



INTELLIGENT FINANCE

Investment Management: Transforming Data to Drive Growth

Six best practices for a future-ready data strategy.

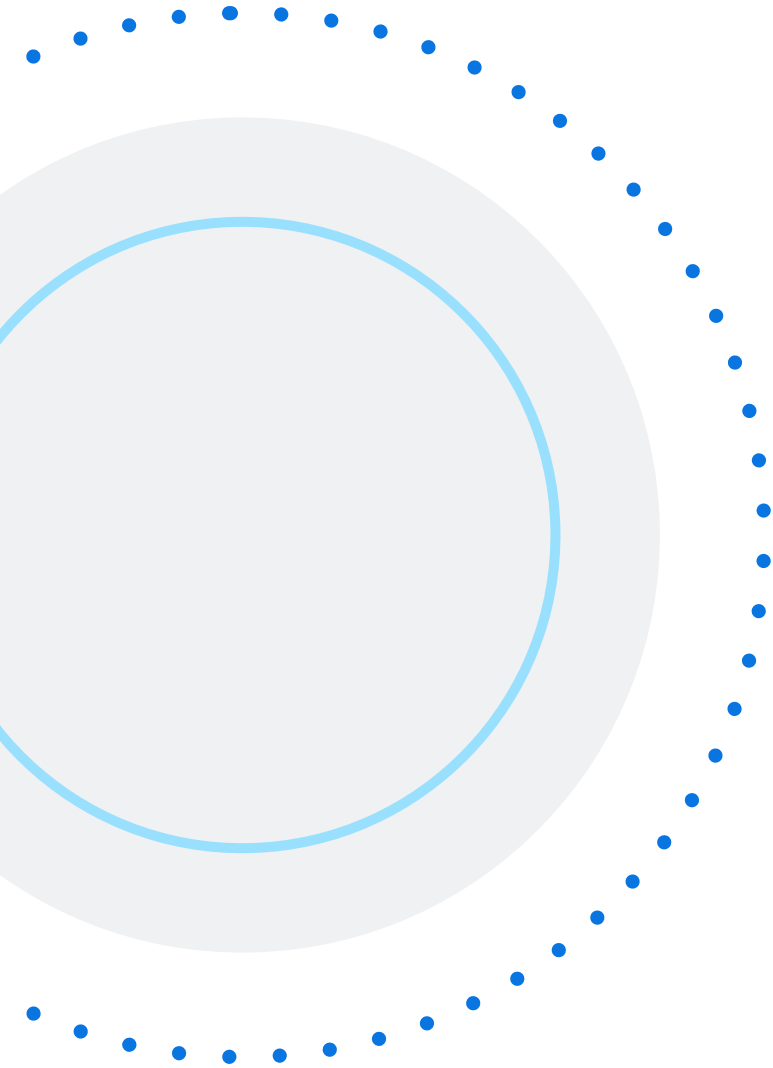


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Introduction.

Data is the lifeblood of any modern investment management institution. In an industry filled with increased fintech competition, lower margins, and soaring customer expectations, investment management firms face marked pressure to eliminate operational inefficiencies, lower cost structures, and boost automation. The key to all of these improvements? Data.

A company's ability to unlock the true value of data is crucial for gaining—and sustaining—competitive advantage, especially as investment management leaders navigate a near-constant barrage of disruptive market forces and swift regulatory changes.



Taking nimble, sure-footed action in this rapidly evolving landscape requires leaders to have accurate, accessible, decision-ready data at their fingertips. But that's out of reach for many investment management firms because they're burdened with complex data architectures and data siloed across multiple legacy systems and best-of-breed applications—as well as in inconsistent formats and varying levels of transaction detail.

As CFOs increasingly step into a broader, more strategic role at investment management firms, finance—at the intersection of strategy, operations, and financial data—is uniquely positioned to help firms take advantage of data at scale and reap its many benefits. Indeed, finance is under more pressure than ever to serve as the data steward for the organization, and the speed and mind-boggling potential of AI only adds more urgency.

