REINVENTING ENERGY: THE INTELLIGENT ENTERPRISE SERVICES IMPERATIVE
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The oil and gas (O&G) industry is in a state of disruption with chronic oversupply, persistently volatile prices and looming energy transition. On top of this, the industry faces unprecedented downturn in demand stemming from the novel coronavirus.

A new state of play has emerged for energy companies. To succeed in this challenging, turbulent environment, companies need to be competitive, resilient and sustainable. And they must make structural changes to their business.

To achieve these ends, there is no better place to start than an organization’s enterprise services.

Enterprise services—including finance, human resources, supply chain, procurement, marketing services, sales, IT and engineering—represent the backbone of the organization, upholding the enterprise as it flexes and adapts to the cyclical nature of the industry. Assuring these services are hyper-efficient, cost-effective and flexible is key to staying competitive. What’s more, harnessing the data and insights available from these enabling functions—and acting on them—offers the organization phenomenal value and decision-making agility. Increasingly, companies are turning to reimagining the enterprise services operating model and harnessing the power of intelligent enterprise services (IES) to drive competitiveness, resiliency and sustainability.

IES is an integrated, customer-centric set of services that seamlessly deliver outcomes to stakeholders across the back, middle and front office.

Fast-paced and expansive technical capability, data accessibility, analytics, artificial intelligence (AI) and cloud have forever changed the traditional enterprise service model. Leading companies have transformed to an IES model—a powerhouse approach that we have seen can:

1. **Drive** immediate cost-to-serve functional savings up to 50% and top quartile results by re-engineering processes and digitizing work
2. **Deliver** efficiency up to 30% by optimizing sales, general and administrative (SG&A) expenses, cost of goods sold (COGS) and supply chain spend
3. **Amplify** value to the organization worth three to four times the functional savings via revenue uplift and working capital improvements
4. **Evolve** data management, analytics and processes to deliver exceptional quality and controls
5. **Transcend** traditional silos to deliver efficient outcomes and stakeholder experiences

Given the value intelligent enterprise services offer, many energy companies are doubling down on making the most of these services. They are expanding functional scope significantly, committing to business outcomes beyond cost to serve reductions, and reimagining the services outside of process-centric models to designs focused on stakeholder need to better meet their organization’s goals.

Maximizing these elements—adopting intelligent enterprise services—can enable energy companies to be more flexible, agile and responsive, generate value more quickly and achieve sustainable competitive advantage. Companies employing IES are seeing huge benefits, such as hundreds of millions in cost savings, productivity improvements of 50% - 60% and higher, increased customer engagement and higher brand value.
How do intelligent enterprise services help deliver value to the organization?

• By bringing together the best innovative digital technologies, process and industry expertise to create an enhanced working environment, driven by data and analytics.

• Through strategically distributing work across human + machine capabilities using advanced data tools and assets to identify transactional tasks that can be automated thereby freeing up talented people for more critical thinking.

• By drawing on deep data and insights based on industry and business process expertise to improve the quality and speed of decisions, unlocking value and driving targeted business results.

• By monitoring and providing a real-time window into critical business processes to enable fast reallocation of work, risk mitigation and to address potential issues, helping ensure business continuity, workforce health and sustained business outcomes.
INDUSTRY CONTEXT

Backdrop: Trends Shaping the Industry

The energy industry has witnessed remarkable disruption over the past decade. The abundance of resources has pushed prices down, while the world’s accelerating pivot to non-fossil fuels has made oil a less attractive commodity.

The convergence of supply and demand issues has caused returns to tumble and positioned the energy sector as the worst performing industry in the S&P 500.1 Equity prices continue to erode at three to four times the rate of the broader market.

And the share of companies in the S&P index has fallen from 15% to less than 3%.2 It’s no surprise that debt levels and bankruptcies are up and investors have moved on, looking for safer shores.

COVID-19 and the OPEC+ nations’ desire to preserve market share have compounded all these challenges. Crude oil demand fell nearly 20% in the second quarter of 2020, due to massive disruptions in road and air transportation and a weaker economy overall. Continuing economic uncertainty and excessive amounts of oil in storage are sure to keep a lid on commodity prices for the foreseeable future.

