



cutting through complexity

KPMG Lean Finance

Make the difference with Lean Finance

Our vision and approach for
successful change in your
finance function

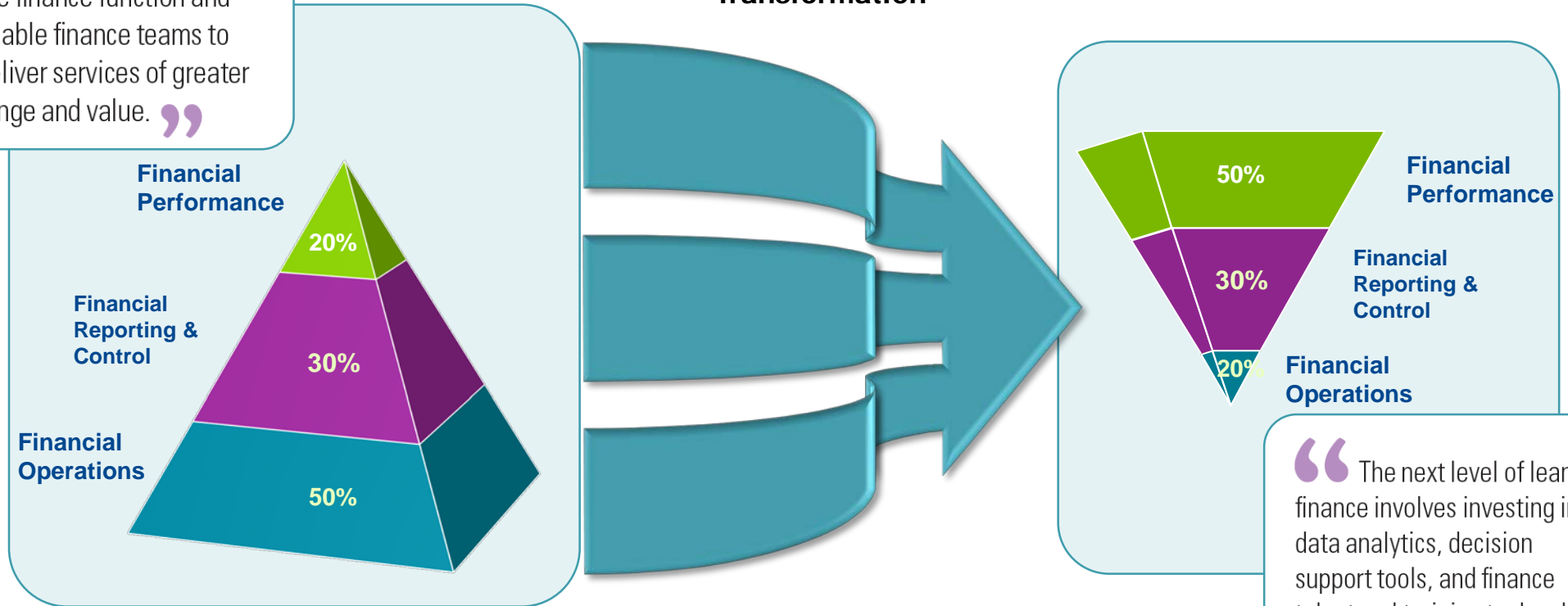
www.kpmg.com



Lean Finance is the transformation key towards a world class finance function with efficient and effective financial operations

“ Lean finance can dramatically boost speed, flexibility and quality across the finance function and enable finance teams to deliver services of greater range and value. ”

Lean Finance Transformation

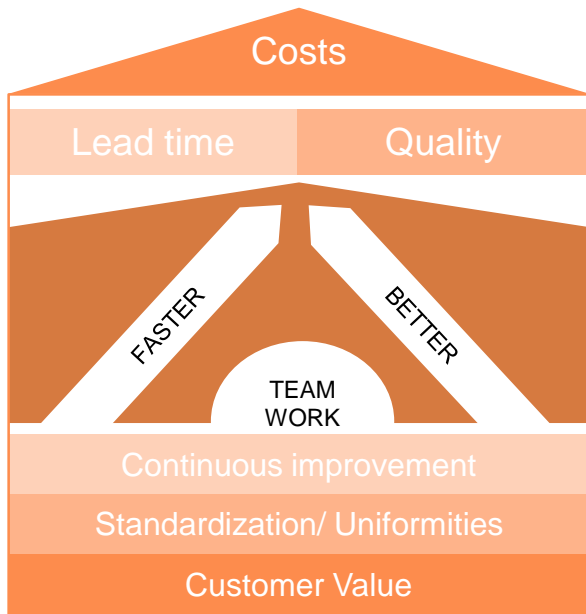


“ The next level of lean finance involves investing in data analytics, decision support tools, and finance talent and training to develop intelligent finance skills and capabilities. ”

