



cutting through complexity

KPMG Powered Finance



Outdated Finance Operations



- Systems and processes designed based on business model when original ERP was implemented
- Pace of change of business high
- Technical upgrades perpetuate processes with origins in the 90s

Lack of timely insight



- Inflexible ERP systems with expensive long lead times for new reports
- Inconsistent capturing of data driving inability to analyze data
- Significant amount of Excel based manipulation
- Out of date COA

High cost of service delivery



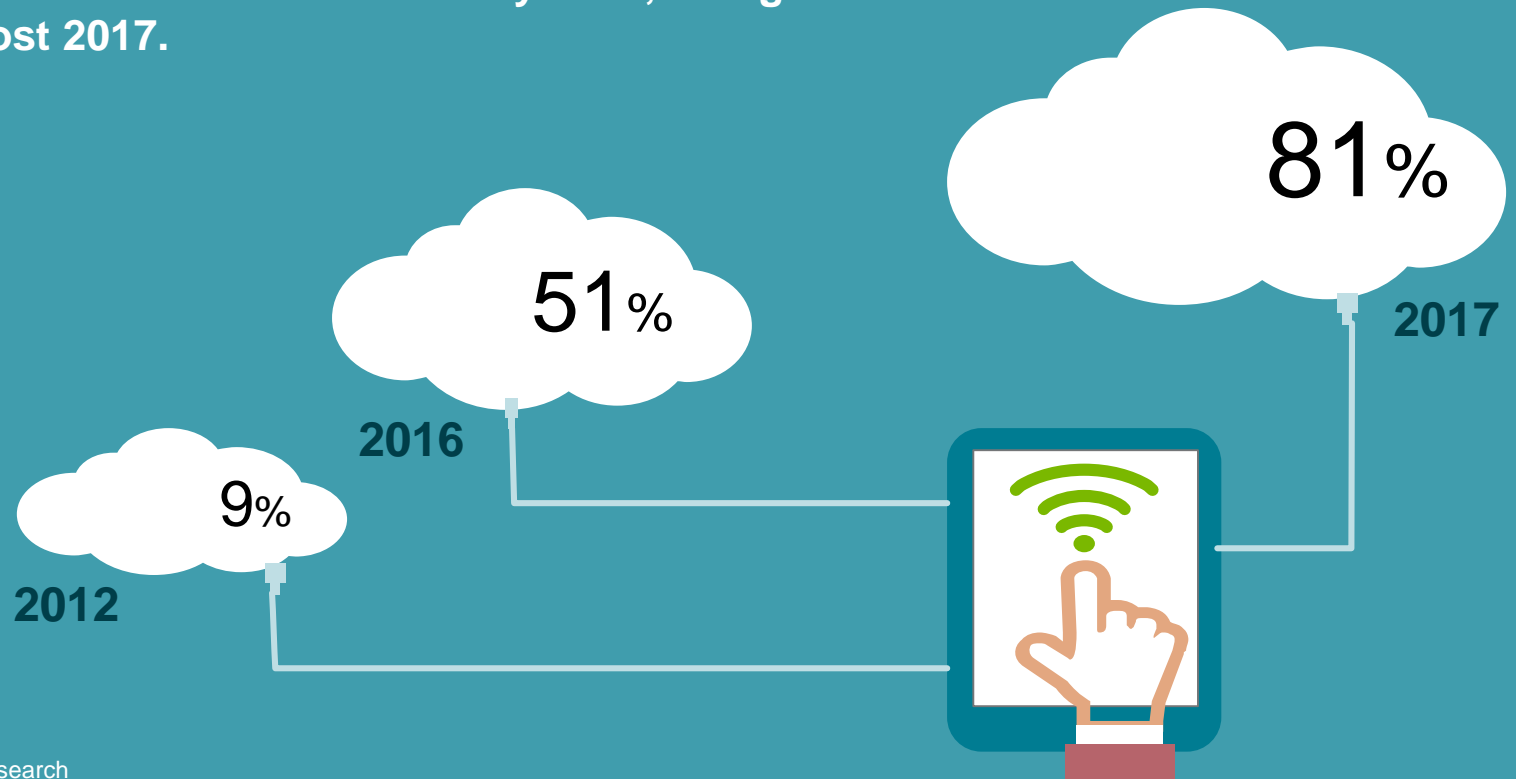
- Finance not organized to optimize service delivery
- Lack of appreciation of what good finance looks like
- Large number of manual workarounds
- Partial system process coverage

