

# How strategic front-office investment drives revenue

From downsizing to resilience

KPMG Customer Advisory

2023



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# Introduction

Innovation is the engine of resilience. It challenges the way we anticipate change—such as economic headwinds—and reimagines it as an opportunity to create new solutions. Resilient businesses navigate change through innovation, implementing solutions that allow teams to optimize time and talent to mitigate costs and align performance with revenue goals more easily.

In this piece, we present strategies for launching front-office digital transformation, from identifying technical debt to selecting a solutions partner to jumpstart front-office performance results. Learn how to optimize your operating model by strategic investment in front-office digital transformation.

## Discover how to:

- Leverage data and technology to maximize cost controls
- Modernize customer experiences
- Improve sales and marketing workflows
- Identify new audiences
- Optimize marketing and sales strategy performance

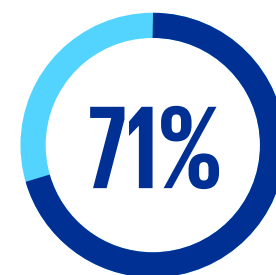


# How a resilience strategy optimizes front-office operations to support revenue goals

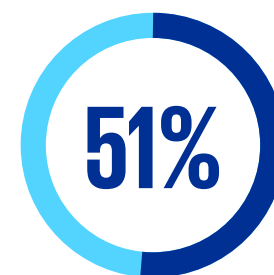
For some of the world’s most successful companies resilience is an animating principle that guides how solutions are imagined and developed. Rather than viewing change with skepticism, these companies embrace it through innovation, leveraging data-driven insights to transform the way their front-offices operate, build strategy, and orchestrate customer experiences.

Most executives in a recent KPMG LLP survey agree. KPMG research found that despite economic uncertainty, most retail executives will invest in technology that helps them improve user experiences and manage data efficiently with the goal of driving revenues. Among retailers, 77 percent are investing in technology to optimize workflows, operations, and supply chains, with 51 percent investing directly in customer experience as a way to guard revenues.

