



Future Ready Finance Survey 2019

Healthcare & Life Sciences sector findings



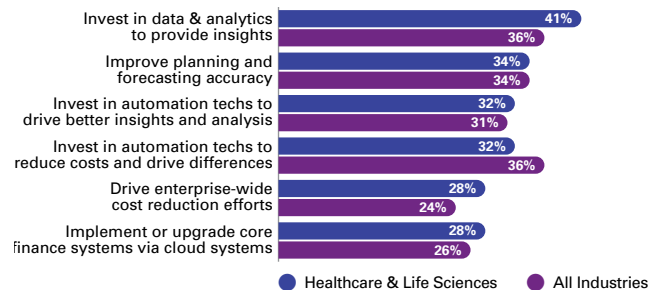
CFOs face a host of forces that have opened up opportunities for Finance to take a leadership role in the enterprise like never before. The KPMG 2019 Future Ready Finance Survey asked more than 850 senior Finance and management executives across industries and geographies about the priorities, challenges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

This Healthcare & Life Sciences industry snapshot provides survey results from approximately 70 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

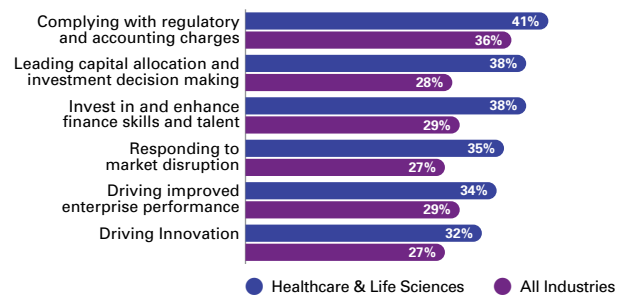
What are the top initiatives for your organization's Finance function to increase its strategic value to the organization? (top 6)

Healthcare & Life Sciences company Finance function priorities are largely 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)

Healthcare & Life Sciences Finance functions report higher effectiveness than others in supporting overall corporate initiatives. This is especially the case for leading capital allocation decisions (38% vs 28% for all industries) and developing Finance talent (38% vs. 29%).

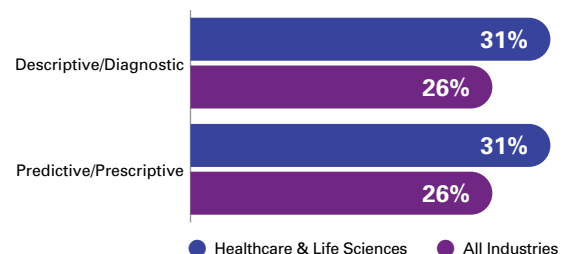


Data & Analytics

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

(Very mature)

Healthcare & Life Sciences Finance function maturity in utilizing data & analytics exceeds that of other industries, both in descriptive/diagnostic and predictive/prescriptive analytics (31% vs 26% for all industries for both). However, low overall maturity levels indicate that most can further improve on these capabilities.

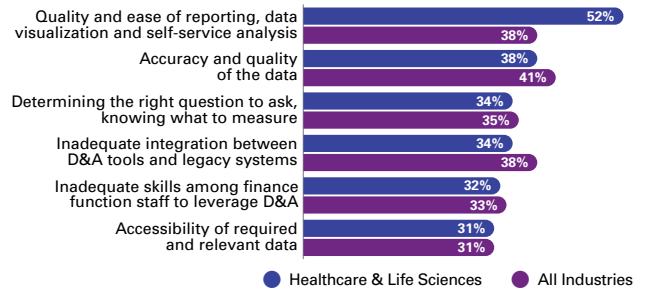




Automation

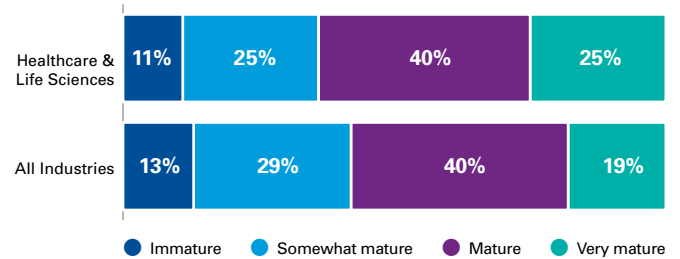
What are the biggest barriers to your Finance function improving its maturity in using data & analytics? (top 6)

Healthcare & Life Sciences companies face far greater challenges in the quality and ease of data reporting and visualization than others (52% vs. 38% for all industries). Data quality issues also present a significant barrier to improving data & analytics.



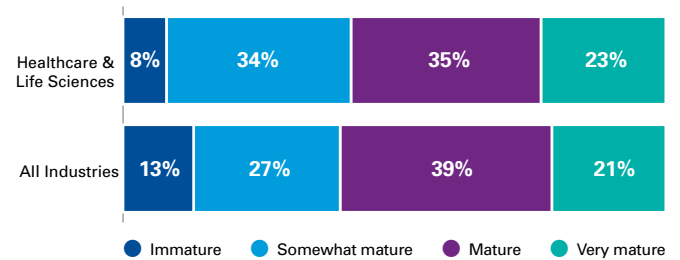
Where is your organization's Finance function in terms of adopting and deploying robotics process automation (RPA)?

Healthcare & Life Sciences Finance functions have adopted robotic process automation somewhat more often than others, with 25 percent classifying themselves as very mature, compared to 19 percent cross-industry. Nearly two-thirds report they are somewhat or very mature in utilizing RPA.



