Our team today

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Agenda for today

» Overview of our Future of Corporate Services study

» Key themes: supporting frontline services, usage of data & technology and change

» What does this mean for you?

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Objectives of this study

The KPMG 2024 Global Corporate Services survey features the responses from 250 senior executives from diverse functional areas, encompassing front, middle and corporate services, along with key executive leaders.

We aimed to:

» Understand what is driving the enhancement of corporate services and what is creating the desire for change

» Assess what is going well and what needs to be improved

» Understand the impact of key technologies such as AI/GenAI and how it enables value

» Discover the impact of siloed back-office activities, and the impact on connectivity and collaboration

» Determine how corporate services will need to be structured to better support the business

Svilena Tzekova
Global Head of Corporate Services
KPMG International

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Poll: What are your key drivers for change?

What are the key drivers for change in your organisation?

- ❑ Focus on spending and efficiency

- ❑ Advancements in technology

- ❑ Improving user experience

- ❑ Sustainability and ESG

- ❑ Other

Make your selection(s) on Slido

How to Join:

a. Open a browser on any laptop, tablet or smartphone

b. Go to slido.com

c. Enter event code: #GFF2025

d. Room: Community Stage

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Pressure to drive efficiency and adopt new technology is driving change

Rapidly advancing technologies (95%) — 1ˢᵗ

Increasing competitive pressure (85%) — 2ⁿᵈ

Changing customer behaviour and expectations (85%) — 3ʳᵈ

External | Internal

1ˢᵗ — Efficiency (98%)

2ⁿᵈ — Need for increased business agility (86%)

3ʳᵈ — Operational issues (71%)

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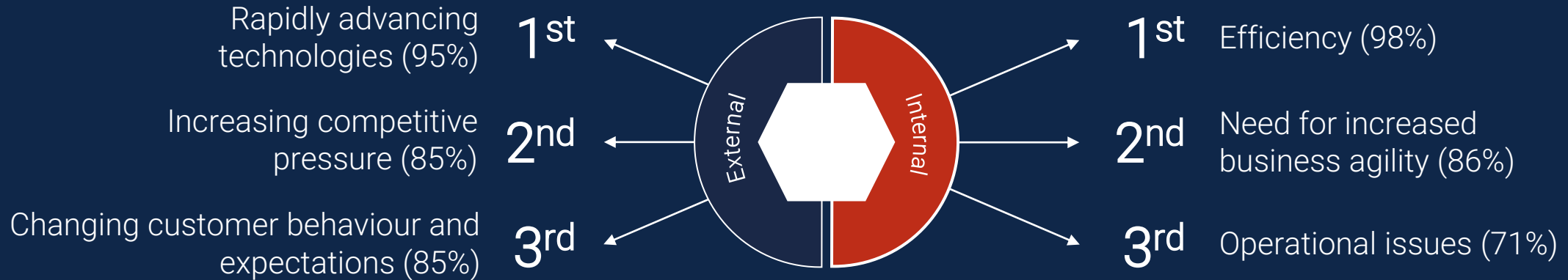
Pressure to drive efficiency and adopt new technology is driving change (cont.)

1/4

Report that transformation is a continuous process within their organisation

Top three types of transformations in the past 3 years

Digital/technology transformation
68%

Functional transformation
52%

Performance transformation
42%

While Enterprise, business model and risk and regulatory transformations occurred across a 1/3 of those surveyed

IT
52%

Finance
42%

IT and Finance have undergone "significant change" in the past 3 years

HR (29%), Procurement (24%) and Legal (14%) have undergone less

Top priority for the next 12 months

Cutting costs and driving efficiencies

» #1 rank for organisation as a whole

» #1 rank for function/group

Automating key processes

» #2 rank for organisation as a whole

» #5 (last) for function/group

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Focus business models and operating models on creating value....

