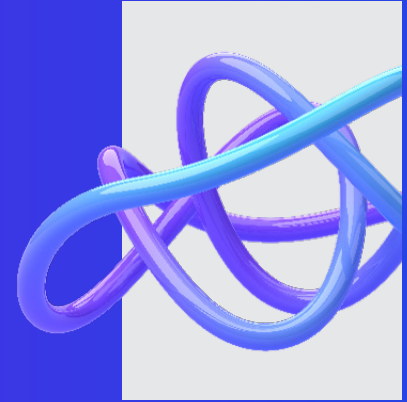




Unlocking the next generation of Finance-as-a-Service

December 12, 2024



Finance organizations are facing a growing need to reimagine their operations and leverage disruptive technologies to address the challenges of the modern business landscape. As companies embrace digital transformation, finance teams are expected to provide quality insights, drive efficiencies, and scale their operations while managing costs and skill shortages. This shift has elevated the finance function to a critical business enabler, with Finance-as-a-Service (FaaS) directly impacting an organization's ability to compete and succeed.

The webcast highlighted the growing trend towards FaaS models and their significant benefits in transforming the finance function by leveraging leading technologies.

Panelists discussed the following topics:



Reimagining finance with technology

The FaaS offering is designed to meet clients at their current stage and drive optimization and continuous improvement. By combining various elements, including unique capabilities, the focus is on enhancing the delivery model, ultimately driving efficiencies. A flexible model with technology at its core and the ability to transition to clients is a key aspect of this approach.

Leveraging disruptive technologies like cloud and artificial intelligence (AI) is essential to transforming the traditional model and scaling with technology rather than people. This approach enables finance teams to focus on value-added activities while technology handles repetitive and manual tasks. It presents an opportunity to continuously optimize organizational costs and capitalize on the sea change moment where technology enables greater capabilities. However, several challenges must be

addressed to achieve this transformation, and FaaS can help mitigate these risks:

- **Gap in quality insights:** Disparate systems and data hinder the ability to identify and act quickly on new competitive opportunities, leading to a growing lack of trust and slower innovation.
- **Cost pressures:** Finance operations face increasing costs and limited ability to upgrade and scale without significant new capital investment.
- **Disparate systems and data:** Inefficient processes and elongated turnaround times due to disparate systems and data impede innovation efforts.
- **Skill shortages:** Finance teams struggle to keep pace with increasingly complex technologies and source the specialized skills required to elevate their performance.
- **Technology lag:** Organizations struggle to keep up with rapidly advancing technologies solutions due to a lack of expertise and resources.



Innovative FaaS platform

KPMG has developed a leading FaaS platform that offers clients a thorough suite of technologies on a subscription basis. This platform includes advanced capabilities such as anomaly detection, data cleaning, and transactional anomaly detection, all bundled together with the necessary technology stack licenses.

By leveraging this FaaS platform, clients gain access to flexibility, capacity, and AI capabilities that they may not have within their own organization.

The platform allows clients to focus on execution and driving value for finance, while KPMG manages the technology implementation, maintenance, and enhancement.

Through this journey, clients benefit from access to controlled, reconciled data that supports all of their financial reporting processes in a managed platform, with KPMG complementing clients' resources where needed.



Wide-ranging managed services enabled by AI

The FaaS platform leverages AI capabilities to deliver wide-ranging managed services that transform and optimize the finance function. This thorough approach covers upstream and transactional processes, intelligent close, and intelligent performance, tailored to each client's industry and specific needs.

Upstream and transactional processes, such as quote-to-cash, source-to-pay, and acquire-to-retire, are streamlined using customized application modules. These tools incorporate AI and generative AI to enhance the speed and performance of transactions, driving operational efficiencies and cost savings. Examples of AI-enabled solutions transforming the way finance operates include contract generation, days sales outstanding prediction, and invoice processing, addressing challenges such as manual processing, lack of real-time visibility, and data silos.

The intelligent close process, which focuses on transact-to-record and record-to-record activities, is directly linked with the transactional processes

for increased efficiency. AI-powered machine learning, process automations, and generative AI outputs are deployed to reduce time-consuming reconciliation tasks and recommend required actions. This intelligent approach to closing the books, generating financial statements, and providing insights helps organizations overcome challenges such as manual activities, limited analytics, and regulatory compliance.

Intelligent performance, encompassing financial planning and analysis and enterprise data management, utilizes cloud data and powerful AI predictive models to deliver faster, more accurate, and more value-creating insights for the entire organization. AI-driven solutions for intelligent performance include intelligent planning, competitive benchmarking, trend analysis, and self-serve reporting. These solutions tackle challenges like manual reporting, limited analytics, and the need for more robust and predictable planning and forecasting processes.