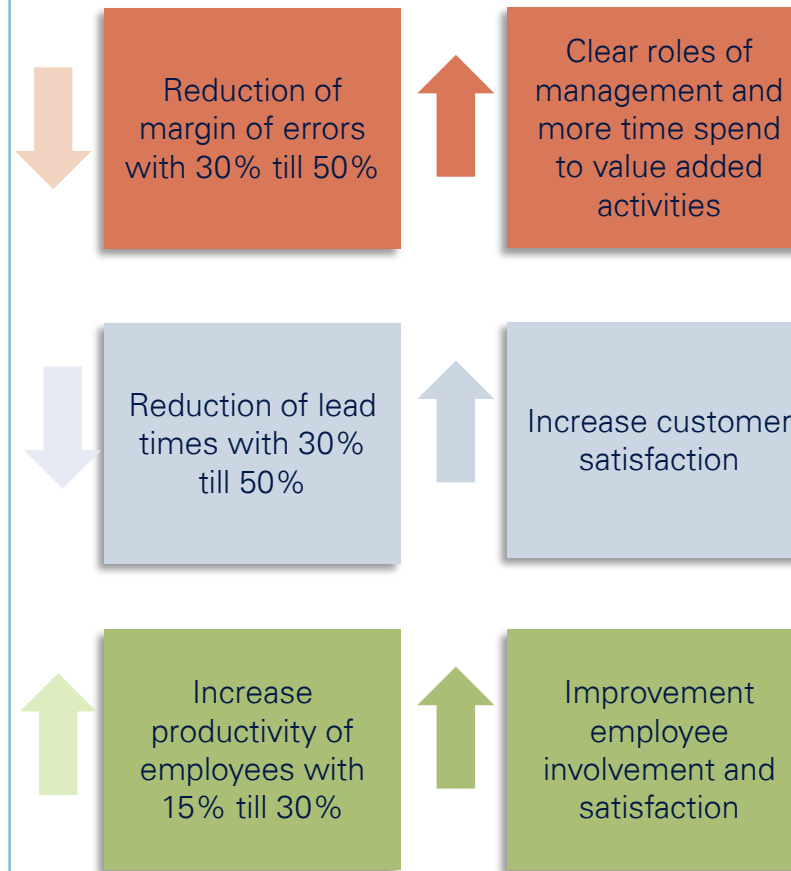
Lean Finance enables your finance functions to **eliminate** non value added activities, **simplify** necessary non value added activities (due to regulations); and **maximize** value added activities.

Realisation of First Time Right and reduction of lead times results in significantly lower costs

Lean drivers which lead to lead time reduction, quality improvement and finally a lower cost base



Based on our experiences Lean Finance realizes significantly improvements



30% reduction in lead time for processing and payment of invoices based on first time right improvements