Reduce costs

-15%

Key result: -15% reduction in digital services expense

Improve processes

-20%

Key result: -20% reduction in "time to quote"

Reduce time

-13%

Key result: - Manufacturing to POS reduced from 44 to seven days, reducing inventory by 13%

Improve planning

Forecast accuracy

+30%

Key result: -30% improvement in forecast accuracy

Increase customer interactions

Key result: -Triple digit increase in direct customer transactions

Improve efficiency

+34%
Productivity

-20%
Cost

Key result: -34% productivity improvement; 20% realised cost reduction

Improve experiences

-8%

Key result: 8% increase in NPS

-10%

Key result: 10% decrease in voluntary employee turnover

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Releasing the undeveloped potential of corporate services

Corporate Services must play a larger role in helping deliver enterprise-wide value.

To accomplish this, these functions should be more closely aligned to support value creation, prevent value loss, and proactively mitigate risk.

01 Design Corporate Services to support frontline services

02 Harness the power of data to deliver more value

03 Embrace technology to fundamentally change Corporate Services

04 Incentivise and enable change to advance Corporate Services

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Releasing the potential of corporate services

01 | **Design Corporate Services to support frontline services**

02 | Harness the power of data to deliver more value

03 | Embrace technology to fundamentally change Corporate Services

04 | Incentivise and enable change to advance Corporate Services
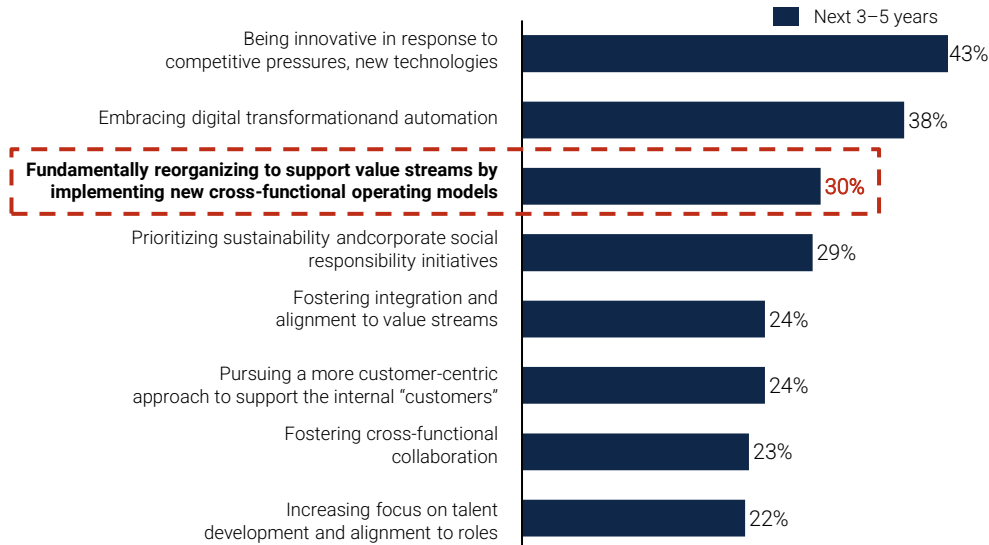
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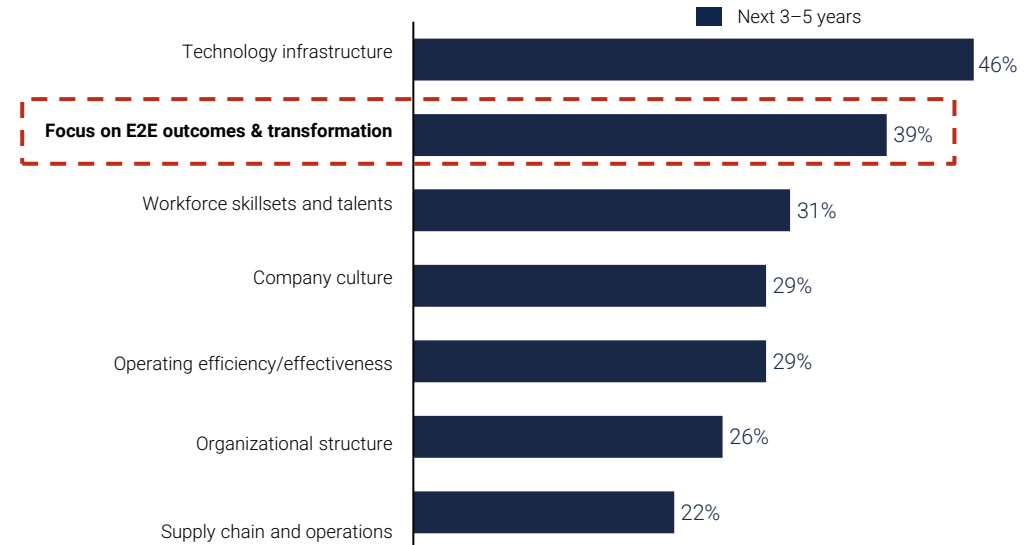# Corporate Services need to be better connected and focused on outcomes…

