



# The new transformation agenda

To keep up with shifting markets, rising customer expectations, and new competition, companies are running multiple, continuous transformations. Leaders can capture and achieve lasting value by focusing on four priorities.

# Introduction

The stakes have never been higher for business transformations. To keep up with changing markets, competition, and technology, companies are undertaking multiple, often continuous, transformations to update internal processes and connect with customers, partners, and suppliers.<sup>1</sup> And, in an era of “compound volatility,” a combination of disruptive events and powerful structural changes is creating a less forgiving business environment, with higher costs, high interest rates, and tepid global economic growth.<sup>2</sup>

Senior corporate leaders recognize that running successful transformations will be critical to their ability to compete and grow. They need transformations to accelerate future state outcomes with profitable growth and efficiencies—and to help pursue new strategies. Without transformation, they know they will not be able to execute their strategies and keep up with the competition. But they are also rightfully concerned about the history of transformations that disappointed or didn’t yield lasting improvements.

In this paper we look at how the transformation agenda has changed. We started by surveying both top leaders and middle managers to get their insights on the opportunities and challenges and business transformation today. For business leaders, the top objective—and challenge—is capturing value from transformations. We also found that there is widespread concern about how to execute complex, interconnected, and continuous transformation efforts. Middle managers also identified concerns about capability gaps and burnout from continuous transformations.

Based on this research, the perspectives of our clients, and the insights of KPMG transformation professionals, we have developed a new transformation agenda that prioritizes action on four fronts:

1

**Placing value at the center.** Executives identified that the top area they would approach differently in their next transformation would be to increase focus on value. Transformations can create strategic, financial, and operational value, but only if value is the north star of every project.

2

**Investing in people and culture.** When transformations fall short or don’t “stick,” culture and people issues are often to blame. Executives identified the two biggest challenges in making value from transformation stick were: 1) leadership change and shifting focus, and 2) a change management program that did not lead to adequate adoption. Transformation leaders need to invest more in creating buy-in, giving people the necessary tools and resources, and maintaining an active feedback loop to understand, iterate, and adapt based on what is working.

3

**Orchestrating projects and the people experience.** With multiple and continuous transformations projects, it is critical to manage timelines, deadlines, and resources. Companies have, on average, three transformations running at the same time. This underscores the importance, and challenge, of creating comprehensive, integrated plans to manage the complex streams of work.

4

**Developing the right technology and data foundations.** Executives cited the technological capability gap as the top challenge encountered during transformation. Almost any business process transformation or growth initiative today will involve a technology element. Companies need the systems, data, talent, and agility to develop support new digital initiatives.

We believe that companies that master today’s more complex transformation agenda will be stronger competitors in what promises to be a more challenging environment. They will be better able to adjust cost structures for the new realities, tap new sources of growth, remain resilient in the face of disruption, and meet whatever challenges arise in their markets.<sup>3</sup>

<sup>1</sup> For more on this topic, please see “The art of continuous transformation,” KPMG, 2023

<sup>2</sup> For more on this topic, please see “Mastering compound volatility,” KPMG, 2023

<sup>3</sup> For more on this topic, please see “The art of continuous transformation” at KPMG.com

# Forces changing the transformation agenda

Over the past two decades, business transformations have become an important strategic tool. Companies have automated processes, redefined roles, built new business and operating models, and remade entire organizations. These undertakings have been arduous and challenging—change programs always are. Results were often mixed—or difficult to quantify—and value was difficult to achieve.

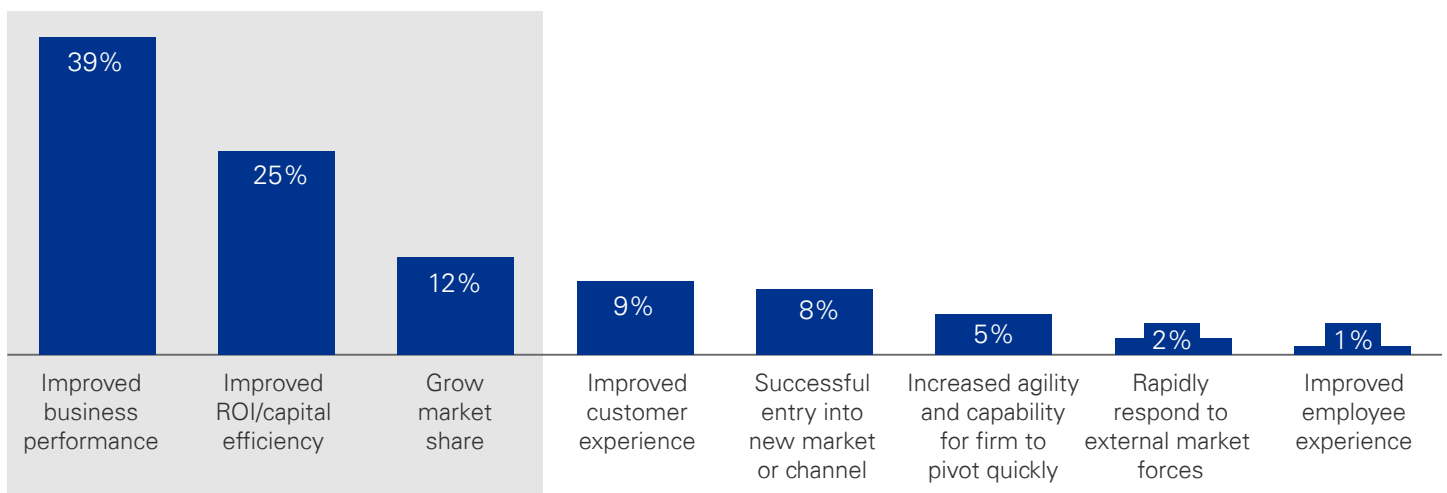
Today, the need to transform is greater than ever, and transformations are more frequent and complex. In our work with clients and in our surveys, we have found that four forces are shaping the dynamics of transformation today:

