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Sailing through uncertainty – The power of people
Organisations are operating in a constantly and rapidly changing world. The high seas of our current socio-economic climate are becoming ever more complex, relentlessly presenting new challenges for businesses to overcome in order to survive.

A challenging economy, greater regulatory demands, new technologies, expanding global markets, greater competition and, in some cases, the challenge of merely surviving in a world of increasing complexity – these are the challenges organisations face in a volatile economic environment. All of these test organisations to become more flexible and responsive, to operate in a riskier, costlier and more complex environment. While complexity can be a burden, it is also an opportunity – to create new and better strategies, develop new products, expand into new markets, rethink business models and become more efficient to gain competitive advantage.

In this rapidly changing and competitive marketplace, delivering effective transformational change becomes a key factor of success across all functions in our clients’ organisations. Furthermore the HR function plays a critical role in putting the appropriate structure, capabilities and systems in place to deliver value to the business. Today’s HR function has the potential to enable a profound transformation, challenged as never before to convert the full potential of an organisation’s people into financial performance and market value.

KPMG’s People & Change team helps you unlock this potential and navigate transformational change across all functions to drive unprecedented levels of performance.
Helping our clients
to navigate change

“In People & Change we transform the performance of organisations by changing the way people are led, managed and developed.”

Stefanie Bradley, Partner

We do this by focusing on two areas of the change agenda:

1. Delivering the people agenda on large scale, complex, transformational change programs.
2. Equipping leaders with skills to lead the transformation.

We deliver these through our five key offerings:
In People & Change we focus on the human experience in business transformation. We support the development of strategies for the attraction, development, motivation, retention and management of the right people with the right skill sets and right experiences to deliver the goals of the organisation. We work with our clients to develop the HR strategy, programs and plans that enable the HR function and line management — working together — to ensure that people are capable and motivated to deliver on the business strategy. We believe that HR Transformation should align HR and business strategy to put the appropriate structure, capabilities and systems in place to enable the HR function to deliver value to the business. However our expertise is by no means limited to the HR function – by focusing on the people agenda we help to deliver large scale transformational change across all business functions.

KPMG’s Global Centre of Excellence gives clients dedicated access to global teams of senior professionals with broad business backgrounds and deep People & Change expertise. Together with some of the world’s foremost academic researchers, they foster innovation and develop market-leading insights in all areas of human resources, putting us at the forefront of thinking on the subject.

We have also developed globally in HR real time employee engagement techniques as levers to help drive the business agenda.

As a global network of firms we have a global reach with over 500 People & Change professionals in over 30 countries. Leveraging relationships from across KPMG we successfully collaborate across sectors and geographies, making full use of our wide breadth and depth of project experience. We are there for the entire journey with our clients – from solution design to implementation and optimisation – working across the entire lifecycle of change projects.
Organisational Design for Performance

“We help organisations put in place the frameworks and tools to create effective organisations, enabling them to achieve and sustain their strategy and vision.”

Alex Longworth, Organisational Design for Performance Lead

Our Organisational Design for Performance offering helps clients answer the fundamental question, “How can our organisational model better support/drive our business?” Often companies find they need new organisational models to foster a climate of innovation, continuous improvement, or strong customer focus. In today’s organisations there are many more people than in the past with a much wider variety of skills and functions. People are managing wider and more complex product and service portfolios across international boundaries.

In this environment the organisational design challenge is often about finding a simpler way of organising people and decision making and creating a more direct line between strategy and efforts. Our approach focuses on governance, structure, capabilities, roles and responsibilities and culture to align structure to strategy. Central to our approach is co-creation with the people who can lead and contribute within those models and provision of the guidance and support that organisations need to make the transition to new ways of doing business.

What issues are our clients facing?

- A need to reshape and create more efficient ways of working to deliver on its business drivers and strategy.
- The necessity for organisations to be the right size in order to maximise efficiencies and respond to customer demands in an increasingly competitive marketplace.
- A need to be less complex and have a clear line of sight from strategy to execution.
- The need for a level of flexibility and agility for the organisation, so that it can respond quickly and efficiently to market changes.

What we do to help clients tackle these challenges?

- A proven, evidence-based approach which facilitates pragmatic and workable design for the organisation within tight time scales.
- Detailed analysis of spans of control and layers.
- Clear stakeholder alignment which focuses on open rationalising strategy.
- We work with any level of an organisation and at any stage of organisational growth – from start-up to long established operations.
Case Study

Leading independent wealth management company

Client challenges
The client started a transformation program to achieve their customer centred strategy through the redesign of their enterprise target operating model. Investments in building foundations and improving engagement with customers was made possible through the commitment to the market to reduce their cost base. The client needed to make significant inroads to get the organisation in the best possible shape by reducing their spend on offerings that their customers did not value or that did not contribute to achieving customer outcomes.

