Make the connection

Rebuild your business around your customers to create a seamless, agile, digitally enabled organization, capable of transforming experiences and reaching new levels of performance and value

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Rebuild your business around your customers to create a borderless, agile organization, where people, data and technology interact to help improve experiences and reach new levels of performance and value. "

Ian Hancock, Global Head of Consulting, KPMG International, 2022

Stay ahead of expectations

To help survive and thrive in the digital age, organizations should be truly connected and have the customer at the core of their decisions.

Today's customers are better informed and more demanding than ever before. Therefore, sustainable growth in a digital world depends on recognizing the power of the customer and aiming to ensure your organization is truly connected and customer-centric.

This means having your processes aligned and connected across all functions, and your people and partners all working together to meet customers — effectively and profitably — on their terms.

KPMG Connected Enterprise is KPMG's customer-centric, agile approach to digital transformation, tailored by sector. It transforms the way that you operate – helping you to focus your **enterprise, operations and** technology **development** on meeting customer, employee and stakeholder expectations, creating business value, and driving sustainable growth.

If your goals involve striving to improve experiences, introduce innovative new products and services, drive operational cost efficiency, align workforces and modernizing your technology, the KPMG Connected Enterprise solution suite is here to help.

> **"Digitally advanced firms will have a sustained advantage over their competitors."**
>
> **Source: Forrester Consulting, 2021**

Connect the dots and delight your customers

What is holding you back from being truly connected and customer-centric?

It is not only customers that are demanding more from organizations, but employees and stakeholders also. They want a digitally driven experience that aligns with the best of what they get from other organizations.

However, for many organizations, achieving this is hindered by poorly framed operating models, a lack of alignment across processes and functions, and legacy technology.

These challenges make it complex to understand customer, employee and stakeholder needs, and be agile and responsive to demand.

70%
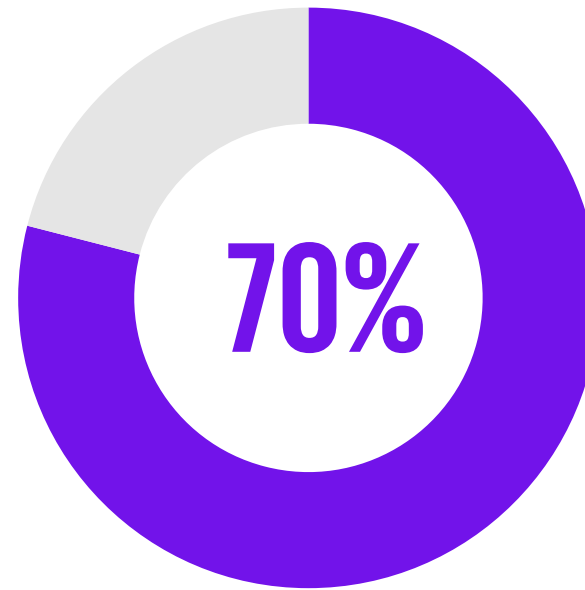
of CEOs surveyed recognize the need to shift investment to digital opportunities.[1]

In a 2022 KPMG-commissioned global survey of 1,325 global CEOs, 70 percent of CEOs acknowledged the need for a quicker shift of investment to digital opportunities while divesting in those areas where they face digital obsolescence. [1]

[1] Source: KPMG 2022 CEO Outlook

What's the future of your sector?

The **Connected Enterprise** is KPMG's customer centric, agile approach to digital transformation, tailored by sector.

The **'Future of Sector'** series is a strategic vision which sets the future north star for the what the business will become. The vision is derived by looking at the signals of change, understanding future winning business models, and selecting the right model.

KPMG 'Future of Sector' strategic reports are available for the following sectors:

- Consumer Packaged Goods
- Commercial Banking
- Cities
- Defense
- Digital Advertising Platforms
- Fintech
- Hardware
- Healthcare

- Higher Education
- Human Social Services
- Industrial Manufacturing
- Large Commercial Insurance
- Life and Annuity Insurance
- Local Government
- Medical Devices
- Pharma

- Personal Insurance
- Public Transport
- Retail
- Retail Banking
- Telecom
- Vehicle Customer Experience
- Wealth Management
- XaaS (Everything as a Service)

Explore the full series <u>here</u> and find out more in your sector's 'Future of' report.

