



CFO Club

Expert counsel.
Opportunities to thrive.

The Power of Data

October 2022

KPMG Lower Gulf Limited

With you today



Yusuf Hassan

Partner

KPMG Lower Gulf



Chinmai Talwalker

Director

KPMG Lower Gulf



Betsy Alexander

CFO

UAE & Saudi Arabia Hub
Microsoft



Paul Benjamin

CFO

Middle East and Africa
Microsoft



Bagcan Babayigit

Group Finance Manager

UAE & Saudi Arabia
Microsoft



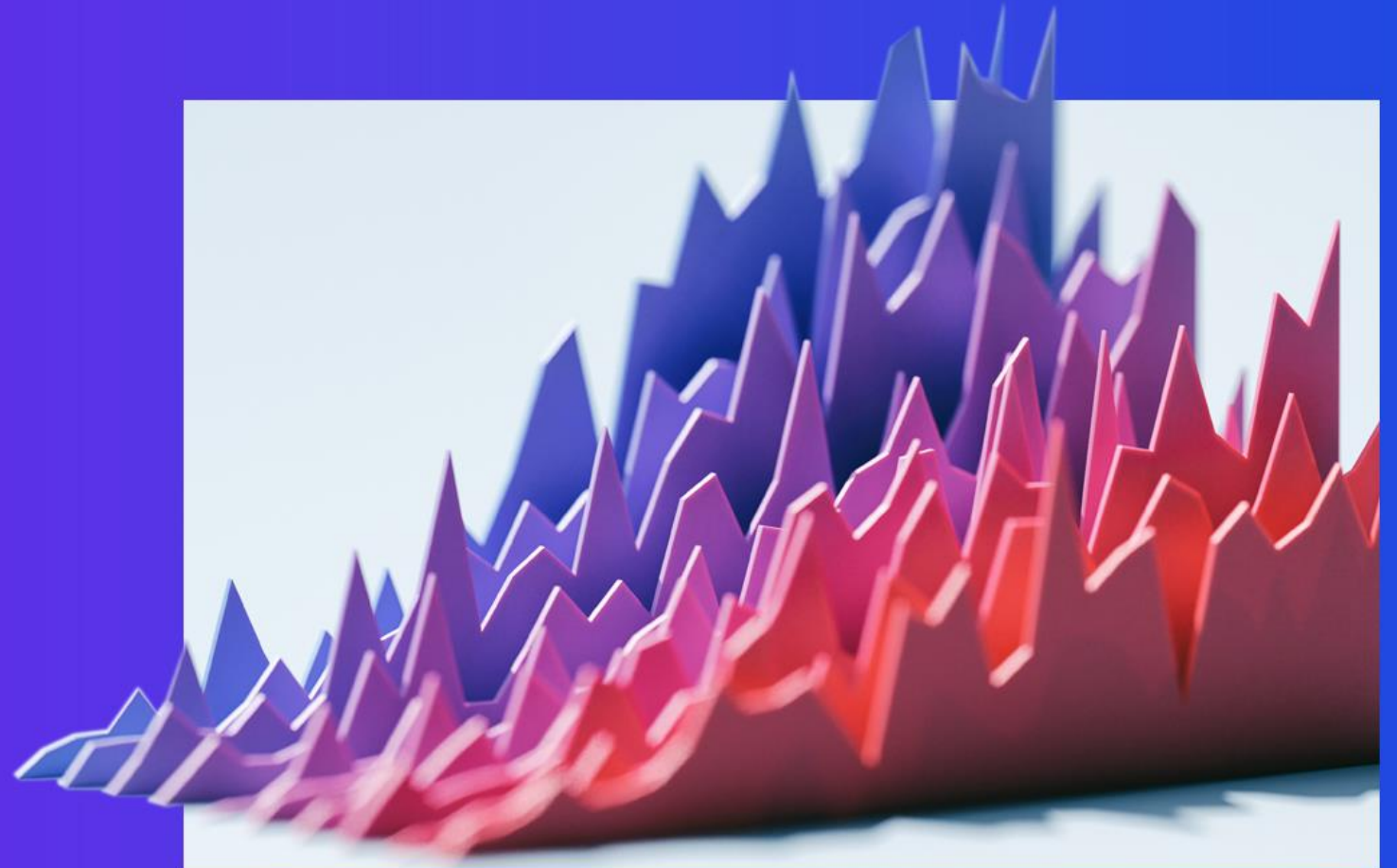
Financial impact of data

Measuring the value of data based on organization's readiness to leverage data

Chinmai Talwalkar
Director Data Analytics & AI

October 2022

CFO Club session#3



- 1 Have you recently made investments in the data technologies?**
- 2 Have you chosen cloud based data platforms over on-premise platforms?**
- 3 Have business embraced these technologies to get anytime anywhere access to data and operate independent of IT?**
- 4 Have you been able to get the return on investment from these technologies yet?**

