GROWING COMPLEXITY:

What Your Finance Organization Should Know

In an increasingly complex world, finance leaders are being counted on to meet their organization's demands for efficiency, innovation and business intelligence. Below, we've highlighted some of the top causes of business complexity.

THE DIGITAL REVOLUTION

The constant introduction of disruptive technology creates numerous organizational challenges, and adapting to technological changes can be especially challenging for established companies and industries.

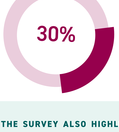
THE RETAIL INDUSTRY IS A PERFECT EXAMPLE

Total e-commerce sales for 2017 were estimated at **$453.5 billion**, an increase of **16 percent**, according to the U.S. Department of Commerce[1].

E-COMMERCE HAS COMPLETELY UPENDED THE WAY RETAIL COMPANIES AND SUPPLY CHAINS WORK

INFORMATION OVERLOAD

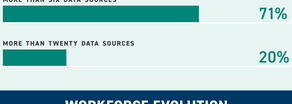
The digital revolution leads to the another cause of complexity: information management. Businesses are able to gather, store and access vast amounts of data, from internal operations as well as external sources.



A DATA-DRIVEN CULTURE TAKES TIME AND INVESTMENT

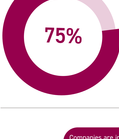
According to one study, a quarter of organizations expect the size of their data to grow **30 percent**

THE SURVEY ALSO HIGHLIGHTED THE DIVERSITY OF INFORMATION[2]



WORKFORCE EVOLUTION

The increasing volume of information and acceleration of innovation is driving a new war for talent - another factor in the growth of business complexity.

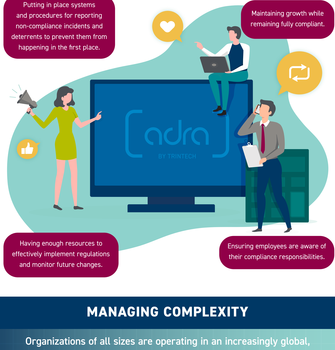


MILLENNIAL WORKFORCE

As of 2017, millennials comprise more than one-third of the American workforce, eclipsing baby boomers and Generation X2. By 2025, they are expected to make up as much as **75 percent** of the workforce[3].

COMPLIANCE RISK

The changing nature of the workforce and digital disruption are big, broad challenges for every business to manage. They often inspire creative and passionate ideas that lead to transformational changes. Executives can't say the same about laws and regulations.



MANAGING COMPLEXITY

Organizations of all sizes are operating in an increasingly global, complex and fast-paced environment, which presents challenges to the performance of the accounting and finance function. The office of finance has to respond to these forces of change and also play a key role in ensuring organizations continue to thrive.

TO REDUCE COMPLEXITY, THE OFFICE OF FINANCE MUST:

- **ELIMINATE INEFFICIENCY**
  Across many key processes, such as the financial close, automation and process improvement can reduce costs and improve productivity.
- **ADD VALUE**
  Move beyond traditional accounting and compliance and deliver business insight.
- **INVEST IN SKILLS**
  Build out financial planning and analysis so the team can be leaders and not merely reporters.

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[1] US Census, 2018, Quarterly Retail E-commerce Sales 4th Quarter 2017.
[2] Lang, E. 2016, The State of Complex Data (Infographic), Research for Science conducted by Venture Research and the Aberdeen Group.
[3] Fry, R. 2018, Millennials are the largest generation in the U.S. labor force, Pew Center Research Fact Tank.
Marion, R. 2016, Millennials are Digital Natives, Myths and Realities, Kansas Norman Group.
KPMG Study, 2017, Continuing Complexity: Research and Findings, KPMG.com