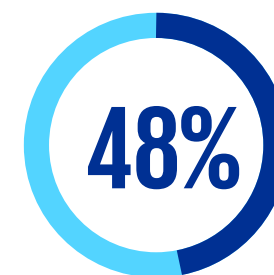
## 2023 Strategic initiatives



Supply chain efficiency

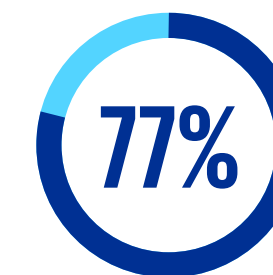


Better customer experiences

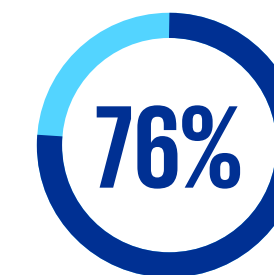


Improve top-line growth

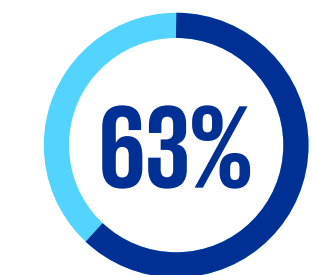
## Investing for the future



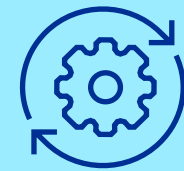
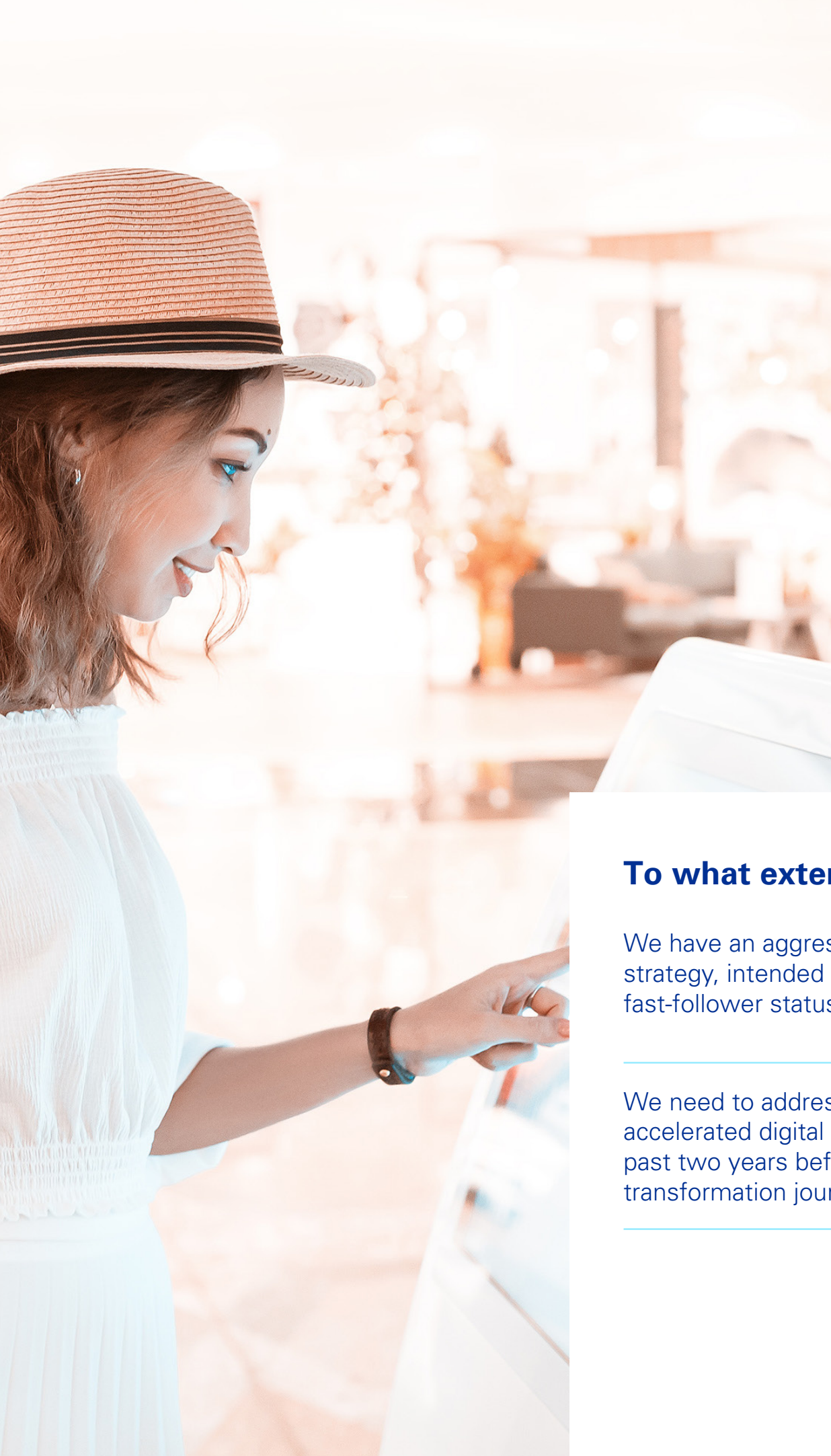
Technology and digital



Equipment



Warehouse and distribution



## Executives seek digital transformation but struggle with burnout

Most executives see digital transformation as critical to growth; how innovations are implemented is vital to how well they work for the teams that drive revenue. Nearly 70 percent of executives cited burnout from rapid digital transformation as hindering modernization efforts. Practical innovation requires an intimate understanding of how best to implement change. Those insights most often come from front-office data; Ready access to those insights is essential before the launch of any resilience strategy.

