Future of front office

Building an integrated, insights-driven front office to power business performance

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Introduction

In a fast-evolving business environment, organizations are under growing pressure to reimagine how they engage with customers. Expectations are rising, digital channels are expanding and economic headwinds are challenging traditional models of value delivery. At the same time, generative AI (Gen AI) and intelligent automation are opening new pathways to transform front-office operations — not simply to improve efficiency, but to enable deeper customer insight, faster decision-making and sustained competitive advantage. As business leaders navigate this next phase of transformation, the opportunity lies in striking the right balance: combining the power of advanced technologies with the human-centered capabilities that build trust and drive growth.

The front office of the future will likely be powered by agentic AI and still be very much human-centric. Outperformers will likely rely on an AI-enabled, data and insight-driven, human-centric front office to deliver differentiated customer experiences.

Leaders across many industries believe the future will be "agentic" — that Gen AI-enabled agents will understand and solve complex problems with reduced human oversight, unleashing profound changes and opportunities. And while we certainly believe that agentic AI will play a transformative role, we expect the outperformers in the years ahead to balance rapidly evolving technologies with a keen and relentless focus on humans, especially customers and those that serve them.

The businesses that are expected to dominate in this agentic and human-centric age will likely rely more than ever on AI tools, data and analytics to guide their insight-driven decision-making. Doing this well should enable businesses to outperform their competition. Crucially, that means these leading companies can be more aligned and integrated with their strategy and in their functions and capabilities, which will result in better execution of their specific business strategy and objectives. It also can allow them to be more innovative based on having a better understanding of their customers. Finally, it means they can build and leverage their competitive advantage, enabling them to extend their outperformance whether in terms of financial performance and customer relevance, or the ability to rapidly adapt to competitors' actions, changing markets and customer demands.

Among outperformers, however, these efforts are increasingly directed by the front office, using brand and customer-led strategies to drive profitable growth and greater competitive advantage. By extension, leading companies center their data strategy around the quest to gain a deeper understanding of customers and markets.

Front-office leaders use those insights to inform brand value propositions and customer-engagement strategies. A customer-centric strategy also guides middle and back-office functions to achieve common goals, including improving productivity, market share and profitability, enhancing the end-to-end customer experience, and so on.

The path to an agentic and human-centric front office is daunting, but a "wait-and-see" attitude could prove perilous. AI-leading enterprises are already harnessing powerful new technologies and customer engagement techniques and channels — raising the stakes on fewer but more critical human-to-human interactions, as automation and digital communication become increasingly prevalent and relevant. As these technologies transform customer interactions, many companies will likely need to build and automate new capabilities, rearchitect end-to-end business processes, transition to agentic-enabled workflows and orchestrate meaningful, differentiated and profitable customer engagement strategies and tactics to harness its potential.

Most leaders today acknowledge the importance of the front office and a customer-centric approach, mindset and culture. In KPMG's latest Future of front-office survey of 500 global C-suite and functional senior leaders, almost 69 percent reported to have at least two distinct front office transformations underway. Yet outperformers represent a smaller share of companies. The gap widens at the highest level — 34 percent of digital leaders have more than four transformation initiatives underway, while only 4 percent of less digitally mature companies are moving at that pace. The outperformers are making targeted investments in data and technology and choosing partners carefully. They use data across the organization, rather than in silos. And they actively invest in data literacy, helping people in every function, from the C-suite to the front line, learn to use new tools and think in new ways.

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The power of customer-centric strategies in outperforming companies

Leading companies across industries differentiate and compete on a variety of customer-relevant factors. These include, but are not limited to: innovation and speed to market; reliability and trust; availability and price; and delivering consistent, memorable experiences. But regardless of their competitive differentiators, these leaders recognize the importance of orchestrating front, middle and back-office functions to consistently deliver their intended customer experience.

Indeed, our research shows companies moving from omnichannel customer engagement to more hyper-personalized and analytically driven insights to inform decision making and customer interactions (Figure 1).

Our research and experience reveal what distinguishes the outperformers. Digitally mature, data-driven, seamlessly coordinated functions, these organizations are scaling faster — according to our survey, 81 percent are running at least two transformation initiatives, compared to just 51 percent of lower-maturity peers. They are far more adept at integrating processes, infrastructure, and enabling proactive cooperation across their leaders, teams and collaborators.

Their marketing, sales and service functions are more unified and in sync. They better engage customers across channels, resulting in more cross-selling opportunities and reduced customer friction. Indeed, in the years ahead, powerful agentic AI tools will likely provide more and more help — including insights and recommendations — to those who engage customers.

We also find that the outperformers' functional and individual performance metrics are better aligned, complementary and integrated because they recognize that every department and function, not just the front office, influences the customer and employee experience — that everyone in the organization should have a customer-first, front-office mindset.

Figure 1: Companies are investing in personalized interactions and more advanced analytics
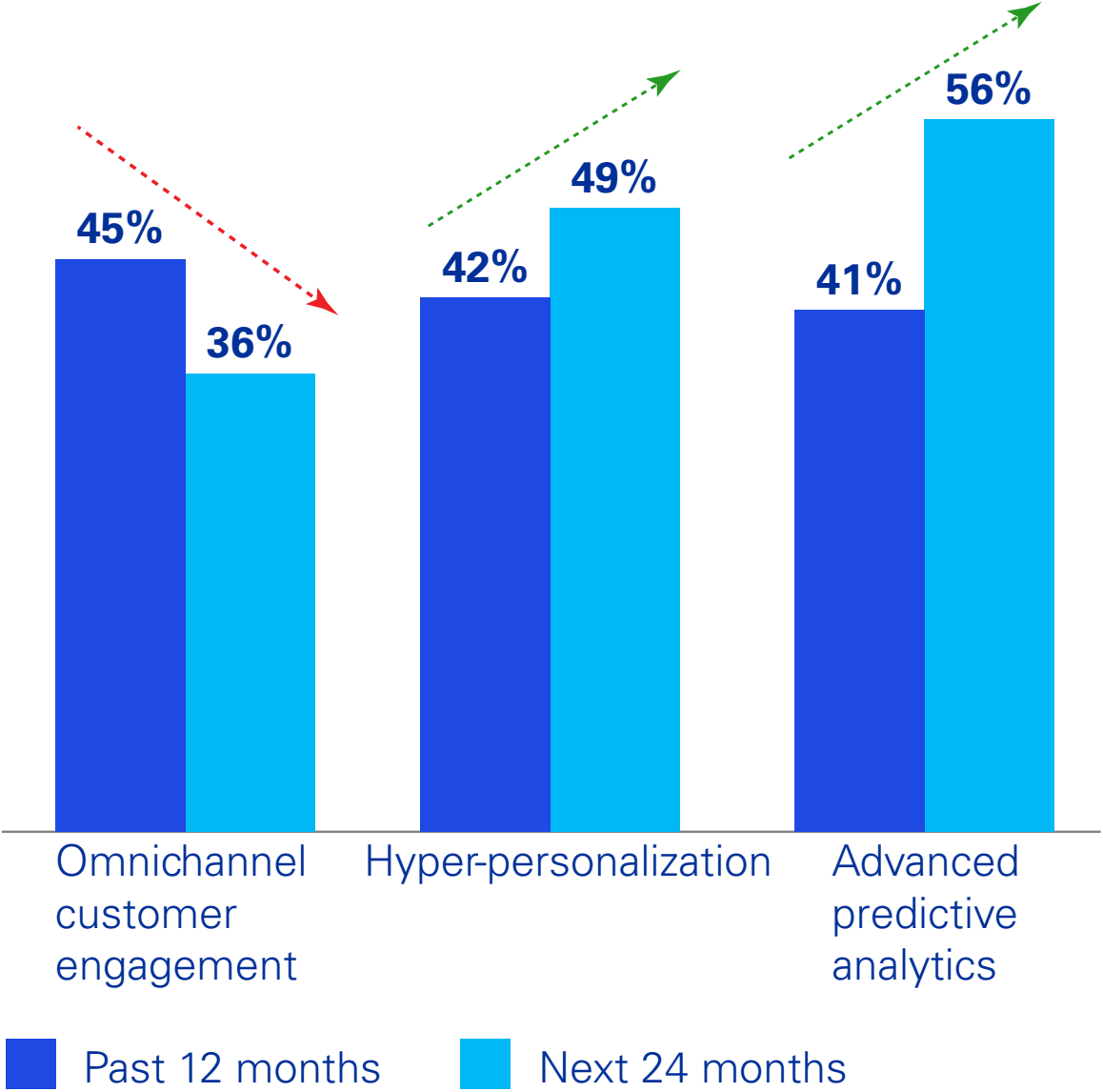
Source: KPMG Future of front office survey, Sept '24

