




Maximize Enterprise Performance

Empowering finance at the speed of AI





To deliver game-changing opportunities like GenAI, your company will need core capabilities and an agile mindset. Here's how to put that foundation in place.

The enterprise performance imperative

Your CEO is calling

There's a hurricane moving up the coast, and she wants an updated financial forecast that models the potential risks for your company's investments in oil refineries in the storm's path. And while you're at it: What are the related implications of business disruptions for your other customers that rely on oil from those refineries?

Oh, and she needs that new forecast in the next 30 minutes. Go!

How does your team respond? Do you have the tightly integrated data, technologies, talent, and capabilities today to meet that business-critical deadline? Or does your team still need more time to generate a new forecast than it takes that hurricane to develop and then slowly—like your business—lose its steam?

The truth is, while the pace of business continues to move in faster and more unpredictable ways, the pace of business planning is still struggling to keep up. Even many of the most sophisticated organizations today are simply not able to rapidly generate the level of high-quality forecasts and urgently needed answers the business needs to

keep pace with the latest news cycles, technology gyrations, and competitive threats. (And, despite its much-deserved attention, Generative AI doesn't have all your answers yet, either.)

Still, many companies today are closer than they realize to closing the performance gaps and making significant improvements. They have at least some of the capabilities they need to move more quickly and drive more value from their business planning and operations; but they lack a clearly defined, fully integrated approach to using those capabilities consistently across the enterprise. In some cases, perhaps a few organizations are even distracted by silver-bullet solutions like "let's just add AI!"—an essential capability, to be sure, but only when connected to a larger vision and strategy for enterprise performance with excellence.

Instead, the pace of business today demands a more thoughtful, coordinated, and intelligent approach to business planning and execution. It's what we at KPMG call Intelligent Performance: A holistic, enterprise-wide performance management vision—enabled by AI, data, digital, and other technologies—that empowers the entire organization to move more quickly, deliver more value, drive better business outcomes, and improve the bottom line.

Here's how it works.

What is Intelligent Performance?

Intelligent Performance is the next-generation evolution of enterprise planning, reporting, and analysis—from high-level forecasting all the way through to actual results. It's enabled through a combination of optimized service delivery and a technology-enabled discipline that allows every part of the organization to move with the data-driven speed and agility that business today demands.

While Intelligent Performance's outputs—more accurate forecasts, informed decisions, speed to market, bottom-line results—are typically the purview of the Finance team, it would be a missed opportunity to think of Intelligent Performance as a finance-only initiative. Instead, Intelligent Performance is driven by connecting essential building blocks from across the company into a holistic, fully integrated, cross-functional operation—all of the required people, processes, and technologies, from the top down and the bottom up.

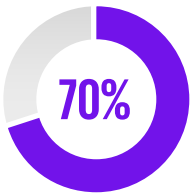
As we noted earlier, in our experience, very few companies today have assembled all the required Intelligent Performance building blocks into a fully baked approach that drives their business. But many are closer than they realize. And while they may be missing a few essential tools and capabilities, just as important is how they are using and connecting the tools and capabilities they do have today. Are the finance and the supply chain teams working from the same data? Is IT testing out new AI enhancements on low-value business applications? Does HR know where the most high-value talent gaps are lurking?

An Intelligent Performance-enabled enterprise can answer those questions by connecting teams, technology-enablers, and value-drivers under a single approach. At a high level, we see five common drivers for organizations that personify Intelligent Performance:

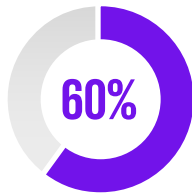
- **Alignment**
All business teams are tightly aligned and intelligently deployed, with the right resources in the right place at the right time.
- **Collaboration**
There is an ethos of collaboration across the company, fostered by leading practices like cross-functional centers of excellence.
- **Automation**
Ongoing business process automations are steadily reducing time-consuming, highly manual, low-value tasks.
- **Technology**
The company has a strong foundation of core capabilities like digital, data, tightly integrated cloud-based systems, and AI-powered predictive and automation tools, as well as a roadmap of potential business cases for GenAI.
- **Results**
The entire organization is focused on optimizing results and driving profitability—setting priorities and making decisions based on their clearly defined value to the business.

Getting your organization to a full-on Intelligent Performance approach is not some on/off switch, of course. In our experience, it's an ongoing journey of progressive business improvements that move the organization from one end of the performance continuum to the other. That journey starts with an honest assessment of your current capabilities—the building blocks you have in place today; a clear strategic vision on how to truly connect and empower your enterprise and where you want to go; and a detailed roadmap to get there.

