firm's commitment to the community and includes a wealth of information on involvement programs, corporate and individual giving initiatives, and efforts to promote and facilitate volunteerism.

As part of its Corporate Citizenship program, KPMG collaborates with non-profit organizations on national events, volunteer activities, and fundraising events. Its outreach efforts are far reaching.

Getting involved

"Our national community involvement program, Involve, has been around roughly 15 years," says John-Anthony Meza, associate director, National Community Involvement. "At each KPMG office we have Involve coordinators, and through their work and the work of the committees they've formed, we engage in more than 800 local volunteer projects a year."

KPMG also supports its employees' efforts to fulfill their own personal vision of volunteerism and citizenship by recognizing them with the National Chairman's Award for Excellence in Volunteerism. "The National Chairman's Award highlights the amazing work our people do in their communities and throughout their everyday lives," Meza says.

Manager Latoria Carroll recently received the 2007 National Chairman's Award for her volunteer work with children and those in need in Chicago. "I have supported Junior Achievement for the last three years. I taught a fourth-grade class my first year, and I taught a kindergarten

class the last two years," Carroll says. "I switched to kindergarten because it was my favorite class in elementary school and I adored my kindergarten teacher."

Shortly after her last visit to Newberry Academy, where she taught, Carroll received a gigantic thank-you letter from Mrs. Furuta and the kindergarten class. "The first sentence read, 'We love you! Thank you for giving us all the stuff!'" she says. "The letter is decorated with their names and pictures so my co-facilitator and I would remember them. It is the most beautiful, heart-warming letter I have ever received. I keep it to remind me of what's really important."



LORD MICHAEL HASTINGS
GLOBAL HEAD OF CITIZENSHIP
AND DIVERSITY

National Partnerships

KPMG partners with and sponsors six national organizations: American Cancer Society (ACS), American Red Cross, National Multiple Sclerosis Society, Junior Achievement, American Heart Association, and March of Dimes.

The firm helps raise funds for the American Cancer Society primarily through its support for ACS's signature "Relay for Life" activities. Last year, KPMG helped raise \$650,000 for cancer research, education, and advocacy through The Relay for Life, Making Strides for Breast Cancer, and Daffodil Days.

Joining forces with the American Red Cross, KPMG professionals dedicate countless hours to provide relief to victims of disasters and help people prevent, prepare for, and respond to emergencies. Many KPMG partners and employees participate in more than 40 blood drives across the country, collecting more than 1,900 pints of blood, and helping to save an estimated 5,700 lives.

As a National Partner of the National Multiple Sclerosis Society, KPMG recently was recognized as the top contributor in its peer group. Whether cycling, walking, or running, nearly 600 KPMG participants trained for months and contributed 6,000 hours to raise \$265,000 at their local walks and bike rides last year to help those affected by multiple sclerosis. In addition to other fundraising events, corporate philanthropy, and the KPMG Community Giving Campaign, the firm donated more than \$370,000.

KPMG has a distinguished relationship with Junior Achievement. More than 25 KPMG teams participated in classroom mentoring in 2007, providing more than 4,700 hours of instruction time to help young people understand the economics of life.

The KPMG Community Giving Campaign leverages firmwide technology and provides an easy and effective way for partners and employees to make secure contributions to their charities. It provides a wide range of charitable options, while also recognizing the history and tradition of our commitments to these national organizations.

A Real Business Advantage: KPMG Buys Into Supplier Diversity

KPMG is building on its commitment to the community by ramping up its efforts to increase supplier diversity, which encourages the use of minority-owned; women-owned; veteran-owned; disabled veteran-owned; disabled-owned; and gay-, lesbian-, bisexual-, and/or transgender-owned businesses.

Last year Jack Taylor, executive vice chair, Operations, made a commitment through the Diversity Advisory Board to raise the bar and increase KPMG's current spend on supplier diversity from 6 percent to 10 percent.

There are a number of steps that need to be taken to reach this goal. "The first step is to complete an assessment of our current spend," says National Director of Firmwide Procurement Joseph Reynolds. "The step after that is to bring a supplier diversity leader on board to manage the process moving forward."

The firm also is expanding its external partnerships to include various Chambers of Commerce and non-profit organizations that support and certify diverse business owners. "By building these external relationships we will be able to grow the base of diverse suppliers and vendors," says National Director of Diversity Nereida "Neddy" Perez.

"The good thing about our supplier diversity program is that we are not starting from scratch," says Procurement Director Bob Ernst. "We already have a diverse supply base and recognize the business scalability. We just need to be more proactive, improve our business model, and optimize our diverse supplier portfolio."

The keys to a successful supplier diversity program

"A successful program needs to have a solid commitment from leadership, be based on a strategy, and supported by strong internal partnerships," Reynolds says. "That's what we have and will continue to drive forward at KPMG."

"We also need to bring qualified new suppliers on board and manage the relationship," Perez adds. Supplier diversity is evolving rapidly and adapting to the changing demographics of the country. According to Reynolds, "Not only are minority- and women-owned business enterprises among the fastest-growing segments in the U.S. economy, but KPMG clients are looking to ensure that their professional service providers have diverse spend."

