



Data modernization: Banks ready for the **next stage**

Contents



Foreword

Banks have overcome blockers to modernizing data and laid foundations for turning data overhead into advantage. Now, by shifting energy from everyday data management to next-stage data mastery, the industry can pursue the value and service excellence they've long believed possible, if elusive, from data.

Findings from the KPMG 2025 Banking Technology Survey of 200 leaders across the banking industry reflect the progress banks have made in overhauling their approach to data. It shows an industry with a tighter hold on data security, compliance, and governance and in the middle of much-needed progressive change.

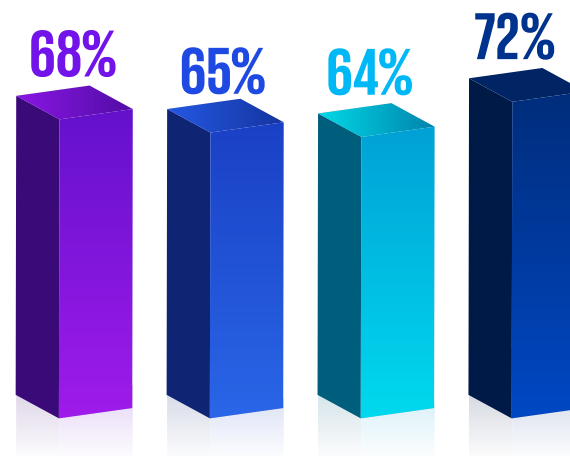


We've reached a tipping point around data in banking. The industry is shifting from a defensive agenda around data protection and management to an offensive agenda geared toward growth through data utilization.

Brian Radakovich

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More than two-thirds (68 percent) of survey respondents, for instance, said they already have a target-state vision for data management, governance, capabilities, and architecture in place, with a roadmap and funding model secured to implement and sustain it (65 percent). Almost two-thirds (64 percent) of respondents said they have implemented or operationalized their authoritative source framework for data, and almost three-quarters (72 percent) have end-to-end data management capabilities.



With many of the basics now in place, the industry is moving toward value creation. Data products represent this next phase of evolution for banks in data operating models and product discipline for value delivery.

In their data modernization journey, banks can move from piecemeal data management to a state of sustainable utility and innovation with a strong data products vision and implementation plan.

The move to data products

Leaders agree that the road to growth for the industry begins with data products. In a recent KPMG survey on data products, 92 percent of the 250 respondents said that well-constructed data products are critical to their organizations' success over the next three years, and 90 percent said they'd be increasing investments in data products by at least 10 percent. Seventy-five percent of financial services respondents said their institutions had already moved data products into development or had gone live with use cases.

What exactly is a data product? Simply, it is a collection of data assets that have been developed from a raw to curated form for a specific business purpose. A data product:



Uses data as the core ingredient



Has a customer for whom it brings value and serves a purpose



Is reusable

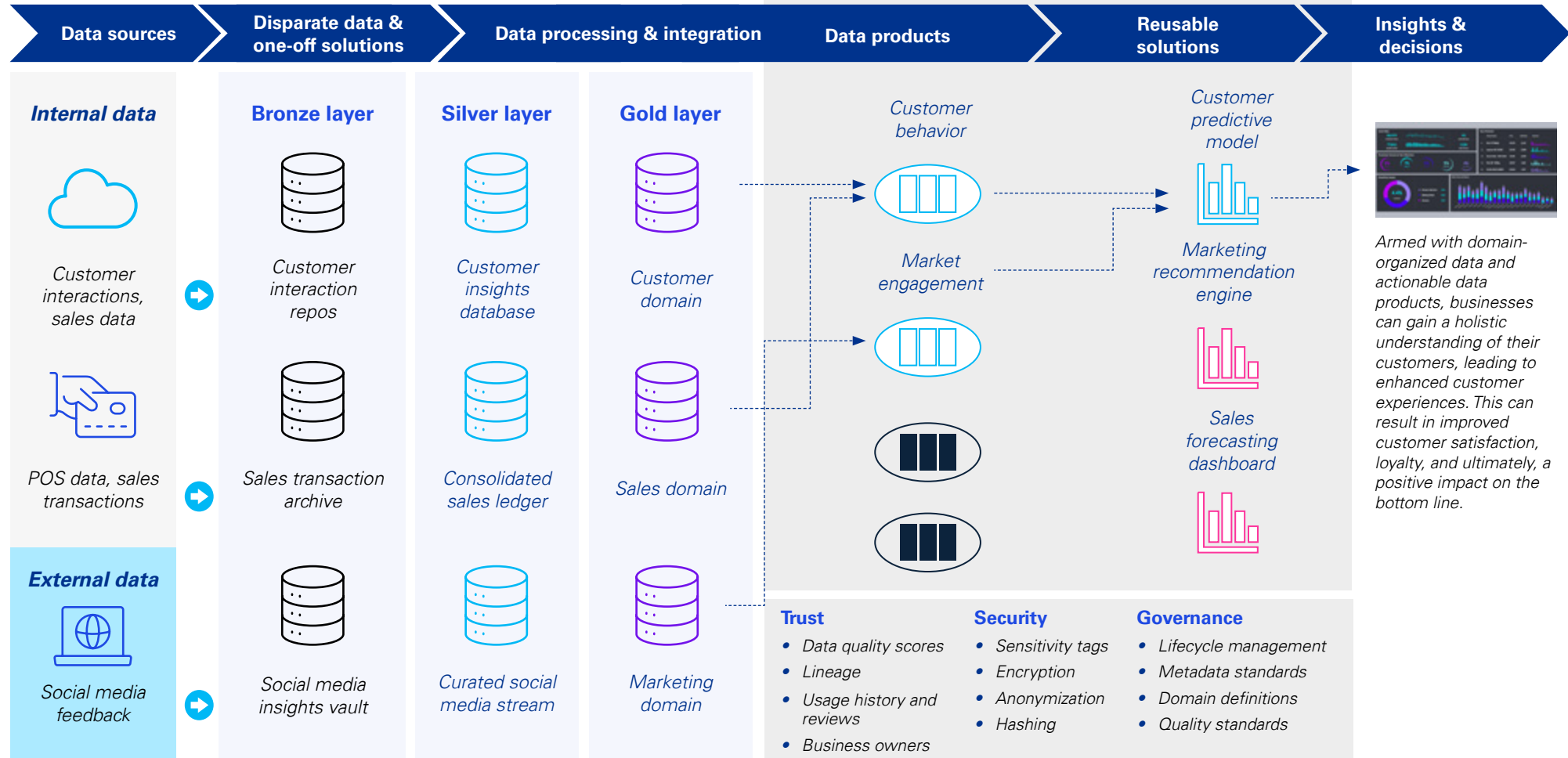


Is curated for a target audience

A data product must be certified by achieving certain hygiene goals—distinguishing it from one-off data dumps and static reports often confused as “products.” When asked to characterize their progress toward data products adoption in the recent study, 85 percent of respondents from financial services said they were at the “Walk” or “Run” stages of adoption.

See page 5 for an example of how banks are enhancing customer experience by converting data to data products, reusable solutions, insights, and decisions.

From data to decisions and insights: Enhancing customer experience with data in banking



Businesses collect data from multiple internal sources such as sales transactions, customer service interactions, and website analytics, alongside external sources such as market research, social media feedback, and industry reports.

Initially, this wide array of data exists in fragmented, siloed systems—the “Bronze” layer, characterized by raw, unstructured data. This fragmentation hinders a unified view of the customer journey, leading to less effective customer experience strategies.

In the transition to the “Silver” and “Gold” layers, data is cleaned, standardized, and deduplicated. Silver layer processing involves aligning data formats and removing redundancies, whereas in the Gold layer, data is further refined and organized according to domains such as customer demographics, purchasing behaviors, service interactions, and feedback. This organization facilitates easier access and more meaningful analysis.

Enhanced data products
 The inception of these enhanced data offerings paves the way for the formulation of scalable and adaptable solutions within the data marketplace environment. Examples include a comprehensive customer experience dashboard or a behavior prediction model. These offerings tap into the meticulously structured, domain-specific data to deliver key insights. This empowers businesses to refine their strategies precisely to cater to customer demands.

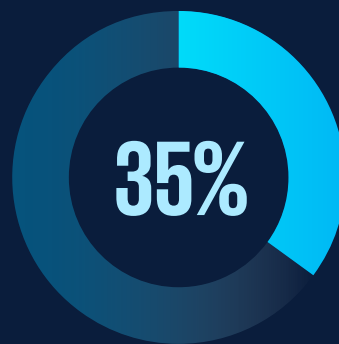
Scalable and adaptable solutions
 These solutions are designed for flexibility, allowing for seamless adaptation across various departments or business segments, thereby boosting operational efficiency. A case in point is a customer experience dashboard, initially crafted for the retail industry, which can be effortlessly customized to suit the hospitality or financial services industries with minimal adjustments.

However, creating a data products mindset and operating model within an enterprise isn't so simple. It requires meaningful cultural, technological, and organizational changes, including elevating businesses' role in data ownership—a function left, in many organizations, to technology teams.