## The quest for value

Seventy-six percent of top executives in our survey said that creating value—improve business performance and ROI, and grow market share—is their top objective for transformation

projects. Making sure a transformation pays off is increasingly important at a time when the cost of funding projects is rising, and the strategic stakes are higher.

### Exhibit 1: What are the top three ways your organization defines success for a transformation project?



Source: KPMG survey of executives on transformation, February 2023

Yet, executives also know that the odds of successful value creation are challenging. According to our survey, only 19 percent of transformation projects returned significant value. The top reasons for not capturing value, our executives said, is insufficient focus on value and inadequate upfront investment. Middle managers cited lack of adequate KPIs as a barrier to value capture.

We also find that there is a bit of a disconnect between top leaders and middle managers in their perceptions of what constitutes value in a transformation. Top leaders focused on achieving short-term financial value—perhaps a sign of the times. Managers were more likely to say that strategic

objectives such as improved customer experience are the most important source of value in a transformation. Both groups agree that whatever form of value they are looking to capture, they struggle with tracking and measurement.

**#1** thing managers thought leadership could have done better:  
**Improve KPIs**

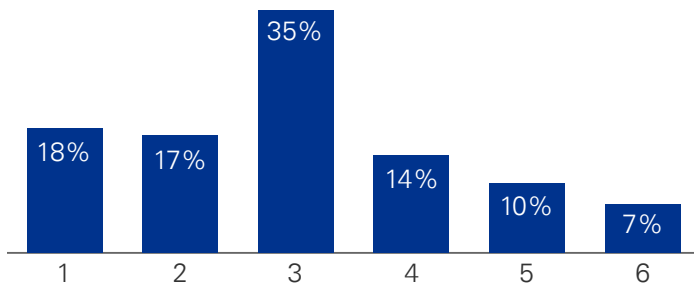
## Increased complexity and intensity

By definition, a transformation involves a significant change—the digitization of a critical process, adopting a new go-to-market model, or modernizing a support function. Today, large corporations typically undertake multiple transformations simultaneously.

In our executive survey, two thirds of respondents said that there are typically three or more transformation programs running simultaneously in their organizations. Sixty percent say that transformation has become continuous or nearly so.

The increased pace and intensity of transformation efforts also creates challenges. In our survey of middle managers, 56 percent said too much change is underway, and 51 percent say it’s all happening too quickly. Managers also complain that transformation work is adding hours to workweeks and creating stress for themselves and their employees. This creates the risk of burnout and the loss of employees who are difficult to replace in a tight labor market.

