

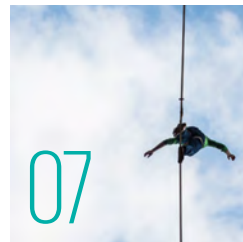
Business Matters

Q1 2017

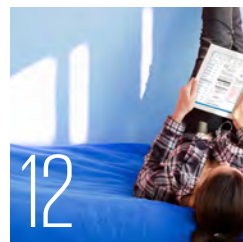
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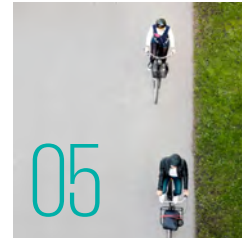
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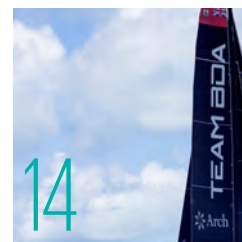
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In search of the Perfect Health System

By: **Dr. Mark Britnell**, Chairman and Senior Partner, KPMG Global Health Practice

Dr. Mark Britnell is the Chairman and Senior Partner of KPMG's Global Health Practice, and author of "In Search of the Perfect Health System." He is one of the foremost global experts on healthcare systems and has a pioneering and inspiring global vision for health in both the developed and developing world. Mark joined KPMG in 2009 having been part of the UK National Health Service Management Board as a Director-General at the Department of Health.

About Mark

Dr. Britnell is the keynote speaker at the Chamber of Commerce AGM Luncheon on April 6, 2017. Having worked in over 60 countries over the past six years – covering 80 percent of the world's GDP – Mark will draw on his vast experience to provide his

views on what the perfect health system looks like; which countries' health systems perform best; and what lessons we can learn in Bermuda from healthcare systems across the globe.

Bermuda has one of the highest healthcare costs per capita in the world, and spends a significant portion of its healthcare expenditure on overseas care. As the search for the perfect healthcare system continues, the challenge is how to reduce costs and increase efficiency while maintaining the high quality of care that our people expect.

Creating new value in healthcare

Over the last two decades many industries have changed their value proposition by developing their customers' capacity

to create values. Healthcare is only just beginning to understand how this might transform its own value proposition. Healthcare has missed out mainly because it has seen patient involvements in their own care as a moral rather than an economic issue. However, globally some parts of healthcare are beginning to make changes that will involve patients, caregivers and their communities more fully in their own healthcare.

Payers, providers and other health and life sciences organisations that want to transform, need to rethink the way they engage with patients. This is the case in the conduct of research, in the offer made to patients and in the design of services. In many cases, the alignment between what patients want and what is provided is poor. The goals of patients are not given enough

recognition in treatment choices and the benefits of shared decision making and patient and caregiver involvement are not being realised. As a result, over-diagnosis and over-treatment are now a frequent hazard and a serious cost in many parts of the world.

Communities can also offer much more and can add value to healthcare. In research, the knowledge that patients have is not being used and payers are only just starting to realise the opportunities of harnessing patient power to put pressure on costs, to improve lifestyles and drive quality. Over the last two decades, many other industries and services have used their customers to strongly improve their value proposition. In retail banking, communications and retail, customers now routinely deliver value that had previously been delivered by paid staff. Given the economics of the industry, healthcare leaders recognise that it is time for the healthcare industry to change in their value proposition.

Delaying the onset of long-term conditions into later old age will need very different interventions from traditional healthcare and will improve the value proposition for population health considerably.

What needs to be done

At the core of our argument is changing the way in which healthcare works with patients in order to ensure they are more active in their own healthcare. We believe that the economic argument for this is clear.

Here we outline four next steps to take in realising the extra value that patients can contribute.

1. Since we want to increase patient activation, make every interaction with patients count.

Healthcare spends most of its resource in developing its interaction with patients. If we want to increase patients'

activity we need to review all of these interactions to ensure that each of them increases the capacity of patients to be more active in their own healthcare. At the end of a consultation does the patient always leave with greater skills to self-manage than they had at the beginning of that consultation? Does every letter, email or phone call leave them with greater capacity to know what they have to do next? Are you checking up that these attempts at improving patient capacity actually work with the patients and are not just empty instructions from medical professionals that have no impact on behavior?

