



Time for a new vantage point

Instead of making transformation a goal make it a
way of business.

KPMG Powered Enterprise

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Look to the future

The era of incremental business improvements and organic technology evolution has passed. Technology, globalization and market disruption mean that businesses are grappling with more complexity and uncertainty than ever before. It's time to look to the future.

The global pandemic has fast-tracked the demand for a digital enterprise. Expectations have risen and organizations need to undertake a wholesale review of their operations in order to raise their game.

Digital transformation is now a fundamental part of continuous business transformation and a way of life. Whether you're a consumer or a business, a local corner store or a multinational corporation, a superior digital experience is now an expectation, not an unexpected surprise.

While some organizations may have already been through a program to digitize the customer experience, many have not yet modernized their key business functions. So while some short-term improvements may have been delivered, the longer-term potential gains and materially better outcomes

that come from driving an end-to-end functional transformation have often been missed.

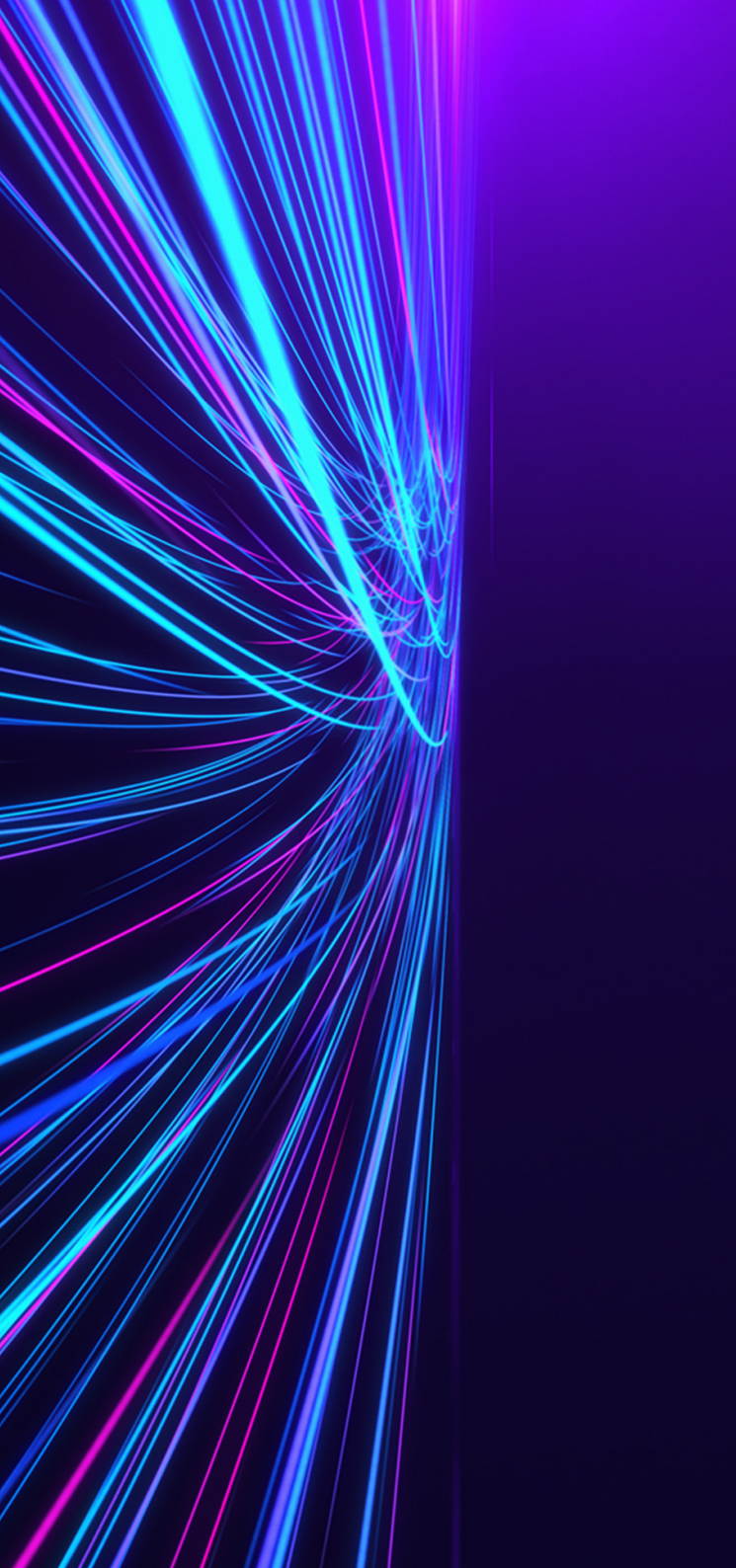
With creaking processes, legacy platforms, siloed data that lacks insight and a lack of skilled talent, transformation can seem a daunting task.