Accounting and FP&A teams within the investment management industry are already developing AI and machine learning (ML) use cases to assist with everything from due diligence and compliance checks to touchless invoice processing and journal anomaly detection. AI-empowered accounting processes can also expedite the close process, identify emerging trends, and enhance strategic decision-making, ultimately empowering investment management firms to drive even more value across the organization.

Still, AI can only deliver outputs as good as the data it's provided. And without a future-ready data strategy, it will be impossible for finance teams within investment management firms to harness the full transformative potential of AI—or even tap the true value of their existing data.

It's clear that investment management firms must evolve to thrive, and many have already started the journey. According to recent KPMG research, the majority of top-performing organizations are focused on not only operationalizing internal data but also on integrating external data to enable real-time insights and drive finance transformation. Moreover, they're spending 2x–3x more time on data analytics and decision support than the industry average.

To continue moving forward, leaders need to ditch ad hoc fixes and “lift and shift” solutions in favor of a clear data strategy and a flexible platform that can operationalize data, ensure easy access to all relevant stakeholders, and maintain security and privacy. Leaders also need to move beyond cumbersome fixed accounting keys that hinder insight and fail to keep up as business evolves.

Read on to learn how finance leaders in investment management can spearhead the charge and move their organization toward becoming truly data-driven.

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The investment management world is facing greater volatility and complexity, just as customers expect simpler, more personalized experiences. To manage it all—to anticipate consumer behavior and support growth while continuing to protect their business—finance leaders need a multidimensional view of their business and data-driven insights that help them remain agile.

Jim Gahagan

Senior Industry Director, Financial Services Solution Marketing, Workday

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Today's volume and variety of data creates a pressing need to build a strong culture of data in investment management firms. Sorting through the data problem creates a significant and long-lasting stream of benefits.

Karim Haji

Global Head of Financial Services, KPMG UK



Unify and contextualize data for a single source of rich, real-time truth.

Why it matters.

The more detailed the data, the more you understand what's happening in your business and the deeper insights you can surface. But legacy systems, designed to automate and simplify financial reporting, tend to summarize transactional data, leaving little or no information from the original transaction. As the accounting process unfolds, the data is stripped of its transactional details, leaving just the balances to be stored by an accounting key.

At the same time, pulling data together is no trivial task. Investment management firms often have complex legacy systems, and mergers and acquisitions—a common growth driver—as well as business unit or geographic preferences may add even more operational systems to the mix. And when accounting teams augment these rigid, linear systems with data warehouses, business intelligence solutions, and reporting tools, the dizzying complexity of the firm's data architecture only increases.

This complex patchwork requires considerable effort for data reconciliation, delays product-line profitability reporting, slows down decision-making and reactions to external economic conditions, and exposes the business to risk associated with data duplication. What's more, because only balances are stored by the accounting key, the data tends to lack the level of detail or dimensions and attributions that accounting teams need for comprehensive and timely analytics.

Get it done.

Investment management firms need a true cloud architecture that brings together all of their finance and operational data while maintaining the data's full dimensionality. Transactions made in one area should be immediately reflected in other areas with no need for data reconciliation.

Look for a solution that ingests and enriches data from business transactions and transforms it into accounting. With a single data hub that includes all actuals with rich dimensionality and blended operational details, investment management firms can easily drill through to source data, resolve variances, and make corrections. And rather than toggle among the general ledger, spreadsheets, and business intelligence tools, leaders can analyze their business from the core accounting system.

To enable real-time analysis, investment management firms also need a platform that eliminates a fixed accounting key. That's because a static key—one that requires manually moving data from system to system and focuses on summarizing data—fundamentally erodes the data and dimensionality needed to plan predictively. To move forward, firms need a flexible and dynamic approach that keeps data intact and in the hands of accounting, delivering unmatched granular insight into the system of record that's powered by a single analytical engine.

When it comes to generating real-time insights into profitability, spend, liquidity, and more, investment management firms need unified, multidimensional data. The right approach means less reconciliation, redundancy, and system maintenance—and more-secure access to high-quality data that can help money managers minimize risk and promote better decision-making.





