

DELIVERING A SIGNIFICANT INCREASE IN RECOVERIES AND DOUBLE DIGIT GROWTH OVER A TWO YEAR PERIOD

“CIMA students and members have challenged the way we do things – they have provided KPMG with deeper external and internal analysis to support change and the way we go to market. We have a much more sustainable and adaptable business model, ready to support the development of business and the economy in Sri Lanka.”

www.cgma.org

Reyaz Mihular FCMA, CGMA

Managing Partner, KPMG Sri Lanka and Maldives



A more stable economic and political environment is stimulating healthy growth in Sri Lanka.

For KPMG, this has led to an increase in demand and a significant increase in revenues. However, this “top-line performance” masked a number of challenges facing the business.

Reyaz Mihular, FCMA, CGMA and Managing Partner, explains “Our people were focused on revenue creation. However, this did not reflect in greater profit for the business. We conducted an in-depth annual client service review and it was not surprising that our people spent the most time on the most satisfied and highest revenue generating clients – but our recoveries had room for improvement”.

Two years ago, KPMG hired CIMA qualified management accountants to provide a real focus on cost drivers and analysis to support investment decisions.

“We were challenged almost immediately on our business model, our use of people and our route to market” says Mihular. “Our CGMA’s provided a deep analysis of client recoveries per clients and sectors. They also helped benchmark our competition, and provided recommendations to ensure we are market leading. This allowed us to make some serious decisions around the utilisation of our people and our focus on investment.”

This approach led KPMG to sell its Secretarial Services business and supported a repositioning of service lines to support the company’s local market position and strategic focus. This targeted focus on analysis has created a deeper financial awareness amongst client-facing managers at KPMG.

Mihular adds “The work of our management accountants now pervades across our organisation and has led our people to make informed choices and good decisions – we are now more aware of the economics of the service we are providing, and by doing this, KPMG remains competitive – to the point where we have seen a significant increase in recoveries over the last two years”.

This approach is not limited to the management of KPMG. KPMG now provides a channel profitability analysis service supported by the skills of CIMA students CGMA’s.

The CGMA designation

Two of the world’s most prestigious accounting bodies, AICPA and CIMA, have formed a joint venture to establish the Chartered Global Management Accountant (CGMA) designation to elevate the profession of management accounting. The designation recognises the most talented and committed management accountants with the discipline and skill to drive strong business performance.

CGMA value: KPMG Sri Lanka and Maldives

Increased recovery rates of client facing staff
Supporting a double digit growth rate over a two year period