By comparison, most organizations still have work to do to align overall strategy with functional metrics. For example, more than two-thirds of our survey respondents reported only partial alignment between their organizations' top priorities and front-office objectives.

This widening gap between leaders and laggards underscores the importance of front-office transformation.

The differences between leaders and laggards are stark. Our survey found one-third of laggards report only minimal maturity of orchestration and connectedness across their front offices, compared to more than three-fourths of leaders who report being well connected. The laggards overwhelmingly report that this disconnection has a direct impact on business performance.

During the next three to five years, the laggards are expected to fall further behind without taking thoughtful and meaningful action. Many may lose the trust of their customers leading to revenue and profit erosion. While 70 percent of survey respondents in highly digital mature companies report significant trust in their brands, only 38 percent of their less sophisticated peers report the same. For these leaders, who account for only 9 percent of respondents, trust directly translates into higher proportions of loyal, long-term customers.

In short, industry leaders can create more value by building brand strength, developing and delivering superior products and services more quickly, reducing churn and capturing profitable growth, yet most firms are far from achieving — let alone sustaining — this leadership position.

Winning through insight, integration, and innovation

01 **Gathering and harnessing the right data to gain valuable insights into customer behavior, and act on those insights more quickly.** In the years ahead, the most capable enterprises will likely augment and leverage existing and new data to inform, formulate and execute new customer strategies, product innovation and customer interventions. This can accelerate go-to-market activities that are now manual and labor-intensive. Business-to-business sales teams, for example, are now using agentic tools to set prices and terms based on real-time supplier, customer and competitor data, doing what once seemed impossible: raising margins and customer satisfaction simultaneously.

02 **Collaborating closely across marketing, sales and service.** Leading companies' metrics and incentives tend to be closely aligned across functions to deliver on both customer-centricity and profitable growth. They understand what drives the overall value of the customer franchise from customer acquisition, cross-sell, retention, net-promoter and cost-to-serve, and how marketing, sales and service contribute respectfully and collectively. If a company aims to increase revenue per customer, for example, it may give sales teams incentives to expand cross-sell and up-sell metrics. If marketing goals and metrics do not include a complementary metric such as account-based revenue, the disconnect can lead to lower growth and profitability. About 30 percent of our survey respondents said inconsistent or unclear incentive structures hinder cross-sell and up-sell initiatives.

03 **Maintaining digital maturity.** They are better at integrating processes and infrastructure, especially technology and data. They work to create a business that is supported by digital capabilities to act as a catalyst and platform for profitable growth. Digital maturity, as we define it, stands on four pillars: customers, products, technology and operations. Digitally mature enterprises transform data into insight-driven strategies and actions that can be used across the business, such as developing new and innovative products and services, forging more predictive and resilient supply chains, building more aligned, empowered workforces, and establishing a more robust partner ecosystem, etc. (Take our Digital Maturity Assessment to see how your organization stacks up.)

04 **Accruing competitive advantages.** Companies that provide consistently better experiences lose fewer existing customers, win more new customers from less-capable competitors, and fine-tune their businesses to deliver these experiences more effectively and efficiently while attracting more talent and capital. They seek to nurture and build a sustainable and differentiated customer franchise.

An insight-driven front-office strategy

An insight-driven front-office strategy

The front office faces a host of complex challenges: shifting customer and market landscapes, geopolitical shocks, supply chain disruptions, and increasing expectations and requirements for trust, including security, privacy and compliance driven by rapid changes in technology, regulations and threats. The expectations of business customers and consumers are converging: both segments expect excellent experiences informed by insights and data. About 64 percent of the survey respondents said enhancing customer experience would be their top focus in the next 24 months.

Meanwhile, in many sectors, traditional approaches to market segmentation and persona development have failed to keep up with customers' rising expectations for personalization and customization. A company through its front office can overcome these and other challenges only with a cohesive, brand-led, insight-driven strategy that guides investments to reinforce brand positioning, inform customer engagement and ultimately deliver profitable growth. Agentic AI tools are already beginning to play important roles in these improvements.

Brand-building, once heavily reliant on marketing-driven communications, is now heavily influenced by technology-driven interactions and experiences across the end-to-end customer lifecycle.

Leading companies' strategic visions for their brands anchor the front-office operating model, the data and technology required to support that model, what skills their people need, and even their organizational culture. For example, a company aiming to lead in assortment — the variety and range of products or services it offers — will likely build capabilities and orchestrate cross-functional processes differently from a competitor that seeks to differentiate on personalized experiences, for example.

The most sophisticated firms intimately understand the levers of their competitive advantage. They also recognize the capabilities of the front office must be architected to impact these levers. To achieve this, they leverage their data to increase their understanding of their markets, customers and competitors. Agentic AI, enabled by data-driven insights and coupled with deliberate human oversight, will accelerate the effectiveness of this strategy.

A customer-centric, insights-driven approach alone is not enough to guarantee business success, of course. Outperformance requires setting the right course, enabling execution, harnessing technology based on the right operating model and balancing technology with human qualities, including strategic context, perception, empathy and the ability to spot unintentional AI-generated biases.

Case study: How Coca-Cola is using data and AI to outperform in Vietnam

Rahul Shinde, VP and Chief Information Officer at Coca-Cola Beverages Vietnam, explained in an October 2024 interview with VnEconomy[1] how the company is improving performance in nearly every function and department. The effort, which began in 2019, aims to use digital tools and automation to improve customer centricity, agility, productivity, cybersecurity and digital mindsets.

The company now provides salespeople and customers with an omnichannel experience that includes cellphones, for example, and gathers valuable insights to improve customer service and make better decisions from the shop floor to logistics and in the one million retail stores in Vietnam[2] that sell its products.

"At the core of this transformation," Shinde explained, "is a data analytics strategy focused on robust data governance, an agile approach to transparent AI-enabled decision-making frameworks, and the active engagement of stakeholders and sponsors in decision-making matrices to ensure alignment with company priorities."