Every organization desires to leverage its data to attain ROI but they don't exactly know where to start

01



FOUNDATIONAL LEVERS

Data Management

Assess and improve the existing data management levers such as data quality, & data governance to reduce business impact due to low data maturity

Analytics Maturity

Assess the existing analytics maturity saturation to improve the multiplier effect of building use cases to scale

02



FINANCIAL LEVERS

Revenue Generation

Utilize internal and external market and user data to uncover insights to increase the market share, improve sales, product price to enhance existing services

Cost Reduction

Utilise the data of existing process to benchmark KPIs to improve time and material cost and enhance productivity

Every organization desires to leverage its data to attain ROI but they don't exactly know where to start

01 FOUNDATIONAL LEVERS



Data Management

Assess and improve the existing data management levers such as data quality, & data governance to reduce business impact due to low data maturity

Analytics Maturity

Assess the existing analytics maturity saturation to improve the multiplier effect of building use cases to scale



Assessing organizations on financial levers to support to implementation of use cases supported by strong data foundation



Financial impact of employee attrition prediction, how early prediction can help organization reduce both replacement and retention costs



How can business leverage its customer related data to increase customer lifetime value (CLV)

Employee replacement cost is much higher than retention cost in case of employee attrition

The organizational costs of employee attrition are estimated to range between 200% and 300% of the retention cost.

Use Case 1

Use Case 2

Employee Replacement Cost



Average replacement cost per employee = 17K

Employee Retention Cost



Average retention cost per employee = 7K

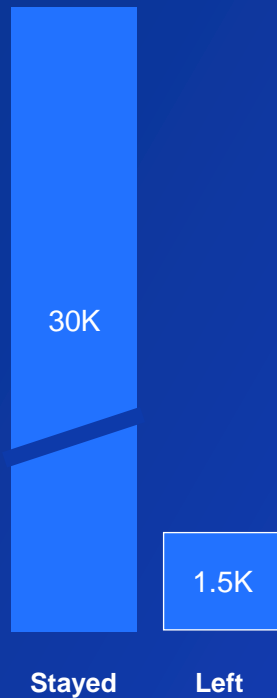
Machine learning model is used to calculate the financial impact of predicting and retaining employees before actual attrition

The Financial impact for 31.5K active employee with an avg. 17K as replacement cost / employee and avg. 7K as retention fee/ employee