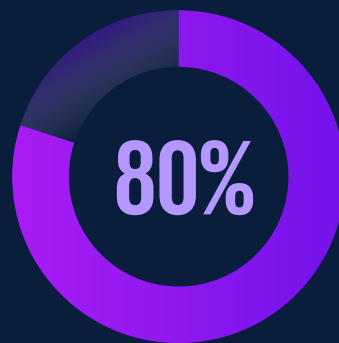
In the target operating model for data products, collaboration between business and technology is essential, and data ownership shifts to those who understand data's characteristics and value best. The new data product owner's goal is to find value in data and partner across the organization to ensure availability to those who might benefit from them. In our recent data products study, 55 percent of executives said they believe data management is a collaborative effort co-owned and managed by IT and the business.

For most organizations, realizing that value is harder than it sounds. While half of financial services leaders in the KPMG data products survey said they were confident data could create new value for their organization, just 35 percent of respondents across industries said they'd actually created any value from data products so far.

And progress in data modernization has come with ongoing challenges. More than 80 percent of respondents in the banking technology survey cited data privacy and risk, data quality, and systems integration/legacy systems as top concerns in their modernization efforts.



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By maturing toward data products and a data-ownership mindset, institutions can begin to realize the benefits of value creation, speed to market, and operational efficiency that come with this important data modernization effort.

Benjamin Roberts
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Building high-value data products

Maximizing investments and overcoming these barriers is the key to unlocking value from data. A comprehensive data products strategy helps organizations achieve trust in data across the enterprise, increases speed to market for new data initiatives, optimizes data storage and processing costs, and enables business value.

Here are steps banks can take to continue maturing in data modernization toward a data products operating model:



Inventory your data assets and experts

Use generative AI and machine learning to gather, consolidate, and analyze information about your data assets at the portfolio level. Understanding this portfolio can surface important insights on data utility, business context, trust indicators, and technical information.



Quantify the data value chain

Create a clear, repeatable, and well-understood rubric to guide decision-making on data investment priorities. Weigh the utility, viability, and value of data products against the pipeline of traditional “good enough” data projects.



Confirm data portfolio utility, and prune

Help ensure you funnel data consumers to the highest fidelity assets and products. Weigh your data assets’ performance against a value threshold.



Shape behavior, self-service, and a marketplace mindset

As new data assets are curated and the portfolio is optimized, advance and elevate data product owners and stewards during reporting and analytics cycles.



Prioritize value measurement

Evaluate the potential for value creation during curation and measure adoption over time. Data products can be expensive to build and maintain and are only as worthwhile as the value they create.

Value levers

- 1 Operational excellence
- 2 Speed to market
- 3 Competitive advantage
- 4 Shortened time to insights
- 5 New revenue generation
- 6 Data-driven decision support
- 7 Technology simplification
- 8 Support regulatory compliance
- 9 Workforce refactoring
- 10 Cost reduction

Conclusion

As banks firm up their foundations for better data management across the enterprise, they'll continue to unlock more of data's strategic, business, and operational value. Based on responses to our 2025 Banking Technology survey, the industry is making significant progress; shifting to a data-products approach can only further accelerate this transition to opportunity from overhead. With robust new governance, management, and frameworks in place, banks can achieve sustainable innovation, overcoming past blockers to deliver service excellence, gain new insights, and power data-supported growth.



To realize the true value of data for the enterprise and their customers, banks must move past a fragmented approach to data and stop treating data as a second-class citizen. The benefits of a data products approach is that it elevates the data mission for everyone.

Christopher Panneck

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How KPMG can help

KPMG is here to help. We're harnessing the power of data to elevate the value you can achieve from making better decisions and achieving stronger business outcomes. We can help you create a robust data strategy that joins the needs of your business with the support of a modern data architecture.

In 2024, KPMG was named a leader in data modernization services by IDC. With our digital transformation experience, advanced technology knowledge, and respected data practitioners, we provide chief data officer's and data leaders with solutions designed to keep you moving forward with confidence. We can help you:



Build data products that rely on agile data management systems, elevated data quality, and solid operational foundations. We'll help you establish federated data ownership practices and data models optimized for specific domains and lines of business.



Anticipate and adapt to the wide-ranging impacts AI can have on your data and organization, including budgets and data controls, secure data practices, and cloud-native architectures.



Harness the power of data ethically and responsibly with trusted data principles and governance models for managing risk.



Create a consumer lifecycle approach that incorporates self-service models, AI assistants and agents, and builds a foundation for enterprise insights.



Operate and manage your data infrastructure with integrated frameworks that support access to a broad range of data sources and make analytics faster with less friction.

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