Exhibit 1: Energy – An Industry in the Eye of the Storm

An unprecedented dual-shock PLUS...

...an industry financially and operationally challenged

Industry’s going-in position before crisis (global median)

<table>
<thead>
<tr>
<th>Key Observations for the 2020 Crisis</th>
<th>2008 Financial Crash</th>
<th>2014 Oil Crisis</th>
<th>2020 Double Punch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher susceptibility to disruption</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Higher debt levels</td>
<td>Leverage Ratio1</td>
<td>36% (Q2 ’08)</td>
<td>55% (Q2 ’14)</td>
</tr>
<tr>
<td>Higher risk of supply chain disruption</td>
<td>OFSE EBIT Margin</td>
<td>22% (Q2 ’08)</td>
<td>17% (Q2 ’14)</td>
</tr>
<tr>
<td>Lower financial returns</td>
<td>Average ROCE2</td>
<td>17% (Q2 ’07)</td>
<td>9% (Q2 ’13)</td>
</tr>
<tr>
<td>Lower market valuations</td>
<td>Energy as % of S&amp;P 500</td>
<td>15% (Q2 ’08)</td>
<td>10% (Q2 ’14)</td>
</tr>
<tr>
<td>Lower sustainability</td>
<td>Global GHG Emissions3</td>
<td>0.6B (Q2 ’07)</td>
<td>1.8B (Q2 ’13)</td>
</tr>
</tbody>
</table>

Sources:
IHS Markit – Upstream Capital Costs Index, Thomson Reuters Public Company Data (108 Companies), Bloomberg, S&P Global Market Intelligence, CDIAC, Thomson Reuters, Accenture Analysis. 1) Leverage Ratio = Total Debt/Shareholders Equity. 2) Excludes NOCs. 3) Measured in Metric Tons of Greenhouse Gases; includes Scope 1, 2 emissions.
Path Forward

In response to the challenges it faces, the energy industry needs to pursue three reinvention imperatives—enhancing agility and resilience; boosting competitiveness; and enabling sustainability. This is where intelligent enterprise services come in.
**WHY INTELLIGENT ENTERPRISE SERVICES?**

To progress against the industry’s imperatives, energy companies need an integrated, outcome-focused and globally scalable enterprise services structure. An intelligent enterprise converges process, technology, data and analytics to change the way work is done and uses freed capacity to generate business insights and positive outcomes.

In doing so, it also breaks down silos and can enable a 360-degree view of the enterprise to help release trapped value. This helps transform the cost structure and user experience, and scale an enterprise-wide digital agenda—all of which combined drives agility, competitiveness and sustainability.

**Exhibit 2: Addressing the Energy Industry Re-invention Imperatives through Intelligent Enterprise Services**

<table>
<thead>
<tr>
<th>Energy Re-invention Imperatives</th>
<th>Challenges Impeding Realization</th>
<th>How IES Can Help</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agility and Resilience</td>
<td>• Traditional In-house enterprise service operations are <strong>cost and infrastructure heavy</strong> with minimal scope of negotiation.</td>
<td>• IES offers <strong>cost variabilization</strong> with pay-per-use models and <strong>higher economies of scale driving greater negotiation power</strong>, enabling energy companies of today to compete in a world with rapidly changing demand and cost requirements.</td>
</tr>
<tr>
<td></td>
<td>• Digital needs are addressed in <strong>silos, with outdated technology stacks</strong> hampering flexible and elegant digital experiences for employees and customers.</td>
<td>• Continuously evolving process and technology convergence in IES enables <strong>enterprise-wide intelligent services</strong>.</td>
</tr>
<tr>
<td></td>
<td>• Cost reduction approaches are <strong>reactive</strong> to market conditions. There is a <strong>missing mindset</strong> shift to become data-centric for cost visibility.</td>
<td>• With analytics and data science at its digital core, IES helps <strong>improve transparency of cost to serve</strong>.</td>
</tr>
<tr>
<td></td>
<td>• Traditional company cultures revolve around levers of speed, cost, quality and efficiency of processes only.</td>
<td>• IES helps develop a holistic culture based on <strong>growth, customer satisfaction, experience and business value</strong> with humans at the center of operations (employees and customers).</td>
</tr>
<tr>
<td></td>
<td>• Lack of <strong>visibility into energy consumption and carbon footprint</strong> leaves organizations blind to opportunities to enhance sustainability of services and operations.</td>
<td>• IES optimizes utilities usage such as electricity, water, et. al. through implementation of automation, enhanced controls and compliance, and highlights actions that can reduce emissions footprints and costs.</td>
</tr>
<tr>
<td></td>
<td>• Organizations are unable to restructure to find new areas for growth in <strong>light of changing customer expectations for lower carbon services</strong>.</td>
<td>• IES <strong>enables end-to-end visibility</strong> for improved transparency across the supply chain, providing immediate insight to areas where carbon can be better managed and minimized.</td>
</tr>
</tbody>
</table>
IES can enable an operating model that accounts for key user and technological disruptions—these disruptions are changing the operational landscape for the energy industry, as they are for almost every industry, and are essential for companies to address so as to pivot their operating models and thrive.