"Technology is an enabler," he added, "but transformation is the responsibility of all, where everyone is following a single organizational vision as a team rather than separate pockets of innovation." He's helping to "foster a culture of continuous learning and experimentation, which are essential for an organization aiming to be future-ready in an ever-evolving business landscape."

[1] VnEconomy. (2024). Digital transformation shaping Coca-Cola Vietnam's future. VnEconomy
[2] SGT. (2023). Coca-Cola reaffirms its commitment to Vietnam. The Saigon Times

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Ineffective front-office experiences are common across industries around the world. Examples include websites with broken links and slow-loading pages, chatbots that can't understand a simple request, salespeople or customer service representatives who are unable to help because they don't have the right information, or a procurement team that doesn't know to expect a spike in demand because they were unaware that sales was executing a promotional discounting campaign. These and other front-office challenges are mostly due to poor communication, and misalignments in processes, systems, metrics and incentives that prevent data and insights from getting to the right people, at the right time, and in the right format to create positive customer experiences and drive business value.

The good news is we have identified the foundations of strong performance. Again and again, we find that outperformers in every sector, from consumer goods and technology to telecom and life sciences, enable their organizations in similar ways. There are several capabilities that distinguish the outperformers.

01 A holistic, modern and value-centric approach to gaining insights

Data-savvy organizations know what data they have in-house and continually work to identify and fill data gaps. They embrace advanced analytics such as machine learning and Gen AI to mine the data and unlock valuable insights, and are adept at delivering the right insights to the right people at the right time to improve performance.

Senior leaders are deeply involved in crafting and governing the front-office data strategy

Senior leaders are instrumental in crafting and governing the front-office data strategy, aligning it with overarching business objectives, and using it to drive front-office performance. They guide what questions to ask and champion collecting the data needed to answer them.

The most successful data strategies are closely aligned with business demands, providing the insights to support decision-making in the front office and across the organization. Leaders should ensure data users are engaged to understand their needs, including technical capabilities, and oversee the integration of AI and data strategies to make better decisions more quickly.

An effective data strategy achieves two primary objectives: identifying and collecting the most valuable data to understand the market, customers and competitors; and giving the organization the capabilities to ingest, organize, curate, manage and deliver this data to business users.

In addition, leaders, as consumers of vast quantities of data and drivers of data strategy, play a pivotal role in guiding how data is used — in the analysis and development of data products as well as the organization's application of data insight. They also oversee data governance and stewardship to use data wisely and safely, maintaining the trust of users, customers and other stakeholders.

More than 70 percent of the survey respondents say they are using data to enhance the customer experience and personalization, and to improve operational efficiency and agility. About 66 percent are using market data to shape market expansion and competitive strategies.

Understand the value of data and what's missing

Most business leaders now understand that data is a significant asset; more than two-thirds of survey respondents say they are now using customer, operational and market data to drive front-office transformations (Figure 2). In these transformations, they realize the potential of their data to shape go-to-market strategies, improve operational efficiency and enhance customer experiences. However, many still find it difficult to identify what data is most valuable.

We find that categorizing data is an imperative in setting priorities and making the most critical data readily accessible for decision-making, AI training, and so on. Strategic insights support long-term business goals and financial value, for example, while operational data drives daily processes and functional data enhances specific departmental tasks. This categorization helps companies organize and prioritize data effectively.

Across industries, enterprises that focus on and gather more of the right data and connect it to AI models and analytics, are serving customers better at lower cost, spotting trends earlier, innovating faster and strengthening their brands.

Figure 2: We asked 250 business leaders how they are leveraging customer, operational and market data to advance front-office transformation

Customer data

Enhancing customer experience and personalization — **74%**

Driving data-driven decision-making — **50%**

Informing our data governance processes — **43%**

Operational data

Improving operational efficiency and agility — **73%**

Driving data-driven decision-making — **51%**

Informing our data governance processes — **40%**

Market data

Shaping market expansion and competitive strategies — **66%**

Driving data-driven decision-making — **44%**

Informing our data governance processes — **35%**

Source: KPMG Future of front office survey, Sept '24

Design and build modern data capabilities to support front-office needs

Astute leaders do not treat data as discrete assets scattered across the enterprise, but as a strategic, enterprise-wide resource to fuel performance. They work to transform data into a strategic capability that can drive value, innovation and differentiation. They know that the integration of technology and data is a fundamental aspect of creating modern digital capabilities.

In some cases, this vision requires the creation of secure, trustworthy, discoverable data collections that are curated for specific business purposes. These collections are then monitored, governed and maintained with specific users' immediate and future needs in mind. This approach treats data as a product, curated for a purpose, built for reuse, which is actively managed from definition through retirement.

The approach of using data as a product may be particularly beneficial for the front office with its diverse and distributed data needs, as it allows for decentralized data management and ownership. However, a decentralized approach may not be suitable for some industries or applications where stringent regulatory requirements necessitate centralized data management. By using centralized or decentralized architectures, or a combination, companies create efficient and effective data pipelines, platforms and governance, enhancing data accessibility, usability, security and ultimately trust in the data.

Regardless of the approach, leading companies embed data-driven insights into business processes broadly across the organization, enabled by enterprise-wide and modern digital capabilities.

02 Driving organizational alignment and digital maturity

Leading companies align and orchestrate their front-office operations, from marketing to sales to customer service, around a customer-centric, insights-driven strategy that is well designed and built on connected digital platforms. A highly aligned and orchestrated front office that is digitally mature can more easily design and execute strategies that have significant customer experience and financial benefits. For instance, marketing can leverage customer insights to create targeted campaigns that yield more cross-sell and up-sell opportunities, while customer service can utilize the same data to provide personalized support using agentic AI tools to deliver a higher-level experience at a reduced cost-to-serve.

A unified approach to performance metrics, where all functions are measured based on synergistic and complementary metrics such as revenue growth, customer retention, net promoter scores and customer lifetime value, can dramatically improve overall business performance. More than 4 in 10 survey respondents said they plan to align initiatives to their brands' purpose, values and mission, and increase or enhance training and investment to improve the customer experience in the next 24 months.

Build business capabilities that are aligned, integrated and well-orchestrated

Silos within the front office and across functions significantly impede the translation of go-to-market and customer strategies into business performance. Nearly half of survey respondents reported that disconnection in the front office is a major challenge that leads to reduced customer satisfaction and inconsistent service quality. Outperformers improve connectedness by breaking down silos between marketing, sales and service, for example by aligning strategies, architecting end-to-end processes, integrating operations, and coordinating the management and execution of activities.

When asked in our survey about the most important benefits of an orchestrated and connected front-office strategy, 45 percent of respondents cited efficiency improvements, streamlined processes and reduced duplication of effort. Imagining the front office of the future, 54 percent envisioned cross-functional collaboration, including an integrated, team-based approach to comprehensive solutions and customer service; and 45 percent foresee an integrated tech ecosystem with seamless integration across platforms for enhanced, frictionless customer interactions.

As companies move towards an agentic and human-centric future, a connected and orchestrated front office is expected to be critically important. Without orchestration, adoption of agentic AI and incorporating virtual agents may lead to additional silo-driven complexities and ineffective and disjointed customer experiences. Effective orchestration of agentic AI requires a clear blueprint for adoption, including a view for the different types of agents and their use, and comprehensive human oversight and governance, incorporating human decision-making, transparency and accountability. A key point of this governance includes the continuous monitoring and adjustment of agents to help ensure they align with the company's brand and organizational objectives and operate within ethical and legal boundaries. By managing complexities, agent orchestration can help ensure seamless interactions and reliable performance, facilitating the agents' contribution to enterprise-wide processes efficiently and ethically.

