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*High performance. Delivered.*

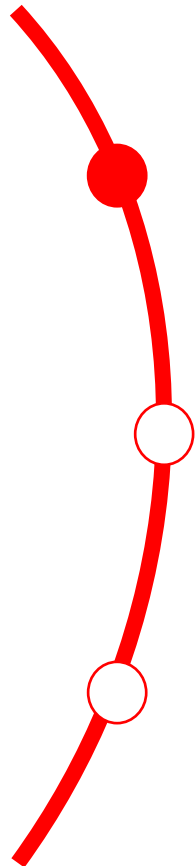
***Top Management Forum***  
**Reflections on High Performers and new**  
**competitive paradigms**

*Mauro Macchi*

Milan, December 3<sup>rd</sup> 2009



## Agenda



**Emerging paradigms that reshape competition**

What's new on High Performers

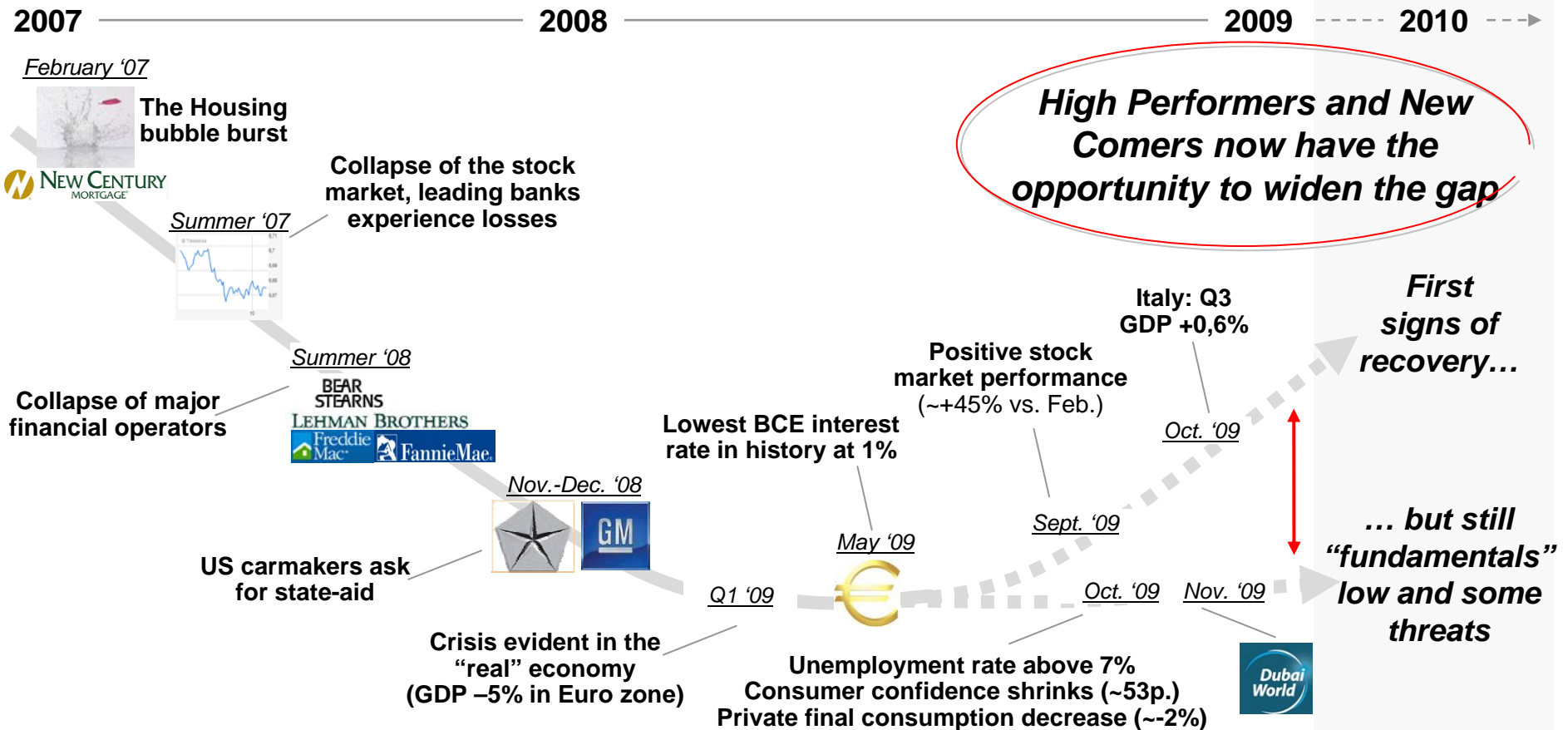
Key “ingredients” for a sustainable competitive advantage

