INNOVATE TO OUTMANEUVER UNCERTAINTY

Accenture Technology Vision for SAP® Solutions 2020
When we published Accenture’s 2020 Technology Vision report back in February, the world was a very different place. Then, we identified a growing “tech-clash” in a world where technology had become omnipresent. People were using, enjoying and benefiting from technology. But they were becoming more concerned about how that technology was used, especially by organizations that hadn’t updated their business or technology models for years. People were advocating for change.

Then the COVID-19 pandemic hit. It transformed people’s lives at unprecedented scale, impacted every industry, and challenged enterprise ambitions for growth. And the crisis continues to force enterprises to develop new thinking and strategies to survive. Look at how companies in media and communications are witnessing an exponential surge in demand as entire populations shift online. Or the many industries in deep shock due to plummeting demand and supply chain instability, where it’s taking exceptional creativity just to keep the lights on.

The common thread across industries? The pandemic did not slow down innovation. In fact, it’s amplifying it to historic levels.

This year’s Technology Vision for SAP® solutions explores how enterprises can align their business to drive that innovation forward in an SAP context. It touches upon new ways of working that help enterprises increase resilience and agility. The pandemic has made the 2020 Technology Vision more relevant than ever. Opportunities that might have been expected years down the line are being massively accelerated, while previously slow-growing pain points are surfacing at dramatic speed. It’s critical that businesses think how to outmaneuver uncertainty, while also looking ahead to tomorrow, pursuing digital transformation and exploring how emerging technologies can meet people’s evolving needs.

We hope the trends identified in this report can help your organization set a course for success in this fast-changing, uncertain world we’re all living in.

We look forward to supporting you as you tackle immediate business challenges, innovate, invent and redefine your businesses more quickly than ever before.

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OUTMANEUVER UNCERTAINTY. EMERGE STRONGER.

The need for innovation is greater than ever. The global challenges we face are more disruptive than most of us will have ever experienced before.

With SAP’s industry-leading portfolio of solutions and Accenture’s combined industry, business function and technology expertise.

Companies can act quickly to outmaneuver uncertainty today, innovate for tomorrow, and come through the crisis stronger.
Today:

Keep workers safe and critical business functions running with trusted SAP solutions

The short-term need is to outmaneuver the global uncertainty created by the COVID-19 pandemic. The challenges are not spread equally across industries or businesses. Those organizations that bet on agility and resilience pre-crisis are coming out ahead.

For example, with 77 percent of the world’s transaction revenues touching an SAP system, SAP has taken it upon itself to create a unified business network that can bring end-to-end visibility, increased efficiency and enhanced collaboration across all supply chain processes (including design, planning, sourcing, procurement, manufacturing, logistics and asset operations). Using insights from real-time ERP, advanced analytics and successful networks solutions (such as the SAP® Ariba® Network, SAP Asset Intelligence Network, SAP Logistics Business Network and SAP Fieldglass solutions), SAP delivers collective intelligence through an open and interoperable business network. With more than US$3.3 trillion flowing through these business-to-business powerhouses, SAP helps enable sustainable and resilient supply chains, transform business models and provide the agility to safeguard against global disruptions.

Other examples include:

• To help maintain supply chain resilience in uncertain times, Accenture and SAP have developed Scenario Planning-as-a-Service that uses SAP Integrated Business Planning (IBP) and Accenture services.

• As finance needs the agility and resilience to move and respond rapidly to fast-changing circumstances, providing the financial insights, forecasts and planning capabilities are critical to an effective response. Accenture has developed resilient finance solutions for treasury and working capital forecasting, cost visibility, connected planning, and remote financial close management based on SAP technologies.

• To help organizations keep their people safe, Accenture has developed an application on top of SAP® SuccessFactors that tracks, reports, manages and analyzes COVID-19 incidents and alerts possible impacted workers.

• Accenture and SAP are helping organizations to get feedback from their workforce on their experience, morale, well-being and readiness. Accenture services with solutions such as Qualtrics® and SuccessFactors can help organizations to listen, understand and act on improving employee experience, and increasing workforce engagement and performance.

Tomorrow:

Use Accenture’s Technology Vision to navigate uncertainty and innovate for the future

The long-term challenge is to rebuild the business and recover growth when the worst of the pandemic is over. The full extent of COVID-19’s impact is not yet known. But already, it has been an extraordinary catalyst for change. We’ve seen that in this time of crisis people rely on digital technology more than ever. This is an opportunity for enterprises that play their cards wisely. By driving forward with digital transformation and exploring how emerging technologies can meet people’s changing needs, companies can open up new opportunities for the future.