Invest in modern digital capabilities, including advanced AI

Many companies continue to invest in technology in ways that do not actually advance their digital maturity. In a recent KPMG survey, we found a significant deviation between perceived digital maturity and actual digital maturity. In this survey, the majority of respondents overstated their actual digital maturity; interestingly and conversely, those that had actual higher digital capabilities, rated themselves lower. That disconnect could be a function of this group having higher expectations for their own digital capabilities. Underlying this dynamic is a tendency to misunderstand what differentiates digitally mature firms from their less sophisticated peers — namely how they think about, design and apply technology.

To help improve digital maturity, firms need to architect their solutions cross-functionally, confirming that both data and technology are integrated across all business units. Digitally mature organizations also prioritize leveraging AI and are piloting agentic workflows to personalize customer interactions and recommendations and automate business processes. By doing so, firms can align their technology investments with business objectives, improve data accessibility, and facilitate collaboration across functions and business units.

A modern approach to investing in technologies and tools, such as advanced AI and digital capabilities, must include solutions that meet specific business requirements and be architected from an enterprise perspective. This approach aligns technology with business objectives while enabling extensible and adaptable technology infrastructure. It also tends to improve data accessibility and the ease of collaboration across functions and business units. By focusing on cross-functional integration and leveraging advanced technologies, firms can significantly enhance their digital maturity and better meet the needs of the future front office.

Case study: Improving call center effectiveness

KPMG professionals helped a leading insurer significantly improve its call center effectiveness by taking a holistic look at *why* customers were reaching out. Using data analytics, the team traced the root causes of call center interactions to specific marketing messages, products and the wording of claim denials. Instead of debating how to shorten calls or whether to invest in a better chatbot, the senior team used these insights to orchestrate a better customer experience, down to the channels, content and wording in policyholder communications.

What defines a digitally mature organization

Digital maturity isn't about adopting more tools — it's about aligning data, AI and infrastructure to business outcomes.

Enterprise-wide integration	AI aligned to business outcomes	Personalized experiences at scale	Cross-functional collaboration	Extensible, adaptable infrastructure
Data and technology are connected across business units to avoid siloed decision-making and enable seamless collaboration.	Advanced AI capabilities, including agentic and workflows, are deployed with a clear link to measurable business impact.	Customer interactions and recommendations are tailored using real-time data and AI to drive meaningful engagement.	Technology, processes and governance models are designed to encourage alignment and collaboration across business functions.	Technology investments support future innovation, scale, and responsiveness to evolving enterprise needs.

How advanced AI technologies are now reaching the front line

Teams at many companies still pursue data analytics using individual tools, yet more advanced enterprises take a platform approach — a unified system or suite of tools to collect, integrate, analyze and visualize data.

They typically rely on application programming interfaces (APIs) to connect software applications for seamless data integration. Many also build their platforms on cloud-based systems, which are easier to scale, more flexible and more cost-efficient.

When data from disparate sources is integrated on a single platform, it's easier to access and analyze. A platform makes it easier for business users — even those without extensive technical expertise — to harness advanced data analytics to help uncover deeper insights and improve business outcomes.

Further, a unified platform approach enables faster adoption of advanced AI solutions. By leveraging advanced AI solutions native to the platforms, companies can more seamlessly integrate these technologies into their processes and workflows.

03 Designing strategic and collaborative enterprise ecosystems that support business strategy

Since even the largest, most digitally mature businesses require products and services from other companies, leaders develop and nurture their partner ecosystems carefully. A successful ecosystem begins with clear objectives derived from the overarching business strategy.

When asked about the top three best practices for building and managing ecosystem partnerships in our survey, well over half of respondents named clear alignment on goals and objectives among partners, flexibility to adapt to changing market conditions and needs, and regular performance evaluation and feedback mechanisms. Nearly half of respondents across sectors agree that robust governance and operational frameworks are crucial.

Design ecosystems thoughtfully from the enterprise perspective

Leading companies understand the importance of designing ecosystems at the enterprise level. This means doing so in an intentional manner rather than an ad hoc way to help ensure partners bring the necessary capabilities and expected value. This process is similar to developing aligned and collaborative ways of working within an organization. It begins with aligning the ecosystem with the business strategy and operating model objectives to make sure every component of the ecosystem is strategically aligned with the organization's overarching goals.

The organization then identifies and collaborates with partners who not only offer leading-edge technologies and services, but whose business objectives and values are complementary.

This approach helps keep the ecosystem current and adaptable, and even future-proof by incorporating the latest advances, including agentic AI. In marketing, for example, this could mean partnering with advanced analytics firms to better understand customer behavior and preferences, enabling more personalized and effective campaigns. Customer service might work with AI-powered customer support platforms to improve response times and customer satisfaction. As highlighted in KPMG's "Transforming the Enterprise of the Future: Champions of a New Digital Era," leading companies recognize that an integrated and secure ecosystem is essential for maintaining a competitive edge. Also important is working with ecosystem partners to acquire capabilities as ongoing, managed services.

To underpin the importance of ecosystems in this new digital era, KPMG in the US has created a new role: Head of Ecosystems. This role is responsible for developing and executing the US firm's ecosystem strategy, driving innovation, and expanding KPMG's reach into new markets and sectors by coordinating corporate joint ventures, technology alliances, suppliers and downstream partners. The aim is to enable KPMG professionals to enhance strategic relationships to address the challenges and opportunities clients face in the rapidly evolving digital landscape. The focus on integrated strategies and strategic partnerships can help clients navigate digital disruption, gain data-driven insights, and develop strategies underpinned by security and trust.

Build data ecosystems with clear governance frameworks

Organizations working together in an ecosystem may share data, which requires clear rules of engagement, security and permissions, since breaches or misuse could harm customers and members' reputation. A comprehensive governance framework should include data quality, security and regulatory compliance — including cross-geographic regulatory compliance given the potential reach of ecosystem relationships. An effective ecosystem typically incorporates a robust tech stack, including cloud technologies, to seamlessly integrate internal and external data at scale. By maintaining high data quality and clear access controls, members of organizations can securely harness the power of data to drive strategic decision-making and innovation.

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04 Building customer trust and loyalty from the front office

Leading companies understand the front office establishes the customer value proposition and customer experience agenda that should manifest itself in higher brand value, trust and loyalty. Many aim to create frictionless brand experiences that emphasize reliability and transparency, as well as provide customers with clear information about products and business practices. Customers appear more likely to trust brands that transparently collect data based on specific interactions rather than through indiscriminate data scraping. Transparency in how customer data is collected, safeguarded, used and shared is increasingly crucial to this trust.

A KPMG survey of more than 30,000 consumers in 11 countries revealed that more than two-thirds of customers would pay more for products and services if they agreed with the company's principles. In our Future of front office survey, 40 percent of respondents said the front office of the future would be sustainability-focused; 33 percent expect sustainable consumer practices to have a significant impact on the effectiveness of cross-sell and up-sell strategies in the next 24 months.