# The crisis has fundamentally altered the global business landscape, but opportunities are there for High Performers



## The crisis: where we are

CONCEPTUAL

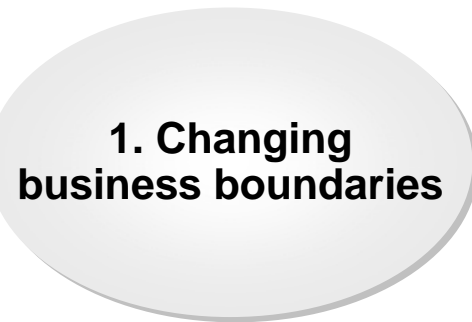


Sources: ACN Research, Eurostat, European Central Bank  
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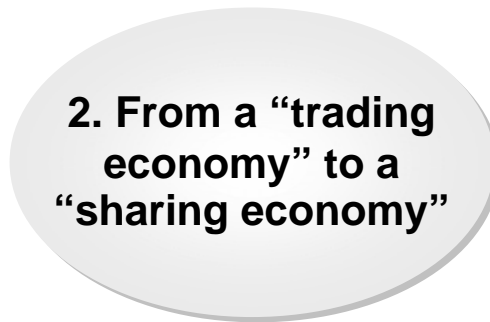
# Emerging paradigms are reshaping the competition



## New emerging paradigms



- *Industry extension beyond traditional boundaries*
- *Disintermediation, B2B/B2C integration*
- *...*



- *Content sharing*
- *Public & Private fusion*
- *Social & environmental consciousness*
- *...*

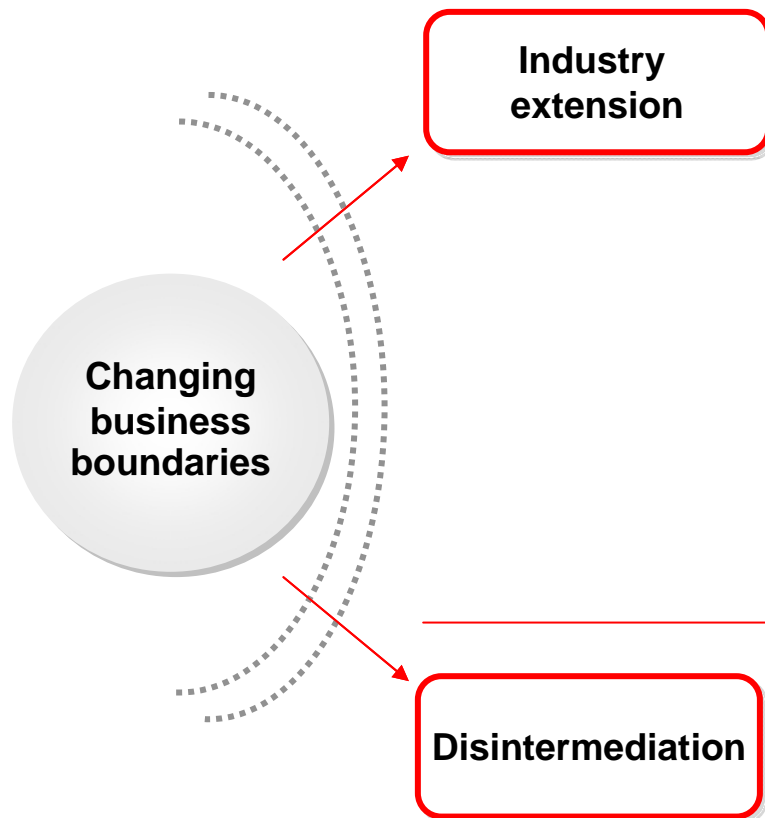


- *Increasing focus on the ROI on trust*
- *New culture of managing risks and increasing transparency*
- *Changing marketing mix*
- *...*

# Traditional business boundaries are blurring into a broader business ecosystem



## 1. Changing business boundaries



- Partnerships to create new services and products further enabled by “open architecture concepts” (e.g. Media and Telco for mobile entertainment)
- “Battle” on traditional incumbents “safe zones” (e.g. Telcos entering the payment space, Banks/ Retailers working as MVNOs)
- Industry champions extending reach (e.g. fashion *maisons* expanding in accommodation and taste, consumer goods companies entering the design space)



- Reshaping/ integration of value chains (e.g. B2B and B2C convergence)