**Exhibit 2: Number of transformations each respondent is undertaking:**



Source: KPMG survey of executives on transformation, February 2023

**60%**  
of senior leaders say that transformations have become continuous

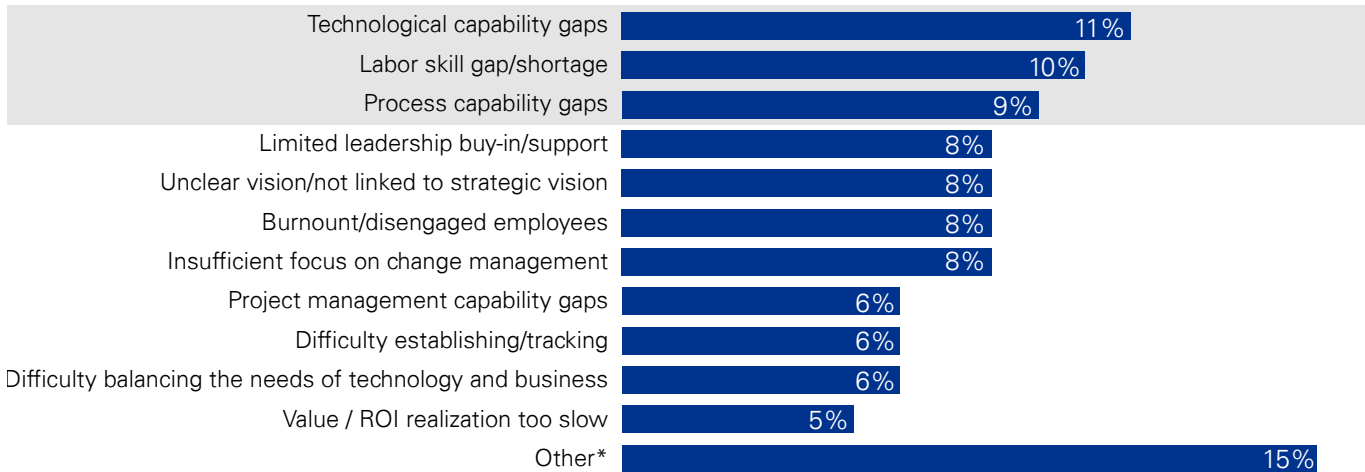
**64%**  
of employees who work an additional 6-10 hours report high stress

## Capability gaps (people and tech)

Across industries, top leaders in our survey said that proper alignment of people and capabilities is the most important factor in a successful transformation. However they also acknowledge the challenges of getting the right people and the right technology in place. Businesses in the U.S. have been dealing with a talent shortage for years. Today, with historically low unemployment, it is more difficult than ever to bring on skilled talent. This includes the kind of white-collar employees whose roles have been transformed (by automating routine tasks) so they can be more productive in higher value-added work such as analysis and reporting.

Executives also said that the top three challenges they encountered in implementing transformations were a series of capability gaps: technological, labor, and process (see Exhibit 3). These gaps are likely to grow. In our recent survey on how executives expect to adopt generative AI—a technology that is bound to play leading role in future transformations—only 22 percent of executives said that they were confident that their company has the right technology and data infrastructure for generative AI, and 15 percent felt their company has the right people in place to integrate generative AI into the business.

### Exhibit 3: What were the top three challenges that you have encountered while implementing transformation within your organization?



\*Other category includes: Value/ROI realization too slow, Under investment/under prioritization, Desired outcomes not achieved/sticking, Higher cost of capital/difficulty raising capital, Budget overruns, and Improper support from implementation partner

Source: KPMG survey of executives on transformation, February 2023

## Managing execution risks

Executives and middle managers agree that execution risk is growing in transformations. But they differ on the nature of these risks. Senior leaders worry that the objectives and rationales for transformation are not well understood and communicated effectively. Middle managers, however, say that leaders have made clear what the transformation is about, but have not provided adequate resources and tools to make the transformation succeed.

Loss of momentum remains a top threat. The focus of top leaders is diverted from the transformation by other priorities, especially when there is turnover at the top. When focus shifts away, leaders lose credibility with managers and

staff. That adds to the people and culture challenges that undermine transformation. Leaders need to be steadfast and stay visibly committed through their actions and words to the change, probably for longer than feels necessary, to enable managers to lock in the desired change and embed new ways of working.

**76%**

of employees are involved in three or more transformation workstreams

# A new transformation agenda

A successful transformation goes beyond routine performance improvements or cost take-out to significantly change how an organization operates. It allows a company to pursue new strategies and compete more effectively, creating strategic and financial value (see “How a transformation creates value”). The costs and stakes of transformation have always been high, and they’re rising as multiple and continuous transformation initiatives become necessities in a faster-paced and less forgiving business environment.

To meet management’s aspirations for transformation today, we recommend that leaders focus on four priorities in the transformation agenda: value creation, culture and people, orchestration, and building the technology foundation to enable the changes. These efforts are not mutually exclusive. People and technology are essential to value creation. Orchestration will touch value creation, people, and technology.

## How a transformation creates value

A successful transformation is a fundamental shift in the way an organization does business that spans departments, functions, and business units, and delivers significant company-wide improvements. First and foremost, the change is aimed at creating strategic value—finding ways to reach a new set of customers or improving loyalty—that gives the company competitive advantage, which translates into financial value, too. Value is also created through operating improvements when business processes are transformed. Transformation can create value across any, and all, of these areas, each with a differing time to value (with operational value typically the fastest to be realized, strategic value the longest, and financial value in between).