Ministerie van Infrastructuur en Milieu

More than 38% late payments of invoices to approximately 5%

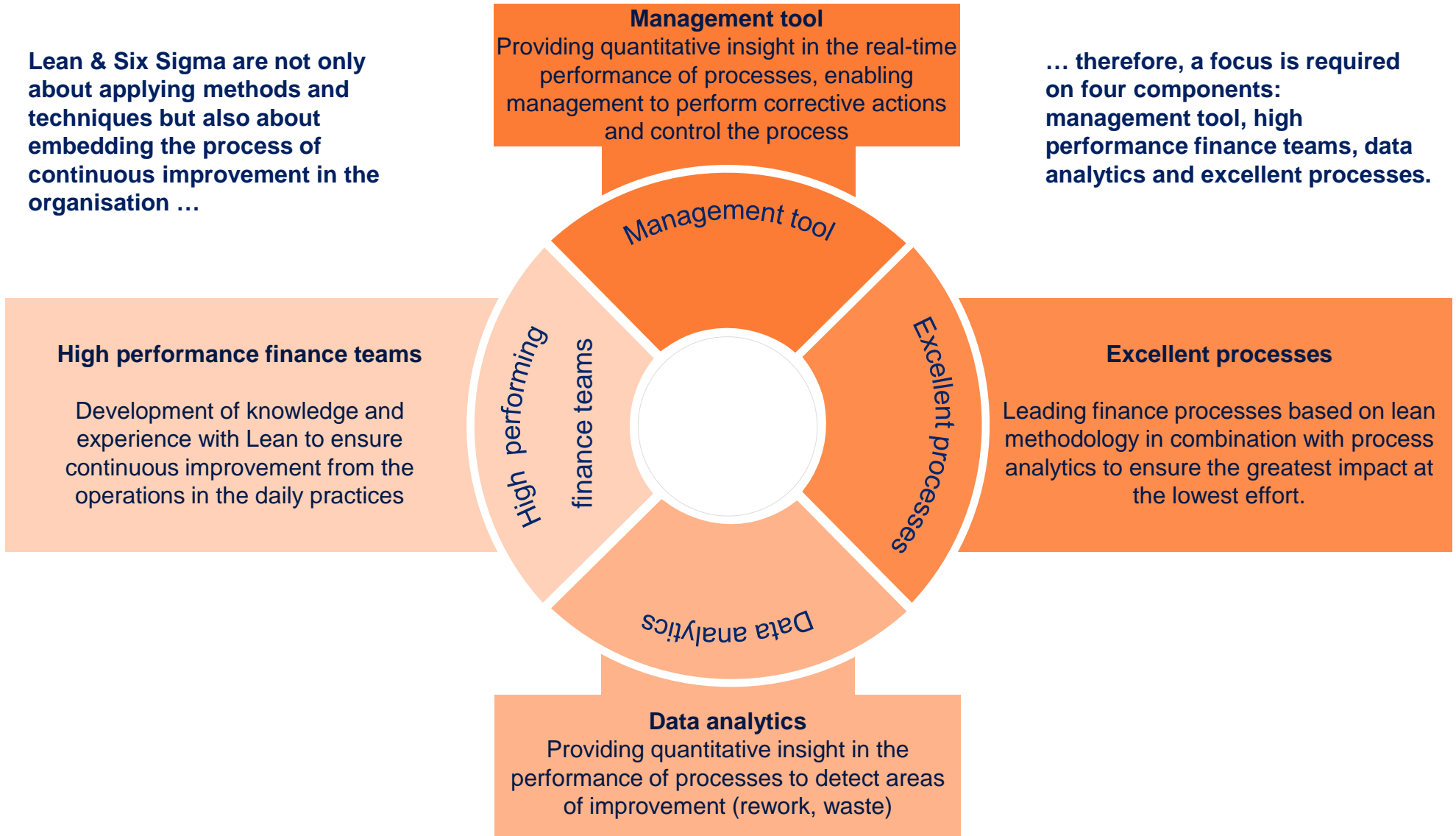


Lead time reduction of 40%, error rate reduction of 24% and more predictable activities and thus enhanced ability to plan

The transformation through Lean Finance consists of an integrated approach to ultimately embed continuous improvement

Lean & Six Sigma are not only about applying methods and techniques but also about embedding the process of continuous improvement in the organisation ...

... therefore, a focus is required on four components: management tool, high performance finance teams, data analytics and excellent processes.

