

The Future of Finance

The art of the possible¹

Finance will be radically different in the future.

New capital allocation approaches

Cornerstone of strategy, finance, and analytics

Emerging technologies will change the nature of shared services

Cloud everywhere and the dominant platform

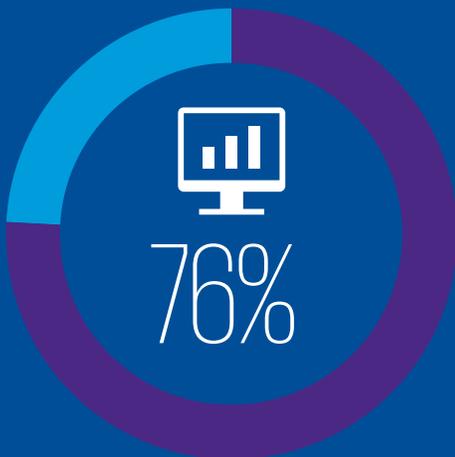
Amazon's "Alexa" provides instant information

Process leadership is a profession

Artificial intelligence (AI) processes big data

Finance professional as a strategist

To disrupt is to exist



of CEOs say that their growth relies on their ability to challenge and disrupt any business norm.



of CEOs are actively disrupting the sector in which they operate, rather than waiting to be disrupted by competitors.



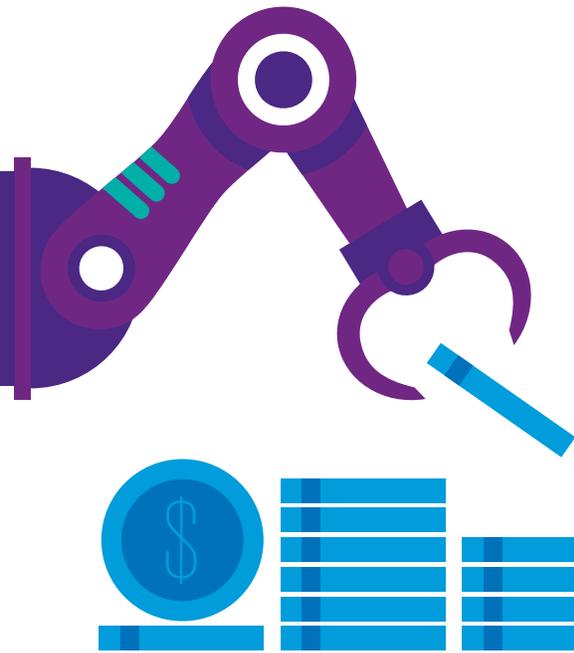
of CEOs believe that agility is a do-or-die for business—that being too slow can lead to obsolescence.

¹KPMG LLP, 2019 U.S. CEO Outlook: Agile or irrelevant: Redefining resilience: <https://assets.kpmg/content/dam/kpmg/us/pdf/2019/06/2019-ceo-outlook.pdf>

The CFO agenda for disruption

Leading finance organizations are focusing on six key areas:

Innovation and investment



CFOs will wear two hats:



Ensuring stability and control of the finance function



Enabling agility and profitability in enterprise innovation

The biggest enabler of innovation, according to innovation, strategy, and R&D executives:

73%

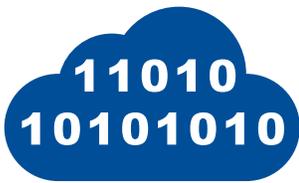
point to leadership support

56%

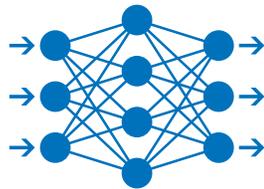
say the ability to test, learn, and iterate²

Extreme automation

Eight disruptive technologies will transform all levels of existing finance competencies.



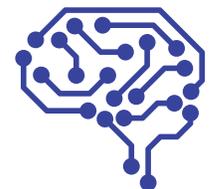
Cloud technologies



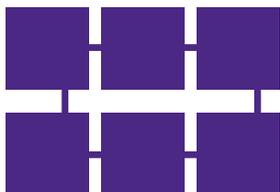
Machine learning



Robotic process automation



Cognitive



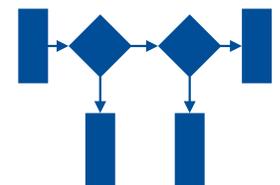
Blockchain



Natural language processing



Digital analytics and delivery



Data management

² Innovation Leader LLC, sponsored by KPMG LLP, *Benchmarking Innovation Impact 2018*: <https://advisory.kpmg.us/content/dam/info/en/innovation-enterprise-solutions/pdf/2018/benchmarking-innovation-impact-2018.pdf>

Insights and analysis

The CFO is uniquely positioned to define the analytics agenda for the enterprise.

90%

of finance organizations see data and analytics as a high or moderate investment priority.³

Data integrity concerns:

66%

of CEOs have put their own experience and intuition over data-driven insights in the past 3 years.⁴

Analytics capabilities will shift from “descriptive” to “prescriptive.”



Descriptive:
What happened?



Diagnostic:
Why did it happen?



Predictive:
What will happen?



