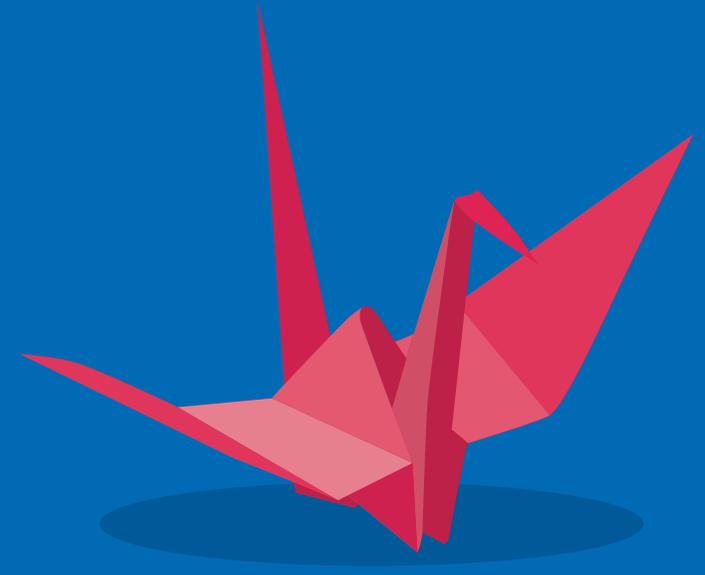




# How to get more value from your technology investment

**Why bolder thinking holds the key**

[kpmg.co.uk/changingfutures](https://kpmg.co.uk/changingfutures)



# A wholesale refit of the technology underpinning the finance function is always a major investment.

As a result, many businesses continue to upgrade finance solutions piecemeal, keeping spend low and addressing only the pain points where outdated solutions and messy processes are having the most negative impact. It's often a missed opportunity.

A bolder, deeper reshaping of the finance function, with the newest cloud technology at its heart, has the potential to deliver exceptional value: cost savings from better financial management, improved efficiency and lower costs from streamlined, end-to-end processes, more time for higher-value activity and smarter insights from data. The function's ability to support the wider business is transformed.

This is the type of ambitious transformation we have recently delivered for one of the world's biggest retailers. A global implementation of Oracle ERP Cloud has established an impressive, modern capability to help support the client's growing business into the future.

To launch the transformation, we encouraged the client to focus on one big question: not 'what technology do we want to replace?', but 'what do we want to achieve?'

## Time for transformation

The client's finance function was not using up to date on-premise technology to support a growing and global retail business. In combination with complex and often inadequate processes that had built up over time, this was creating inefficiency, poor control and unnecessary costs in many areas.

A couple of examples illustrate the kind of issues that were widespread:

- The way fixed assets were being accounted for meant the function had no clear view of how different categories of asset were being used in operations with ineffective controls. This made it impossible to manage lifecycle spend effectively resulting in capital over spend and missed opportunities to claim capital allowances.
- The process for buying goods not for resale was falling short of best practice on many fronts. Time was being wasted reconciling purchases and payments in order to prevent errors initially made at the start of the procurement process making it onto the books. This, alongside poor compliance with processes, meant opportunities for cost savings were lost.

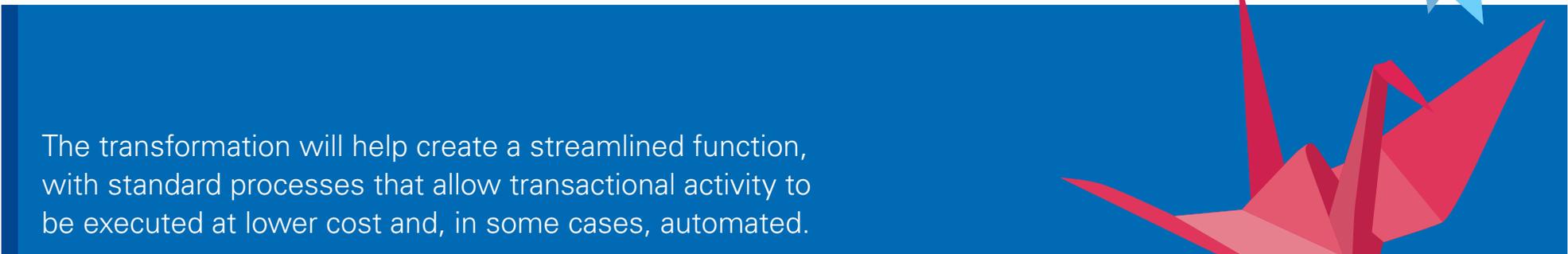
This type of issue will be familiar to many finance professionals. The client recognised that, to address them, they needed to do more than upgrade their ageing IT. A reappraisal of the function's processes and organisation was required. It was time for transformation.

