



A stronger pulse on planning and forecasting

Client story

Client
Global medical device manufacturer

Sector
Healthcare: Medical equipment and supplies

Project
Planning, forecasting, and reporting transformation



Client challenge

Throughout its long and respected history, our client has been committed to developing high-quality, innovative products and solutions for healthcare providers and patients. With the company's success came global growth—and the accompanying challenges caused by increasing complexity. With the acquisition of an equally sized company, these challenges were amplified.

With operations spanning the globe, the manufacturer was having issues in forecasting, reporting, and analyzing its cost of goods sold and gross margins at the country level. Across all their geographies, different teams used their own interpretation of how to explain results in their own unique way. In one of the company's largest regions, manual processes, inaccuracies, and inconsistent methodologies were creating large variances between forecasted and actual results.

The client knew that some of its problems stemmed from siloed operations and finance groups. They also knew the target solution: consistent reporting and forecasting and aligned forecasts and actuals across all regions globally. They just didn't know how to get there.



Benefits to client

Work and disparate technologies that were previously spread out across multiple geographies are now completed in one place with one team. By utilizing streamlined technology from SAP to manage operations, the client's business has been transformed. Their benefits include:

- Centralized, consistent, and accurate data that provides a single source of truth
- Faster reporting cycles and the enhanced ability to deliver insights to the CFO and global controller, resulting in business growth through strategic decisions
- Automated processes via intelligent automation, allowing the organization to focus on value added activities
- Increased visibility into financial and operations data across commercial groups and geographies.



KPMG response

Addressing this extremely complex challenge was not new for our client. Previous efforts focused solely on individual components of the problem, such as technology fixes or accounting issues. However, because the foundational financial and business information spanned sales, marketing, operations, and finance, the solution required cross-functional collaboration.

KPMG worked with our client to develop a plan that included process redesign across functions, regional Center of Expertise (CoEs), leveraging SAP and intelligent automation, and key performance indicators (KPIs) to track financial and operational performance.

To correct errors and inconsistencies, we redesigned the client's inventory accounting and intercompany processes. Rather than executing these new processes at the country level, KPMG helped our client establish regional CoEs comprising defined roles and responsibilities, including a CoE governance framework that helps identify master data issues and improves accuracy in forecasting and monthly reporting. The client is leveraging an SAP tool to automate the forecast and analysis processes and drive value-added insights. And intelligent automation is automating rule-based and repeatable tasks among multiple enterprise resource planning (ERP) and Excel-based applications.

Empowered with consistent and accurate data, our client has a stronger pulse on planning and forecasting and is poised for future growth.



KPMG insights

Build bridges across the business

Create an end-to-end approach that spans functional silos such as finance, operations, and IT and address geographic and cultural differences. Greater accuracy, consistency, and speed are only a few of the tremendous benefits to be gained.

Sit in every seat

Look at challenges from multiple perspectives. Understand the pain points that operational and commercial executives, CFOs, Controllers, and regional finance teams are experiencing and focus on solving those problems. Work alongside these stakeholders, collaborating to address root causes at the proper level of detail. And always keep the most strategic business goals in sight.

Create a winning structure

A key factor in the project's success was a structured implementation approach and execution. While this began with a comprehensive vision and design from the corporate finance and IT teams, commitment and active participation from the regional finance, operational, and commercial teams were essential to success.

If you are interested in learning more about this case study, or if you are experiencing similar issues, please contact us.

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