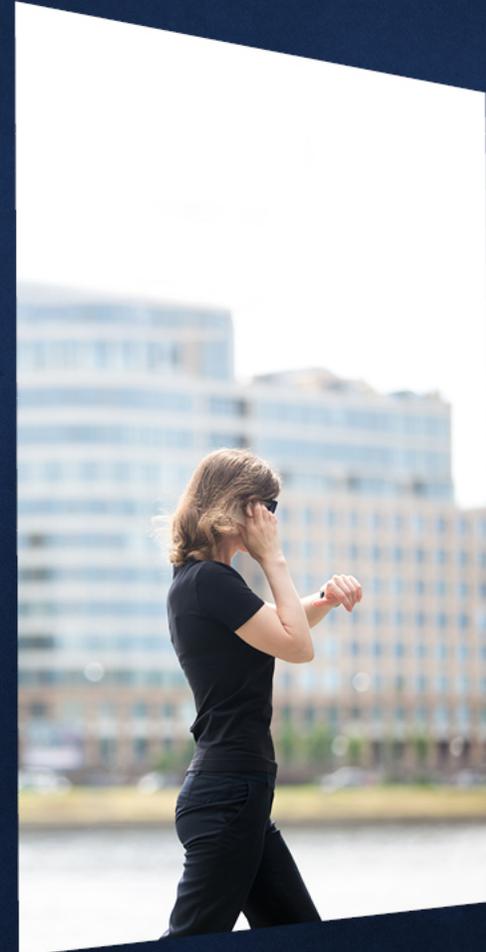


Finance Now!

How to act now to be ready for the future of finance

—

18 November 2020





Rob Steensels

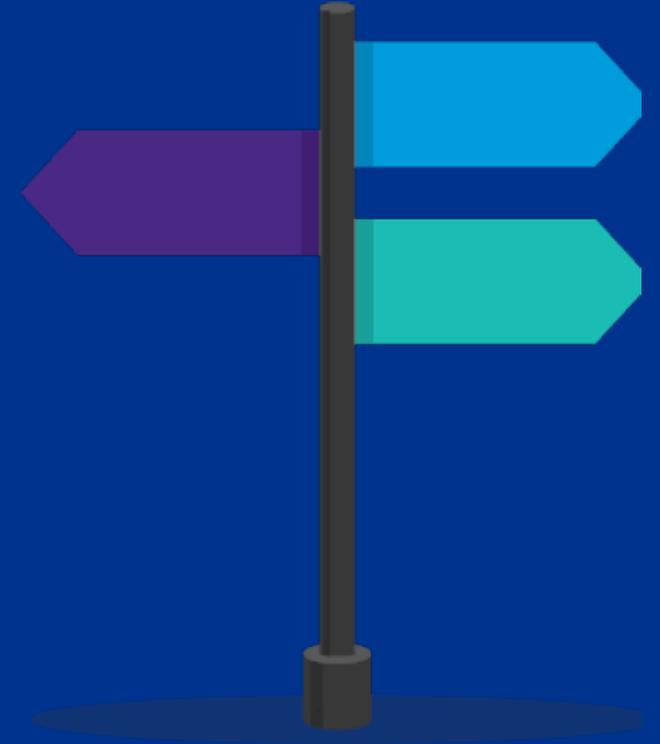
- Head of CFO Advisory Services KPMG Belgium
- +15 years of experience with large finance transformation programs in global international companies
- Worked in Brussels, Amsterdam and London

KPMG CFO Advisory Services

- Finance Transformation
- Enterprise Performance Management
- Cost performance and profitability
- Financial Reporting and Advisory

Agenda of today

- KPMG's Point of View on the Future of Finance
- Evolving role of Finance
- What do we see today at our clients
- How to get started?
- Now to get started!
- Q&A