Unexploited value from finance systems



- Finance systems perceived as constraining business
- Going to work is going back a decade from a technology perspective
- Finance systems only updated every 5-7 years as part of expensive technical upgrades which do not leverage new capability

It is expected that 51% of Finance organisations will use Software as a Service (SaaS) to support more than half of transactions by 2016, rising to 81% post 2017.



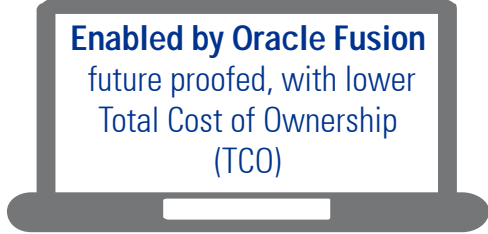
Source: Gartner Research

“Powered Finance” is the solution to these issues

What is it?

KPMG Powered Finance delivers a pre-built, next generation finance function:

- An **operating model** that incorporates leading practice **organisation, people, process, and technology**
- Embeds **KPMG’s** leading practice and **know-how across finance, tax, risk and controls**
- Designed and built as an **integrated** solution, deployed on **the Cloud**



Enabled by Oracle Fusion
future proofed, with lower
Total Cost of Ownership
(TCO)

Why is it different?

- Comprehensive, **pre-configured** solution which is **ready to go** and optimised for the Cloud
- **Integrates KPMG’s services** including tax, assurance & controls expertise
- **First solution to market**, for an end-to-end Cloud based transformation for Finance



What are the benefits?

Faster Delivery

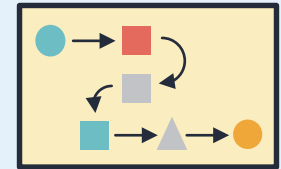
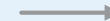
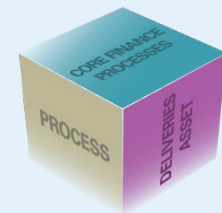
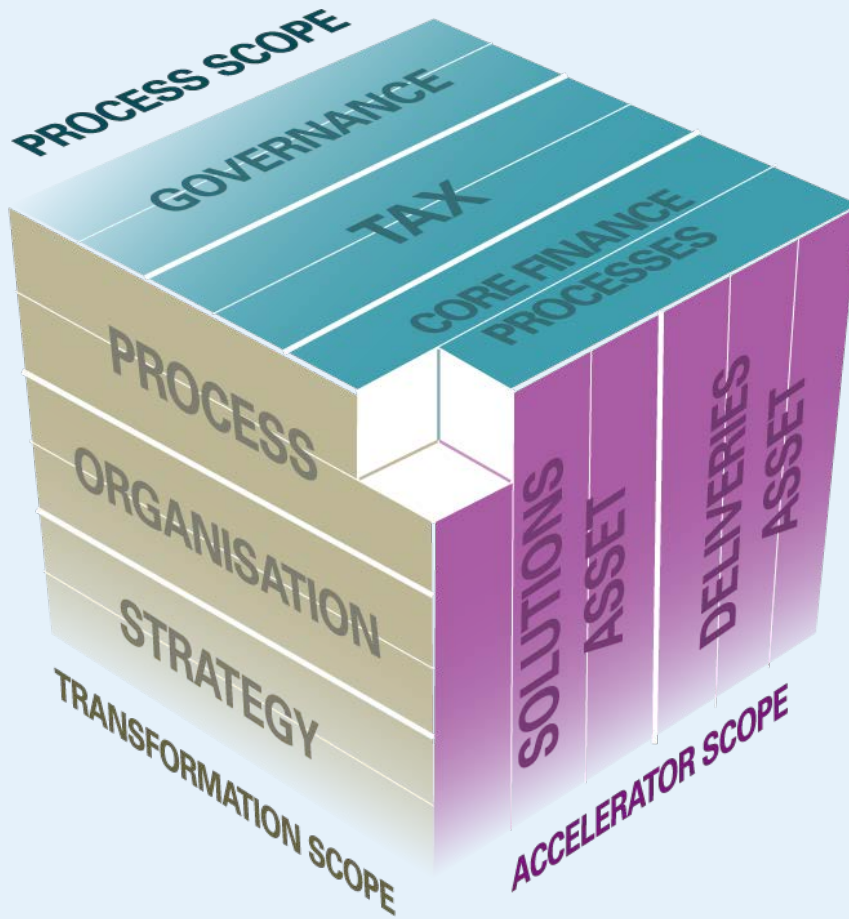
Certainty of Outcome

