



Future of finance



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Disruption is everywhere - Finance is at the centre of it all.

New and converging business models

Big, intuitive, insightful data

Self-service as the norm

Speed of innovation

ESG transparency

Experience centricity

Geopolitical instability

Workforce dynamics

Environmental, social, governance
scrutiny

Increased regulatory reporting and tax
requirements



Global supply chain disruption

Commodity price volatility

Competitive pressures

Cybersecurity threats

Margin pressure

Cost optimisation

Consumer/User behaviours

Rapid inflation surges

Partnerships and alliances

Macroeconomic headwinds

Leading finance organisations are ...

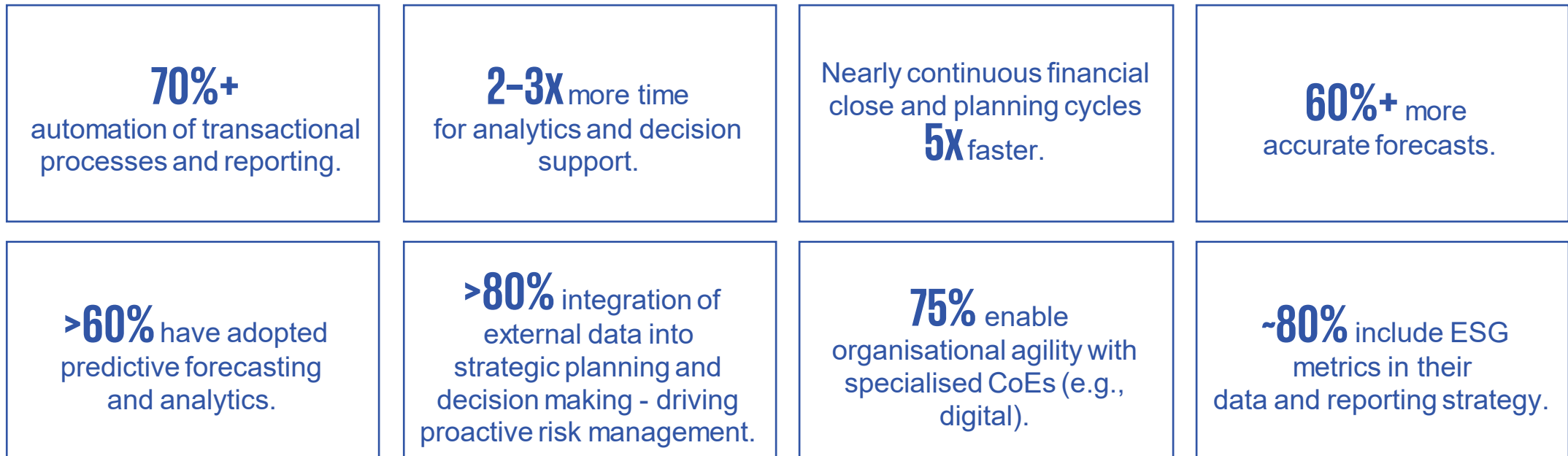
Prioritising investments in digital, data and people