**Exhibit 3: How IES Can Enable Energy Companies to Pivot Operating Models Amid Disruptions**

<table>
<thead>
<tr>
<th>Disruptors affecting interactions</th>
<th>Experience (simple and personal)</th>
<th>Unlikely Insights</th>
<th>Social and Mobile (omni-channel, real-time)</th>
<th>As-a-Service (flexible, agile, responsive)</th>
<th>Business Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Macro-trend: Age of consumerization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Intelligent Enterprise Services**

- Automation (RPA, core platforms)
- Intelligence (AI, analytics, run with machines)
- Expanded Ecosystem (liquid workforce, crowd sourcing)
- Cloud
- New Capabilities (with agile, localized offerings)

Energy companies are converging process, technology, data and analytics to change the way work is done and using freed capacity to generate business insights and outcomes.

For example, IES allowed the transformation of an energy company’s order to cash (OTC) process (Exhibit 4). The OTC process had been distributed and siloed making it difficult to navigate (i.e., laden with exceptions and follow-ups). Reimagining the process through the IES framework unlocked trapped value, increased efficiency, improved the customer experience, and drove business outcomes that transcended a lower cost to serve (such as working capital optimization and reduction of revenue leakage).

**Exhibit 4: IES as Enabler of a Customer-Centric OTC Experience in an Energy Company**

From Distributed and Siloed to Integrated and Customer Centric

A *distributed OTC* confined immense value as capabilities were spread across *siloed functions and individuals*. Application of IES enable a *single, integrated* employee-centric experience *reducing complexity and inefficiency*.

**Potential Outcomes**

- Revenue Leakage: +3-5%
- High OPEX Costs: 25-50%
- Errors and Disputes: 75-90%
- Write-offs and Bad Debt: 5-10 Days
THE STATE OF INTELLIGENT ENTERPRISE SERVICES IN ENERGY

In our work with leading energy companies around the world, we have seen an acceleration in the adoption of intelligent enterprise services as players are revisiting their business models.

One global supermajor, for example, established a global business services center to create a simpler and more standardized service delivery model which helped realize its digital finance transformation vision. By doing so, the company automated more than 300 of its finance processes, increasing efficiency by 50% and freeing up more than $335 million in working capital.

Similarly, a global commodities trader set up mid- and back-office operations support that standardized issue resolution, improved process flows, automated reporting and developed metrics that increased granularity to quantify discrepancies. The results? A 30% reduction in operational costs, significantly accelerated reporting and $17 million in accrual reversals.

In this way, intelligent enterprise services has the power to drive improved business results across the energy value chain (Exhibit 5). Leading companies are integrating processes, technology, data and analytics to change how they work. Many begin by adopting intelligent enterprise services for corporate functions—with highest impact and more mature solutions—such as finance and accounting, trading, marketing and procurement. But we are also witnessing increasing adoption of intelligent services for functions such as commercial management, engineering, supply chain and carbon management.

Exhibit 5: Intelligent Enterprise Services Application Across the Energy Value Chain

Impact of intelligent enterprise services on capabilities:

- High (transformational)
- Medium (incremental)
- Low
Breadth and depth

Accenture conducted a global survey across chemicals, energy, mining, metals, forest products and utilities companies to examine the emergence of intelligent enterprise functions and the transformational role it plays in enabling enterprise-wide change.