To prepare for the future, functions need to innovate, embrace new technologies and reorganise to support service delivery

How do you envision corporate services functions changing within your organization in the next 3-5 years? Multi Select Matrix (A4; N=250) [a][b]

■ Next 3–5 years

Being innovative in response to competitive pressures, new technologies	43%
Embracing digital transformationand automation	38%
Fundamentally reorganizing to support value streams by implementing new cross-functional operating models	**30%**
Prioritizing sustainability andcorporate social responsibility initiatives	29%
Fostering integration and alignment to value streams	24%
Pursuing a more customer-centric approach to support the internal "customers"	24%
Fostering cross-functional collaboration	23%
Increasing focus on talent development and alignment to roles	22%

End to end transformation was a top priority for almost 40% of respondents

What types of changes are you considering initiating in your organisation over the next 3-5 years? Multi Select Matrix (A3; N=250) [a][b]

■ Next 3–5 years

Technology infrastructure	46%
Focus on E2E outcomes & transformation	39%
Workforce skillsets and talents	31%
Company culture	29%
Operating efficiency/effectiveness	29%
Organizational structure	26%
Supply chain and operations	22%

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Designing corporate services to support services & outcomes

Future of Corporate Services

Leading the Enterprise – value creation, strategy and business model, departments, customers, channels, products, services

Operational Value Streams – defining and orchestrating the end-to-end experience and required capabilities

Future of Functions e.g.

Finance	HR	Procurement	Property	DDAT

Shared Services – the "delivery engine" for digital transformation

GBS leadership and strategic governance

Enabling Value Streams

Record to Report	Order to Cash	Hire to Retire	Source to Pay

Service Management

Enterprise-wide capabilities e.g. Experience Management, Digital COE, Change CoE, ESG CoE

GBS support capabilities

GBS interaction channels (digital and human)