Cognizant that its own client base is diversifying rapidly, KPMG attempts to meet client needs through a mix of services, many of which are generated by diverse suppliers. "We want to purchase from a supplier base that represents our employees, communities, and clients," Ernst says. Improving KPMG's supplier diversity program is a concerted effort to build new relationships with diverse suppliers. "We care about our local community, and we want to give our local suppliers a chance to succeed," Perez says. "As we grow as a firm, we will help the community and our clients grow with us."



BARBARA CARBONE
PARTNER, SAN FRANCISCO

Dedicated to Women's Business Enterprises

KPMG is a proud sponsor of the Women's Business Enterprise National Council (WBENC).

WBENC was founded in 1997 and is the nation's leading advocate of women-owned businesses as suppliers to America's corporations. KPMG Audit Partner Barbara Carbone plays an active role in WBENC and is on the board, serving on the program committee and as the chair of the audit committee.

It all started in 1998. Carbone was national partner-in-charge of Human Resources for the Assurance practice, reporting to Tim Flynn, then the vice chair, Human Resources. "The controller of a longtime Audit client was the chair of the WBENC board, and he recommended that KPMG get involved," she recounts. "The board was looking for someone with an accounting background."

WBENC works to foster diversity in the world of commerce with programs and policies to expand opportunities in the marketplace for women business owners.

KPMG's Procurement Group also was engaging female professionals and partners in its diversity supplier program. "I didn't know much about procurement or supplier diversity. Over time, I learned about a side of the corporate world that I never knew — where promoting diversity is truly good for business," Carbone says.

Carbone was named by the *San Francisco Business Times* as one of the "100 Most Influential Women in Business" in 2006 and 2007, one of the "100 Women Impacting Supplier Diversity" by *Women Enterprise USA*, and the "First Lady of Supplier Diversity" by *Minority Business News*.

Carbone enjoys attending the WBENC gala each March, coinciding with National Women's History Month, because she is able to see the connections attendees make. "My most memorable WBENC moment occurred a few years ago," she says. "I attended an event at the White House where we honored the top companies demonstrating exceptional efforts and commitment to supplier diversity. I was able to see how other organizations give back to women business owners."

In support of WBENC's 10-year anniversary, Jack Taylor, executive vice chair, Operations, not only attended a special dinner in Dallas honoring the WBENC founding members, he agreed to help raise funds for WBENC by having a "power lunch" with a lucky woman business owner who won it in a silent auction. This is just one example of KPMG's commitment to supplier diversity.

With Carbone playing an active role in WBENC, she seeks to engage other KPMG professionals, either by helping support local councils or volunteering. "In addition to looking for ways to increase our spending with diverse suppliers, there are lots of things we can do to get involved — from volunteering time locally to attending a networking event. Anyone can do his or her part and be an advocate of supplier diversity."

KPMG Goes to Bat for America's Youth

For 18 years, Major League Baseball's Reviving Baseball in Inner Cities™ (RBI™) program has been helping America's inner-city kids build their skills in baseball and life.

Started in 1989, the RBI program now includes more than 100,000 boys and girls in more than 200 cities around the world. RBI's goal is to help these children by teaching the value of teamwork, helping them develop self-esteem, encouraging academic participation and achievement, increasing participation and interest in baseball, and promoting greater inclusion of minorities in mainstream baseball.

"KPMG is extremely proud to sponsor RBI," says Bruce Pfau, vice chair, Human Resources. "Our goals, and those of the program, are well aligned. As a firm, our people are committed to making a difference in our communities, and our involvement with RBI enables KPMG volunteers to provide girls and boys in local programs with things like on-field assistance and mentoring in the classroom, to help them develop important life skills while they're playing softball or baseball."

And, as RBI's presenting corporate sponsor, KPMG provides money for program support, sponsors regional RBI tournaments as well as the RBI World Series, and funds scholarships for deserving inner-city girls and boys.

Some KPMG partners and employees have been involved with local RBI programs for some time, and feedback from both the community and KPMG volunteers has been very positive. "When you see a program like this with a 95 percent high school graduation rate, you know you're involved in something that works," says Rob Arning, office managing partner, New York, who has been involved in the Harlem, New York, RBI program for several years.

"I'm proud that KPMG is a sponsor," says Tax Partner Tim Gillis, who has volunteered with the RBI program in Washington, D.C., for the past several years. "It's a positive, productive experience for the kids and for people like me who have the privilege to be able to mentor and help kids grow to their full potential. And it's fun."

KPMG and Major League Baseball will continue to reach out to inner-city youth, not only through the common language of America's favorite pastime, but also by encouraging the children to look toward their futures. In addition, KPMG and Major League Baseball will take a more active role in promoting diversity and bringing communities together to support children — our most valuable resource for the future.



BOBBY BENNETT
SENIOR ASSOCIATE, ATLANTA

COMMITMENT TO Professional Development

Back in 2002, when Bobby Bennett was an accounting student at Clark Atlanta University, he had a wide variety of job options in front of him. But it was a particular assignment he had while interning at KPMG through the INROADS program that convinced him the firm was the place where he wanted to build a career.

Bennett, who was in his junior year, was given the opportunity to do a multi-week rotation at the firm's Global Services Centre in Montvale, New Jersey, working on a project involving international accounting standards conversion.