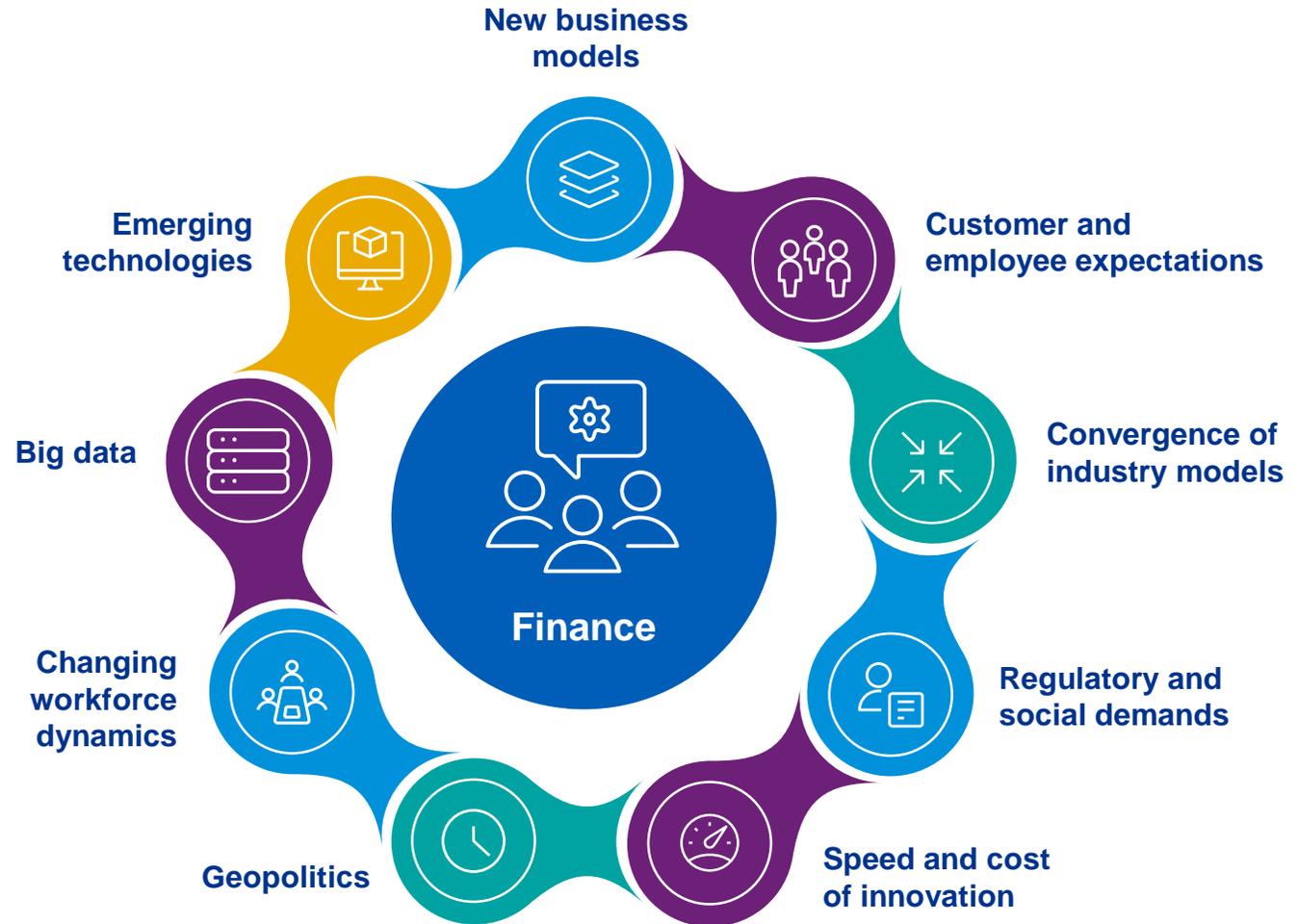


① KPMG's Point of view on the Future of Finance



Disruption is everywhere and occurring at unprecedented speeds

Cross-sector
business
disruptors



The finance
landscape is
changing

Evolving systems of record, systems of engagement, and systems of intelligence



Historically
**Human-driven
processes**



Today
**Automation, insights
and analytics**



Future
**Digitally
enabled insight**



- The internet > smartphones
- Windows suite > everything in Excel
- Shared services and functional silos
- Control focus versus value transformation
- On-premises, monolithic ERPs
- Manual, historical focused reporting
- Everyone is an accountant

- There's an 'app' for everything
- Cloud everywhere, increased collaboration
- Global, integrated business services
- RPA considered basic, expansion of AI
- Strategic partners & data scientists
- Automated reporting, data informed insights
- Global end to end process management

Art of the possible

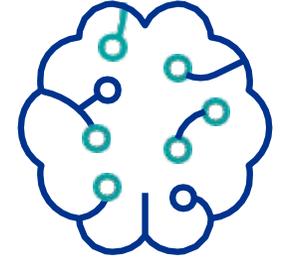
Expectations of Finance are likely to drastically change in order to stay relevant

From	To
Limited, rules based process automation 	 Enable new technology Cloud everywhere, AI enabled processes  Automate everything Continuous cycles & insights
Disparate data sets, reactionary analysis 	 Manage and monetize data Data as an asset  Serve as strategist AI generated insights and commentary
Task focused workforce, limited digital acumen 	 Flexible On-Demand Workforce Finance as a service  Lead enterprise performance Right skills to drive innovation
Large, global business services centers 	 Boundary-less delivery Virtual CoEs and 70% less "transactional" labor  Everything as a service Quickly adapt to changing customer needs

Business as usual is **not** an option.