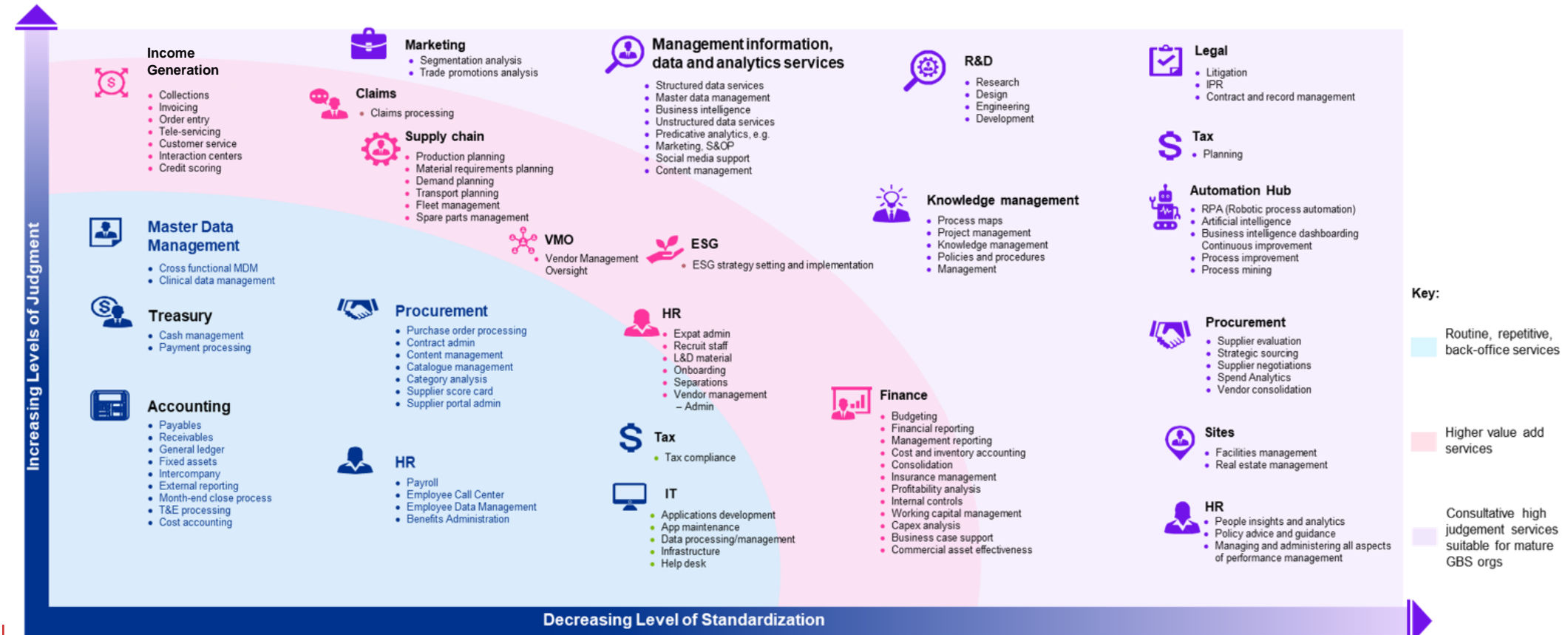| Intelligent Client Function	GBS Captive Service Centre	Government Providers	Technology Service Providers	BPO / Specialist Service Providers

Future of Technology

Enabling the Enterprise – designing, building and operating the foundation platforms (Cloud / Data / AI / Applications / Cyber)

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Leading organisations are expanding their shared services/collaborating beyond traditional functions

These are the services GBS provides to the organization, however it is also important to consider the enterprise-wide capabilities the business needs to deliver on their business ambition

Increasing Levels of Judgment

Income Generation
- Collections
- Invoicing
- Order entry
- Tele-servicing
- Customer service
- Interaction centers
- Credit scoring

Marketing
- Segmentation analysis
- Trade promotions analysis

Claims
- Claims processing

Supply chain
- Production planning
- Material requirements planning
- Demand planning
- Transport planning
- Fleet management
- Spare parts management

Management information, data and analytics services
- Structured data services
- Master data management
- Business intelligence
- Unstructured data services
- Predicative analytics, e.g.
- Marketing, S&OP
- Social media support
- Content management

R&D
- Research
- Design
- Engineering
- Development

Legal
- Litigation
- IPR
- Contract and record management

Tax
- Planning

Master Data Management
- Cross functional MDM
- Clinical data management

VMO
- Vendor Management Oversight

ESG
- ESG strategy setting and implementation

Knowledge management
- Process maps
- Project management
- Knowledge management
- Policies and procedures
- Management

Automation Hub
- RPA (Robotic process automation)
- Artificial intelligence
- Business intelligence dashboarding Continuous improvement
- Process improvement
- Process mining

Treasury
- Cash management
- Payment processing

Procurement
- Purchase order processing
- Contract admin
- Content management
- Catalogue management
- Category analysis
- Supplier score card
- Supplier portal admin

HR
- Expat admin
- Recruit staff
- L&D material
- Onboarding
- Separations
- Vendor management – Admin