### To what extent do you agree with the following statement about your digital transformation strategy?

We have an aggressive digital investment strategy, intended to secure first-mover or fast-follower status



We need to address burnout from accelerated digital transformation over the past two years before continuing on our transformation journey



Source: KPMG International, "Global Manufacturing Prospects 2023" (February 2023)



Julian Villarreal  
Manager, KPMG Customer Advisory  
Photographer, Social Activist, Sales Expert

## Creating a resilience strategy: first steps

Today, change and the marketplace uncertainty that drives it often necessitates swift, organization-wide modernization, encompassing front- and back-office processes and enterprise resource management. In addition, it requires a host of new efficiencies to design, coordinate, and launch successfully within an organization.

Learning to do more with less, as cost take-out becomes a priority, starts with data-driven insights. With the right data, businesses can facilitate organization-wide change with minimal friction, leveraging existing resources and legacy technologies to evolve inefficient front-office business processes.

### Step 1: Rethink opportunity cost.

Look for gaps between customer needs and preferences and their experiences and assess the impact of lost customer engagement on revenue over time.

### Step 2: Make resilience a change management tool.

Redefine innovation as a core—even if latent—capability within the organization that can be leveraged to drive revenues and manage costs.

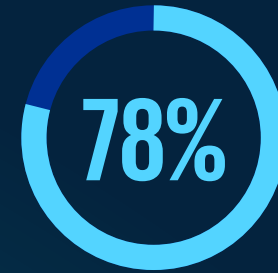
### Step 3: Make data accessible universally.

Enact a data strategy that ensures relevant insights and the tools to transform innovative practices are accessible to all stakeholders, consistently feasible to maintain, and simple to launch.

### Step 4: Leverage technical solutions effectively.

Streamline the process for placing front-office technology into play via a solutions partner or a customized tech stack so that teams can anticipate evolving customer needs and respond intuitively.

Process optimization through digital optimization requires teams to have access to the right technology and resources. The most recent KPMG CEO Outlook Survey found that the majority of businesses are taking steps to use advanced technology to introduce efficiencies into financial management workflows, including reporting and spending analysis.



**78% of CEOs are implementing an aggressive digital investment strategy.**

Most CEOs in the survey cited advancing digitization and connectivity across the business as their top operational objectives as they pursue growth over the next three years.

Source: KPMG LLP, "KPMG 2022 U.S. CEO Outlook" (2022)



Which of the following will be your **top operational priority** to achieve your growth objectives over the next three years?



Advancing digitization and connectivity across the business



Inflation proofing capital and input costs



Employee value proposition to attract and retain the necessary talent



## How resilient front-office teams leverage analytics to transform customer experience

**Aditya Rath**, Principal, Customer Advisory, Customer Experience & Marketing, KPMG LLP, is seeing clients adjusting to uncertainty in the marketplace by transforming how they use data and analytics.



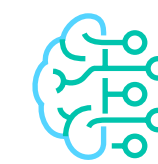
**Front-office teams are identifying the role of specific data points in deepening customer relationships.**

“Clients continuously ask how their data can be meaningfully used to drive revenue, engagement, and loyalty with the end customer.”



**Organizations are developing inventories of critical insights and roadmaps for long-term data enrichment.**

“Clients are now creating visibility frameworks for the data they have or will need to acquire, along with (details on) how this data will be further enriched.”



**Front-office teams view enriched data and AI-powered analytics as a “new normal”**

“The algorithms that work on the data to create actionable insights are constantly changing with inputs from consumer behavior; using enriched data to drive deeper and meaningful marketing campaigns is the new normal now.”

## Need to know: Is the right data driving your decisions?

According to **Pete Frend**, Principal, Customer Advisory, Insights & Effectiveness, KPMG LLP businesses should continually revisit their data strategy as marketplace conditions change.

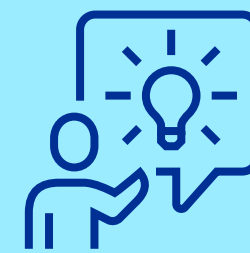
Here are three questions to ask:

### Does your current analytics suite offer best-in-class technology?

Choose a real-time or near-real-time performance dashboard to understand current business and market reactions.

