



EMBRACING TECHNOLOGY IN FINANCIAL SERVICES

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SEASON 2, EPISODE 8 TRANSCRIPT

What do purpose and value have in common across Australia's mining, telecommunications and financial services sectors?

HOST: Tim Broome, Technology Advisory Practice Lead, Financial Services, Accenture Australia and New Zealand

GUEST: Ann Burns, Accenture Resources Industry Lead, Australia and New Zealand, and Johnathan Restarick, Accenture Communications, Media and Technology Industry Lead, Australia and New Zealand

Tim: On this episode, two of Australia's primary thought leaders, Ann Burns and Jonathan Restarick, unpack the quest for purpose beyond profit.

Presenter: Welcome to Embracing Technology and Financial Services, a podcast brought to you by Accenture where leading experts share insights on business issues facing Australia's financial services industry and beyond. Now here's your host Tim Broome.

Tim: I'm delighted to be joined today by two of our senior leaders from Australia. Firstly, Ann Burns. Ann leads our resources business. And Jonathan Restarick, who leads our communications, media and telecom business. Ann, welcome to the podcast.

Ann: Thank you. Lovely to be here.

Tim: Ann look, it's lovely to have you here too. And I spot an accent there, which is not too far from mine. Whereabouts is home?

Ann: Lichfield, actually in the UK. I am a Peaky Blinder for those of you who like Netflix. I've been in Australia 25 years and you look strangely familiar to me. I suspect I may have seen you running up and down getting beaten and bashed on the rugby fields.

Tim: Quite possibly. I've got some injuries from some of your schoolmates I suspect, blinded all of that, put it into the past.

Ann: Very good, very good. Thank you.

Tim: And Jonathan, you're from a lot further South from both of us.



Jonathan: I'm from the Melbourne version of the UK office here in Australia, so happily grew up and more AFL than rugby in my background.

Tim: Lovely to have both of you with us today. And given that I've got two senior leaders, I want to do some big questions. So, area of topic for today is what is purpose and what is value? And where do we see that changing in our economy? So, Ann, do you want to kick off with that one?

Ann: Sure. My business, I look after resources. That is mining, chemicals, it is also energy, upstream and downstream, as well as utilities, gas, water, and electricity.

Tim: There's a lot in there.

Ann: So, imagine that very diverse portfolio but very, very important portfolio. You consider that industry today has had many challenges, many challenges, but it also enables our lifestyles. So, the minerals that we produce, particularly in Australia, the LNG that comes from the Northwest shelf, enables us to live lifestyles and have prosperity here in Australia and across New Zealand that we otherwise wouldn't have.

Tim: When we talk about purpose and mining, there is, I guess, the potential for a lot of damage to the broader ecosystem. And how is the mining industry dealing with the side of, okay we're enabling economies but at the same time we are possibly causing damage. How do they deal with that more broadly?

Ann: Great question. Today, purpose, which we've been working with the industry for many, many months now, is called [triple zero](#). That is not an emergency number that you ring. It stands for zero loss, zero harm and zero waste. And that purpose is all around ensuring zero harm, whether it's health and safety of workers or indeed whether it's health and safety of machines, particularly big assets. So cyber-attacks in particular around critical infrastructure could cause untold damage. And so, for us, zero harm is absolutely possible with the advanced technologies that we now have across many different industries, such as airlines, such as defence. And that is enabling us to make zero harm a possibility.

Zero loss is all about productivity to ensure that the way in which minerals in particular are produced are done so in a way that is competitive and optimal. The final part of triple zero and our purpose is really around zero waste. So today, everybody is about eliminating waste. We're spending a lot of time with our clients talking about how do you apply circular economy, mindsets and models to not just eliminate waste, but to turn waste into value?

So, the purpose particularly in the mining industry now is around realising zero loss, zero harm, and zero waste. Why wouldn't you take that opportunity to improve that industry in every way possible? Deploy the benefits of advanced technology in order to continue that industry to provide the minerals that we need and enjoy for our lifestyles, the prosperity it creates for our economy. Why wouldn't you take the opportunity? And that's the purpose that's been driving us certainly in the last 12 months, and I can see many opportunities and many of our clients pushing forward into a different future.

