

KPMG Announces Agreement With IBM Watson To Help Deliver Cognitive-Powered Insights

Deal accelerates adoption of new technologies across KPMG's businesses, strengthening firm's commitment to reinforcing confidence in the capital markets

New York - 08 Mar 2016: KPMG LLP and IBM (NYSE: [IBM](#)) today announced plans to apply IBM's [Watson cognitive computing](#) technology to KPMG's professional services offerings. The agreement, including a focus on auditing services, builds on several recent successful KPMG initiatives demonstrating the promise of cognitive technologies in transforming the firm's ability to deliver innovative and enhanced business services.

"The cognitive era has arrived," said Lynne Doughtie, KPMG LLP Chairman and CEO.

"KPMG's use of IBM Watson technology will help advance our team's ability to analyze and act on the core financial and operational data so central to the health of organizations and the capital markets. In addition to the unprecedented possibilities for enhancing quality, the potential for cognitive and related technologies to help us pursue new business offerings is extraordinary."

Cognitive technology enables greater collaboration between humans and systems, providing the ability to communicate in natural language and analyze massive amounts of data to deliver insights more quickly. IBM has a rich history of combining innovations to create cutting edge technologies. Watson integrates machine learning and other artificial intelligence technologies into a scalable system that can be accessed through a range of applications.

"Auditing and similar knowledge services are increasingly challenged with tackling immense volumes of unstructured data. Cognitive technologies such as Watson can transform how this data is understood and how critical decisions are made," said John Kelly, senior vice president, cognitive solutions and IBM Research. "By applying Watson, KPMG is taking a forward-looking approach to extending its expertise, helping professionals and clients gain new insights from critical enterprise information."

Evolving Professional Services

Many of KPMG's audit, tax, advisory and other professional services rely heavily on judgment-driven

processes. Adding cognitive technology's massive data analysis and innovative learning capabilities to these activities has the potential to advance traditional views on how talent, time, capital and other resources are deployed by professional services organizations.

KPMG's growing cognitive ecosystem will contribute significantly to the continued evolution of the firm's service offerings. Underscoring this importance is KPMG's deep commitment to working with leading technologies like IBM Watson. This includes promising work with Watson to develop select cognitive services designed to help KPMG meet its extensive audit-specific security, confidentiality and compliance requirements.

One current initiative is focused on employing supervised cognitive capabilities to analyze much larger volumes of structured and unstructured data related to a company's financial information, as auditors "teach" the technology how to fine-tune assessments over time. This enables audit teams to have faster access to increasingly precise measurements that help them analyze anomalies and assess whether additional steps are necessary.

This example also highlights how cognitive technology is further advancing improvements to sampling processes, in which auditors review subsets of data to analyze thousands or millions of actions to draw conclusions. Cognitive technology helps allow for the possibility of a larger percentage of the data to be analyzed, providing KPMG professionals the potential to obtain enhanced insights into a client's financial and business operations. At the same time, cognitive-enabled processes allow auditors to focus on higher value activities, including offering additional insights around risks and other related findings.

"Including cognitive technology with KPMG's innovative capabilities, robust methodologies and processes, and 100-plus year history of excellence, is a real game changer that underscores our commitment to reinforcing confidence in the capital markets," added Doughtie.

About IBM Watson

Watson continuously learns, gaining in value and knowledge over time, from previous interactions. With the help of Watson, organizations are harnessing the power of cognitive computing to transform industries, help professionals do their jobs better, and solve important challenges.

To advance Watson, IBM has three dedicated business units: [Watson](#), established for the development of cloud-delivered cognitive computing technologies that represent the commercialization of "artificial intelligence" or "AI" across a variety of industries; [Watson Health](#), dedicated to improving the ability of doctors, researchers and insurers and other related health organizations to surface new insights from data to deliver personalized healthcare; and [Watson IoT](#), focused on making sense of data embedded in for more than 9 billion connected devices operating in the world today, which generate 2.5 quintillion bytes of new

data daily.

For more information on IBM Watson, visit: ibm.com/Watson and ibm.com/press/watson. Join the conversation at #ibmwatson.

About KPMG LLP

KPMG LLP, the audit, tax and advisory firm (www.kpmg.com/us), is the U.S. member firm of KPMG International Cooperative (“KPMG International”). KPMG International’s member firms have 174,000 professionals, including more than 9,000 partners, in 155 countries.
