Funding the Future

KPMG, shooting itself in the foot

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Times are getting tough at KPMG. As the FT has reported:

KPMG has told hundreds of its UK employees to hand in their work mobiles as part of a cost-saving drive ahead of its latest financial results.

And they add:

It is the latest attempt by KPMG to rein in costs after it informed 630 secretaries and personal assistants that around a third of them would be made redundant and said it would encourage partners to file their own expenses to save resources.

It should be noted that most of those losing their phones will not be frontline staff, but given modern ways of working taking away the mobile phone of a person previously routinely contacted in that way is absurd: they might as well become a ghost. They might also take the hint that if their employer is now making them pay for a basic tool of the trade then either that employer is facing really hard times or they, personally, are really unwanted. Either way the messaging is dire in a firm where the average partner earnings still exceeds £600,000 a year.

However, this is not the really bad indicator in the story. The suggestion that partners do their own expense claims is much more damaging. As everyone knows, expense claims are a complete pain. No one has ever really solved that. To have your supposed highest fee earners spending their time filling in a form to justify their latest jolly with a client is absurd: the message that it sends out is that the firm does not understand value, profit, time allocation, efficiency, its staff, organisation, accounting, or plain straightforward common sense. As adverts go, that's right down there at the bottom of the pile. Well done KPMG!