Tim: Jonathan, how does it apply in your industries?

Jonathan: Yeah, similar that purpose is becoming a much more important element for the clients in my industry groups. Yes, they absolutely have an element of physical implication with our environment but they're also the organisations that own data, that own the interactions with customers and that own experiences. And so, it's very clear with lots of research, including some of our [Fjord trends](#), that our consumers expect the organisations that they engage with to have that positive purpose, to have a positive impact on society in order to attain the trust. And so, for our organisations we speak to this trust equation, which is a critical enabler to their customer expansion and the additional value that they provide is critical. And unless they've got a positive purpose, they're going to be unable to gain the trust of their target audience.

Tim: Do you think this is a generational change? And the reason I ask, we've had a number of instances recently, especially with some of our new hires and some of the interactions I've had with individuals in universities building solutions for us, where the purpose of the solution is often not a direct monetary value. It's, but what is the impact that this solution is having on either my colleagues or the broader ecosystem around which I work. And I'm just wondering whether that is a change that we're now seeing that historically wasn't there, or do you just think that's a facet to where people are in their lives?

Jonathan: I think it's absolutely a growing and emerging and an unchanging trend. Let's acknowledge that it is the younger generation but it's not just the younger generation as workers, it's the younger generation as the next generation of consumers. And businesses are listening to the consumers. And boards who aren't the younger generation and now asking their C-suite, and they're measuring their C-suite on these elements of positive impact and purpose in a much more 360-degree measurement framework than merely profitability. And we see that in the responses to various royal commissions and regulatory frameworks that businesses are now being expected to step up beyond just immediate economic outcomes.

Tim: In a world where we have publicly traded companies with quarterly expectations on results, how do we take that longer-term view on the purpose of our organisation versus "but you've got to hit this target?"

Ann: I think about the companies that we work with and a lot of them are seeing that the funding that's coming from venture capital in particular is going to those companies that have a clear purpose, particularly around sustainability. And there is nothing faster than the exchange of funds to change your focus. And I think even if that was the single most important momentous change, it's having an immediate impact.

Tim: And do you think underneath that there's trust, which is one of the core drivers particularly in, well certainly within financial services now, we're seeing that having lost an element of trust of the customer, if you don't get that back, you won't survive.

Ann: I think it's gone beyond that, I think it's now expectation. And it's become almost a minimum expectation. Certainly, you were talking before about the younger generation, millennials. If you go out for lunch with a bunch of millennials, they don't actually tell you what they do for a living. They talk about what is important to them. Certainly, I know from our employees, our next generation of employees coming through, they have an expectation that we are working to the betterment of the planet. And in fact, our vision is to improve the way the world lives, works, protects and grows, and we do that through innovation. And we know that's working when we're creating jobs. And when we're creating jobs, particularly with this next generation, their expectation is that we have a responsibility and an accountability. It's gone way beyond trust.

Jonathan: And totally agree Ann, and it's become more than just the direct organisation. So, the consumers, staff and even policies we're seeing from the client is actually challenging ecosystem partners and supply chain members to ensure that the entirety of the supply chain and the ecosystem are operating to moral standards, to a purpose and a trust-based environment. So, it's not just, "is organisation X running that purpose and trust?" But are they ensuring that all of the organisations that serve them – where they're getting their funding from, what their supply chain is, who's the production organisations – everyone's associated with them can create negative brand implication if your friends, if your partners don't live up to those standards as well.

Ann: And we're beginning to see the same trends from food, for example. We all know and want to know where our food comes from. In a similar way, companies now want to know where the aluminium comes from, how it is mined, how is it shipped, how it is produced, how is it manufactured? That kind of custody, that chain of command and sourcing, is now becoming prevalent across industries where we've never seen that before.

Jonathan: Going from blood diamonds to blood aluminium now, have we?

Ann: So, I think that is an incredible evolution that's come from expectation. That is what will rebuild the trust, when people see that evidence where they are making decisions based on that chain of command, that chain of sourcing.