The biggest limitation is no longer the technology and what it can do, but the imagination of those who must deploy it.

What should you be thinking about?



Does our **data strategy** enable the needs of the business, our customers and our teams?



What **critical skills and competencies** are needed to elevate finance's role?



What **operating model changes** are needed to quickly adapt to changing requirements?



How can we **increase focus on value creation** for the enterprise?



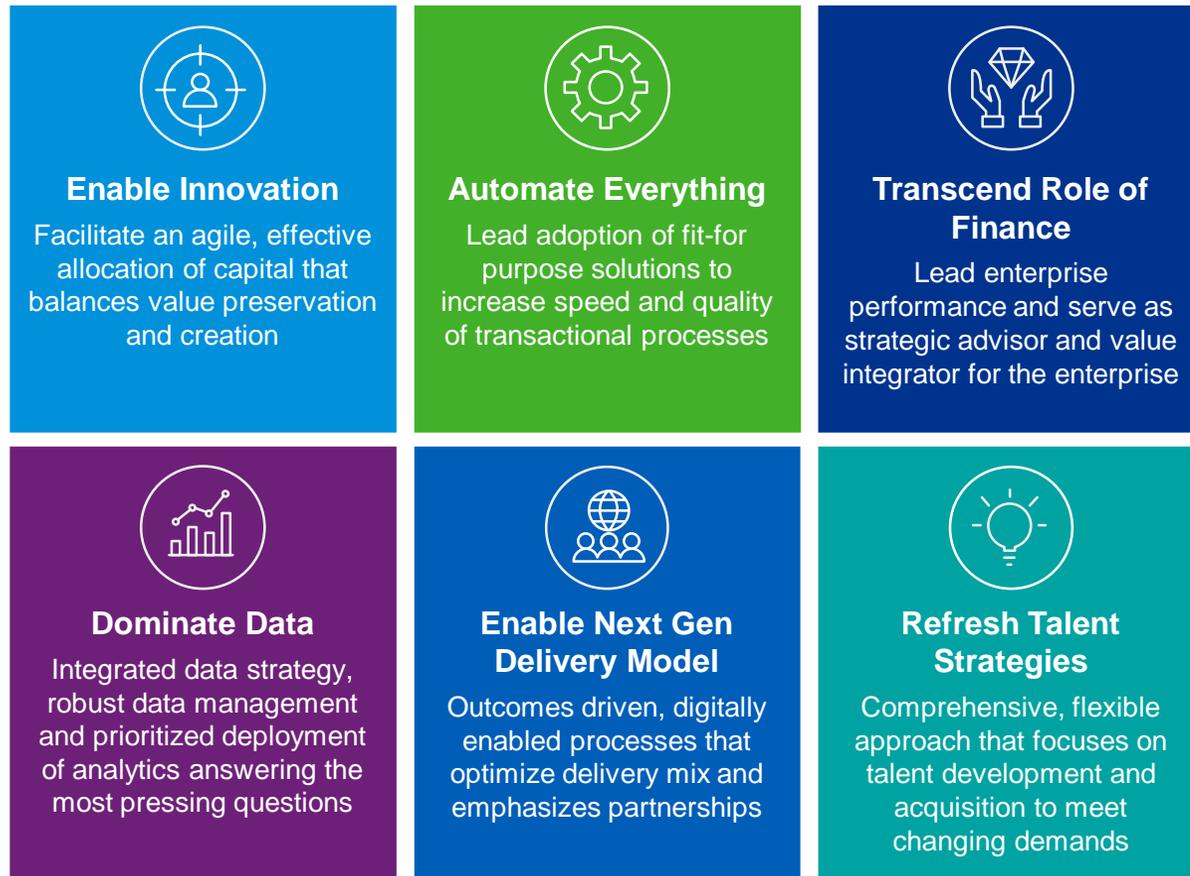
How are we **utilizing digital solutions** to enable profitable growth?



