

Boardroom Questions

**Business Transformation:
Succeeding in Disruptive Times**



Organizations must change and adapt in order to compete

96% of organizations are in some phase of Transformation and 4 in 10 CEOs expect their business to be significantly transformed in the next three years.

KPMG can help businesses increase the value achieved from Transformation by helping them focus on three critical success factors: Focus on the customer, embed continual innovation into the business, and learn to thrive on change.

What are the triggers?

				
<p>Changes in customer behaviors and expectations</p>	<p>Disruptive technologies – IoT, digital, artificial intelligence</p>	<p>Evolving regulatory landscape</p>	<p>Shifts in market economies and industry convergence</p>	<p>Effects of globalization on markets, competition, supply, and production</p>

Transformation programs may impact these Board issues

Strategy

How does the business transformation program address the triggers, align initiatives, and enable the organization's strategy?

Risk

What is the risk of transforming the business and operating models? What is the risk of not transforming them?

Talent

Does the organization have the right capabilities in place to successfully identify, design, and implement Transformations?

Performance

How is success measured and rewarded?

What are the potential benefits of Transformation?

Sustainable, profitable growth

Develop and execute business and operating models that tie back to measurable financial and strategic goals

Return on investment while innovating

Embed innovation into the culture and structure of the organization to stay ahead of the competition

Leading customer experiences

Continually capture data-driven customer insights and create value propositions that deliver against ever-evolving customer expectations

Agile and innovative operating models

Enable your organization to respond to the continually shifting business environments and implement the innovations being generated

Boardroom Questions

- 1 Which **Transformation triggers** are creating opportunities for us? How are we capitalizing on these?
- 2 Are we meeting **customer expectations**? How are we innovating across our organization to stay ahead of shifting customer behaviors?
- 3 How well do our Transformation initiatives meet our **strategic and financial objectives**?
- 4 Are we able to capture and measure the **value** we create from our Transformation initiatives?
- 5 Does our culture and business and operating models support **continuous innovation** and enable us to **react agile to change**?
- 6 Are our Transformation initiatives optimized for **tax, risk, and compliance requirements**? How can these become differentiators for us?
- 7 Do we have the **data and analytics** capability to develop timely customer, competitor, and operational insights?
- 8 Do our **technology initiatives** focus on business value creation?

Best practices for Transformation

- 1 **Alignment** across all initiatives, business units, and functions to meet the organization's strategic and financial goals.
- 2 Continuous evaluation of the **customer experience** to deliver against ever-evolving customer expectations.
- 3 **Innovation** embedded into the culture and structure of the organization to turn disruption into opportunity.
- 4 A **data and analytics** strategy and capability that generates timely customer, competitor, and operational insights.
- 5 A **technology** agenda that advances the business transformation and takes a 'business value first' approach.
- 6 An **agile** organization that is able to profitably respond and adapt to market disruptions.
- 7 A **culture** that thrives on change and makes innovation part of its DNA.
- 8 A **strategic approach** to assessing each function in the value chain, making build, buy, and partner decisions as warranted.
- 9 A value-based approach to strategy development and **metric-driven initiatives tied to the bottom line**.

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