Tailored solutions for your journey

The FaaS approach involves analyzing processes, aligning outcomes, designing solutions, deploying and managing the solutions, and continuously evolving with advanced analytics and AI. While resolving everything within a short timeframe may not be feasible, the effort invested yields significant benefits.

The focus is on complementing clients' capabilities and bringing the necessary skills and solutions to bear in a pragmatic way that delivers value. This may involve taking over some capabilities, stabilizing them as an initial phase, and then optimizing the use of technologies, either brought by the service provider or already in play at the client's organization.

The solution is then enhanced with AI and other advanced capabilities to achieve the optimal state specific to the client's needs. The service provider manages and maintains the solution, making necessary changes as part of the agreed-upon scope and fees. As the client grows, the solution is scaled, focusing on scaling with technology rather than people.

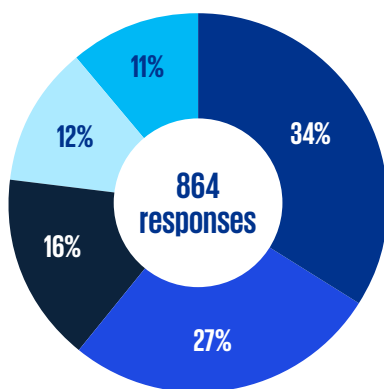


Embracing finance transformation

To embark on the finance transformation journey with FaaS, organizations should educate themselves on the benefits and capabilities of FaaS solutions, build trust with service providers, and identify opportunities to automate processes with technology. The focus should be on building a strong foundation first, then layering in advanced solutions. The goal of implementing an FaaS solution is to make finance transformation scalable and sustainable, enabling organizations to meet the growing demands for efficiency, insights, and value creation in an increasingly complex landscape, ultimately future-proofing their finance function.



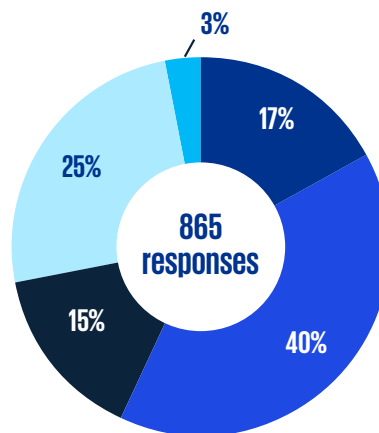
Which challenge most resonates with your organization?



- Cost pressures
- Disparate systems and data
- Gap in quality insights
- Skill shortages
- Technology lag

Note: These percentages add to 100%.

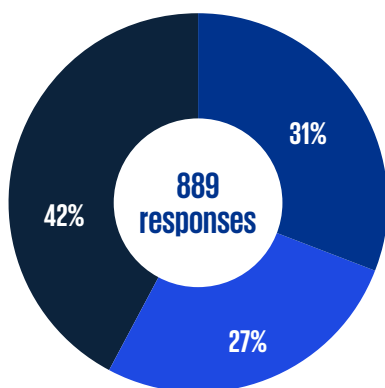
What are the most critical financial tasks in your organization that, if streamlined or improved, could significantly impact your overall business performance?



- Accounts payable and receivable management
- Budgeting or forecasting
- Cash flow monitoring and management
- Financial reporting and analysis
- Other (please specify)

Note: These percentages add to 100%.

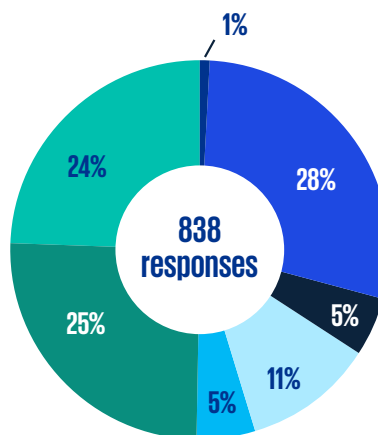
Based on the information presented, which area provides the most immediate benefit for your organization?



- Intelligent close
- Intelligent performance
- Upstream and transactional processes

Note: These percentages add to 100%.

Which aspect of the KPMG FaaS solution do you believe will most enhance your organization's strategic decision-making capabilities?



- Access to specialized expertise
- Automation of financial processes
- Enhanced compliance and risk management
- Integration with existing systems
- Other
- Predictive analytics and forecasting
- Real-time data visibility and insights

Note: Percentages may not total 100 percent due to rounding.

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