



# Finance Transformation

Insurance

[kpmg.ch/fs](https://kpmg.ch/fs)



# Finance function is challenged to transform

## Change drivers

## CFO agenda today

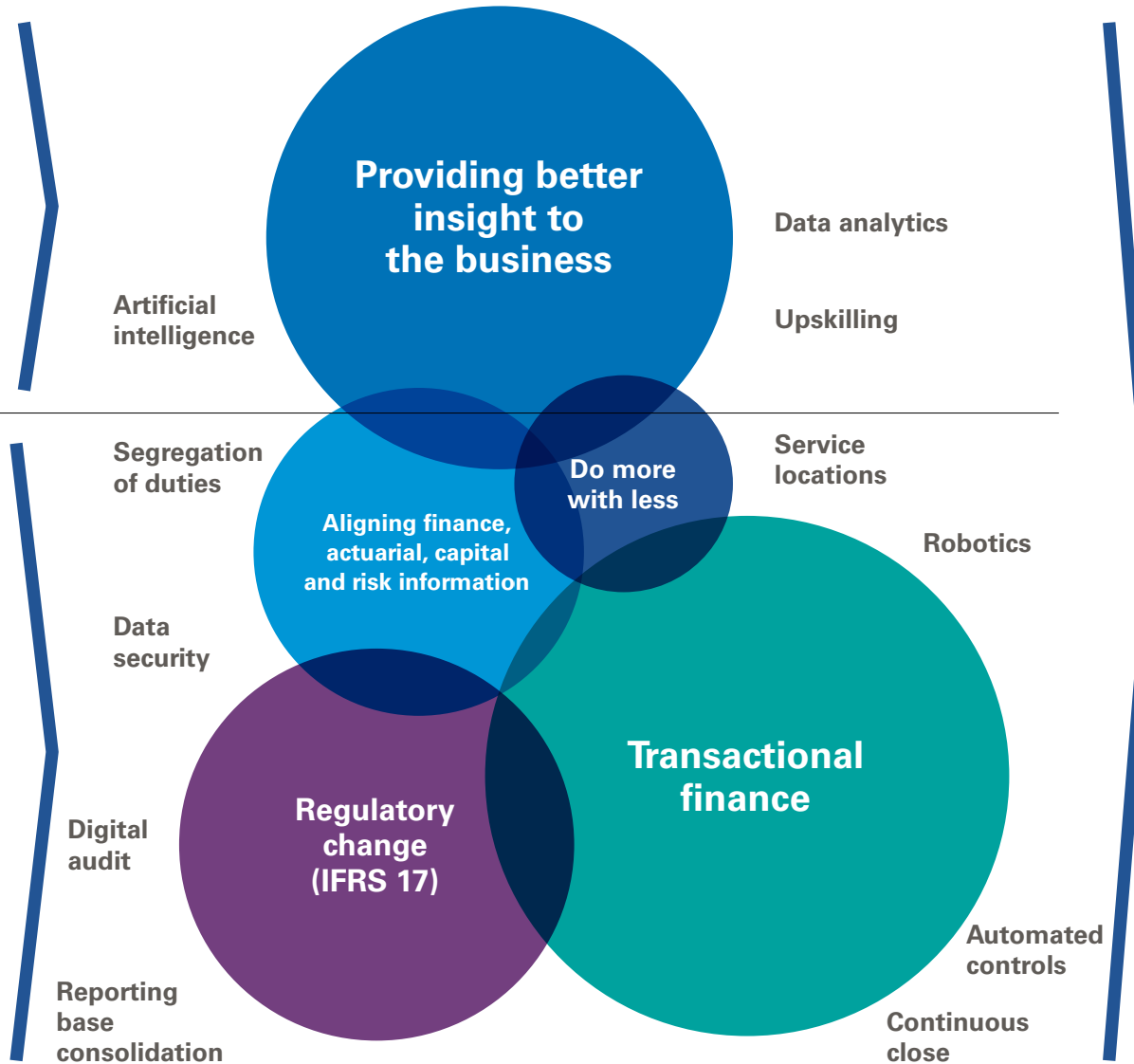
## CFO organization of the future

### Business enablement

Faster, relevant, integrated financial analysis and insight to the business across all key metrics, including actuarial, capital and risk

### Operational challenges

- Expanding finance function
- New business and operating models
- Emerging technologies
- M&A: Post-Merger Integration
- Cost pressure



### Liquidity & Profitability

- Utilizes agile models and disruptive technologies to support innovation and strategic decision making
- Translates data into financial targets and strategic outcomes
- Leverages "right-brain" competencies around leadership, talent, and relationship management






### Stability & Control

- "Mission-critical" core reporting activities
- Provides control, compliance, and transparency to the business
- Is the data steward for the organization
- Owns financial metrics