What **key business questions** do we struggle to answer quickly?

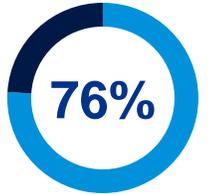
Roadmap to a future ready finance organization

Success is achievable. High-performing finance teams have not only been able to adapt to the new environment, but have used it to their advantage to thrive in it.



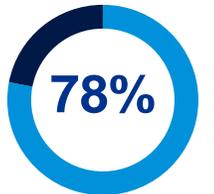
Disruption is key

76% of CEOs agree that their growth relies on their ability to disrupt the business norms.¹



Strategic finance

78% of Finance leaders believe that AI will enable existing Finance staff to take on more value-added strategic roles.²



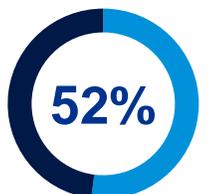
Data, analytics and insights

68% of organizations have invested in Data & Analytics to provide enterprise-wide insights.²



Finance delivery model

52% of high-performing organizations are very active in overhauling the Finance delivery model.²



1. *Agile or Irrelevant: Redefining Resilience (2019 US CEO Outlook)*

2. *Future Ready Finance Survey: Learn what high-performing organizations are doing differently*

KPMG Point of View – NextGen CFO agenda to lead future finance function

CFO's of leading finance organizations have developed an agenda to lead future finance function

Strategy & Value

Preserve and create value through agile, effective allocation of capital and resources to enable strategic priorities

Connected.
Build your operating model around your customers

Extreme automation
Integrate new technologies:

- Cloud / SaaS
- Robotics and machine learning
- Cognitive
- Natural language processing
- Blockchain

Data, analytics and insights
Leverage data to unlock new value and viewpoints:

- Integrated data strategy and governance framework
- On-demand insight
- Eliminate human biases
- Integrate external signals
- AI-enabled projections

Organizational agility
Quickly adapt to market shifts:

- Move with the customer
- Boundary-less delivery
- “Gig” and “Bot” workforce
- Everything as a service

Skills and talent
Embrace new ways of working and talent management:

- Strategic partners
- Multisource talent
- Cross-functional rotations
- On-demand, curated learning

Powered.
Leverage leading business practices and technologies to build a future ready model.

Risk & Compliance

Risk management must support, not hinder innovation

Trusted.
Proactively manage risk, regulation and compliance

We propose our 'Connected. Powered. Trusted.' approach to realize your finance vision which is aligned to the Nextgen CFO agenda



Finance as business partnering

Business interface layer for finance with the goal of becoming a business partner / enabler



Future ready finance

Future ready lean and productive organisation design involving spans & layers, complexity reduction etc.



Ease of Doing Business

EODB in terms of redesigning the processes by simplification, removing redundant workflows, etc.



Cost Optimization

Leveraging cost optimization opportunities & benchmarking against industry best practices



Enhanced controls & transparency

Enhanced controls with complete visibility and transparency



Top tier finance talent

Develop and deploy talent strategy (including defining role wise skillsets, developing internal talent etc.)



Standardization

One way of working in terms of processes, policies, reports etc.