**Do dated insights inform your strategy?** Frequently analyze key marketplace indicators and trends to support agile decision-making

**Are you leveraging human expertise to optimize customer experience?** Have an in-market, data-driven dialogue with customers to gather inputs around needs, value drivers, brand preferences and perceptions, and price elasticities to optimize strategies quickly.



**Are you using data-driven insights to drive a cost-mitigation strategy?** A key benefit of access to granular insights on sales and marketing performance is the ability to develop a revenue-focused cost mitigation strategy that limits spend while helping teams boost performance, even with existing resources.





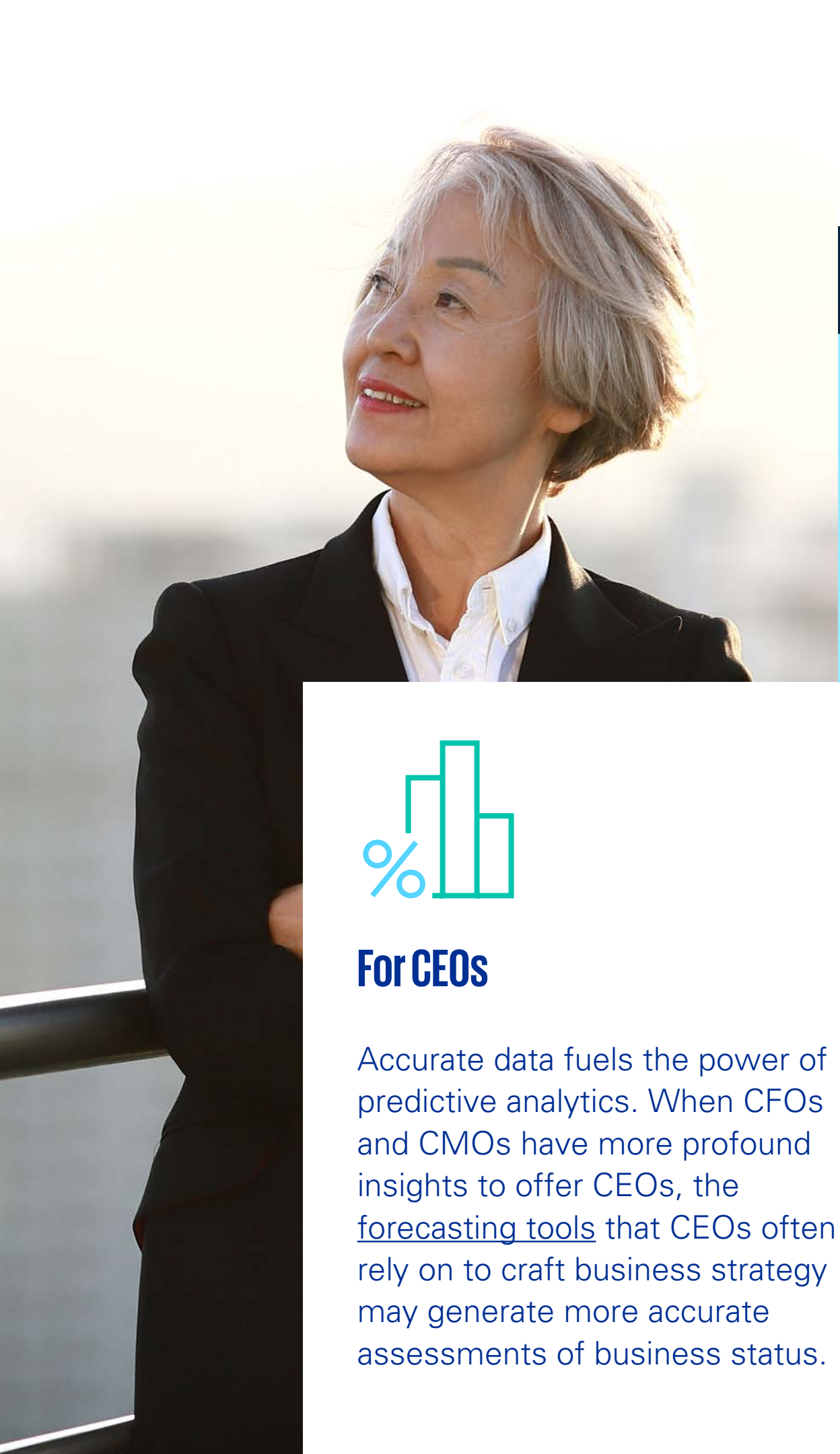
**Cheyenne Cook**  
Senior Associate, KPMG Customer Advisory  
Fitness Enthusiast, Connector, Data-driven Devotee

