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KPMG International Case Competition
Honors Program
Erika Schlotfeldt
Spring 2015

Background

The KPMG International Case Competition (KICC) is a yearly competition that invites students from universities across the globe to compete in business related cases. Forty universities from within the United States hold competitions on their campuses for their students to have the opportunity to advance to the regional round of KICC. The teams selected from each university competition are sent to one of five regional competitions held around the US. The winning team from each regional is then sent to New York City, where one team is selected to represent the United States in the global finals. Students from 28 countries then convene in the host city, which this year is Dubai, to find out who will become the global winner.

The main requirement of the competition is that each team consists of four group members, one of which must be an accounting student. Each case revolves around an event or issue that has actually occurred and challenges the teams to come up with real world business solutions applying the knowledge they already have as outside research is prohibited. The firm provides laptops during the competition that have no internet access and each team is assigned to an almost empty conference room to work for the duration of the competition. Each team is presented with the case at their assigned time and has three hours to read through the case, determine business solutions, and create a presentation. At the end of the three hours, each team presents their solutions to a panel of KPMG partners.

Oregon

This was the first year that the University of Portland had the opportunity to compete in KICC. The forty schools who are invited each year are traditionally the largest and most-notable universities, including USC and Notre Dame. Due to the recent success of UP's accounting students, including the first

place finish at the AICPA national finals and the first place win at the KPMG Seattle Case Competition, the KPMG Portland Office was elected to send one student group to the regional finals in Chicago. Thus, the Portland Office held a competition similar to the other on-campus competitions.

Four accounting students, including myself, formed a team and signed up to compete against the other Oregon schools. We were sent the case Wednesday afternoon and had until Thursday evening to send in our presentation. The case was about the 2022 FIFA World Cup, which is to be held in Qatar. Our challenge was to try to mitigate the risks that surround an event of this size and the controversial location. The main challenges we were faced with were security issues, extreme heat, and religious beliefs. Many people have preconceived notions about the safety of the Middle East and this is an issue that the FIFA committee is currently trying to mitigate. Furthermore, the World Cup is scheduled to take place in the middle of the summer when temperatures traditionally peak at over one hundred degrees, which is a risk to both athletes and spectators. Another issue was that Qatar is a Muslim country that has strong laws around the sale and consumption of alcohol, yet the sports culture is heavily rooted in the consumption of alcohol.

My team spent the majority of Wednesday evening brainstorming solutions that were both creative, but could also actually be implemented in the real world. Our solution had three main factors, including a strong social media campaign, innovative air cooling systems for each stadium, and alcohol-related sponsorships. People tend to be resistant or dislike things that feel foreign or unknown, so we felt that a social media campaign could help to change people's fears and preconceived notions of the Qatar. While the Middle East may be an unsafe area, Qatar is not plagued by as high of political volatility. My showcasing the culture and beauty of Qatar through a social media campaign that utilized Facebook, Instagram, and Twitter, we felt that sports spectators could become more accustomed to Qatar and feel less apprehensive about traveling to the games.

We also addressed the serious and valid concerns about the extreme heat, as this could be dangerous to not only the athletes who would be putting their bodies to the test but also to the spectators who may not know how to handle extreme heat conditions. Our first suggestion was to hire the top engineering firms from around the world to make sure that the air conditioning units that were to be installed in each stadium would be up for the challenge. We also felt it was necessary to invite coaches, owners, and athletes to come to Qatar and experience the air conditioning after it was installed in order to ease some of their concerns leading up to the games. Coca Cola is already a sponsor of FIFA and the world cup, and thus we suggested that the Qatar World Cup Committee work with Coca Cola to provide free water through the stadiums and hotels to try to decrease the number of dehydration-related medical issues that would arise during the games. We also suggested that informational brochures about how to mitigate heat-related illnesses be placed in all hotel rooms, throughout every FIFA venue in Qatar, and mailed out with tickets before the arrival of spectators. These pamphlets would include information about the importance of taking precautionary measuring, such as wearing sunscreen and bringing a sunhat.