Lower Risk

Robust Design

Lower Total Cost of
Ownership

Powered Finance is a solution that has three axis of scope:



**Deliverable:
Process Map**

Why Powered Finance?

The main benefits are:

1. **Certainty of outcome:** You know from day one what the pre-built system will look like and how it integrates with your requirements.
2. **Lower Risk:** The core system is tried and tested, unlike a project started from scratch of bespoke reporting to suit client needs.
3. **Faster process:** Adapting a small proportion of the system is quicker and less disruptive to business.
4. **Experience and insight:** The systems combines the insight of KPMG's Finance, technology, tax and audit practices with the technology expertise of Oracle.
5. **Cheaper:** You benefit from cost savings, both at implementation and longer term.



What is Powered Finance?

What's inside the box?:

- **Core Finance Processes:**

Requisition to pay, invoice to cash, acquire to retire (fixed assets) and record to report

- **Controls:**

Segregation of duties, approval workflows, data entry validation

- **Chart of Accounts:**

Statutory reporting, group consolidation, IFRS accounting with local GAAP and Performance Reporting ledger expansion capability

- **Reporting:**

Role-based and process-based reports, dynamic reports for each process, operational information, personalised reports.

- **Organisation:**

Support of both shared service centre and federated organisational model

- **Programme:**

Project Management Frame work for running project



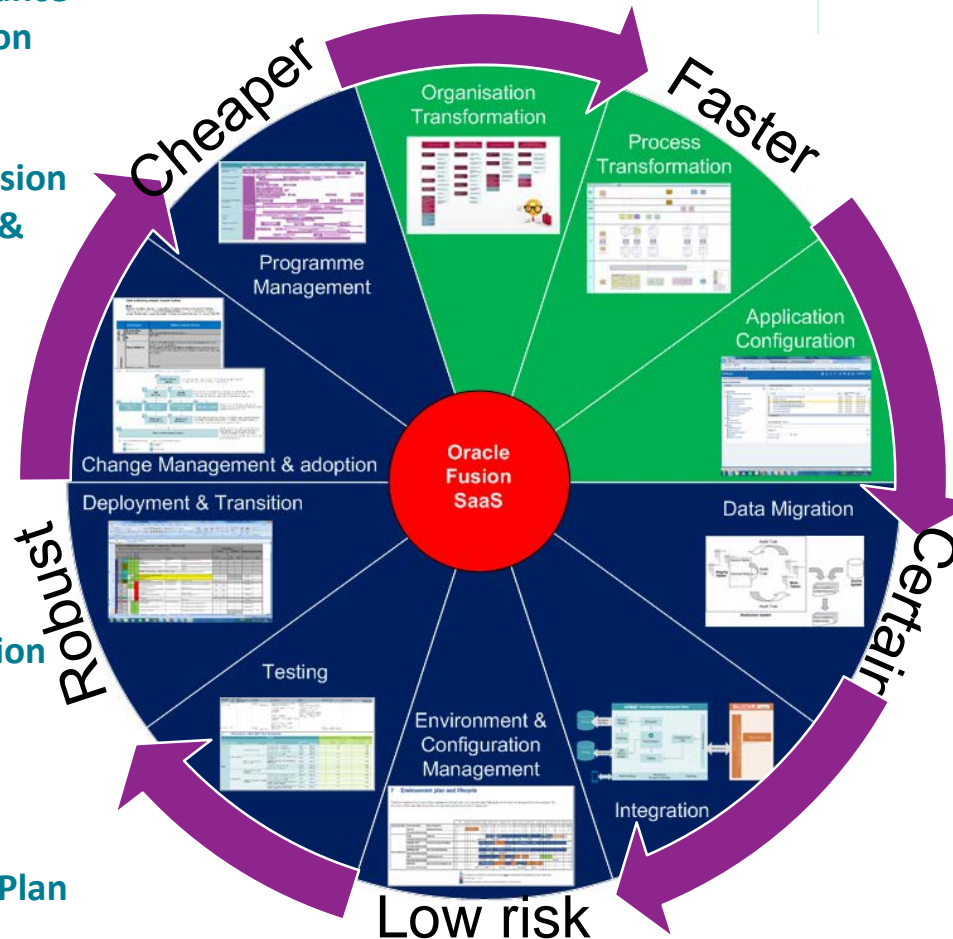
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What is KPMG Powered Finance? - Pre-built