## How digital optimization creates resilient companies

From establishing data-driven KPIs to monitoring average revenue per user (ARPU), marketing and sales teams provide critical insights to C-suite decision-makers on customer behavior and user experience that can support resilience strategy in times of economic uncertainty.

When consumer and client confidence in the economy is low, brand differentiation, user experience, and access to real-time data are essential for developing a robust resilience strategy. In addition, cost-effective investments that amplify front-office performance can quickly reduce the need for downsizing by optimizing revenues. Here are six steps to take after developing a strategy:

- Leverage insights to develop a step-by-step procedure for integrating new technologies into existing workflows, offering teams hands-on training in implementing new tools efficiently and monitoring KPIs.
- Develop criteria for cost-cutting measures that allow sales and marketing teams to quickly identify strategies or tools that are ineffective and should be eliminated.
- Assess current tech debt and professional knowledge gaps impacting marketing, sales, and service.
- Identify areas where sales and marketing processes could be streamlined through digital transformation, such as CRM and analytics.
- Determine if it is feasible to build the appropriate tech stack independently or identify a solutions service or partner.
- When selecting a solutions partner or service, look for an option that offers a suite of integrated tech tools and management services.



## How resilience impacts the entire organization

When a business adopts data-driven innovation as a principle strategy for navigating change, new front-office efficiencies can deliver value across the entire organization. That includes helping sales and marketing teams to speak the same language as CEOs and CFOs and relating day-to-day operations to long-term revenue goals. Here are a few examples:



### For CEOs

Accurate data fuels the power of predictive analytics. When CFOs and CMOs have more profound insights to offer CEOs, the [forecasting tools](#) that CEOs often rely on to craft business strategy may generate more accurate assessments of business status.



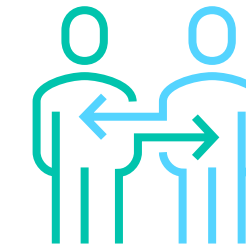
### For CFOs

Real-time data supports more performant financial strategy. For example, when real-time sales and marketing data can be easily accessed and used to adjust strategy performance projections, CFOs' financial predictions may be more accurate.