63%

of finance leaders
acknowledge that
their company's data is
somewhat or
completely siloed ²

77%

of financial services
executives feel that
reconciling data issues
requires significant
effort ³



KPMG insight.

Because investment management firms operate multiple systems within complex regulatory frameworks, an accounting center solution acts as a centralized platform that integrates these disparate systems, ensuring data consistency and accuracy across the institution. This integration is crucial for providing a unified view of financial operations, simplifying internal processes, and enhancing the reliability of financial reports.



Workday has a strong integration framework. This has allowed us to automate a number of key business interactions that were historically manual and increase the timeliness of management information and the reliability of key processes.

Tim Perkins

Head of Corporate Technology, Man Group

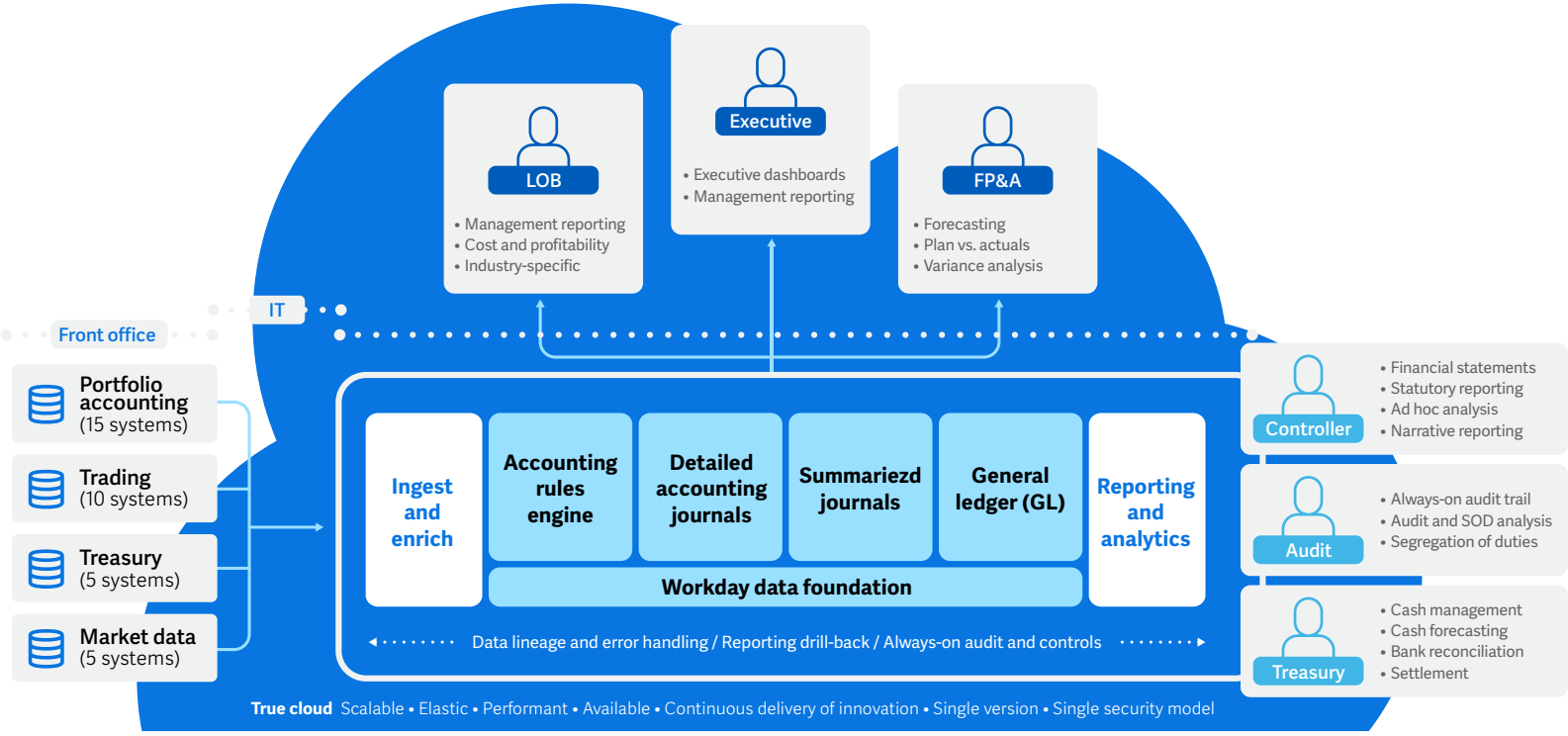
How Workday can help.