Tim: That's super interesting. If we try to pull trust apart just a little bit more, if I look at what's going on in the banking industry, we've had a history of failures within the systems and failures within the processes, the way that the whole banking industry operates. Is there any similar reflections on your industries? And are they going through a similar inflection point of a regulator who is going to get closer and closer and get more involved in what's going on because that trust has just been eroded and now there is a feeling that these organisations actually need more oversight than they used to have?

Ann: Yeah, absolutely. I mean I spent a lot of time working in the energy industry and utilities, particularly electricity. And you think about what's happening in that industry. Certainly, it's an essential service. And some of those services, particularly water, are in fact the most essential of all essential services. Trust and transparency is paramount, particularly in an industry that is fully competitive on the retail side. What we're seeing is those that are doing well are those that are providing full transparency, open access to data and a dialogue. And so, we've seen a raft recently of yes, regulatory changes, but we've also seen a raft of new forums, new customer charters, new customer advisory dialogues to ensure that that open and transparent dialogue is in place.

I think as we move forward certainly with renewables and in fact in this country, the penetration of solar and what is about to come with batteries and potentially electric vehicles, that shifts the balance of power. And so, consumers become very participatory in terms of their involvement in energy. You're going to see peer-to-peer trading. You're going to see people generating, storing, and then potentially donating energy to their community. Or indeed, whether that's a physical community or whether that's a virtual community, their footy club, their rugby club, their local church. You're going to see that consumers actually participate in a much more active way than they ever have before. And I think we'll see both of those things happening, a desire for full transparency but also the balance of power moving to consumers.

Ann: And for me, the most interesting thing about that is the sharing of infrastructure. So, in fact, not everybody has to own solar panels or batteries. If you have a community where those can be shared, particularly if you're a remote community, that I think is the future of energy independence, choice and trust.

Tim: And Jonathan, within your portfolio you've got some of the big tech companies as well. Now I think historically in the early days they were the small start-ups. We trusted them, their vision was provision of quick services, what everybody wants to see, and yet they've...

Jonathan: Free of charge.

Tim: Free of charge, absolutely. They've grown to be these huge behemoths with an awful lot of influence over our lives, and yet we seem pretty trusting of what the service that we get from them. Do you think they exist in a very different position from a lot of the more historical industries?

Jonathan: They do. And I called back to, I was in Australia in I think 1994 when the government tried to bring in the one Australia card, and we all vehemently rejected the government who would actually elect it and in a democracy would have all this information. Instead, we've given that for free to a set of global organisations without the coverage, the regulatory frameworks. But we've done that because we get benefit out of it and it works.

The organisations we work with, and back to the question, are generally working ahead of the regulations. The regulations are generally trying to catch up. They're also, because they're global, working beyond the national regulations, which is an interesting aspect there. But I think what we are starting to find, and regulations trying to catch up, we're watching the EU really trying to put some frameworks and controls in. But I agree with Ann, that actually the most important element that will drive their behaviour change is the consumer sentiment not the regulatory sentiment.

The regulations will, they'll always work beyond and ahead of regulation, they will not work ahead of the consumer sentiment. So, we're already seeing some levels of distrust in various elements against some parts of this ecosystem. We have people leaving some platforms to go to others. They don't realise that it's the same company that necessarily owns them so the exit strategy is not fantastic. But I do absolutely believe that the winners over time will be the organisations that show and gain the trust of the consumers to use that data in ways that they're authorised to use and capture it in ways that they're authorised to use. And that'll actually be a differentiator.

Tim: And when we're talking about data, I don't think we fully understand when we start sharing data across different organisations, those bits of data that are seemingly innocuous when combined together have an awful lot of power to understand me in a way that I never really understood. And I think that's possibly the next horizon that we'll hit when we really start to understand the power of data. I don't think we're there yet.

Jonathan: And the emerging field of the data enrichment organisations that are aggregating, so people give up data items A, B and C, and they might do that knowingly or unknowingly, it's when these organisations derive elements J, K and L off that data. The key question is who owns that data, and have I actually authorised someone to derive certain characteristics about me that I haven't given? That's when we start to really fall into the trust deficit challenge.