Our team also felt it was important to address the deep-rooted Muslim heritage in Qatar and come up with a solution to the alcohol solution that would respect all stakeholders. Our suggestion was to team up with a large alcohol producer, such as A-B InBev, that has sells recognizable brands throughout the world as soccer is a global sport. By allowing an alcohol company to sponsor the games, this company could solely be responsible for the distribution of alcohol. We suggested building specific entertainment areas where this alcohol would need to be consumed on premise. By creating specific areas for spectators to drink, our goal was to prevent individuals from taking alcohol outside of the soccer areas. By concentrating the areas where alcohol is available, we would not put the citizens of the city in a more uncomfortable position that went against their religious beliefs.

After we completed our brainstorming, we spent Thursday creating a dynamic and engaging presentation to present on Friday. Our team went in on Friday morning and presented to a group of four KPMG partners. The presentation consisted of a twenty minute PowerPoint presentation, followed by a ten minute question and answer session. After our presentation was complete, we left the office and waited to hear the results. Several other teams from Oregon State University and University of Oregon presented to the judges that day, but luckily the judges felt our team had the most thought out plan and decided to advance us to the regional competition.

Chicago

After winning the Oregon round of the competition, KPMG sent us to Chicago to compete against six other schools, which included the University of Washington, Wisconsin, Mizzou, DePaul, University of Illinois, and Colorado State. The competition was held in the KPMG office in downtown Chicago. The case was presented to us in the morning and we had three hours to prepare our presentation without access to any outside resources and be prepared to present. This case theme once again revolved around sports, and highlighted the 2012 London Olympic Games.

The main problem posed to us with the London Olympic Games was whether to maximize ticket revenue or spectator attendance. The Olympics are a vastly expensive endeavor for any country as numerous new stadiums, hotels, and event venues must be built in a short amount of time, which motivates the countries to try to maximize ticket prices to try to recoup some of these expenses. On the other side is the motivation of the Olympic committee to maximize attendance as it is not a good sign to the rest of the world when they watch the Olympics and see stadiums full of empty seats. Our team recognized that we would need to balance these two motives in order to meet the needs of all stakeholders involved.

Our final solution was to maximize attendance, but focusing on that by maximizing attendance we could also maximize revenue. This means that we recommended selling the tickets at a lower price

point so that more people could afford to buy tickets. More fans purchasing tickets and actually showing up to the games, would result in more food, alcohol, and souvenir purchases leading to increased revenues. In order to make sure we maximized these sales, we had to ensure that people that purchased tickets actually showed up to the games. We offered several options to encourage spectators to actually show up to the games.

Our first solution was to create a unique souvenir that was unique to each venue and round of competition and was only available at that specific event. Suggestions we came up with included Olympic coins or medals that were collectible and similar to the United States state quarters. We also suggested having pop-up events throughout London that would allow people to win tickets to events that were traditionally less attended. For example, we suggested hosting table tennis tournaments around London and the winners of the tournament would win tickets to one of the table tennis Olympics event. By creating buzz around poorly attended events and selling these tickets at a lower price point, we felt that people would be more inclined to not only attend the events but encourage their friends to also purchase tickets to these events.

Our final main solution was to create a platform for individuals to legally sell their tickets for the same price that these tickets were purchased. One of the main complaints of the Olympic Planning Committee is that people buy up tickets and then try to sell them for a premium, with no intention of ever using the tickets themselves, pricing many spectators out of tickets. By creating one legal platform for individuals to sell tickets, it helps to regulate this problem while still allowing individuals who had the best of intentions to attend resale their tickets. We understand that tickets are purchased years in advance and unforeseen events may pop up. By allowing these individuals to sell these tickets at face cost, they receive their money back and these seats do not remain empty.

