The future of finance

The view from the top

Today’s enterprises are facing unprecedented change and disruption that threatens their future viability. The need for increased experience centricity and growth, changing workforce demographics, converging industry models, the shifting geopolitical and regulatory environment, as well as the rise of new business models, big data, and emerging technologies are disrupting businesses across all sectors.

In their wake, chief executive officers are looking to their finance function to take on a considerably broader and deeper set of strategic responsibilities than ever before.

Indeed, today’s finance function must not only ensure the integrity of financial outcomes, but also leverage both internal and external data to provide predictive and prescriptive insights to drive optimal business performance and real-time decision making. Facing the need to evolve their business models, corporations heavily depend on finance to deliver improved quality, process standardization and consolidation, and cost savings, as well as identify opportunities for value creation. Additionally, finance is increasingly responsible for driving the evaluation, allocation, and monitoring of new technologies, platforms, customers, and products.

What is impacting CEOs today?

Technology is the major disruptor

- 68% of CEOs believe that moving too slow can lead to obsolescence
- 76% of CEOs agree their growth relies on the ability to challenge and disrupt their business norms
- 60% of enterprises are leveraging multiple IA technologies. Yet only...
- 11% are doing so with an integrated solution approach

Sources: KPMG LLP, 2019 U.S. CEO Outlook survey; HFS Research in conjunction with KPMG International, State of intelligent automation, 2019

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How should CFOs respond?

So, what needs to change with finance? In a word, plenty. Chief financial officers (CFOs) who rapidly design a more nimble, effective, and technology- and data-driven finance organization to address the disruption will be able to change the challenges into opportunities.

The most successful CFOs are transforming their finance organizations by disrupting their own operating and business models.

**Reinventing the operating model**

To stay ahead of the curve, leading CFOs are changing the means by which they deliver products and services to their stakeholders, with deep focuses on:

- Extreme automation, which will dramatically change finance’s size, structure, and delivery model
- A shift from descriptive to prescriptive analytics, enabled by advanced automation
- A much simpler, more streamlined organization, with significant changes to the what, how, where, and who of the function’s work
- An assessment of new work to be done, how this maps to the skill sets of their current workforce, and usage of a holistic approach to attracting, building, and retaining the required talent.

**What should you be thinking about?**

- What business disruptors are impacting us most?
- What business questions and decisions should we anticipate to address these disruptors?
- How much appetite do we have for extreme automation?
- What is our data and analytics strategy?
- How will our current delivery model and locations be impacted?
- What is our talent management strategy, critical roles, and risks?

**Where do you go from here?**

Business is no longer business as usual for finance. The scale and speed of transformation required to stay ahead of the curve is unprecedented. The key to success is proactively taking the first step by developing a blueprint for how your finance organization can turn disruptors into opportunities for competitive advantage and growth.

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**Leading finance organizations have developed an agenda to deal with disruption**

- Trends and economics behind disruption
- Approaching disruption at the organizational level
- Maintaining an innovation portfolio
- Disciplined portfolio process and structure

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**Extreme automation**

*Integrating new technologies:*
- Cloud ERPs
- Robotics
- Artificial intelligence
- Blockchain
- Mobile

**Insights and analysis**

*New insights through:*
- Automated *descriptive and diagnostic* analytics
- New *predictive and prescriptive* analytics
- Integrated business planning
- Local decision support

**Organizational simplification**

*Changing work:*
- Fewer people
- Less hierarchy
- Fewer offshore locations

**Skills and talent**

*Changing requirements:*
- Both strategy and finance skills
- Process and control leaders
- Relationship and collaboration

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**Risk management**

Response to disruption impacts how risks and controls are managed in an organization and the need to continuously evolve.

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**Contact us**

**Ron Walker**
Finance Transformation Service Network Lead
T: 858-750-7057
E: rwalker@kpmg.com

**Sanjay Sehgal**
Principal, Advisory Finance Transformation
T: 216-875-8113
E: sanjaysehgal@kpmg.com

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