



Transforming the service delivery model

The modern CFO: Strategic. proactive. visionary.

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The CFO's Elevate agenda



Expand finance's value proposition beyond current services delivered



Be the **transformation engine for the business**, enabling value at scale across stakeholders and redeploying talent to high-value areas



Modernized Workforce – Evolving requirements and ways of working are accelerating the need for new skills, competencies, and roles in finance



Dedicated, specialized CoEs – Leading organizations are expanding their usage of dedicated, specialized CoEs to enable agility and increase value of services delivered to the enterprise

Future state

Value-add services

Advanced finance and accounting processes (e.g., FP&A, Tax/Treasury Services)

Remote digital enablement

Companies are capable of hosting most services virtually

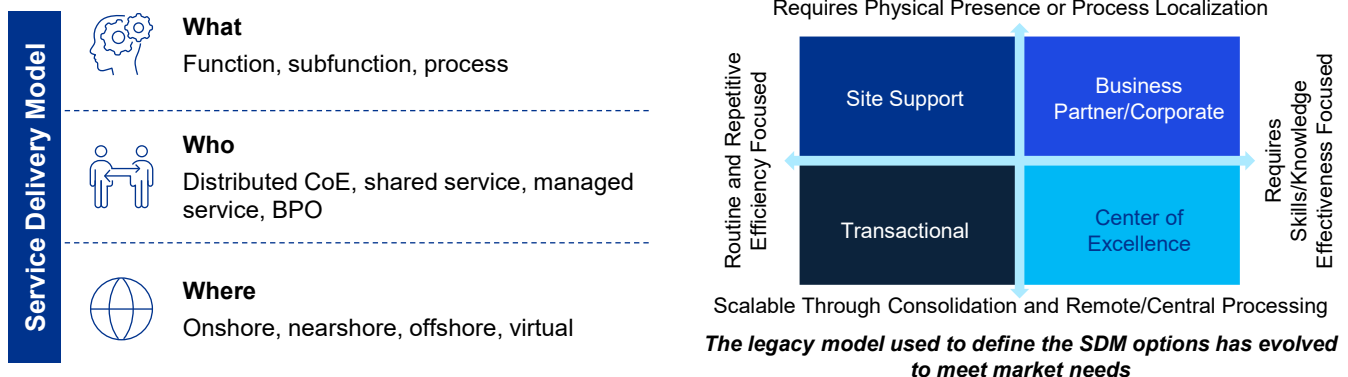
Specialized CoEs

- *Data & analytics*
- *ESG enablement*
- *Digital*

What is a service delivery model?

KPMG defines a service delivery model (SDM) as the future state of what is delivered by who and where

Legacy SDM framework



Modernizing the SDM

The traditional SDM framework examines processes across dimensions (or axes) to determine the optimal service delivery. Axis one focused on localization requirements while the second axis focused on hard skills and unique knowledge. Out of this came a basic 2X2 SDM across four quadrants emphasizing site support, business partner, transactional, and centers of excellence.

As with all things, the world has become more complex and the tools for evaluating the SDM must reflect major changes in how we work, skills we require, and how technology is utilized. This has driven the following key changes to the dimensions:

Dimensional changes



Physical locations have been redefined – new ways of working and the associated collaboration tools (TEAMS, Zoom, Slack, just to name a few) has rendered nearly all physical requirements unnecessary



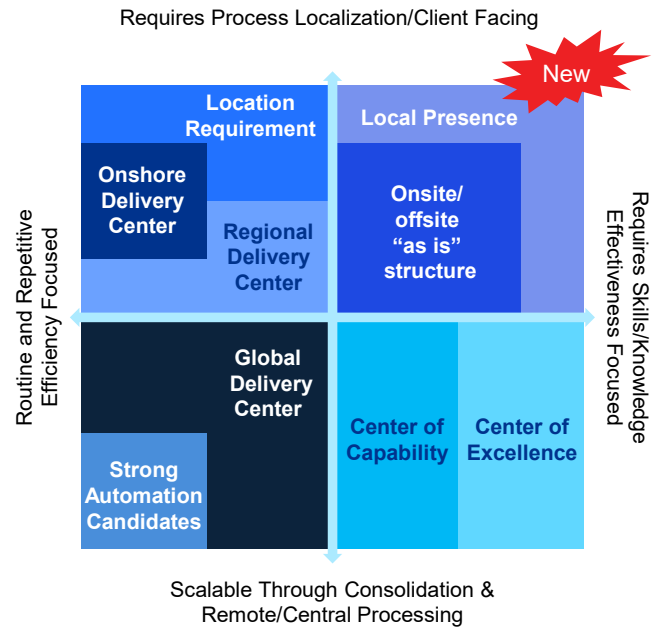
“Client Facing” has been added to the localization dimension to account for the literal need to be “side by side” or in front of the client physically



“Soft skills” (emotional intelligence, critical thinking, digital literacy, intercultural fluency, etc.) are more relevant alongside hard skills as the model changes



As more high value services are expected to be performed in the SDM, **hard skills** need a strong filter to differentiate excellence versus capability.



How does this change the SDM?



Regional is the exception, global expands

Transactional services, without specific physical requirements, **drive fully to a global, lowest cost delivery**. The bar for localization has been raised. Regional and local service centers are driven by specific requirements (regulatory, language and legal requirements).



Full offshore team extension

The enterprise SDM now includes extending teams, historically bespoke as “corporate” to offshore, considering an “extended office” approach. Global companies can now push the envelope on local position requirements. In today’s market, resource scarcity requires it.



CoEs and CoCs are separated

Distinguishing center of excellence (CoE) vs. center of capability (CoC) is far more critical as former CoC activities become table stakes, and only truly unique knowledge requires the power of the CoE grouping. Areas of excellence are redefined as unique and leading edge.



Automation no brainers

Automation “no brainers” identify an immediate set of **automation candidates** as RPA and other automation capabilities continue to become commonplace. These candidates are driven by their repetitive in, physical constraints free, and scalable characteristics.



What are the questions CFOs should be asking?

- What delivery model (global, hybrid, virtual) works best for my business?
- How do I capitalize on the SDM evolution to be the most effective and efficient as well as improve the employee experience?
- What centers of excellence and capability should be in my service delivery model?

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