② The evolving role of Finance

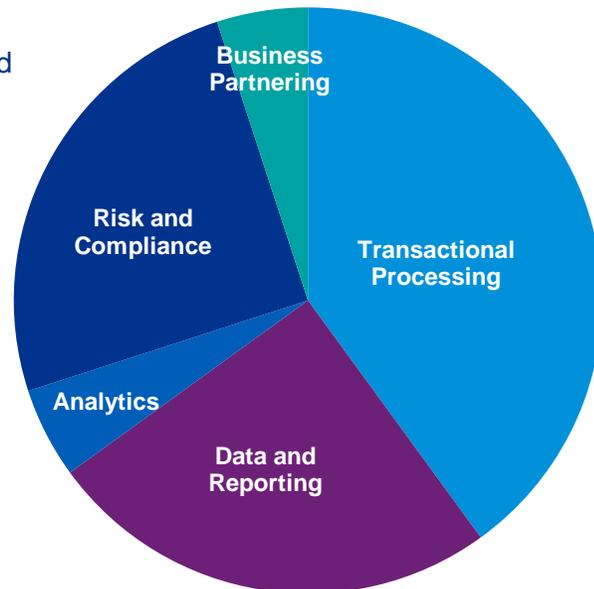


Finance work distribution is changing

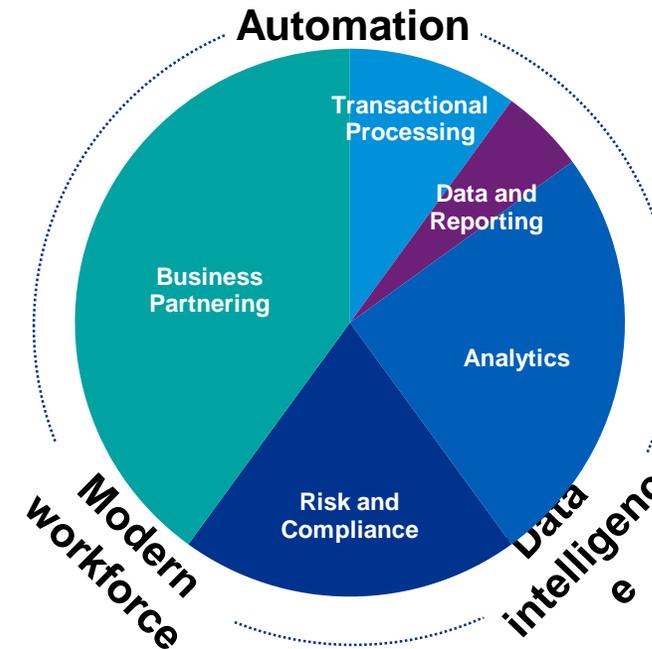
We believe that Finance organizations have the ability to reduce their total costs by approximately 50 percent, while increasing scope of business partnering and analytical services to support the demands of the customers.

Traditional Finance

- Finance organization optimized for accounting and historical reporting
- Limited strategy involvement
- Performs fiduciary and statutory requirements adequately
- Limited analytical skills
- High cost structure from decentralized finance resources



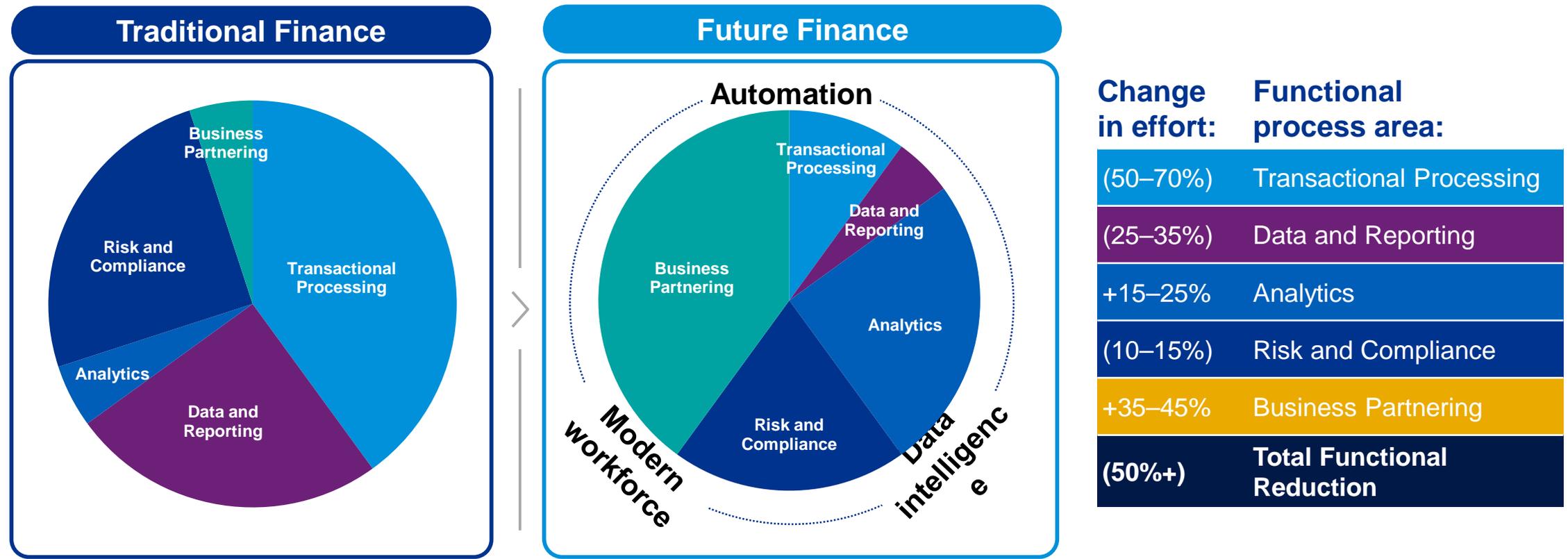
Future Finance



- Business partner oriented role/strategic advisor
- Information driven vs. transactional driven
- Unified performance management platform
- Global/core ERP platform for core finance processes
- Centralized, automated and preventive business controls
- Centres of Excellence