2. If you want to allow patients to add value to their own healthcare, make sure the healthcare is designed with them in mind.

Successful industries that encourage consumers to create value, design their products with those that consume them. Healthcare needs to fully involve patients, their caregivers and communities in all healthcare redesign. Our research shows that few patient organisations think that happens at the moment.

3. Develop your workforce to search for and realise assets in patients, their caregivers and their communities.

The practice of most medical professionals is based upon seeing patients as a set of deficits. For medical professionals to recognise the possibilities of self-management and to see patients, their families and their communities as a set of assets is a departure from the deficit model. One of the best ways of developing the workforce in this direction is to use individual or groups of expert patients to carry out that development. The workforce will also need new technical skills to work with, a number of tools such as decision aids, telehealth and other self-care technology and with

real-time information about patient experience. All of the components need to be built into recruitment, induction, appraisal and reward strategies.

4. Payment systems will need to be reorganised to recognise the value creating possibilities of patients, their caregivers and the communities.

Compared to most medical interventions, the investment in better patient self-management is not expensive. But it calls for some resource. If the payment system is organised in such a way as to see self-management as just another form of episodic cost, then it is difficult to see where the return on this investment comes from. If however, the payment system is organised to cover an entire patient pathway or population, the return on the investment in better patient self-management is potentially significant.

Conclusion

It's time to use patient power and involve families and communities and work with them to improve value, safety and quality and potentially to reduce costs. New skills, technology and approaches are required. Being able to do this will be a differentiating factor for payers, providers and life science companies. But, apart from that, it is the right thing to do.



Dr. Mark Britnell

Chairman and Senior Partner,
KPMG Global Health Practice
E: mark.britnell@kpmg.co.uk
T: +44 20 7694 2014



On the horizon: Change is coming to accounting for NFPOs

By: **Stephen Warren**, Manager, KPMG Enterprise

In February 2017, the Canadian Accounting Standards Board ("AcSB") issued its Exposure Draft, *Accounting Standards Improvements for Not-for-Profit Organisations*. The proposals relate to tangible capital assets, intangible assets, works of art, historical treasures and similar items not part of a collection, and collections held by charities and not-for-profit organisations ("NFPOs").

All charities in the private sector that own tangible capital assets, intangible assets or collections may be affected. For example:

- all tangible capital assets, intangible assets, and collections need to be assessed and, if impaired, written down to reflect the decline in their value;
- all collections need to be recorded on the statement of financial position at cost or at nominal value; and
- charities must now consider the guidance on componentisation in Section 3061, Property, Plant and Equipment.

Highlights

The AcSB proposes, subject to comments received following exposure, to replace:

- TANGIBLE CAPITAL ASSETS HELD BY NOT-FOR-PROFIT ORGANISATIONS, Section 4431 with Section 4433;

- INTANGIBLE ASSETS HELD BY NOT-FOR-PROFIT ORGANISATIONS, Section 4432 with Section 4434; and
- COLLECTIONS HELD BY NOT-FOR-PROFIT ORGANISATIONS, Section 4440 with Section 4441

in Part III of the CPA Canada Handbook – Accounting as part of its program of major improvements to accounting standards for NFPOs.

Main features of the proposals

The following summarises the key features of the proposals:

Tangible capital assets and intangible assets

- NFPOs would be directed to follow PROPERTY, PLANT AND EQUIPMENT, Section 3061, GOODWILL AND INTANGIBLE ASSETS, Section 3064, and ASSET RETIREMENT OBLIGATIONS, Section 3110 in Part II of the Handbook for tangible capital assets and intangible assets held by NFPOs, except for the guidance included in Sections 4433 and 4434 related to items such as contributed assets and write-downs of assets. Applying Section 3061 would include considering the guidance on componentisation.



- A tangible capital asset or intangible asset would be written down to its fair value or replacement cost to reflect a partial impairment of the asset when conditions indicate that the asset no longer contributes to an organisation's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the asset is less than its net carrying amount.
- A list of indicators would provide examples of conditions that may be present to indicate impairment of tangible capital assets or intangible assets.
- NFPOs would be directed to follow the disclosure requirements in IMPAIRMENT OF LONG LIVED ASSETS, Section 3063 in Part II for impairments of tangible capital assets and intangible assets.

