The intelligent enterprise –
A coordinated approach to financial information management

Financial information management has never been more critical to business success. Organizations across all industries need the right financial information at the right time to face a range of key challenges such as the need to grow through transformation, navigate changes in public policy and regulatory reform, and cope with the next generation of risk.

As a result, the priority lists of organizations often include versions of the following:

- Gather more accurate and timely information to make real-time decisions about expanding a new product line
- Determine how best to integrate and leverage a recent integration into new markets
- Comply with global accounting changes and industry regulatory mandates
- Deliver measurable business value from business transactions while reducing costs and improving efficiency.

Many stakeholders look to CFOs to be the stewards and enablers of financial information. The C-suite in particular relies on Finance to provide meaningful insights to help address priorities such as the ones listed above.

Today's business intelligence: shifting from process to information

The tasks involved with these priorities are complex, and the traditional approach is to work through the list, item-by-item. However, this item-by-item approach can actually create more problems than it solves. This is because the very nature of financial information—where and how it is needed, sourced, collected, managed, and used—has fundamentally changed due to new business models and evolving technology solutions.
There are three drivers for this dynamic of change:

1) The size, scope, and speed of information needs have outpaced the capacity and capabilities of finance and back-office data functions. This development has been compounded by the global scale and the extended enterprise business models that have become more prevalent in the market.

2) The disparate sources and timing of business events, transaction data, reference information, and embedded business rules have made financial information an enterprise issue instead of a matter confined to accounting processes and systems.

3) The explosion of unstructured data, social media, mobile transaction systems, Big Data and the related technology solutions requires a fundamental paradigm shift in our understanding of how to govern, monitor, manage, and report financial information in a relevant and timely manner.

Business intelligence (BI) has emerged as a promising way to manage a rapidly changing information landscape. However, many CFOs often lack the BI tools they need to provide insights for effective decision making. At the same time, significant technology investments and projects have tried and failed to harness disparate data in enterprise resource planning (ERP) applications and other systems throughout the organization. The inability to harness this data—and turn it into meaningful, actionable information through BI—hampers important business decisions and prevents answers to complex business questions, thereby creating significant risk and lag.

In short, process-driven ERP methodologies often lack the focus on information, creating a gap in achieving an intelligent enterprise.

Developing the intelligent enterprise

KPMG’s research indicates that half of the world’s organizations expect to adopt new business models that require insight beyond individual functions or processes. Decisions will be increasingly driven by information, thereby forcing a move from process-centric to information-centric business models.

To support this transition, KPMG specialists work with CFOs to implement tools based on what is known as the intelligent enterprise—a tested approach to BI that enables the convergence of data, disparate systems and functions to support accurate, robust decision making.

The intelligent enterprise has been shown to offer critical benefits such as the following:

- Visibility and alignment of disparate data throughout the business
- The ability of the CFO and the enterprise at large to leverage financial information for decision making across the C-suite
- Confidence in the data that drives strategic decisions
- A repeatable process for making critical decisions
- Finance and other operational functions as a valued source of timely, accurate information. This can help provide a path to improved working capital, new ideas about managing inventory more effectively, a guide to improve EBITDA and a road map to improve product, customer, and business strategies.

With a focus on these potential benefits, our approach often begins by helping organizations to assess and restructure their data architecture across the enterprise. Decisions are only as good as their supporting data, and if the data architecture is flawed, that can hinder decision making. Accordingly, we carefully analyze data and how it is organized. In doing so, we also support a holistic approach for improving the data architecture and realizing the full business value of the organization’s information.

In addition, we provide a methodology designed to fit specific businesses, including a decision-making platform to help executives better anticipate and plan for the future. Backed by an understanding of industries, technologies, and business requirements, we can help frame an approach that is appropriate for an organization and build a road map based on its unique business needs.

The individual components of our approach are designed to help define the problems to be solved, the data to be captured, and what information is needed. We can implement new tools or use existing tools when appropriate. In either case, we set up a process that is flexible enough to address the dynamics that exist in businesses today.

Our goal is to fully harness the power of the data and convert it into actionable intelligence so C-level executives can better anticipate developments and drive business direction.
**Why KPMG?**

To implement the intelligent enterprise, organizations have chosen to work with KPMG professionals for a number of reasons.

First of all, our approach is accessible. We recognize that a particular organization might not need new technology but rather, for example, a change in the way data is structured. We can map a process for an organization or work with in-house staff using the organization’s own analytics. Second, our approach is scalable. We can design and execute a point solution or develop a cross-enterprise view to support long-term, strategic development.

In addition, KPMG BI specialists offer deep industry knowledge, functional understanding, and international business and technology experience that includes the tax, regulatory compliance, and audit heritage of KPMG member firms. We can facilitate multidisciplinary and cross-functional teams for a range of initiatives. We can also take advantage of a deep background in change management process that spans people, processes, functions, and layers of an organization.

**Conclusion**

With tools designed for the intelligent enterprise, CFOs and organizations can better identify, enable, and realize true business value, based on a significant change in how their information is managed:

- Architecting the business to be information-centric and to drive value-focused financial, supply chain, and marketing processes.
- Building an underpinning information infrastructure to create a “digital nervous system” for the organization, providing past, present, and predictive analytics that are embedded in the way people work.
- Creating an organizational culture and behaviors that leverage these changes.

The organizations that support this change in information management will likely be better positioned for the future in an increasingly information-driven marketplace.

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**Getting Started**

Does your organization have a problem in finance information management? Ask questions such as these:

- What are your reporting needs and where are you getting the information?
- Is the organization missing its projections?
- Has the organization made notably poor decisions?
- Do you have an important strategic decision coming up? Do you have confidence in the information needed to make this decision?
- Do you have the information you need to define and optimize working capital?
- Are you getting the most out of your data and tools?
- Are you trying to develop technology to improve reporting and analytics?
- Is your supply chain and procurement function focused on the areas of greatest opportunity?
- Do you have the information you need to fund profitable growth?
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