KPMG

Better data, better decisions:

How to accelerate success with insight-powered performance

Improve performance, reduce costs, and create more value through a data-driven strategy

kpmg.com

Introduction

As a CEO, head of strategy, or private equity partner, every decision you make is a powerful opportunity to create a domino effect of performance improvement throughout your organization. How can you make strategic decisions that eliminate waste and position the business for revenue growth and higher profitability? The short answer is that better decisions start with better data—and without the right data, you may be leaving too much to chance.

Strengthening your ability to leverage data is a worthwhile investment—one that can drive tangible improvement across multiple areas including commercial effectiveness, supply chain, procurement and vendor relations, and working capital management. The good news? Technological innovations are dramatically streamlining the effort required to prepare and connect data—and use it to drive EBITDA improvement in the short and long term.

Data insights status check

Having the right data and strategies is the key to unlocking decisions that drive better performance. Use these questions to assess your current approach to applying data to performance management and improvement:

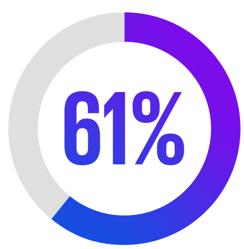
When finalizing pricing on new offerings, how precisely can you identify the value "sweet spot" for your customers and your business?	When restructuring a team or divesting an underperforming division, how do you ensure that you've explored every lever that could spark a turnaround?	When considering macroeconomic factors like inflation and potential tariffs, how confident are you that you have embedded such volatility into your commercial planning?	When your IT leaders evaluate systems, how do they ensure that the platform they choose can position the organization to respond effectively to rapid and inorganic growth?

Data's vital role

Having access to the right information empowers you to weigh options and proceed with greater confidence and effectiveness. What's more, connecting internal and external data can yield unique insights for strengthening your competitive advantage.

Although data has historically been the purview of IT teams and database administrators, it's now a top focus across the C-suites of most businesses. A recent KPMG survey[1] affirmed that leaders recognize the importance of data in driving performance improvement. They also know there are persistent gaps related to the accessibility, quality, usability, and governance of their data.

The KPMG survey also revealed that compared to three years ago, data has become more important to transformation initiatives. In fact, 61 percent of executives reported that they are seeking to improve the quality of data to better inform transformation initiatives over the next one to three years.[2]



of executives reported that they are seeking to improve the quality of data to better inform transformation initiatives over the next one to three years.

[1] KPMG Grow Survey 2025

[2] KPMG Grow Survey 2025

Evidence or extrapolation: Evaluate your current capabilities

With the right data and strategies in place, your organization can develop the insights needed to drive higher EBITDA. Without those resources, you may be making critical decisions based on incomplete or inaccurate inputs. By unlocking more comprehensive and higher-quality insights, you strengthen your ability to ask—and confidently answer—three key questions.

Performance goal: Growth and profitability

What can your business achieve in the next three to five years?

Developing an accurate and actionable answer depends on orchestrating external and internal data. That includes gathering robust top-down insights into market sizing and trends, competitive activity, and other macro forces that could affect innovation and growth. Equally valuable is bottom-up data from your own front lines: the go-to-market teams who interact with customers. Too often, account-level insights are trapped in the minds of salespeople, leading to critical gaps in forecasts.

Incomplete, inaccurate, or otherwise flawed data will inevitably lead to flawed decision-making. Instead, build a plan for proactively acquiring third-party data, capturing internal information, and then connecting it all to formulate a more comprehensive—and accurate—view of what your organization can accomplish.

For example, consider how data-driven companies are using information to understand—and shape—individual customer experiences. Capturing granular, near-real-time data about customers' behaviors and preferences online and in person can help in crafting more effective interactions and offers. Greater personalization can help improve satisfaction, strengthen retention, and/or increase revenue. Such insights also support more effective development and enhancement of core products and services.

Performance goal: More efficient growth

How much does it cost for your business to generate revenue?

Answering that question is never fast or easy, but it is always worth the effort. When you track all costs and allocate them to the revenue your business produces, you gain insights that are essential to making better strategic decisions. You can:

- More accurately quantify fixed costs and variable costs and identify opportunities for smart cuts.
- Make better choices about which parts of the business to invest in and which are primed for sunsetting.
- Gain a deeper understanding of how individual functions are creating or eroding value from top-line revenue to bottom-line profit.
- Build a stronger foundation for decision-making related to mergers and acquisitions.