Works of art, historical treasures and similar items not part of a collection

- NFPOs would continue to account for works of art, historical treasures and similar items not part of a collection as tangible capital assets, intangible assets, investments or as inventory type items depending on their intended use (i.e., in accordance with INVENTORIES HELD BY NOT-FOR-PROFIT ORGANISATIONS, Section 3032, and INVESTMENTS, Section 3051 in Part II, and Sections 4433 or 4434).

Collections

- Collections would be recorded on the statement of financial position.
- An NFPO would make an accounting policy choice to record collections at cost or at nominal value and that choice would be applied to all of its collections.

- Guidance on determining cost would be added. A collection recorded at cost would be written down to its fair value or replacement cost to reflect partial impairment of the collection whenever events or changes in circumstances indicate that its net carrying value may exceed fair value.
- A list of indicators would provide examples of conditions that may be present to indicate impairment of a collection.
- Guidance on disposing of items in a collection would be added. For disposal of items contributed to a collection that are subject to external restrictions, the gain or loss would be accounted for in accordance with CONTRIBUTIONS — REVENUE RECOGNITION, Section 4410. However, for items in a collection that do not have external restrictions and are disposed of, the gain or loss would be recognised in the statement of operations.
- An NFPO would disclose whether the write-down of a collection is measured at the collection's fair value or replacement cost.

Transition

Prospective application of Sections 4433 and 4434 would be required in accordance with ACCOUNTING CHANGES, Section 1506 in Part II, except as permitted by the transition provisions. The transition provisions would provide relief for an NFPO to:

- allocate the costs of tangible capital assets to their component parts based on their relative cost or fair value at the date the assets were acquired, or at fair value or replacement cost at the date the Section is first applied; and
- recognise an adjustment to opening net assets for partial impairments of tangible capital assets and intangible assets existing at the date the Section is first applied.

- Retrospective application of Section 4441 would be required in accordance with ACCOUNTING CHANGES, Section 1506 in Part II, except as permitted by the transition provisions. The transition provisions would provide relief for an NFPO that chooses to record its collection at cost to:
- capitalise items in a collection acquired in previous periods at cost or fair value at the date of acquisition, or at fair value or replacement cost at the date the Section is first applied;
- measure items in a collection at nominal value when the cost cannot be reasonably determined; and
- recognise as an adjustment to opening net assets for partial impairments of collections existing at the date the Section is first applied.

The Exposure Draft is open for comment until May 31, 2017. The AcSB will redeliberate the proposals in light of comments received and expects to issue the new Sections 4433, 4434 and 4441 in the second quarter of 2018. The proposed effect date of the amendments would be for fiscal years beginning on or after January 1, 2019.



Stephen Warren
Manager, KPMG Enterprise
E: stephenwarren@kpmg.bm
T: +1 441 294 2663

Where do regulators draw the line?

By: **Chris Eaton**, Senior Manager, Advisory

Organisations can no longer afford to treat privacy as an afterthought. Cyber security and the battle against hackers has long dominated the Chief Information Officer's ("CIO") agenda. But cyber security is not the same as privacy. The EU's new rulebook, the General Data Protection Regulation ("GDPR"), marks a fundamental shift towards the view that privacy must be at the forefront of organisations' minds when dealing with consumer data. Due to come into force in May 2018, it could see organisations hit with fines of up to four percent of global worldwide turnover for non-compliance.

Although the GDPR is perhaps the most comprehensive attempt to define a coherent regulatory framework for privacy, governments around the globe are sharpening their focus on the issue and introducing legislation to offer greater protection to consumers — and harsher penalties for violations.

The stricter approach being adopted globally catapults privacy towards the top of organisations' risk radars. In this rapidly

changing environment, organisations need to consider a new attitude towards privacy — and they need to do it quickly to minimise the risks to their balance sheet and their reputation.