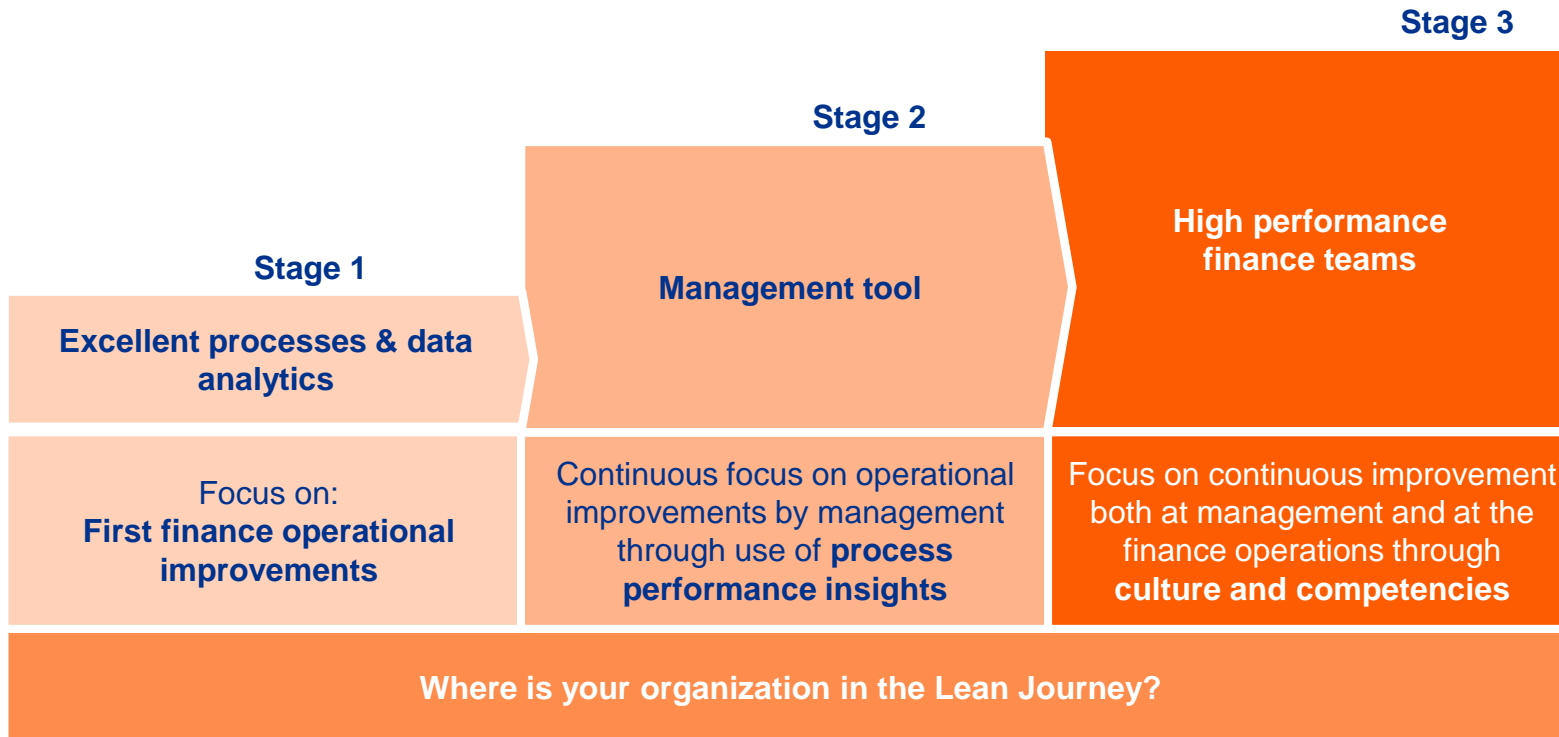


The integrated approach of Lean Finance is a staged transformation towards effective, efficient and value added finance operations

Our integral transformation programs are based on four dimensions:

1. **Excellent processes**
2. **Data analytics**
3. **Management tool**
4. **High performance finance teams**

An optimal combination of preparation, training, Lean projects and increment improvements leads to **sustainable results** and creates a culture of **continuous improvement**.



From our first point of contact, we work together to develop your people with the appropriate level of understanding required for independent working and to be able to apply the lean philosophy.

We achieve this by demonstrating, doing it together and finally doing it yourself.

If required, we will continue to coach your organization towards the following maturity level.

Lean finance involves simplifying, streamlining and harmonizing essential finance processes to create a leaner, more efficient finance operation

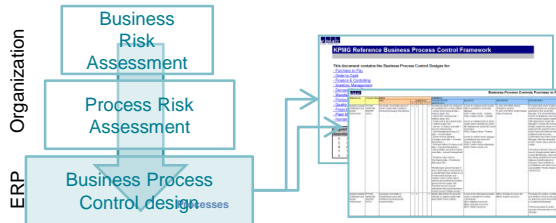


KPMG standards/ -tooling

Leading practices & Standard processes



Business Process Control design (AO/IC)

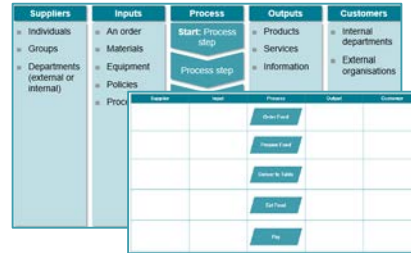


Standard roles & KPI's

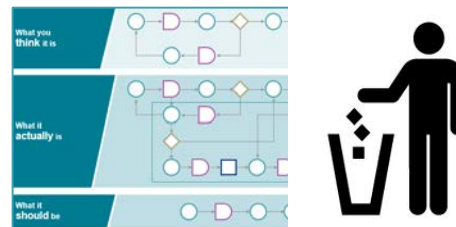
Area	Standard	Key	Responsibilities
Finance	1.1	Finance Director	Overall responsibility for the finance function and its performance.
	1.2	Finance Manager	Responsible for the day-to-day operations of the finance function.
	1.3	Finance Controller	Responsible for the financial reporting and compliance.
	1.4	Finance Analyst	Responsible for financial analysis and reporting.
Operations	2.1	Operations Director	Overall responsibility for the operations function and its performance.
	2.2	Operations Manager	Responsible for the day-to-day operations of the operations function.
	2.3	Operations Controller	Responsible for the operational reporting and compliance.
	2.4	Operations Analyst	Responsible for operational analysis and reporting.