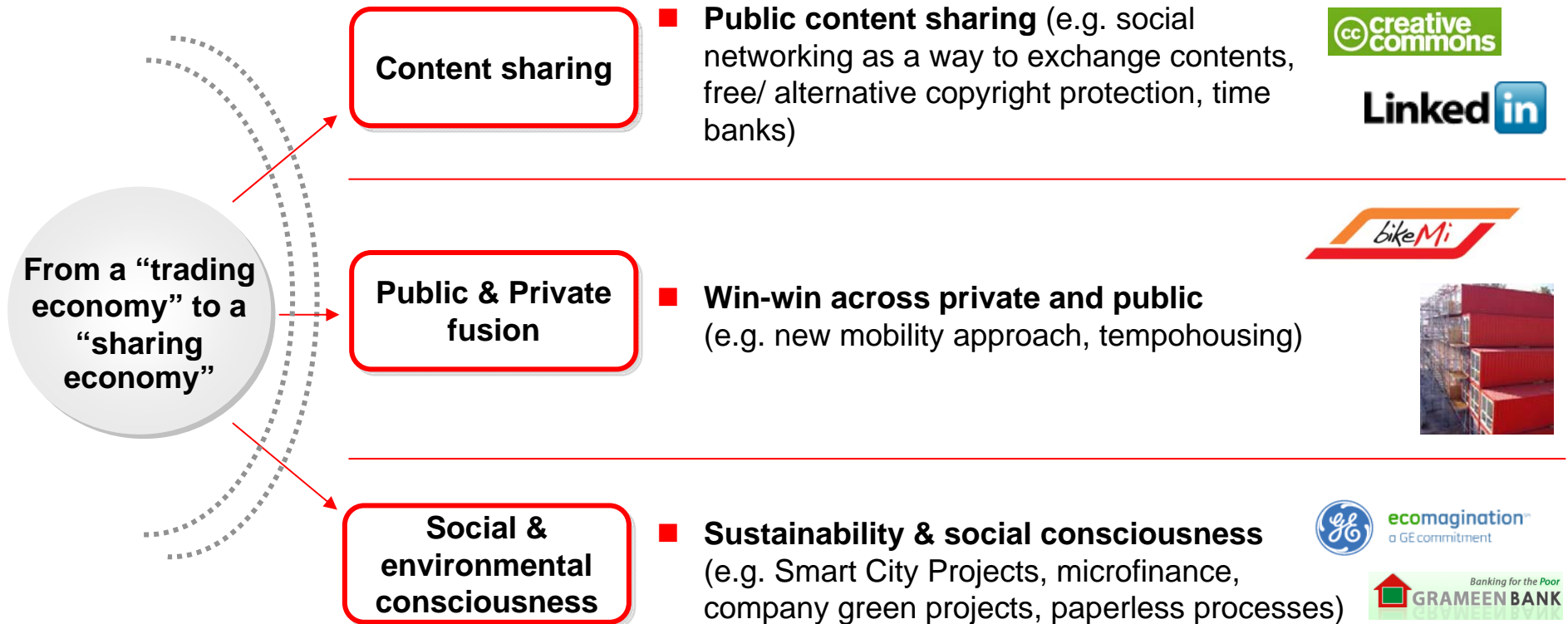
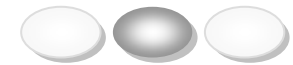


Milk distributor<sub>5</sub>

# Sharing is the “buzzword” in the new competitive environment



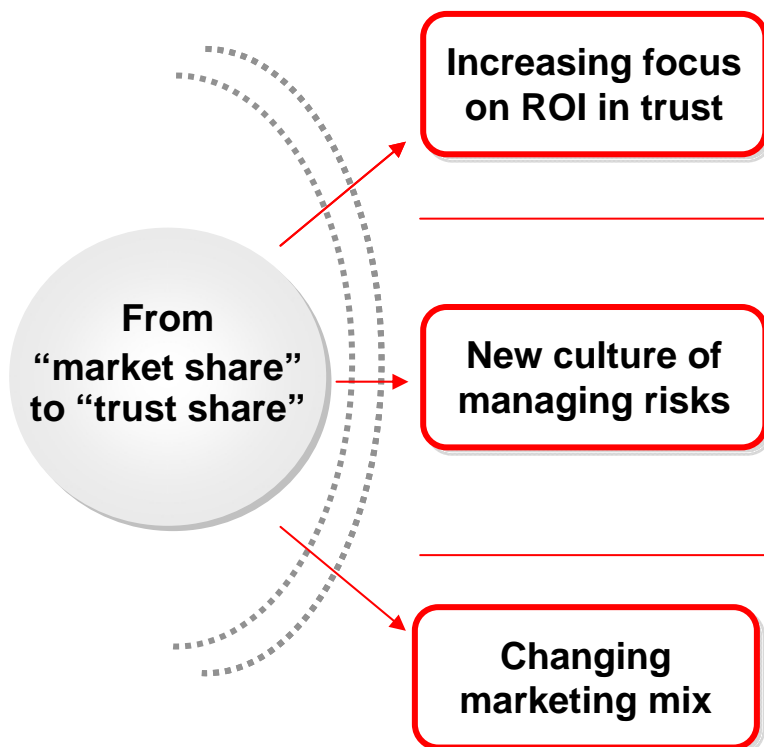
## 2. From a “trading economy” to a “sharing economy”



