



Finance's digital transformation strategy puts customers first

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The Accelerating Digital series presents a closer examination of the key steps on the journey to digital

Finance transformation, introduced in our flagship whitepaper, [Getting there, staying there](#). This paper shares insights on building a strategy that will serve as the foundation of a customer-centric, digitally enabled Finance function. Access the full series [here](#).

The future of Finance is digital. Widespread disruption has increased the urgency to establish digital business and operating models capable of catalyzing profitable growth in a new and uncertain environment. Finance executives can play a leading role in getting the business future ready by setting a broad digital Finance transformation strategy that emphasizes the needs of external and internal customers above all.

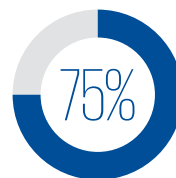
It's time for Finance to digitize

In Finance, the so-called digital future is here, now. Automation and AI have reshaped routine work, and human input increasingly focuses on higher value, insight-driven activity. Where the business meets the marketplace, virtual interaction is the norm. And the survey data in our 2020 KPMG U.S. CEO Outlook confirms our marketplace observations: the events of the past year radically compressed both digital advancement cycles, and the urgency of digital transformation in the C-suite.¹

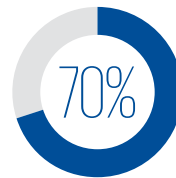
Today's businesses face change everywhere. New business models are upending old ones. Ways of working are evolving. Customer and employee behaviors and expectations are shifting. New regulatory and social demands continue to emerge. Technology innovation is making certain products and services obsolete while unlocking exciting opportunities to drive growth in novel ways. In nearly every industry, digital business and operating models that are 'agile, smart, and connected are now the way of the future. Companies everywhere are racing to stand to them up.

The past year has been a catalyst for digital transformation.

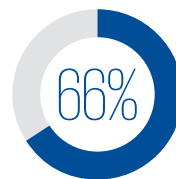
U.S. CEOs who say their organizations have accelerated progress in these areas by months or years:



Creation of digital customer experiences



Creation of new digital business models and revenue streams



Creation of a new workforce model with human workers augmented by automation and AI

Source: 2020 KPMG U.S. CEO Outlook

¹ 2020 KPMG U.S. CEO Outlook (KPMG LLP, 2020)

Digitizing the Finance function is a key step on the journey. Business leaders are looking to Finance to speed up planning cycles, increase the speed and depth of insights delivered to the business, optimize how they serve internal and external stakeholders, and enable a more agile and modern workforce. These improvements are critical enablers of the broad enterprise strategy, setting a strong foundation for competing in the new unfolding reality.

Transformation goes beyond new technology

To tackle disruption head on and help prepare the business for the future, Finance leaders are ramping up investments in digital solutions and strategies.

The opportunities for Finance transformation are immense: Data and analytics for fast and actionable insights, cognitive solutions for on-demand engagement with internal and external customers, and automation for streamlined planning and forecasting. Potential benefits include forecasting up to five times faster and 60 percent more accurate, with 30 percent reduction in consumer churn, and 50 percent more accurate forecasts.²

But while many CFOs are taking steps to become digital now, few are taking full advantage of comprehensive digital transformation. Although technology is part of the solution—and adoption speed is undoubtedly critical—creating a future-ready Finance

function requires a holistic approach, that also includes attention to processes, behavior and culture.

Start with the digital strategy

Many factors come into play when scaling digital, but it all starts with the digital strategy. A holistic digital strategy aligns the Finance function on where it wants to be from a digital perspective. It not only considers where you want to be, but also where you need to be as an organization, addressing:

- **What you're driving toward:** Determine who your target audience will be and how you will stand out in your market. Set aspirational goals for digital transformation to differentiate yourself now and in the future, leveraging experimentation and measurement as enablers.
- **Who will get you there:** Equip your organization with the ability to change and scale. Invest in disruptive digital capabilities and upskilling talent. Redefine an agile operating model that leans on digital solutions as a competitive advantage.
- **How to go further:** Harness data, in conjunction with multiple digital technologies, to anticipate disruption and evolve products, services, and business models to meet evolving customer expectations and serve new audiences and markets.

The digital strategy also defines the accelerators that are essential to drive successful digital transformation, setting the agenda for change:

Accelerating your digital agenda

Future-ready strategy

Establish your digital value chain

Connected digital

Scale digital and integrate across solutions and processes

Design-think culture

Establish a workforce that embraces digital innovation



Customer first

Connect your enterprise and move with your customers

Data value

Digital insights are only as effective as the data you feed them

Digital core

Centralize your digital governance framework

² Powered Enterprise | Finance (KPMG International, 2020)

Customer-first is the core tenet

One element of the digital strategy arguably sits above all: putting the customer first—the accelerated pace of change in today’s business environment demands a new approach to customer experience. For Finance, this includes both external buyers as well as internal customers, such as sales, marketing, and operational partners.

Companies continue to witness fundamental shifts in customer behavior. Getting ahead of customer demands is essential to maintaining healthy financials and competing in the marketplace. And comprehensive digital transformation is the way forward.

