
KPMG Keeps Pace With Explosive Growth

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Although it is wonderful news when a business enjoys unprecedented growth, the expansion often presents challenges.

Such was the case with KPMG. Remarkable success underscored fiscal 1998. The consulting business unit alone grew 57 percent. At this rate, growth was faster than that of any leading competitor of similar size and services. Keeping up with this growth became an all-encompassing objective.

The Problem

In December of 1998, the Practice Assistance organization, part of the Global Consulting Solutions Center (GCSC), was approaching a turning point in operations. Our team was facing a tremendous expansion in size and scope. To accommodate this increase, the group decided to change from a traditional 'help desk' to a consulting 'support center.' In the process, we were challenged with many elements that would "make or break" the success of our operation. We had

to consider such factors as overall hours of operation, employee profiles, request mix (current and anticipated), and the mix of inbound request channels (via phone, e-mail, fax, walk-ins, and intranet).

The Solution

To gain further insight into how these factors would affect our operations, the development team constructed a simulation model to help with the decision-making process. The model was used to help achieve the following objectives:

- Control and optimize cost per request
- Optimize utilization of human resources
- Achieve Service Level Agreements (SLA)
- Understand staffing dynamics

A six-step process was used to create, validate and analyze the model. Like processes were grouped and flow-charted. This facilitated the documentation and tracking of the work processes and their relationships to one another. These process maps were then linked together to form the basis for an "As-Is" model.

The Results

Modeling various scenarios provided us with a solid starting point for the GCSC operations.

Since the "As-Is" model scenario was validated against actual data, the "proposed" approaches were readily accepted. Most importantly, the modeling

At a Glance

Problem: KPMG Global Solutions was growing at a phenomenal rate. They needed to change the way they did business to support new consultants who joined their international team. They also wished to expand the size and scope of their operations, as well as move from a phone-based to a web-based operation.

Solution: Using the Process-Model® simulation model, they evaluated costs, utilization of human resources, achievement of Service Level Agreements and staffing dynamics.

Results: Modeling various scenarios provided KPMG with a solid starting point for the GCSC operations, including the initial staffing requirements and the overall GCSC operations' approach.

The modeling enabled the GCSC to sell the KPMG partnership on the use of a "web-centric" approach, requiring a significant infrastructure investment, instead of following a more traditional 'help desk' methodology.



aided the Practice Assistance organization in selling the KPMG partnership on the use of a “web-centric” approach instead of following a more traditional ‘help desk’ environment.

Modeling provided validation of many of our assumptions, as well as providing additional insights. For example, it became quickly obvious that the percent of requests that arrive via the web input channel is the factor that will impact results most dramatically. On average, utilization is 37 percent lower when the majority of requests come in through the web site (switching between 15 percent and 60 percent for web/phone input). Additionally, costs per requests is approximately 34 percent lower when the web majority scenarios are averaged and compared to the phone-based scenarios.

Throughput and achievement of SLAs is also higher in the web-based scenarios (8 percent and 4 percent respectively). Skills-based routing shows a slightly higher cost per request (3 percent), but it can result in less quantifiable benefits such as quality of response and customer perception.

Based on the results of the simulation scenarios tested, it appeared that it would be beneficial to initially employ junior, senior and technical Consulting Solution Advisors (CSAs) and route requests accordingly. The manager must keep a close watch on request input channels and request type mix in order to optimize staffing. Efficiency, utilization, throughput, and meeting SLAs all improve with a larger percentage of requests arriving via the web channel. Cost of web requests is a fraction of that for phone requests. This showed that the Practice Assistance service should be positioned as a web-based support center to the greatest extent possible.

With a larger portion of web requests, self-service increases and the need for technical CSAs will decrease as many of the technical solutions have been observed to be repeatable solutions.

Further, the need for junior CSAs also decreases as easier requests are handled on a self-service basis, and practitioners will rely on more senior CSAs to help them resolve complex issues.

Using a web-based case management system means that the Practice Assistance group will be building a vast

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These conclusions, resulting from simulation modeling, helped KPMG hone and refine its services to worldwide clients.

knowledge base that will make information available to practitioners on both a “push” and “pull” basis. The need for junior CSAs decreases even more dramatically with the increase of Type 3 requests. Over time, a shift toward more senior, versatile CSAs appears to be the way to balance efficiency and customer service.

Another observation is that as volume increases, it may make sense to employ CSAs who respond to requests, but are not in the front line of answering requests directly. This conclusion is drawn from the observation of thrashing that reduces efficiency as CSAs interrupt research and other activities to address requests. Finally, it appears that the proposed near-term staffing level of 12 CSAs seems to be consistent with the results of the model. As more data becomes available, the simulation model can be used on an ongoing basis to replicate current conditions and serve as a decision support tool.

As a result of simulation modeling we are keeping on track and achieving solutions to challenges resulting from explosive

growth. We continue to provide innovative service in the consulting industry.

Over the past few years, our Consulting Services team has honed its ability to provide the kind of industry-focused technology solutions that help clients excel. We do this with experience—98 percent of our new hires came to us with a depth of experience. We do this with scale—with over 6,000 professionals in the United States. And we do this with intelligence—we fully understand how information can produce the knowledge that is critical to success in today’s business environment.

The views and opinions are those of the authors and do not necessarily represent the views and opinions of KPMG, LLP.

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Ms. Carabetta focuses on operations management. Her areas of experience include Business Process Improvement, operations modeling and analysis, and financial modeling and analysis.

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