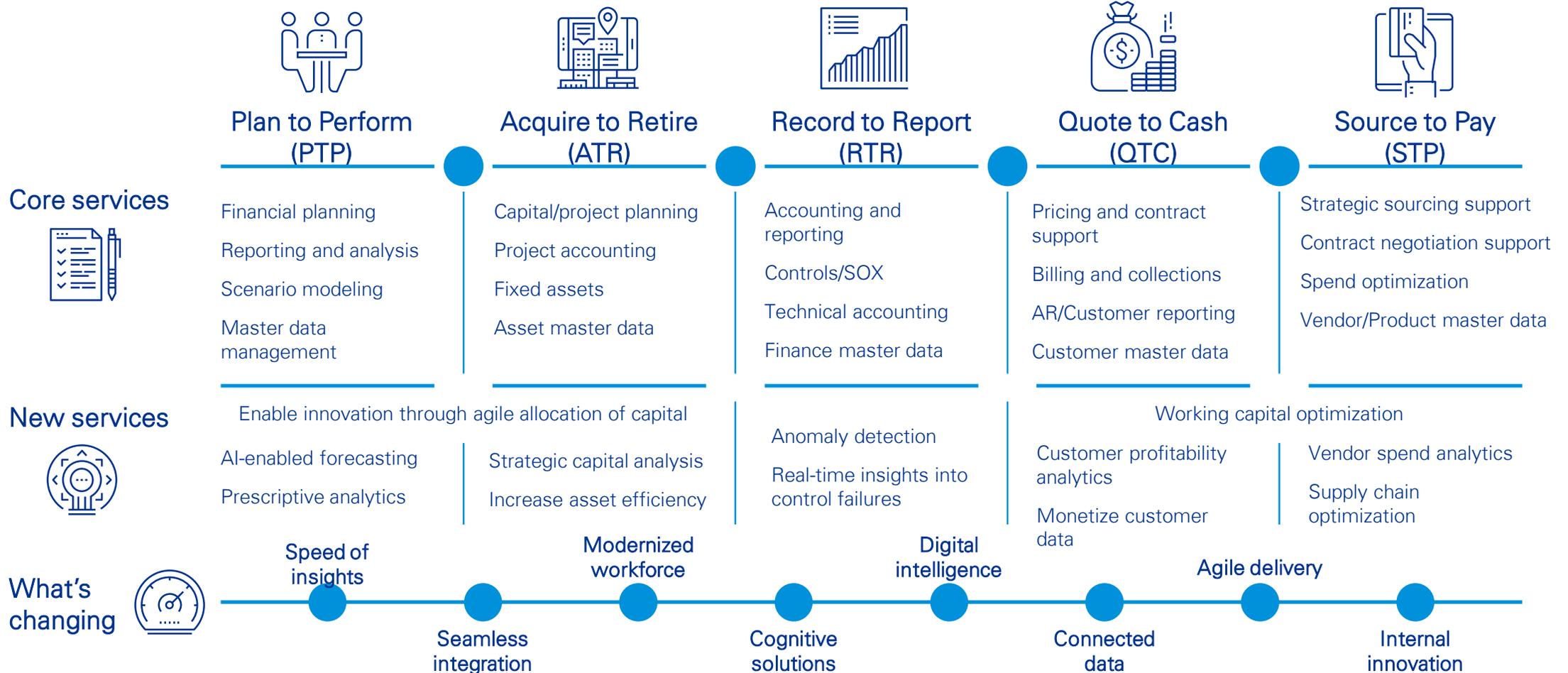
Finance work distribution is changing

We believe that Finance organizations have the ability to reduce their total costs by approximately 50 percent, while increasing scope of business partnering and analytical services to support the demands of the customers.