That’s why it’s critical to understand how technologies and customers are changing, and what people are likely to want and need in the years to come. With that clarity, and with SAP solutions and technologies at the foundation of the enterprise, leaders can update their business, operating and technology models, engage their workforce, realign their business purpose with their customers’ values, and focus on the innovation needed to rebuild, rebound and emerge stronger from the challenges of the pandemic.
Four trends for the next four years

Here are four technology trends that will change your business over the next four years – and how new SAP solutions and technologies can help you outmaneuver uncertainty and innovate for the future.

The I in experience: Helping people choose their own adventure

What’s happening?
The pandemic is further elevating the role and importance of digital experiences in people’s lives.

What’s the response?
Understand customer needs, design experiences that work for them and engage on their terms to co-create value with Qualtrics and SAP Customer Data Cloud.

AI and ME: Re-examine the business through human and AI collaboration

What’s happening?
Artificial intelligence (AI) is becoming even more important to enterprises in augmenting the workforce and making the business work smarter.

What’s the response?
Build on existing process automation (RPA) and chatbot initiatives. Start doing more with predictive analytics, context-based AI and conversational AI in areas such as prediction, simulation and situation handling.

The dilemma of smart things: Overcome the “beta burden”

What’s happening?
COVID-19 is even more increasing our need for smart and updateable products and services, which have great public health potential. But constant change needs to be managed well.

What’s the response?
As products shift to services and experiences, ensure you have the agility needed to provide or consume a rapidly changing set of services. Look to create deeper integration between SAP and other systems to understand and respond to customer needs in real time while ensuring transparency and trust.

Innovation DNA: Create an engine for continuous innovation

What’s happening?
In the post-pandemic era, comprehensive ongoing innovation will remain a business imperative.

What’s the response?
Continue to focus on innovation at all levels, using a culture of experimentation to create great ideas. Put them into practice with scalable, measurable and relevant solutions to business problems.
HELPING PEOPLE CHOOSE THEIR OWN ADVENTURE
When the entire world goes digital, experience becomes the defining differentiator. And in a post-pandemic society, digital experience takes on an even more elevated role. At the same time, customers have much higher expectations of the level of personalization those experiences should deliver.

The best way to deliver true personalization? More and more, it’s about cooperation. Accenture has identified a growing trend—“the I in Experience”—for companies collaborating with their customers to create “cooperative experiences”. This is about much more than just customizing for demographics. It’s about becoming a collaborative partner in experience, not just a provider of it. It’s about seeing customers as individuals and allowing them to truly shape their own experiences. To do this well, companies need to take on a different role—not just selling or providing a product or service, but understanding how to use customer behaviour and interactions to create genuinely “personal” experiences. The key is to emphasize personal agency. That means, for example, understanding when to make things seamless and invisible for users, and when to step back and give them the control.

Enterprises can get a head start on this by using Qualtrics solutions to drive insight-powered customer engagements, combining experience data (X-data) with operational data (O-data, like costs, revenues and sales). They can then operationalize the insights with SAP Customer Data Cloud and deliver contextual experiences with SAP Commerce Cloud and intelligent technologies through SAP Cloud Platform.

Helping people choose their own adventure

Enterprises can get a head start on this by using Qualtrics solutions to drive insight-powered customer engagements, combining experience data (X-data) with operational data (O-data, like costs, revenues and sales). They can then operationalize the insights with SAP Customer Data Cloud and deliver contextual experiences with SAP Commerce Cloud and intelligent technologies through SAP Cloud Platform.
Understand my needs and design my experiences

People want customized experiences. But they don’t want those experiences to be overly determined without their say so. They’re asking businesses to be their partners: working with them to create experiences, helping them reach their goals and letting them change things when companies get it wrong.

For enterprises, this is an exciting new opportunity. More than just creating a personalized touchpoint for their customers, they can begin building long-term partnerships and fostering stronger customer loyalty. But it means sharing control and power in the relationship. It’s a new model—cooperative experiences—and it’s based around customer agency. Giving customers the ability to make relevant choices that inform their experiences will turn passive audiences into active participants. It will increase engagement and let businesses sidestep many of the hurdles that are holding back their customization initiatives. This way, experience is transformed from a one-way street to a dynamic and responsive collaboration.

Organizations can leverage experience management platforms like Qualtrics to drive insight-powered customer engagements based on combined X-data and O-data. By collecting experience data at every meaningful touchpoint, they can analyze and understand where the gaps in their experiences are, and use that insight to design the products, services and features their customers expect. They can hear and understand what every customer is telling them ‘in the moment’ across multiple channels and in real time. They can quickly get rich product feedback and shorten development cycles to drive up usage and loyalty. Finally, they can create real-time, closed-loop engagements where insight leads to immediate action.

