



Future Ready Finance Survey 2019

Consumer goods and retail sector findings



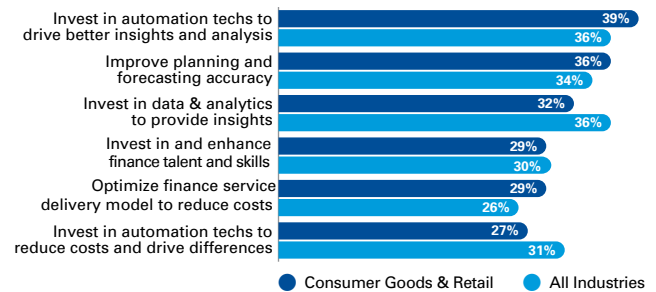
CFOs face a host of forces that have opened up opportunities for Finance to take a leadership role in the enterprise like never before. The KPMG 2019 Future Ready Finance Survey asked more than 850 senior Finance and management executives across industries and geographies about the priorities, challenges and capabilities most critical to adapting to this rapidly changing business environment.

This Consumer Goods and Retail industry snapshot provides survey results from more than 100 companies on some of the key topics, and highlights several areas where this industry's responses differed significantly from those from across all industries.

Finance Strategy

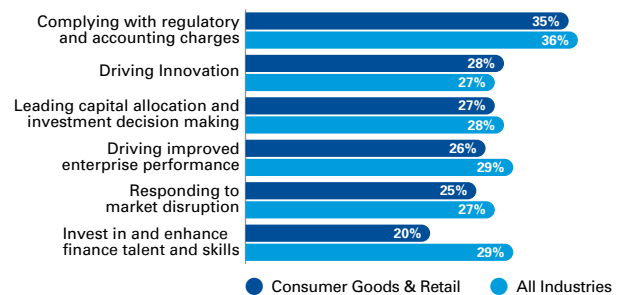
What are the top initiatives for your organization's Finance function to increase its strategic value to the organization? (top 6)

Consumer Goods & Retail company Finance function priorities are closely aligned with those in other industries. Next-generation priorities such as investing in automation and data & analytics head the list, along with improving planning and forecasting accuracy.



How well does your organization's Finance function support the following goals and initiatives? (Very strong support)

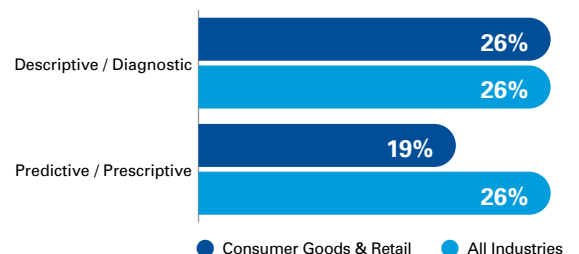
Consumer Goods & Retail Finance functions generally report similar effectiveness as others in supporting overall corporate initiatives. However, they lag in promoting the development of finance skills and talent (20% vs. 29% for all industries).



Data & Analytics

How mature is your Finance function across the following levels of the data & analytics continuum? (Very mature)

While Consumer Goods & Retail Finance function maturity in utilizing descriptive/diagnostic data & analytics equals that of other industries, they lag in predictive/prescriptive analytics (19% vs 26% for all industries). These low maturity levels indicate that most can further improve on these capabilities.

