



FP&A Roundtable: Life Sciences

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As transactional work becomes automated, finance leaders are rethinking their talent strategy to manage redistribution of work and adopt new delivery models that can drive long-term value in Financial Planning and Analysis (FP&A). Besides breakthrough technologies, leading Life Sciences organizations are now investing in specialized centers of excellence (CoEs) to accelerate their business transformation efforts.

J.T. Kaufman, KPMG Service Delivery Model Transformation Leader, along with Prashanth Brindavan, KPMG Life Sciences Finance Transformation Lead, shared the current state of FP&A as well as insights on how finance teams can evolve to enhance agility and embrace innovation.



The current state of FP&A: Work distribution is changing

Rapid digitalization and hyper-connected global ecosystems have disrupted the playing field for Finance. Improved forecasting, data-driven insights, and automation are pushing the C-suite to rely on CFOs and their teams to lead enterprise-wide transformation while also expanding Finance's portfolio of services.

The evolving requirements and ways of working in FP&A have prompted a need for reinvention, accelerating the need for new skills, competencies, and roles. To address this, Life Sciences organizations need to assess modern talent needs and the impact of emerging technology on workforce and business strategy.

Cloud integration and automation are expected to reduce the time spent on transactional and reporting work. This can let the finance function focus more on business partnering and analysis tasks.

However, analysis as a discipline is overshadowed by the vast amounts of data that practitioners must sift through before drawing actionable insights. As advances in artificial intelligence (AI) and machine learning shape the "A" in FP&A, there is a heightened need for professionals with technology skills and experience who are well-versed with how insights are generated and made applicable to business.

"The key to FP&A success is lifting the distribution load, which means a significant change in the necessary skills and talent within the organization," Prashanth alluded. Finding talent who bring both data science skills and business acumen remains a challenge for companies.



When going through FP&A transformation, organizations need to consider the balance between time spent on data gathering and time spent on the analysis.

—JT Kaufman, *Advisory Managing Director, Finance Transformation*



How CoEs can become Finance's powerhouse

Organizations are increasingly adopting the Center of Excellence (CoE) model to seek successful business transformation.

When it comes to FP&A scope, CoEs enable centralized subject matter expertise, promoting convenience and alignment on core services such as data management, budgeting, planning, reporting, and predictive analytics. These centers facilitate the development of best practices, help standardize FP&A processes and data analysis, and offer seamless collaboration and oversight to key decision makers across various geographies.

According to KPMG 2022 Elevating Finance Survey, more than 75 percent of leading organizations have dedicated transformation teams and digital CoEs to help expand Finance's purview through specialized knowledge transfer and agile models.

However, successful CoE implementation depends on having the right talent focused on right tasks while creating an environment of continuous learning and improvement. Leading practices such as establishing well-defined roles, responsibilities, and service governance help accelerate the value provided by the specialized CoEs.

Essentials of a FP&A CoE model

As FP&A seek to increase business partnering with the organization, a specialized FP&A CoE can contribute to an optimized and nimble delivery model that enables real-time decision-making and elevated performance. The recommended archetype for CoEs is a capability-aligned approach with a thin service management layer, incorporating key characteristics including:

- Identifying a service catalog and persona-based approach to provide tailored services to different users.
- Providing key performance indicators, metrics, and reports to the business using advanced visualization tools, such as Power BI or Tableau.
- Standardizing the planning process by establishing a base plan for the organization that can be customized by teams for their unique needs.
- Establishing trust in data and demonstrating the value of the FP&A function through effective change management and robust governance.





Two things often get overlooked during a technology transformation. One is data quality, which will be very important, and two: senior leaders are often the hardest to change and adapt because they are used to doing things in a certain way.

—Participating finance transformation leader



Bridging transformation gaps with specialized CoEs

The challenge of merging different processes during a transformation project can be crippling, particularly in terms of ownership and accountability. “Where I would say we got hung up is getting people who understand the business up to speed, as well as the question of offshore versus onshore locations for these roles,” said a participating FP&A leader. “As individuals grow in specialized centers and acquire the necessary acumen, they can move into business partnering roles.”

With specialized CoEs, Life Sciences organizations can futureproof their business transformation efforts and bridge gaps in various areas, such as:

User adoption: While speaking of the key challenges posed by technology implementation, one of the participating FP&A leads mentioned, “The challenge lies in user adoption. Many users are used to receiving their data via email and waste a lot of time manually pivoting and analyzing it. The goal is to train existing workforce to become comfortable with the tools, eventually progressing to creating their own dashboards.”

Change management and digital literacy: Companies must focus on building a corporate culture that is ready and capable of embracing fundamental changes. This includes how companies are layering both cultural and people metrics into their business decisions that drive value in more than one way—investing in employee upskilling and engagement programs, succession planning, understanding the impact automation has on the workforce, and the change management capabilities to address it.

To embrace technical and cultural changes occurring across industries, FP&A leaders are actively prioritizing digital and data literacy to help employees learn how to use the available technology as well as visualize and communicate effectively.

Transitioning from legacy tools: Companies can consider a gradual rollout approach to new technology platforms, starting with core functionalities and upgrading based on user feedback and research. Data quality is most crucial here. To ensure success, it's important that everyone understands the process, expectations, and timelines.

Specialized FP&A CoEs can be designed to suit diverse use cases—focused on establishing capabilities to realize greater value from digital investments and supporting FP&A's mission to drive the long-term, strategic agenda of the Life Sciences business.





You have to define who owns the decision rights on each part of the project. How are you going to manage that? It's critical that we understand who gets to make the decision, who's got the final say, and that there's a governance structure in place to manage everything.

—Participating FP&A leader

Topics for future sessions

Participants in the FP&A Life Sciences Roundtable expressed interest in the following topics for future sessions:

Digital and Data literacy: Together, these capabilities help organizations stay ahead of technical and cultural changes while driving innovation and problem-solving.

Rethinking modern talent strategy: Optimizing workforce and building a corporate culture capable of embracing rapid changes requires investing in new skills and competencies and employee upskilling.



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