Procurement
- Supplier evaluation
- Strategic sourcing
- Supplier negotiations
- Spend Analytics
- Vendor consolidation

Accounting
- Payables
- Receivables
- General ledger
- Fixed assets
- Intercompany
- External reporting
- Month-end close process
- T&E processing
- Cost accounting

HR
- Payroll
- Employee Call Center
- Employee Data Management
- Benefits Administration

Tax
- Tax compliance

IT
- Applications development
- App maintenance
- Data processing/management
- Infrastructure
- Help desk

Finance
- Budgeting
- Financial reporting
- Management reporting
- Cost and inventory accounting
- Consolidation
- Insurance management
- Profitability analysis
- Internal controls
- Working capital management
- Capex analysis
- Business case support
- Commercial asset effectiveness

Sites
- Facilities management
- Real estate management

HR
- People insights and analytics
- Policy advice and guidance
- Managing and administering all aspects of performance management

Decreasing Level of Standardization

Key:
- Routine, repetitive, back-office services
- Higher value add services
- Consultative high judgement services suitable for mature GBS orgs

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Building enterprise-wide capabilities through shared services

Modern shared services look beyond delivery of traditional functional execution, and start to build and offer enterprise-wide services which are highly sought after and valuable to their organisation

INTELLIGENT AUTOMATION

CONTINOUS IMPROVEMENT

INNOVATION

CHANGE MANAGEMENT

ANALYTICS & INSIGHTS

EXPERIENCE MANAGEMENT

DATA MANAGEMENT

BUSINESS CONTINUITY

GLOBAL PROCESS OWNERS

BUSINESS PROCESS TRANSFORMATION

GBS COMMERCIAL SERVICES

ESG SERVICES

Combining capabilities can have a multiplier effect of value

Business-led and Experience-driven digitalisation will be reinforced

Experience and Automation together can have a positive impact on client as well as employee satisfaction leading to better productivity

Closer operational alignment between data and reporting can lead to better data consumption and service credibility

GPO and Transformation capabilities are key drivers to designing, transforming and changing the processes

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Releasing the undeveloped potential of corporate services

01 Design Corporate Services to support frontline services

02 **Harness the power of data to deliver more value** «

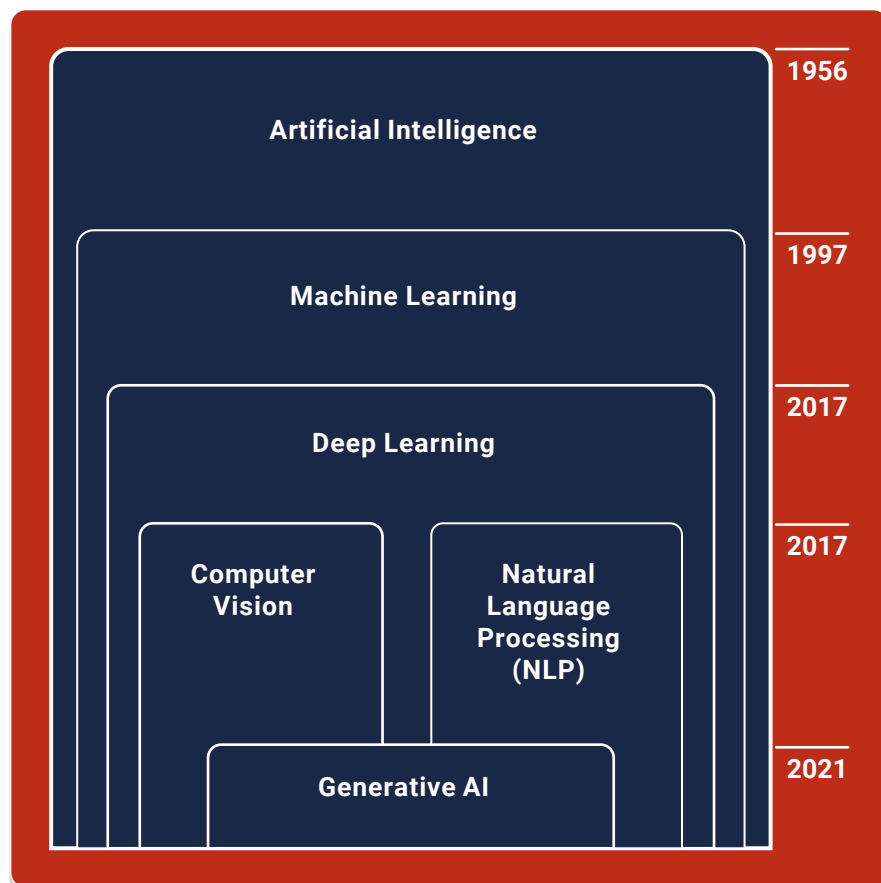03 Embrace technology to fundamentally change Corporate Services