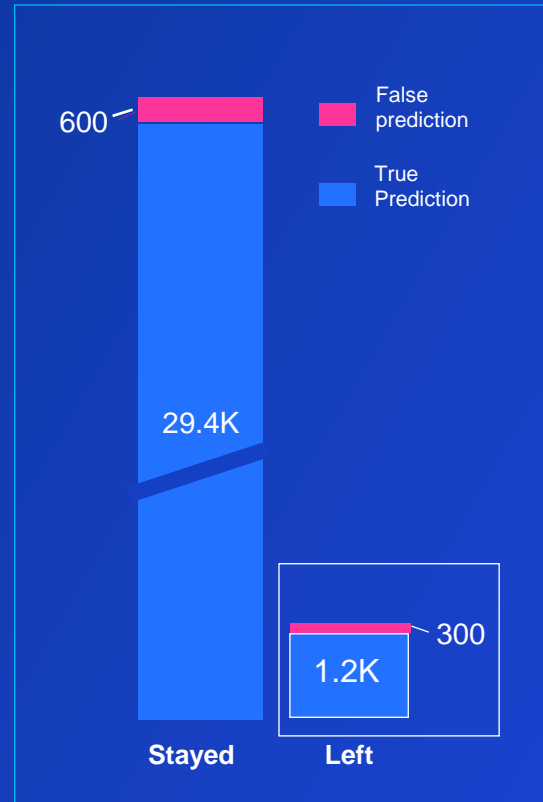
Use Case 1

Use Case 2

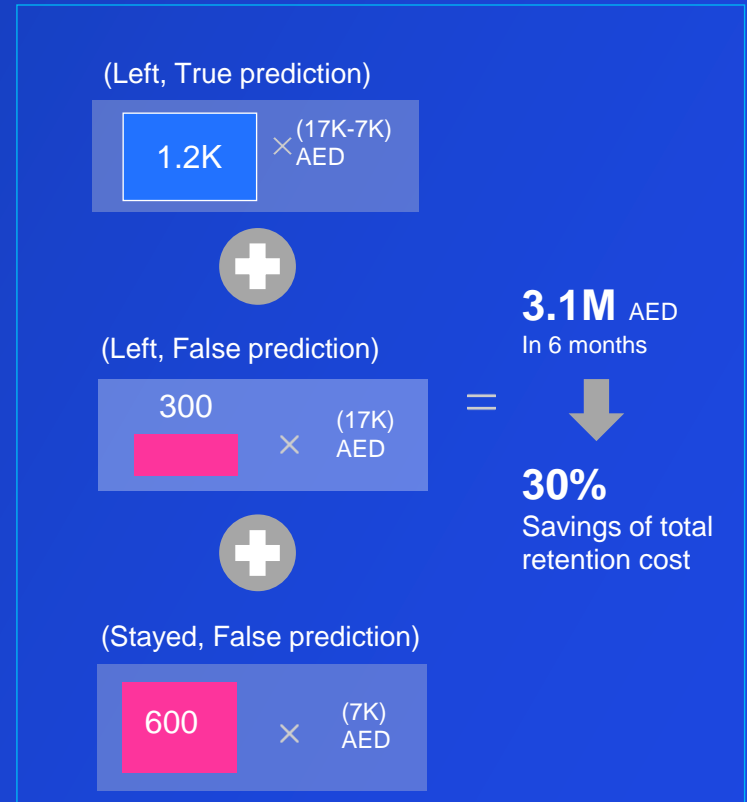
What actually happened 6 months ahead \approx 5% attrition