Bermuda, PIPA and Adequacy

Bermuda has introduced the Personal Information Protection Act ("PIPA"), which received Royal Assent on July 27, 2016 and is due to come into force in the summer of 2018. PIPA was drafted with the intent to enable Bermuda to join the international 'network of trust' currently existing between countries with similar levels of informational privacy protection — a concept the EU refers to as 'Adequacy'.

The EU permits third party countries to apply for an adequacy finding, which allows the free flow of personal data from the EU without the EU data exporter having to implement any additional safeguards or being subject to further conditions. As a result of securing adequacy, transfers to the country in question will be assimilated to intra-EU transmissions of



data, thereby providing privileged access to the EU single market, while opening up commercial channels for EU operators.

At present, Canada, Guernsey, Jersey, Isle of Man, Israel, New Zealand, Argentina, Uruguay, and Switzerland have been identified as having met the standard and are able to transfer personal information with the EU member states.

How must businesses adapt to survive?

One of the first issues to tackle should be mind-set. What may have been accepted, or at least tolerated, in the past, should be reviewed in light of stricter global approaches to privacy legislation.

Gaining customer consent by mystifying them with long winded legal statements and 20-page policy disclaimers is not a sustainable strategy. Transparency should be the guiding principle regarding privacy. Organisations need to ensure they fully understand what they want to do with customer data, and where and how they are storing it, and then explain it to customers in a clear and simple way.

Are you privacy ready?

As authorities around the globe sharpen their focus on privacy, few organisations are ready for what’s about to hit them. Fines that were once measured in the tens of thousands for organisations caught mishandling, mis-collecting or misusing customer data could potentially rise to hundreds of millions or even billions. With many industry insiders expecting regulators to flex their newfound muscles early in order to make a point, organisations need to move quickly to understand their obligations.

Seven steps to be privacy ready:

- **Step 1:** Educate senior stakeholders so they understand what privacy means for your organisation.
- **Step 2:** Understand the level of privacy risk to which your organisation is exposed.
- **Step 3:** Understand the expectations of the individuals whose data you process and set a privacy strategy that aligns to this.
- **Step 4:** Understand the organisation’s level of privacy maturity and set a clear strategy aligned to your desired target privacy maturity state and your consumer’s ‘creepy line’.
- **Step 5:** Develop a robust plan to mitigate your privacy risks and deliver your target state.
- **Step 6:** Execute your plan. Introduce sustainable structures to help manage your privacy risks, ensuring compliance but also providing a strong foundation to flexibly leverage personal data to create value for the organisation, your customers and your employees.
- **Step 7:** Monitor, maintain and repeat.

How KPMG can help

KPMG member firms’ privacy professionals support clients around the globe in resolving complex privacy issues, from niche challenges specific to certain organisations to end-to-end privacy compliance programs in complex and highly regulated industries.

The KPMG privacy team has deep experience in helping clients to address the challenges posed by privacy risk,

with a structured and flexible approach to meet the needs of diverse organisations. The global reach of KPMG member firms enables them to work effectively across multiple territories at a local level.

Areas where KPMG member firms are frequently engaged include:

- **Assessment:** providing an independent assessment of privacy risk and how to reduce it;
- **Design:** designing privacy compliance programs;
- **Implementation:** implementing robust privacy processes, policies and controls;
- **Strategy:** developing pragmatic privacy strategies and gaining buy-in from senior management;
- **Operations:** providing ongoing support to help clients operate their privacy framework; and
- **Monitoring:** helping clients as they maintain and monitor the performance privacy regimes.



Chris Eaton
Senior Manager, Advisory
E: christeaton@kpmg.bm
T: +1 441 294 2641



Your Business Matters

KPMG Enterprise is devoted to your business. We will even help price your pineapples.

KPMG Enterprise believes that performance is not only measured by the service provided, but also by how well we understand our clients’ business and their needs. We go to great lengths to understand your business in order to deliver customised solutions for our clients.

Key Contacts:

Steve Woodward
Head of KPMG Enterprise
+1 441 294 2675
stevewoodward@kpmg.bm

Felicia Govender
Director, KPMG Enterprise
+1 441 294 2649
feliciagovender@kpmg.bm

kpmg.bm



KPMG in Bermuda are proud sponsors of Team Bermuda in the Red Bull Youth America’s Cup.