We presented these solutions to a panel of KPMG Chicago Partners, who after evaluating each team determined that we would once again advance in the competition. The main feedback we received

was that they appreciated that our solutions could actually be implemented, instead of allowing ourselves to get carried away with outlandish solutions. In a month's time we would be headed to New York City to compete against the four other regional winners to represent the United States in the global finals in Dubai.

New York City

The rules in New York City were the same as Chicago: three hour time limit, no outside resources, and one opportunity to present the KPMG partners and convince them that we were the best team to represent the USA. This time around though, the topic changed to fracking, specifically fracking in Poland. We had to start from basics this time around as we could not use a similar platform to our previous two presentations. We also had very little knowledge about fracking itself. We reread the case numerous times before starting to come up with ideas. The main issue the case asked us to address was to mitigate the risks revolving around the protestors and strict laws that countries were instituting for fracking.

We decided that our best course of action was to focus on mitigating risks, since we did not understand the technical side of fracking. We suggested that the fracking company create a media campaign that helped people in Poland understand what fracking was and the benefits of fracking. We took a similar approach to people's apprehensions to Qatar by trying to ease fear by increasing awareness and familiarity of fracking. We also suggested that the fracking company work with regulators to come up with regulations to increase safety while at the same time coming to agreement that benefits all stakeholders. Unfortunately, our lack of knowledge of fracking and our traditional approach did not lead the judges to advancing us to Dubai.

What Works

The KPMG International Case Competition exposes students to real world problem and provides them with an opportunity to problem solve in a high stress situation. There is not the risk of receiving a

bad grade, but there is the opportunity to advance to the next round in a new city. The competition helps students gain valuable problem solving skills and exposes participants to how business is conducted in different cities.

One aspect of the competition that works well is the three hour time frame. The competition forces participants to remain focused and make decisions quickly. Students do not have the luxury of spending days thinking about solutions or consulting other people. Each team must rely on each other and the business knowledge they already possess. The competition holds each team accountable as the three hour deadline is a hard deadline and there is no other option than to immediately stand in front of a panel of judges and present what the team developed. The value in this exercise is learning in how I perform under this type of pressure and deadline. It taught me how to manage stress and organize my time. I learned the importance of creating a timeline for myself, such as spending the first hour brainstorming, the second hour creating the presentation, and the third hour practicing the presentation. This competition truly taught me about how to better perform under high pressure situations.

The second aspect of this competition that works well is the group aspect. Everyone has worked with groups that work exceptionally well together and groups that just cannot seem to find a good tempo. The KPMG Case Competition taught me how to be a better group member. People react differently to stress, as some become panicked, others lash out at their team members, and the best remain calm. I learned how important it is to think over everything I say before I say it when working with a team under a tight deadline. Even when comments are not meant to be harsh or critical, people often take them that way when they are stressed. Therefore, after the first couple rounds of competition I discovered that when we each thought through what we were going to say before blurting it out, the team dynamic remained more positive.

Another aspect of working with groups that I learned from this competition is how to play to each member's strengths. One of my team mates is excellent with technical information, another is incredibly personable, and a third can inspire a crowd. By figuring out how to arrange these people to best appeal to their strengths, we were able to create a presentation that impressed the judges. People are the most confident when they are given a task they understand. By placing the personable individual at the beginning of the presentation and having her introduce our team and the topic, she felt comfortable and was able to relax and let her personality shine. Similarly, by asking the technical individual to present that statistics and detailed solutions we were able to play to everyone's strengths and present a more polished and confident strategic plan.

A valuable part of the competition is the opportunity to network and learn about the different areas of accounting that I can choose to specialize. KPMG organizes several opportunities for participants to socialize with the judges, the partners, and many other employees in each city. The opportunity to hear about the different opportunities within each city and the various industries the office works with is invaluable, especially because I will be working at KPMG after graduation. KPMG allows employees to transfer to different offices if they wish to live in a new city or work in a specific industry. By meeting more KPMG employees in Chicago and New York City I have a better idea of what opportunities are available. It is also an amazing opportunity for students who have not signed employment contracts yet to get to know KPMG and find out if they are interested in working for one of the Big 4 accounting firms.

