



# Future of finance

## Data intelligence



### CFO agenda for elevating finance

KPMG firms believe that CFOs and their teams are natural leaders in today's digitally enabled, dynamic environment. Leading finance organisations are investing in new capabilities that can allow them to elevate from their traditional roles to strategic advisors across the enterprise. KPMG firms' strategy for future-ready finance includes five distinct, but complementary pillars focused on unlocking business value. [Download](#) this white paper to learn more.



**Data quality is at the heart of data intelligence, a strong data management approach can transform an organisation"**

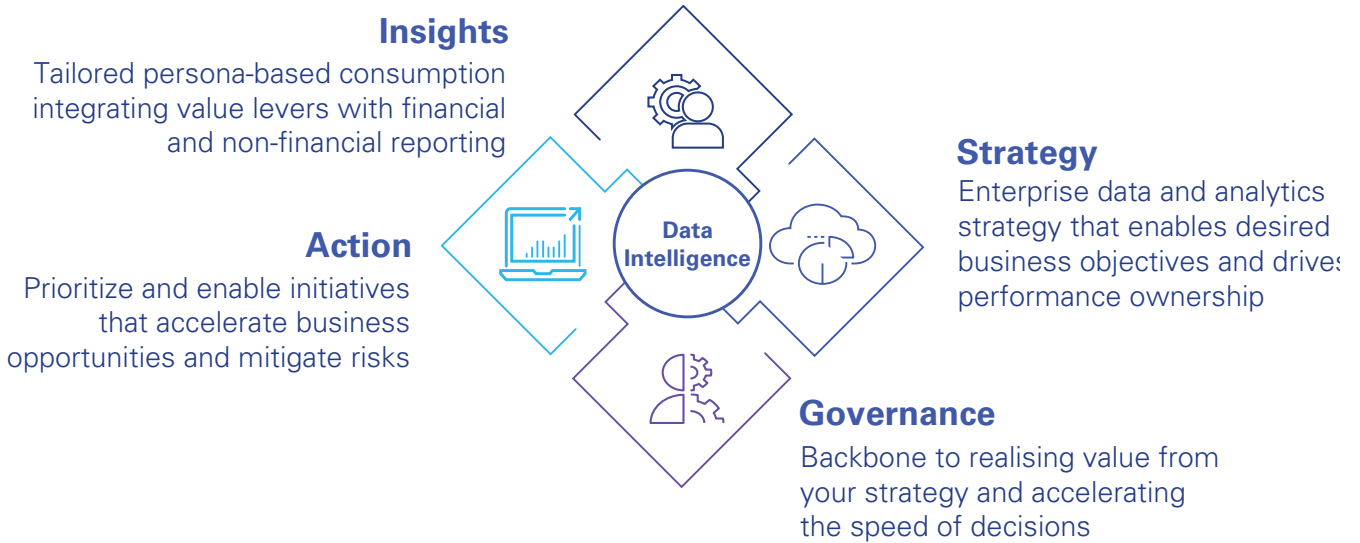
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In the recent white paper, CFO agenda for elevating finance, KPMG professionals explained how data intelligence can position finance as the value multiplier and integrator of data across the enterprise.

From this point of view, we'll review the basic aspects of data intelligence and then discuss potential challenges and ways to develop a modern data platform built to adapt and scale with constantly changing data sources.



# Finance leads enterprise performance through the delivery of connected data intelligence and actions that enable the business strategy, creates and protects value.



Among finance leaders: **75%** agree effective enterprise data use can radically change the business model


**71%** improved revenue with greater use of customer data

**70%** are increasing spend on data-related activities in 2022

Source: KPMG 2021 The Data Imperative, KPMG 2021 CEO Outlook Report



## A modern data intelligence platform

Today's organisations need to transform and analyse massive data sets, inform innovation and strategic imperatives, and tailor consumption to internal and external customers. To address these requirements, finance organisations can consider the following steps in creating and supporting a modern data intelligence platform:

-  Establish a broad-ranging data **strategy** to enable business insights. Finance should work with the business to develop actionable strategies and take steps to better understand relevant data signals and repositories.
-  Unlock new opportunities with data **insights**. This requires finance to broaden its scope of activities by tightly integrating transactional, reference, and other metadata. At the same

time, finance needs to shift its focus toward untraditional reporting such as ESG reporting and customer/product profitability.