### Strategic

*The pursuit of bold, long-term ambitions with fundamental business model changes to accelerate future state outcomes*

- **Competitive advantage** through reimagining customer experience or enhancing differentiation
- **Positioning**, such as how a company is perceived in the market based on brand identity or reputation
- **Expansion** into new markets or product segments organically or inorganically
- **Strategic alliances or partnerships** that enhance capabilities and market reach

### Financial

*Substantial improvements in the top and/or bottom lines to drive profit*

- **Revenue growth**, through focused sales, product, marketing, and channel investments
- **Cost optimization** improving direct and indirect efficiency
- **Cash flow improvement** freeing up cashflow to invest in future differentiation

### Operational

*Significant improvements in efficiency, productivity, and quality*

- **Process improvements** that boost efficiency and reduce waste
- **Resource optimization** such as using time, money, and materials more efficiently
- **Quality improvements** in products or services
- **Digitization or the adoption of new technologies** to improve fundamental processes
- **Optimizing organizational footprint** through onshoring, nearshoring, or offshoring

# 1

## Define value and how to measure and capture it

Transformation programs often lack a clear definition of the value goal and how it will be achieved. We also find that there is often a fundamental misunderstanding about how transformations create value. A transformation is not business-as-usual performance improvement—cutting the cost of purchasing by a nominal percentage. That’s part of the procurement leader’s day job. By contrast, transforming the supply chain to improve customer satisfaction and be more resilient to geopolitical and climate risks is a strategic undertaking that may take a year or two, change multiple processes, and redefine supply-chain jobs.

Transformation success starts with defining exactly how the change will create value. What are the sources of value that will be created through transformation? Will we accelerate a repositioning of our offering to be more competitive? Are there immediate financial and cost benefits? What are reasonable, specific value goals? How will we track progress against strategic, financial, and operational goals? How do we prevent the cost from leaking back in? How do we make the changes stick?

Value articulation becomes increasingly important in a business environment where the cost of capital and internal hurdle rates have increased—and it is harder to find easy/rapid transformation opportunities. To define and pursue value, transformation leaders should take advantage of advanced analytics tools, including artificial intelligence, to pinpoint value. Digital twins can help model the future state (i.e., how a new automation will perform) and test alternative approaches to determine the best way to realize value. Generative AI is an emerging tool that could be useful in such analysis.

During the transformation project, program management and the steerco should continuously monitor how all three types of value are being captured—or not. There will likely be course corrections along the way, but leaders should also be careful to retain focus on the large strategic goals. This is an easy place for the communication between executives and managers to break down, so the value delivery leader needs to be vigilant in communicating to all the stakeholders—especially the managers and employees on the ground—why changes are needed and then make sure everyone is on the same page.

In addition to having clear goals and metrics, transformations that deliver the intended value also:

**Assign a value delivery leader.** Acknowledging that running a transformation is a full-time job, identify a leader whose sole responsibility will be to deliver outcomes—and align this leader’s compensation to the value delivered.

**Go deeper with data.** Use advanced tools, rigorous analytics, and new data sources to identify the sources of value, key dependencies, and ways to realize value (see “Using data analytics to calculate value”).

**Define value to achieve.** Agree the value that the transformation will achieve by creating milestone-based outcomes (releases, people training, value measures, etc.), ensuring the data can be gathered to measure the outcomes, and baselining the measures.

### Using data analytics to calculate value

Not all sources of value are obvious or intuitive. By analyzing performance data, you can find additional ways to create value for strategy and transformation. A global banking client asked us to help understand why it was not matching the rate of return of peer institutions. We compared the bank to its peers on a range of metrics, such as revenue growth, profitability, and online engagement. We also looked at data literacy. It turned out that the client bank had far fewer employees with data and analytics knowledge than its peers—and the top performing banks in profit per employee were those with the highest levels of data literacy across their organizations, including among top leaders. The bank with the greatest data literacy had twice the profit per employee as the client bank. This informed a plan for the bank to build data and analytics capabilities in all levels of the organization.



## Case study

### Digital transformation boosts a food company's revenues and margins

Dawn Foods, a global leader in bakery manufacturing and ingredients distribution, undertook a complex, multi-functional transformation to become more competitive and accelerate growth. The transformation team started by identifying two dozen operational initiatives that were then prioritized based on business impact, risk, and competitive advantage, before embarking on a series of operational efficiency improvements.

The transformation digitally integrated key functions, including product strategy, supply chain, data and analytics, e-commerce, technology architecture, and the partner network. Overall, the transformation saved Dawn Foods tens of millions of dollars—money that was used to fund investments in new processes, technology, and people for the larger transformation. The company met its targets for adoption, revenue, and margin growth.

## 2 Address people and culture issues throughout the transformation

Successful, expeditious transformations rely on people changing how they do things, but our brains are wired to resist change that happens too fast. Humans—leaders, managers, and employees—all have a cognitive bias for the status quo, making the human element of transformation the most complex and likely to fail. Overcoming this resistance and convincing people to embrace the change and make it happen is essential for transformation success. Yet transformations often focus disproportionately on quickly delivering new technology or processes, arguably because these change elements seem more tangible, familiar, and actionable.

If organizations want successful transformations, they must get intentional about the people element of change. This starts with getting the basics right. The change vision (what good looks like) must be clear, relatable, and actionable to those who will implement the change.