# Delivering significant returns on investment in trust



## 3. From “market share” to “trust share”

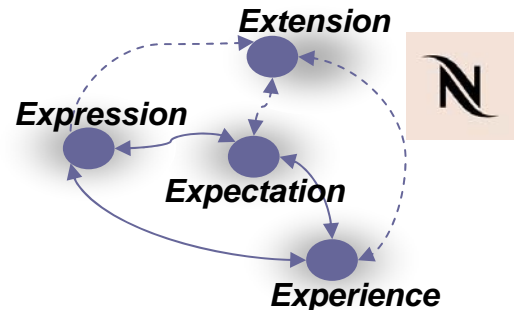


■ **Trust-based strategies to build brand/reputation** (e.g. review of customer segmentation approach)

■ **Awareness of “real” financial and business risk exposure** as a lesson from the crisis (e.g. enhanced risk forecasting capabilities)

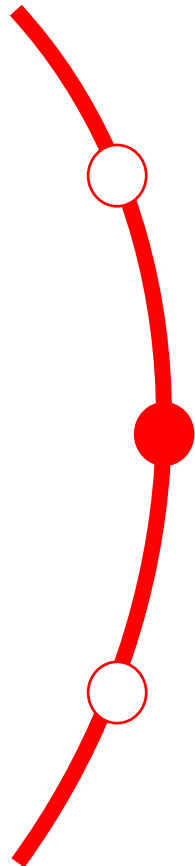
■ **Marketing mix evolving from 4 “P” to 4 “E”** (e.g. new elements influencing customer interaction with brands)

**Risk ignored in product development**  
 “We sometimes don’t get involved in managing product risks until after launched”  
 FT.com FINANCIAL TIMES





## Agenda



Emerging paradigms that reshape competition

**What's new on High Performers**

Key “ingredients” for a sustainable competitive advantage

# High performers continue to distinguish themselves on fundamentals ...



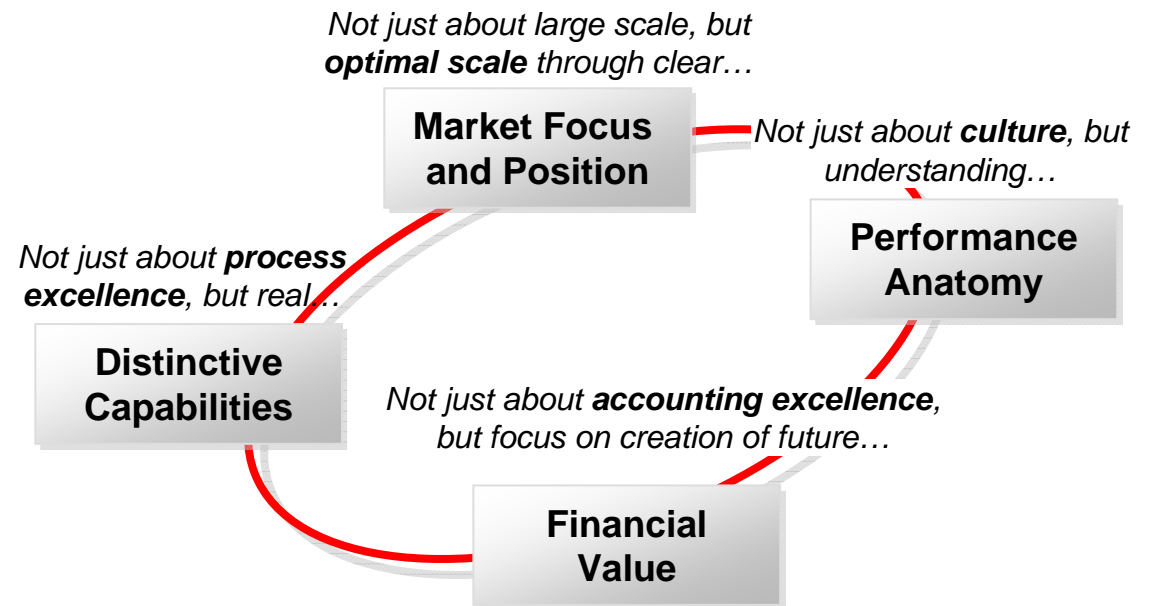
## Accenture High Performance Business research

### HPB featured research



... and much more

### Traditional building blocks of High Performance



... and in addition are able to adapt to a changing environment



## Accenture High Performance Business research

### *Examples of High Performers*







- Do not panic – **Avoid stopping strategic programs and generalized cost cutting**
- Fast reaction – **Anticipate key decisions**
- **Invest on risk excellence capabilities**
- Fast exploration of **windows of “cheap opportunities”**
- ...