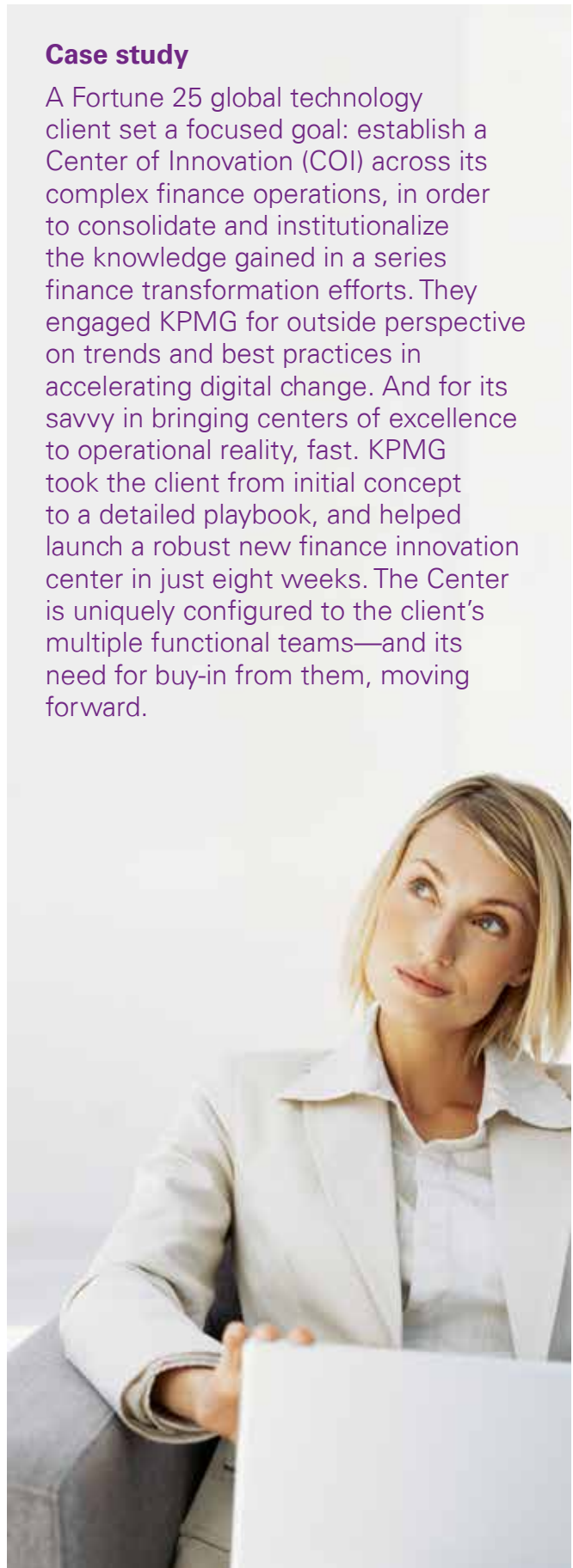
Digital Finance operating models can integrate data from all aspects of the business, generating a continuous flow of customer information. Harnessing this data allows Finance to form a 360-degree view of the customer and apply analytics to uncover insights on customer patterns, wants, and needs. Understanding customer demographics, social and economic trends—and how they play into an organization’s lines of business—enables smarter, faster commercial decision-making and is a crucial component of future readiness.

Finance can also leverage digital technologies to establish effortless, on-demand customer engagement—while maintaining a human relationship. Innovations such as self-service portals and chatbots powered by AI and automation allow for real-time engagement, 24/7, on the channels customers prefer. Importantly, this doesn’t mean the customer experience will become robotic or impersonal. By leveraging a continuous loop of customer insights, Finance can make interactions faster, more intentional, convenient, and relevant—essentially more human-like.

Consider how Finance leverages technology to improve interactions with its internal customers: The on-demand dashboard reporting made possible by digitized operations can free up analyst capacity to do the real value-added work, of telling the story behind the financials. By enabling dynamic insights in real time, Finance delivers the answers its business partners need to effectively run their respective departments.

Case study

A Fortune 25 global technology client set a focused goal: establish a Center of Innovation (COI) across its complex finance operations, in order to consolidate and institutionalize the knowledge gained in a series of finance transformation efforts. They engaged KPMG for outside perspective on trends and best practices in accelerating digital change. And for its savvy in bringing centers of excellence to operational reality, fast. KPMG took the client from initial concept to a detailed playbook, and helped launch a robust new finance innovation center in just eight weeks. The Center is uniquely configured to the client’s multiple functional teams—and its need for buy-in from them, moving forward.





Develop a customer-centric digital strategy

The digitally enabled Finance function is a more effective business partner, equipping the enterprise with the insights it needs to make better commercial decisions and prepare for future disruption. Here are a few tips to accelerate digital in your department:

- **Set the objective.** Decide what good will look like for your future Finance organization—and what needs to change to arrive there. How does your digital strategy enable growth and profitability? How does it fit into the enterprise agenda? What capabilities are you lacking to accelerate your digital plans? How are you evaluating digital opportunities and determining highest areas of return? Use this as a guide for determining the key drivers of digital transformation and an agenda for moving forward.
- **Involve the right people.** Digital Finance transformation requires a unified effort across the commercial organization. Finance executives can create the vision and govern the strategy, but decisions must align with overall enterprise-wide digital aspirations. Make sure to collaborate with impacted internal business partners, including information technology, sales and marketing, customer service, procurement, and human resources, to ensure all valuable perspectives are accounted for.
- **Set the scope, but don't stop there.** Successful digital transformations often start by being laser focused, aiming for a measurable and achievable goal. Starting small provides important context for moving on to a larger project. However, once you execute your initial agenda, you will be primed to take your digital Finance transformation to the next level. Use your new digital data to continuously adapt more customer-centric processes and structures and add incremental Finance services to support the evolving needs of the growing business.

As disruption reshapes the business landscape, achieving digital transformation in the Finance function is no longer a matter choice. A clear digital strategy, with customer centricity as a key element, will help your department make the most of the technologies available today and drive greater value to the organization tomorrow.

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Learn how the KPMG Finance Transformation team can help your Finance organization accelerate digital.

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