Model Performance

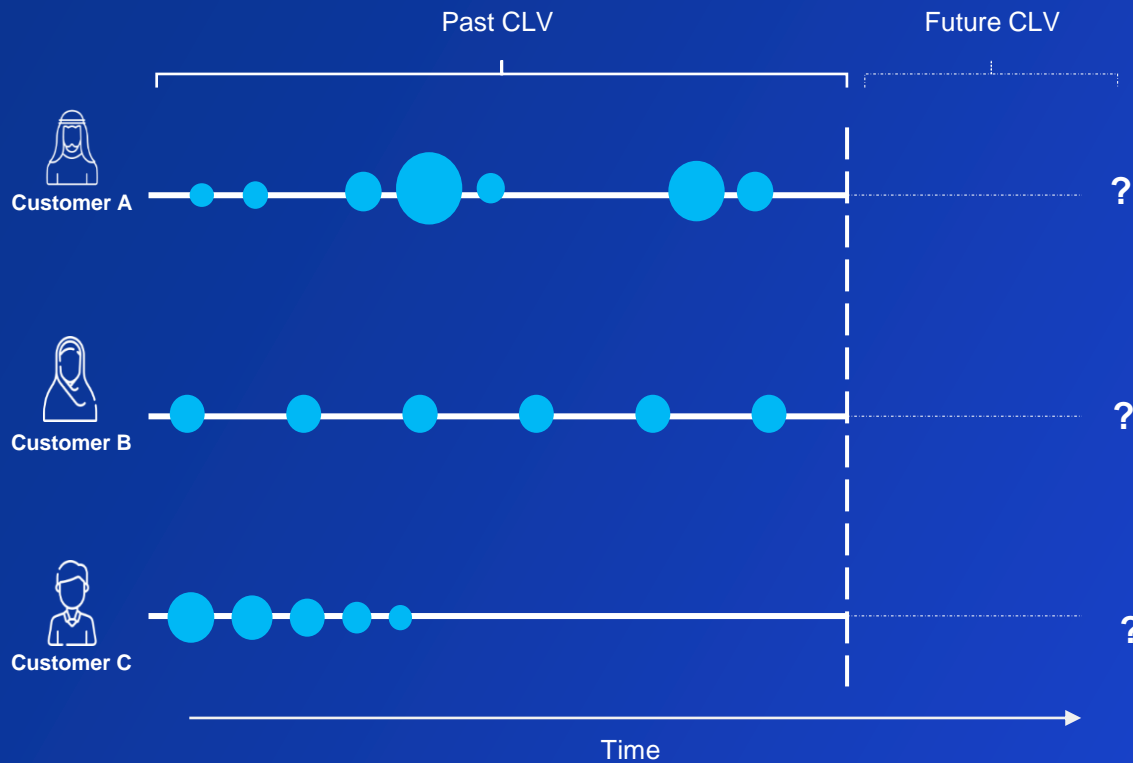


Financial Impact



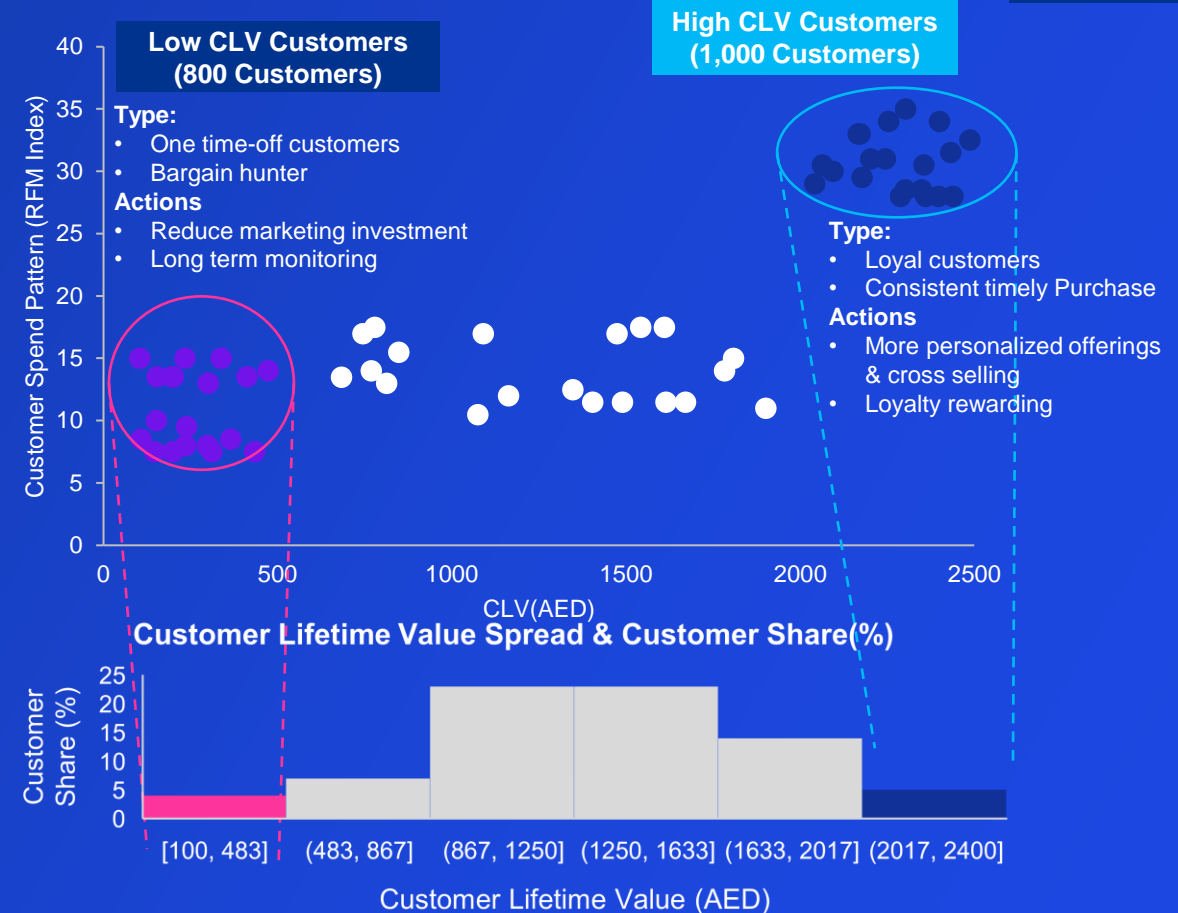
Business can use their customer related data to increase customer lifetime value (CLV) using clustering

Drivers of the Customer Lifetime Value (CLV) & its Financial impact



*Each bubble indicates a transaction where size indicates the transaction monetary value

