



Leverage the cloud in transforming back office functions



96% of companies say that they are focused on transformation

>50% Less than 50% of consumers say they reap the value they expect

76% of business function leaders are considering using the cloud

83% Lacked execution and implementation capabilities to put a new operating model in place

KPMG Global Transformation Survey, 2016

Why is it relevant?



Over the years companies have **built on legacy systems and not integrated** systems from acquisitions. Despite the ability **of cloud technology to transform business** operations such as finance, HR, supply chains and procurement many organizations still fail to exploit its full potential. By unlocking the capabilities of cloud technology, organizations have the opportunity to transform and achieve a **greater step change in value**.

Potential benefits



Increased performance by combining legacy systems, and with the ability to integrate new systems using cloud technology, companies can **drive efficiency**, increase visibility to **accurate and timely information** and impact business goals:



Finance and accounting systems efficiently structured to support M&A, provide more accurate financial data and manage regulatory challenges



More agile planning and analysis capabilities created to support financial consolidation, regulatory reporting, budgeting and forecasting and performance reporting



HR service delivery transformed to increase productivity, manage talent, and to seamlessly link people data across all HR functions



IT service delivery streamlined to better align with business goals, improve service levels, and manage costs more efficiently



Reduced complexity and increased visibility to information across **supply chain and purchasing** processes

Boardroom Questions



- 1 Is our back office **agile enough to change** with our business needs?
- 2 What **efficiencies** are we looking to gain in our back office?
- 3 What **investments in technology** are we currently considering?
- 4 Which **technology vendors** and products are right for our business?
- 5 What **ROI** are we looking for from our transformation investments?
- 6 What is our company's **vision for the future**, and how can the cloud help us get there?
- 7 Have we been able to **integrate recent acquisitions'** systems and can we do so easily in the future?

Questions for senior management



- 1 Do you have the right Chart of Accounts and Legal Entities to support the business?
- 2 How many manual reconciliations do you conduct each month/quarter?
- 3 Is there an opportunity to consolidate systems into a single platform?
- 4 Are there any material weaknesses due to controls and segregations of duties?
- 5 Do you have the right organizational model for back office processing?
- 6 Are the right functions being performed in service centers or with a business processing outsourcer?
- 7 Is there an opportunity to automate your planning and forecasting functions?
- 8 How secure are your finance data and systems?
- 9 How do you finance and administration costs compare to your peer companies?
- 10 How spreadsheet driven is your process?

What actions can the Board consider?



- 1 External security and controls assessment
- 2 Benchmark study for back office technology costs
- 3 Business case for back office systems rationalizations and cloud migration
- 4 Roadmap for finance and HR migration to the cloud

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