Lean Finance methodology

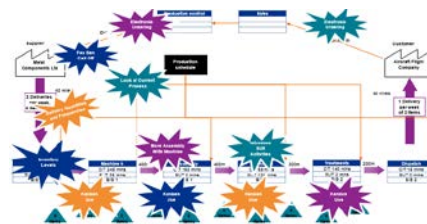
Voice of Customer (VoC) / SIPOC



AS-IS TO-BE/ Waste identification



Value stream analysis

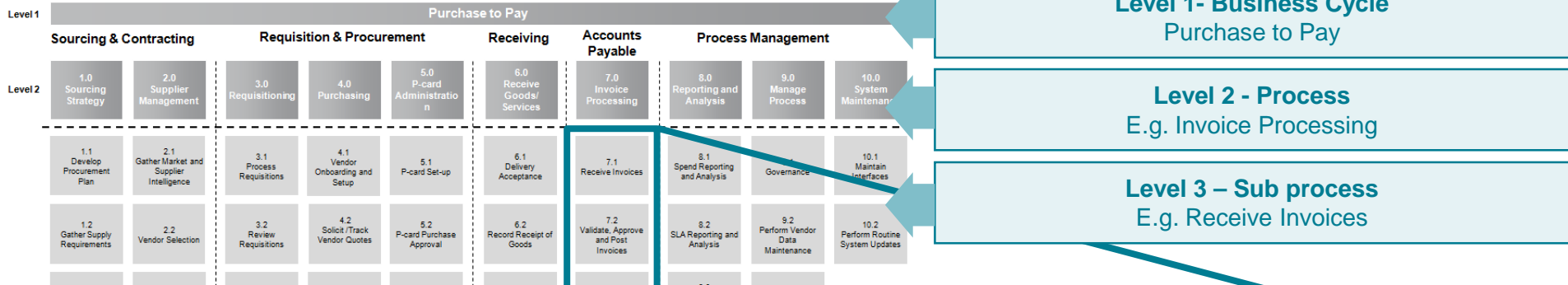


Towards effective, efficient and in control processes

- Elimination**
 - Continually assess processes to identify and eliminate activities that do not add value
- Simplification**
 - Simpler processes tend to be more efficient, present fewer opportunities for defects, require less specialized knowledge and thus better lend themselves to centralization
- Standardization**
 - Standard activities, in a standard sequence, supported by standard (ERP) system performed by standard roles based on leading practices.
- Automation**
 - Technology breaks the proximity chain, allows for embedded, preventive controls, increases productivity and supports leading business practices.