Customer Segmentation using Machine Learning (For 20K Customers)



Use Case 1

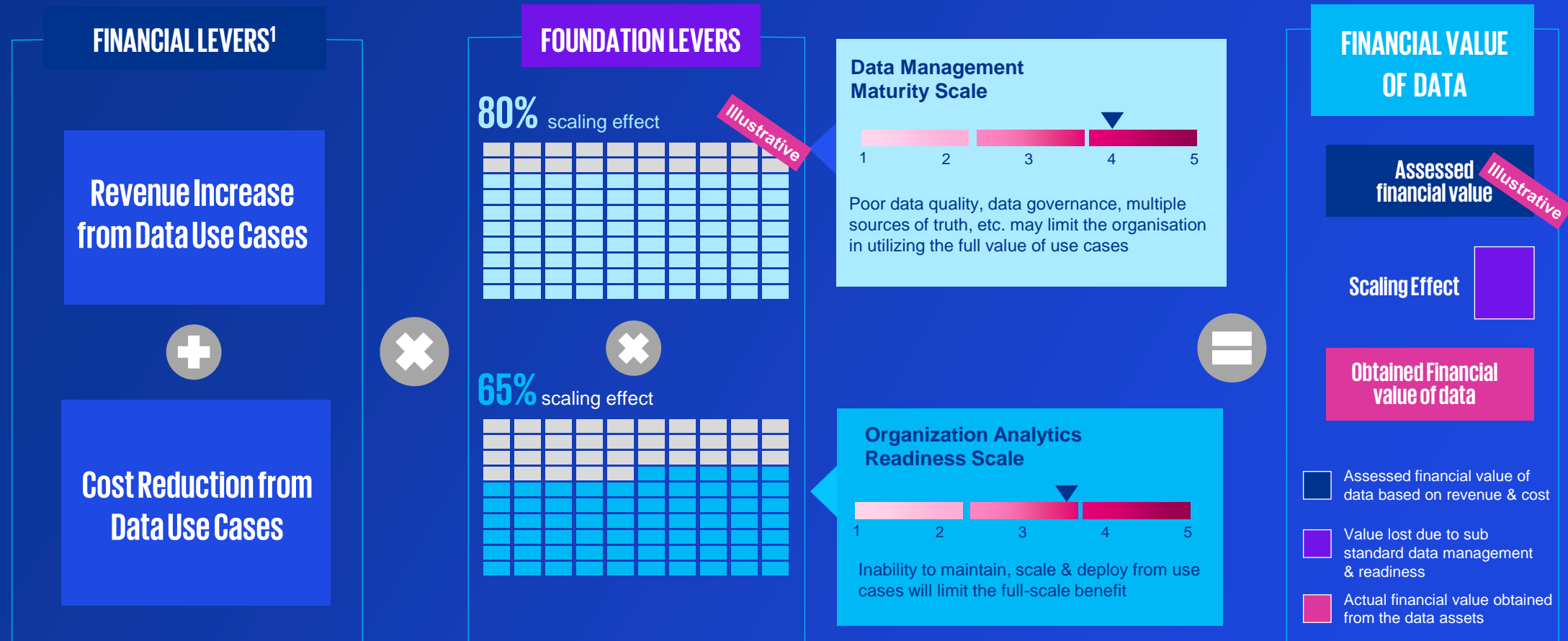
Use Case 2

Financial value can be generated by taking different strategies for Low & High CLV customers achieved using clustering



We can help you in getting started on realizing the financial impact of data through a comprehensive value assessment framework

Assessing the financial impact based on business use case and data maturity



¹ Every use case will consider key parameters which will help in business case to provide potential benefit of implementing that use case

Next steps



● **Rapid data maturity assessment**



● **Business case development (A&F use cases)**



● **Data Tools & Technologies advisory**

Find your business value



Yusuf Hassan
Partner
KPMG Lower Gulf

e: yusufhassan@kpmg.com



Joe Devassy
Director
KPMG Lower Gulf

e: jdevassy@kpmg.com



Chinmai Talwalker
Director
KPMG Lower Gulf

e: ctalwalker@kpmg.com



John Tadros
Assistant Manager
KPMG Lower Gulf

e: jtadros@kpmg.com

www.kpmg.com/ae
www.kpmg.com/om

Follow us on:



@kpmg_lowergulf

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2022 KPMG Lower Gulf Limited, licensed in the United Arab Emirates, and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.