Then, leaders need to truly model the change through their actions and words. Leaders can host town halls and issue memos, but how they show up and model the change every day will have far greater impact on whether employees believe the change is real or credible. Executives know this. In our survey, executives said that top reasons for transformations coming up short were insufficient leadership alignment, vision, and funding.

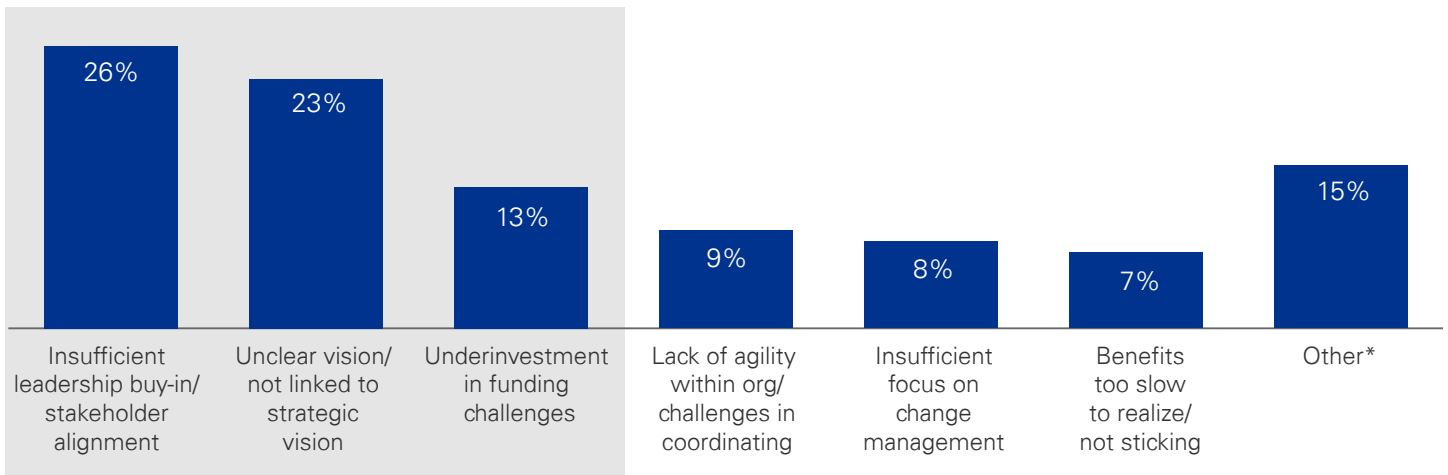
Companies also need to have a clear understanding of their capacity for change. As noted, in our survey of middle managers, 56 percent felt that too much change is underway, is happening too quickly, and is creating stress for themselves and their employees. With limited staff capacity and high stress, companies need to be thoughtful when aligning resources with transformation needs.

Solving for the human factor in transformations requires going beyond standard communications and training, which



## Exhibit 4: Factors leading to failed transformations

Rank the top three issues (1 being the most important) that lead to failed transformations? n = 200; rank order: top 3



\*Other category includes: Project Management capability gaps, Establishing/tracking metrics, Labor capability gap, Burnout/disengaged employees, Technological capability gaps, and Lack of support from implementation partner

Source: KPMG survey of executives on transformation, February 2023

on their own will not change behaviors. Changing mindsets and behaviors requires a more holistic, human-centric approach focused on organizational culture. Human-centric means investing in understanding, empathizing, and co-creating the people experience of the change. It's not just about managing a change that's being designed, it's about empathetically designing the experience that people engage with at work that facilitates the new way people will behave after the heavy lifting of the transformation is done. This understanding should be part of the future state design, along with the new processes and technology that will enable people to operate differently and more optimally.

Ultimately, there must be true accountability for the change to get the human experience right. This includes measuring employee sentiment and behavioral change, and adapting activities along the way. Do employees see that leaders are truly modeling the change? Are employees making the needed shifts in how they think and operate? Are they receiving the training they need? What's working? Where are we struggling? What additional support do people need to be successful?

Learn from the answers and turn the lessons into timely, iterative, and agile actions. This will increase the likelihood of transformation success and accelerate the speed of delivery and impact.

Companies can take action in three areas to ensure successful people and culture change:

**Build belief and make the vision real.** Once the transformation strategy has been set, invest the time upfront to test and iterate the vision for the transformation to ensure that it is clear, relatable to all staff (especially those upon whom success depends), and drives action.

**Sustain visible leadership commitment.** Align the objectives of the transformation to the long-term strategic goals and values of the company. Leaders need to have skin in the game and signal the change is real before others will invest—hold leaders accountable for both successes and failures of the transformation.

**Improve employee engagement and enablement.** Establish frequent feedback loops that capture sentiment and behavioral change to identify and address what is—and is not—working.