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

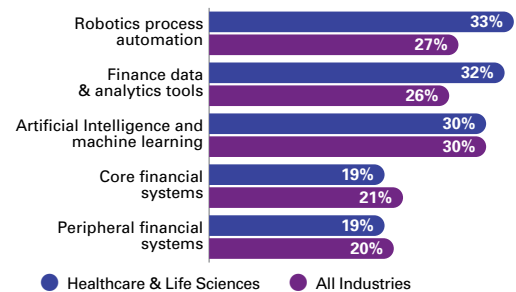
Healthcare & Life Sciences Finance functions report roughly equal maturity levels in deploying AI and ML as peers in other industries, with 58 percent mature or very mature in AI and ML, compared to 60 percent in other industries.



Cloud

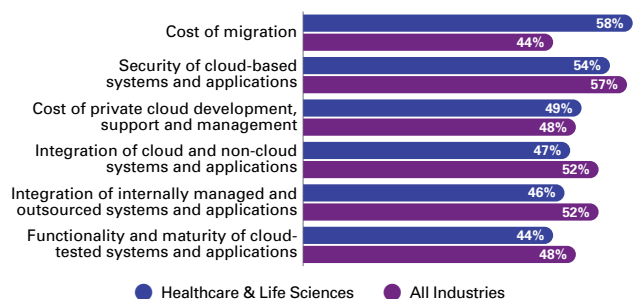
What is your Finance organization's approach on the adoption of cloud-based solutions for the following technologies? (Focused on cloud)

Healthcare & Life Sciences companies are more likely than others to utilize cloud in some Finance systems. In particular, they focus on cloud more in RPA (33% vs. 27% for all industries) and Finance data & analytics tools (32% vs. 26%).



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

When adopting cloud, Healthcare & Life Sciences companies face far greater challenges around the cost of migration than others (58% vs. 44% for all industries). On the other hand, they face fewer challenges integrating cloud and non-cloud systems (47% vs. 52%) and internal and outsourced systems (46% vs. 52%).

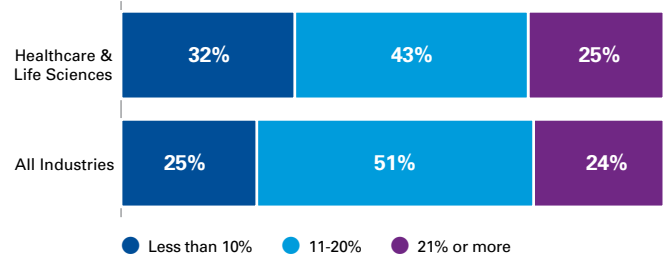




Talent

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

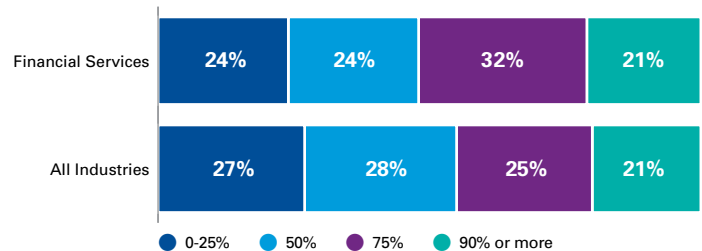
Healthcare & Life Sciences companies anticipate slightly smaller proportion of their Finance workforce will be impacted by automation in the next two years than other industries, with 25 percent expecting more than 20 percent, and 77 percent expecting more than 10 percent of Finance staff to be affected.



Service Delivery Model

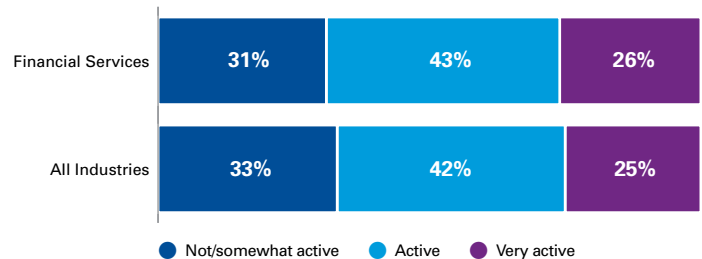
What percentage of your organization's Finance staff impacted by automation will be retrained/reskilled for new roles as opposed to being made redundant?

Healthcare & Life Sciences companies' plans for retraining/reskilling Finance staff impacted by automation largely mirrors that of other industries. More than half report they will reskill more 75 percent or more of impacted staff, perhaps an overly optimistic expectation.



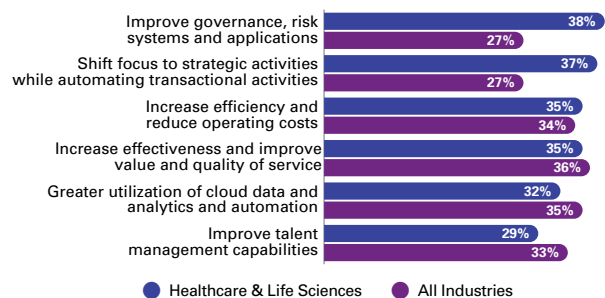
How active is your organization in overhauling its Finance service delivery model?

Healthcare & Life Sciences companies are highly active in overhauling Finance service delivery models to adapt to changing business conditions. 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)

When redesigning service delivery models, Healthcare & Life Sciences companies focus heavily on governance, risk and compliance capabilities (38% vs. 27% for all industries). They also prioritize shifting their focus to strategic activities while automating transactional ones (37% vs. 27%).



Source: Future Ready Finance Survey 2019, KPMG International

Healthcare & Life Sciences company Finance organizations exceed cross-industry standards in supporting overall corporate initiatives. While this posture of business partnership bodes well for the future, they also face a number of unique challenges. In particular, Healthcare & Life Science companies struggle more than others in creating high-quality data visualization tools, and migrating existing systems to the cloud. Successfully tackling barriers such as these holds the key to Finance thriving in an age of technological disruption.

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