Evolving the finance service catalogue

Finance is reducing time spent on transactional processing and reporting and expanding scope of additional value-added services



The new finance service delivery model construct

Proximity to the business and institutional knowledge

Business unit, function
and customer focused



Partner

- Strategic adviser to business to drive growth, profitability and innovation
- Facilitates prioritization of risks, opportunities, and actions to achieve business strategy
- Provides data-driven insights and analytics to support decision-making (e.g. KPIs, Investment analysis, etc.)
- Leads operational excellence for related business or function



Execute

- Manages and executes recurring wide-ranging processes —(RTR, PTP, QTC, etc.)
- Provides business with ongoing analytics, key performance indicators (KPIs), and insights
- Drives process / governance / controls / continuous improvement –helps maximize productivity with enhanced quality processes and mitigated risks



Plan

- Establishes and promotes enterprise-wide strategy and innovation
- Lead enterprise performance—develop strategic goals, and targets and facilitate prioritization and allocation of capital
- Proactively manages investments and operating costs
- Drives planning, budgeting and forecasting process in support of strategic plan



Build

- Develops technical and analytical solutions that deliver desired business outcomes for stakeholders
- Designs architectures and solutions that connects platforms to deliver data-driven insights
- Develops user-centric solutions and visualizations tailored by role and level in the organization

Enterprise wide and
cross functional

Centralized and/or service providers



③ What do we see at our clients?



What do we see at our clients today?

- Finance organizations are facing **many challenges** today
- Organizations have a **need to** transform but do **not know how** to start

How to minimize risks and maximize **governance**?

How to **standardize** your finance data across the organization?

How can finance evolve from a transactional processing role into a **business partner**?

How to **automate** processes and controls?

How to turn too much data into **actionable insights**?



How to transform your team to a **diversified skills** team?

How can you **do more**, with less resources?



4

How to get started?



Our approach is to align your organization's finance vision across the six elements of the Finance Operating Model to identify key issues and develop recommendations.

- 
Service Delivery Model 1

Where and how process are delivered
- 
People 2

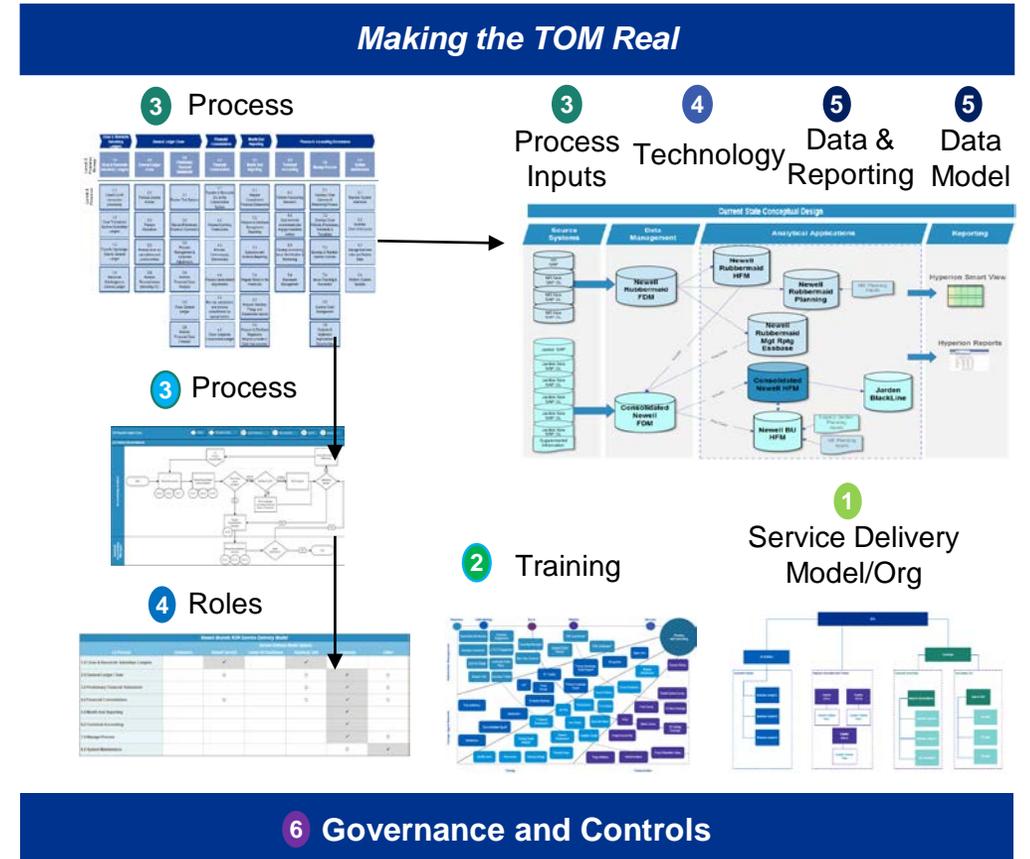
Skills, experience, and credentials of the people doing the work
- 
Process 3