A vast majority of respondents—92%—said they plan to integrate more breadth and depth into new scope while energy players are targeting more functional areas. The majority are transforming some aspect of their traditional shared services models to help them better navigate the consistent volatility and demands of their markets.

Survey findings indicate that oil and gas companies are using shared services to continue to reduce costs, accelerate the digital transformation of processes, centralize and utilize data and analytics, improve quality and control, enable growth (especially through M&A), but also divestitures, and engage third parties to support strategic initiatives.
Based on recent Accenture research, the value case for intelligent enterprise services is strong. Ninety-two percent of surveyed companies are planning for the future by expanding business services, and more than two-thirds are partnering with an external provider. Leading companies develop partnerships for agility, flexibility, expertise, infrastructure and investment while focusing internal resources on the core business.

Intelligent enterprise services can help energy companies:

- Drive immediate cost-to-serve functional savings up to 50% by re-engineering processes and digitizing work
- Transcend traditional silos to deliver efficient outcomes and stakeholder experiences (even cross-functions)
- Deliver efficiency gains by up to 30% via optimization of SG&A, COGs and supply chain spend
- Amplify savings up to four times its value through revenue uplift and working capital improvements
- Act as a catalyst for digitization beyond enterprise functions

Exhibit 6: Value Unlocked by Intelligent Enterprise Services in The Energy Industry

<table>
<thead>
<tr>
<th>Benefits Magnitude</th>
<th>Revenue</th>
<th>Working Capital</th>
<th>Asset and Capital Efficiency</th>
<th>Function Cost to Serve</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-4 X Business outcomes</td>
<td>• Marketing: Revenue uplift up to 15%, improve customer engagement by 20%</td>
<td>• Supply chain: 15-25% inventory reduction</td>
<td>• Asset reliability and maintenance: 10-15% OPEX savings</td>
<td>• F&amp;A, procurement, supply chain, HR, marketing, sales: 30-50% Cost reduction</td>
</tr>
<tr>
<td>20-30% Incremental efficiency gains throughout organization</td>
<td>• Sales: 3-5%+ organic revenue growth, 60%+ reduction in revenue leakage</td>
<td>• OTC: 10-30% DSO reduction</td>
<td>• Capital project: 10-20% CAPEX savings</td>
<td>• Logistics: 10-12% transport spend reduction</td>
</tr>
<tr>
<td>30-50% Savings in Cost to Serve</td>
<td>• Customer: 90%+ customer satisfaction rating, 99% first call resolution</td>
<td>• PTP: 10-15% DPO improvement</td>
<td>• Energy: 15% Reduction in energy consumption</td>
<td>• Trading: 25-35% cost reduction</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COGS and SG&amp;A</th>
<th>Asset and Capital Efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Procurement: 10-15% sourcing savings</td>
<td>• Asset reliability and maintenance: 10-15% OPEX savings</td>
</tr>
<tr>
<td>• Logistics: 10-12% transport spend reduction</td>
<td>• Capital project: 10-20% CAPEX savings</td>
</tr>
<tr>
<td>• Energy: 15% Reduction in energy consumption</td>
<td></td>
</tr>
</tbody>
</table>

DSO: Days sales outstanding
DPO: Days payable outstanding
COGS: Cost of goods sold
SG&A: Sales, general and administrative expenses
PTP: Procure to pay
F&A: Finance and accounting
CAPEX: Capital expenditure
OPEX: Operational expenditure
Intelligent enterprise services reimagines services around the needs of the stakeholders being served (rather than being tied to traditionally disconnected silos of process excellence). Processes are continuously improved and adapted to advanced technology and analytics available through best-in-class benchmarks, tools and capabilities.

Intelligent enterprise services also help build sustainability. Today’s oil and gas companies are challenged to find new potential areas for growth in light of changing customer expectations, reduced customer retention and decreased trust in the industry.

