



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 organizations 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.



Digital Acceleration requires a cultural shift in the way the finance organization thinks and operates. We strive to be constantly innovative, thinking like our customers, as well as helping them solve their biggest challenges, find fit-for-purpose digital solutions, and harness the power of data to transform processes."

Anuj Mathur
Finance Transformation
KPMG in the US

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.
- **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?



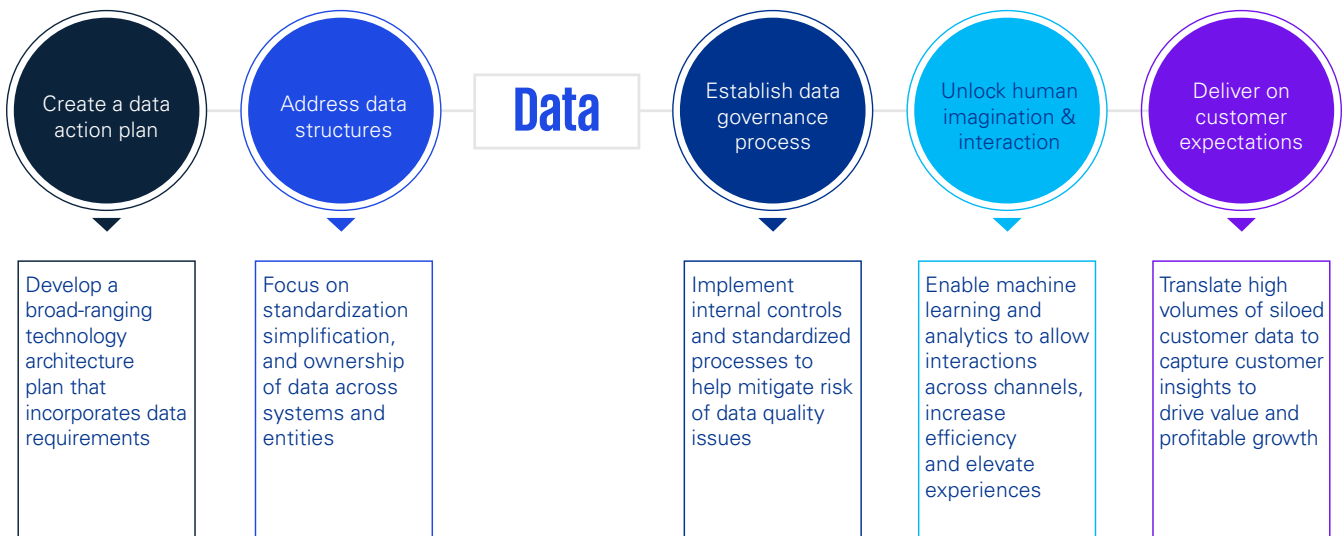
Your digital enablers

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 standardization of global finance processes, scalability, and improved cost efficiencies.
- **Digital process enablement:** Transformative advancements in robotic process automation can mechanize 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.
- **Visualization 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 organization. Then your organization 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 programmable, 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 and intelligent forecasting to achieve effective and insightful financial planning at reduced cost. Generate predictive insights via business-specific drivers and data sources.



Case in point

KPMG in the US helped a client create accurate forecasts automatically through an innovative solution involving machine learning and the analysis of external signals.

Challenge: The client’s forecasting approaches were labor-intensive, requiring several manual interventions to ensure consistency in data and accuracy in results.

How we helped: KPMG professionals developed a technology solution for automated forecasting that uses ML techniques. By analyzing thousands of external signals, users can spot patterns and perform sensitivity analyses to understand key drivers for revenue, margin, and earnings.

Benefits to the client: KPMG professionals delivered a technology solution that improved speed, reduced labor costs, and increased transparency. Driver-based, dynamic forecasts have led to quicker scenario planning and decision making. The solution now updates data streams in real time to create rolling forecasts.

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