"There was a team of partners and senior managers from all over the world, and I was by far the most junior person in the group," Bennett says. "But they took an interest in my views and gave

me the opportunity to sit alongside them at the table. As an intern, having that kind of exposure to leadership made a huge impression on me, and it made me see KPMG as a place where I could really grow and excel as a professional."

After graduation, Bennett took a full-time position with the firm, and today he's an Audit senior associate in Atlanta, focusing primarily on manufacturing clients, including one of the firm's largest

Fortune 500 accounts. "I feel like I grew up in the firm. Every success I've had to date is the result of individuals who took an interest in me, gave me advice, and taught me best practices. Now my long-term goal is to remain at KPMG and aim for the partnership."

The firm's diversity recruiting efforts take place on multiple fronts, including an ever-growing relationship with INROADS, the non-profit organization that trains and develops minority youth for professional careers in business and industry. In 2007, the number of INROADS interns employed by KPMG surpassed 100, resulting in the firm being named one of the group's Top 10 Clients for 2007.

Bennett's story is just one of the many that can be told by INROADS alumni throughout the firm. And it's indicative of KPMG's ongoing commitment to building a more diverse and inclusive workforce by recruiting talented minority and female candidates.

Recruiting a more diverse workforce

Since a significant number of KPMG's new employees are hired from college campuses, the firm's Campus Recruiting team has a large role to play in the firm's efforts to increase diversity.

"We strive to continually increase the pool of qualified candidates who are diverse," says Manny Fernandez, KPMG's national managing partner, University Relations and Recruiting, and co-chair of the Hispanic/Latino Network. He notes that in the last few years his team has added recruiters who focus specifically on diversity hiring and work closely with the firm's diversity networks as well as external organizations such as the

Bobby Bennett, who got his start at KPMG as an INROADS intern, has his sights set on building a long-term career at the firm.

National Association of Black Accountants, Inc. (NABA) and the Association of Latino Professionals in Finance and Accounting (ALPFA).

Meanwhile, the campus recruiting team has established a "Diversity 20" program to focus on 20 schools across the country that have high minority enrollment. This program complements regular recruiting activities that focus on the top accounting schools in the United States. Then there's the new Future Diversity Leaders program, which offers scholarships and internship opportunities each year to high-achieving college students who have demonstrated a commitment to diversity. Fifty students will be selected per year, with the goal of having more than 200 students in the program by 2010.

KPMG's efforts on campus also include working closely with both NABA and ALPFA to sponsor National Case Study competitions that provide minority finance and accounting students with the opportunity to showcase their business, accounting, research, and presentation skills.

All of these efforts clearly are having an impact, as evidenced by the fact that minority candidates now account for 30 percent of the firm's full-time campus hires, up from 24 percent only two years ago.

Eyeing an overlooked group

More recently, KPMG has joined forces with the National Business & Disability Council and will be participating in its Emerging Leaders Conference, which connects talented college graduates with disabilities with corporations and businesses.

"This community often is overlooked in the general marketplace as a viable employment pool," says Neddy Perez, national director of Diversity. "We know that there is talent in this resource pool, and as part of our efforts to create an inclusive workplace we are committed to tapping into it."

Aside from KPMG's efforts on campus, each of the firm's experienced hire recruiters also incorporates diversity into his or her overall recruiting strategy and goals. Minority candidates accounted for 41 percent of all experienced hires in 2007.

The firm also has a dedicated resource to coordinate participation in national diversity conferences and events such as ALPFA, national MBA conferences, the National Association of Asian American Professionals, the National Asian American Society of Accountants (Ascend™), NABA, Out & Equal, and the Out for Work Conference.

Helping People Build Great Careers

Recruiting a more diverse pool of professionals is only the first step in building a more diverse organization. Once people join, it is critical that the firm provides the right development programs, training, and support so they will want to build careers at KPMG.

Mentoring plays a large role in this effort, with more than 9,500 formal mentoring relationships across the firm to provide people opportunities to network with more senior colleagues, receive personalized feedback and encouragement, and ask questions and seek advice. For many of the firm's minority professionals, these mentoring relationships are closely aligned with the activities of the diversity networks, which provide opportunities year-round for partners and employees to expand their professional circles, and participate in training and professional development seminars.

In addition, the launch last year of KPMG's Employee Career Architecture helps employees map out potential career paths by better informing them about professional opportunities available at the firm.

Career support

Firm leadership also identified a need to provide entry-level minority recruits with a more hands-on approach to career management. The result was the creation of a new position — Executive Director of Early Career Counseling and Development — to work with leadership, the Diversity Advisory Board (DAB), and the firm's national Human Resources team to enhance the support provided to minority new hires.

John Honor, Jr., a senior Human Resources executive at the firm, was personally tapped by KPMG Chair-

man and CEO Tim Flynn to fill this new role, which initially is focusing on early careers of African-American employees. Key objectives include increasing retention of early-career minority employees, providing them with access to quality coaching and mentoring, and getting more minority professionals into the pipeline for senior positions. Momentum for the latter is already strong, as the number of minority employees in manager roles has increased by 20 percent from 2006 to 2007. During that same period, the number of minority employees in senior manager, director, and managing director roles also increased by 20 percent.