# 71%

of senior leaders say that the alignment of people and capabilities across functions is very important to deliver a successful transformation

## Case study

### Meeting the culture challenge in healthcare transformation

Our healthcare client set out an ambitious digital strategy to improve innovation and agility in order to deliver both transformative patient care and financial growth. The client also recognized that execution depended upon understanding and addressing underlying cultural challenges. Leaders were feeling firsthand the impact of these challenges in diluting their ability to drive necessary change at scale.

In response, we worked with senior leaders across functions to understand their perspectives, experiences, needs, and pain points. We were able to help them quickly diagnose the cultural challenges and set out recommendations to systematically address these issues through tangible, practical actions that could be incorporated into their transformation approach.

## 3

### Learn to orchestrate complex, continuous, and overlapping transformation initiatives

Running multiple complex transformation efforts creates a whole new set of challenges. For all—or any—of these efforts to succeed, transformation leaders need to be able to manage an array of projects, processes, and people experiences. For example, they must understand how a project in one function or business unit could have unintended consequences in another part of the corporation. They must keep multiple initiatives on track, accounting for interdependencies that might impede the work. They must be ready to sequence the new initiatives in a manner that prevents costs from re-emerging and maximizes broader firm impact.

Companies that succeed with transformations today have superior capabilities in drafting clear, detailed, outcome-based roadmaps and orchestrating multiple initiatives in parallel. They have a clear view of their target state including business and technology blueprints, desired customer and employee experiences, and understand how each initiative will contribute to this. The best transformation

roadmaps are focused on outcomes, take a cross-functional and enterprise-wide view and enable the leadership teams to drive integration across initiatives and make prioritization decisions. Combined with lean but effective governance, these roadmaps help leaders orchestrate one comprehensive, fully integrated approach that enables better, faster outcomes and mitigates risks.

Orchestrating multiple initiatives in parallel will always present challenges, but it's essential—and possible. We know one major financial institution that simply banned departmental transformations to focus teams on bigger value—and avoid the siloed projects that often miss value targets. A better approach, we think, is to develop a true orchestration mindset that extends beyond stage gates, checklists, and templates toward well-defined connections.

A company can align around standard planning intervals, for example, agree on a definition of what constitutes a release, and use an enterprise-wide taxonomy to describe impacts on the operating model. With a common language about

what to expect across initiatives—and when—each team knows where it stands without needing to fully understand every other team’s solutions.

Companies can take action in three areas to enable smooth orchestration:

**Develop an enterprise view of change.** Understand the totality of change that is happening across the organization by gathering all transformation events and initiatives into a single view and establish periodic review and formal governance to keep it current.

**Align on guidelines to manage initiatives.** Invest time to define a clear set of enterprise-wide design principles and objectives that will guide decision-making on each individual initiative, and help manage discrepancies between initiatives and their impacts across front/middle/back office functions.

**Track value early and often.** To realize the value of your transformation invests requires tight management that goes beyond the typical program management office. Leaders need clarity on how each initiative is contributing to the value, have leading indicators to identify issues that may impact intended benefits and be willing to pivot if new facts emerge while staying focused on the goal.

## Case study

### Orchestrating a global symphony for an enterprise transformation

A global oil and gas company was struggling to manage a \$500+ million enterprise transformation portfolio, including a global ERP replacement spanning finance, supply chain, operations, HR, strategic planning, and more. The client needed a review of their strategic plan, program governance, and integrated execution to effectively manage and deliver on business outcomes.

KPMG partnered with client leadership to challenge and refine the program from strategy to execution, including: creating a target vision and strategy that included a new operating model; prioritizing initiatives based on

principles of simplification, business benefit and time to value; developing an implementation roadmap for the portfolio of transformation and related initiatives, with an eye on early wins; and managing the change with a pragmatic approach that drove awareness, alignment and adoption across the portfolio.

Together with the client, we designed and executed a flexible program that hit timelines, aligned to the organization’s culture, and delivered on both early and ultimate business value targets.



## 4 Build the technology and data platform to support transformation

Many transformations start with the assumption that technology will somehow make it all work. But in reality, technology can also become a barrier and hold back a transformation. Transforming a process or function with new technology can be highly disruptive; more than half of our middle manager survey respondents complain about the disruption that digital transformations cause.

We see, however, that companies with a well-developed technology platform and data strategy in place—a strong technology foundation—are more likely to be able to execute a successful transformation and do it over and over again. A modern data architecture that is scalable, flexible, secure, and aligned to the objectives of the transformation is essential. For example, companies that succeed in transformations often have adopted self-service tools that let employees rapidly access the information that they need, when they need it. This enables faster, more effective problem solving and decision making, while decreasing costs and burden on support teams.