1. Example Process Level 1 – 3 for the Purchase to Pay process

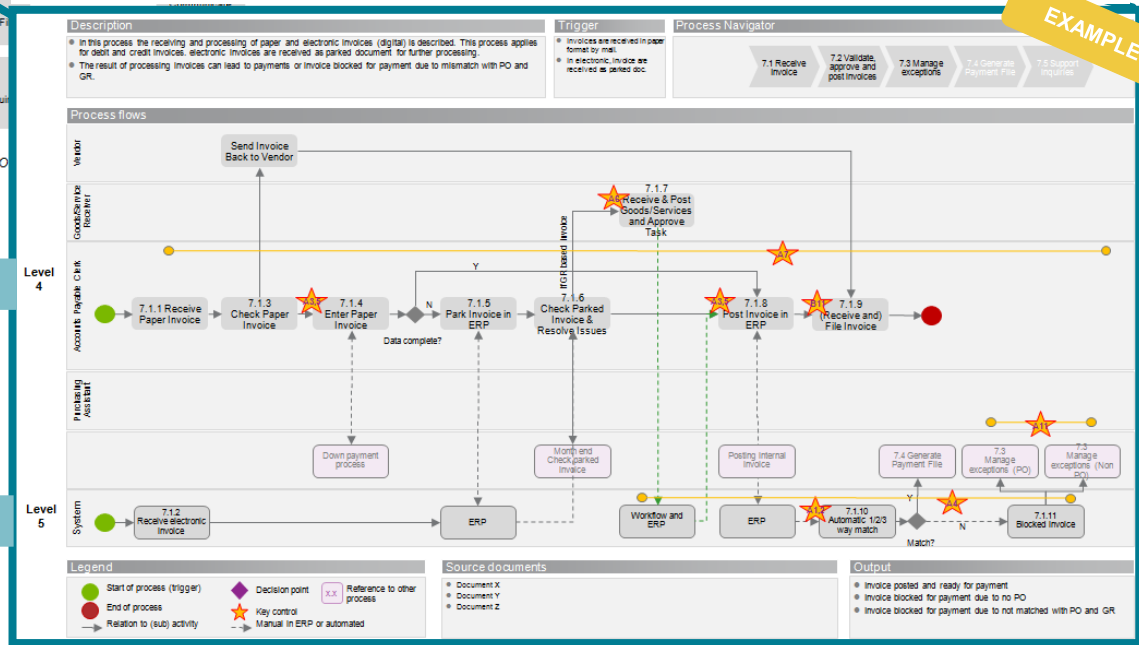


2. Example Process Level 4 – 5: Receive Invoice , Validate, Approve and Post Invoice & Manage Exceptions

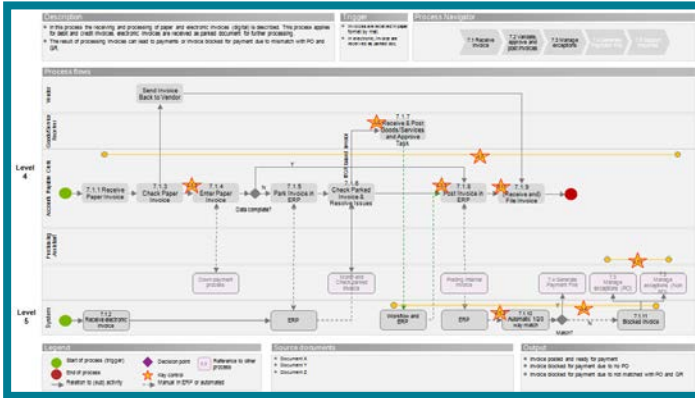
Note scenarios can be distinguished in the (sub)processes. For example within 7.0 Invoice Processing: Non PO and PO

Level 4
Activity per role
E.g. Check paper invoice

Level 5
Manual or automated transaction(s) in ERP system
E.g. Automatic 1/2/3 way match



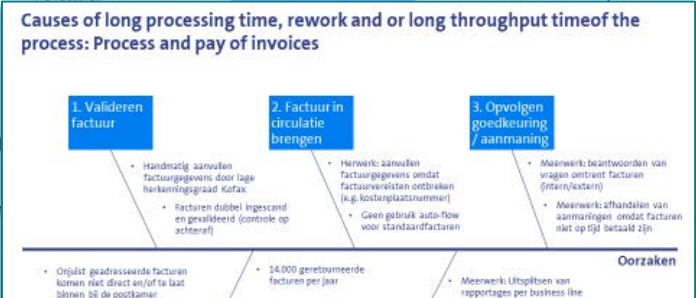
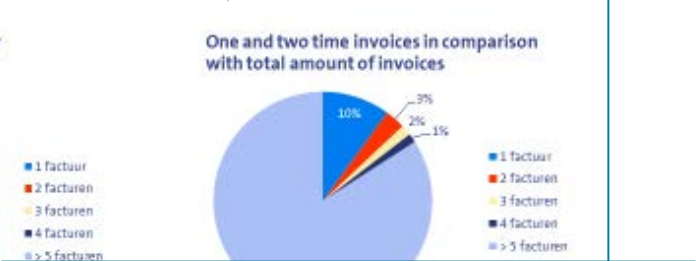
Process analysis provides real-time visibility of your finance processes and the areas of improvement for direct high-impact action



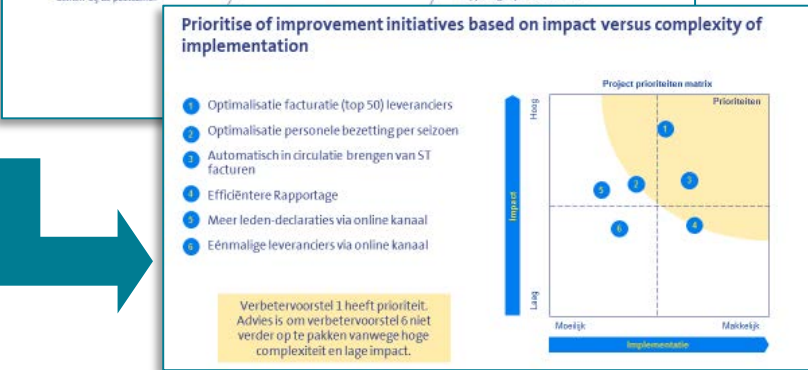
Process (level 4)
Activity per role in the Purchase to Pay process