"It is often difficult to know where the highest impact areas may be," says Patrick Fenton, Global Executive Sponsor - Powered Enterprise at KPMG International. "And that can hold you back from starting."

But now, more than ever, it's time to look at business modernization from a new vantage point – not as a 'once and done' activity, but as a way of doing business that ensures your organization continues to evolve and thrive.

Creating tomorrow, today

Functional transformation requires more than new technology to improve and optimize current operating methods.



To undergo a genuine transformation, business leaders should look at their end-to-end function and how they build capabilities in a completely different way – a more agile way that should be more resilient to whatever the world throws at it. A way that will be sustainable and adaptable. The organizations that succeed will be the ones that continuously transform and adapt.

To create lasting change and business value, new operating models are required. Only then can ever evolving business needs be recognized and truly supported. Real transformation begins by looking at business modernization from a fresh vantage point – to adopt best practice in the operations of every function and continuously adapt in an ever-shifting environment.

“Organizations that are looking to accelerate their digital transformation should be striving for different business outcomes,” says Fenton.

“Too many focus on implementing new technology only. By taking a business-led future focus they can deliver much more value.”

In today's disrupted world, organizations need the ability and agility to adapt to new trends, opportunities and threats – as and when they arise.



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Patrick Fenton

Global Executive Sponsor - Powered Enterprise at KPMG International



Powering true transformation

Whatever your function, true transformation is challenging and complex.

To overcome the challenges of transformation, KPMG has built Powered Enterprise; based on leading practice, it's an approach to digital transformation that seeks to enable each business function to see their world from a new vantage point and create a digital operating model that works for them.

Powered Enterprise takes a strategic, structured and informed approach to transformation. Focusing on business outcomes, technology plays the role of enabler, and long-lasting business improvements are never far away.

This approach for rapid business modernization can help functions get to where they need to be, and to be able to continually adapt to change.

Through Powered you can see what the future could and should look like for every function, put the right skills and know-how in place to validate that for your business, and then execute successfully on your strategy.

So, what does this mean for you in your function?

The opportunity for finance, for example, is to use automation, predictive analytics, and cognitive learning to play a more strategic, future-focused business role that can intelligently drive growth across the organization.

As we know from our **Future of HR 2020 report**, HR should be about much more than pay and rations, recruitment and reviews. It should be about reshaping the workforce, employee engagement and experience, shaping the workforce culture and of course, achieving HR process efficiency.

Marketing, sales, and service should no longer be siloed functions. To deliver leading-class customer service, they should be an interconnected customer-focused entity, where every touchpoint can be exploited to deliver more value to the business.

The supply chain that is likely to succeed in the future will be concentrated on customer-experience metrics and the ability to adapt to rapidly changing business conditions. At the same time, procurement is expected to leverage big data to be intuitive and insightful, helping businesses unlock high value.

Cyber and risk, meanwhile, can move from being a reactive security layer to an integral strategic element that builds customer trust.

In short, successful transformation requires as much emphasis on change management as it does on technology implementation.



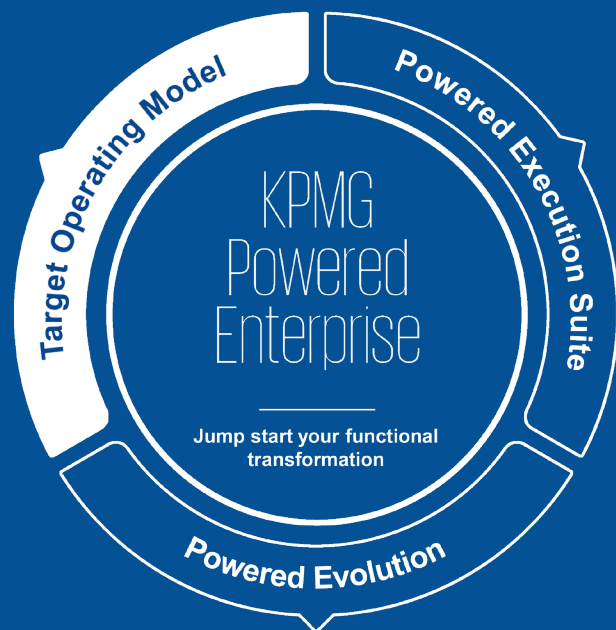
Meaningful business transformation needs to focus on delivering systemic change. ”