Such insights are possible when you adopt more sophisticated cost allocation methodologies—powered by the right data strategies. And it's worth pursuing incremental progress as you advance from cost allocation at the level of contribution margin to gross margin to operating margin. The ultimate goal is to maintain a repeatable, scalable structure for allocating all direct and indirect costs by customer and product.

With a consistent approach to cost allocation, you can build curated databases specific to your organization—and start applying generative AI (GenAI) models, including large language models (LLMs), to the data to explore and pursue cost-saving initiatives.

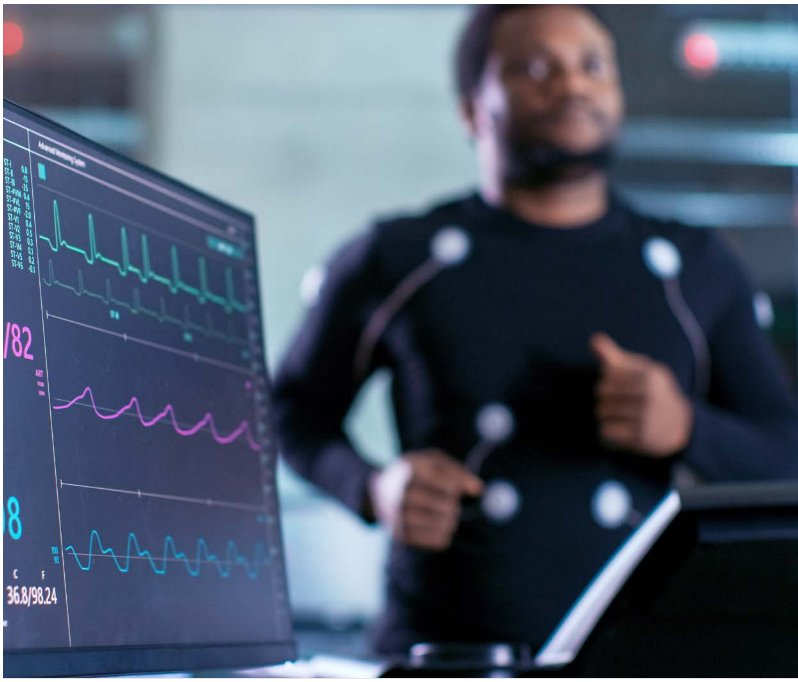
Performance goal: Higher operational effectiveness

What metrics are you using to manage cashflow?

Many organizations still track working capital health using high-level metrics, such as days sales outstanding (DSO), days payable outstanding (DPO), and days inventory outstanding (DIO). A better approach: lean into more granular metrics and use data-driven tools to pinpoint improvement opportunities, automate manual processes, and link forecasts with operational improvement initiatives.

In accounts receivable (AR), use detailed data to precisely quantify how long it takes to convert an order into cash. Give purchasing and accounts payable teams better information to support payment-term negotiations and execution of disbursements.

And for inventory management, use data to understand and segment product performance by demand and volatility characteristics. These insights can illuminate potential impacts of planning parameters, stocking strategies, and demand and supply planning.



Build your plan for insight-powered performance improvement

To drive meaningful improvement—and deliver sustainable value—identify your organization's most critical metrics. While these metrics will vary by industry and depend on your key business priorities, one requirement is universal: the metrics must be cross functional. Siloed, department-level metrics will not yield the meaningful insights you need to understand current business performance or identify both quick wins and longer-term opportunities for improvement.

Whether you move forward with internal resources or engage a third party to better leverage your data, consider these four critical steps:

01 Articulate the business problem you need to solve and prioritize the growth opportunity you want to pursue.

Are you aiming to achieve greater accuracy and granularity in how you quantify and manage costs? Are you trying to evaluate opportunities to optimize your supply chain for today's volatile global environment? Or are you trying to position the organization to seize growth and innovation opportunities more quickly and effectively? The key is to be clear about priorities; attempting to tackle too many performance improvement strategies at once could stall or derail results.