Workday brings together your financial and operational data in an intelligent data core, using the power of Workday Prism Analytics to enable investment management firms to ingest, transform, and—when needed—create accounting data from any source while providing greater control over data management.

With business transactions integrated, Workday Accounting Center automatically transforms the data into detailed accounting, summarizes it, and posts it to the general ledger, speeding up the accounting creation process and delivering a complete and multidimensional view of the business. With all of this happening in the intelligent data core, Workday greatly reduces the number of feeds and

reconciliation necessary for reporting and analytics. Investment management firms can easily ingest high volumes of operational data, add simple or complex calculations to enrich that data in the system of record, create associated accounting, and provide rich analytics and visualizations—all while remaining connected to the general ledger.

Accounting and reporting are performed in-memory, which reduces the time spent waiting for batch processes or running reconciliations, giving you a view of consolidated results at any point in the period.



Build a robust, extended data ecosystem.

Why it matters.

Data volumes are growing exponentially, driven by rising business complexity, new regulations, and the relentless pursuit of more granular analysis to gain a competitive edge. Within this shifting landscape, investment management firms are expected to harness the value of data to make informed investment decisions and deliver superior client outcomes.

But this endless need for better and more up-to-date information means rapidly growing mountains of disparate data for investment management firms. What's more, these data sources are often unstructured and uncodified—in fact, MIT's Sloan School of Management estimates that as much as 90% of organizational data is trapped in unstructured formats⁴—making it difficult to transform and integrate, exacerbating a dilemma for finance teams trying to glean valuable insights.

As they confront these overwhelming data volumes, many firms convert only 18 months or fewer of historical data when they move from their on-premise system to the cloud. And frequently, the data that is converted maintains only summary-level information in the general ledger, limiting users' ability to fully report and analyze historical trends.

Get it done.

To get the most from their data, investment management firms need to securely bring it all together—and that means all historical and all new data. A modern finance platform should blend internal and external data to deliver a multidimensional view of the business. It should seamlessly integrate real-time financial transactions and historical data from legacy systems, in addition to operational data from industry-specific or homegrown solutions. And the platform should be able to go beyond data integration to enrich both internal and external data and transform it into accounting in the system of record—owned and managed by the accounting team.

Equipped with this data hub, investment management firms' finance teams can offer executives and decision-makers a richer, multidimensional view of the business; centralize relevant information to reduce reconciliations and streamline core accounting processes; and respond quickly to new business needs and questions, all while maintaining consistent security and data integrity.

The right data strategy also allows investment management firms to deliver huge volumes of data signals to AI-enabled systems that can reduce friction, speed up accounting processes, detect anomalies, and deliver recommendations.



KPMG insight.

An accounting center solution helps ensure that financial data across a firm's operations is processed and reported accurately and in compliance with financial reporting standards. The solution centralizes financial operations, making it easier to adapt to and comply with regulatory changes and audits.



How Workday can help.

Workday Prism Analytics is a data hub built directly into the system of record that lets investment management firms seamlessly and securely blend any data source—including external and third-party data—with their trusted data already within Workday. Bringing together data from their entire data ecosystem helps investment management firms surface insights from disparate data sources to make better decisions and drive optimal performance.

For example, finance teams at investment management firms can:

- Slice and dice investment portfolios by visualizing all portfolio data sources in an intuitive, drag-and-drop environment
- Blend your financial data with external investment accounting information and external foreign exchange hedging details in a single treasury dashboard for timely visibility into all prior-day and current-day cash positions across investment management firms
- Tap historical data to develop a trended P&L report to run variance analysis, meet regulatory requirements, and identify correlations and trends

Customer success: Franklin Templeton streamlines financial systems.

