



Detect and solve your process pain points

Building trust by uncovering discrepancies with process mining

With today's increasingly complex systems, tracking down operational inefficiencies and business risks is a needle-in-the-haystack quest. Automated process mining can help your firm find those discrepancies and even suggest improvements, offering an opportunity for organizations to embed trust and controls throughout systems and processes to mitigate risk, strengthen customer relationships, and safeguard security and privacy across the enterprise.

To remain competitive in these challenging times, firms are deploying an array of complex systems such as sophisticated enterprise resource planning (ERP), vendor management programs such as purchase to pay (P2P), and customer systems like order to cash (O2C). With potentially millions of transactions daily, it has become increasingly difficult to determine whether those transactions have followed the correct process or not. This lack of transparency can result in inefficiencies that cause rework, potential for fraud and accounting problems.

For example, it is increasingly difficult to determine whether your employees are following established practices or deviating from the program, for example, are they upselling or not? Keeping tabs on whether a particular vendor will deliver on time is another common challenge. Are your risk management and governance controls being adequately followed?

For most companies facing these issues, audits and assessments typically involve time-consuming exercises involving white boards, sticky notes, flow charts, and narratives.



The KPMG answer

KPMG, through its alliance with the software firm Celonis, is working to design and develop a truly game-changing solution called process mining, which uses algorithms to automate the entire procedure of examining those millions of transactions for process problems.

If you're familiar with data mining, which uses artificial intelligence to look at a firm's Big Data to predict things like which company product will be most popular in the future, process mining uses similar technology to scan for discrepancies in processes across all your systems. Each transaction leaves a digital footprint and the process mining solution examines those event logs and provides visual displays of deviations and risks.

The KPMG process mining methodology offers your company two key advantages:

- Increased value and efficiency, including opportunities for process improvement, operational efficiency, cost reduction, and automation.
- Reduced risk, providing transparency to enable proactive risk management and identify actual risk events such as control breakdowns, process deviations, and potential fraud events.



The potential benefits of process mining

The detailed analytics generated by process mining allow your company to gain an understanding of why outliers are occurring and why your processes are not being followed. You can even ask the system to set metrics such as key performance indicators (KPIs) that you expect to see in your processes, enabling your team to achieve continuous control monitoring that will send notifications when your transactions are deviating from the expected KPIs.

Another key benefit to process mining is benchmarking. This facility allows you to do side-by-side comparisons of different business units, such as service centers, or even different regions, such as U.S. and European divisions, where you need to know why one area is performing better than the other. Why is through time at one location faster than others, or why is another unit more automated than the rest.

Furthermore, process mining will help you move away from focusing on where risks have been and allow you to become more agile and responsive to where and when risks are emerging in real time. Internal auditors also will have the ability to be more focused on specific areas of risks.

Finding problem areas is not the only benefit of implementing process mining. The solution has advanced capabilities that when it uncovers deficiencies, it can also suggest improvements that may help overcome those roadblocks. You'll also gain an understanding of where you can enhance value.



A customizable solution

With successful implementations at 350 companies in over 30 countries, the Celonis solution, coupled with KPMG implementation and solution expertise, has a track record of success in helping firms improve operational efficiency and manage risk.

The solution includes out-of-the-box use cases, such as O2C and P2P with analysis frameworks ready to roll out. This will enable your company to identify levers that you can pull to slow the flow of cash out the door and increase the speed at which it comes in. You'll be able to answer whether you are using the levers to their fullest capability, getting discounts where necessary, and reducing friction in the overall process. It allows you to drill into specific classes of transactions to identify root causes.



Why KPMG

We have highly experienced subject matter professionals in such areas as finance, supply chain, customer enablement, analytics, ERP, data, security, and controls processes that can support the implementation of the process mining package. We can then help your team identify where potential opportunities exist to make improvements as the analysis becomes available.

KPMG has extensive experience implementing the process dashboards that are part of the standard Celonis solution as well as designing tailored solutions that fit the needs of your business. Our services can help your organization improve the way it manages risk and help solve business issues by establishing customer trust based on transparency and accountability.

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