Companies that lack a strong data architecture and modern tools—and that still struggle with the “technical debt” of outdated technology—face higher costs, longer timelines,

# 66%

of middle managers have experienced a major technology transformation in the last two years

and limited ability to bring on new technology, such as generative AI. The proper foundation offers three types of benefits:

- 1 Strategically, a rock-solid foundation will enhance decision-making throughout the transformation process, avoid waste, enable better allocation of resources, and initiate a faster path to value.
- 2 Technically, this foundation will streamline implementation processes, cut down on technology surprises, improve agility, and reduce risk.
- 3 Support for the transformation will increase if employees see that the program will give them better tools to let them use their time effectively.

## How will generative AI redefine transformations?

We expect generative AI to have a significant impact on transformations—as a tool to help design and execute transformations, and as a means of transforming operating models and processes. We are working with companies to use generative AI in areas such as:

### ■ Shared services

In finance, purchasing, and HR, generative AI is being adopted to help streamline reporting, offload repetitive tasks, and generate communications.

### ■ Cybersecurity

Generative AI is being used to help detect anomalies, identify fraud and network intrusions, detect insider (employee) threats and software vulnerabilities.

### ■ Research and development

Pharma companies are exploring whether generative AI can speed the search for new therapies. In asset management, generative AI can help build ETFs.

### ■ Software development

Generative AI is helping companies improve code generation quality, design, and compliance to guidelines. Software developers can spend more time designing, less time coding.

To build the right technology foundation, start by determining the organization's data and technical maturity. Then identify what needs to be built—or acquired or accessed from a cloud. Building off these insights, companies can make three key moves:

**Align transformation and technology roadmaps.**

Ensure your technology roadmap fits your transformation goals. Become familiar with your ecosystem partners (both current and new), and make sure they're solving problems and unlocking valuable features. Also, be mindful of data security and privacy.

**Address technical debt.** Eliminate projects that aren't delivering value and prioritize ones that meet your transformation objectives. While you're at it, tidy up your data management and governance.

**Empower innovation.** Give end users the tools to develop fresh ideas that can improve team discussions, business processes, or customer experiences. Encouraging bottom-up innovation can unlock potential value that might go unnoticed if solely developed centrally.

**Case study**

**Embracing data-driven, tech-enabled transformation**

In 2021, BKV, a natural gas exploration and production company, acquired new assets that more than quadrupled its size. This swift growth represented a major step toward BKV's larger aim of long-term sustainable expansion. It also brought its share of challenges, chief among them the task of integrating data from thousands of additional project sites.

KPMG helped BKV establish a "data smart" approach to building a sustainable data management and governance program. This included helping BKV set up a cloud-based data lake into which information from different systems could be deposited, allowing the company to perform analysis on data from its

5,000-plus wells without increasing its headcount. KPMG also helped boost data literacy among BKV's employees, enabling the company to leverage its massive data sets for decision-making and growth. Finally, it helped create a data governance structure influenced by KPMG's deep experience collaborating with other organizations.

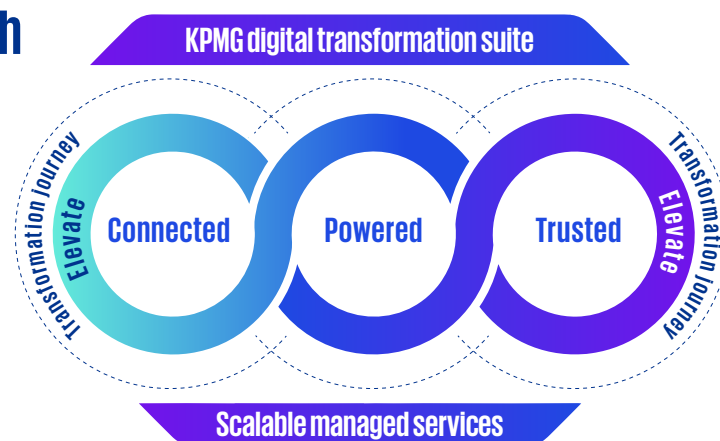
This will enable BKV to pursue its ambitions to diversify into the carbon capture, utilization, and sequestration (CCUS), and midstream and downstream sectors of energy—including shipping, marketing, distribution, and sales—while also incubating a new sustainable energy portfolio.

# How KPMG can help

We work closely with clients at every step in their transformation journeys, from setting the initial vision to seeing that through to execution. With deep industry knowledge and experience, we deploy an integrated, cross-functional business transformation approach designed to help partner with our clients to optimize performance, digitize

processes, and drive growth while navigating economic volatility and rapid market shifts. Whether it's working with the latest technology, integrating an acquisition, or adapting a business model to new challenges, we bring the right mix of capabilities to thoughtfully address clients' concerns to avoid pitfalls and raise the chances of success.

## The KPMG approach



**Value.** We put value at the center of everything we do, always balancing risk and reward. We carefully monitor and orchestrate multiple transformation projects to ensure successful execution and value capture.

**Culture.** We also know the critical role people and culture play in making change stick. We emphasize ongoing leadership commitment and help generate employee engagement to create a culture that embraces continuous improvement and innovative thinking.