KPMG

Future of commercial banking

August 2022 | home.kpmg

How KPMG Connected Enterprise helps

KPMG professionals can help you understand the flow of value through your business, and determine where your resources and investments can make the most difference to the customer experience.

KPMG Connected Enterprise supports organizations through transformation to deliver greater customer, employee and stakeholder experiences which are as fast and seamless as possible. Preconfigured sector specific, enablers include:

- **Value streams**
- **Customer journeys**
- **Capabilities**

- **Blueprints**
- **Solutions**
- **Platforms**

Working through your **enterprise, operations,** and technology **development**, KPMG Connected Enterprise helps you address a lack of customer centricity, siloed activities, disaggregated data and legacy technology systems that are no longer fit for purpose. With an agile mindset, KPMG professionals can help assess and adjust your approach to ensure it is right for your current needs and conditions.

KPMG professionals can guide you on where and how to begin your transformation journey, and provide the support you need along the way. Everybody can benefit from the circle of value creation — from your organization to your customers, to the wider ecosystem of partners, stakeholders, markets and communities.

How do you compare to your competitors?

You can benchmark how your organization is currently performing when it comes to being a connected, customer-centric enterprise.

Use the **KPMG Capability Maturity Assessment** to see where you are placed against industry best practices.
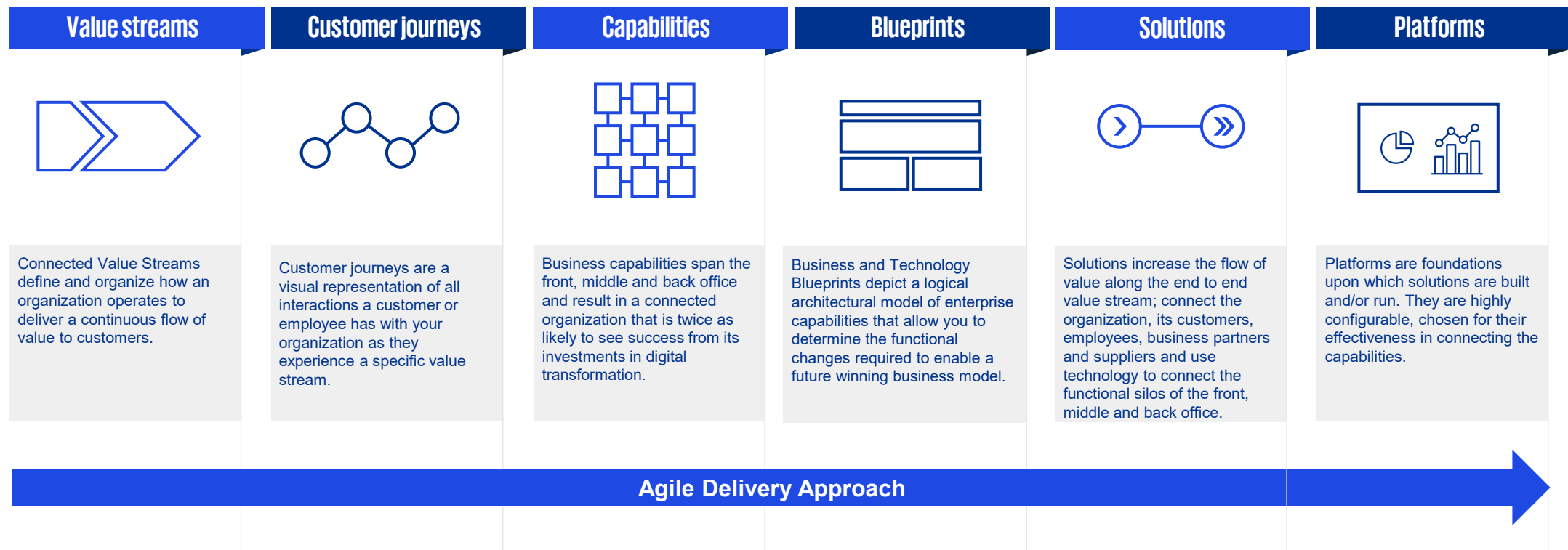
In just a few minutes, complete a high-level or a detailed assessment of your choice and receive a real-time report that offers you an easy-to-share view of the opportunities and challenges you face on the way to becoming a growth-led, connected enterprise.