**Exhibit 7: Intelligent Enterprise Services Reimagined**

**Maturity of IES for Function:**
- **Mature** (Large number of energy companies have used IES for this function)
- **Emerging** (Growing number of energy companies are using IES for this function)

**Financial Services**
- Financial Planning and Analysis
- Record to Report
- Hydrocarbon Accounting
- Treasury
- Compliance, Tax and Audit
- Trade Processing
- Sales Analysis and Forecasting

**Supplier Services**
- Sourcing and Procurement
- Demand and Supply Planning
- Logistics

**Employee Services**
- Employee Service Desk
- Talent Acquisition and Onboarding
- Performance Management
- Compensation and Payroll
- Travel
- Facilities and Technology

**Asset Operations Services**
- R&D, Engineering
- Capital Projects
- Asset Reliability
- Manufacturing, Quality
- Digital Field/Plant Worker
- Energy Management
- HSSE and Sustainability

**Customer and Commercial Services**
- Order to Cash
- Supply Chain Control Tower
- Promotions and Pricing
- Sales Execution Management
- Customer Service
- Marketing Management

**Enabling Services**
- Master Data Management
- Information Technology
- Analytics
- Project Management and Support

*Non-exhaustive*
Companies that adopt intelligent enterprise services, on the other hand, use automation, enhanced controls and compliance to maximize assets and lower costs. Such an approach enables visibility to improve transparency across the supply chain.

To enable enterprise value through reimagined services, IES has five foundational pillars.

**Exhibit 8: Intelligent Enterprise Services Five Foundational Pillars**

1. **Reimagined Enterprise Services**
   - Build a service-based, agile and integrated operating model with re-imagined, re-designed processes and expanded scope

2. **Intelligent Workforce**
   - Leverage a liquid, scalable human + machine workforce and an intelligent work orchestration platform to optimize work allocation and productivity

3. **Value and Business Outcomes**
   - Drive immediate cost reduction, transform the cost structure and deliver enterprise value at scale

4. **Data and Applied Intelligence**
   - Utilize data across the enterprise to breakdown silos and improve decision making, leveraging applied intelligence to further generate insights and drive outcomes

5. **Ecosystem Partners**
   - Establish strategic ecosystem partners that are mutually invested in driving down costs, helping scale the digital vision and delivering business outcomes at speed

Taken as whole, these pillars are producing great results in the energy industry. For example, one energy company integrated mid-office and back-office processes in IES across finance, HR, procurement, logistics, engineering, health safety and environment, IT and cybersecurity. By doing so, the company improved productivity by 20% to 30% and realized 20% reduction in OPEX with an increase in asset availability thanks to better engineering data quality, operations planning and supply chain productivity. These CEO-led initiatives enabled the company to leapfrog its peers to become a major energy player in the Asia-Pacific market.
MOVING TO ACTION

Now is the time to plan for the future. Moving toward intelligent enterprise services now can help secure and protect energy companies for the future through lower margins, higher returns and more effective ways of working.

Intelligent enterprise services adopts a human-centered point of view—as opposed to a process-oriented position. Organizations can enhance the value of their business services in the eyes of customers, employees and business partners, transforming performance from good to great and creating a powerful engine for top-line growth and workforce engagement.

Moving from a mindset of cost efficiency to a culture focused on value, experience and growth, the modus operandi for the team providing operational support must also change to accommodate agile methodologies, iterative approaches and new reporting metrics that focus on quality of experience.
Intelligent enterprises converge process, technology, data and analytics to change the way work is done and use freed capacity to generate business insights and outcomes. They integrate diverse data, combine human + machine talent and orchestrate work to build resiliency, competitiveness and strong outcomes across business functions—from finance to supply chain to talent and infrastructure.

For example, in our work we have seen a global energy company use next-gen content services and digital marketing services and tools for a targeted, customer-led and data-driven approach to marketing, which helped improve its fuel retail segment’s brand positioning. These efforts led to a 45% increase in digital brand value with a 40% reduction in marketing spend, a 70% increase in customer engagement and a more than $700 million increase in sales.

