



The KPMG Enterprise Performance Management (EPM) Survey 2018

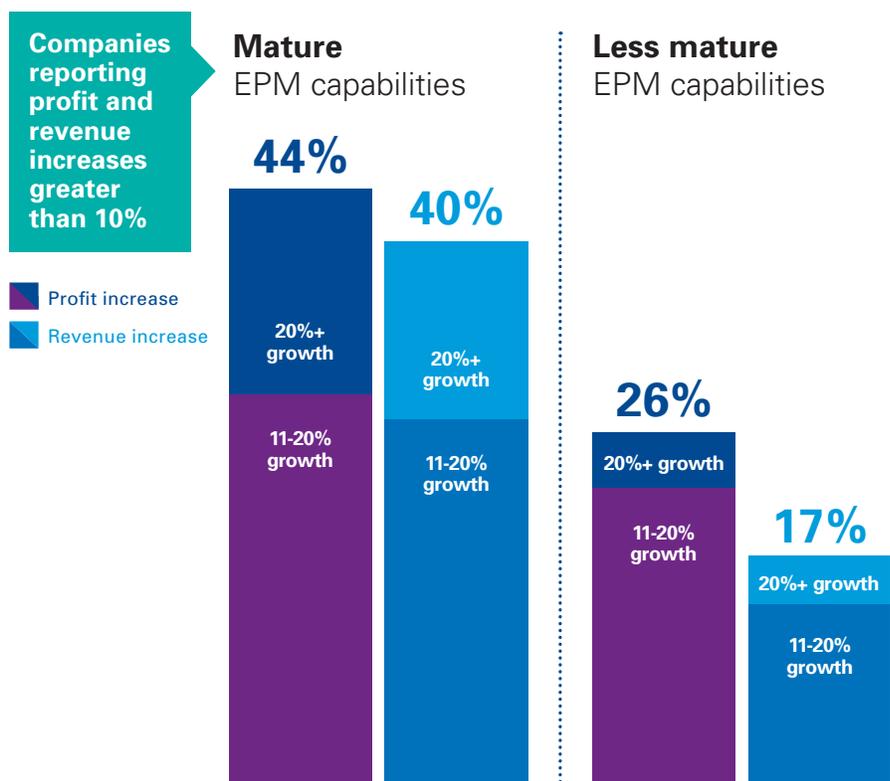
Businesses with mature EPM capabilities can outperform others

In the wake of rapid disruption, CEOs are looking to the finance function to take on a considerably broader and deeper set of strategic responsibilities than ever before. Enterprise Performance Management (EPM) is an enterprise-wide capability enabled by technology that provides the business insight needed to translate strategy into action. This includes determining appropriate enterprise business measures, planning and forecasting integrated business outcomes, and analyzing and reporting business scenarios and results in order to ultimately drive enhanced business performance.

EPM has been shown to be increasingly crucial in planning, assessing, measuring, reporting, and adjusting organizational business models. Based on a company's mission and vision, different strategic needs may drive how EPM domains are leveraged and promoted within the organization. Ultimately, however, looking at the broader performance of a business and integrating financial planning with those of workforce, supply, manufacturing, and operational planning is key to managing business success.

KPMG recently asked 529 C-suite executives across multiple industries about their experiences with taking the steps involved in EPM.¹ About 55% of respondents were from companies whose EPM development was "mature,"² describing business methods that placed them at a high level of EPM capability.