# There are interesting examples of players that continuously outperform the market






## High Performers: case studies

Examples	Distinctive high performance factors	Continuing on...
	<ul style="list-style-type: none"> <li>■ Broad and varied product range that allows <b>customers to find their own personal style</b></li> <li>■ Limited edition <b>collections designed by famous fashion stylists</b> at competitive prices</li> </ul>	<ul style="list-style-type: none"> <li>■ Investing on <b>improving customer experience</b> (i.e. store interiors serving as guidance and inspiration)</li> <li>■ <b>“Cool hunting” activities</b> anticipating trends</li> <li>■ Providing <b>fashion and quality at the best price</b></li> </ul>
	<ul style="list-style-type: none"> <li>■ Strong <b>customer centricity</b></li> <li>■ <b>Diversified offering</b> at competitive pricing</li> <li>■ <b>Fulfillment centers at global level</b> allow reliable and speed of delivery</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>Extending business boundaries</b> (i.e. Kindle has become the #1 bestselling item across all product categories)</li> </ul> 
	<ul style="list-style-type: none"> <li>■ <b>“Unrivalled Trilogy”</b> comprising of <b>Grand Cru coffees, smart coffee machines, personalized customer services for Club Members</b>, aims at “creating the ultimate coffee experience”</li> </ul>	<ul style="list-style-type: none"> <li>■ Ensuring that <b>coffee farmers benefit from a shared commitment to ultimate quality</b></li> <li>■ <b>Actively work in coffee-growing communities</b> helping improve <b>social, economical and environmental conditions</b></li> </ul>

# There are interesting examples of players that continuously outperform the market

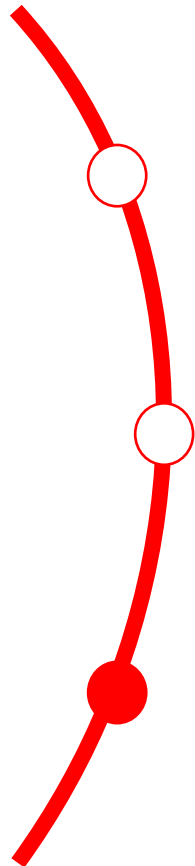


## High Performers: case studies

Examples	Distinctive high performance factors	Continuing on...
	<ul style="list-style-type: none"> <li>■ <b>Focus on renewable energies production</b> and sales management (i.e. wind, solar)</li> <li>■ “Technology Watch” to <b>anticipate and exploit new energy tech waves</b></li> </ul>	<ul style="list-style-type: none"> <li>■ <b>Open innovation network</b> involving employees, suppliers, research institutes</li> <li>■ Investments in R&amp;D in (+12% in 2009 vs 2008). Overall, 400 mln \$ investments in R&amp;D planned for 2008-2012 period</li> </ul>
	<ul style="list-style-type: none"> <li>■ Winning <b>synergies across all white goods segments</b></li> <li>■ Partnership with top worldwide retailers</li> </ul>	<ul style="list-style-type: none"> <li>■ Position the company as a <b>local brand in different world markets</b> also playing the white labeling game</li> </ul>
	<ul style="list-style-type: none"> <li>■ Voice message conversion system (<b>VCMS</b>) containing <b>over two billion words and phrases</b> in six different languages</li> <li>■ Established an entirely <b>new category of communication</b> called Voice-to-Content™</li> </ul>	<ul style="list-style-type: none"> <li>■ Recognizing the <b>growing trend of sharing communication and appetite for simplicity</b> by inventing a new service</li> </ul>