Our 2024 customer experience research with more than 86,000 consumers around the world also suggests that how companies use AI can build or shake customers' trust and loyalty. Tailoring AI implementation to the wants and needs of specific demographics can improve engagement, for example, while humanizing AI can help drive advocacy and loyalty

Leading companies also build secure, resilient and scalable products while fostering a culture of ethical use and transparency. Using technology to protect customer data, and using that data responsibly, reinforces trust and thus brand value. But customer trust must be a core value that is reflected not only in a robust cybersecurity capability but through incorporating trust by design throughout IT strategy, operating models, IT engineering and technology stack. Among survey respondents at digitally mature companies, 70 percent said customers have a high level of trust in their organizations' brands, compared to just 39 percent of respondents at companies with low digital maturity.

Case study: Technology, used wisely, can build trust and brand strength

A financial services company worked with KPMG professionals to enhance its technical trust framework. By building a more robust, secure and scalable IT infrastructure, and integrating AI-driven customer service solutions, the company significantly reduced fraud incidents and improved customer satisfaction, deepening customer trust and helping to position the company as a leader in digital maturity.

Case study: External partnerships can help build internal capabilities

Ford Motor has forged its strategic partnerships with other leading auto makers to stay at the forefront of automotive technology, including electric vehicles and self-driving features. Ford is also collaborating with Google to revolutionize the connected vehicle experience, demonstrating the importance of external partnerships to enhance internal capabilities.

05 Building a skilled, resilient adaptable workforce and a collaborative culture

Gen AI is beginning to augment and/or replace some business processes and do work that has been performed by people for generations — and these changes will likely accelerate as agentic tools become more powerful and easier to use. To help benefit from this change while still being human-centric, most companies need to revise organizational structures, build new workforce capabilities and foster a more customer-centric culture to create a future-ready front office. They also may need to reimagine their value proposition for their workforce.

Many companies will likely continue struggling to attract and retain top tech talent and should develop necessary talent in-house. Leaders will need to work continuously to balance human efforts and technology in every major process, reimagining people's roles to make the most of their talent and the full value of automation as it unfolds.

Foster resilience to help workers adapt in an era of profound change

In the rapidly evolving landscape of digital transformation, senior leaders should play a critical role in fostering organizational resilience. They can also address technological change without further fragmenting their organizations. Integrating AI efforts across the enterprise is essential to avoid siloing and pursue cohesive and unified strategies.

According to KPMG research, scenario planning and modeling multiple views can help leaders understand decision trade-offs, including cultural impacts, to build more flexible approaches to program execution. This approach helps senior leaders to set aside their own assumptions and priorities and engage other leaders and the workforce to better understand how changing priorities impact their organizations across stakeholders and capabilities. By demonstrating compassion and maintaining a high tolerance for ambiguity, senior leaders can build more resilient cultures that thrive amid change.

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[3] Harvard Business School. (2021) *H066PPP case study.* Harvard Business Publishing

Case study: A clear vision can inspire employees, customers and other stakeholders

An executive from one of the world's largest consumer goods companies helped support shifting its focus from short-term profits to long-term value. One of his first steps as CEO was to stop providing quarterly financial guidance to investors.

This irritated some shareholders and analysts, but leadership is not "a popularity contest," he told Harvard Business Review.[3] "You need to do what's right and right for the business." His commitment to a clear, powerful vision inspired a wide range of stakeholders.

"Finding that purpose is a very important thing," he added, pointing out that it's supported by data. "Companies that are driven by stronger purpose, longer-term models, putting sustainability at the core, in general significantly outperform their peer groups," he explained.

KPMG professionals find that many organizations lose vital elements of their cultures in times of disruption. Identifying those cultural strengths early can help leaders model them in their day-to-day working lives and recognize and reward employees who demonstrate those strengths.
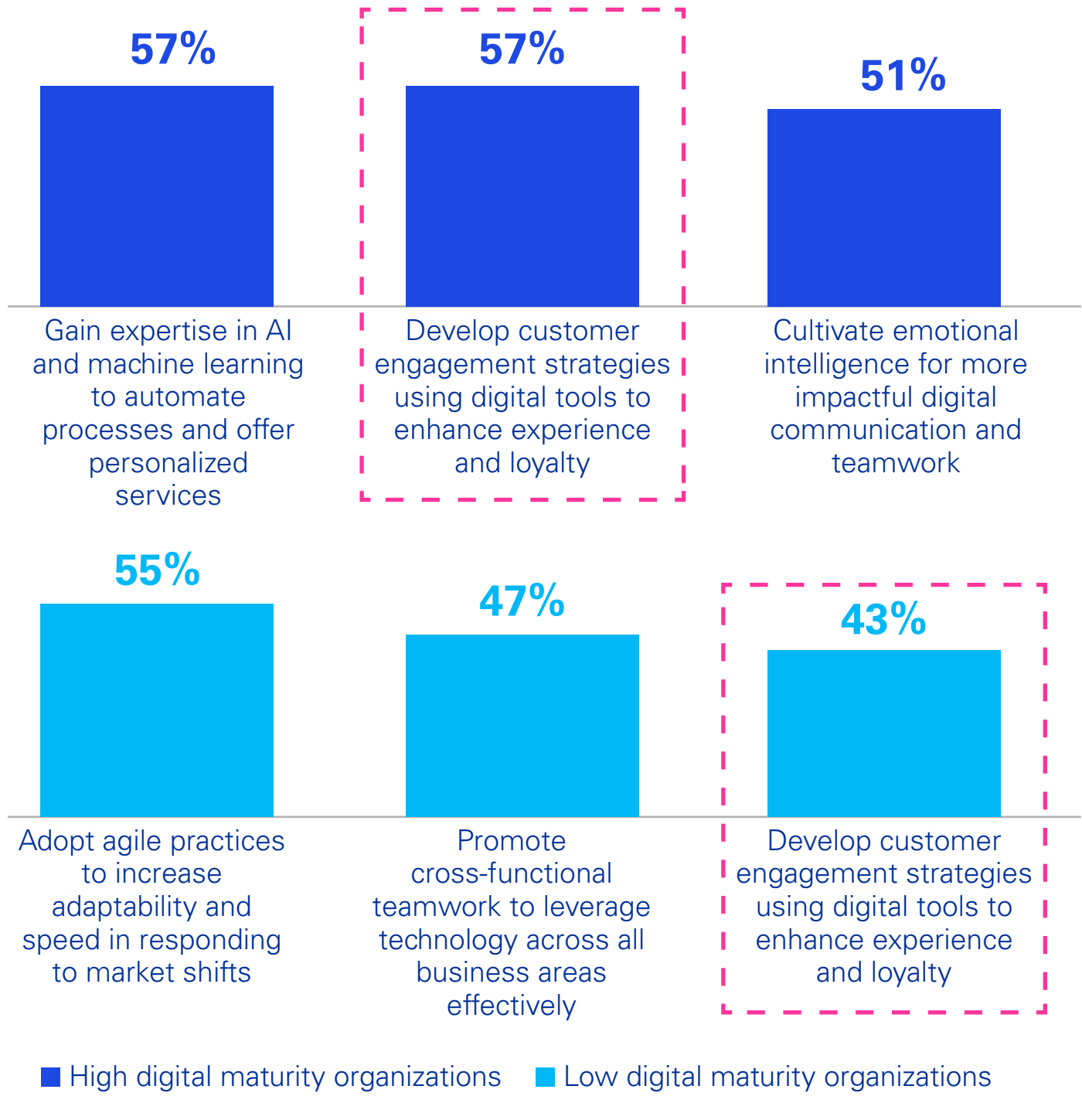
Arm the workforce with the right skills to adapt to the future

Most front-office workers will need new skills and mindsets to get higher value from Gen AI and other new tools, such as forecasting and decision agents, and trust them, especially as technological advances force a shift in many operational roles from being transactional to advisory oriented (Figure 3). Most workers will likely also need incentives and training to use data safely and effectively.