# The finance operating model will change significantly

## The change in a nutshell

## Diving into the details

<p><b>Service delivery model</b></p> 	<p>Technological advances will reshuffle the location models and the role of Shared Service Centers will diminish.</p>	<p><b>Geography no longer matters</b></p> <ul style="list-style-type: none"> <li>• Virtual delivery centers / “no shore”</li> <li>• Local need highly reduced or eliminated</li> <li>• Globally controlled</li> </ul>	<p><b>Reshaped support structure</b></p> <ul style="list-style-type: none"> <li>• Outsourcers as partners versus doers</li> <li>• Flexible more contingent workforce</li> <li>• Transactional layer is marginalized</li> <li>• Emphasis on partnerships, collaboration, and reducing silos</li> </ul>	<p><b>Move towards higher-value services</b></p> <ul style="list-style-type: none"> <li>• Sophisticated data modeling and visualization</li> <li>• Innovation and new capital allocation approaches</li> </ul>	<p><b>Increasing automation and integration</b></p> <ul style="list-style-type: none"> <li>• Robotics and Artificial Intelligence everywhere</li> <li>• Language neutralization removes barriers</li> <li>• One-office combined (back, middle, front)</li> </ul>
<p><b>People</b></p> 	<p>New skillsets will be required to drive business partnering, analytics and automation.</p>	<p><b>Focus on data utilization and technology</b></p> <ul style="list-style-type: none"> <li>• Analytics and insights</li> <li>• Visualization</li> <li>• Data modeling</li> <li>• Robotic quotient (RQ)</li> <li>• Programming expertise</li> </ul>	<p><b>Strategic partnering with the business</b></p> <ul style="list-style-type: none"> <li>• Strategic thinking</li> <li>• Research capabilities</li> <li>• Program management</li> <li>• Ambiguity and white-space</li> </ul>	<p><b>Emphasis on behavioral skills</b></p> <ul style="list-style-type: none"> <li>• Relationship management</li> <li>• Impactful storytelling</li> <li>• Feedback, communication, and negotiation</li> <li>• Influencing and inspiring</li> </ul>	<p><b>Technical finance expanded to analytics and process management</b></p> <ul style="list-style-type: none"> <li>• Business modeling</li> <li>• Core financial driver analysis</li> <li>• Process design and navigation</li> </ul>
<p><b>Functional process</b></p> 	<p>Automation of transactional processes and focus of work moving to analytics and insights.</p>	<p><b>Fully automated processes and controls</b></p> <ul style="list-style-type: none"> <li>• Transactional processes fully automated</li> <li>• Automation of controls</li> <li>• Rise of end-to-end process management</li> </ul>	<p><b>Speed of execution</b></p> <ul style="list-style-type: none"> <li>• Accelerated closes</li> <li>• Real-time processing</li> <li>• On-demand processing</li> </ul>	<p><b>Holistic view as pre-requisite</b></p> <ul style="list-style-type: none"> <li>• Aligned front-to-back flows</li> </ul>	<p><b>Emphasis on insights</b></p> <ul style="list-style-type: none"> <li>• Data &amp; Analytics</li> <li>• Planning &amp; Forecasting</li> </ul>
<p><b>Supporting technology</b></p> 	<p>Powering Analytics and Insights with Intelligent Automation, while fully automating Transactional Finance.</p>	<p><b>Pervasive intelligent process automation</b></p> <ul style="list-style-type: none"> <li>• Cloud ERP and EPM's</li> <li>• Robotic process automation</li> <li>• Artificial Intelligence</li> <li>• Blockchain</li> <li>• Data Management</li> <li>• Cognitive Analytics</li> <li>• Natural Language Processing</li> <li>• Digital Analytics and Delivery</li> </ul>		<p><b>Technology agility as an imperative</b></p> <ul style="list-style-type: none"> <li>• Real-time, constant integration across systems requiring less human intervention</li> </ul>	<ul style="list-style-type: none"> <li>• Instant scalability and agility enabled by “everything as a service” architectures</li> </ul>
<p><b>Data &amp; Reporting</b></p> 	<p>New measures, metrics and KPI's generated in near real-time.</p>	<p><b>Proliferation of dynamic insights</b></p> <ul style="list-style-type: none"> <li>• New dynamic measures, metrics, and KPIs to operate effectively in new / changed markets</li> <li>• Automated proactive data management without needing harmonization / alignment</li> </ul>	<ul style="list-style-type: none"> <li>• Increased information ingestion and insight extraction</li> <li>• Real-time, dynamic reporting anytime, anywhere</li> </ul>	<p><b>Move to leading performance indicators</b></p> <ul style="list-style-type: none"> <li>• Digitized dashboards available anytime, anywhere</li> <li>• Reporting aligned to enterprise strategy and performance objectives</li> </ul>	<ul style="list-style-type: none"> <li>• Automated preparation with focus on analysis and adding commentary</li> <li>• Standardized centrally governed measures across the business</li> </ul>
<p><b>Governance &amp; Controls</b></p>	<p>Intelligent automation will increase depth, breadth and speed of governance and shift the role of governance towards prevention.</p>	<p><b>Built-in controls automation</b></p> <ul style="list-style-type: none"> <li>• Automated governance through built-in financial controls</li> <li>• Automated process discovery</li> </ul>	<p><b>Increased coverage</b></p> <ul style="list-style-type: none"> <li>• Enhanced visibility and governance of end-to-end processes</li> </ul>	<p><b>Benefiting from integrated insights</b></p> <ul style="list-style-type: none"> <li>• Proactive mitigation of enterprise risks providing an integrated, data-driven view of assurance and business performance</li> </ul>	<p><b>Shift in role</b></p> <ul style="list-style-type: none"> <li>• Automation and advanced analytics shift audit and internal controls role from descriptive and diagnostic to prescriptive and predictive.</li> </ul>

