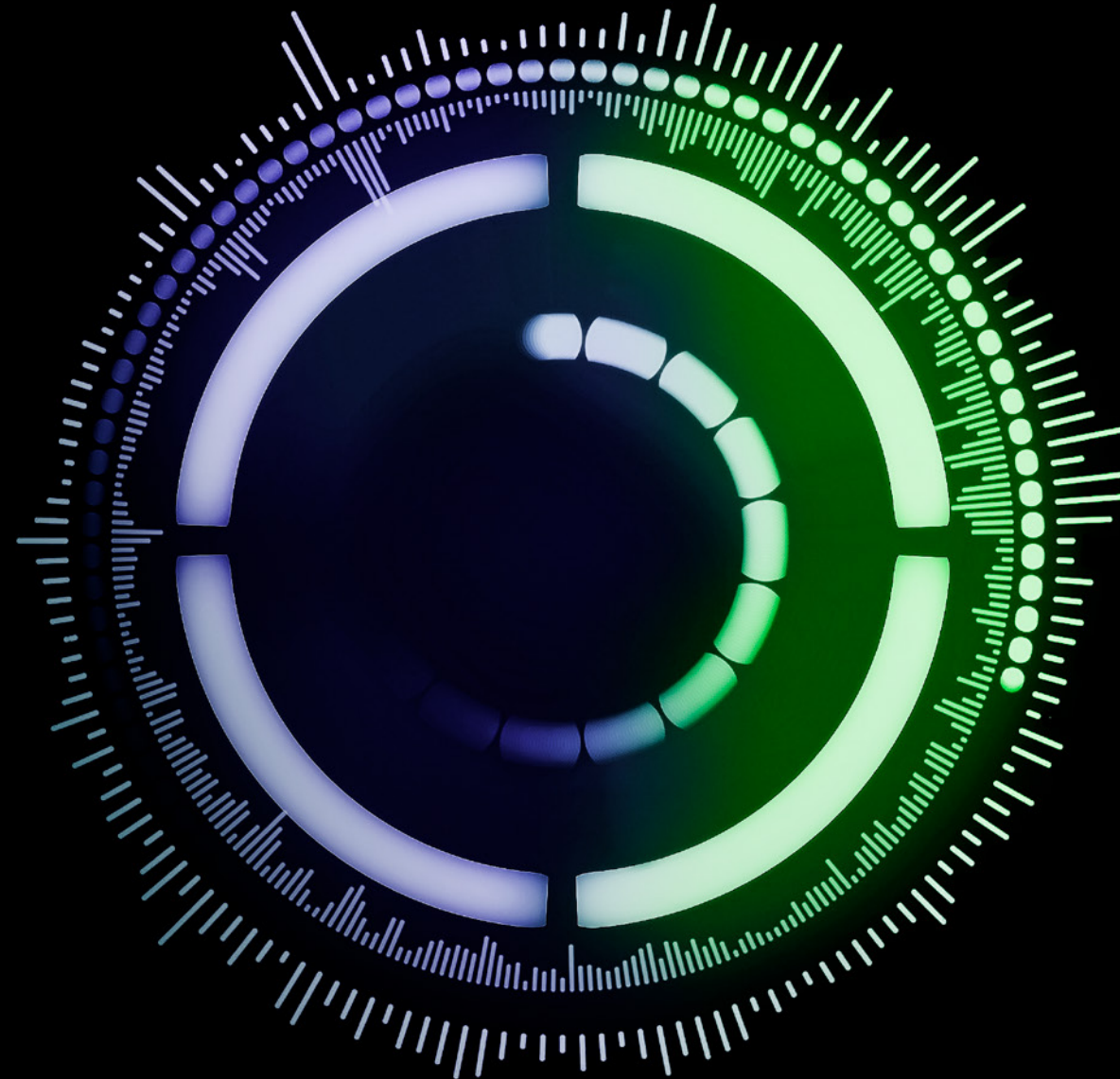


Insight-Driven Performance: Our 2030 Predictions

(Part of the *Dynamic Finance* series)



What's inside





If you don't think about the future,
you cannot have one.