Patrick Fenton

Global Executive Sponsor - Powered Enterprise at KPMG International

A new operating model

The KPMG Target Operating Model is the heart of Powered Enterprise; it turns a standard cloud technology implementation project into a dynamic, outcome-focused, functional transformation.



With a solution for each and every business function, pre-configured to work alongside all your chosen platforms, KPMG Powered Enterprise allows your business to adapt to new trends, opportunities and threats.

At the heart of Powered Enterprise is the **KPMG Target Operating Model**, which turns a standard cloud technology implementation project into a dynamic, outcome-focused transformation.

Based on a thorough understanding of how transformation works, backed by KPMG firms deep functional expertise and practical know-how, we have defined the Target Operating Model to describe the 'model answer' for how a leading function should be.

The six layers of the model are interlinked and work together to deliver benefits across the business.

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| <p>1. Functional process: Hundreds of predefined, leading-practice processes across different business divisions, fast-tracking your transformation with proven ways of working.</p> | <p>4. Technology: The applications and integrations to enable and automate your processes.</p> |
| <p>2. People: Who does what, why, and how. Identifying the skills, roles, and responsibilities your business requires.</p> | <p>5. Performance insights and data: Identifying what data and insights are needed to support decisions. Enhanced analytics from which to make confident and effective real-time decisions.</p> |
| <p>3. Service delivery model: Where the work gets done, shared service center, centers of excellence, and outsourcing operating models to optimize service delivery.</p> | <p>6. Governance: Risk and internal controls for every process – who's responsible for what and to define the controls environment and frameworks.</p> |

There are several significant challenges during any functional transformation process, and the Target Operating Model enables you to get to that 'leading class' design. It's your map that charts how to move from A to B – and keep on moving after that.

During the initial stages, it plays an integral role in helping to formulate the vision – the art of the possible – and then helps to validate that vision for your particular business circumstances.

The functional Target Operating Model, within Powered HR or Powered Finance, for example, allows you to explore what the optimized function looks like for you, and then how to achieve it. Our industry-leading benchmarks can help predict the level of performance you can expect to achieve from the future model.

Moving into execution mode

After the Target Operating Model has been validated, transformation can be fast-tracked by the KPMG Powered Execution Suite, a set of tried-and-tested tools and methods designed to enable the business to unlock value more rapidly, and with reduced risk.

The Powered Execution Suite helps accelerate program setup and execution while prioritizing transparency and communication across project management, team collaboration, design, configuration and development, and test and defect management.



KPMG Powered Enterprise and the **Powered Execution Suite** were built in the cloud, and for the cloud. This means that they are ideally suited to the virtual world and global talent. However, being able to deliver complex change remotely runs much deeper than using cloud technologies. It is about having an entire transformation method of delivery and collaboration that is cloud enabled.

To deliver a transformation project virtually, not only is the right cross-functional talent needed - both onshore and offshore - but also an approach that is suited to delivering large scale transformation remotely, a wide range of accelerator assets that can be deployed virtually, and crucially, an environment that was designed from the outset with the execution of virtual activities in mind.

Virtual delivery activities not only rely on virtual collaboration, but also on real-time insights that support decision making across a global talent pool as well as a continuous program governance that can be executed virtually.

Food giant builds a future-focused enterprise

As our client's food manufacturing facilities expanded globally, a portfolio of decentralized and disconnected IT systems were implemented that became increasingly difficult to navigate. It was time to build a vision that kept them well prepared to meet customers' and employee's changing expectations.

The organization turned to KPMG Powered Enterprise enabled by Oracle to guide the changes needed across its finance, HR and supply chain operations to make them fit for the future.