# KPMG Insurance Finance Transformation- built to enhance, accelerate and automate your transformation journey



## Talent

Highly skilled resources that utilize the best tools and approaches to ignite and execute Finance Transformation



## Technology Workbench

KPMG-built accelerators and patterns and tools that enable rapid Finance Transformation strategy development and delivery



## Frameworks and Methods

A set of frameworks and methods that incorporate the best practices gained through extensive client engagements



## Research, Innovation, Development

Frequently updated sector and market-specific benchmarks and best practice approaches



## Technology Ecosystem

An ecosystem of leading technology partners combined with tested tools, libraries & APIs that we utilize to build and deliver finance solutions

## How we deliver Finance Transformation



### Transformation Needs

#### We assess the transformation needs with you

- Business partnering and Insights
- Doing more with less
- Aligning actuarial, finance, capital and risk
- Regulatory change
- Transactional finance improvements



### Solutions

#### We determine the right solution with you

- Driver based planning
- Ledger and reporting consolidation tools
- Process mining
- Regulatory change
- Integrated business process management
- Robotic process automation
- Virtual Service Model
- Platform Upgrade and Migration
- IFRS 9 and 17 tools
- Finance as a managed service



### Accelerators

#### We structure and accelerate the change

- U-Collaborate & E-Brainstorming
- Process & Value Assessment
- Automated process discovery
- Business Transformation Toolkit
- Business Process Management
- Technology Transformation Accelerators
- Key Performance Indicator Database
- Industry Benchmarks
- Maturity Models



### Results



#### Innovation



#### Strategic decision-making



#### Mission critical core reporting



#### Control, compliance and transparency

# Our clients



Client



Mandate

## Swiss Primary Insurer

Implementation of IFRS 17 together with partners across all areas and work streams (Accounting, Data & Systems, Processes & Organization, Project Management, Actuarial)

## International Multi-line Insurer

KPMG provided a Multinational Insurance Company a clear line of sight from strategy through execution so they could focus on looking forward and taking action. By integrating its business functions and driving collaboration, KPMG and the client implemented a cloud-enabled solution allowing executives to do real-time, driver-based analysis and make decisions that continuously drives performance.

## Regional unit of a Swiss multinational direct insurer

The client engaged KPMG to support them in improving their Finance systems, data, and processes, with a focus on implementing SAP S4HANA. The program will provide the technical foundation in the general ledger for using parallel ledgers, which will enable the delivery of IFRS17 requirements over time.

## Large Global Insurer

A KPMG member practice was engaged by the client to work with their Change Management team on a global initiative – Insurance Finance Transformation programme. This global initiative had multiple workstreams and focused on increasing the engagement between Finance Shared Service Center teams (in India) and the Finance teams in onshore locations. It also focused on driving efficiencies strategic automation, tactical automation and lean six sigma initiatives.

## Local insurance company

A KPMG practice supported the company to pilot robotic process automation in the company's debt collection process and provided the proof of concept for process automation within the company.

## Major Swiss Reinsurer

KPMG is engaged with a large Swiss-based re-insurer on their Finance Transformation program. The program includes a project to deliver an Integrated Economic and Traditional Valuation (IETV) tool, which addresses the challenge of reporting according to several standards. KPMG teams are supporting the reinsurer with the design of IETV through definition of key design areas and business use cases.

## Large local insurance company

KPMG assisted the client to perform a Finance Function review, perform a maturity assessment of the Finance Operating Model, and develop a roadmap for a future state design.

## Large local insurer

With the rapid development of artificial intelligence, the client was looking for a service provider who could help them in the execution of their plan to apply artificial intelligence (AI) technology on collateral management, with a goal to reduce the current manual workload.