How we addressed the challenges
KPMG was engaged to deliver and implement a top to bottom new organisational design across their newly formed Advice and Banking business. This included delivering on profit and loss and run rate targets:

- KPMG reviewed the current organisational design for duplication of roles and activities, de-layering, consolidation, and elimination of roles and operating model change.
- This work was supported by tactical process change and change management to transition the work to the future home, including working closely with senior stakeholders to conduct the design and implementation across all business areas. We also engaged with impacted groups and supported communications to the business.
- KPMG helped identify the correct capabilities to fit the new operating model, and supported the transition process. This included team training and development, and understanding of roles in the new structure.

Benefits realised
- Consolidation of senior roles.
- Consolidation and centralisation of all channel marketing, events and communications activities into a new Channel Marketing function.
- Development of an effective and consistent, value driven operating model supporting practices and planners across all Licensees.
- 2014 P&L Benefit c. $4.4 million.
- Run Rate c. $8.7 million.
HR Transformation

“Our HR Transformation offering helps organisations align HR and business strategy and put the appropriate structure, capabilities and systems in place that enable HR to deliver real value to the business.”

Harry Francis, HR Transformation Lead

An efficient and effective HR organisation is essential to building and sustaining strong company-wide performance. Our HR Transformation offering helps HR executives and their leadership teams take a holistic view of their HR function (including strategy, process, technology, structure, skills, governance, and performance measures) to identify areas of improvement and optimisation and value to the broader organisation.

What issues are our clients facing?

• A movement away from the traditional Ulrich model to more tailored HR operating models to meet the unique needs of each business.
• The continuing issue of HR credibility within the business meaning that HR has to prove it can deliver to the business agenda.
• Continuing cost constraints meaning that HR is under increased pressure to demonstrate its value to the business, often in an environment of headcount reduction.
• The need to integrate new technology (e.g. Cloud HR Solutions) into HR and business operations, is changing the way that HR operates.
• The need to create an organisational culture of sustainable cost control, innovation and performance improvement.

What we do to help clients tackle these challenges?

• Help align HR strategy with business strategy, and implement a HR service delivery model that truly adds value through people.
• Provide HR benchmarking and analysis to identify opportunities for improvement.
• Support make versus buy decisions on service provision, from data collection to implementation.
• Optimise HR processes and technology to deliver return on investment.
• Build HR capability and team effectiveness to deliver a high performing service.
• Support clients in assessing and selecting HR Technology platforms that align with organisational needs from both a business and cultural perspective.
• Support and guide organisations though the implementation of new Cloud HR systems.
Case Study

Global Engineering Company

Client challenges
As part of streamlining their hire to retire service delivery model, the client set up a global shared service centre in Malaysia. The client had previously successfully transitioned Finance processes (accounts payable and accounts receivables) to the shared service centre.

How we addressed the challenge
- Reviewed the current hire to retire processes.
- Conducted interviews with HR and Payroll resources to validate the existing processes and standard operating procedures (SOPs).
- Designed a global standard incorporating better practices and controls.
- Conducted workshops in USA and Canada to identify need for variations to processes and SOPs.
- Consolidated all the variations from Australia, Canada and USA into the global standard.
- Completed FTE/activity analysis in Australia, USA and Canada.
- Developed a scalable future state organisational structure within the shared services centre to cater for a phased transitioning of the processes from the locations to Malaysia.
- Developed training needs analysis and training plans.
- Delivered training to shared service centre employees as part of the transition process.

Benefits realised
- KPMG managed the sensitivities associated with job losses in Payroll and HR teams in Australia, USA and Canada.
- Provided streamlined and internal controls for hire to retire processes.
- Provided guidance to the Change Manager in managing the transition to the offshore facility.
“Through our Talent Management offering, we help our clients tune in to the strategic talent implications of their business strategy and ensure they attract, retain and develop the right people to fulfil their current and future business needs. This is achieved by focusing on developing the right skills and capabilities for all staff, as well as for those destined for senior leadership roles.”

Jane Gunn, Partner and Talent Management Lead

An organisation’s ability to manage talent – and develop the right talent strategy for the organisation – depends largely on how well it is able to tune in to the talent needed to win in its markets.