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On the 2017 private board agenda

By: **Steve Woodward**, Managing Director, KPMG Enterprise

In 2017, corporate performance will still require the essentials – managing key risks, innovating and capitalising on new opportunities, and executing on strategy. But the context is changing quickly—and perhaps profoundly—as advances in technology, business model disruption, expectations of investors and other stakeholders, and global volatility and political shifts challenge companies and their boards to rethink strategy development and execution and what it means to be a corporate leader. Drawing on insights from our recent survey work and interactions with directors and business leaders over the past 12 months, we have highlighted six items that private company boards should keep in mind as they help guide the company forward in the year ahead.



Take a hard look at the board's composition: Is the talent in the boardroom aligned with the company's strategy and future needs?

Given the demands of today's business and risk environment, aligning boardroom talent with company strategy—for both the short term and the long term as the strategy evolves—should be a priority. Not surprisingly, 43 percent of respondents in our recent survey, *Building a Great*

Board, cited “resistance to change” and “status quo thinking” as hampering their board-building efforts. Directors should focus squarely on board composition/diversity and succession planning, robust evaluation, director recruitment and onboarding, board leadership, stakeholder communications, and continuing director education—all tailored to the company and industry. In short, “periodic board refreshment” should give way to robust, continual improvement and active board succession planning.



Pay attention to potential risks posed by tone at the top, culture, and incentives.

While a robust risk management process is essential to prevent and mitigate risk events, it is not enough. As we have seen in recent years, many of the crises that have posed the most damage to companies, particularly those that have significantly derailed start-up companies and turnarounds, have been caused by a breakdown in the organisation's tone at the top, culture and incentives. As a result, boards need to pay particular attention to these capital “R” risks, which may pose the greatest risk of all to the company. In today's business environment, it is more important than ever that the board be acutely sensitive to the tone from (and example set by) leadership, and they need

to reinforce the culture of the organisation, i.e., what the company does, how it does it, and the culture of compliance, including a commitment to management of the company's key risks.



Be vigilant about potential conflicts of interest.

According to recent Forbes Insights/KPMG private company governance survey, 28 percent of directors said that conflicts of interest, including related-party transactions, represent one of the greatest challenges to the effectiveness of a private company board. This is a particular challenge for directors of private equity or venture capital portfolio companies who are also representatives of their specific investment fund. While the interests of the portfolio company and the fund are in most cases aligned, conflicts arise—e.g., in the form of management fees, debt and equity financing terms for the portfolio company, timing of “exit” strategies, etc. More and more regulators around the globe—including the SEC—are focusing on the relationship and potential conflicts of interest between venture capital or private equity funds and their portfolio companies. Be vigilant to identify early on any potential conflicts between the interests of the portfolio company and the investment fund, and work with legal

counsel to develop an appropriate course of action to surface and resolve these conflicts.



Help ensure that M&A and new financing deliver the value that they should.

Both equity and debt capital markets are undergoing a transition, adjusting to slower growth, significant currency fluctuations, shifting interest rates, and a more difficult political and geopolitical environment. Given the incentives to strike a deal while some start-up company valuations are still elevated or debt capital remains cheap, some boards might be pressured to approve a transaction on the basis of an “expedited” due diligence process. In this environment, private company boards face an even greater challenge in helping to ensure a deal delivers the value that it should – and minimise the risk of failure. Among the key areas of board focus: Test alignment of the deal with the company's strategy, and challenge the value creation potential of the deal. Consider the range of financing options (whether as buyer or seller). Closely monitor key aspects of the due diligence process before approving the deal, and examine the postmerger or postfinancing plan in detail, and track performance against the plan.



Monitor implementation plans and activities for major accounting changes on the horizon – particularly the new revenue recognition and lease accounting standards.

The scope and complexity of implementation efforts and the impact on the business, systems, controls, and resource requirement, should be a key area of focus. The new IFRS and US GAAP revenue standards (effective January 1, 2018 for calendar-year-end public companies and January 1, 2019 for private companies) provide a single revenue recognition model across industries, companies, and geographical boundaries. While the impact will vary across industries, many companies—particularly those with large, complex contracts—will experience a significant accounting change when implementing the new standard. The new standard will require companies to apply new judgments and estimates, so

the audit committee (if applicable) will want to inquire about the judgment and estimate process and how judgments and estimates are reached.