Aside from traveling around the country to meet minority new hires and better understand their needs, Honor and his team have put together a series of workshops to provide advice in areas such as career planning, working with mentors, and having more productive conversations with performance managers. Meanwhile, Honor also works with KPMG's senior leadership to identify ways to utilize client engagements more strategically to help people develop their skills. "Often, the more complex engagements offer professionals a broader range of learning and development experiences, so it's a matter of making sure people have access to the right opportunities," Honor says.

Even with this enhanced early-career support, a longer-term commitment to diver-

sity only can be successful if employees can look to the other end of the career spectrum and see leaders with similar backgrounds and experiences to whom they can relate and emulate. That's one of the reasons why the DAB has taken on the responsibility of revamping the firm's "partner pipeline" process to expand the number of diversity leadership candidates included in succession planning. To do this, the DAB has set up a work group that focuses on identifying and evaluating diverse candidates in the pipelines of each of KPMG's three businesses to better understand and support their specific development needs.

Role models

Having role models with similar backgrounds was one of the things that helped Partner Maria Olide. "Having someone like Lou Miramontes (San Francisco office managing partner) to look up to throughout my career has been inspirational, and he has been a fantastic role model for me," she says.

Olide, who got her start at KPMG through the INROADS program (see article on page 17), looks forward to returning the favor by serving as a mentor and role model for younger minority professionals. "I've grown up with KPMG, and I believe it's a great firm. Now I'm looking forward to being a leader and helping to motivate other people who may be where I was years ago."

From the Mailroom to the Partnership

Maria Olide's career trajectory at KPMG has all the makings of an inspirational Hollywood movie — an inexperienced college student who starts out as a mailroom intern and, thanks to hard work, dedication, and just a little bit of good fortune, works her way up to become a partner.

MARIA OLIDE
PARTNER, MOUNTAIN VIEW

That's why she's decided to help support the recruitment and mentoring of Hispanic/Latino professionals and play a leadership role in the firm's Hispanic/Latino Network. "I never would have gotten to partner if it weren't for the fact that I had extraordinary support from the partners I worked with. So now I feel like it's my turn to focus and give back."

Olide, who grew up in Central Valley, California, and attended the University of California, Berkeley, interned through the INROADS program after hearing about the program from a fellow student. "I wasn't even an accounting major, and I didn't know a lot about KPMG," she says. "But I thought it could be interesting and figured I should try it out."

Olide spent the next three summers interning at the firm, and during that time she took advantage of as many networking and training opportunities as she could. That approach paid off, since

she was hired into the firm's Audit practice full time in January 1992 and quickly rose through the ranks to become a manager. "Fortunately, I'd been able to find great mentors both within and outside the Hispanic community. I didn't find that diversity was a barrier, which says a lot about KPMG."

In 1997, Olide decided to leave the firm to pursue an advanced degree, primarily because she wanted to feel more comfortable speaking to C-level executives about their businesses. After getting an MBA from Stanford, she worked in strategy consulting for a few years and moved to Europe with her husband, who also is a strategy consultant. There she had two daughters and even took a shot at opening her own business — the first chain of childcare centers in Milan, Italy.

She returned to the United States in 2004 and started looking for a new career opportunity. But with two young daugh-

ters, work/life balance had become a key priority. Fortunately, Olide's past networking opened the door to a new opportunity when a former KPMG colleague suggested she look into joining the Advisory practice. "At that point, I had some other opportunities at other firms, but I felt a lot of loyalty to KPMG for giving me those opportunities early on."

Olide joined the firm's Internal Audit Services practice in 2005 and picked up right where she left off, with a quick rise up the ranks that ultimately led to being admitted to the partnership last September.

Today, when mentoring younger professionals, Olide has a simple message: "Work hard, but not at the expense of who you are. Make sure you don't compromise your values. I don't hide who I am and I think that helps me quite a bit."

For more career information, visit www.us.kpmg.com/careers

Women's Advancement

When KPMG conducted its annual employee Work Environment Survey in 2004, about two-thirds of women employees said they considered the firm a great place to build a career. Only three years later, the response from women to this same question had jumped to 81 percent.

This dramatic improvement in employee satisfaction is the result of a strategy that began several years ago to enhance career opportunities for women. And it's a critical component of KPMG's long-term success, considering women now represent almost half of the total workforce, half of all new hires, and close to 40 percent of the management roles among employees who serve clients directly.

The firm's key driver in promoting women's initiatives is the Women's Advisory Board (WAB), which was established to create national and local initiatives to support, advance, and retain women. Since the formation of WAB in 2003, there has been a 30 percent decrease in female turnover. And more than 2,000 women were promoted in fiscal year 2007, a 12 percent increase over the previous fiscal year.

Supportive programs

KPMG is increasing efforts to support women in a number of areas, including communications, metrics and accountability, employee and partner advancement, and strategic market relationships. Among the key areas identified was the need to retain more women at the critical senior associate level so they can get

themselves into the running for more senior positions. Women currently make up more than 18 percent of KPMG's overall partner population, as well as 26 percent of the firm's 2008 new partner class. While this leads the profession, our goal is to increase the number of women who make it into the partner pipeline and all the way to partner. (See "Managing Career/Life Choices," page 19).