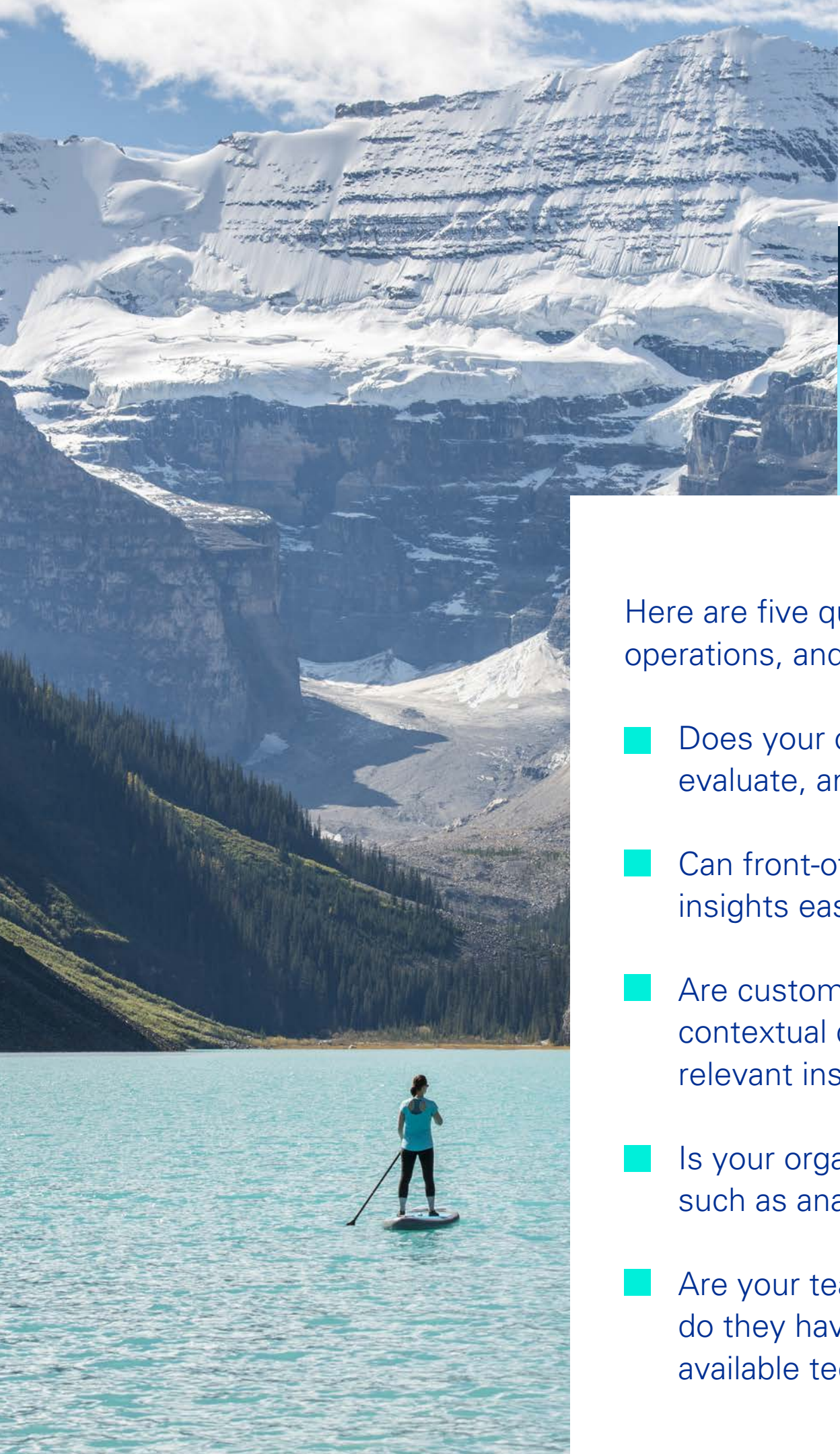
### For customer service teams

Data that enhances customer service teams' understanding of how consumers perceive, and value specific interactions can inform new strategies for customer retention.



### For marketing and sales teams

Leveraging data from sales and marketing collectively to build a model of strategy performance allows teams to see how their efforts are impacted by external and internal influencers, such as onboarding issues or customer service delays.



## The self-audit: is your organization ready to build resilience?

Here are five questions to ask about your organization's tech stack, operations, and resilience strategy:

- Does your current tech stack enable your front-office to monitor, evaluate, and report on workflow performance easily?
- Can front-office teams compile, share, and update performance insights easily across the organization?
- Are customer experiences designed based on fresh, contextual data, and can teams easily share feedback to enrich relevant insights?
- Is your organization's tech stack built to scale core operations, such as analytics, on demand?
- Are your teams working with best-in-class analytics, and if so, do they have expert human guidance to optimize the value of available technologies?