With \$1.4 trillion in assets under management, Franklin Templeton is one of the world's largest asset managers. Managing operations on such a scale required an integrated solution backed by data. To unify its financial systems, align the systems with HR, and manage data from integrating acquisitions, Franklin Templeton turned to Workday.

Franklin Templeton's finance team can now easily review data and create reports as part of the flow of business. The team realizes huge time savings and increased efficiency with AI and ML capabilities and can more easily choose when to invest in the products that will improve operational performance.

By deploying Workday solutions, Franklin Templeton:

- Saved 125 hours of monthly effort on routine work
- Reduced integration schedules from 1,000+ to fewer than 200
- Unlocked better, faster decision-making

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Workday has enabled us to do routine work more efficiently. That frees us up to do the next acquisition, to work on the next business strategy, to provide better analytical work to our business partners.

EVP, Chief Accounting Officer, Franklin Templeton



Democratize in-the-moment insights without compromising data integrity.

Why it matters.

Many finance teams are stuck working in legacy systems that separate data and BI tools, requiring users to constantly port data back and forth. This slows analysis, creates opportunities for error, and prevents anyone who's not an IT expert or data scientist from generating high-value insights on their own.

A unified source of truth democratizes data analytics and empowers the whole workforce by putting intuitive tools at its fingertips. With the right solution, finance teams and business unit users alike have easy access to the right information so they can anticipate change and act quickly to seize opportunity.

But democratizing data must be executed within a sophisticated security model, ensuring that the data is accessible to only the right people and fully auditable. Every transaction needs to be tracked and every action logged to preserve unimpeachable audit trails—all without slowing system performance or creating more work.

Customer success: Accelerating digital transformation at Man Group.

Global investment management firm Man Group was looking for technology to enable standard global processes, support its growth trajectory, and deliver innovation.

By bringing together its finance, financial planning, and HR processes in a single secure system with Workday, the firm now rests assured that one version of data flows through every process, speeding up and improving the accuracy of reporting and decision-making.

Get it done.

To grant people the right level of permission, investment management firms need a solution with a configurable security model based on each individual user and applied to every field of every detail record. Tools such as roles, security groups, and business process configurations should be available to enforce security protocols, while a detailed audit trail should record every system movement with user identities and time stamps.

The right platform should also use the same access model across user interfaces, APIs, and integrations to eliminate the “backdoor” access that causes significant security risk in legacy systems.

Individualized permissions and secure access points mean that everyone within an investment management firm can access insights in a way that makes the most sense for their needs, while significantly reducing the risk of security breaches and data leaks.



One massive benefit of Workday is that someone with absolutely no coding or IT background can quickly teach themselves how to integrate datasets and pull meaningful information from them.

Thomas Rees

Workday Financials Product Owner, Man Group

How Workday can help.



Consistent security model: The Workday security model enables users to see only what they're supposed to see. As organizational and data structures change, Workday automatically updates reports to reflect the changes, helping you to move fast while keeping your stakeholders informed and your data secure.



OfficeConnect Microsoft™ Excel™ add-in: With Workday, you can create, share, and maintain live and secured general ledger reports in a desktop spreadsheet experience with the OfficeConnect Microsoft Excel add-in. This helps you quickly analyze financial data and use Workday business logic, such as consolidation and translation, in finance's most natural workspace. OfficeConnect uses a drag-and-drop experience that allows you to perform multidimensional financial analysis with minimal training while ensuring data integrity.



Contextual analytics: By connecting reporting and analytics directly with transactions, Workday provides analytics within the context of workflows to help users make more informed decisions. For example, notifications about customer invoices include an aging analysis for the account, and expense reports include analytics about the employee's prior reports.



KPMG insight.

With a unified data model, investment management firms can more easily apply advanced analytics and business intelligence tools, enabling deeper insights into financial performance, trends, and anomalies, and helping management make informed decisions more quickly.