Businesses with mature EPM capabilities significantly outperform others



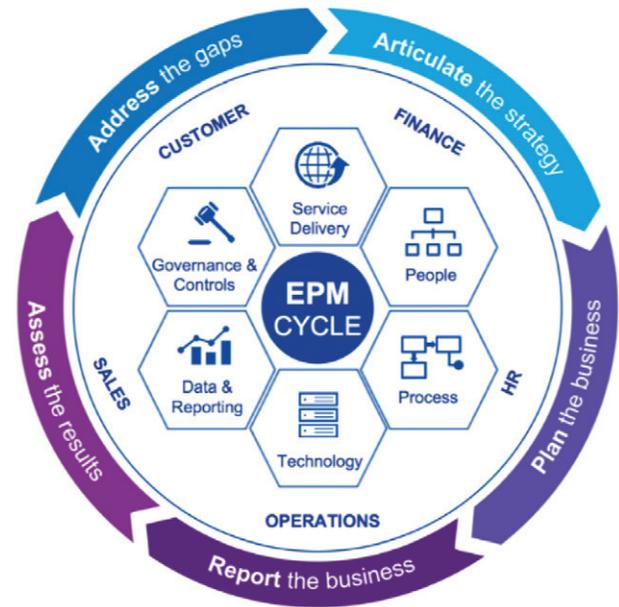
¹ Survey based on 529 respondents in the United States, director title and above, in companies with revenues of \$500M+.

² Respondents currently leading the marketplace in terms of EPM capabilities are described as "Mature" companies. Within the survey, respondents described their current state of EPM capability across several dimensions. Based on the aforementioned responses, a scoring metric was created to separate Mature companies that are ahead of their counterparts in terms of EPM capability. The scoring metric combined individual response scores multiplied by a recursive factor into a total EPM score. Those who scored above a specific threshold were labeled as Mature companies.

What is “EPM maturity”?

The five fundamental EPM process components are expressed in KPMG’s EPM Model.

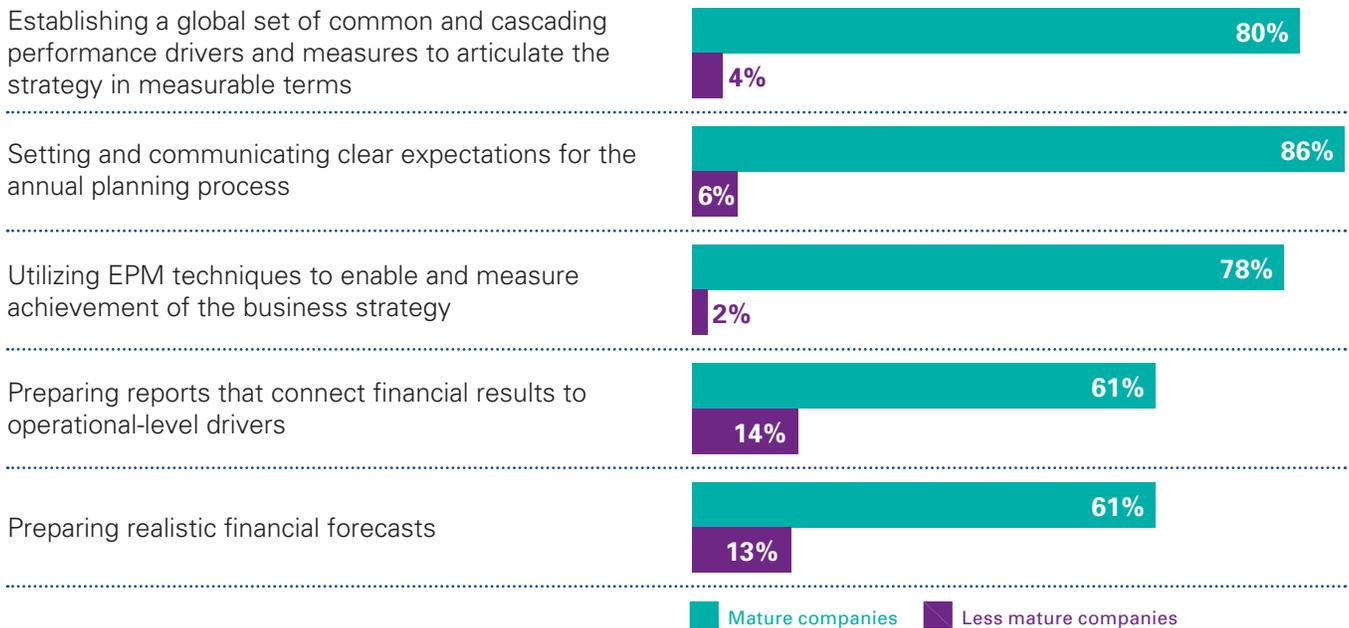
- 1 Articulate the strategy
- 2 Plan the business
- 3 Report the business
- 4 Assess the results
- 5 Address the gaps



What are mature EPM companies doing to succeed?