JOHN GALSWORTHY

Setting the scene

Predictions unavoidably carry with them a degree of uncertainty. One thing we know to be true today and that will remain true in the future, is that effective decision-making is the fundamental ingredient that enables organisations to consistently create value and achieve organic growth. This practice is known today as Enterprise Performance Management (EPM).

Deloitte's view on the future of EPM is **'Insight-Driven Performance'**, where organisation's reliably and repeatably create insights throughout their business that lead to winning choices in the market.

Whilst Insight-Driven Performance is something that your organisation can aspire to achieve today, we consider it our job to anticipate how it will evolve in the future, and what the role of Finance will be as part of that evolution.

How we generate our predictions tends to be quite consistent, whether it is for Insight-Driven Performance or for our wider Finance 2025 predictions. We look carefully at what business leaders are doing, consider the ever-evolving demands of the connected world we live in, and then reflect on the key questions for the topic at hand.

In this case, we boiled it down to the following key questions:

- What are the constraints holding business leaders back from the performance conversations they'd like to have?
- What would be possible when today's emerging technologies have helped unlocked those constraints?
- What will all this change mean for the people in an organisation?

With these questions in mind, here's the future we see...



Want to find out more about Insight-Driven Performance? [Click here to access our introductory paper on this topic "Insight-Driven Performance: The Future of Enterprise Performance Management"](#)

Want to find out more about our perspective on the future of Finance? [Click here to access our Crunch Time series](#)

Our 2030 predictions



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Performance management is a continuous cycle of choosing, doing and learning across the full value chain



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The new performance cycle

The new performance cycle

Our 2030 Prediction

Performance management is a continuous cycle of choosing, doing and learning across the full value chain

Today's business performance management cycles are primarily shaped and constrained by one factor above all others: the availability of data to support decision making. In 2030, internal and external data will be much more readily available, and therefore an organisation's performance management conversations will be more frequent and will require greater focus. Today's slow march of monthly performance management cycles will be replaced by a higher tempo beat which will enable greater decision-making agility.

So, how will we get there? If your guess is technology, then you're partially right. Every organisation will invest significantly in their 'Digital Core' over the next decade, but the nirvana state of having cross-functional information available in real-time (e.g. through continuous financial close, touchless transactions etc.) might still be a step too far away given the complexity and sheer effort this requires.

What's more likely is that the greater availability of data (breadth, depth and frequency), even if not in real-time, will still be a catalyst to drive a higher performance management tempo, enabled by advancements in cloud-based ERPs and in-memory computing, and new performance processes that look to leverage this data to drive faster decision making.

But it's not just that the tempo and frequency of performance conversations will change, it will also be their nature. The democratisation of data means that every performance conversation will have to consider the cost benefit trade-offs across the full value chain in a collaborative, cross-functional manner.

Furthermore, the emphasis of these conversations will shift towards a more iterative 'choose, do and learn' cycle so that organisations become more agile in their decision making and quickly understand if a business choice has been executed, if it has had the desired effect and what the learnings are that should be taken into consideration for future choices.

Questions to consider:

- How ready is your organisation to disrupt the monthly cadence of performance conversations?
- What steps is your organisation taking to prepare for a higher tempo performance management cycle?



Moving from “pull” to “push”

Moving from “pull” to “push”

Our 2030 Prediction

Seamless access to all enterprise information is the status quo, but the “pull” for self-serve has evolved to a “push” of personalised, dynamic insights

‘Single version of the truth’ has been an aspiration across industries for decades, and yet very few organisations would be able to confidently say they’ve achieved it today. Finance, in particular, has to balance the internal management reporting provided more frequently and in greater detail for ongoing business decision making with their ultimate ‘truth’ – the consolidated statutory reporting provided to the board, shareholders, regulators and beyond, ensuring that the right processes, governance and controls are in place between the two.