Tim: Yeah, and I think that's where the sharing ecosystem that is starting to land. I think that's the horizon that we're not really sure when we hit that and let's say my banking data, the data of how I use my electricity and the data of when I make phone calls and who I call, when that can all be pulled together in a regulated environment, there will be things we find out that we don't yet know.

Jonathan: Or a customer directed environment that still gets the same outcome. And this is where it comes probably back full circle to purpose. If I can see that this organisation's controlling my data and using it for a purposeful, supportable outcome that helps me, that helps my community, that helps my country, that might even help my company and my associates, I'm okay with that because there's a purpose to it. It's when it's used outside of my control and used in a non-purposeful way or a way that's actually anti my political or other aspirations, that's when it becomes a key challenge.

Ann: And I think we also miss half of the debate. So, we're talking right now about human data, but what about machine data? And in the world that I live in, the protection around machine data and the ownership of that is incredibly important, particularly around critical infrastructure. So, you imagine in my world we've now got this highly interconnected ecosystem of partners and different players, whether they're equipment manufacturers, whether they're mining organisations, whether they're oil and gas organisations.

That interconnected ecosystem now is the threat surfaced from hell because you actually can no longer act as if you are a single point. "And I'm all right Jack, because I've got all my cyber resilience in place." You are now a vector that operates within that ecosystem. You can no longer act as a victim. You have to be a vector to protect all of the machine data that flows throughout that ecosystem. It is a very tricky thing to get right. And as Mike Tyson once said, everybody has a plan until they get punched in the face. So, it is not about having a plan as a single box or a single player. You actually have to be prepared to mitigate the risks of cyber-attacks on your data within a very broad interconnected ecosystem.

Tim: We've discussed purpose as it currently stands and what we've seen, the evolution over the last 20 years. Where do you think we will be in 20 years from now?

Ann: Oh, that's a great question. I will tell you where I would like us to be. I personally think that we have a decade left to deliver on the commitments around climate change. I think that is entirely possible. I think there are steps we can make, particularly with the evolution of advanced technology, particularly with the will and the power of consumers and prosumers and people power to take steps to realise that ambition.

I would love to see that Australia realises its ambition of becoming a world leader as it already is in mining and particularly iron ore, but also around oil and gas. We're almost the biggest LNG producer in the world. And the reason why that is wonderful is because we provide the energy for other nations, other growth markets to prosper; India, China, Japan. So, for me in a decade's time or in 20 years time, I'd like us to be zero carbon. I'd like us to be climate responsible. And I'd like us to really take the opportunity to realise our ambition to support the growth markets, particularly across Asia Pacific, so that they in turn can realise their ambition.

Tim: That's fantastic. Jonathan, any thoughts on your industries?



Jonathan: My industry, there's probably a perspective probably three or four years ago that said we were worried we were moving towards a 1984 scenario, but I think we've seen almost this tech lash and the backlash from the consumers that heartens me that we will move towards this environment of what we call [Human + Machine](#). The machines won't take over. We'll make sure that we engage them in a cooperative framework of hopefully continually providing us greater capability that oft hoped greater leisure times so that we're more productive and delivering more.

I, like Ann, hope that we continue to be a world leader in primary resources but I'm also hopeful that this technology generation allows us to start being more of a world leader in secondary and tertiary industries as well. There's a great opportunity for us. We've got great intellectual property here and there's a potential here for Australia to actually be an innovator, an incubator of great ideas.

Tim: That's wonderful insights from both of you. I really appreciate the time you've given us today. If we get this right, I think there's a really bright future for Australia. And hopefully with the vision that you've both got, we can drive the industry forward and we'll have some fantastic outcomes. Ann, thank you very much.

Ann: Thank you very much. It's been fun.

Tim: And Jonathan, thank you too.

Jonathan: Thank you very much, Tim.

Tim: If you want to hear any more on this topic, please feel free to reach out to myself, Tim Broome, Jonathan Restarick or Ann Burns. You can find us all on LinkedIn. We'd love to continue the conversation and we'd love for you to reach out and ask us any questions on what's been discussed today. But that's it. Thank you very much.

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