Pre-built solution:

- Target Organisation & finance roles pre-mapped to Fusion
- Pre-built Core Finance Processes using Oracle Fusion SaaS, designed by Oracle & KPMG
- Draft pre-configured controls and CoA
- Inbuilt user definable reporting and analytics
- Data Migration / Integration strategies and tooling
- Change & User Adoption
- Project Organisation and Plan

Comprising Solution / Delivery accelerators:




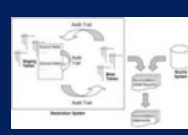








Delivering 5 Key Benefits:

1. **Faster delivery**
 - Pre-built & tested assets – up to c. 50% time saving
 - Validation vs. 'blank sheet'
2. **Certainty of outcome**
 - Comprehensive / integrated accelerated delivery plan
 - In built governance / quality
3. **Lower risk**
 - Pre-tested accelerators
 - No customisations
 - Proven integration gateway
 - Updated constantly
4. **Robust design**
 - Oracle / KPMG expertise including risk / controls / tax
 - Extendable
5. **Cheaper - project & long term**
 - Cloud based = reduced resources
 - Pre-tested = reduced testing

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What is KPMG Powered Finance? - Solution and Delivery Assets by stream

 Organisation	 Process	 Application	 Data Migration	 Integration	 Environments	 Testing	 Transition	 Adoption	 Programme
Draft Finance ToM (SSC & Federated model support)	Draft level 1 to 3 process taxonomies	Draft high Level Design	Data migration strategy, scope and approach.	Draft Integration scenarios & strategy	Draft environment strategy & plan	Draft test strategy, scope and approach	Deployment approach	Draft stakeholder & comms plan	Draft project definition document
Draft Finance Organisation Design	Draft L3 processes, controls & reports:	Pre-configured Fusion system for:	Detailed data migration approaches covering:	Draft integration diagrams	Draft configuration management plan	Draft baseline test scenarios covering:		Draft training strategy	Draft quality assurance plan
Draft Finance Roles	R2R A2R I2C R2P	R2R A2R I2C R2P	R2R A2R I2C R2P	Draft build standards for Fusion		R2R A2R I2C R2P		Draft training curriculum by roles	Draft project RACI
Finance Roles mapped to Fusion				KPMG Integration Framework		Draft baseline test scripts covering:		Draft training simulations	Draft roles and resp.
Organisation Design Validation workshop pack	Validation workshop materials (e.g. R2R / A2R)	Pre-drafted configuration questionnaires (e.g. GL)	Validation workshop materials			R2R A2R I2C R2P			Draft stage gates
	Chart of accounts white paper	Draft Reporting Strategy	Data governance standards						Draft project plan

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Solution Overview: Our clients will get a finance transformation that uses Oracle Fusion at its core ...

Following assets were built for processes and controls



Core Finance Processes

- ❑ Process taxonomies (to Level 3) and Process Maps (Visio & eventually ARIS)
- ❑ Pre-configured requisition to pay, invoice to cash, acquire to retire (fixed assets) and record to report processes:
- ❑ Pre-determined transactions flow. No more of the approach (e.g. OCS at dunhumby) of presenting options; e.g. POs are produced automatically once purchase requisitions are approved; scanned supplier invoices automatically create accounts payables.
- ❑ Integrated processes - when an invoice is received, but the goods and services have not been receipted, the invoice is automatically placed on hold and the accounts payables analysts are notified on their worklists.
- ❑ Expense reports can be generated at the point of expenditure on a smart phone and automatically submitted for approval and payment. We have defined the system configuration to provide appropriate expense report audit.