Creating the right tech stack and developing a digital transformation strategy may require the support of a solutions partner.

Here is what to look for:

- Tools that support streamlined analytics of customer experiences
- Technology that allows teams to easily integrate advanced analytics with front-office management processes
- Management and technical support for advanced technology integration with legacy processes
- The ability to customize tech solutions to support intuitive prioritization of customer needs



**Julian Villarreal**  
Manager, KPMG Customer Advisory  
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## From insights to resilience

There's a singular path to follow for businesses seeking to boost revenues, cut costs, and fast-track user experience innovation. It starts with a renewed focus on the customer—their behaviors, preferences, values, and unspoken wishes—and the complexity that entails.

The journey continues with a modern perspective on innovation, which reclassifies tools such as predictive and real-time analytics as fundamental to growth and risk management strategies. This means bringing the best tools, insights, and expertise into play to remove barriers to the optimal customer experience at every touchpoint at any moment.

From data clean rooms to AI-powered spend analysis, tools once considered disruptive are now available and critical for marketing and sales

team performance. They work best and help build the most personalized and effective strategies when guided by human expertise. The connection between technology and unique human insight is powered by data.

CFOs and CEOs benefit from accurate data and efficient teams, not only with respect to performance. C-suite leaders with access to fresh, precise sales and marketing data can craft financial strategies based on real-time marketplace conditions rather than guestimates. As new data flows in, operations, business, and marketing strategies can be adjusted in anticipation of change rather than after the fact. This level of transparency and granular control, powered by digital transformation, allows CMOs, CFOs, CTOs, and CEOs to collaborate more effectively together around revenue and marketing goals.

## Case study

### Client challenge and KPMG response

As one of the world's premier fixed income investment managers, this firm is perceived as a leader by others in the investment management industry. However, our client understood that new **CRM technologies** would drive better data outcomes—allowing them to continue their mission of creating opportunities for investors everywhere. Achieving this meant taking a **user-led approach**: designing their systems to work more efficiently, consistently, and intuitively for their institutional and wealth management business line advisers. With a CRM system that could equip them with **on-demand access** to the **latest financial data and insights**, they could better service their clients and continue to shape the future of investment management.

### Solution

KPMG armed our client with a CRM engagement strategy grounded in customer needs and preferences, giving them a user-driven, consistent, and single view of their clients. Their company can now take advantage of:

- A unified system that is accessible from all platforms as a result of moving from an on-premise solution to a cloud-based solution
- Enhanced analytics and predictive functionality that enable more targeted client conversations and better budget planning for future years
- Enhanced business processes to capture data consistently across the firm, helping ensure that key business metrics can be automatically calculated
- A user experience that is simple and intuitive, enabling efficiencies in collaborating around client needs and producing advanced reporting and analytics
- A single, consistent framework of Key Performance Indicators (KPIs), information, and tools for reliable business intelligence