Click here to get started on the assessment

Preconfigured enablers tailored by sector

KPMG Connected Enterprise taps into the future of your sector to help you to accelerate your journey to becoming a customer-centric, digitally enabled enterprise. To support this ambition, we provide an integrated suite of preconfigured enablers, tailored by sector.

Value streams	Customer journeys	Capabilities	Blueprints	Solutions	Platforms
Connected Value Streams define and organize how an organization operates to deliver a continuous flow of value to customers.	Customer journeys are a visual representation of all interactions a customer or employee has with your organization as they experience a specific value stream.	Business capabilities span the front, middle and back office and result in a connected organization that is twice as likely to see success from its investments in digital transformation.	Business and Technology Blueprints depict a logical architectural model of enterprise capabilities that allow you to determine the functional changes required to enable a future winning business model.	Solutions increase the flow of value along the end to end value stream; connect the organization, its customers, employees, business partners and suppliers and use technology to connect the functional silos of the front, middle and back office.	Platforms are foundations upon which solutions are built and/or run. They are highly configurable, chosen for their effectiveness in connecting the capabilities.

Agile Delivery Approach

Value streams

Connected Value Streams are the primary construct for defining and organizing how the enterprise operates to deliver a continuous flow of value to customers.

Value streams are persistent, enduring for as long as customers continue to place orders for their products or services. They cut across departments and functions, and each contains:

- all the steps necessary to convert the trigger to the delivery of value;

- the people who perform these steps;

- the solutions they use to do their work;

- the flow of information and materials that are necessary to satisfy that request.

An example value stream for a loan may look like this:

Loan needed → Attract customer → Complete application → Underwrite → Award loan → Repay loan → Loan repayment with interest

Customer journeys

Customer journeys are a visual tool that depict the sentiment of customers at every stage and every touchpoint as they experience the end to end Value Stream. A journey atlas helps to catalogue and compare the key journeys for your organization, as they align to your value streams.

Customer / Employee Personas

Touch Points / Interactions

Journey Context: Channel Preference

Emotional Journey

Prioritized Pain Points and Moments of Truth

Field Research Evidence

Quantitative Metrics e.g. win/error rate %

Qualitative Verbatims / CX Excellence Pillars

Strategy / Solution Recommendations

End-to-end outside-in interactions (up & down-stream impacts)

Outside-In behavior and values

Quant & qual prioritization insights

Inside-out solutions & capabilities

Software Capabilities
1) Collaborating and Publishing Design Assets
2) Developing and Publishing Journey Maps
3) Real-Time Virtual & Social Collaboration
4) Motivational & Behavioral Design Patterns
5) CX Measurement, Management, and Control

Document Classification: KPMG Public

Eight capabilities for twice the impact

KPMG Connected Enterprise is built on findings that determine there are eight key capabilities of a truly connected, customer-centric enterprise. These are:

1. **Insights** — Insight-driven strategies and actions
2. **Innovation** — Innovative products and services
3. **Experience** — Experience-centricity by design
4. **Customer Engagement** — Seamless interactions and commerce
5. **Operations** — Responsive operations and supply chain
6. **People** — Aligned and empowered workforce
7. **Technology** — Digitally-enabled technology architecture
8. **Ecosystem** — Integrated partner and alliance ecosystem

Organizations that make a moderate or significant investment in all eight capabilities are 2.1 times more likely to deliver an experience that exceeds expectations.*

For example, in the public transport sector, high-maturity organizations (those who score well against the eight capabilities) are 3.7 times more likely to provide customers with experiences that consistently exceed expectations than their less mature peers. [1]

[1] Source: A study conducted by Forrester consulting on behalf of KPMG, March 2022

Insight-driven strategies and actions	Innovative products and services	Experience-centricity by design
Seamless interactions and commerce	**2x** Impact*	Responsive operations and supply chain
Aligned and empowered workforce	Digitally-enabled technology architecture	Integrated partner and alliance ecosystem

*Note: (a) Base: 1,299 professionals involved with customer-centric strategy decisions. Source: A commissioned study conducted by Forrester Consulting on behalf of KPMG, September 2018

A closer look at the eight capabilities

KPMG-commissioned research conducted by Forrester Consulting reveals that investing in these eight capabilities can result in a connected, customer-centric organization that is twice as likely to see success from digital transformation.[1]

1 Insight-Driven Strategies and Actions

With KPMG Connected Enterprise | Insights, harness data, advanced analytics and actionable insights with an understanding of the customer and the business, to help shape integrated business decisions.