And getting there can deliver significant returns, as we have detailed in recent KPMG surveys and based on our own project experience with leading companies in this space. Just a few of the results we have seen:



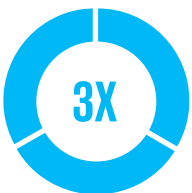
70 percent-plus automation of business reporting processes



At least a 60 percent improvement in forecast accuracy



5X improved efficiency on the plant floor



3X more staff time spent on analytics and decision-support vs. manual processes



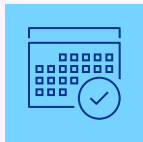
10 percent revenue growth from performance improvements alone



Roadblocks on the roadmap

For some companies, Intelligent Performance can sound like another massive project to add to their already massive to-do list. But Intelligent Performance is a strategic commitment, not a to-do tactic. And, over time, it's a steadily evolving, tightly coordinated enterprise approach that can isolate the company's stickiest challenges and put the organization on a path to solving them.

Here are some of the most common problems-to-solve for Intelligent Performance that we see in our work with clients, across five key areas. Do any sound familiar to you and your org?



Planning and Forecasting

- Forecast generation and review cycles that take weeks or even months to complete
- Still too many manual, time-draining tasks that sideline staff with low-value tasks
- Ongoing challenges with forecast accuracy
- Missed opportunities to improve revenue, costs, and margins
- No true real-time view of the business
- An overall rearview-mirror mentality (reporting what happened) vs. a focus on forward-looking insights that identify new markets, channels, segments, revenue opportunities, and cost savings



Data

- Poor quality data, gaps in data, lack of sufficient (and clean) historical data, and similar
- Data siloes, with multiple data instances in use by multiple teams
- Lack of external data signals that can help companies triangulate data-driven insights and improve forecast accuracy and value
- Challenges on data availability due to legacy data architectures and lack of centralized or federated data
- Poorly defined data governance, security, and ongoing oversight



Technology

- Misaligned systems—for example, finance, HR, and supply chain applications that don't "play well" together or simply are not connected at all
- Multiple enterprise systems (ERPs, EPMS) with redundant purposes that are not connected
- Lack of proven game-changing technologies like AI for forecasting and predictive modeling, machine-learning for data-mining, business process automations, and more
- Poorly defined and prioritized technology roadmap, including use cases and execution on GenAI
- Poor utilization of cloud-based sharing and collaboration tools—and an ongoing reliance in at least a few areas of the company on "I'll just email you the spreadsheet"



Talent

- Gaps in high-value skills like digital, analytics, data science, cybersecurity, and more
- Misaligned resources and staff allocations across the org that don't tie back to any clear value-generation KPIs
- Lack of training, upskilling, and best practices like dedicated centers of excellence
- Gaps in cross-functional collaboration and innovation
- Legacy mindsets



Supply Chain and Operations

- No real-time visibility into supply or demand
- Revenue leakage due to cost and price analyses that can take days to process and inform overdue adjustments
- Poor or trailing visibility on customer segments, channel efficiencies, and new market opportunities
- Lack of collaboration across the enterprise and operational siloes



The essential building blocks for transformation

Operating from a foundation of Intelligent Performance is essential for companies to maximize results from transformational opportunities like AI, and its potential to dramatically reshape “Business As We’ve Always Known It.”

The clamor is especially loud these days for GenAI, a subset of the broader umbrella of AI applications, and a technology that seems ideally matched for complex business tasks like making sense of messy data, generating high-quality forecasts and insights, and creating summaries and reports that match high-level human outputs. In other words, generally helping the humans move faster, work smarter, and create more value for their businesses.

And the businesses are leaning in—and then some—with the vast majority of executives in recent KPMG surveys citing GenAI as their company’s top technology priority and most impactful new opportunity to improve their organization overall.

We also believe GenAI can be a transformational technology that unlocks a cascade of exciting new opportunities. But one of the early challenges we are seeing on moving GenAI from opportunity to execution is the tendency to sprint ahead with AI initiatives without having a solid enterprise performance foundation in place at the starting line. Lacking that foundation, initiatives to tap AI’s vast potential risk becoming the latest update of that long-standing technology truism, “garbage in, garbage out.”

Enter Intelligent Performance. By identifying the essential enterprise performance building blocks, intuitively stacking them together, closing gaps in capabilities, and tightly connecting the whole organization, Intelligent Performance gives companies the intelligent infrastructure they need to generate sustainable results—from their AI ventures, yes, but from all of their other key growth initiatives as well.

To get that foundation in place, as a starting point, we use three key steps:

- **Assessment**

Identify which components and capabilities you have, what you’re missing, and what you need to close the gaps.

- **Vision**

At a high level, establish how the building blocks best fit together for your organization, as well as who’s responsible for each key area and the overall plan.

- **Roadmap**

Develop a roadmap and timeline to execute the plan that prioritizes each step based on budgets, resources, and organizational urgency in each area.

It’s important to note that Intelligent Performance is not some idealized state of organizational nirvana, but a steady journey of ongoing improvements that involves full commitment from the entire enterprise. Staying relentlessly focused on optimizing each building block and tightly integrating the interconnected functions will empower companies to continuously improve their performance and results.

Let’s take a closer look at each core area of Intelligent Performance and its essential components. The building blocks range from foundational elements (left) to emerging trends (right) within the performance management ecosystem. It’s important to note again: Very few organizations that we have seen have achieved 100 percent of the target operating capabilities in each stack. The goal is to continue to make progress in each core area as part of the ongoing journey toward Intelligent Performance.