Areas of Improvement

While there are numerous aspects of the KICC that work very well, there is always room for improvement. One of the largest areas for improvements is the process in which participants receive feedback. There is no formal feedback and there is no assignment of second or third place. The judges announce the winners and then quickly explain what they did and did not like about the winning team

before the event is concluded. The problem is that students who did not win are not left with anything concrete to improve upon, nor is the winning team given specific items to improve upon. Judging is subjective and no scores are ever released. One of the main reasons to compete in the competition is to learn valuable business skills and improve already acquired skills. It is difficult to improve when there is not any feedback specifically focused on each team.

I would suggest that the judges create a list of items that were done well and items that should be improved upon for each team. The judges are given a short break in between each presentation to discuss their thoughts on the presentation and I believe that these items should be documented and provided to each team. In classes our teachers provide us with feedback on every paper and presentation, and since this competition is a learning opportunity I believe a similar process would be beneficial.

Another aspect of the competition that could use improvement is how vague some of the cases are in regards to which issues students should address. Often times in business, it is not clear what a company's problems are or what solutions will help. Therefore, it makes sense for there to be some ambiguity within the cases since there will not always be a clear cut answer in business. The problem arises though that each case covers so much material and many different aspects of each company. There is often disagreement between each judge and each team about what issues the teams were actually supposed to address. Teams interpret the cases different and so do the judges. This makes for a more difficult judging process and adds subjectivity to the results. There were times when the judges were disagreeing with each other about what the case was trying to highlight. Both the judges and the participants would benefit if a small portion of the ambiguity was removed in terms of what areas the solutions should address.

Final Thoughts

KICC was a valuable learning experience for my team and me. I had the opportunity to meet countless individuals who were smart, insightful, and whom I would have never met otherwise. I learned more about myself and the areas on which I can improve to be both a better business woman and a better group member. KICC taught me many lessons that will help me to succeed in my future career.

One of the most valuable lessons I learned is the importance of having a well-rounded education. Even though the competition was created by an accounting firm, the cases themselves had almost no accounting problems. The cases revolved around risk management, marketing, and basic business savvy. My having a well-rounded business education, I felt more prepared to present a diverse strategy for the judges. This competition led me to appreciate the marketing and general business classes that I often felt forced to take by the business school. Even though my degree is accounting and I am going to be working for an accounting firm, I will still have to use my general business knowledge. It may be that one of the clients I am placed on needs consulting help or that I have to work with their marketing department to figure out where specific expenses are originating. A well-rounded education will only benefit me in my accounting career.

Another piece of knowledge I obtained through my participation in the case competition is the need to have a global mindset. The world is smaller than ever due to technological advances and decisions can affect individuals around the world. Every case we were given had stakeholders of different generations, nationalities, and interests. We had to find solutions that were sensitive to different cultures and solutions. Throughout my career, I need to remember how my decisions affect people globally. KPMG is a global company and many of the clients I will be working with have subsidiaries around the world or are the subsidiary of a multi-national corporation headquartered outside the United States. One of the clients I worked on during my internship last summer was a subsidiary of a German company and I had to think about the manner in which I was organizing and

presenting my work papers so that the auditors in Germany could most effectively use this information. By taking the time to understand other cultures, I can build a better working relationship with my foreign counterparts.

KICC was a unique opportunity in which I would encourage every student to partake. The one change I would suggest to new teams is to create a diverse group to compete. Instead of having four accounting majors, create a team that also includes a marketing major or even an engineer. People with different strengths bring unique ideas to the team and this collaboration can often lead to stronger solutions. KICC is an experience that has helped to prepare me for my future career and I am very thankful I had the opportunity to participate.