## A clear sense of purpose

Technology investment should always be made with a clear view of what it can deliver – and never just for its own sake. So KPMG professionals began by helping the client tease out the specific pain points they wanted to address and identify the outcomes they wanted to achieve. Clarifying the targeted benefits was crucial to making a powerful case for the investment. The additional flexibility and cost advantages that would come from deploying cloud technologies made the benefits case stronger still.

We formed the challenges the client wanted to address into a vision for the future and developed a rigorous framework – or roadmap – setting out clear direction and timings for action required to realise the vision. The roadmap is designed to cover every component of the transformation, from redesigning processes and implementing technology to reshaping organisation structures and reconfiguring governance and controls. We helped shape the roadmap around business priorities, and brought challenges that could be resolved with short, fast interventions to the front of the programme to deliver early value and build momentum.

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The decision on which technology solution to use was down to the client, but KPMG professionals provided a framework to help guide their decision. Oracle Cloud was their chosen solution. We implement Oracle Cloud with our Powered Finance proposition to speed up and de-risk implementation. Powered assets include standardised/leading practice processes (so there's no need to build from scratch), role/organisation designs aligned to delivering the business outcomes, a pre-built risk & control framework and a configured Oracle Cloud solution that enables business change to start from day one.

The proposition is designed to get our clients to the point where they are realising value from their technology investment sooner. KPMG member firms have used it to support major Oracle Cloud implementations across a wide range of sectors.

We drew experts from a wide range of areas to resource this large-scale transformation, bringing together the mix of technical, business and finance expertise required for success. The KPMG team included specialists in programme management, tax (direct, indirect and customs & excise), audit advisory,

risk consulting and testing excellence.

Within 24 months of starting to shape the transformation, we completed implementation of the new technology solution in the UK and Ireland and at the client's shared services centre in India. Planning for roll-out to Central Europe and then Asia is now underway.

### **Finance transformed**

The transformation will help create a streamlined function, with standard processes that allow transactional activity to be executed at lower cost and, in some cases, automated. This, in turn, helps create more time for the function to focus on high-value activity and improve support to the business.

The client's most challenging pain points have been addressed. So, in the case of fixed asset management, a new process now enables the function to track spend on different categories of fixed asset, while a new organisation allocates clear accountability for managing spend. Analytics on top of this help enable the function to see how to secure better value over the asset lifecycle and where to

allocate capital to achieve the best returns.

In the case of 'goods and services not for resale', there are now clear processes in place for tendering, agreeing contracts and securing authorisation to buy. There are also agreed price lists with authorised suppliers in place. These changes are expected to deliver cost savings in the region of hundreds of millions of pounds in the first year alone.

As a result of the transformation, the client is on the way to establishing a finance function in shape to provide the insights, controls and efficiencies the business needs to succeed in its highly competitive, global market.

# Transformation take-outs

Use some of the principles from this programme to help guide your transformation and get more value from your technology investment.



**Be specific about your ambition.** An all-encompassing ambition to improve performance isn't good enough. Drill down into the detail. Stakeholders are more likely to engage with a vision defined in detail rather than something painted only in broad brushstrokes.



**Take it step by step.** Finance transformation can deliver a wide range of benefits – but don't try to achieve them all at once. Sequence your transformation roadmap so that the benefits that work hardest for your business are the ones you achieve first.



**Avoid the temptation to replicate what you do now.** Don't just apply new technology to existing processes – you'll miss out on the opportunity to maximise value from your technology spend. Rethink the way you do things.



**Get your delivery approach right.** Agile delivery is fashionable as a way to implement fast and produce solutions that work for users in real life. But large-scale transformation needs to be supported by the rigorous framework and controls offered by more traditional Waterfall techniques.



**Lift your gaze.** Don't focus in so tightly on individual activities that you forget to look at the potential to make improvements upstream. End-to-end processes can make for improved efficiency.

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