Under the new IFRS and US GAAP lease standards (effective January 1, 2019) lessees will recognise most leases, including operating leases, on the balance sheet. This represents a wholesale change to lease accounting, and many companies will face significant implementation challenges during the transition. Implementation of these two new standards is not just an accounting exercise; the board and audit committee will want to receive periodic updates on the status of implementation activities across the company (including possible trouble spots), the adequacy of resources devoted to the effort, and the plan to communicate with stakeholders. Additionally, many private companies—particularly those anticipating a transaction involving public financing or an already public company—may want to consider implementing the updated standards on the public company schedule.



Refine and widen boardroom discussions about cyber risk and security.

Despite the intensifying focus on cybersecurity, the cyber-risk landscape remains fluid and opaque, even as expectations rise for more engaged oversight. As the cyber landscape evolves, board oversight—and the nature of the conversation—must continue to evolve. Discussions are shifting from prevention to an emphasis on detection and containment and are increasingly focused on the company's “adjacencies,” which can serve as entry points for hackers. The internet and the digital records that surround people, organisation, processes, and products (“code halos”) call for deeper—if not wholly different—conversations. The board should help elevate the company's cyber-risk mind-set to an enterprise level, encompassing key business leaders, and help ensure that cyber risk is managed as a business or enterprise risk—not simply an IT risk. Do discussions about M&A; product development; expansion into new geographies; and relationships with suppliers, customers, partners, advisers and other third parties factor in

cyber risk? Help ensure that awareness of—and accountability for—cybersecurity permeates the organisation, with a security mind-set, proper training, and preparation for incident response. Is cybersecurity risk given regular and adequate time on the board's agenda? Where are the company's biggest vulnerabilities and how is it protecting its most critical data sets? Does the company benchmark against others in its industry? Does the company have a cybersecurity scorecard and a robust cyber-incident response plan? Do directors work under the assumption that any e-mail could become public at any time?

About the KPMG Board Leadership Center

The KPMG Board Leadership Center champions outstanding governance to help drive long-term corporate value and enhance investor confidence. Through an array of programs and perspectives—including KPMG's Audit Committee Institute and Private Markets Group, the Women Corporate Directors Foundation, and more—the Center engages with directors and business leaders to help articulate their challenges and promote continuous improvement. Drawing on insights from KPMG professionals and governance experts worldwide, the Center delivers practical thought leadership—on risk and strategy, talent and technology, globalisation and compliance, financial reporting and audit quality, and more—all through a board lens. Learn more at <https://boardleadership.kpmg.us/>



Steve Woodward

Managing Director, KPMG Enterprise

E: stevewoodward@kpmg.bm

T: +1 441 294 2675

Change your email culture by saving yourself (and everybody) time

By: **Curt Peoples**, Director, Learning & Development

Here's a statement you'll agree with: "Allowing you to be in constant contact, email plagues the workplace with its inappropriate use and uncontrollable volume." – Penny Jones, Technology & Business Magazine. What may surprise you is that the quote is from 2005. Nothing has changed in 12 years.

More recently, studies have shown the average worker spends 12 hours a week writing, reading, sorting and deleting email. The typical office professional receives 60 emails per day. Sixty-two percent of people check work email on weekends. Yes, the volume is uncontrollable.

One way to get a handle on your email is to look at it as a time management problem. How can you deal with the volume faster and more efficiently?

Time management experts say two of the best ways you can control the time you spend on email is to 1) shut off automatic email alerts, and 2) limit the number of times you check email in the course of the day.

Automatic email alerts might seem efficient, but throughout the day they add up to a stream of distractions. How many

emails pop up that are truly urgent and need to be dealt with instantly?

A 2014 University of British Columbia study found the average person checks their email 15 times a day. The study found that continually switching into and out of email taxes the mind's ability to focus and adds to daily stress. Researchers discovered when people limited their email checking to three times a day, it dramatically reduced their stress (although it took them a while to re-train themselves.)

