

Strategy and Innovation

Developing a framework to turn insights into action

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KPMG Future of Finance 2022

CFO agenda for elevating finance

We believe that CFOs and their teams are natural leaders in today's digitally enabled, dynamic environment. Leading finance organizations are investing in new capabilities that enable them to elevate from their traditional roles to strategic advisors across the enterprise. Our strategy for future-ready finance includes five distinct but complementary pillars focused on unlocking business value. [Download](#) this white paper to learn more.



Sitting at the center of Business and Operations, Finance teams are uniquely positioned to drive strategy and innovation across the organization.

— **Brian Mace**
Managing Director,
Finance Transformation,
KPMG

Finance needs to be a strategic function in today's business world. But what does that mean in terms of actual business value? More to the point, how can CFOs create a strategic path forward that enhances the finance function while benefiting the whole enterprise?

In our recent white paper [CFO agenda for elevating finance](#), we explored three ideas about extending the strategic function of finance: the **creation** of enterprise value, the **integration** of agendas, plans, and key performance indicators (KPIs), and the **realization** of value by turning insights into action.

In this point of view, we'll look at how the right strategic framework can achieve value for finance.



The value realization framework

CFOs can develop an integrated framework across the enterprise to help realize greater business value. This includes improving employee satisfaction and establishing clear goals that resonate at the individual-level.

The right framework can help prioritize human and financial capital, execute initiatives, and track success through enterprise performance management (EPM) solutions.

To identify, define and prioritize strategies:

Finance can operationalize invested capital across the enterprise to realize value. This begins with identifying the value that aligns with the strategy and stakeholder interests. Finance should then prioritize human and financial capital on initiatives that deliver business value.

To execute, validate and optimize initiatives:

Execution involves delivering initiatives in line with strategic business priorities. Finance can validate the success of these initiatives by using EPM capabilities for monitoring, reporting, and analysis. Finance can also improve initiatives that are not producing sufficient value by recalibrating execution or reallocating capital.

Case in point

This KPMG case study highlights the importance of data as a key element of a value realization framework.

Challenge: A global videogame and digital entertainment company sought to transform its finance department's target operating model. The goal was to drive a strategic planning process and position the finance team to better serve global business partners.

How we helped: KPMG redesigned their Target Operating Model, which included the implementation of driver-based planning, standardized reporting capabilities, and standardized KPIs. In addition, KPMG helped realign the organization to the new proposed delivery model, thereby rebalancing the support between core business planning and analysis (BP&A) and commercial finance.

Benefits to the client: The client achieved faster planning cycles, a reduction in the time required to generate reports, and greater freedom to focus on value-add initiatives. Sample initiatives included aligning KPIs to enterprise strategy to help enable quick, strategic decisions and increased value for the enterprise.



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