Speed decision-making by allowing those closest to the business to govern data.

Why it matters.

In siloed legacy systems, every tool handles only a small portion of the overall process. As a result, investment management firms often use clunky integrations to extract data and post it to the general ledger.

This disparate technology creates a complicated technical landscape filled with multiple ERP systems, ETL tools, BI solutions, and middleware—all owned by IT. Accounting and finance leaders, therefore, are significantly dependent on IT service requests to integrate data and deploy logic changes and system updates. Data extraction also creates a ledger that lacks source data, preventing finance leaders from drilling back to efficiently resolve variances, determine risk, or explore drivers that impact results.

This needlessly increases complexity, complicating overall financial reporting while delaying insight. By the time information is accessed, reconciled, and formatted, it's already outdated and unusable.



Get it done.

To create an accessible, efficient, and scalable data pipeline, investment management firms need cloud-based solutions that can be easily adopted and configured by business leaders—no coding required.

Workday Accounting Center streamlines organizational data by providing a single point of maintenance for accounting rules across all operational activity, whether data is sourced from Workday or external systems. It also shifts ownership away from IT, giving finance responsibility for deploying and maintaining critical components such as the financial data model, accounting rules, mappings, calculations, and metrics.

Moreover, Workday provides finance with the ability to configure and control the data, with APIs that connect to middleware and external applications. This allows investment management executives to prepare and process data for reporting, analytics, and planning without coding.

With Workday, finance teams gain more control over critical business processes, while IT teams can shift attention from time-consuming updates to higher-value activities. The result? Deeper analysis, faster planning, and better decision-making across the organization.



KPMG insight.

By providing access to real-time data from various sources while eliminating the need for manual consolidation, a unified data hub accelerates analytics and reporting processes, enables more accurate and timely decisions, and frees up valuable resources for other strategic initiatives.

How Workday can help.

Designed for accounting and finance, Workday provides oversight into data transformation so you can monitor data as it moves from ingestion through reporting, modify accounting rules, and continuously track changes with always-on audit trails.

Workday Prism Analytics empowers business users by making it easy to:

- Create and maintain data transformation pipelines with an intuitive interface
- Apply join, union, group-by, and filter functions to datasets
- Build computed fields by leveraging a rich function library
- Preview data transformations to ensure the data is what was expected
- Get a visual profile of fields in the dataset to understand statistics



Workday Accounting Center enables finance organizations to connect financial and operational data in an easy-to-use way providing more value and insights to the businesses they support.

Mike Bambo

Director, Advisory Enterprise Solutions, KPMG US



Maintain a future-ready posture with embedded AI and advanced analytics.

Why it matters.

To maximize context for decision-makers while minimizing time-to-action, data needs to be embedded into the core of the platform in which transactions and analysis take place.

This becomes even more important as AI technologies expand. When data exists in silos, AI has no single source of truth to learn from, leading to questionable results and reduced user confidence.

By leveraging a platform with embedded AI and ML that is able to continuously learn from all available data, investment management firms can rapidly deploy new automation capabilities at scale. And because AI gets better the more it's used, this approach allows the technology to improve faster, driving even more innovation and time-saving opportunities.

Firms that leverage AI and advanced analytics can eliminate the rote manual work of transforming data into accounting; enable automated predictive analysis around revenue, expenses, and other variables; and easily compare automated forecasts against finance teams' forecasts to detect variances and problems—all while saving time and staying future-focused.

61%
of finance technology
leaders said they believe Gen
AI, AI, and ML will be critical
to enabling the business
to achieve its short-term
ambitions ⁵

Get it done.

Investment management firms should ensure AI is built on a high-quality data foundation by looking for a platform with a unified intelligent data core combined with comprehensive reporting and analytics tools. Investment management firms should also establish clear AI use cases, ethical boundaries, and a strategy to move quickly.