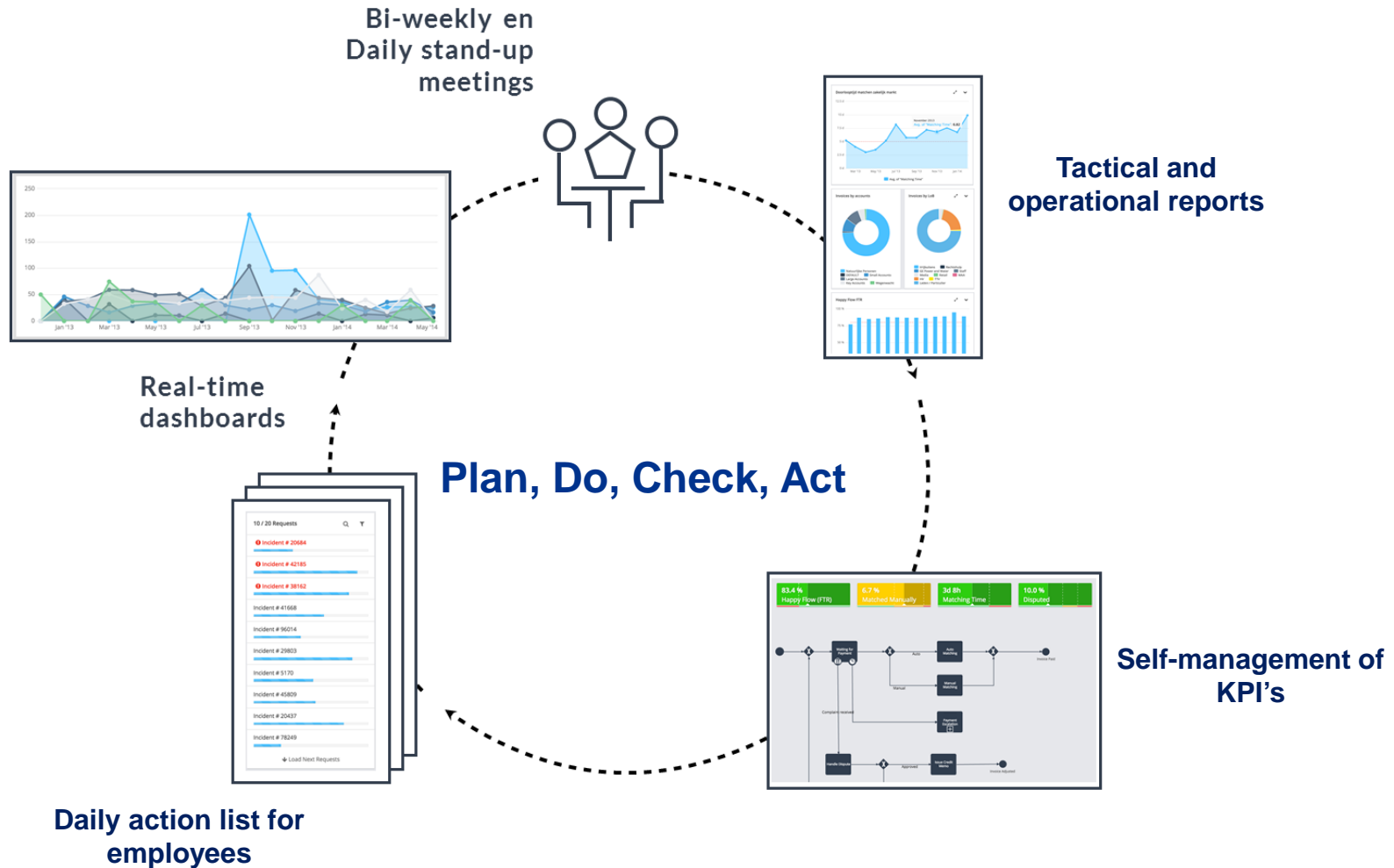


Process analysis
Data analysis for cause detection on real-time process performance to realize process improvements



Realizing process improvements
Improvement actions are prioritized to ensure the greatest impact at the lowest effort





The process management tool provides you detailed real-time process data and enables you to perform corrective actions





"Sustainable change can be achieved by learning teams how to engage in continuous improvement independently"

A culture of continuous improvement in finance operations through a modular training curriculum



Through our unique collaboration with the **Lean Enterprise Research Centre** our Lean trainings are **externally accredited** by **Cardiff University**, quality guaranteed.



				Six Sigma Black Belt training	Practical experience
		Six Sigma Green Belt training	Practical experience	Lean Technical training	
Lean Fundamentals training	Goal Basic knowledge and techniques of Lean	Goal Basic knowledge and techniques of Six Sigma	Goal Assisting in deploying the learned techniques into practice	Goal In-depth knowledge and advanced understanding of lean techniques	Goal In-depth knowledge and advanced understanding of Six Sigma techniques
Goal Basic knowledge and techniques of Lean					Goal Assisting in deploying the learned techniques into practice
Operational Management training goal; Managing in a Lean organization					
Lean Awareness training goal; Creating awareness and understanding of Lean & Six Sigma					
Strategic workshop goal; Alignment of improvement program to strategic goals					

Our Six Sigma Green Belt and Black Belt training courses are **externally accredited** by the **International Association for Six Sigma Certification**.