WAB's support doesn't end once a woman is admitted to the partnership. The new "2-Up" program provides female partners with opportunities for face time with partners who are two levels above them. By giving more women partners access to leadership, there is a better chance they'll be called on when more senior roles or development opportunities open up.

WAB also is sponsoring a workshop called *Valuing Workstyle Diversity* to teach professionals to value diverse workstyles and recognize how they can add to a group's overall strength.

A knowing network

Meanwhile, KPMG's Network of Women (KNOW) continues its rapid expansion, growing to 54 chapters in 2007 and delivering nearly 300 professional

development and career advancement programs to almost 12,000 KPMG women. "Networks like KNOW provide a place for our women to recognize and celebrate their own and each other's achievements, to network, and to access professional development opportunities that are focused on the unique needs of our female professionals," says Anna Baird, an Advisory partner and member of the WAB and the Diversity Advisory Board (DAB).

Another area where the network has placed much emphasis is mentoring. More than 4,700 KPMG women participate in mentoring relationships, many of them supported by the KNOW Mentor Program Outreach, which presents mentor/mentee lunches, group mentoring discussions on career advancement, and educational programming on maximizing relationships.

"If you're a good woman leader, you should be mentoring other women and men, and you should build a diverse network of mentors for yourself," says Kathy Hopinkah Hannan, Midwest Area managing partner, Tax, co-chair of the DAB, and chair of the WAB. "Having a diverse set of mentors helps people learn how to work with different personalities and workstyles, and identify qualities, skills, and traits they want or should develop."



KATIE CUNNINGHAM
SENIOR ASSOCIATE, HOUSTON

Managing Career/ Life Choices

For many of KPMG's female professionals, the senior associate level is a critical milestone — a time when they are on their way to building their careers but begin facing the increasing pressures associated with making the arduous jump to manager. Add in the fact that so many of these women are at the cusp of major personal life changes, getting married and/or starting families, and it's no surprise that turnover for this group is among the highest in the firm.

The Women's Advisory Board recently launched a program to support this important population. Managing Career/Life Choices has a simple objective: Help female senior associates better understand their short- and long-term goals, both personal and professional, and realize that they don't have to sacrifice one set of goals for another. It covers topics such as identifying career decision drivers, communication, using values-based decision making based on personal priorities and career goals, and setting boundaries to balance the two.

"The reality is that unless you go through some of these exercises, you might not realize how out of balance you are," says participant Katie Cunningham, an Audit senior associate and a member of KNOW's Houston chapter. "The course brings to life what our individual needs are — how you as an individual think, what your priorities in life are, and where you are currently in relation to where you want to be. Then it helps you to form a structure to improve work/life balance."

Participants learn how to use "life mapping" exercises to decide what they want their career and personal lives to look like, and create a five-year action plan to get there based on existing work/life options and programs within the firm. The initiative also offers ongoing support in the form of individual coaching sessions and access to group coaching conference calls to strengthen support networks.

To date, more than 20 percent of KPMG's senior associate women have attended the program, and survey responses show that 100 percent of participants would recommend it to other colleagues. And, perhaps even more telling, about a quarter of the participants surveyed reported being at a point in their careers where they were considering leaving the firm because of personal life changes, but have since decided to stay.

COMMITMENT TO Future Leaders

At KPMG, we believe we have an obligation to encourage diversity among the next generation of accounting professionals and business leaders. Through a range of programs — including the KPMG Foundation's PhD Project and Future Diversity Leaders — KPMG is bringing its diversity best practices to hundreds of students across the United States. And we are seeing results.



KEVIN JACKSON

Assistant accounting professor at the University of Illinois, credits the KPMG Foundation's PhD Project with helping to surround him with "people like me."

When Kevin Jackson graduated from the University of Texas at Austin in 1991, he was one of 16 African-American business students in a class of 600. That is something Jackson, now an assistant accounting professor at the University of Illinois, and The PhD Project are working to change, one student at a time.

The PhD Project — founded by the KPMG Foundation in 1994 and launched as a separate legal organization in 2005 — encourages bright, motivated diverse candidates to pursue doctoral programs and careers as business professors.

After working for KPMG and another Big Four public accounting firm, Jackson decided to pursue his doctorate. He found out about The PhD Project through his alma mater and, 10 years later, still remembers first reading about the project. "The ad said, 'Your job may satisfy you, but does it sustain you?' I thought, 'Wow, this is where I need to be.'"

He applied and was accepted to The PhD Project annual conference in 1997. "When I was in school, there weren't many African-Americans in my classes," he says. "When I worked in Houston, there weren't many African-Americans there either. The PhD Project conference was the first time I'd been surrounded by people like me."

At the conference, Jackson gained more confidence about his decision to return to

school for his doctorate. He then participated in The PhD Project Doctoral Student Association and attended its annual conferences and American Accounting Association Annual Meetings — all sponsored by The PhD Project. The KPMG Foundation also awards Accounting Minority Doctoral Scholarships, which Jackson received throughout his doctoral program.

Jackson received his Ph.D. from the University of Texas at Austin and has been a professor at the University of Illinois' Urbana-Champaign campus since 2004. "It's a privilege to influence young minds and a real responsibility," he says. "I'm in a position where I can model tolerance, respect, understanding, and a strong work ethic."

