Building a modern finance function

How KPMG LLP helped a retailer transform their finance function in preparation for an IPO

This rapidly growing organization were overly reliant on disparate systems and manual process, resulting in a lack of confidence in the accuracy and timeliness of their financial reporting. Modern systems, processes, analytics and reporting capabilities were required to help them realize their IPO ambitions.

They were looking for a trusted partner to help guide and support the creation of their modern finance function.

Provided control across financial reporting day 1

Consolidation and ledger up and running within 60 days

Accounts Payable and Fixed Assets enabled 30 days later

Sector:

Retail

Scope:

The Company is a well-known retail brand specializing in heritage and outdoor lifestyle apparel, with a strong reputation built over several decades. Founded in the late 20th century, the business has grown from a single storefront into a prominent multi-state regional chain.

Scale:

1600+ employees
100+ locations in over 15 states
$900M+ annual revenue

So, what was the problem?

Their existing finance function presented them with a number of inherent operational challenges:

- Fragmented and unstructured financial reporting resulting in many versions of reports with limited view of which reports were authoritative
- Chart of accounts was overly complex and misaligned with reporting needs
- Accounts payable and other finance processes depended on a significant amount of manual, non-standard processes
- Disparate systems that were not cleanly integrated created reconciliation issues and delayed insights
- Overreliance on highly-customized, ad-hoc controls making them harder to sustain
- Fixed assets were tracked in Excel leading to additional manual activity and limited controls

The need for change

Acknowledging the need to transform their finance function into a modern, IPO-ready operation, this retail organization engaged with the US KPMG member firm for help.

KPMG

30%
reduction in total cost of finance*

40%
savings on traditional ERP selection and implementation*

*approximations based on preliminary data

How KPMG helped

A collaborative, focused approach delivered an innovative, modern IPO-ready finance function

Combining deep finance expertise with a clear understanding of this retailer’s requirements, a complete end-to-end solution was implemented for their finance function. The onboarding onto the KPMG Digital Finance platform enabled this retail organization to move towards IPO with renewed confidence in their finance systems and reporting.

- Redesigned and rationalized COA aligned to the client’s management and financial reporting needs
- Onboarded D365 and the KPMG Modern Data platform providing standardized end-to-end finance processes including General Ledger, Fixed Assets, and Accounts Payable; Dynamic Management Reporting and Accounts Receivable will be added in a forthcoming release
- Embedded AI to improve data quality and enabling automated controls throughout the end-to-end process
- Standardized and governed financial and management reporting
- Design of future state integrations between source systems and KPMG Digital Finance
- KPMG resources used to provide day-to-day Accounts Payable support while processes were redesigned for future leverage of KPMG Digital Finance

The impact

Working with KPMG, this retailer has been able to modernize their finance function, setting the foundations for their IPO ambitions while enjoying significant operational benefits.

Rapid onboarding and value creation
KPMG Digital Finance was onboarded in a phased approach aligned with the client’s prioritized needs, which reduced inherent risks in their existing processes.

IPO-ready finance technology architecture
Audit-ready finance technology architecture with automated controls and traceability from transaction to financial reporting to meet SEC, SOX and public-company reporting requirements confidence.

Insight-driven reporting on a trusted data foundation
Reporting built on a single, governed data model delivering consistent financial reports. Drill-down capabilities enable actionable insights and informed decision making.

Efficient Accounts Payable process
KPMG managed day-to-day Accounts Payable support and used AI to capture invoice data, all while redesigning processes to fully leverage KPMG Digital Finance.

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