

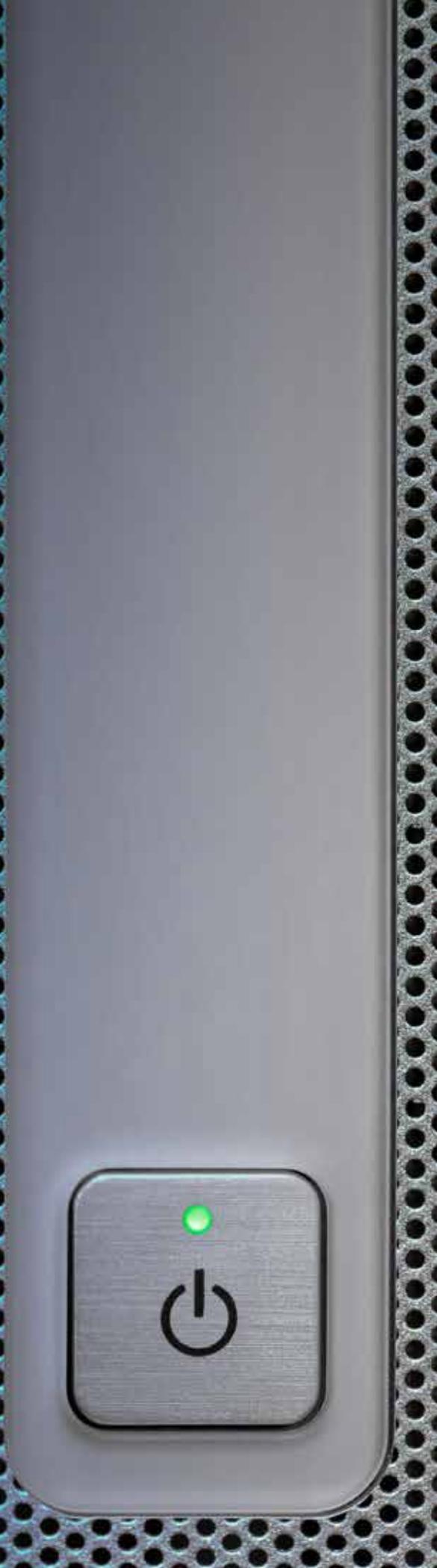


# Enterprise reboot perspectives

**To get smarter about analytics,  
strengthen your data structure**

November 2020

[home.kpmg/enterprisereboot](https://home.kpmg/enterprisereboot)



**According to the 2020 KPMG Enterprise reboot report,<sup>1</sup> enterprises are striving to drive value from data. Yet fewer than 50 percent of business and technology executives surveyed consider their organizations “strong” across the analytics lifecycle.**

Insight-driven businesses simply do better — especially when facing unprecedented circumstances. Since COVID-19 upended business as usual, smart analytics have proven to be “have to have” technologies, required to respond to today’s problems and protect companies’ futures. Facing unparalleled uncertainty, business leaders know that accelerating enterprise transformation using analytics is now a matter of survival.

Big data programs, advanced data science, predictive modeling, and other analytics techniques continue to draw the attention of business and technology leaders even as financial and operational stressors force companies to freeze certain technology projects. Seen as initiatives that can generate significant near-term value, according to our research, 98 percent of companies surveyed are investing in smart analytics, and double-digit spending growth is expected over next one to two years.<sup>2</sup>

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<sup>1</sup> Enterprise reboot: Scale digital technologies to grow and thrive in the new reality, August 2020. HFS Research in conjunction with KPMG International.

<sup>2</sup> Harvey Nash/KPMG CIO Survey 2019

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*The KPMG Enterprise reboot perspectives series digs deeper into insights captured from the global Enterprise reboot report. Leveraging insightful data from the two-phased global research effort, augmented with experienced guidance from KPMG leaders, we offer this pragmatic series to help our readers better understand how to leverage emerging technology to thrive in the new reality.*

*This Enterprise reboot perspectives piece was developed by Traci Gusher, principal, National Leader Enterprise Innovation, Data & Analytics, KPMG in the US*



# Forecasting is the future

The real power of smart analytics is found in its most advanced forms: predictive modeling and forecasting. These analytics techniques give companies the ability to extract and analyze crucial information from real-time data and use the insights to optimize business performance.