"It's very positive to have a diverse circle of influence in young people's lives," Jackson adds. "I am hopeful that having under-represented groups in front of the classroom will encourage students from those same groups to pursue business degrees. There is still a lot to be done, but The PhD Project and KPMG are taking big steps in the right direction."

Bernie Milano, president of The PhD Project and the KPMG Foundation, agrees, pointing out that, "Since the program's inception in 1994, the number of under-represented minority professors has grown from 294 to 889, out of 26,000 business professors — an increase of more than 200 percent."



SIMBA MACHONA
SENIOR AT UNIVERSITY OF GEORGIA

Fast Forward

Simba Machona, a senior at the University of Georgia, says the summer of 2007 had one major highlight for him: the time he spent in Los Angeles as part of KPMG's Fast Forward program.

Fast Forward, a leadership development conference, is offered to more than 100 high-achieving college students each year. The goal is to make an impression on top college prospects before their first internship.

Machona got to know 100 students from across the country, networked with KPMG leaders, and developed business, interpersonal, and leadership skills. He also learned a lot about KPMG. "We attended sessions about KPMG and each of its three business functions," he says. "And Manny Fernandez [national managing partner, University

Relations and Recruiting, and co-chair, Hispanic/Latino Network] also talked about some of the diversity programs and initiatives KPMG supports. That really made an impression on me."

Machona had a bit of a head start though. His cousin had worked for KPMG and told Machona about the firm. "Everything I heard at Fast Forward confirmed the great things I heard from him."

Machona interned with KPMG this past winter and is looking forward to "the challenge of working in a fast-paced environment, especially during busy season."

Future Diversity Leaders Program

In just one year, the future diversity leaders program is off to a great start. It's helping KPMG expand the pool of outstanding diverse students, strengthening relationships between campus recruiters and students, and engaging former participants from The PhD Project.

Here's how it works: Student leaders with strong GPAs and involvement in diversity and campus organizations are identified for the program and sponsored by professors from their schools. In many cases, the professors who work closely with the students are former participants in The PhD Project.

KPMG held the inaugural Future Diversity Leaders Conference in Hollywood this past summer. The program focuses on leadership development, teamwork, networking, interviewing, and professionalism. It also includes information about the profession and the firm, and about diversity and inclusion at KPMG, something of increasing importance to prospects and new recruits.

Participating students who successfully complete the leadership program are invited for an office visit, formally interviewed, and possibly extended an internship offer. These internships provide invaluable experience as students rotate through different KPMG teams and shadow teams within their top three practice choices.

There are financial rewards as well. If students complete the full four-year program, they not only have relevant work experience on their resumes, they will have received up to \$6,000 in scholarship money. And that's an investment KPMG is happy to make.

"The long-term goal is to have a pool of 200 students every year at different stages of the program," says Blane Ruschak, national director, Campus Recruiting. "That's a pipeline of 50 new diverse students each year. And this will make a difference in diversity and inclusion at KPMG and in the profession."

Machona is looking forward to the challenge of working in a fast-paced environment...

Reaching Out

Lou Miramontes and Angela Avant Connect with Key Diversity Groups

In his 31 years with the firm, Lou Miramontes has had a front-row seat as KPMG, the profession, and the global marketplace have come to recognize the necessity of diversity. In fact, he has played an important role in developing KPMG's culture and commitment to diversity and inclusion. Office managing partner for San Francisco and co-chair of KPMG's Hispanic/Latino network, Miramontes is a vocal supporter of KPMG's diversity networks and works closely with external groups, including the Association of Latino Professionals in Finance and Accounting (ALPFA).



LOU MIRAMONTES
OFFICE MANAGING PARTNER, SAN FRANCISCO
CO-CHAIR, HISPANIC/LATINO NETWORK

Miramontes joined KPMG's Northern California practice in 1976. "It was a place and a pace that matched my skills," he says. "I also felt comfortable with the environment, the people, and the clients."

In 1994, he worked for KPMG in Mexico, and in 1998 he was named regional executive partner for KPMG's Latin America region. Miramontes returned to the U.S. practice in 2003. He can speak to the importance of diversity in career choices, as they've played an essential role in his development.

Reflecting diversity

"The world continues to change," Miramontes says. "We're working with multiple countries, languages, ethnicities, backgrounds, and geographies. Our clients are more diverse. The KPMG team needs to reflect that diversity."

"Leadership awareness, understanding, and focus on diversity are so important," he says. "While tracking the pace of globalization and the pace outside KPMG, our leaders have stepped up and enacted changes to embed diversity into our organization."

According to a recent *Public Accounting Report* survey, college professors ranked KPMG number one among Big Four public accounting firms when it comes to diversity. Miramontes says, "To have that kind of impact on professors is amazing. That will help with recruiting, retention, and perception."

Encouraging and supporting diversity also is essential to employee retention and to KPMG being a great place to work

and build a career. To that end, KPMG has a long-standing relationship with ALPFA that benefits its people and the next generation.

In 2007, KPMG and ALPFA co-sponsored the two-day National Audit Case Study Competition for the seventh year. About 40 students from seven schools looked at complex accounting problems, identified issues, researched problems, and presented their solutions.

For many years, KPMG also has served as a corporate sponsor of the ALPFA national convention.

"ALPFA is the premier networking and leadership organization for Latinos," Miramontes says. "We have a strong relationship with the organization because we share their values."