Prescriptive:
What should we do about it?



Service delivery model

For sustainable success, finance should consider:



What work gets done:
Higher-value services



Where work gets done:
Geography no longer matters

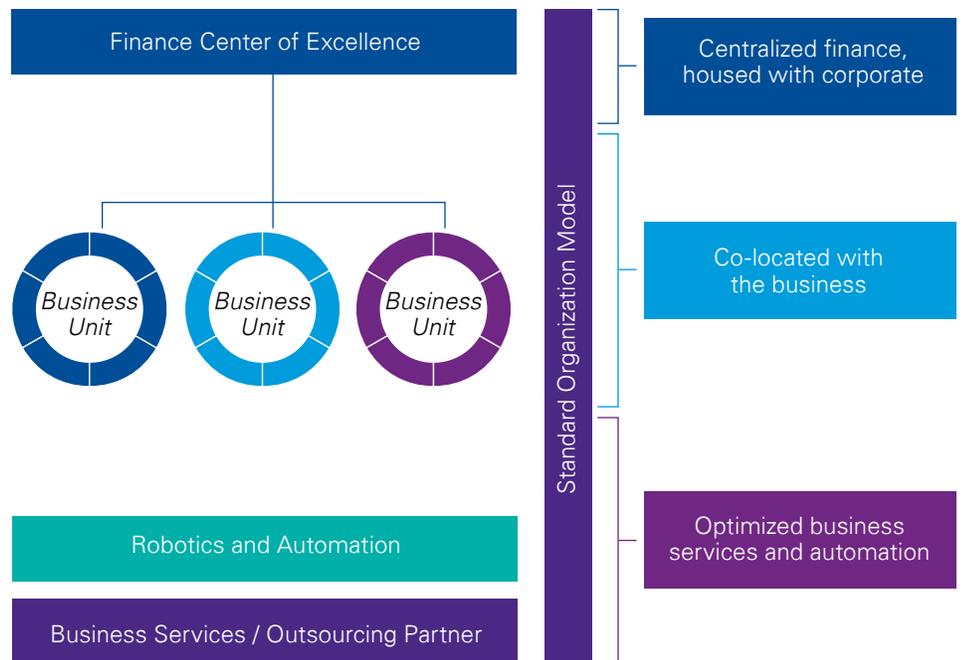


Who does the work:
Reshaped support structure



How work gets done:
Automation and integration

Finance service delivery will optimize automation while balancing global, regional, and local activities. Strategic business partnering will be a primary focus.



³ KPMG International, 1Q 2018 KPMG Global Insights Pulse Survey Webcast (April 2018): <https://advisory.kpmg.us/content/dam/advisory/en/shared-services-outsourcing/pdfs/archive/webcast-slides-1q18-global-insights-pulse.pdf>

⁴ KPMG LLP, 2019 U.S. CEO Outlook: Agile or irrelevant: Redefining resilience: <https://assets.kpmg/content/dam/kpmg/us/pdf/2019/06/2019-ceo-outlook.pdf>

Organization and talent

Skills and capabilities needed to support the future finance organization:



Data utilization and technology



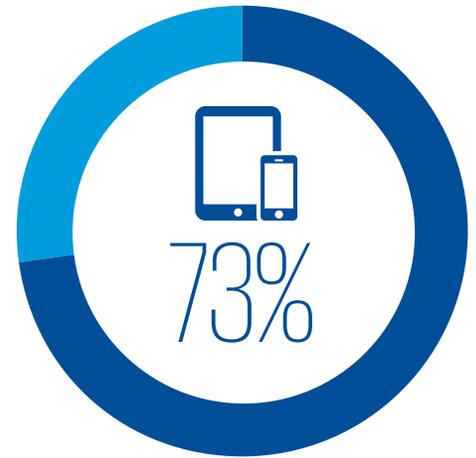
Behavioral



Finance technical



of labor requirements will likely be reduced;⁵ however,



of CEOs believe AI and robotics will create more jobs than they will eliminate.⁶

Risks and controls

51%

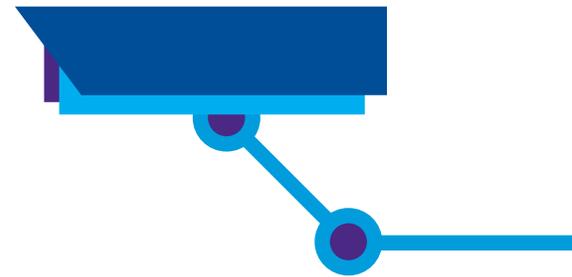
of CEOs say it is just a matter of time before their organization is hit by a cyberattack, yet only 25% consider themselves very well prepared.⁷

60%-70%

of manual controls performed today are expected to be automated in the next 5 to 10 years.⁸



“
Internal audit will need to transform into a ‘value lens’ for the business.”



^{5,8} Estimate from KPMG LLP

^{6,7} KPMG LLP, 2019 U.S. CEO Outlook: Agile or irrelevant: Redefining resilience: <https://assets.kpmg/content/dam/kpmg/us/pdf/2019/06/2019-ceo-outlook.pdf>

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