We believe companies should pursue holistic workforce transformation, deploying Gen AI and other tools thoughtfully to help improve productivity, cost efficiency, innovation velocity and revenue growth while staying true to being human-centric.

More than half of survey respondents say they plan to promote a culture of continuous learning and growth to attract and retain high-caliber talent, including 63 percent of those at companies with annual revenues of US$100 billion or more.

Figure 3: Top three skills and roles employees need to have to effectively leverage advanced technologies and meet the changing business landscape

57%	57%	51%
Gain expertise in AI and machine learning to automate processes and offer personalized services	Develop customer engagement strategies using digital tools to enhance experience and loyalty	Cultivate emotional intelligence for more impactful digital communication and teamwork

55%	47%	43%
Adopt agile practices to increase adaptability and speed in responding to market shifts	Promote cross-functional teamwork to leverage technology across all business areas effectively	Develop customer engagement strategies using digital tools to enhance experience and loyalty

■ High digital maturity organizations   ■ Low digital maturity organizations

For organizations with high digital maturity, mastering AI is the most critical skill.

Moreover, both low and high digital maturity companies emphasize the importance of employees developing customer engagement strategies using digital tools.

Case study: Transforming a workforce with automation and Gen AI

KPMG professionals helped a healthcare company identify which tasks to automate to transform workforce productivity.

The team began by assessing the impacts of adopting each technology on the organization — and on employees' duties and responsibilities across functions and roles. Based on our findings, the company identified the largest opportunities and established a clear technology and AI implementation roadmap.

Monthly time-savings opportunities topped 1.9 million hours across departments, including more than 190,000 for physicians in training, 100,000 for physicians, and over 60,000 each for access and administrative services. Use cases included automating the acceptance and verification of mail and parcel containers, payment acceptance, data recording and documentation, supply procurement, storage and distribution, and adjusting network sizes to meet volume and capacity demands. At full deployment, the automation and augmentation effort will deliver more than US$80 million in value each year.
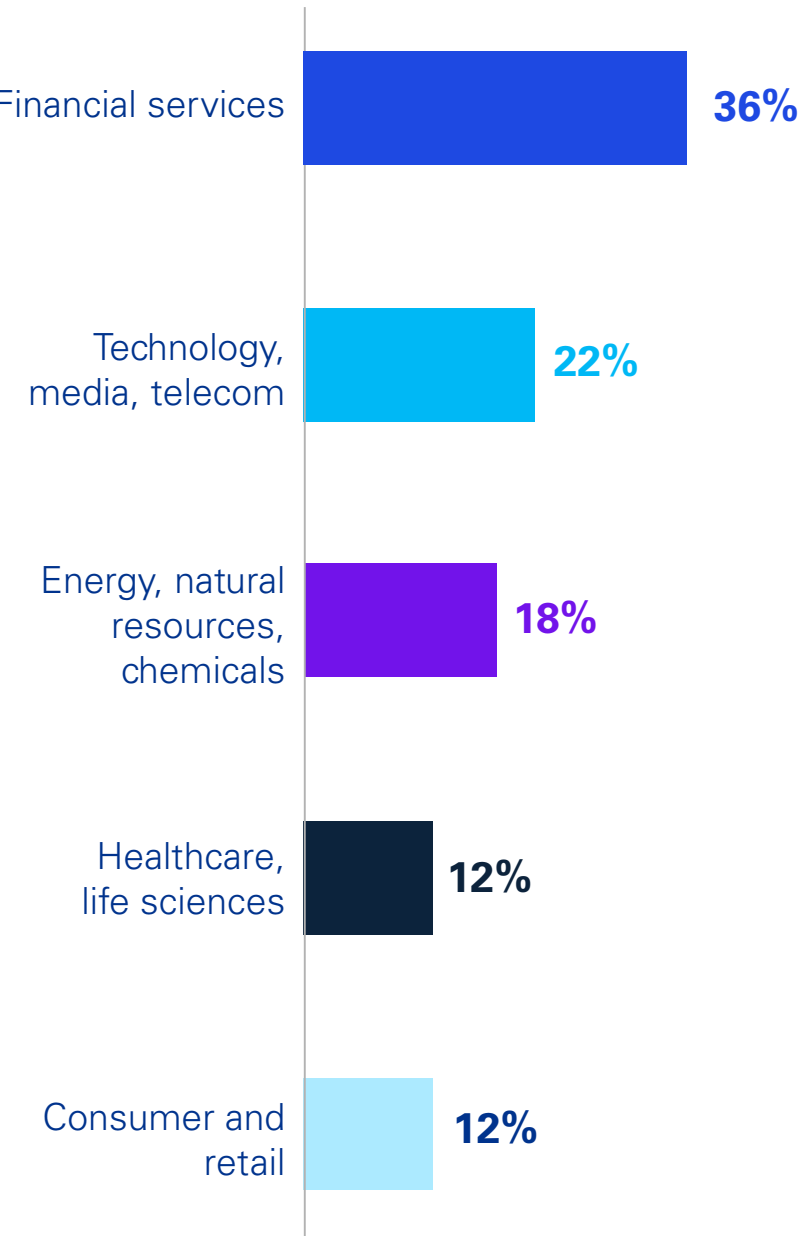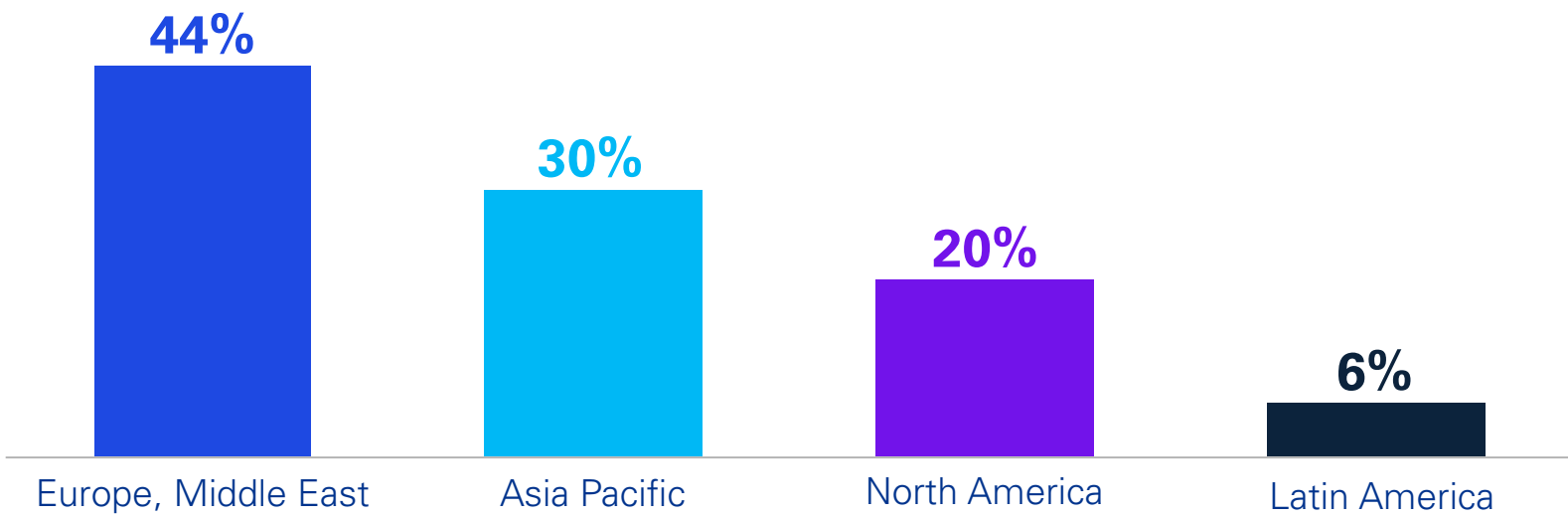
Survey methodology
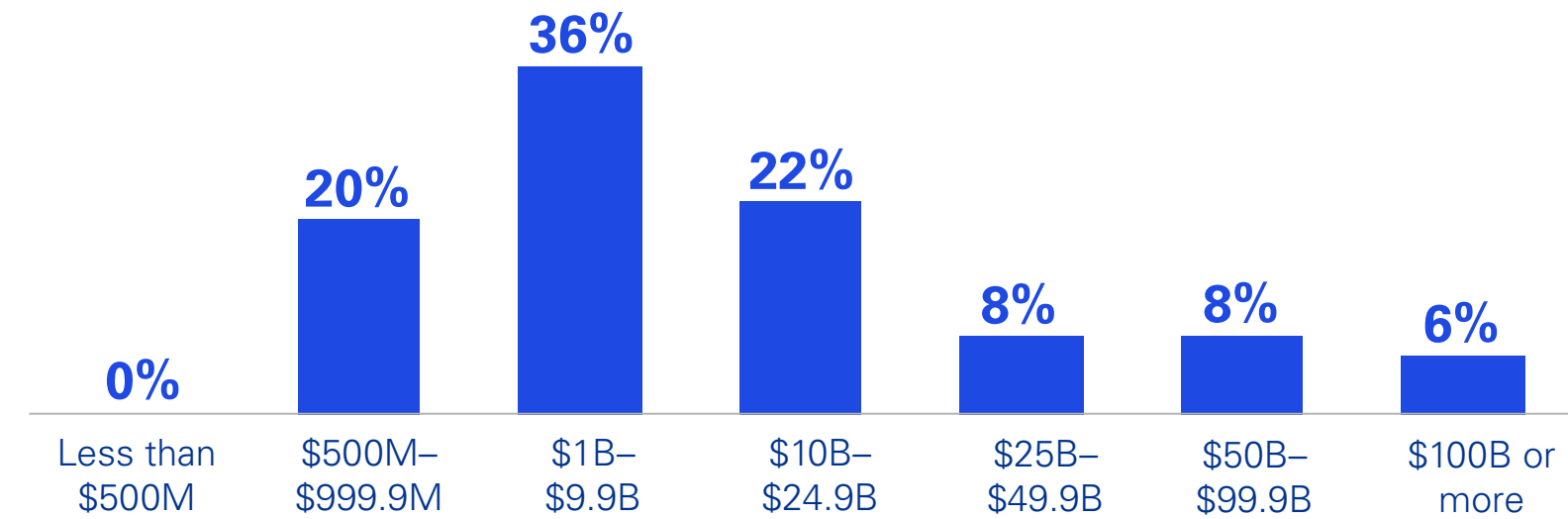
Survey methodology