Key considerations

- Do your capabilities give you a holistic understanding of your business ecosystem?

- How do your data practices help you to provide a real-time, 360-degree view of your customers?

- Do you have detailed policies in place to ensure information security and privacy?

2 Innovative Products and Services

Develop compelling customer value propositions on price, products and services to engage customers and help drive profitable growth.

Key considerations

- Does your strategic planning process balance value to customers with value to the organization?

- Do your customer insights help you target customers and prospects with the right products?

- Do you design new products and services leveraging deep customer insights and anticipating future needs?

3 Experience-Centricity by Design

With KPMG Connected Enterprise | Experience, design seamless, intentional experiences for customers, employees and partners, supporting the customer value propositions and delivering business objectives.

Key considerations

- Do you approach experience design from both inside-out and outside-in?

- Can you respond to rapidly evolving customer, employee and marketplace dynamics?

- Do you measure customer, employee and partner interactions across different products and services, delivered across various channels, using multiple KPIs?

4 Seamless Interactions and Commerce

With KPMG Connected Enterprise | Customer Engagement, interact and transact with customers and prospects across marketing, sales and service and achieve measurable results.

Key considerations

- Is your experience joined up and connected?

- How does your organization harness data and analytics to deliver a relevant, seamless experience across marketing, sales, service and commerce?

- Can your platform integrate internal systems with partners and third-party providers to provide the desired experience?

[1] Note: (a) Base: 1,299 professionals involved with customer-centric strategy decisions.
Source: A commissioned study conducted by Forrester Consulting on behalf of KPMG, September 2018

A closer look at the eight capabilities

5 Responsive Operations and Supply Chain

With KPMG Connected Enterprise | Operations, operate the business with efficiency and agility to help fulfil the customer promise in a consistent and profitable way.

Key considerations

- Are your operations able to respond and adapt to changing market requirements?

- Does your supply chain bring you the consistent performance that you need?

- Do you leverage data and analytics across the full value chain to drive enterprise improvement?

6 Aligned and Empowered Workforce

With KPMG Connected Enterprise | People, build a customer-centric organization and culture that inspires people to deliver on the customer promise and drive up business performance.

Key considerations

- Do you foster an innovative, forward-looking and customer-centric culture?

- Do your employees have the right skills and training to help them deliver to customers?

- Are you able to attract and retain the right digital and entrepreneurial talent with the right mindset for customer centricity?

7 Digitally-Enabled Technology Architecture

With KPMG Connected Enterprise | Technology, create intelligent and agile services, technologies and platforms, enabling the customer agenda with solutions that are secure, scalable and cost-effective.

Key considerations

- Are you incorporating and optimizing the integration of today's and tomorrow' technologies to support high performance?

- Are you automating business and technology processes to respond to customer needs more effectively?

- Is the necessary security in place to protect your data, systems and products?

8 Integrated Partner and Alliance Ecosystem

With KPMG Connected Enterprise | Ecosystems, engage, integrate and manage third parties to help increase speed to market, reduce costs, mitigate risk and close capability gaps to deliver the customer promise.

Key considerations

- Are you able to identify partners, alliances and vendors to fill any capability gaps?

- Do you have a defined, efficient and risk-reducing onboarding process?

- Do you monitor partners' performance and ensure it is helping you meet your business objectives?

Blueprints

Blueprints cover both business and technology capabilities.