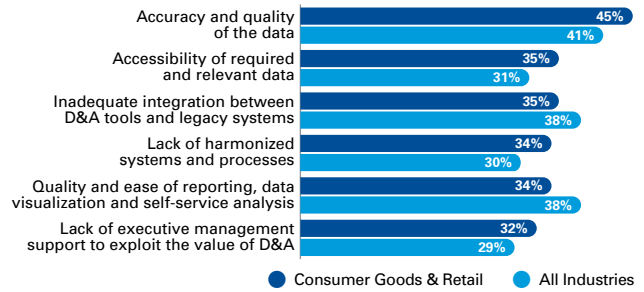




Automation

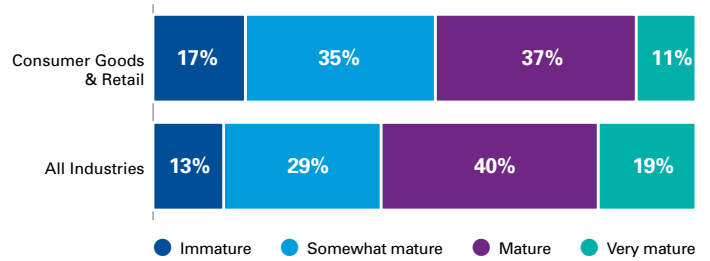
What are the biggest barriers to your Finance function improving its maturity in using data & analytics? (top 6)

Data quality stands as the biggest barrier to improving Finance data and analytics capabilities, even more so at Consumer Goods & Retail companies than at others (45% vs. 41% for all industries).



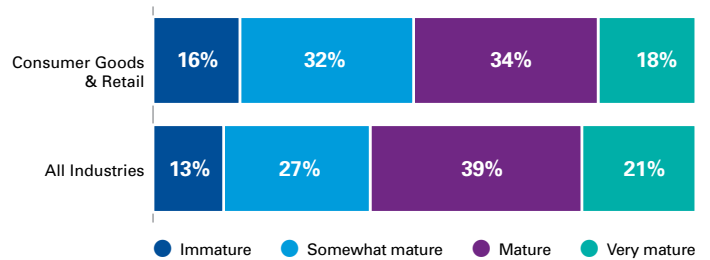
Where is your organization's Finance function in terms of adopting and deploying robotics process automation (RPA)?

Consumer Goods & Retail Finance functions have adopted robotic process automation less than others, with 11 percent classifying themselves as very mature, compared to 19 percent cross-industry. More than half report they are somewhat mature or less in utilizing RPA.



Where is your organization's Finance function in terms of adopting and deploying artificial intelligence (AI) and machine learning (ML)?

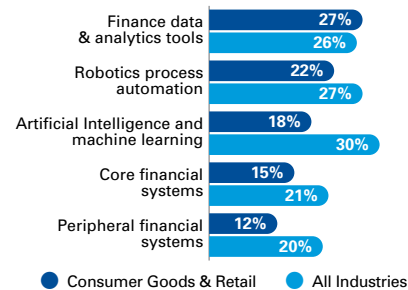
Consumer Goods & Retail Finance functions also report somewhat lower maturity levels in deploying AI and ML than peers in other industries, with 52 percent mature or very mature in AI and ML, compared to 60 percent in other industries.



Cloud

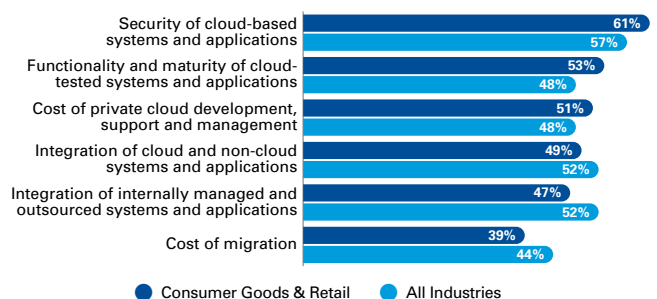
What is your Finance organization's approach on the adoption of cloud-based solutions for the following technologies? (Focused on cloud)

Consumer Goods & Retail companies are less likely than others to utilize cloud across most all major types of Finance systems. They focus on cloud much less in AI and ML (18% vs. 30% for all industries), peripheral financial systems (12% vs 20%) and core financial systems (15% vs. 21%).



What are the key challenges to your organization adopting cloud-based solutions for Finance applications and systems?

Consumer Goods & Retail companies generally face similar challenges as other industries in making greater use of cloudbased solutions for Finance systems, with the security of cloud-based systems (61%) and cloud system functionality and maturity (53%) topping the list.