The traditional focus on hiring, developing, engaging and retaining the best people is no longer enough given a volatile, uncertain and ambiguous world and today’s international, flexible and virtual workforce. Organisations must design, develop and deploy forward-thinking talent strategies that enable them to evolve to meet their future talent and strategic business challenges.

What issues are organisations facing?

- Uncertainty about which critical roles require investment and focus, where a more robust internal talent pipeline is needed.
- Lack of a plan to build capability across the organisation, either through internal development or external sourcing.
- Difficulty in demonstrating a clear and attractive employee value proposition and career paths to employees in order to retain them.
- A learning and development operating model that is disparate across divisions, where learning offerings are often duplicated and not delivering on business requirements.
- Difficulty in getting cross-divisional talent mobility to fast track high potentials and stretch those in critical roles.

What do we do to help you tackle these challenges?

**Talent assessment**

- Skills and competency framework.
- Capability assessment.
- Talent metrics and return on investment.
- Talent risk management.

**People development and performance**

- Retention and recruitment strategies.
- Learning and development planning.
- Career pathways and talent programs.
- Performance management systems and processes.

**Diversity & inclusion**

- Strategy and implementation.

**Talent organisation**

- Structures, policies and skills.
- Learning and development organisational design.
Case Study

Australian Government Agency

Client Challenges
The client needed a talent management and succession planning strategy to build its leadership capability.

How we addressed the challenges
KPMG brought a deep understanding of the Australian Public Service culture and approach to talent management and succession management, along with KPMG’s talent management methodologies and tools.

- KPMG undertook an assessment of the existing talent and leadership development practices through targeted consultation.
- KPMG then designed a talent management strategy in line with the organisation’s leadership needs, and validated the strategy with the senior executive.
- We developed an implementation plan for the strategy, which encompassed an engagement and communications strategy, skillling strategies, and interdependencies.
- We also developed a succession planning framework and tool for the Agency to manage its key business succession risks.

Benefits realised
- Articulation of the purpose, intent and benefits of talent management and succession planning.
- Analysis of how the talent strategy was aligned with existing and proposed people and leadership initiatives.
- Identification and integration of better practice and learnings from other organisations.
- Development of design principles for how talent management will be used in the Agency.
- Development of a comprehensive talent management framework. This included methods and tools to determine leadership development priorities; identify, map and assess leadership talent; and how to respond to the identified needs through talent acquisition or development, and deploy talented staff.
Change Leadership

“Change Leadership is about getting people ‘ready, willing and able’ to deliver sustainable business benefit, it is about driving alignment and engagement.”

Stefanie Bradley, Partner and Change Leadership Lead

Volatility, uncertainty, complexity and ambiguity are new organisational norms. For change to occur in an organisation, each individual must feel, think or do something different. Empowering employees; helping them understand why the change is happening and ‘what’s in it for them’ are key to accelerating the transitions. However, where there is a high degree of uncertainty regarding the desired outcome, and disagreement over the best means of achieving it, traditional change management methods will not deliver a stable sustainable change. Our approach is based on the premise that in this age of uncertainty, organisations need more from their leaders than a ‘tell and sell’ approach to sponsoring change. They need leaders who are capable of leading change by engaging with the content, shaping the journey and bringing people along. Our approach helps equip them to do this.

What issues are our clients facing?
We are seeing that a high proportion of transformation efforts fail, and many more fail to deliver all of the intended benefits. We are also seeing that different stakeholders often have very different wish lists of outcomes to be delivered by the program and sabotage any chance of success by following their own competing agendas. Every organisation, every change program and every leader is unique – but typically they have all been dealt with by the same change management approach.

What we do to help clients tackle these challenges?
We collaborate with clients on developing a bespoke approach to address their unique change challenges. Change leadership makes the critical difference. Our approach:

• Recognises this individuality and gives the change leader responsibility for co-creating the vision and change journey.
• Focuses on understanding and addressing the gaps in change leadership capability.
• Understands the versatility of the organisation (its ability to adapt to change).
• Addresses the organisational levers that need to be pulled on to make the change stick.
• Builds employee engagement and commitment to the change.

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Case Study

Defence Logistics Transformation Program

Client challenges

In 2009, the Australian Defence Force (ADF) published a White Paper that laid out the Government’s plan for building a stronger and more cost effective force. To achieve this, the ADF outlined specific objectives for the Defence Logistics Transformation Program (DLTP) including:

- consolidating 24 wholesale sites into seven purpose-built facilities
- reducing warehouses by half
- introducing enhanced warehouse management technology
- introducing improved Automated Identification Technology to strengthen inventory accuracy, and visibility and enhancements in the operational availability of land equipment and vehicles.