## Agenda



Emerging paradigms that reshape competition

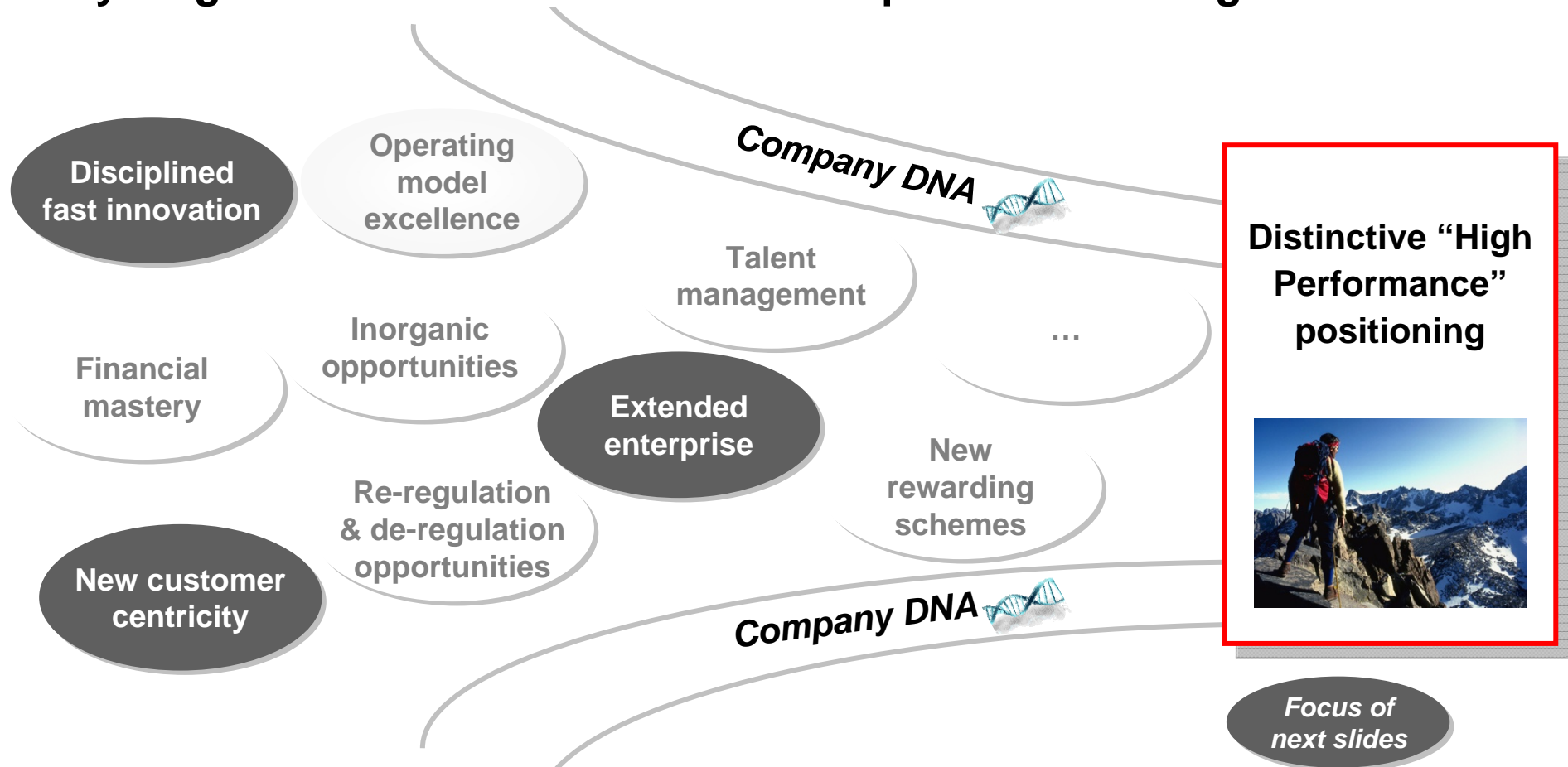
What's new on High Performers

**Key “ingredients” for a sustainable competitive