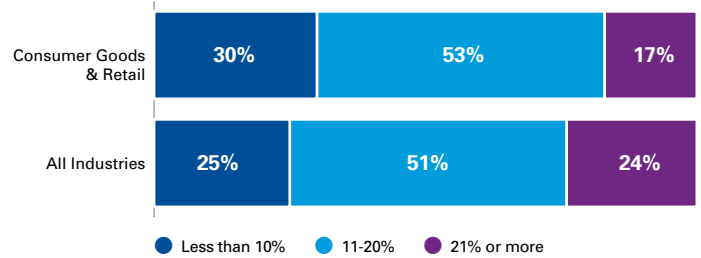




Talent

What proportion of your Finance workforce do you expect to be significantly impacted by automation in the next 2 years?

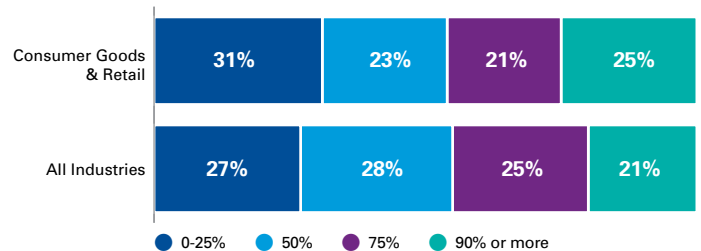
Consumer Goods & Retail companies anticipate a smaller proportion of their Finance workforce to be impacted by automation in the next two years than other industries, with 17 percent expecting more than 20 percent, and 70 percent expecting more than 10 percent of Finance staff to be affected.



Service Delivery Model

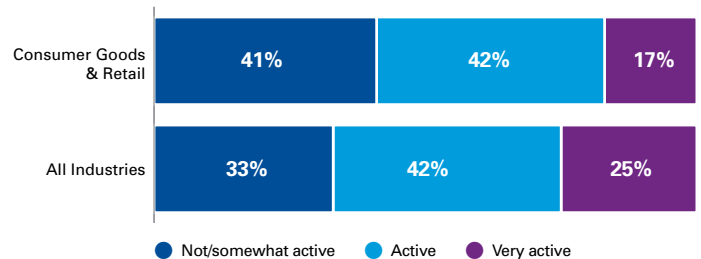
What percentage of your organization's Finance staff impacted by automation will be retrained/reskilled for new roles as opposed to being made redundant?

Consumer Goods & Retail companies' plans for retraining/reskilling Finance staff impacted by automation mirrors that of other industries. Nearly half report they will reskill more than 75 percent or more of impacted staff, perhaps an overly optimistic expectation.



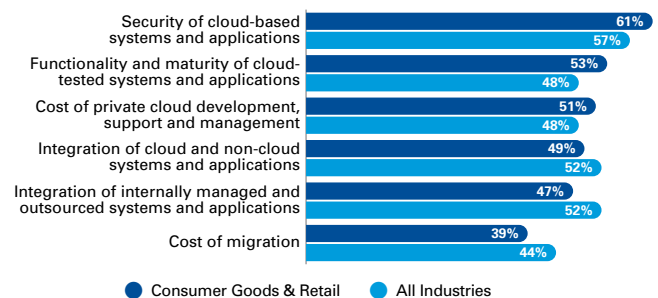
How active is your organization in overhauling its Finance service delivery model?

Consumer Goods & Retail companies are highly active in overhauling Finance service delivery models to adapt to changing business conditions, though slightly less active than others. 69 percent are actively or very actively redesigning delivery models.



What are the most important new capabilities your Finance organization will introduce as a result of its Finance service delivery model overhaul? (top 6)

While the focus of Consumer Goods & Retail companies' service delivery model redesign mostly reflects that of other industries, Consumer Goods & Retail is more focused on becoming more agile (33% vs. 27% for all industries) and better measuring performance (35% vs. 30%).



Source: Future Ready Finance Survey 2019, KPMG International

Like in other industries, Consumer Goods and Retail company Finance organizations have sought to deploy next-generation capabilities in automation and data & analytics to adapt to changing business conditions. However, they lag other industries in fully exploiting these capabilities, not only reporting lower maturity levels in automation and data & analytics, but also the use of cloud computing. For Finance to increase its strategic value, a renewed focus on developing these future-oriented competencies will be critical.

kpmg.com/us/FutureFinance

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