



Strategy and innovation

The future of finance



CFO agenda for elevating finance

KPMG believes CFOs and their teams are natural leaders in today's digitally enabled, dynamic environment. Leading finance organisations are investing in new capabilities that can allow them to elevate from their traditional roles to strategic advisers across the enterprise. KPMG's strategy for future-ready finance includes five distinct, but complementary pillars focused on unlocking business value. [Download](#) this report to learn more.



Sitting at the centre of business and operations, I believe finance teams are uniquely positioned to help drive strategy and innovation across the organisation."

Daniel Bruce,
Finance Advisory,
KPMG Australia

Finance needs to be a strategic function in today's business world. But what does that mean in terms of actual business value? More to the point, how can CFOs create a strategic path forward that enhances the finance function while benefiting the whole enterprise?

In the recent report, CFO agenda for elevating finance, KPMG professionals explored three ideas about extending the strategic function of finance: the **creation** of enterprise value, the **integration** of agendas, plans, and key performance indicators (KPIs), and the **realisation** of value by turning insights into action.

From this point of view, we'll look at how the right strategic framework can achieve value for finance.



The value realisation framework

CFOs can develop an integrated framework across the enterprise to help realise greater business value. This includes improving employee satisfaction and establishing clear goals that resonate at the individual level.

The right framework can help prioritise human and financial capital, execute initiatives, and track success through enterprise performance management (EPM) solutions.

To identify, define and prioritise strategies:

Finance can operationalise invested capital across the enterprise to realise value. This begins with identifying the value that aligns with the strategy and stakeholder interests. Finance should then prioritise human and financial capital on initiatives that deliver business value.

To execute, validate and optimise initiatives:

Execution involves delivering initiatives in line with strategic business priorities. Finance can validate the success of these initiatives by using EPM capabilities for monitoring, reporting, and analysis. Finance can also improve initiatives that are not producing sufficient value by recalibrating execution or reallocating capital.

Case in point

KPMG Australia helped a leading water utility company identify and prioritise strategic and operational metrics required for cross-divisional business performance review.

Challenge: The company had defined high-level strategic success measures to track the progress towards their 2020 vision, but required detailed Key Performance Indicators (KPIs) and operational metrics with clear strategic links to manage business performance on a divisional level.

How we helped: KPMG's process involved four key stages. Initially, we worked with the client on comprehensive and relevant data collection. We also conducted a detailed analysis and evaluation of the data to extract actionable insights. This facilitated the identification and prioritisation of KPIs and ensured alignment with the corporate strategic success metrics and end-to-end process value chain. Lastly, with the selected KPIs in hand, we took the necessary steps to implement them effectively.

Benefits to the client: The metrics meant the executive team was able to quickly identify where they were diverging from the strategy. Having defined KPIs ensured there was impactful cross divisional discussion and a focus on reporting on the right forward-looking and backward looking metrics.



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