In 2030, we expect that this search for the “truth” in data will be an enterprise-wide challenge as the democratisation of data becomes a table stake. The advancements in data storage technologies (e.g. data lakes, meshes etc.) means organisations will need to not only source, ingest and present data from across the enterprise, but pivotally, govern it all seamlessly.

This new status quo will have some knock-on effects. The idea of ‘self-serve’ has been high on the wish list of business leaders, but with an ever-expanding set of directions that the answer to a performance question can set you off in, how will organisations help their leaders to see the wood for the trees?

Well, one potential answer lies in learning from how leading organisations are starting to interact with their consumers today: hyper-personalisation of content is proven to effectively engage individuals in the digital world where there are endless distractions. Why should performance management be any different?

We expect self-service to shift from “pull” – where you need to navigate various data sets to answer a business question, into “push” – where a combination of dynamic alerts, artificial intelligence and machine learning algorithms know what you need and how you like to consume it before you even ask, enabling business leaders to more easily make sense of the wealth of information at their disposal and focus their time on the actions to take.

Questions to consider:

- How far will you democratise data within your organisation?
- Do your business leaders have access to the data they ‘need’ and the data they ‘want’ to make better decisions?



The role of dialogue vs. data

The role of dialogue vs. data

Our 2030 Prediction

Quality of dialogue is more of a limiting factor to effective decision making than quality of data

We've already established that effective performance management is all about making the most effective business decisions possible. So, what's preventing this from happening today? Well, data is often seen as the biggest obstacle and is where most organisations are placing their bets. And they're by no means wrong to do so as research has shown that bad data can cost an organisation 15%-25% of revenue¹.

With all the focus on whether data is the new oil, asset or any other commodity, what is not being fully acknowledged yet, is the importance of the human role in decision making. In 2030, technology will do a lot of the traditional performance tasks that humans do today in terms of collecting data, constructing reports, and distributing them across the organisation.

So, the human role will shift to focus on being a better business partner through the quality of dialogue that helps to turn that data into an insight for business decision makers.

However, this shift towards being data-led business partners won't be easy. When asked in a recent survey, 72% of C-level executives said they believed their organisation had not achieved the mental and cultural shift required to become data-driven². Every organisation is investing to harness the exponential data available, but how many can say they are putting equivalent emphasis on upskilling their people?

Cultural and mindset shifts don't happen overnight, so it is likely that in 2030 organisations will be increasingly data rich as the norm, but most workforces will still be playing catch-up, thereby limiting their organisations' ability to consistently get to insight.

Questions to consider:

- How effective is the performance dialogue in your organisation today?
- To what extent have your people embraced data and analytics?

A complex financial candlestick chart with multiple technical indicators. The chart features green and red candlesticks, a blue moving average line, and several yellow and green trend lines. The background is dark with a subtle pattern of vertical lines and a large, faint circular graphic on the right side.

The new fuel of decision making

The new fuel of decision making

Our 2030 Prediction

The decision-making engine of an organisation no longer runs on descriptive reporting, it has been converted to run on the fuel of predictive and prescriptive analytics

The different stages of analytics maturity are typically well understood in today's business environment, but very few organisations can claim to be at the advanced stages of that maturity with the benefits of predictive and prescriptive analytics embedded at scale across their business.

Many organisations get stuck at the descriptive reporting stage due to sheer effort, cost and complexity of building descriptive reporting solutions at an enterprise-wide scale. 59% of organisations surveyed recently still claim to use slides for presenting management information³, and although the use of visualisation tools has become more common, business users still prefer traditional solutions such as PowerPoint and Excel so they can present their performance story in their own way. Implementing and embedding effective descriptive reporting globally is a good place to start, but it typically means most organisations have only experimented with predictive and prescriptive capabilities, and typically found that they are even harder to scale.