And a Fortune 500 O&G company completely transformed its procurement function while focusing on data, analytics and digital sustainability to drive more than $1 billion in value. Ongoing analytics-as-a-service included optimizing bid packages for large-scale contract bids, forecasting more accurate demand for materials and services to maximize inventory, spend compliance and rationalization.
## Exhibit 9: What Good Looks Like

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Intelligent Finance and Accounting</td>
<td>• Digitize to release capacity for value-added work with focus on insights</td>
<td>• Humans + machines collaborate to deliver services, Focus on planning and advising with automated transaction processing</td>
<td>• Platforms</td>
<td>• Superior business performance</td>
</tr>
<tr>
<td></td>
<td>• Disrupt processes</td>
<td>• Organization transformation through data-driven solutions instead of process modification</td>
<td>• Automation, AI, analytics</td>
<td>• Optimize working capital</td>
</tr>
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<td></td>
<td>• Be more proactive than reactive by forecasting the future to drive value</td>
<td>• New skills learned and traditional skills unlearned to deliver services using new technologies</td>
<td>• Ecosystem partners</td>
<td>• Improve compliance</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>• Existing technology investments</td>
<td>• Reduce cost and revenue leakage</td>
</tr>
<tr>
<td>Intelligent Talent and Human Resources</td>
<td>• Attract and retain the right talent amidst maturing employee expectations and the increasing pace of digital adoption</td>
<td>• Function that enables the workforce and business to remain liquid, agile, readily scalable in a dynamic environment by infusing technology and applying data to inform the business with actionable insights</td>
<td>• Cloud-based human capital management</td>
<td>• Improve workforce performance and productivity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Enable the workforce through applied intelligence</td>
<td>• Employee experience platform and embedded insights</td>
<td>• Optimize operational excellence</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Eliminate transactional work</td>
<td></td>
<td>• Reduce cost to serve</td>
</tr>
<tr>
<td>Intelligent IT (Living Systems)</td>
<td>• Do more with less</td>
<td>• Living systems that adapt to continually changing business needs, delivered in an iterative/agile mode with the active participation of the business</td>
<td>• Proactive monitoring and automation</td>
<td>• Digital transformation that enables:</td>
</tr>
<tr>
<td></td>
<td>• Put automation at the heart of IT operations, DevOps</td>
<td>• IT and business jointly own the outcome and results with a fast fail and MVP mindset. IT organizational alignment will be with the business functions</td>
<td>• Cloud, AI/ML</td>
<td>• Faster turnarounds</td>
</tr>
<tr>
<td></td>
<td>• Instill agile and minimum viable product (MVP) mindset</td>
<td></td>
<td>• Cybersecurity</td>
<td>• Better technology adoption</td>
</tr>
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<td></td>
<td>• Move to cross-functional pod teams</td>
<td></td>
<td></td>
<td>• Improve overall productivity</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Higher return on investment</td>
</tr>
<tr>
<td>Intelligent Procurement</td>
<td>• Shift from manual processes to automated Amazon-like buying experience with embedded controls and compliance</td>
<td>• Processes improved and silos removed using analytics, insights and market intelligence</td>
<td>• Analytics- and AI-enabled spend categorization</td>
<td>• Deep and rich insights at the fingertip of stakeholders</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Real-time spend visibility to help manage spend profile by implementing best-in-class category strategies</td>
<td>• Real time access to market intelligence</td>
<td>• Influence more spend to drive savings</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Self-service digital tools that increase efficiency, speed and visibility, and opportunity identification</td>
<td>• Cloud-based data management</td>
<td>• Reduce cost to serve</td>
</tr>
<tr>
<td>Intelligent Supply Chain</td>
<td>• Focus on growth, profitability, and sustainable operations</td>
<td>• Customer-centric and adaptive supply chain that seamlessly connects customers, manufacturing and suppliers</td>
<td>• Customer centric operations</td>
<td>• Improve on-time in-full delivery, product availability and time to market</td>
</tr>
<tr>
<td></td>
<td>• Connect different ecosystems</td>
<td>• Integrated data across systems to provide real time visibility</td>
<td>• Autonomous supply chains with AI advisors</td>
<td>• Improve working capital and inventory</td>
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<td></td>
<td>• Leverage data intelligence to provide actionable insights and improve customer satisfaction</td>
<td>• Ability to predict disruptive events</td>
<td>• Blockchain enabled</td>
<td>• Reduce supply chain costs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Improved services at ideal cost while maintaining safety, quality and energy efficiency</td>
<td>• Continuous innovation with ecosystem partners</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Advance carbon agenda</td>
</tr>
<tr>
<td>Intelligent Marketing</td>
<td>• Marketing-led growth</td>
<td>• Brands are always-listening across every touch-point</td>
<td>• Human + machine operating engine</td>
<td>• Identify, engage and retain high-value customers</td>
</tr>
<tr>
<td></td>
<td>• Drive value across every interaction</td>
<td>• Seamless, purpose-led and timely customer experiences</td>
<td>• Data, applied intelligence, digital technologies and talent</td>
<td>• Measure and analyze the performance of marketing campaigns</td>
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<tr>
<td></td>
<td>• Accelerate time-to-market</td>
<td>• Activation of these experiences consistently</td>
<td></td>
<td>• Increase marketing effectiveness</td>
</tr>
<tr>
<td></td>
<td>• Operate efficiently at scale</td>
<td>• Single view of the customer to rapidly scale great ideas</td>
<td></td>
<td>• More accurate forecasting models</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Data intelligence to personalize, measure and optimize experiences</td>
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SUCCESSFUL ADOPTION OF INTELLIGENT ENTERPRISE SERVICES IN ENERGY