Enhancing the chance for success

"An affiliation with a diversity group, internal or external, can really enhance our people's chance for success," he says. "In the case of ALPFA, our people can interact with other people like themselves, share challenges, discuss opportunities, and build their business and social networks."

"Clearly there are cultural differences between groups," Miramontes says. "Some people might say that's a barrier, but I disagree. Recognizing those differences, leveraging them, and turning them into opportunities falls in line with what I believe in and what KPMG stands for. Appreciating differences has definitely helped me in my career."

Angela Avant didn't start her career at KPMG. But it didn't take her long to find her way to the firm, begin a quick rise to partner, and become a leader of KPMG's African-American Network and the National Association of Black Accountants, Inc. (NABA).

Today, Avant points to the creation of the African-American Network in 2006 as a demonstration of the firm's commitment to diversity. "This national network works to unearth, understand, and act on issues. We've made great progress."

She also is proud of KPMG's long-standing relationship with NABA. Avant served as the national president of NABA for three years and is encouraged by KPMG's continued commitment to diversity groups, inside and outside the firm.

At the 2007 NABA Convention, KPMG sponsored more than 200 partners' and professionals' attendance, the largest KPMG turnout so far. KPMG also sponsored the fourth annual National Audit Case Study Competition at NABA. (See Miramontes, opposite page).

Many of the KPMG events at the NABA Convention focused on making connections and on career development. "The convention is a valuable networking and learning opportunity," Avant says. "Our professionals make important connections both inside and outside the firm."

African-American Network member Stanley Beckley, a senior associate in Miami, attended the NABA Convention and helped run an effective interviewing seminar for students from the Audit Case Study Competition.

"KPMG encourages diversity in the workplace," Beckley says. "I believe encouraging diversity is much more than just having it written in a policy. KPMG puts its money where its mouth is, and that shows we're really committed."

"We have a good national infrastructure in place," Avant says. "To supplement those national activities and the NABA events, one of our 2008 goals is to increase the number of local networks. This ensures continuous learning, development, and networking."

Like Miramontes, Avant knows diversity is essential. "For KPMG to serve its global clients well, we need a global workforce. Today, clients demand to work with people that mirror their organizations. And diversity enables us to do that."



ANGELA AVANT
PARTNER, WASHINGTON, D.C.
CO-CHAIR, AFRICAN-AMERICAN NETWORK

"With a diverse workforce, we have the opportunity to expand the realm of thinking and the perspectives that come into play. We end up with better solutions because of the thinking of diverse people."

"It's important to remember that no two people think alike," she continues. "With a diverse workforce, we have the opportunity to expand the realm of thinking and the perspectives that come into play. We end up with better solutions because of the thinking of diverse people. And that has a powerful outcome for our firm, our people, and our clients."

What's the most rewarding part of being affiliated with NABA and the firm's diversity networks? Avant says it's seeing the progress people make. "As I see people advance in their careers, and develop professionally and personally, it's rewarding to know that I played a small role in that. It confirms that our efforts are worth it and making a difference."

The Howard Relationship

A strong, long-standing relationship between KPMG and Howard University has enriched both institutions, says Barron Harvey, dean of the university's School of Business.



BARRON HARVEY
DEAN, HOWARD UNIVERSITY SCHOOL OF BUSINESS

"KPMG is very involved here — you can see the firm's presence all over the campus. If KPMG just wrote a check, Howard's School of Business would not be the school it is today."

Howard, based in Washington, D.C., is one of the nation's oldest and most prestigious Historically Black Colleges and Universities. Harvey has been at Howard's business school for 24 years, the last 15 as dean.

"Over the past decade, KPMG has been one of the two most involved public accounting firms on campus," Harvey says. "Our relationship enables us to provide a more qualitative education to our students and faculty. KPMG benefits through its recruiting efforts here, attracting more and better educated minorities — African-Americans in particular."

KPMG sponsors the school's Executive Leadership Honors Program, which pro-

vides students with leadership training, mentoring, and a business case competition. The firm also provides scholarships, works with the Beta Gamma Sigma Business Honor Society at the school, schedules field visits, and supports the National Association of Black Accountants, Inc. on campus.

"KPMG is very involved here — you can see the firm's presence all over the campus."

To help students learn about the latest developments in the world of accounting, KPMG shares some of its most recent business cases with the school.

"KPMG doesn't just help us update our classes," Harvey says. "It also helps us develop new classes that capture the latest trends in the business world."

An instrumental figure in developing both the firm's relationship with the school, and the school itself, is Frank Ross, who retired from KPMG five years ago as Midatlantic Area managing partner for Assurance and managing partner of the Washington, D.C., office.

Ross began to work with the School of Business in 1979, when he took over Howard's account. The following year, he began teaching at the school. Upon retiring from KPMG, Ross accepted Harvey's offer to be visiting professor and director at the business school's Center for Accounting Education. The center seeks to increase the number and retention

rate of minorities within the accounting profession, and to raise the number of minority CPAs. A small number of "stakeholders," including KPMG, sponsor the center.

"Frank is a trailblazer," Harvey says. "He has taught here for 26 years and is one of our most popular teachers. Frank is not just an asset to Howard but also to the profession."