So, fast forward to 2030, and what do we expect to have changed? Well, organisations have put predictive and prescriptive capabilities at the centre of their performance management and decision making. Understanding “what's happened & why?” via descriptive reporting still has a place, but in a dynamic environment, answering

“what will happen?” and “what should we do?” as quickly as possible is the priority of organisations that are consistently winning.

What makes us so sure? Well, because this is what recent history tells us organisations will need to do to thrive, and in extreme cases, just to survive. Data-driven businesses grow on average 30% ahead of their peers⁴, and extrapolating this trend over the next decade, we expect the thriving organisations in each sector will be those who have successfully navigated the shift from descriptive to predictive and prescriptive capabilities. There will still be a place for those still on the journey, but success, whether measured by market share, revenue, profitability, or even societal impact, will be dominated by those who have truly embedded these advanced capabilities into their organisation and unlocked the significant benefits they provide.

Questions to consider:

- How effectively do you utilise predictive and prescriptive analytics today in your organisation?
- What is stopping your organisation from shifting the balance of reporting towards predictive and prescriptive analysis?

The background is a dark blue field filled with numerous bright, out-of-focus light points and streaks, creating a sense of depth and motion. A prominent, bright yellow-green light source is located in the center-left, from which several sharp, radiating beams of light extend across the frame. On the right side, there are large, semi-transparent, curved shapes that resemble stylized data paths or orbits, adding a technical or scientific feel to the overall aesthetic.

**Speed to insight and action
is what matters most**

Speed to insight and action is what matters most

Our 2030 Prediction

Automation and integration of enabling processes is ubiquitous; speed to quality insight and informed action is the only way to create market-breaking competitive advantage

Speed to quality insight and informed action is what every organisation is aspiring towards today, and we see no reason why that won't continue to be true in 2030. But would it surprise you to know that in a recent survey of over 600 global organisations, on average they claimed to spend 82 % of their time creating reports and analysing information vs. just 18% interacting with the business? Us neither and therein lies the challenge.

In that same survey, those companies set their future aspiration at 70% interacting with the business which clearly signals that most organisations know where they want to be but very few have actually cracked how to get there.

The average lifespan of the S&P 500 listed companies is expected to be less than 12 years by 2030⁶. What we infer from this is that consistent competitive advantage and outperforming the market is no longer a choice, but the only way to either obtain or retain a market leading position in your sector. We see this path requiring a shift from the traditional focus on efficiency through automation and integration, to speed to quality insight and informed action to truly create competitive advantage.

But what does this really mean? A good place to start is by considering our definition of insight: Data + Dialogue = Insight. So, organisations should look to optimise both the process by which they collect and present data, and the discussion and analysis of that data amongst their relevant business stakeholders in order to get more timely and quality insights.

However, insight alone is not enough and so organisations must also take informed actions, or better said: Insight + Informed Action = Enterprise Value. Organisations require agility and flexibility across the value chain to execute business choices quickly and thereby consistently out-perform both their competitors and the overall market.

Questions to consider:

- How fast is your organisation at getting to quality insights today?
- How effectively does your organisation translate quality insights into informed action?

What does this all mean for Finance?

The topic of performance management has typically been the domain of Finance, due to its long-standing role as the monitor, scribe and communicator of business performance.

Our predictions thus far haven't been restricted to the role of Finance as we believe effective enterprise performance management must be truly cross-functional. That said, we still believe that the CFO and Finance function have a leading role to play in optimising their organisation's approach to performance management. So, here are our top 5 takeaways for Finance from our 2030 predictions.



The CFOs role will increasingly become the 'Centre for Optimisation' of the business

CFOs and their teams will be asked to stretch beyond their comfort zone and act as a true partner for business transformation. In the context of performance management, the pursuit of optimisation (of enabling processes, insights or business decisions) will become an increasing focus of the CFO and the Finance function and require more of their attention than ever.