How we addressed the challenges

The ADF chose KPMG to be their long-term partner in delivering all aspects of this very successful program. As a large and complex change program, the DLTP required committed and aligned leadership of its senior stakeholders. This meant:

- identifying leaders to drive the direction of the program.
- embed senior managers within each of the project streams to effectively implement initiatives and gain buy-in from employees.

To achieve this, KPMG conducted the following activities:

- Assignment of KPMG work stream leads to complement the skills and capabilities of the client’s organisation, which enables clients to pursue deeper insights
- develop deeper understanding of consumers and employees and their priority issues in order to co-create solutions
- use surveys, polls and questionnaires to verify emerging concerns via quantitative and qualitative research within the community.

Benefits realised

KPMG enabled change leadership capability to be developed across core leaders responsible for the DLTP change program. This leadership program enabled ADF leaders to advocate and articulate the program vision and upcoming changes in a manner that resonated with staff, as well as manage complex transition issues and support the business model change.
Strategic Workforce Planning (SWP) aligns workforce with business strategies by analysing the current workforce supply, identifying future workforce demand, and defining/monitoring workforce plans to bridge critical gaps. In short it’s about ensuring the right people are in the right place at the right time.

What issues are organisations facing?

- How do I manage my workforce in terms of foreseen business development and future demand?
- How do I develop my workforce as my business grows?
- What about the age structure and health management risks within my company?
- How will we source the talent we need to meet the risk of a possible shortfall?
- How can I make informed decisions about demand and supply?
- What are the workforce challenges to meet our future demand?
- Which workforce will we need in terms of the structure, number, and knowledge to deliver according to our quality standards?
- How do I manage the capability and capacity risks during the restructuring process?

What do we do to help you tackle these challenges?

- Workforce segmentation.
- Future state workforce projections and scenarios.
- Supply analysis/simulation.
- Demand analysis e.g. trend analysis, management forecast, top down driver models, bottom up driver models.
- Simulation of workforce risks.
- Gap analysis.
- Input for specific short-to medium-term workforce management plans and actions.
- Longer-term workforce management strategies.
- Talent management and development strategies.
- Workforce actions to bridge the gap e.g., HR Action Plan.
- Process and system integration and change management.
- Monitoring and review of workforce action plans.
Case Study
Australian Government Agency

Client challenges
The client required a refreshed workforce plan, due to changes in their external and internal environment. Whilst the client had a high voluntary attrition rate in the early 2010s, it became very low in 2014 when the Federal Government imposed a ‘recruitment freeze’ on government agencies, which severely limited the agency’s ability recruit and promote staff. The client required workforce planning expertise to provide them with insights on the audit workforce horizon, including workforce modelling, strategies to address workforce gaps, and recruitment, retention and deployment strategies, in order to prepare for the potential lift of the ‘recruitment freeze’.

How we addressed the challenges
• KPMG analysed the workforce structure by types, employee groups and age distribution and conducted a risk assessment.
• KPMG ran simulation of the overall workforce supply in different attrition scenarios and the specific gaps for job families.
• KPMG assessed the workforce demand on the level of job families and professional levels, as well as the future audit workforce horizon.
• KPMG conducted workshops with stakeholders within different levels of the organisation to discuss current and future workforce opportunities and risks.
• KPMG developed workforce strategies to maximise staff engagement and retention.

Benefits realised
KPMG provided recommendations to the executive on strategies to bridge the gap between their future workforce demand and supply and minimise workforce risks. This included an employee driven improvement approach to workforce planning and talent management, and a review of their current business and workforce model, in addition to possible future options.
What lies on the horizon?

We believe no other firm understands people and business like we do. We are business professionals with a deep understanding of people issues when both delivering large scale, transformational change across the organisation, and optimising the HR function. Our work is specific to your organisation and its strategy, marketplace, products and services. We tailor our insights for your specific strategic and operational issues, your competitive dynamics, and your culture.

So ask yourself: could your HR function be more effective and do more to add real value to your organisation? Does your organisational model truly support and drive your business? Do you struggle to successfully attract, retain and develop the right people to fulfil your current and future business needs? Do you fail to deliver transformation projects or fall short of reaping the full benefits of intended change? Could your workforce be more productive or efficient? These are the issues keeping our clients up at night. With our team’s track record, we can help you to drive your performance beyond expectations.
Contact us

Stefanie Bradley
Partner
T: + 61 8 9263 7774
E: sbradley1@kpmg.com.au

Jane Gunn
Partner
T: + 61 2 6248 1338
E: janegunn@kpmg.com.au

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March 2015. QLDN12964ADV.