One of Ross's many achievements at the school occurred in 2002, when the KPMG Foundation helped create the KPMG Frank Ross Professorship, underwriting it with a \$650,000 endowment. Harvey is the first recipient of the professorship, which he calls "one of the highlights of my career."

Harvey says, "KPMG understands our mission and our goals. The firm is helping our school give our students a strong academic foundation along with the essential life skills they need to enter the profession and successfully progress through the rest of their lives."

Harvey recalls how Tim Flynn, KPMG chairman and CEO, came to Chicago some years ago to address a professional development program the school was sponsoring. "The students were so impressed with Tim's enthusiasm, what he had to say, and his interest in them. They came away saying, 'He really wants us to be successful.'"

Frank Ross: Pioneer

In December 1969, nine African-American accountants met in Frank Ross's living room in New York and created the National Association of Black Accountants, Inc. (NABA).

Three years earlier, Ross had joined Peat Marwick, a forerunner of KPMG, as the firm's second black accountant. The major accounting firms had, for the first time, cracked open their doors to African-Americans. Ross believed, once inside, he should help open the doors wider.

Helping to found NABA — he also served as its first president — was an important step. He took many more at KPMG, until he retired in 2003, and at Howard University's School of Business, where he has taught since 1980.

"There were no role models in accounting when I grew up," Ross says. He had to navigate his own way.

In 1979, Ross transferred to the Washington, D.C., office, where he would eventually rise to managing partner and become a member of KPMG's board of directors and chairman of the board for the KPMG Foundation.

In Washington, D.C., Ross became partner on the Howard University account, and he began to cultivate the relationship between the firm and one of the nation's foremost Historically Black Colleges and Universities.

Through Ross's guidance, Howard and KPMG fostered several programs over the years for top students. In 1980, Ross accepted a pro bono adjunct faculty position to teach auditing at Howard's School of Business.

After retiring from KPMG, Ross took over as director of the school's Center for Accounting Education. "My goal," he says, "was to re-establish the center so it focuses on helping African-Americans to enter and remain in the accounting profession, to become CPAs as soon as possible, and to help their upward mobility."

At the end of Ross's autobiography, *Quiet Guys Can Do Great Things, Too*, he wrote, "The greatest contribution any of us can make to mankind is to find a way to make a difference, to leave this world a better place than we found it. We do that by touching another human being in some significant way."



FRANK ROSS
DIRECTOR, CENTER FOR ACCOUNTING EDUCATION
HOWARD UNIVERSITY SCHOOL OF BUSINESS

The KPMG Diversity Advisory Board

The following partners serve on the Diversity Advisory Board.



FIRST ROW, LEFT TO RIGHT:

ANGELA AVANT
AFRICAN-AMERICAN NETWORK CO-CHAIR
PARTNER, ADVISORY

ANNA BAIRD
WOMEN'S ADVISORY BOARD MEMBER
PARTNER, ADVISORY

MANOLET DAYRIT
ASIAN PACIFIC ISLANDER NETWORK CO-CHAIR
PRINCIPAL, ADVISORY

MANNY FERNANDEZ
HISPANIC/LATINO NETWORK CO-CHAIR
NATIONAL MANAGING PARTNER,
UNIVERSITY RELATIONS AND RECRUITING

SECOND ROW, LEFT TO RIGHT:

DANA FOOTE
DISABILITIES NETWORK CO-CHAIR
PARTNER, AUDIT

KATHY HOPINKAH HANNAN
DIVERSITY ADVISORY BOARD CO-CHAIR
WOMEN'S ADVISORY BOARD CHAIR
MIDWEST AREA MANAGING PARTNER, TAX

LORD MICHAEL HASTINGS
GLOBAL HEAD OF CITIZENSHIP AND DIVERSITY

SHAUN KELLY
DISABILITIES NETWORK CO-CHAIR
VICE CHAIR, TAX

THIRD ROW, LEFT TO RIGHT:

MILFORD MCGUIRT
AFRICAN-AMERICAN NETWORK CO-CHAIR
PARTNER, AUDIT

LOU MIRAMONTES
HISPANIC/LATINO NETWORK CO-CHAIR
OFFICE MANAGING PARTNER, SAN FRANCISCO

BRUCE PFAU
VICE CHAIR, HUMAN RESOURCES

TIM STILES
PRIDE@KPMG (GLBT) CO-CHAIR
PRINCIPAL, TAX

FOURTH ROW, LEFT TO RIGHT:

JOHN TANTILLO
PRIDE@KPMG (GLBT) CO-CHAIR
PARTNER, ADVISORY

JACK TAYLOR
DIVERSITY ADVISORY BOARD CO-CHAIR
EXECUTIVE VICE CHAIR, OPERATIONS

NORIO TAKEDA
ASIAN PACIFIC ISLANDER NETWORK CO-CHAIR
PARTNER, AUDIT

To learn more about diversity initiatives at KPMG, visit www.us.kpmg.com/about/diversity.asp
For career information, visit www.us.kpmg.com/careers

What we value
is the same.

Our differences.

At KPMG, we're committed to providing an environment of inclusion that encourages employees to be successful. It's an approach that benefits our people and our clients. By valuing our differences, we build upon our individual, team, and firm strengths. And that can make all the difference in the world.

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