Finance will be seen as the 'conductor' of performance management

The performance management dialogue of the future will have to span the end-to-end value chain of the organisation. However, the decisions made will still ultimately result in a financial impact or outcome, and therefore Finance is best placed to assume the role of 'conductor' to the organisational performance management 'orchestra'.



Finance will be tasked with stitching together the end-to-end performance story

The winning choices of the future will be those that have mined the abundance of internal and external data and pieced it together into a coherent performance story. CEOs will continue to turn to Finance for an integrated view of business performance, and the need for agility means these requests will come more frequently than ever before.



The digital core must meet Finance's current and future needs

Designing and delivering the Digital Core is a top priority for Finance, and rightly so. But the question CFOs and Finance leaders must continually ask themselves on the journey is "What do we want to do differently in the future?" and design with that in mind, so that the significant investments they are undertaking delivers tangible returns.



The Finance workforce will require more business acumen and digital skills than ever before

Finance organisations will still need a workforce with traditional finance and accounting skills. But they will increasingly need a workforce that bring skills that have not typically been core to Finance. To get them, Finance will need to expand its sources of talent. People with business acumen, a collaborative mindset, and who are digital savvy will be in great demand.



The best way to predict the future
is to create it.

PETER DRUCKER

Final thoughts

Insight is about developing a deep and accurate understanding of the true nature of a situation. Actively seeking to generate insight is critical to help organisations understand where they've been, where they are and where they're going. Effective performance management will always hinge on an organisation's ability to consider the past, present and future with clarity. The pursuit of quality and timely insight, and building the muscles to do this repeatably, is still the most direct path to performance management success.

We tend to end our predictions papers with a similar caveat – some of our ideas in this paper will prove to be wrong and some will prove to be right. The point here isn't so much about keeping score, but rather about helping you consider how current trends may affect your organisation and to challenge you to think about your readiness for what may come to pass.

Performance management isn't and never has been about technology or data despite the airtime they tend to get. It's about making more effective decisions. Keep that ultimate goal in mind with every related choice you make in your organisation.

Whilst there are many examples of leading practice, very few organisations currently excel in all areas. Perfection is not the goal here. Understanding how current trends may challenge and shape your organisation and making your own choices about where to adapt and improve is what is important.

The uncertainty in the predictions we've shared is the same uncertainty that your organisation operates in. Making your own predictions, having the courage to change and being willing to learn as you adapt is the path to success.

That journey will no doubt be hard and will have many bumps along the way. But if you're an Insight-Driven Performance organisation, you will be able to see the reality of the terrain, chart your path and adapt as you go, reaping the significant value that is available in doing so.

Acknowledgements

AUTHORS & KEY CONTACTS

Jeevi Paramanathan
Senior Manager
Finance & Performance (UK)
Deloitte MCS Limited
+44 20 7303 6716
jparamanathan@deloitte.co.uk

Michael Haupt
Partner
Finance & Performance (UK)
Deloitte MCS Limited
+44 20 7007 4073
mihaupt@deloitte.co.uk

Stephen Flavahan
Senior Manager
Finance & Performance (UK)
Deloitte MCS Limited
+44 20 7007 2018
sflavahan@deloitte.co.uk

Simon Barnes
Partner
Finance & Performance (UK Lead)
Deloitte MCS Limited
+44 20 7007 6376
sbarnes@deloitte.co.uk

CONTRIBUTORS

Kim Hendil Tegner	Paul Albert	Richard Sidey	Ravi Sonpal
Thomas Klingspor	Srini Raghunathan	Alice Stephen	Toby Jennings
Thomas Cardoen	Tim Leung	Payal Shah	Thomas Downes
Robert Bergstrom	Jayme Frank	Salima Nazarali	Andre Jansen
Mike Manby	Matt Stallard	Nigel Cooke	
Andy Gauld	Martin Jermyn	Simon Heavey	
David Anderson	Mateus Begossi	Nick Carter	

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