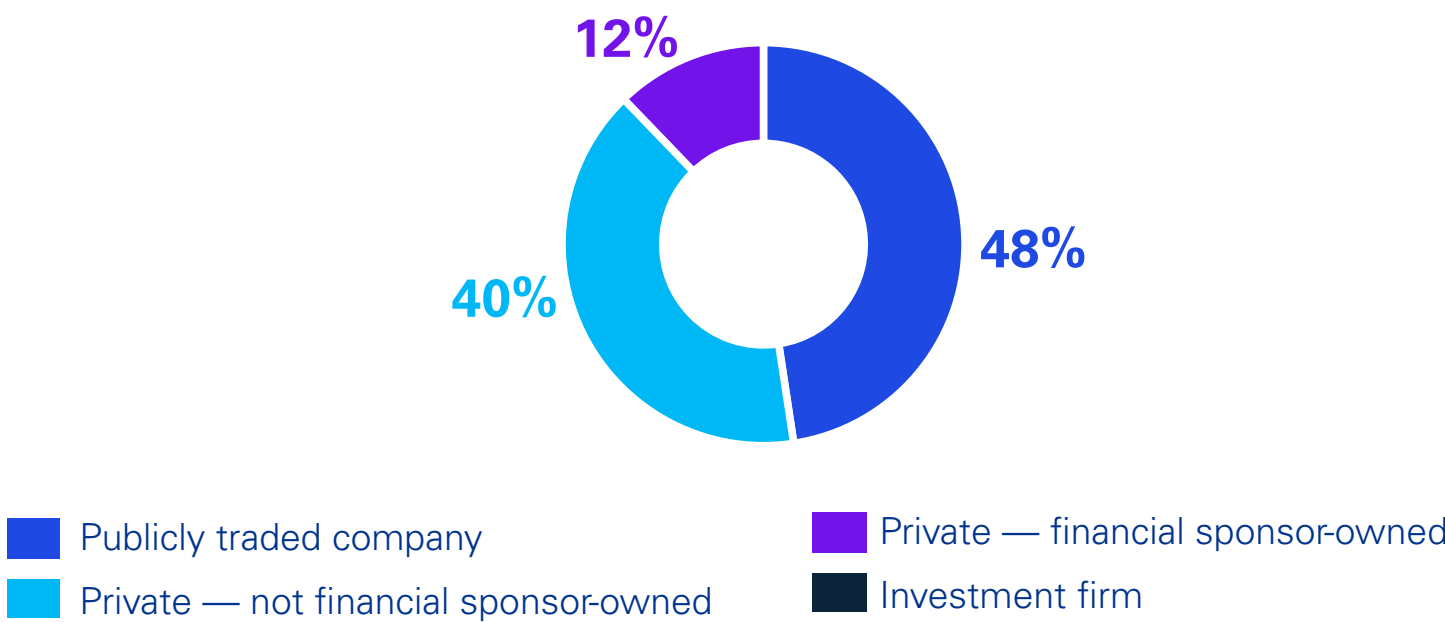## Demographics and screeners

N=500

Organization sector

Financial services — **36%**

Technology, media, telecom — **22%**

Energy, natural resources, chemicals — **18%**

Healthcare, life sciences — **12%**

Consumer and retail — **12%**

Organization's headquarters location

- Europe, Middle East — **44%**
- Asia Pacific — **30%**
- North America — **20%**
- Latin America — **6%**

Organization type

- **48%** Publicly traded company
- **40%** Private — not financial sponsor-owned
- **12%** Private — financial sponsor-owned
- Investment firm

Organization annual revenue (US$ equivalent)

- Less than $500M — **0%**
- $500M–$999.9M — **20%**
- $1B–$9.9B — **36%**
- $10B–$24.9B — **22%**
- $25B–$49.9B — **8%**
- $50B–$99.9B — **8%**
- $100B or more — **6%**