Business blueprints depict a logical architectural model of all the future capabilities and sub capabilities of the enterprise. They demonstrate what business changes are needed to execute long-term digital transformation.
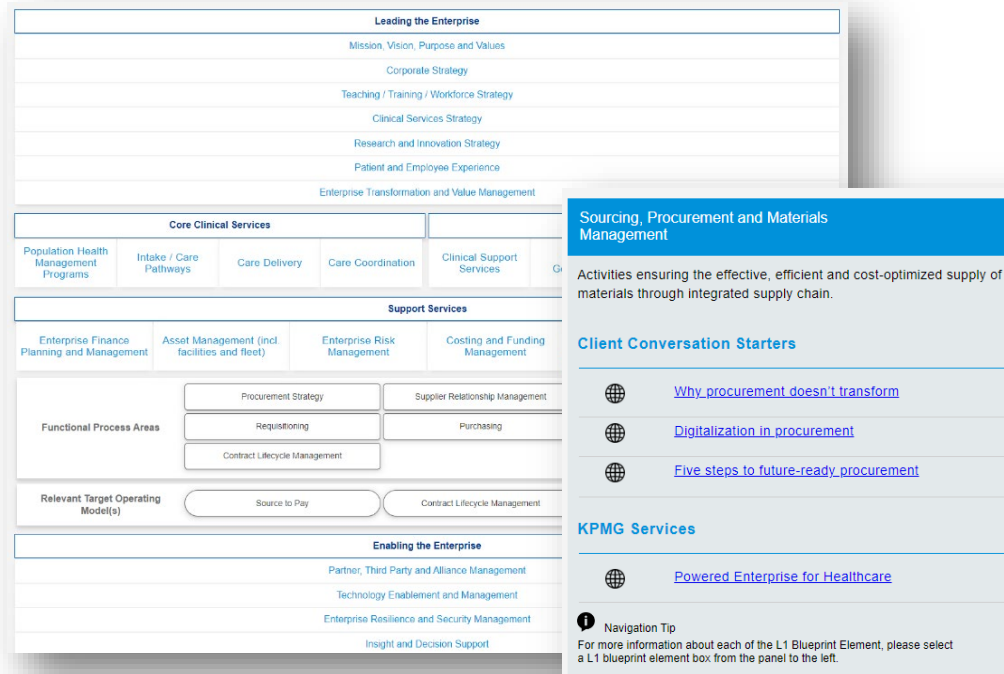
Technology blueprints depict a logical architectural model of all the future technology capabilities of the enterprise.This helps to identify which applications are required for your sector and function, and the specific applications and vendors that are applicable.

Document Classification: KPMG Public
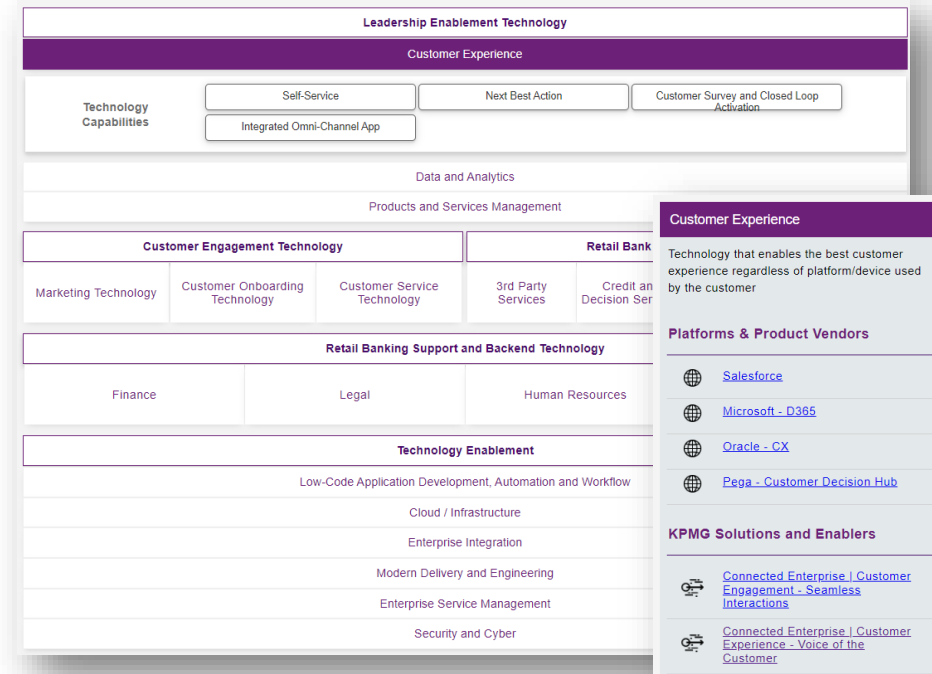
Solutions

KPMG has developed a set of solutions to help deliver the capabilities of the Connected Enterprise.

Operating Model assets within the KPMG Target Operating Model (TOM) enable accelerated delivery of a business capability. Specific assets of the KPMG TOM are referenced, along with any specific changes required.

Pre-developed and configurable technology-related capabilities support solution delivery. E.g. modeling methodology, pattern, custom code/ script, configured software file, trained model and parameters, vendor selection guide.