advantage**

# We see several ingredients for a tasty recipe for success



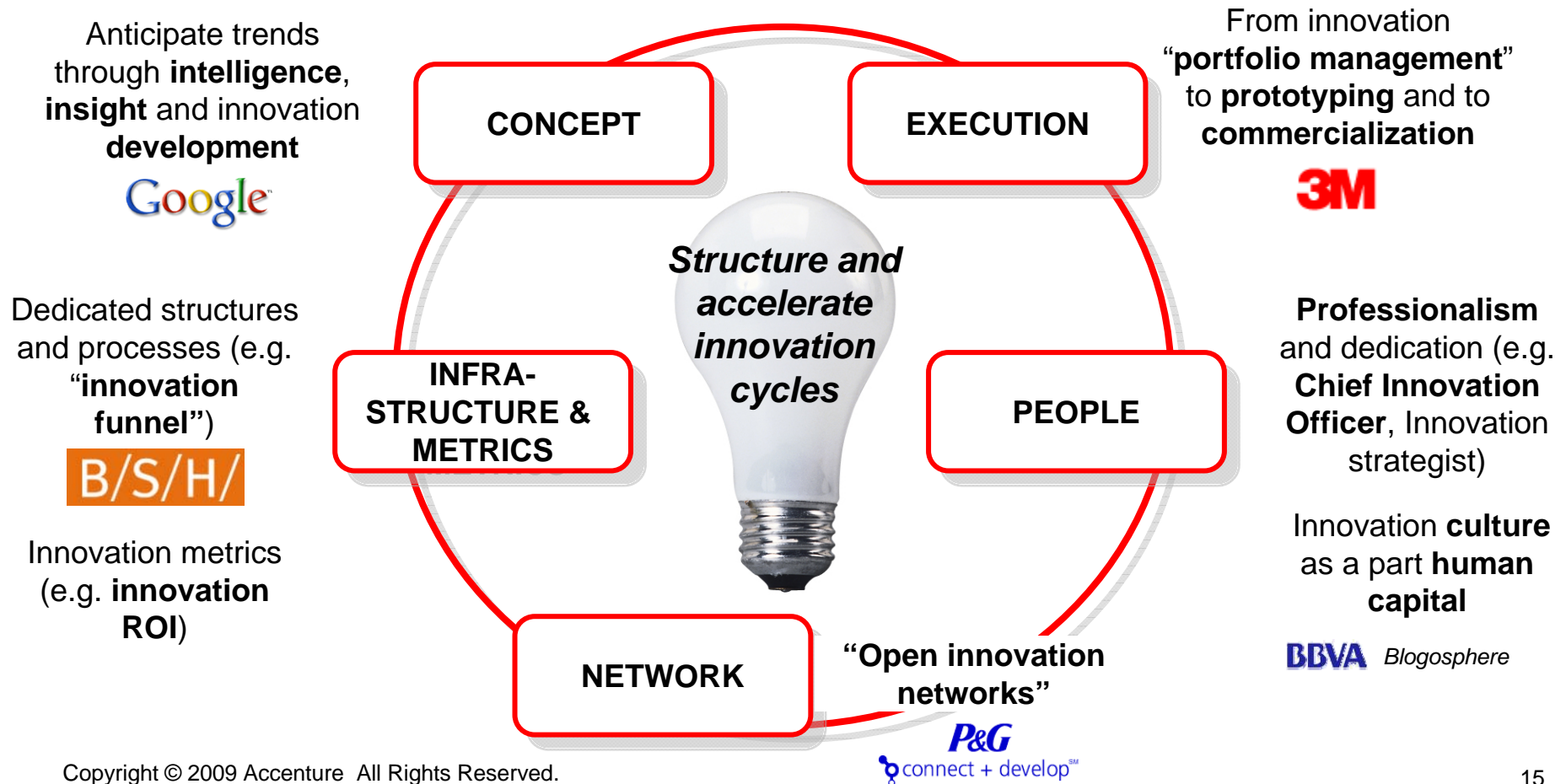
## Key “ingredients” for a sustainable competitive advantage