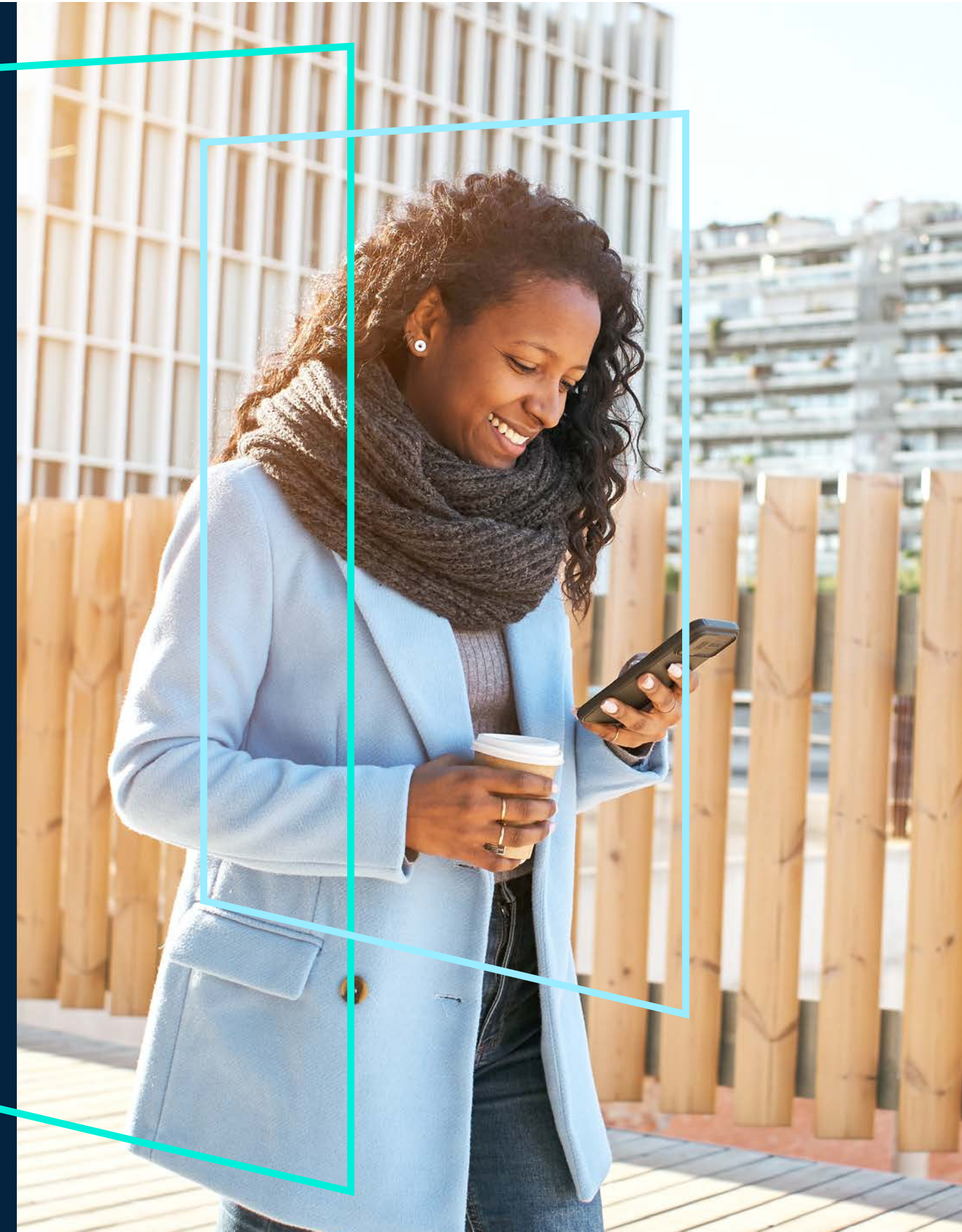
Source: KPMG LLP "User-led design. Data-driven investments." (July 18, 2018)

# Conclusion

Change must be constructed from existing resources: advice that highlights inefficiencies or shows how to better business performance without providing access to the right tools to accomplish what is needed is meaningless.

Affecting an organization-wide focus on resilience requires new thinking. It means developing an architecture of new possibilities with very practical considerations like budget, quality assurance, enterprise resource management, and technical capabilities in mind. This creates a convergence of business utility, affecting “best-in-class” benchmarks based on customer needs.

Better customer experiences drive revenues, and higher revenues power smart investments in performant sales, marketing, and user experience. Getting the equation right entails assuring that all stakeholders and departments have access to the same comprehensive datasets and that the infrastructure behind every process, whether in marketing, sales, or customer service, aligns with the company’s long-term revenue goals.



## About KPMG Customer Advisory

KPMG Customer Advisory helps some of the world's leading marketing, sales, and service professionals make the right investments that deliver meaningful, sustained growth. At every step, we deliver insights that help you make decisions with precision and confidence. Together, we'll turn opportunities into tangible, transformative results. Let's start the conversation.

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