



# Future of finance

## Digital acceleration



### 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.



**Think digital, be human, act with purpose – “To maintain pace within disruptive environments, a culture and mindset shift is required to leverage the advantages of digital technologies and ensure the investment is realised”**

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In our recent white paper, CFO agenda for elevating finance, KPMG professionals discussed how digital acceleration involves the ability to think digital and act human. This approach requires two basic elements: a digital core (what finance needs to obtain value) and digital enablers (how finance can unlock value).

From this point of view, we'll consider how both these elements can help finance benefit from digital acceleration.



## Your digital core

The digital core is the underlying component that allows you to leverage the value of digital technologies in your finance function. Three main characteristics are critical to success with the digital core:

- **Business led, technology enabled:** The convergence of processes and innovation allows you to unlock the value of the digital environment. It is imperative to have a business or process lens to drive the appropriate supporting technology to achieve this value. The speed of new technology advances, generative AI as an example, offers game-changing efficiencies, however, guardrails and robust frameworks are needed to embrace and adopt new tools safely.
- **Think like the customer:** Customer centricity has been top of mind for some time. Embedding this way of thinking into your digital core can enable finance teams to better provide improved decision support for both internal and external customers. The underlying data availability will be paramount to unlocking business value in this area.
- **Culture and experiences:** Driving culture first and aligning to the strategy second will enable innovation, adaptability, and agility. Many teams are introducing a 'fail-fast' mind-set to accelerate learning and support the rapid adoption of new technology. The introduction of new skillsets can support the progress of your digital agenda.

### How can CFOs drive a digital culture?



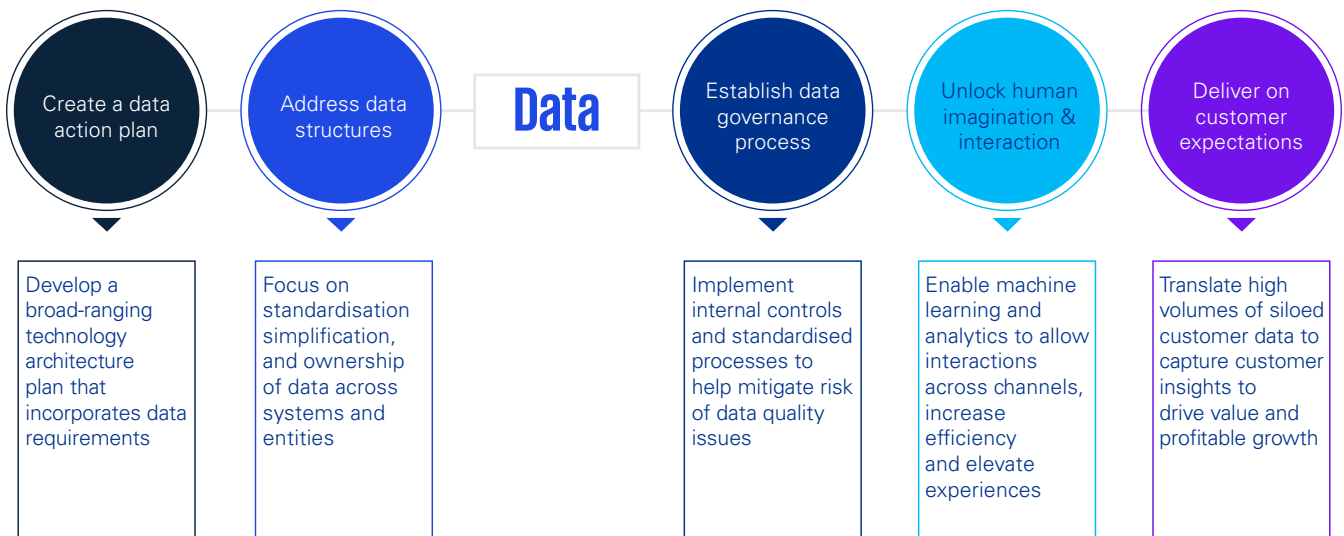
## Your digital enablers

Rapidly evolving systems of record, systems of engagement, and systems of intelligence are continuously changing the digital ecosystem. These changes require digital enablers that include solutions purposefully built to support the following process areas:

- **Data ingestion and management:** Finance should make sense of new information sources and continue to refine existing data. This approach requires master data management applications and data warehouse technology.
- **Cloud-based enterprise resource planning (ERP) and enterprise performance management (EPM):** Agile foundational solutions can help enable standardisation of global finance processes, scalability, and improved cost efficiencies.
- **Digital process enablement:** Transformative advancements in robotic process automation can mechanise human labor and build the foundation for "digital labor" in the back office.
- **Artificial intelligence (AI) and machine learning (ML):** Cloud-based, adaptive technologies use logic from computational learning to make real-time, fact-based decisions for advanced finance tasks. Generative AI can generate content rather than simply analyse or act on existing data with a broad set of Finance use cases, from risk assessments to new product forecasting and investment decisions.
- **Visualisation and advanced insights:** Dynamic insights in real time can help finance transcend its role as the historical scorekeeper to become a real-time, strategic interpreter.

## Data paves the way:

For effective digital acceleration, data drives valuable insights and key metrics for success. The first step in leveraging data is to establish a strategy based on the following steps:



## Future ready processes:

Digital acceleration starts with your strategy and considers not just where you want to be, but where you need to be as an organisation. Then your organisation can effectively integrate finance and accounting processes such as the following to drive successful digital transformation:

- **Source to pay:** Use digital technology to facilitate supply chain traceability and transparency. Leverage generative AI for smart contracts to provide a publicly verifiable method of embedding governance.
- **Project to result:** Use automation to help with project efficiencies while reducing manual efforts. Bring nonstandard data to the forefront, helping to support project success.
- **Acquire to retire:** Use digital technology to reduce manual efforts through the asset lifecycle — from simplifying the vendor-creation process to tracking assets from purchase to retirement.
- **Quote to cash:** Introduce intelligent collections to bring efficiency to accounts receivable operations and decrease bad-debt write offs. Leverage bank, vendor, and merchant service APIs to automate transaction matching and GL or bank reconciliations.
- **Record to report:** Use predictive analytics to identify problem areas in period-end close before you even know the problem exists, while also reducing manual journal entries. Streamline data integration from multiple sources to increase completeness and accuracy.
- **Plan to perform:** Leverage predictive analytics, intelligent forecasting, and generative AI to achieve effective and insightful financial planning at reduced cost. Generate predictive insights via business-specific drivers and data sources.



## Case in point

KPMG Ireland helped a client to create an accurate view of revenue reconciliation by implementing innovative software to help simplify and accelerate the reconciliation process.

**Challenge:** The client's reconciliation approach was limited and labour-intensive, resulting in a large backlog of transactions, each requiring three matches, from previous periods which could not be reconciled using their current manual approach.

**How we helped:** KPMG professionals worked in collaboration with the client to produce a solution which was tailored to the client's specific systems and requirements. This involved the creation and setup of four separate reconciliations in order to capture the revenue process accurately. Matching was performed on approximately 330,000 transactions to clear the backlog.

**Benefits to the client:** KPMG professionals delivered a solution that improved the speed, reduced labour costs, increased transparency and ensured audit compliance. The exception rate for transactions was reduced to approximately 1% and the client is now able to perform regular automated reconciliations with minimal manual intervention.

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