# Structuring and accelerating innovation cycles entails introducing a totally new mindset



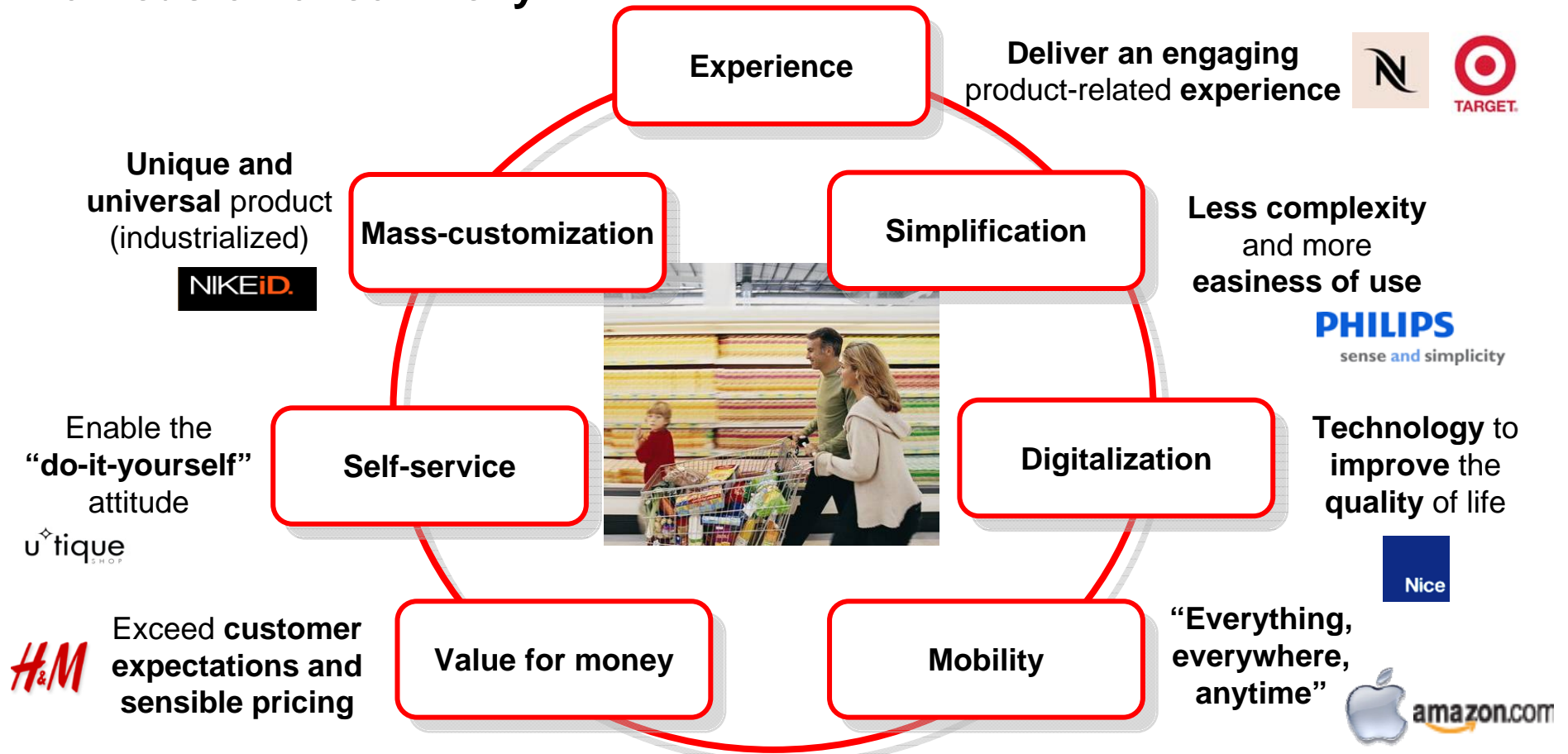
## Disciplined, fast innovation



# Understanding customer trends to create a truly focused customer strategy



## New customer centricity



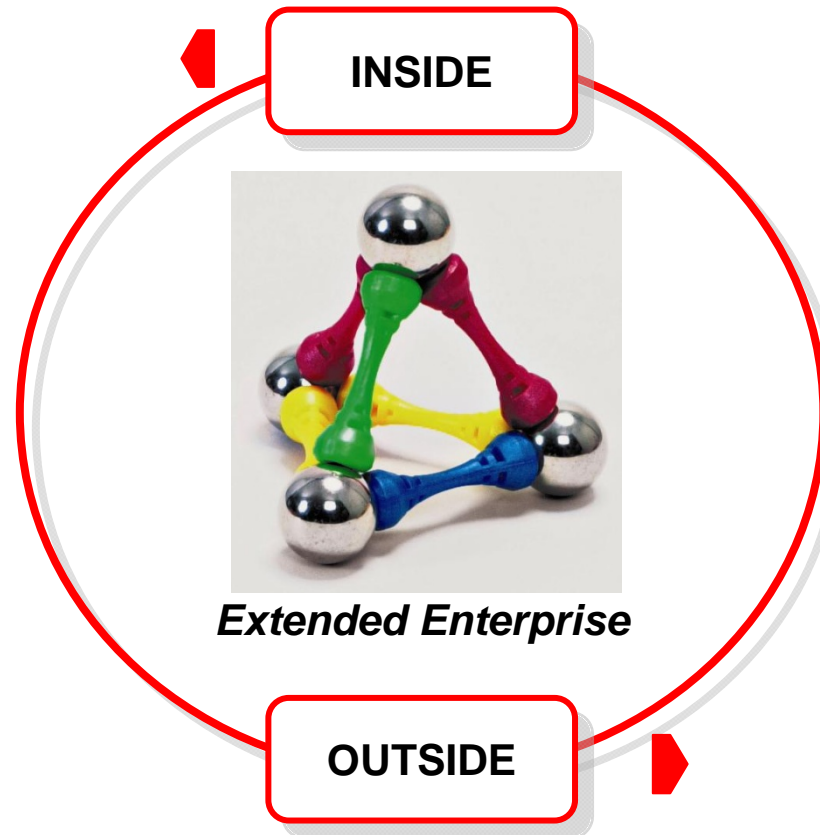
# Traditional enterprise boundaries change on the inside as well as on the outside to gain new competitiveness



## Extended enterprise

Grow **entrepreneurship** on the inside on the company:

- **“Dare to Share”** (renewed people engagement and rewarding systems)
- Discover, deploy, develop **talent** (cheaper access after the crisis)
- **iCRM** (marketing and CRM principles applied to people management)



Leverage on **external muscles** to extend company’s reach and focus on core:

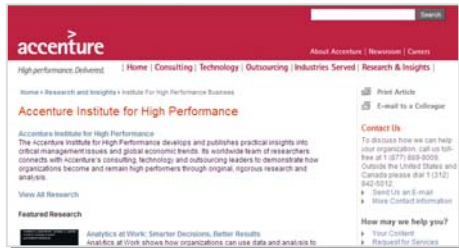
- **Customer “partnership”/ “crowd sourcing”** to boost innovation and leverage on mass customization
- **Selective strategic alliances and flexible sourcing** (e.g. on specific capabilities development)



For further examples and information  
please refer to...



## References & contacts



### Accenture Institute for High Performance

[http://www.accenture.com/Global/Research\\_and\\_Insights/Institute\\_For\\_High\\_Performance\\_Business/default.htm](http://www.accenture.com/Global/Research_and_Insights/Institute_For_High_Performance_Business/default.htm)



### Accenture Management Consulting

<http://www.accenture.it/consulenza>



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