04 Incentivise and enable change to advance Corporate Services

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Key Takeaways

The future of Corporate Services lies in leveraging data to become an engine of business insight, supported by automation and AI.

It's time to stop thinking of corporate services as simply the back office and start positioning it as a critical part of the business, capable of driving value, efficiency, and growth.

Data is a game-changer: Use it to drive efficiency, insights, and business growth. Join up disparate, cross-functional data sets to drive insight and recommended actions.

Automation is essential: Eliminate manual processes, embrace AI and automation.

Break down siloes: Align Corporate Services with business strategy through connected data.

Invest in skills and tools: Data and AI capabilities are critical for the future. Invest or get left behind.

Releasing the undeveloped potential of corporate services

Corporate Services must play a larger role in helping deliver enterprise-wide value.

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Taking a step back – a brief history of AI

Artificial Intelligence — 1956

Machine Learning — 1997

Deep Learning — 2017

- **Computer Vision** — 2017
- **Natural Language Processing (NLP)** — 2017
- **Generative AI** — 2021

Data Processing
Gen AI can identify and/or rectify inconsistencies, missing values, and outliers in datasets, classify data, compare datasets and match to/from different taxonomies.

Summarising Information
Gen AI can summarise large amounts of text, data, images, meeting, video and/or sound data.

Creating Content
Gen AI can compose professional emails, communications, reports, marketing materials, creative ideas and research, images, video and sounds.

Diary Management
Gen AI assistants can schedule meetings, book conference rooms, and manage calendars.

Conversational Agents
Gen AI can participate in intelligent dialogues to offer user support, suggest access to resources, or triage requests.

Code Generation
Gen AI can suggest code snippets, document code, and convert code between languages.

Translation
Gen AI can translate between different languages expressed in text, voice, and computer code. It can also translate between dialect and styles.

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Example GenAI uses by function

Finance
» Creating financial performance commentary/insights
» Benchmarking analysis
» Automating variance analysis and commentary for invoice reconciliations
» Predictive insights for Financial Planning

HR
» HR policy chatbot
» Drafting/Optimising employee communications
» Generate onboarding materials
» Automating the screening of CVs
» Personalise employee training

Operations
» Demand forecasting for inventory reduction
» Identifying production errors, anomalies, or defects
» Sales analysis for price optimisation

Customer service/ Client Servicing
» Conversational agents (multilingual)
» Analysing/Summarising customer feedback/reviews
» Personalised customer responses (email/text)
» Complaints management
» Fraud Detection
» Next best action
» KYC/CDD

Commercial, Legal and Compliance
» Compliance management/ monitoring
» Policies and procedures (Policy simplification)
» Highlighting changes in regulation
» Contract Management
» Vendor due diligence
» Contract compliance (categorize, identify common or unique terms, and answer questions)

IT/Security
» Code creation /conversion/modernisation/ reviews
» Creating or improving IT customer support chatbots
  Cyber threat hunting
»

Supply Chain and Logistics
  Optimised Supply-chain management

Research & Development
» Generation of ideas
» Product designs and images

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Releasing the undeveloped potential of corporate services

01 | Design Corporate Services to support frontline services

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Tackling organisational boundaries that get in the way of Corporate Services' collaboration

What's getting in the way?

