

Embracing Data-Driven, Tech-Enabled Transformation

In a fast-moving landscape, effective change means getting a handle on vast, often multifaceted data sets.



When the Denver, Colorado-based energy company BKV was founded in 2015, its focus was on challenging the status quo and delivering reliable, sustainable energy to the community. The startup grew quickly, making several acquisitions in the Marcellus Shale region in northeast Pennsylvania. But that was just the beginning: In 2020, BKV acquired new assets in north Texas, more than quadrupling its size. In just five years, the company had grown from about 30 people managing 100 wells to almost 200 people managing more than 5,000 wells. BKV believes in taking concrete and transparent actions for the future of sustainability now. Each decision the company has made is rooted in the goal of becoming a profitable net-zero energy company.

This swift growth represented a major step toward BKV's larger aim of long-term sustainable expansion—but it also brought its share of challenges. Chief among them was the task of integrating data from the thousands of project sites under BKV management. Before acquiring the new assets, the company relied heavily on manual processes and informal governance to manage critical data. With so many wells to deal with—plus BKV's aspirations for further growth—that approach was no longer practical.

"We knew we needed help," says Chris Kalnin, chief executive officer of BKV. "We needed a group that was experienced in integration and had a 'roll up your sleeves' mentality that would help us reach our goals."

The company turned to professional services firm KPMG LLP (KPMG) to help them navigate the complex problems that arise from disruption and growth. Working side by side with BKV, KPMG used cutting-edge technology to uncover the data proof points needed to drive a successful transformation.

Think of the data you collect as pieces in a jigsaw. Gathering the pieces is easy, but putting them together so you can see the picture that's printed on the puzzle is much harder.

— **Atif Zaim,**
National Managing Partner, KPMG LLP

Atif Zaim, national managing partner for advisory at KPMG, says it can be challenging for organizations to combine technological skills, data expertise and business acumen. "We bring an outside perspective that allows companies to navigate transformational moments by making smarter, data-driven decisions and leveraging technology to help meet specific goals," Zaim says.

Creating Change Through Data

When the pandemic hit, transformation became a necessity for countless organizations—and it had to happen with unprecedented speed. "The pandemic taught companies that if there's a crisis, it's possible to move very fast," says Andrew Binns, co-founder of Boston-based strategic advisory firm Change Logic and co-author of *Corporate Explorer: How Corporations Beat Startups at the Innovation Game*.

Binns cites a European insurance company that traditionally moved slowly and methodically, weighing the pros and cons of every decision before taking action. But at the outset of the pandemic, its leaders



accelerated the organizational tempo, setting up a virtual call center staffed by remotely based agents in just two weeks. “The fact that they could do something so radical surprised a lot of people inside and outside the company,” Binns says.

As more businesses make transformative decisions that lead to game-changing growth, collecting data will be key. But moving from data gathering to analysis and action can be a significant hurdle. “Think of the data you collect as pieces in a jigsaw,” Zaim says. “Gathering the pieces is easy, but putting them together so you can see the picture that’s printed on the puzzle is much harder.”

That’s where data governance and data literacy enter the equation. Putting the technology in place that allows companies to gather internal and external data—from sensitive customer information to inventory and financial data—is one crucial step. Training employees and working with partners to analyze data in a way that generates insights is another step. And throughout the process, leaders must incorporate data governance measures that maintain the data’s integrity and security.

The Right Foundation

As BKV navigated the changes that came with its rapid growth, KPMG helped the company move through each stage of its transformation journey. First, it helped BKV establish a “data smart” approach to building a sustainable data management and governance program.

The process 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.

“KPMG helped us establish the building blocks that will automate our systems, enhance our productivity and lower our unit costs,” Kalnin says.

Even more promising, he believes the practices KPMG helped introduce will enable BKV to pursue its ambitions to diversify into the carbon capture, utilization and sequestration (CCUS), midstream and downstream sectors of energy—including shipping, marketing, distribution and sales—while also incubating new businesses for a new sustainable energy portfolio.

Zaim believes BKV’s success can offer a model for other growth-oriented companies. Rather than waiting for a moment of crisis, BKV made the most of a big win to navigate a moment of transformation—that in turn holds the potential to drive major growth in the future. “Companies that are proactive about transformation are the ones most likely to succeed,” Zaim says.

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