Mature EPM companies scored high in areas such as:

% of participants



So what are the leaders doing next?

It’s not enough to get things right at a point in time. Leaders are constantly focused on enhancing key capabilities and pushing to maintain their competitive edge and ability to address disruption in their marketplaces.

To maintain their lead, **70% of C-suite executives** in mature organizations surveyed focused on four top actions:

- 1 Setting expectations for the annual plan
- 2 Implementing software for strategic business modeling
- 3 Establishing a global set of performance drivers to articulate strategy
- 4 Enabling and measuring achievement of strategy

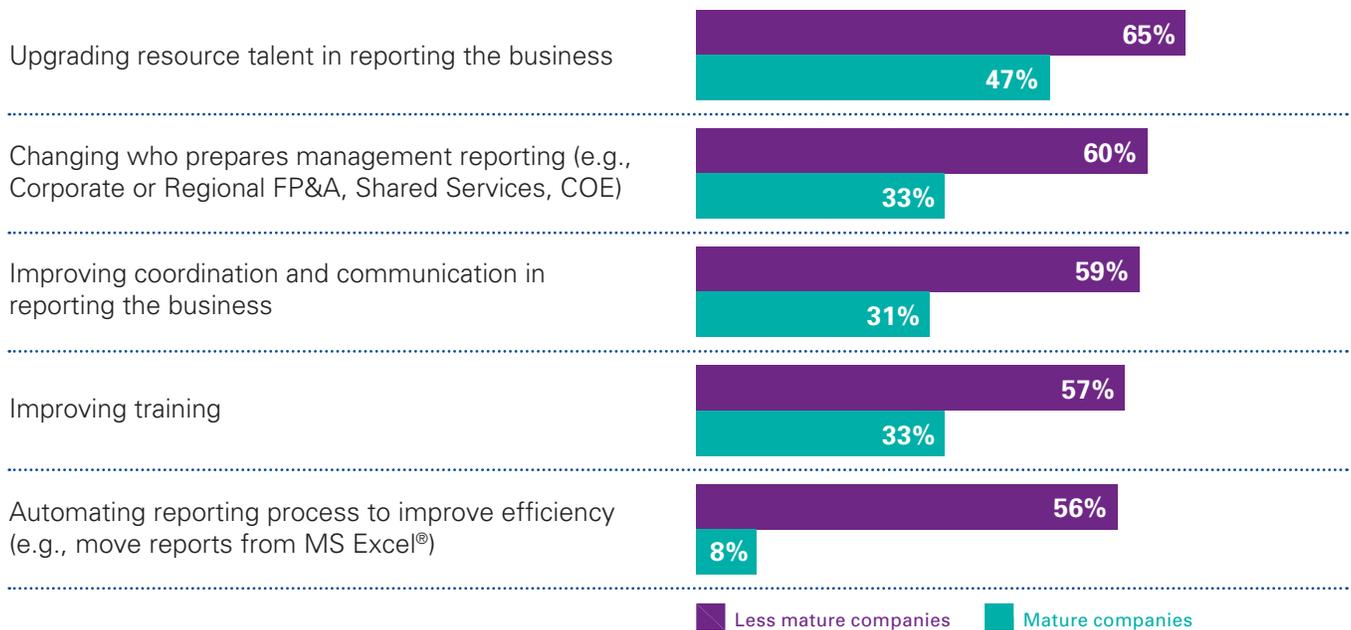
These companies plan to take these actions in **less than 12 months**.



What are less mature EPM companies still focusing on?

Conversely, less mature companies are still focused on the following EPM components:

% of participants



The top action areas planned by less mature companies include:

1

Upgrading resource talent in terms of reporting the business

2

Reviewing and updating global performance drivers

3

Centralizing reporting efforts

4

Automating planning and reporting processes

These actions are planned at least **1-2 years in the future.**

