

## The 7 financial transformation challenges holding companies back

### 1 Data management practices can be unreliable and difficult to correct



"Data-driven organizations are 23 times more likely to outperform competitors in new customer acquisition and nine times more likely to surpass them in customer loyalty."

Source: McKinsey & Company | How customer analytics boosts corporate performance

### The 7 standards of reliable data

- Extracted from a credible source
- Accurate and free from error
- Complete and comprehensive
- Consistent across all systems
- Standardized format
- Collected on time
- Current and relevant

### 2 Investors and stakeholders can cause roadblocks



Investors and stakeholders can strain resources like time and money when it comes to financial transformation.

Source: Deloitte and the Institute of International Finance | Realizing the digital promise

### 3 Misalignment between short- and long-term goals



Leaders need to incentivize teams by changing key performance metrics to reflect the importance of financial transformation.

Executives responsible for reaching shorter-term targets and whose performance is measured by achieving these goals may not see how their role matches up with longer-term goals like financial transformation. Drilling down to the individual level will require reassessing how you measure success and accounting for the alignment of duties with longer-term goals.

### 4 Compliance standards and financial regulations keep shifting



Without appropriate technology, it will become impossible to manage the complexity of compliance over time.

## The cost of non-compliance

It's estimated that the cost of non-compliance exceeds an average of \$14 million and covers five main areas.



Fines, penalties and other fees



Business disruption



Revenue loss



Productivity loss



Reputation damage

### 5 Evolution of the workforce makes it difficult to retain appropriate talent



Technology is only part of the puzzle. You need highly skilled teams to help drive and maintain changes.

### 6 Lack of agility and coordination between various departments and entities



"Research shows that agile organizations have a 70% chance of being in the top quartile of organizational health, the best indicator of long-term performance."

Source: McKinsey | Why agility pays

### 7 Clashes between risk-averse mindsets and the need for innovation



Conflict can occur when teams fear being replaced by technology.

Source: Forbes | Learn about digital transformation from risk-averse industries

Dive deeper into these challenges with [our booklet](#)

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