With embedded analytics and AI, investment management firms can render mundane tasks obsolete while processing higher-volume transactions faster and more precisely. Specifically, investment management firms can effortlessly:

- Identify trading anomalies instantly, without manually extracting information from siloed systems
- Conduct productivity and performance analysis of individual managers and associates
- Calculate client retention

The right advanced analytics capabilities should allow firms to blend and analyze data in many ways, generating high volumes of rich debt-portfolio details that are often dropped when aggregating data for posting to the general ledger.



KPMG insight.

With real-time and historical data consolidated in a unified hub, investment management firms can leverage advanced analytics, AI, and ML to uncover deeper insights, predict trends, and optimize operations. This can lead to innovations in products and services, improved customer experiences, and more effective marketing strategies.



How Workday can help.

Workday embeds the latest Gen AI advancements into its core, helping investment management firms redefine their workplace dynamics while fostering increased productivity and amplifying human potential.



Data: Workday leverages huge amounts of data within a uniform model so the data that feeds your AI use cases is always updated and reliable.



Platform: Since AI and ML are built into the core Workday architecture rather than bolted on after the fact, investment management firms can enjoy increased agility, quick time to value, and proven strategies to stay a step ahead—all without a separate AI and ML stack or data integration.



Trust: Workday takes a responsible approach to transparently document each AI and ML model and keep people at the center, ensuring no decision is ever fully controlled by Workday AI and ML technologies. Humans are kept in the loop at all the right places and are the final decision-makers.



With the right data strategy, organizations can leverage advanced analytics, AI, and machine learning to uncover deeper insights, predict trends, and optimize operations. This can lead to innovations in products and services, improved customer experiences, and more effective marketing strategies.

Karim Haji

Global Head of Financial Services, KPMG UK

Partner for a smooth deployment.

Why it matters.

By now it's clear that the evolving investment management landscape requires the efficacy and agility of a cloud-based enterprise platform. Choosing the right solution is critical—but it's not just about technology for technology's sake. To truly leverage the benefits, investment management firms need to use a cloud transition as an opportunity to redefine ways of working and build a future-ready data strategy to accelerate time to value.

An organization's cloud setup can depend on multiple factors, including business structure and number of employees—and choosing the right one is vital to sustainable, profitable growth. Investment management firms need to select the option that's best for their specific needs while avoiding the temptation to simply “lift and shift” old processes into a new system.



There's a tremendous amount of operational data outside of core financial systems that's required for reporting and regulatory compliance. Workday Accounting Center allows investment management firms to tap into that operational data in a very organized and structured manner, get it into the general ledger and books of record, and allow it to power meaningful AI capabilities.

Jim Gahagan

Senior Industry Director, Financial Services Solution Marketing, Workday

Get it done.

Investment management firms looking to deploy a true cloud solution should embrace professional services' advisory and consulting teams that have years of deployment experience. Choosing the right partner helps smooth the transition by providing access to people who work with the platform on a daily basis and have aggregated best practices to define the best possible solution for a firm's particular needs.

In addition to partnering with an experienced consultant, investment management firms should also involve more senior team members in the day-to-day work of deployment so decisions can be made more quickly without delaying the effort.



It is crucial that investment management firms meet the demands of regulatory compliance, operational efficiency, risk management, and strategic decision-making. Connected data ensures they can navigate the complexities of the industry while improving accuracy, efficiency, and overall satisfaction.

Mike Bambo

Director, Advisory Enterprise Solutions, KPMG US

Conclusion.

To thrive in the future, investment management firms need flexible, real-time accounting processes built around an intelligent data core. By embracing a true cloud platform that automatically converts data into a single accounting system and marries it with sophisticated self-service analytics and reporting capabilities, investment management firms can achieve frictionless finance and deliver real-time insights that drive the organization forward.

As this guide has detailed, Workday Accounting Center and Workday Prism Analytics deliver the flexibility, scalability, and agility required to unlock value and spur growth—even during tumultuous times.

Learn more about:

[Workday Accounting Center](#)

[Workday Intelligent Data Core](#)

Ready to get in touch?

Visit workday.com/contact or call +1-877-967-5329.



Sources

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