In the real world of work, three times a day might be unrealistic – but the point is don't check your emails as they roll in. One technique is to do a few brief check-ins (10 minutes maximum) during the day and answer only those emails that are urgent or take you less than two minutes to answer. Then set aside a scheduled hour to deal with the emails that require focus and problem solving.

In addition to controlling the time you spend on emails, there are a number of ways you can make the use of email more efficient for both you and your readers.

- Don't copy others unless you are certain they will be glad you did.

- Don't hit "reply all," unless you are certain every person on the list will be glad you did.
- Reply in a helpful way or not at all. Sending an email that says, in its entirety, "yes" is not always helpful.
- Avoid forwarding an ongoing series of emails that have nothing to do with the topic at hand. Write a new email.
- Reply to long emails by annotating the original in a second colour (in most email systems, you can do this by forwarding the marked-up email to the sender and yourself).
- Ask yourself, could I answer this question more quickly with a phone call?

Finally, write great subject lines. A great subject line tells the reader what's inside and makes the email easy to find later.

Research says the best length for a subject line is 6–10 words. Shorter lines can make the message too terse. "Update" really doesn't say much. Longer subject lines announce that you are about to add to your reader's email overload.

A common practice is to add a prefix to your subject line – e.g., Urgent, Action

Required, Important Deadline. But don't overdo it. If you use them too often, they'll lose their impact.

The best technique to help you write meaningful subject lines is to note the purpose of the email in the subject line. Use the preposition "for" "New travel guidelines for your review" is better than "Travel guidelines". "Package at reception for pickup" is better than "Package".

The final goal is to manage your email so it doesn't manage you – so that you can do meaningful work that goes well beyond clearing your inbox.



Curt Peoples

Director, KPMG in Bermuda

E: curtpeoples@kpmg.bm

T: +1 441 295 5063

TeamBDA Update: The countdown is on

By: **Greg Muir**, Senior Manager, Advisory

KPMG in Bermuda is one of the key sponsors of Team BDA, the local youth team formed to compete in the Red Bull Youth America's Cup ("RBYAC"). The event will be held in Bermuda alongside the America's Cup in May and June 2017.

2017 is an auspicious year for TeamBDA and over the past few months, TeamBDA has been busy ramping up preparations for the coming challenge.

January marked a significant transition for TeamBDA, with the move to full time training, which will continue until the event in June. The team have the full squad on island, taking part in a "three week on, one week off" training regime on and off the water. This intensive training regime follows the team's mantra of 'train harder than you compete', but with this brings challenges on both the equipment and the minds and bodies of the team. Their grueling schedule includes extreme physical training, as well as sail training and tactical training.

Whilst January saw some bad weather restricting the on-the-water training, what the sailing team did manage to squeeze in was extremely beneficial, especially during the first week when their training partners from the Softbank Youth Team Japan were on island. The coaches saw marked improvement as the training progressed, and certainly served as motivation to continue their hard work to compete at this highest level. The coaching staff concluded comfortably that the team is progressing steadily and is on course.

TeamBDA also had the opportunity to compete with the Softbank Youth Team Japan, in their first official appearance as participants in the KPMG Bermuda Front Street Mile. Team Manager, Laura Cutler commented: "It was a great experience for both teams, competing in front of a passionate local crowd and a nice opportunity to socialise with our training partners off the water."

Recently, TeamBDA had the chance to assemble a few of the AC45s, the boats which will be used in the Red Bull Youth America's Cup. These boats are used by the professionals in the Louis Vuitton America's Cup World Series. Whilst to the layman, these look similar to the GC32 which TeamBDA train on, in reality, this platform is considerably different to the AC45's, so it was an invaluable opportunity for the team to start to familiarise themselves with the differences between the boats.

Building up toward the event, in late March, TeamBDA will sail ORACLE Team USA's AC45 for seven days - this is the maximum time that RBYAC is permitted to sail an AC45 prior to the competition. It will be a steep learning curve!