Lean Finance Toolkit

Problem identification

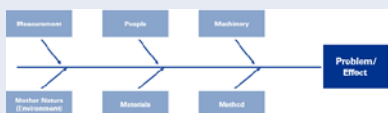
Lean principles



Waste identification

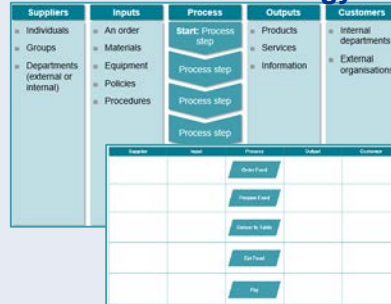


Fishbone analysis

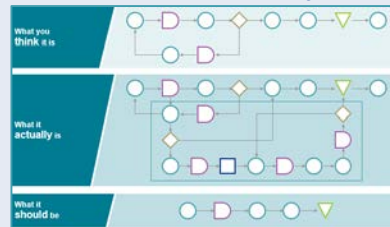


As Is – To Be situation

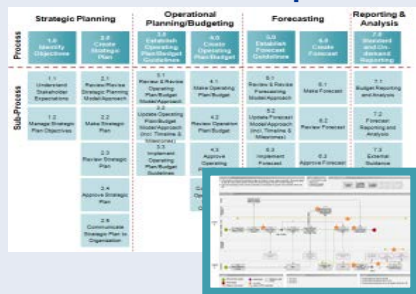
SIPOC methodology



As Is / To be analysis



Process descriptions

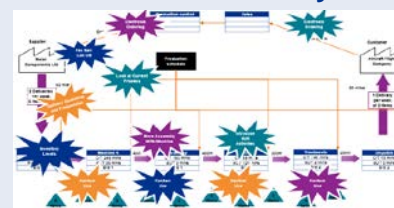


Data analysis and development of plan

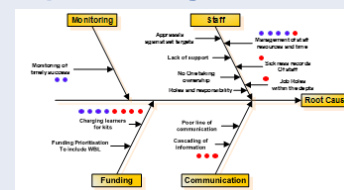
Process analysis



Value stream analysis

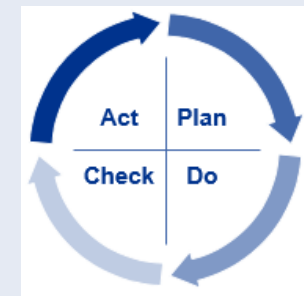


Methods for selecting and implementing solutions



Implementation and follow up

PDCA cycle



Visual management



6S work floor organization

- 1 **S**ort (scheiden)
- 2 **S**et in order (schikken)
- 3 **S**hine (schoonmaken)
- 4 **S**tandardise (standaardiseer)
- 5 **S**afety (veiligheid)
- 6 **S**ustain (volhouden)

Van Gansewinkel
Improving processes
with partner Cegeka



Challenge

Billing and internal invoicing process of ICT costs contained errors. Together with ICT partner, Cegeka, they were working together to come to a solution.

Approach

KPMG mapped all related billing processes (VSM). In workshops, all risks and improvements were identified and quantified (FMEA).

Results

An analysis based on the actual operational processes, in which all relevant risks are identified and quantified. In addition, an action plan with concrete improvement actions and measures to prevent risks. Reduction of number of errors in the monthly billing and internal invoicing.

KPMG Accountants
Operational Management



Challenge

To improve the quality and efficiency of the financial statement audit.

Approach

Identification of the top 20 bottlenecks and generation of improvement ideas for the financial statement audit. KPMG further implemented an operational management program with focus on standardization, visual management and implementation of continuous improvement in the organization. Employees were trained in Lean thinking and tools.

Results

Improved quality of the financial statement audit and audit trail.
Reduced variation in lead time and costs.

Aegon
Improvement of
reporting cycle



Challenge

The client articulated the need for a more reliable and timely process reporting for IFRS, actuarial reporting and management reporting.

Approach

KPMG used the Lean & Six Sigma methodology to set up the project, map and analyze the processes, perform root cause analyses and proposed and implemented a diverse set of solutions.

Results

Lead time reduction of 40%, error rate reduction of 24% and more predictable activities and thus an enhanced ability to plan. Various Lean techniques used to determine the ideal state and the future state. An increased trust in the report process with greater control.

Achmea
Improve efficiency &
customer satisfaction



Challenge

The Lean deployment program failed to deliver the expected results within the finance function. The client wanted to know the root causes behind this.

Approach

KPMG reviewed a piece of the organization wide Lean deployment program by means of interviews, workshops and desk analysis. Furthermore several recommendations have been made to revise the design and roll out of the program.

Results

Insight given into the actual project path and the root causes behind the failure to fully achieve the desired results and recommendations given on program structure and governance improvements.



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Lean Finance makes the difference!

Contact

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