

# Globally-Local

## An Interview with Frank Friedman, Chief Executive Officer, Deloitte LLP

**EDITORS' NOTE** Frank Friedman served as CFO since 2011 and currently serves as CEO. He is a frequent commentator on major issues impacting the U.S. economy, speaking to outlets such as Bloomberg, CNBC, Fox Business, and CNNMoney. Friedman has served on the board of many philanthropic organizations, including the REACH Foundation, Starlight Theater, Health Midwest, Minority Supplier Council, and Menorah Hospital. He joined Deloitte's Kansas City office in 1979 after graduating from the University of Kansas with a B.A. in accounting and business administration. Friedman is a Certified Public Accountant.



Frank Friedman

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### Is there an effective understanding of the role that the professional services industry plays in the global economy?

In today's business world, uncertainty and change are the only true constants and geographic borders do not limit growth and performance. Global integration is becoming table stakes, yet firms cannot lose the connection to local needs and culture. The need for "globally-local" services has created a huge opportunity for professional services firms that can combine global reach with local expertise.

Globalization requires professional services firms to make strategic investments in cross-border delivery capabilities in managing both operations and talent. Talent development was once something that was truly local, maybe regional and sometimes national, but never global. Now it is all those things because clients need seamless cross-border service. Deloitte focuses on building globally experienced teams, developing our talent by providing cross-border experiences, working with our clients to create global solutions, and positioning Deloitte as the organization best equipped

to serve the most successful global companies.

### How do you define what makes Deloitte unique?

As a services organization, we are only as good as our talent. We foster a high-performance culture focused on strengths-based leadership. Our people identify their strengths, magnify those strengths, and amplify the strengths of others, which fosters an environment where leaders thrive.

We are also differentiated by our scope. We serve 70 percent of the

Fortune 500 and many units of government, which gives us a holistic view of the economy and business environment, and helps us better serve clients.

We can broadly summarize our services into two categories: those based on the provision of advice (for example, many financial advisory services), and those based on actions we take on behalf of clients (for example, audit services or IT implementation). In many cases, our services combine both advice and action – this combination is something that differentiates us from our competition, whose focus is typically on one or the other, not both.

### How important is innovation to your success?

At Deloitte, we're creating an innovation ecosystem. For example, this year we introduced the Leadership Center for Clients, which helps clients break away from business as usual to achieve meaningful results. Our Leadership Labs are spaces for cultivation – of ideas, relationships, and opportunities – to help accelerate breakthroughs. In the lab, clients engage in immersive experiences designed to break down barriers by drawing on extensive research and expertise that is tailored to address a client's toughest business challenges.

### How critical is diversity and inclusion to the culture of Deloitte?

Deloitte has been helping to shape corporate America's inclusion landscape by pushing boundaries and challenging the status quo since 1993, when we became the first professional services organization to establish a women's initiative (WIN) to improve the retention and advancement of women. In 1994, we launched our Diversity and Inclusion initiative. Today, our inclusion efforts are inextricably linked to our talent strategy, as we collaborate across our organization to ensure that everyone plays a role in enabling all of our people to have rich and rewarding careers.

Additionally, as a result of today's growing global business environment, our clients demand diverse teams that reflect their own workforces and understand the shifting dynamics of their customer base, as well as changing consumer demographics. To that end, Deloitte's new Inclusion framework has evolved beyond WIN and our diversity initiative (e.g., race/ethnicity, LGBT, armed forces, cross-cultural, and disabilities) to encompass generations, well-being, and flexibility. Our leadership recognizes that people are multidimensional, and thus our approach to inclusion must reflect the complexities and interconnectedness of what make our people unique within the workplace.

### How does Deloitte focus its corporate social responsibility efforts?

Our people serve on more than 2,000 non-profit boards, and each year we initiate nearly 300 pro bono projects. Much of this engagement – driven by our partners, principals, and directors in communities across America— has great meaning to those involved, and to our business. Increasingly, we are aligning this engagement to support two key issues – education and veterans – and have developed detailed strategies and programs, such as IMPACT Day, pro bono, board service, volunteer councils, etc., that are engaging the skills and leadership of our people to drive social impact throughout the year.

### What are your key priorities for Deloitte as you look to the future?

We consistently enhance the quality and integrity of our work. This is not just a matter of getting better at what we do, because what we do must change with new developments and the expectations of our clients, regulators, and other stakeholders.

The accelerating pace of new developments and expectations is why I consider innovation a key priority for our future. This requires a long-term mindset – we must invest knowing that wave after wave of innovations will be needed to play the leading role we envision for Deloitte.

Being the leading professional services firm is our overall goal. To achieve it, we must think and act like leaders, all across our organization, and at every level. Even as we celebrate our progress, we must challenge ourselves to be better.

Finally, to be the leader, we must recruit and develop top talent. In the 2014 fiscal year, ending on May 31, we hired about 19,000 professionals, up from last year. We invest heavily in training, deploying, and developing our people to meet client needs and capitalize on new technology. ●