Controls

- ❑ Controls identified and shown on each process map – the risk mitigated and the use of Oracle Fusion are defined
- ❑ Segregation of duties between each Finance role is delivered through the mapping to standard Oracle Fusion security model to Finance roles – for example, an accounts payable analyst who is responsible for raising invoices cannot make a payment run.
- ❑ Controls have been configured to shift reliance from detective controls to preventative ones:
 - ❑ **Workflows** ensure transactions are appropriately reviewed and approved. We have identified logical routings and built in rules, such as cost centre managers being required to approve purchase requisitions that impact their cost centre before a purchase order is raised.
 - ❑ **Data validations** at source prevent invalid entries. For example all journal entries are checked against the chart of accounts.
- ❑ Detective controls are now more focused and driven primarily through reports, e.g. sub-ledger to general ledger reconciliation reports.

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Solution Overview: Our clients will get a finance transformation that uses Oracle Fusion at its core ...

The organisation design assets were also approved



Organisation

- ❑ Target Operating Model aligning process, organisation, and technology
- ❑ Organisation Design (including teams, layers and spans of controls and sizing) – providing an overview of how the Finance function could be structured
- ❑ Role descriptions (including accountabilities, critical success factors, experience and qualifications) – providing clarity of what is required by each role
- ❑ Finance roles mapped to Fusion roles – providing alignment with the security model in Oracle Fusion
- ❑ Career paths – providing an overview of how individuals can progress through the organisation

We present today a KPMG differentiator – our Chart of Accounts design



Chart of Accounts

- ❑ Pre-configured structure for the chart of accounts (accounting flexfield)
- ❑ Embodies our insight on a “thin” general ledger
- ❑ Five segment structure which is common to all entities and a general ledger account segment based on IFRS
- ❑ Clearly identifies logical groups within the statement of financial position and the income statement.
- ❑ Supports processes for statutory reporting and the source data to support the Group consolidation.
- ❑ IFRS accounting as standard with the option to expand where local GAAP is required.

We are finalising the Reporting Strategy, to incorporate BI elements



Reporting

- ❑ Reports are identified and shown on each process map – the priority of each report is shown to enable train-of-thought analysis
- ❑ Role-based and process-based reports are assigned, by process and role.
- ❑ Dynamic reporting potential for each process through Oracle Transaction Business Intelligence (OTBI)
- ❑ Delivers operational level information such as doubtful receivable provisions, fixed asset additions and disposals as well as trial balance.
- ❑ Personalised reports - all of our reports have been configured based on leading practice; however, these can be personalised to meet the client company specific needs.

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Solution Overview: Validation process – using assets to accelerate project delivery

We have industrialised our delivery assets, including developing workshop packs:

Prepared Workshop Packs

Chart of Accounts Validation Workshop Pack

A2R/R2R Validation Workshop Pack

i2C Validation Workshop Pack

R2P Validation Workshop Pack

Organisation Design Validation Workshop Pack

TOM Workshop Pack

Focus is on **confirming** key decisions points, making updates within the confines of standard functionality



STEP 6 Update design assumptions if required

STEP 5 Validate key design assumptions based using demonstrations

Focus is on **confirming** the design and rapidly moving into collecting data to implement for your organisation



STEP 4 Map Users to the Organisation Design and Security Model

ROLE MAPPINGS

STEP 3 Validate processes and confirm which roles are responsible

Focus is on **confirming** your operating and organisation model are consistent with those pre-configured/delivered through Finance in a Box

STEP 2 Validate the Organisation Design

THE ROLE OF IT

ROLES PROFILES

ORGANISATION DESIGN

TARGET OPERATING MODEL

STEP 1 Confirm the Operating Model

Powered Finance Contact persons

Commercial Handling



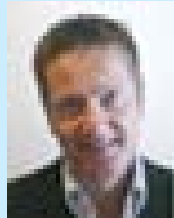
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