Leveraging data as their competitive advantage

Making faster, more informed decisions

Elevating their digital literacy and empowering teams

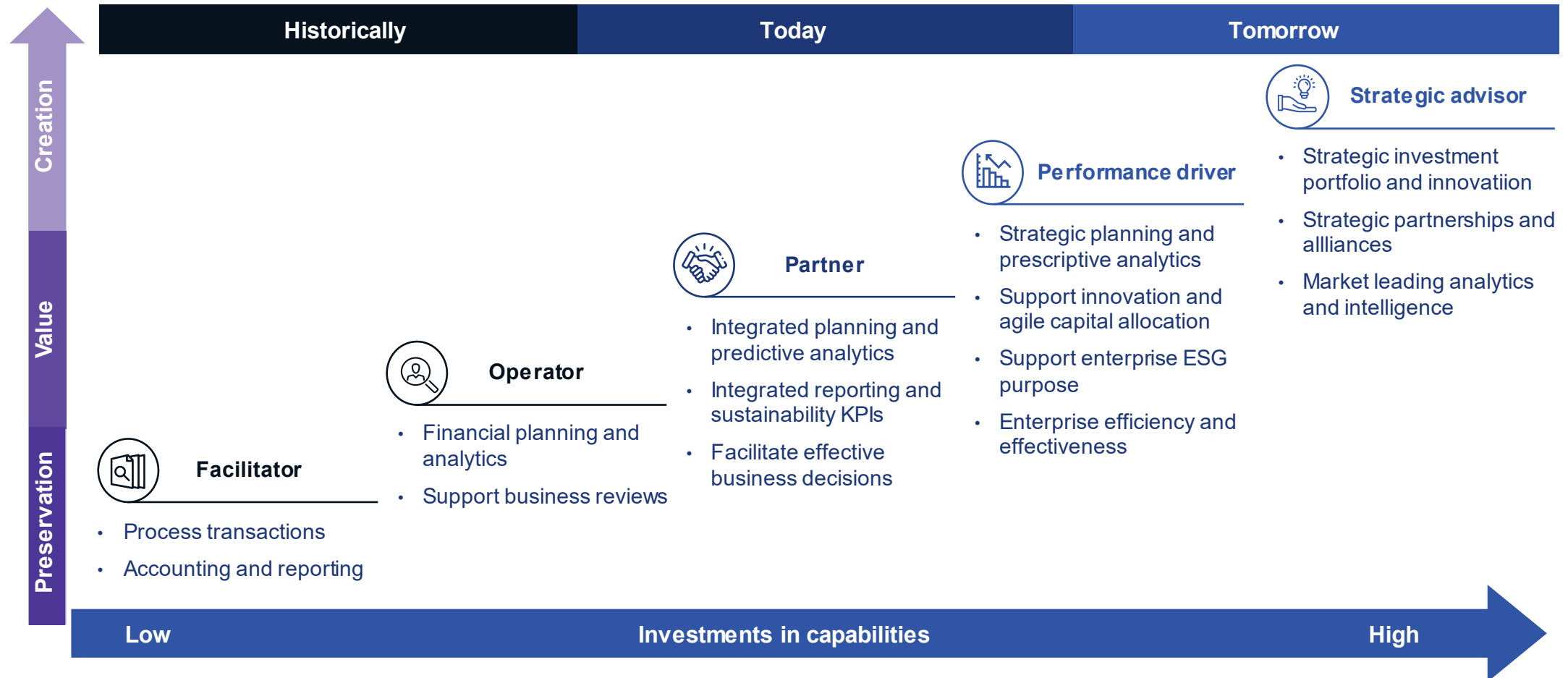
Value realised



Source: KPMG in the US 2022 Elevating Finance Survey & KPMG in the US 2021 EPM Survey. Figures represent companies in the top quartile of responses

Changing role of finance

Investments in new capabilities are enabling finance to elevate their role to strategic advisor.



We know how your business works – the target operating model

Target Operating Model – each ‘layer’ of the framework needs to be integrated to drive an efficient and effective back office function. This is managed as part of our Powered methodology and assets, leveraged for the Functional Convergence Programme. Leading practice organisations transform with all these levers integrated....

Governance

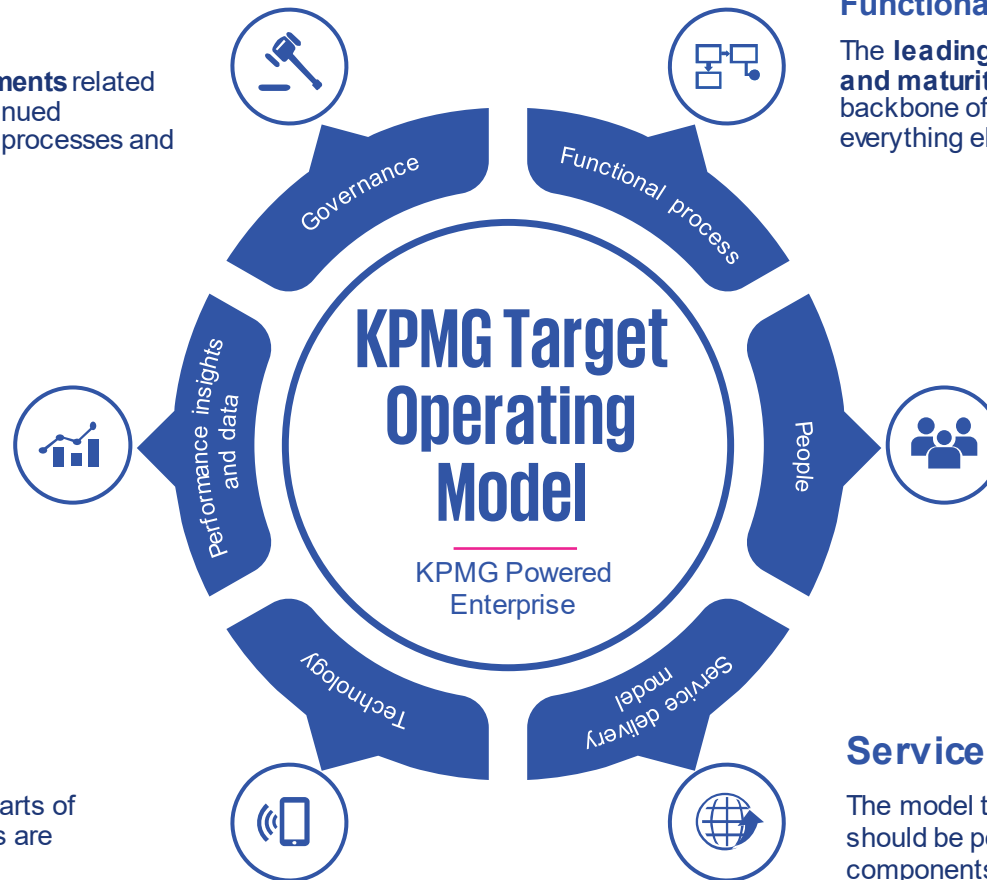
The **risks, controls and segregation requirements** related to processes in scope. The opportunity for continued compliance, accountability and transparency of processes and technologies.