The breakthrough in Gen AI enables Finance to pioneer use of this technology with abilities to capture and structure data sets, formulate options, and drive recommendations for action and decision-making processes, enhancing efficiency and adaptability.

-  Prioritise key **actions** that can help to accelerate business opportunities and mitigate risks. This entails providing and managing real-time data tailored to stakeholders across the value chain and offering fit-for-purpose, self-service reporting.
-  Develop effective **governance** as the backbone of your data strategy. Finance can help create a culture of trusted data based on effective, secure stewardship by focusing on quality, integrity, and consistency.

## Leverage data as an asset to gather insights and take action

Using data in business is a competitive advantage that supports decision-making and actionable insights in close alignment with the organisation's short- and long-term goals.

Over the short term, data intelligence can support dynamic pricing, initial top-line revenues, improved margins, and the ability to match competitor pricing. Long-term benefits can include sales force optimisation, enhanced manufacturing decisions, and more informed decisions involving capital investments for new products and services.

## What do we need to get right?

Organisations are often faced with some potential challenges that can hinder the development of a fully integrated data strategy. However, finance and the central data strategy group can help mitigate risks with several specific actions.

### Business alignment

Misalignment can occur between strategic plans and related data initiatives.

How finance can mitigate this risk:

Work with operations, clearly define expected outcomes, and link outcomes to action plans.

### Data quality

Poor data quality can result from the lack of governance, human error, multiple data streams, varying levels of granularity of actual and plan data, inaccurate allocations, etc.

How finance can mitigate this risk:

Develop data risk and readiness assessments, perform historical cleanup on key financial and statistical data, and establish data governance processes.

### Change management

Adoption of a data-driven culture can be difficult due to the lack of knowledge, training or support from leadership.

How finance can mitigate this risk:

Organise a centralised data team with both operations and finance professionals, invest in data and analytics training, and incorporate adoption of data and analytics into performance.



## Design a plan of action

Consider these steps in developing an integrated data intelligence platform based on operational drivers tied to enterprise-wide strategies and objectives:

### 1) Business strategy:

Review business strategy and link the goals to a data action plan, which is tied to business performance metrics.

### 2) Maturity assessment:

Analyse current processes, source systems, levels of automation and internal controls.

### 3) Centralised data team:

Establish a team dedicated to data management involving governance, maintenance, and technology.

### 4) Technology and automation:

Develop a broad-ranging technology architecture plan that incorporates data requirements and opportunities for enhanced automation, and implementing generative AI.

### 5) Data governance:

Implement a responsible AI framework — designing, building and deploying AI systems in a safe, trustworthy and ethical manner. As well as internal controls and standardised processes to mitigate risk of data quality issues.

### 6) Data insights and analysis:

Adopt data-driven decision making within all aspects of the business using the established models and analytics.

## Case Study

KPMG Ireland helped a client in the life assurance industry streamline their regulatory reporting with improved Central Bank of Ireland (CBI) and Solvency II reporting capability.

**Challenge:** The client, a new entrant to the life assurance market, needed a way to improve the quality of the reports they are required to provide to their regulator. The client had recently implemented a new ERP system and were carrying out their regulatory reporting using Excel.

**How we helped:** PMG professionals, working closely with the client, implemented an Enterprise Performance Management (EPM) reporting tool which now allows the client to carry out their CBI and Solvency II reporting directly in the tool.

**Benefits to the client:** The client can now quickly and efficiently produce the regulatory reports required, saving time and improving the accuracy of the reports. The client can also use the tool in the future to assist with it's budgeting and planning cycles, aswell as further improve their financial reporting process.

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