**Technology.** Technology and data are the engines that drive transformation. Data-led insights enable our ability to increase financial value by uncovering new opportunities for clients to perform better, profit more, explore new potential, and save costs.

**Reimagining experiences.** By examining, exploring, and reframing what's possible, we help clients develop processes and ways of working that create better experiences for all stakeholders—employees, customers, partners, and clients.

KPMG is uniquely positioned to help clients succeed with a portfolio of transformation solutions:

**Elevate:** Quantifies value-creation opportunities using a data-driven approach—helping to achieve measurable improvements to revenue, margin expansion, cost management, and capital structures.

**Connected:** Aligns your business around your customers to create a seamless, agile, digitally enabled organization that delivers better experiences and new levels of performance and value.

**Powered:** Transforms functions with target operating models that are designed with the future in mind for optimized processes, governance, KPIs, people skills, and data.

**Transformation journey:** Continuously plan, prioritize and orchestrate transformation initiatives as end points shift to deliver results that matter.

**Trusted:** Build trust and confidence in the business and the digital transformation journey by predictably navigating risk and regulation—and deliver on the promise to keep customer data trusted, safe, and secure.

# Authors



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*National Managing Principal, Advisory*

Atif is responsible for advancing our Advisory strategy and serves as the executive sponsor for selected clients, engagements, and alliances. Previously, he led the U.S. Customer and Operations service line within Advisory, focused on supporting industry-specific transformation. Earlier in his career, Atif served as the lead partner for a number of our large global banking clients and helped leading financial services institutions transform their finance, operations, and risk functions.



## **Nalin Kumra**

*Principal, Advisory*

Nalin focuses on KPMG's most significant capital market accounts specializing in large scale transformation initiatives. He has extensive practical experience in helping organizations to re-design and re-engineering their operating model, design their target application architecture to achieve the business objectives and structure large scale programs to maximize the speed of delivery.



## **Jeanne Johnson**

*Principal, Digital Transformation*

Jeanne Johnson is a Principal in KPMG's U.S. Advisory practice. Her experience and areas of focus include strategic planning and performance management, program portfolio management, business and technology architecture, and deploying new operating models. Her experience over the last 20 years has been helping clients navigate significant change events including mergers, regulatory mandates, disruptive technologies, and business transformation.



## **Adam Pollak**

*Principal, Advisory Strategy*

Adam is a senior leadership executive who helps companies deliver increased profitability through operational transformation. He has more than 25 years of experience in developing and managing high-impact programs for companies across a wide range of industries. He has focused on IT strategy, R&D and product development optimization, global systems implementation, technology convergence and integration, process and performance improvement, and organizational design.



### **Phil Hoskins**

*Principal, Advisory*

Phil has over 20 years of experience in shaping and executing complex business and technology change programs including new business launches, mergers and acquisitions, operating model transformations and technology modernizations. He specializes in transformation strategy, technology strategy, portfolio and program management, agile ways of working and organizational change.



### **Tracey Keele**

*Partner, Advisory*

Tracey is passionate about helping organizations build strong cultures and workforce experiences. She brings a unique blend of over 20 years of experience in culture transformation, change, diversity, equity and inclusion and risk management in both industry and consultancy roles. She is pragmatic, outcomes and impacts driven, and has a bias for action. Tracey leads KPMG’s culture transformation service offering, helping clients understand, define, build, transform, shape, measure, and sustain their desired culture.



### **Rob Barrett**

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Rob serves as the KPMG Advisory Supply Chain Leader and chairs KPMG’s global digital supply chain operating committee. Over the last 20 years, Rob has led more than 20 global supply chain transformation efforts with some of the world’s most recognized brands. He has a passion for helping companies implement demand driven supply chain strategies to improve supply continuity and reduce inventory and operating expenses leveraging different demand planning, POS replenishment, vendor managed inventory, and procurement models. His most recent efforts have centered on helping companies to adopt digital solutions in support of increased e-commerce, direct-to-consumer models, and subscription based services.

## **Survey methodology**

To better understand perspectives, challenges, and opportunities in transformation planning and execution, KPMG deployed two surveys on transformation in the first half of 2023, all of firms with more than \$1 billion in annual revenues.

In February, we surveyed 200 global C-suite and senior executives to better understand their transformation objectives and priorities in a time of a downturn, drivers of transformation activities, factors behind transformation success, and transformation planning.

In May, we surveyed 1,002 U.S.-based middle managers with similar goals. Comparing results across the surveys

gives us a more comprehensive understanding of the current transformation landscape across roles from manager up.

No industrial sector represented more than 29 percent or less than 7 percent of results, allowing for deeper analysis by sector. We used additional data quality checks to remove bad questions and bad respondents. We analyzed data through descriptive statistics, cross-tabulation, and contingency tables, validating every analysis against test assumptions and distributional properties.



## To learn more about how KPMG can help your transformation, please contact:

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