Performance insights and data

The **data and analytics** required to inform business critical decisions and future-proof performance — plus the related master data structures to enable these.

Technology

Describes which **technologies support** what parts of each process, and how technology applications are integrated.



Functional process

The **leading practices, process taxonomies, process flows and maturity models** that describe functional operation. The backbone of the KPMG Target Operating Model to which everything else relates.

People

The **roles, organisational relationships, competencies and skill** requirements needed to execute process areas. This layer intersects with the functional process to describe who does what.

Service delivery model

The model that defines **where and by whom processes** should be performed. It also describes incremental components required to run and operate a capability center.

Key Takeaways to consider for finance transformation.....

Governance, sponsorship and vision

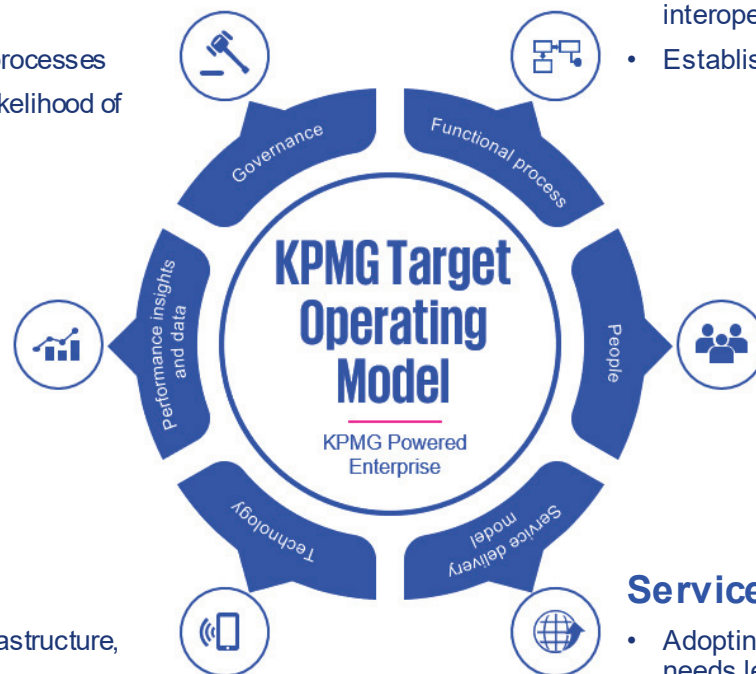
- Develop plans that **align to strategic objectives** – with agreed vision and target end state.
- **Secure resources** required to effectively transform, understand current baseline, the proposed benefits
- **Clear roles, responsibilities, and decision-making** processes
- Early preparation for the transformation improves the likelihood of success

Performance insights and data

- Use **advanced analytics** techniques, such as data mining, empowers organisations to extract valuable to enable **confident data-driven decision-making**.
- The **integration** of data can be **complex** due to differences in data formats, approvals, structures, and definitions – so consider the approach to data management early

Technology

- **Cloud-based** solutions offer **scalable** and **flexible** infrastructure, empowering the finance function to **adapt**
- **Carefully consider point solutions and integrations** to support modern finance processes.
- Ensure you look for needs of the future, rather than the current



Functional process

- Consider **end-to-end processes**, and the link with other functions (HR, DDaT, Sustainability etc), fostering collaboration
- **Limiting process variations** to gain standardisation and drive interoperability
- Establish and promote **process ownership models**

People

- **Consider and plan for future roles and skillsets (both in finance and the customers of finance)**, particularly challenging areas, and plan effectively – including retention processes
- **Integrate people strategy** with other layers, particularly SDM and functional processes – what skills are required, and where...
- Foster a **positive mindset** towards change.

Service delivery model

- Adopting a **customer-centric approach** by understanding customer needs leads to improved stakeholder satisfaction.
- Leverage **economies of scale**, assessing appropriate ownership for key activities
- Link in with technology and people layer to use automation to drive efficiency and effectiveness.



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