Organization revenue source

- ~100% B2C — **6%**
- ~75% B2C and 25% B2B — **27%**
- ~50% B2C and 50% B2B — **32%**
- ~25% B2C and 75% B2B — **21%**
- ~100% B2B — **14%**
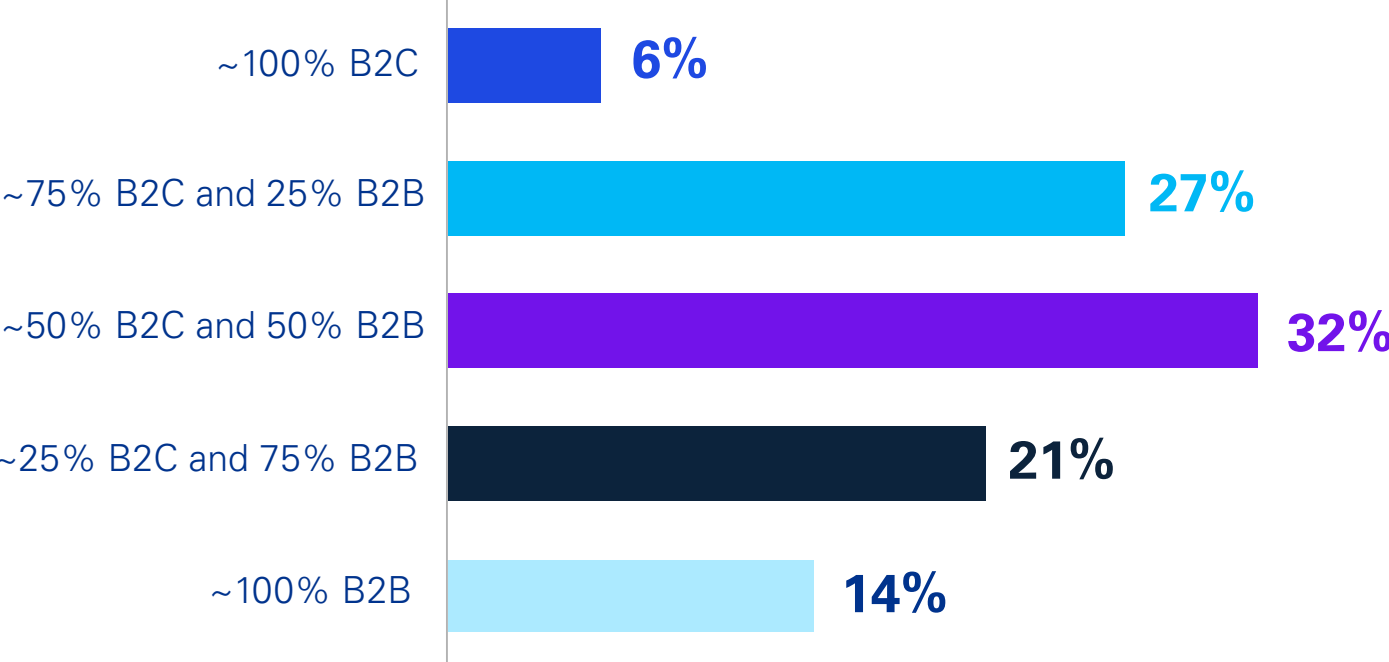
Note: (a) North America (US, Canada), Europe, Middle East (UK, France, Germany, Spain, Saudi Arabia, UAE, Italy), Asia Pacific (China, Korea, Singapore, Australia, Japan, India), Latin America (Brazil, Mexico)
Source: KPMG Future of front office survey, Sept '24

How KPMG can help

Navigating the complexities of a front office prepared for the future requires a strategic approach that integrates advanced technologies, data-driven insights and cohesive organizational alignment. KPMG professionals are positioned to assist organizations in this transformative journey, leveraging our extensive knowledge in customer experience, data and analytics, process innovation and technology integration.

By helping companies define and implement future-state operating models aligned with their strategy, we help lay the foundation for sustainable growth and competitive advantage. This evaluation begins by asking the right questions.

Question	Guidance	Front-office imperatives				
		Insight-driven	Digitally mature	Ecosystem-enabled	Customer-trusted	Future-ready workforce
How can we identify gaps in digital capabilities?	Conduct a maturity assessment to evaluate overall digital maturity. Evaluate cross-organizationally to help ensure integrated rather than functionally driven approach. Align technology, data and IT capabilities to front-office value streams, customer and market intelligence supporting brand and products.	✔	✔	✔	✔	✔
How can we design more intentional customer experiences?	Segment customers based on both economic and behavioral dimensions. Research needs, values and buying patterns by segment. Research competitive dynamics and determine how to differentiate consistent with brand. Design future-state experiences for each customer segment and/or persona.	✔			✔	
How can we determine what data you need to enable and orchestrate customer experiences?	Prepare the broad customer journeys, identifying data and insights needed by customer to deliver desired experience. For customer experiences supported by human interactions, prepare the employee experience to identify data and insights necessary to enable frictionless customer engagement.	✔	✔		✔	
What are the foundations of a mature front-office data strategy?	Focus on robust, holistic data strategy and governance that encompasses technology, people and business processes aligned to front-office business needs, helping ensure data accessibility and quality, fostering cross-organizational collaboration. Consider modern, decentralized data architecture supporting a data product approach enabled by advanced analytical and AI capabilities. Promote a data-driven culture and continuously monitor and enhance data processes to generate actionable, customer and market insights.	✔	✔	✔		✔

Question	Guidance	Front-office imperatives				
		Insight-driven	Digitally mature	Ecosystem-enabled	Customer-trusted	Future-ready workforce
How can we leverage data more effectively across the front office?	Assess customer and corresponding employee experiences to identify friction points, opportunities to accelerate process or areas where better insights could drive more favorable outcomes.	✓	✓			✓
How can we identify opportunities to deploy virtual agents to interact with customers or employees?	Look across customer and employee experiences to identify high-volume, repeatable or time-consuming tasks. Design a conceptual virtual agent solution and determine the financial and customer experience impacts.		✓		✓	✓
How can we better orchestrate customer experiences that span the front office?	Identify the roles, processes and insights required to deliver broad experiences. Examine marketing, sales and service operating models to identify inter and intra-process friction points and gaps. Rearchitect the operating model to address role designs, process failures, missing insights and misaligned metrics.		✓	✓	✓	
How can we measure the impacts of front-office investments on financial results and customer satisfaction?	To measure the impacts of front-office investments, use customer satisfaction surveys, track financial metrics, monitor operational efficiency and observe customer retention and acquisition rates. Implement personalized experiences, employee training and advanced technologies, and collect and analyze customer feedback using specific KPIs. Combining these approaches provides a comprehensive understanding of their impact.	✓			✓	

Modernizing front-office operations to help ensure seamless collaboration across marketing, sales, customer service, commerce and other functions is crucial. KPMG helps streamline and automate operations, aligning these functions with overarching business objectives. By designing future-proof data strategies and capabilities, we help ensure that companies have robust frameworks in place to support advanced AI, real-time analytics and informed decision-making. This alignment enhances seller productivity and improves the overall customer experience, fostering a culture of innovation and adaptability in a rapidly changing marketplace.

Ultimately, KPMG supports the creation of resilient, adaptable front-office functions that are well-integrated and technology-enabled. This support positions companies to navigate complex market dynamics, seize future opportunities and help achieve sustained success in an ever-evolving business landscape. Senior leaders collaborating with KPMG can embark on a transformative journey, confident in the ability to build a front office ready for the future that can excel in today's competitive environment.

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