Together, KPMG in the US and the client took an "all in" approach that included enterprise resource planning, human capital management, supply chain management, and enterprise performance management. The effort was broken into components to mitigate the risk of putting all the systems online at once.

With careful upfront planning, the initial changes went live with minimal disruption. Early results:

- Finance eliminated manual processes and initiated a near-touchless close process
- HR centralized employee services into a tiered service center, providing the scale needed to onboard two new companies without adding HR headcount.
- Supply chain improvements are also progressing in order to streamline the order process across all brands and create seamless delivery and invoicing.

As the VP of IT Services remarked, "I think many of these new capabilities will carry us forward to make our new normal an even better experience."



Continuing the evolution

Transformation isn't all about technology – tech is simply an enabler.

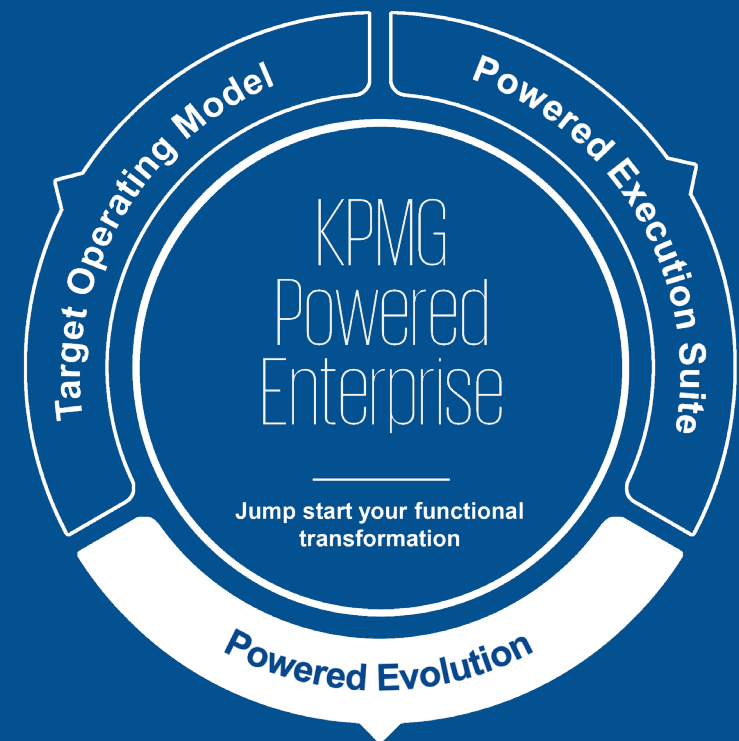
True functional transformation is not a one-time event; to thrive in the modern world, transformation must be seen as a continuous process of improvement.

To realize ongoing value, it requires the ability to adapt to market conditions and regulatory changes, gearing up for new business opportunities as they emerge, and taking advantage of new technologies and process improvements.

KPMG Powered Evolution allows you to address all of these needs with the right blend of skills and resources to help you embrace change on an ongoing basis – delivering sustainable value that continues to move your business forward.

The best-in-class success stories of the future will be those organizations that continuously adapt and build their capabilities across every function of their business, deliver exceptional experiences and value to their customers and achieve sustained business performance.

We understand the relationship between process and technology, and how to deliver the maximum impact from both.



Key takeaways

1. **Transformation isn't all about technology** – technology is simply an enabler.

2. **Successful transformation** starts with having a **clear understanding of the possibilities** – a vision of where you could get to.

3. Understanding where you want to go is the first step in identifying the **skills, processes and systems** you will need in order to get there.

4. Using a proven, **pre-defined Target Operating Model** can fast-track the transformation of key functional areas to enhance the value you deliver to customers and the performance of your business.

5. Industry benchmarking will enable you to **measure the outcomes**.

6. By mapping your current capabilities against a **proven maturity model**, the areas of maximum impact can be clearly identified.

7. Undergoing a **digital functional transformation will build resilience** into your business and put you in a stronger position to ride out market challenges and disruptions in the future.

Discover more

How Powered can help:

- 🔗 **A new vantage point**
- 🔗 **KPMG Powered Enterprise**
- 🔗 **KPMG Target Operating Model**

Insights from KPMG:

- 🔗 **Shaping the future**
- 🔗 **Connected. Powered. Trusted.**

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