How to succeed

These considerations can help organizations make faster progress to customer centricity:

3

Build in resilience

CEOs are looking to get on the front foot when it comes to disruption and innovation, with 67 percent saying they will increase investment in disruption detection and innovation processes. Rather than waiting to be disrupted by competitors, CEOs are actively disrupting the sector in which they operate. To do this, you can push the boundaries of your business and question long-held assumptions of what it may take to succeed in the mid to long term.

5

Make use of new technologies

Make sure that you are continually looking at what new technologies are becoming available that could help you serve customers better or connect your business seamlessly. Are you utilizing cloud effectively? Are you building in appropriate automation and AI? Are staff empowered with collaborative tools so that they can better work together and share key information and data easily?

1

Keep close to what your customers want

The ability to think 'outside-in' is key in building a customer-centric enterprise. Strive to ensure that you are not deviating from your goal of delivering on what your customers want, need and are willing to pay for; keep continually looking up and outside of the organization to help ensure this mission is at the fore.

2

Do things in an agile way

Becoming a customer-centric enterprise is a transformation — but that doesn't mean the business needs to revolutionize overnight. Break changes down into specific steps, sequence them, and implement. Keep assessing whether the change has been successful in a 'test and learn' approach.

4

Keep it human

Embedding new technologies such as AI and automation is likely to be critical in developing more seamless interactions. However, you also need to keep the experience 'real'. Don't lose the human touch; make sure that your customers are still being served by your people at key moments.

Source: 2021 Global CEO Outlook, KPMG International

Why choose KPMG for your digital transformation?

Today's businesses know that in order to survive and thrive in the digital age they should be built around their customers, with an ability to continuously respond and adapt to ever-changing needs.

KPMG Connected Enterprise is one part of the **Elevate. Connected. Powered. Trusted.** approach to transformation.

Elevate. Unlock value – quickly. No matter where you are in your transformation and growth journey, achieve measurable improvements to revenue, operating margins, cost structures and working capital positions. KPMG Elevate is value, quantified and delivered.

Connected. Transform to a digitally connected and customer centric organization, driven by data, enabled by technology and people, and ready to seize opportunities and reach new levels of performance and value.

Powered. Boldly deliver functional transformation with best practice operating models, processes and technology, while increasing efficiencies, engagement, experiences and growth.

Trusted. Seamlessly embed a balanced approach to risk and regulation into every part of your organization, while securing the stakeholder confidence that enables responsible growth, bold innovation and high performance.
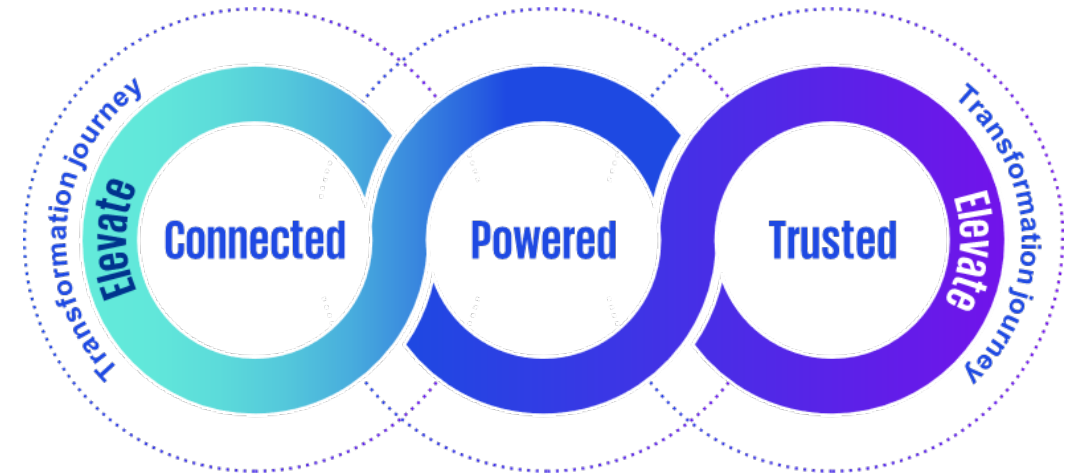
Whatever stage you are at on your transformation journey, KPMG professionals can help you find the right model, and build the practical steps to get you there.

Connect

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