No doubt, transitioning to adopting intelligent enterprise services is no easy undertaking. It requires vision, alignment among the C-suite, flexibility and commitment to doing things differently, adopting new approaches with a new set of assets.

The journey to intelligent enterprise services comprises four phases, each underpinned by a set of technologies to drive efficiency and insights, advancing at each stage of the journey and accelerating business outcomes.

Each stage of the journey calls for a workforce with specialized skills in addition to sponsorship from the top. The goal is to dramatically shift the allocation of work (automating transactional tasks and freeing up talented people for more critical thinking)—accelerated by automation, enabled by cloud, delivered by an agile workforce—to unlock new sources of value across the enterprise (Exhibit 9).

There are five major requirements for oil and gas companies to succeed in their transformation journey to intelligent enterprise services.

Exhibit 10: Journey to Intelligent Enterprise Services

Exhibit 11: Key Success Factors for IES

Strategic Alignment
- Alignment with overall business strategy and clarity in vision for IES in the organization

Stakeholder Buy-In
- Commitment and governance from the leadership to ensure IES continues generating value for the business

Actively Facilitated Shift
- Culture, mindset and change management to ensure a smooth transition

Outcome-focused Approach
- Business outcomes are benchmarked, measured and tracked beyond service level agreements and productivity improvement

Partnership Model
- Build partnership model for end to end services with integrated teams, improved transparency and trust
Amid the industry’s current state of disruption and the critical energy transition looming ahead, energy companies need to redefine resilience, boost competitiveness and prepare for the sustainable energy future. Intelligent enterprise services is a critical enabler of each of these imperatives—and, by extension, the industry’s reinvention.

Companies seeking to take the IES journey can start by asking three essential questions:

- What are our key strategic objectives?
- What is our current IES maturity level?
- What does our current operating services model look like?

Once they have assessed the landscape, companies have four options to begin the IES journey, depending on the maturity level of the organization.

1. **Develop an Innovation Engine:**
   Leapfrog the existing captive enterprise center to deliver outcomes. Work with an ecosystem partner to provide process optimization and automation services and data and insights services.

2. **Co-source and Develop a Hybrid Model:**
   An ecosystem partner can manage a global hub automating transactional work and deploying analytics and AI.

3. **Adopt a Transferred Services Model:**
   A partner committed to productivity and business goals can own the setup, transition and run of managed services.

4. **Divest to a Partner:**
   Transfer delivery responsibility to an ecosystem partner, working together to identify and transfer committed new work into a delivery center.

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**Exhibit 12: Getting Started Now**

A 4-6 Week Approach to Launch the Intelligent Enterprise Services Transformation Journey

- **Step 1** Define vision and objectives for future of IES
- **Step 2** Perform data collection, benchmarking to set course
- **Step 3** Create solution and design the transition and transformation approach
- **Step 4** Establish business case and value realization plan
Speed to transformation depends on each organization. The more mature and ready to embrace change, the faster a company’s journey will occur. Companies mature in digital technologies (such as cloud, data analytics and AI), can benefit from a significantly accelerated journey to intelligent enterprise services. Companies at the start of their digital transformation, on the other hand, are able to couple these initiatives with intelligent enterprise services to leapfrog digital maturities.
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