02 Assess your current capability and maturity in the area(s) targeted for improvement.

This phase benefits from a structured approach, including interviews with key stakeholders and reviews of relevant facts from internal teams. It should culminate in a standard scorecard that confirms or reveals performance improvement opportunities—and supports development of value-creation hypotheses.

03 Conduct deeper analysis of historical financial and operational performance in the areas targeted for improvement.

If you're exploring a potential acquisition, this will be an outside-in analysis of how the organization compares to its peers. If you are already leading the organization, you can combine external benchmarking data with robust internal data—creating an even richer portrait of performance improvement opportunities. In either case, this step concludes with the creation of a detailed roadmap of how, when, and where you will pull levers for higher growth and profitability, better operational effectiveness, and optimized working capital management.

04 Focus on execution.

Every dollar shaved from costs can fall to the bottom line—or be reinvested into further performance improvements. Aim for "quick wins" to create a domino effect of value creation. Over time—and when you keep measuring what matters—you can achieve even larger, more strategic business goals.

KPMG supports leaders in building and implementing detailed performance improvement roadmaps. We combine proprietary analytics tools boosted by generative AI with an extensive collection of third-party datasets to help accelerate the speed and quality of insights that can be generated for outside-in or inside-out analyses. Insight-powered performance improvement leads to better strategic decisions—and greater value creation

How KPMG can help

As a trusted collaborator, we work closely with clients throughout the entire performance improvement journey. Utilizing our extensive industry knowledge and experience, we employ an integrated, cross-functional approach to effectively optimize performance, digitize processes, and drive growth, even amidst economic volatility and rapid market shifts.

KPMG has the ability to introduce and connect clients with industry and process professionals from a diverse range of sectors, enabling access to a wealth of valuable insights. Leveraging our extensive experiences in the field, we are able to share unique lessons and provide tailored guidance to drive success and growth for our clients.

We can help you identify inefficiencies and pain points by conducting a formal working session or full diagnostic to uncover and quantify improvement potential. In this way, we provide our clients with valuable insights and actionable steps to help optimize their operations and achieve their goals.

KPMG also can work with you to build business cases and think through investment tradeoffs that help you understand how to create the value for one-time and ongoing investment potential.

KPMG can codify impacts and opportunities created through emerging technologies such as generative AI, and can provide tailored guidance to help you develop effective orchestration and governance strategies to manage continuous improvement.

Finally, we have years of experience creating and executing the change management programs needed for performance improvement implementation—our focus on the people and communication aspects of these efforts is of paramount importance.

KPMG is focused on balancing growth and cost to sustainably improve a business' financial trajectory. Our team of professionals can guide you from strategy to execution, delivering measurable improvements to revenue, operating margins, cost structures, and working capital positions to help you quickly unlock value and achieve your goals.

Companies can benefit from the approach of the KPMG performance improvement program:

Focus on value.

We know that companies focus more than ever on value when seeking performance improvement. We put value at the center of everything we do, always balancing risk and reward. We carefully monitor and orchestrate multiple projects to ensure successful execution and value capture.

Close attention to culture.

We also know the critical role people and culture play in making performance improvement an essential part of an organization's muscle memory. We emphasize ongoing leadership commitment and help generate employee engagement to create a culture that embraces continuous improvement and innovative thinking.

Smart application of technology.

Technology and data are the essential parts of performance improvement programs. Data-led insights help your firm increase financial value by uncovering new opportunities to perform better, profit more, explore new potential, and reduce costs.

Reimagine experiences.

By examining, exploring, and reframing what's possible, we help clients develop processes and ways of working that create better experiences for all stakeholders—employees, customers, partners, and clients.

Authors

For more information, contact us:

Adam Pollak
Partner, Global Head of Value Creation and US Performance Transformation Leader, KPMG US
480-459-3743
apollak@kpmg.com

Arthur Djavairian
Principal, Advisory Performance Transformation, KPMG US
480-459-3510
adjavairian@kpmg.com

Shiraz Malik
Managing Director, Advisory Performance Transformation KPMG US
646-593-2720
shirazmalik@kpmg.com

Rahul Gaur
Director, Advisory Performance Transformation KPMG US
914-372-8677
rahulgaur1@kpmg.com

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

Please visit us: **kpmg.com** **Subscribe**

DASD-2025-17301