



Go with the flow

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Why a modern data driven strategy can enable the entire organization

Data is the new oil. That's a phrase we have heard a lot as experts attempt to explain the importance of digital information in powering the world of business.

For me though, a better metaphor for the critical role of data is water — the substance that we all depend on to survive and flourish. In today's economy data is available to everyone but, as with water, everything depends on being able to trust the quality of the source of that data, understand how it flows and who has access to it. If you don't treat water properly then it gets polluted and becomes unusable. Leakage, misuse and access rights are also increasingly common problems. If you block access to it, people suffer.

The same is true in the modern organization with data. Let me give you a real life example. Recently, a KPMG member firm was asked to help a financial services client solve an important problem — the company's sales teams had started to question the quality of the customer data they were receiving and depended on. They felt the data either wasn't clear enough — it had become muddied by the multiple streams of the organization — or it was being protected by different parts of the business, much like water is hoarded in some areas at the expense of others.

To help improve their trust in the data (and hence their confidence in helping customers) KPMG professionals applied an advanced analytics approach whereby we centralized all the company's data and enriched it. Using a broad scale of methods and sources, ranging from standard data quality corrections to Artificial Intelligence and leveraging internal — structured and unstructured — data sources as well as external available data. In doing so KPMG professionals greatly increased the overall quality of the pool of data to select from and we were able to improve the trustworthiness of customer-specific information the sales team had access to. In turn, this gave them confidence that the data at their disposal would be completely relevant to their customers' needs. We didn't stop here — we communicated to the sales team what was available to them and made sure they not only understood it, but they leveraged the benefits. The results came quickly — sales improved by tens of percent during the first 3 months of using the new information and customer experience improved significantly during the first year as well. Once the member firm professionals had won the trust of the sales teams we had the internal support to repeat the process with a second part of the organization and so began shifting corporate culture to embrace digital data strategy as a guiding force for the business.

Data that drives proactive strategy and planning rather than being used as a reactive tool is a core philosophy of the 'connected' organization where digital transformation

(notably through increased intelligent automation) will erode the barriers separating human resources, finance, procurement and other functions. By drawing on data and applying analytics across the corporation, the connected organization can reduce isolated or siloed vertical functions and it can produce a more customer-focused business model with speedier decision-making. That translates into lower costs and improved user and customer experiences.

Companies with a pure data-centered strategy have rapidly disrupted the transportation, entertainment, tourism and financial services sectors in recent years. But that doesn't mean that legacy businesses can't catch up with the data-centered leaders. Many are starting to invest in a connected democratization of data within their organizations as they realize the vast quantity of data now being produced and collected requires a new mindset if they are to stay competitive.

By one estimate 90 percent of the data that exists today has been produced over the last 2 years.ⁱ Future success will depend on having the right business understanding and selecting the right technology to process and make sense of data as well as on meaningful usage of insights generated from it — with the amount of data available it makes no business nor economic sense to process everything. So the first strategic step is to define how the data management supports the organization's goals and overall strategy. That isn't just about strategy however. It is also about embedding a data-first mentality into corporate culture — and it needs to start at the very top. KPMG member firms have witnessed a number of failed activities just because the data and related technologies were procured, implemented and available, but no one understood the benefits and used them. As KPMG International's most recent global CEO survey made clear, 67 percent of executives still trust their own instincts over the data they receive.ⁱⁱ On the other hand — companies with clear data management strategy have achieved measurable business benefits within months and continued enjoying them sustainably in the upcoming years.

So what has to happen in order for KPMG's Advanced Data Management to fully empower the boundary-less organization by reducing risk, fostering operation excellence and improving customer engagement and financial performance?

For a start companies need to understand their desired outcome to select the right data. Then they need to know exactly where the data comes from, how it was collected and what it represents. That information is key to understanding the context of such data and building trust in the quality of the data being employed in strategy and planning. The issue of trust continues with how organizations use their data both internally and externally — not least around ethics.

Moving forward all organizations will need a framework that helps shape data strategy, governance, data integration, architecture and data quality as well as modern tools enabling automated and intelligent data processing, removing burden of repeated and no-value-adding tasks from people and letting them focus more on leveraging the data for their primary goals.

And — last but not least — organizations will need to adapt a data-driven culture, making sure that any technological advancement is embedded and leveraged in daily business processes, with information workers made aware of data-enabled possibilities and motivated to use and benefit from them.

That, in turn will help organizations successfully integrate all aspects of a data-centered approach that will prepare them for the continued growth of the data economy whether it be data analytics, business intelligence, artificial intelligence or intelligent automation.

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ⁱ <https://www.mediapost.com/publications/article/291358/90-of-todays-data-created-in-two-years.html>

ⁱⁱ <https://home.kpmg.com/xx/en/home/media/press-releases/2018/05/global-ceos-realistic-about-growth-in-the-face-of-unprecedented-headwinds.html>

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