The essentials

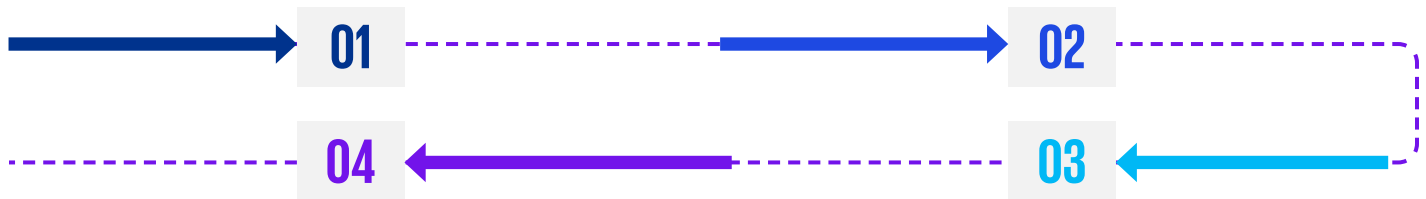
These are the core enterprise data, systems, and process requirements that make Intelligent Performance work:

- Standardized, clean data model that eliminates data siloes, ensures data availability for all authorized users, and establishes ongoing data governance and oversight
- Standardized, efficient, baseline processes across all teams
- Fully connected enterprise systems (EPMs, ERPs, etc., including multiple instances if needed)
- Shared services fostered by cross-functional centers of excellence and expertise
- Standard reporting across all teams, whether finance-driven or other
- Alignment of technical and functional skills

Optimized business drivers and processes

Tight collaboration between teams and increased automation (from processes to planning) that creates a more real-time view of the business:

- Steadily increasing automation of business processes
- Tighter planning between Finance, Sales, Ops
- Optimized Supply Chain, from pricing through inventory
- Driver-based forecasting that embeds cascading performance levers and related KPIs directly into business planning processes
- Drill-through analyses to supporting detail



Game-Changing GenAI and Innovation Enablement

The high-functioning, Intelligent Performance-driven organization is now in pole position to optimize transformational opportunities like:

- Expanded AI and new GenAI capabilities
- Predictive/prescriptive analytics (“What might happen, and what should we do?”)
- Enhanced delivery models
- First-mover opportunities on value-driving innovations—new products, services, customer segments, acquisitions, and more

Enhanced Business Intelligence and Insights

Powered by more robust data, streamlined processes, and a culture of collaboration, the organization can rapidly advance the speed, accuracy, and value of its planning, forecasting, and insights via:

- Fully integrated business planning across the entire organization
- Intelligent forecasting that incorporates AI-driven advanced algorithms, machine learning/ data-mining, and predictive models
- Integration of external data/signals that further optimize and improve the accuracy of the driver-based and forecasting models
- Real-time analytics and dashboards
- Sophisticated “what if?” scenario modeling

Intelligent Performance: Answering the call

Intelligent Performance is the ultimate business enabler—for your people, processes, and technologies. We've seen the results first-hand in our work with clients, where leading companies have leveraged the significant performance improvements to:

- Increase the value of services delivered across the organization
- Rapidly redeploy resources and capacity to higher-value areas
- Develop talent and increase digital capabilities
- Liberate staff to spend more time generating business insights and less time managing business processes and manual tasks
- Enable faster, more informed, and more value-generating decisions

Then too there are the significant potential returns on the many roads ahead: For example, Intelligent Performance-driven organizations already have a compelling competitive edge when it comes to optimizing their investments in and results from paradigm-changing opportunities like GenAI.

But these performance leaders also have a real competitive edge thanks to the more flexible flow of information overall, which enables them to quickly address and respond to new business opportunities and disruptions. More agile forecasting also rapidly incorporates macro-economic trends and better predicts the profitability of future decisions. The company is also better positioned to shape its workforce and anticipate and capitalize on changing consumer demands.

Perhaps most important, though, Intelligent Performance prepares the entire organization for the ever-increasing volume of “what do we do next?” calls-to-action ahead. Which reminds us: Your CEO is on the phone again. A freight train has derailed in the Midwest, with potentially serious implications for some of your most valuable customers. Can your forecast give her the information she needs to make quick decisions?

How KPMG can help

KPMG has long been a leader in enterprise performance management and optimization. We help companies of all kinds improve their results through projects that range from tightly focused operational improvements to large-scale business transformation initiatives. Our cross-functional expertise covers the entire organization, and empowers them all through leading-practice support for business strategies, on-the-ground execution, and collaborative centers of excellence.

Our experience in the field has shown us that Intelligent Performance is a journey, not a destination. It empowers companies to steadily improve performance and results at a pace that fits their organization's needs and urgency. In today's fast-moving business climate, with game-changing opportunities seemingly around every corner, please let us know if we can help you on your journey to more Intelligent Performance.

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