# KPMG supporting your transformation journey

## Our organization, resources and partnerships...

### Insight Centers (Lighthouse)

We have six well established regional centers that bring together our data analytics methodologies, technologies and experts to develop solutions for our customers' most challenging problems. At these centers, we immerse together with our customers in data analytics and automation solutions. Our centers are located in London, Frankfurt, Hong Kong, Sydney, New York and Tokyo.

### Fintech and Innovations Centers

We deliver innovative solutions through collaboration with our customers and FinTechs: We have innovation centers in Silicon Valley, Tel Aviv, London, New York, Gurgaon, Singapore and Sydney.

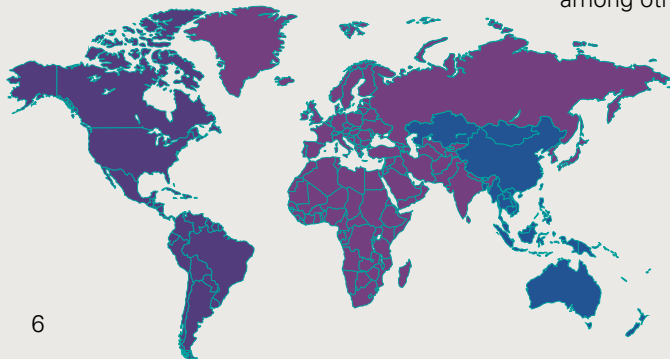
 **197,263**  
people globally

### Competence Centers For Digital And Technical Services

Our digital and technology centers help our customers identify and solve complex business and technology problems. We combine design methods, digital thinking and agile delivery methods to create digital and mobile solutions that transform the customer experience. Our goal is to help our customers succeed in a digital world by providing them with the best possible support. Our digital centers are located in the UK, USA and India.

### Strategic Partnerships

As a global company, we have strategic partnerships with the world's leading technology companies. We have used these relationships to develop tailor-made business solutions for our financial services clients. We have strategic relationships with Google, Microsoft, IBM, Oracle and AWS among others.



## ...harnessed to support your transformation journey

### Accelerators

KPMG's accelerators are designed to help transform and drive value in your organization. Our accelerators range from general finance transformation methods and frameworks: **maturity assessments, impact assessments, collaboration & brainstorming platforms, organization design tools**, automated process engineering tools to accelerators specific to insurance transformation e.g **IFRS 17 actuarial models: general model (annuity and term), PAA, single step and VFA (unit linked). IFRS 9 SPPI tool**

### Tools, Solutions and Services

KPMG provides tailored and turnkey solutions for your organization to leverage in day-to-day operations. E.g. **Driver based planning**, which integrates your **strategic ambition with the business, capital and risk planning** or **ledger consolidation solutions** that reduce closure and reporting effort or best practice pre-defined **processes, controls, KPI's** for your organization to take immediate advantage of. Finally when appropriate we'll tailor a **managed service** to your needs.

### Benchmarks

Our surveys and reports explore how global and local insurance companies and finance functions are **designing their strategies, adapting to the changing markets** and putting latest **innovation into practice**. Let KPMG support you in determining your position in the market and the direction you want to take.

### Thought Leadership

With decades of experience our global network of skilled practitioners bring you **fresh perspectives, insights** and **ideas** on **finance strategy** that challenge conventional wisdom. Our insights demonstrate a rigorous, intellectual approach. They also reflect our **hands-on implementation capability**, peppered with real-life examples of how we work with clients like you to deliver '**innovation to results**'.



“ Finance Transformation is aimed at creating a finance function that enables business leaders to make better business decisions while maintaining control, transparency and compliance over the financial accounting and reporting. It will clarify the role of finance in driving strategic business imperatives, and will focus the finance function on delivering insightful and targeted information to the business leaders exactly when the information is needed.

---

## Contact

### **KPMG AG**

Badenerstrasse 172  
PO Box  
CH-8036 Zurich

**kpmg.ch/fs**

### **Thomas Schneider**

Partner, Head Insurance

+41 58 249 54 50  
thomasschneider@kpmg.com

### **William Southwell**

Partner, Insurance

+41 58 249 62 94  
wsouthwell@kpmg.com

### **Ilkka Koskinen**

Senior Manager, Insurance

+41 58 249 79 28  
ikoskinen@kpmg.com

---

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received, or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation. The scope of any potential collaboration with audit clients is defined by regulatory requirements governing auditor independence. If you would like to know more about how KPMG AG processes personal data, please read our Privacy Policy, which you can find on our homepage at [www.kpmg.ch](http://www.kpmg.ch).

© 2018 KPMG AG is a subsidiary of KPMG Holding AG, which is a member of the KPMG network of independent firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss legal entity. All rights reserved.