TeamBDA also had the privilege of being given access to some of ORACLE Team USA's AC45 videos and playbooks, which illustrate the actual movements, tactics and choreography of sailing the AC45. Accordingly, TeamBDA made some changes in the gym to correlate these altered strategies. TeamBDA coaches created a challenging circuit of movements that aim to mimic the on-the-boat action,

which includes winching, furling the "Code Zero" sail, pulling the boards up and down, etc., and even a puzzle, to challenge problem-solving while in a high exertion mode. TeamBDA were delighted to be visited by the Premier of Bermuda, Michael Dunkley, who recently joined them in a morning workout session. To see them being put through their paces at <https://www.facebook.com/michael.dunkley.79/posts/10154210106985811>

The TeamBDA coaching staff, with input from the team, made some key appointments within the team, selecting Mackenzie Cooper as Team Skipper, Owen

Siese as Team Manager, and Peter Dill as Boat Captain. These designated positions will allow sharing of the work load of managing of the team and the equipment.

Finally, TeamBDA completed the branding exercise of their GC32, now named "Cat-5", including branding the new sails. As you can see on the previous page, the Cat-5 is looking sharp!

We will keep you updated over the coming months with Team BDA news and initiatives. KPMG is hugely proud to be supporting TeamBDA, and we encourage the Bermuda community to get behind

them, including our valued clients. For those of you on Facebook, you can follow their progress on TeamBDA's Facebook page.



Greg Muir
Senior Manager, Advisory
E: gregmuir@kpmg.bm
T: +1 441 294 2640

In the spotlight



Tshepo Tshabalala
Audit Senior,
KPMG Enterprise

Tshepo was born and raised in a small village called Phuthaditjhaba (South Africa). He graduated from the University of the Free State in 2010 and pursued his post graduate studies with the University of South Africa where he completed his honors degree in 2012. Tshepo commenced his career working as a Staff Accountant for Gold Fields (Gold mining company listed on the New York Stock Exchange) in 2011 which was later unbundled into Sibanye Gold. He worked on a number of projects for the company which were mainly focused on efficiency and reducing productions costs.

Tshepo joined KPMG (South Africa) in 2014 in the Energy and Natural Resources department and qualified as a Chartered Accountant in February 2016. He worked with various clients including Lonmin PLC, BHP Billiton, Atlatsa resources and Smile telecoms. Tshepo was seconded by KPMG (South Africa) to KPMG (Mauritius) where he worked in the US GAAP department (financial services). In his spare time, He enjoys reading books, running, playing soccer and fishing.

Tshepo hopes to excel in his new role as an Audit Senior in the Enterprise

department and looks forward to providing the best service to his clients.



Deshun Dill
Staff Accountant,
KPMG Enterprise

Deshun Dill was born and raised in Bermuda. In 2016, he graduated from Saint

Mary's University in Halifax, Canada with a major in accounting. Prior to audit work, Deshun was able to gain experience through work placements and internships in the small business, government, and insurance sectors in Bermuda.

In January 2017, Deshun joined the KPMG Enterprise team as a Staff Accountant. Deshun believes working in this department would improve his understanding of the local business environment and also help generate solutions that can improve/expand local business markets in the economy.

In 2017, Deshun will begin the taking Canadian CPA examinations with the end goal of being a qualified CPA by 2018. In spare time, Deshun enjoys a fitness and social lifestyle with athletics training and competition.



Shanay Brown
Audit Senior,
KPMG Enterprise

Shanay was born in the small district of Amity, Jamaica. She graduated from the University of the West Indies, Mona in 2013 with a first class Honours Degree in Accounting.

She began her professional career with PricewaterhouseCoopers in August 2013 as a Trainee Accountant and began her ACCA qualification the following year. She became a qualified accountant in 2016 at which time she was a Senior Auditor at PricewaterhouseCoopers.

In March 2017, Shanay joined the KPMG family as an Audit Senior in the Enterprise Department. She believes that working in this department would provide her more exposure with new clients and different accounting frameworks. In her new role, she is hoping to expand her knowledge through learning about the various systems utilised by KPMG as well as learning new ways of auditing different financial statement line items. She is also hoping to develop new relationships not only with her clients, but also her new KPMG family.

In her spare time, Shanay enjoys reading, socialising with new people, as well as cooking.

Key Contacts

Audit



Tax



Advisory