We see Corporate Services not collaborating, but it is more than just the behaviours of functions, there are deeper rooted organisational and behavioural challenges.

	Functional silos	Hierarchy	Cultural differences	Leadership support	Governance
Current	» Teams already used to operating in their functional silos.	» Long chains of command for decision making meaning some getting deprioritised at the top.	» Some personality traits and cognitive styles make people more inclined to certain positions – causing sub cultures between departments.	» The vast majority of leaders don't think corporate services need to be more aligned.	» Individual functional decision making and prioritisation e.g. in funding
Future	» Create fusion teams to pilot new approaches or combined functional capabilities.	» Ensure those raising issues have a direct line of sight – maybe reporting through the fusion team.	» Raise awareness and acceptance of culture variations and different ways of working.	» Leadership should role model behaviours they want reflected in their teams. They must prioritise collaboration to embed the change.	» Cross functional global process owners drive standardisation and continuous improvement

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What can you do?

01

Focus business and operating models on delivering outcomes for your organisations

02

Identify priority services that Corporate Services can align with

03

Assess the maturity of the current Corporate Services model

04

Continually align Corporate Services with your civil service/departmental priorities, and x-govt missions

05

Drive cross-organisational alignment through governance and objectives and key results (OKRs)

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Meet the Team

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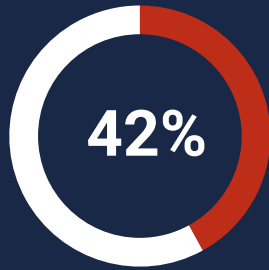KPMG in the UK
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Thank you for participating

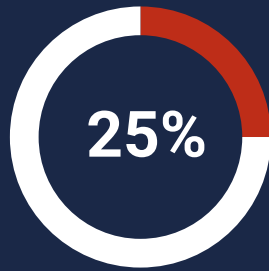# Driving value will require cross-functional alignment

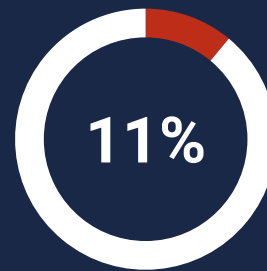## Respondents question the value being generated by corporate services

42% of corporate services respondents consider corporate services as **siloed**

10% of corporate services respondents consider corporate services as **efficient**

25% of the **corporate services members** consider other functions as **effective**

11% of respondents report that the back-office delivers **high quality services at great value**

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Opportunities by an improved approach to data

Corporate Services has a real opportunity to leverage data, automation and AI to redefine itself as we know it

By leveraging technology and data, Corporate Services can redefine itself as a genuine business partner focusing on the value streams that deliver strategic insight

High levels of automation utilising data integration to remove human processing from operations leading to improve efficiency and accuracy

Data driven decision making by harvesting and combining valuable data sets to deliver insight and analytics into the enterprise identifying new revenue enhancing opportunities

Driving operational efficiencies by using data and analytics to identify process bottlenecks and redundant processes to streamline operations and reduce costs

Optimise the workforce using data to help forecast demand and help HR departments make better decisions about talent management and employee engagement

Realtime monitoring of critical reporting areas such as fraud detection, compliance, finance and risk management.

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Data has a pivotal role to play in the future

Data is a core asset in this transformation and high performing Corporate Services functions of the future will harness it and extract its value.

Technology & Infrastructure: Scalable modern data and analytics platforms integrating and combining data sets and serving the right information to the right people

Governance: established definitions, standards, data ownership and accountability

Data Quality: Trusted and reliable data conforming to published data quality standards and definitions with a culture of continuous improvement

Skillset: Strong analytical skillset including Data Architects, Engineers, Scientists and Visualisation

Innovation: A culture that promotes and supports innovation with an open mindset to new ideas and funding to prove new concepts

Future Corporate Services functions will become **real business partners**, utilising the data at their disposal to drive real value across the enterprise

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