Predictive modeling and forecasting are drawing an increased portion of the technology budget as COVID-19 spurs massive shifts in economic tides and consumer behavior. Understanding and responding to disruptive change is nearly impossible without robust and relevant trends analysis. However, the value of historical data is limited given the rarity of this type of disruptive event; it can no longer be used to predict the future with any real certainty or confidence.

Fortunately, the opportunity to capitalize on real-time data insights has reached new heights as customers and employees increasingly interact with businesses via virtual touchpoints. The dramatic and sudden shift from physical to online channels since COVID-19 hit has caused both people and things to leave a growing digital footprint, increasing the number of data points about financial, operational, and customer shifts.

Analyzing these signals to forecast future events and outcomes is a powerful tool in the enterprise recovery and reboot. Companies are building predictive analytics capabilities in order to ramp up digital commerce offerings, improve supply chain transparency and resiliency, reinvent workplace models, and make other competitive changes to the business.

For example, KPMG in Germany worked with a manufacturing company to use predictive data science to anticipate how COVID-19 would impact unemployment rates, consumer buying power, and other economic metrics that would have a direct effect on their business decisions going forward.



# Data is the backbone

Despite widespread investment and relatively mature adoption, less than one-quarter of companies report seeing tangible value from smart analytics to date.

Why do so many analytics initiatives fail to reach their full potential?

Untrustworthy data is the biggest culprit. Many organizations simply do not have a good handle on their data. But if data is unreliable, any analytics built on top of it is liable to lead decision makers down the wrong path.

Cleansing enterprise data so it's pristine and ready for analysis isn't easy or fast. You can't fix 30 years of bad data in 1 month or even 1 year. Companies have to work hard at it, focusing first on the data tied to the most strategic parts of the business — sales, customer relationships, and financials. We have seen that the organizations that are having the highest levels of success with analytics today typically began getting their data in shape at least half a decade ago.

Companies with leading enterprise analytics programs also view the data program as something that will live in perpetuity. That means establishing a mature data infrastructure to effectively leverage and capitalize on analytics.

A data infrastructure is an integrated platform from which to generate, collect, and act on insights from across the business. It consists of multiple components all working together, including digitized internal and external data and an array of supporting data and analytics tools used for insight collection and generation.

Equally important are strong processes around the data infrastructure, including data management and governance designed to build trust in data, integrate analytics into business processes, and adapt to changes in the business environment.

# Digital transformation is the enabler

And success with smart analytics is not just about the data, either. Another common roadblock to realizing value is enterprise adopters putting blinders on, focusing solely the technology solution itself, and blocking everything else out.

Many analytics endeavors are heavily focused on a specific use case leveraging a specific technology. For example, the finance team might create some interesting analytics, but it doesn't communicate the capability outside the group or integrate the analytics into the forecasting platforms.

In truth, smart analytics are an enterprise-wide challenge — and a complex one at that. Tools are used to collect, process, integrate, and manage data, but they do not work in isolation. Analytics programs also impact people and processes throughout the business.

Putting greater forethought into how the initiative will impact the larger organization — operationally and strategically — can help ensure analytics capabilities are actually used and don't just sit on a shelf.

Only when organizations get serious about digital transformation can they integrate analytics into business-as-usual and use them to optimize business performance.



To learn more about Enterprise reboot, our latest research report that explores the current and future state of emerging technologies, please visit: [home.kpmg/enterprisereboot](https://home.kpmg/enterprisereboot).

### Enterprise reboot survey methodology:

From March–June 2020, KPMG International and HFS Research conducted two global, cross-industry quantitative surveys of 900 business and technology executives about their enterprise’s investment in and adoption of emerging technology. All respondents held executive-level positions at Global 2000 enterprises with over US\$1B annual revenue. The study was conducted in two phases: March–April, when many countries were starting to see the impact of COVID-19, and May–June, when many economies and societies were shut down due to the virus. By conducting two phases of research, we sought to achieve a fuller picture of the impact of COVID-19 on enterprise approaches to emerging technology adoption and the sentiment toward the evolving emerging technology landscape. Research covered process automation, artificial intelligence, smart analytics, hybrid cloud, multicloud, blockchain, 5G, edge computing, IoT, augmented/virtual reality (AR/VR), cybersecurity, quantum computing, and trusted data backbone.

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