Efficiency, effectiveness, and completeness of the processes
- 
Technology 4

Systems and tools supporting the process
- 
Data & Reporting 5

Ability to achieve a "single version of the truth"
- 
Governance & Controls 6

Managing risk and proving proper oversight



Using KPMG's Target Operating Model will provide a holistic coverage on leading practices across all components of the TOM.

We believe a successful Finance Transformation initiative needs to address all six layers of the finance operating model



⑥ Now to get started!



Finance Inspiration Session

What is a finance inspiration session?

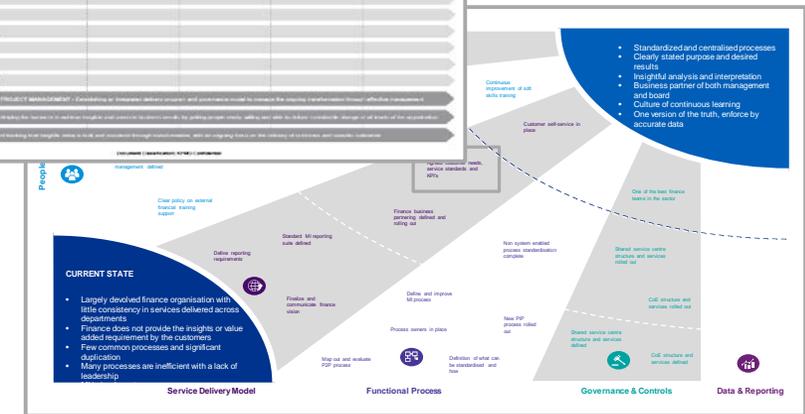
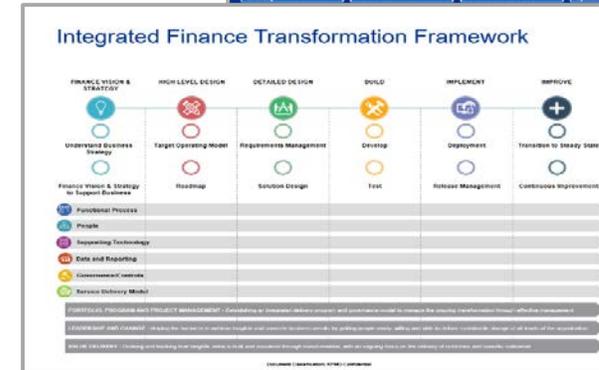
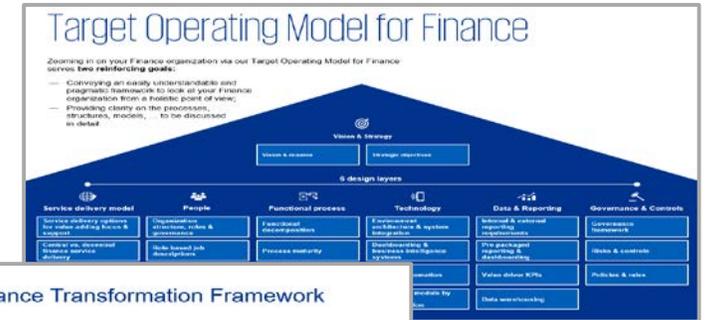
A tailor-made, interactive workshop where we guide your senior finance team through your current and future challenges.

What is your effort needed?

- 1 hour preparation to get an understanding of the **topics** you want to cover and a high level understanding of **where you are today**
- 3 hour session with your senior Finance Team

Outcome for you?

- **Strategic reflection** on your finance organization together with KPMG experts
- High level **roadmap** from the current state of your finance organization to the "to be" state, including low hanging fruit and longer term actions



A free
Finance
Inspiration
Session

Follow our upcoming Finance Now! webinars



20/11

Smart Closing: How to streamline and automate finance closing processes



25/11

Introduction to Powered Finance



2/12

Integrated Business Planning: Responding to Change



9/12

Unlocking the potential of Costing and Profitability Management



16/12

People & Change: moving towards a digital finance organization



Upcoming
Webinars



Q&A