Engage on my terms

Cooperative experiences promise incredible value to organizations. But to be actively engaged in customers’ everyday lives, organizations need to be able to hear what they’re saying, interpret their needs, implement change quickly and iterate again in an agile-like way. From product and service features to promotions and sales channels, and from onboarding to product usage, customers want to be able to influence how their experience is personalized. Enterprises must therefore reposition themselves as trusted guides and active enablers of that process.

SAP Customer Data Cloud provides the core set of capabilities to enable trusting and cooperative relationships. This includes managing customer consent, giving individuals control over the information they share and securing customer identity across multiple platforms. With SAP Customer Data Cloud, organizations can understand every individual holistically, with a single and unified customer profile, while complying with numerous different regulations. They can share data across marketing, commerce, sales and service to create personalized, consistent and engaging customer experiences.
Co-create value

As companies develop these new co-operative experiences, they also need to think strategically about onboarding customers. With so many possibilities, people can struggle to understand where to get started. Organizations are starting to provide more dynamic environments that provide immersive ways for customers to participate in co-creation.

SAP Customer Data Cloud helps organizations operationalize insights, while SAP Commerce Cloud and SAP Intelligent Technologies help deliver contextual experiences. SAP Commerce Cloud is a commerce platform that includes product content management, experience management, personalization and order management. The platform helps enable omnichannel commerce to engage and transact with customers. It also helps build context-driven customer experiences using real-time intelligent segmentation, personalization, remarketing and merchandising. It can create end-to-end visibility and lead to faster and better-quality decision making. It can fulfill orders and deliver on returns by combining product information with experience data. It can integrate natively with other SAP applications and technologies such as SAP S/4HANA®, SAP Cloud Platform as well as intelligent technologies (such as IoT, augmented/virtual reality, blockchain or machine learning) to deliver an end-to-end personalized omnichannel experience.

How can enterprises build stronger relationships via experience management?

- **Update personalization strategies to keep pace with the changing needs of people and employees**

  Businesses need a way to quickly update their understanding of individuals’ wants and needs. The enterprises that give people the agency to steer their own digital experiences will be the first to understand how those expectations are changing. Qualtrics and SAP Customer Data Cloud are key to this, offering the ability to get to the heart of what every employee and customer is thinking about the company.

- **Plan for a long-term repurposed digital experience**

  Most digital platforms and experiences were originally designed to supplement, not replace, person-to-person experiences. Now, they’re becoming many people’s primary source of interaction. Demand is soaring for truly shared digital experiences and digital communities. To support this, companies will need to develop a stronger relationship with their technology services providers and ensure they can start offering products and services that cater to changing customer demand.
REIMAGINE THE BUSINESS THROUGH HUMAN AND AI COLLABORATION
Reimagine the business through human and AI collaboration

Businesses today are realizing only a fraction of their AI potential. So far, companies have mostly plugged AI and other digital technologies into their existing workflows, focusing on automation and faster, more cost-effective execution. But AI has proved it can do much more than this, especially in collaboration with human teams. Consider, for example, the importance of AI systems in powering chatbots that help health providers screen and triage patients, or how they’ve been enabling the rapid reconfiguration of supply chains impacted by COVID-19.

In our new post-pandemic reality, there are many opportunities to enhance the business through human/AI collaboration. Retailers, for example, will need more creative ways of showcasing inventory, displaying content, personalizing offers, and driving user engagement with exceptional experiences on digital channels.

Likewise, in education, a shift in learning towards virtual classrooms will require online course providers to provide personalized learning recommendations.

To foster this enhanced human and AI collaboration, businesses will need to master tools that unlock new and more intuitive interactions between people and machines. Examples would be natural language processing, explainable AI and extended reality (XR).

For many SAP clients, AI is already rapidly becoming mainstream through robotic process automation (RPA) and chatbots. However, leaders are exploring more advanced use cases for predictive analytics, context-based AI and conversational AI in areas such as prediction, simulation and situation handling.

Figure 2: AI and ME in an SAP context
Conversational AI

People’s expectations of AI are changing fast. Demand is shifting toward more natural conversational interactions, infused with intelligence, and away from traditional bot-like experiences. The same is true in the workplace, as people come to expect the same level of digital simplicity in business interactions that they get as consumers. Using conversational AI, businesses can make systems and data much more accessible, provide faster responses, and, most importantly, create seamless user experiences across platforms.

At the core of conversational AI is machine learning. This is a field SAP is actively researching, including applying the idea of digital assistants (such as Siri or Alexa) in a business context. SAP Conversational AI, which includes SAP CoPilot, allows companies to create conversational user interfaces for customers, employees and partners alike. This can help seamlessly bring together disjointed business processes.

Context-based AI

Context-based AI takes intelligence one step further. This is a human-centered view of and approach to AI. It aims to create interactions that adapt (or can be adapted by the user) based on the context. Thus, context-based AI should be able to explain itself, run differently depending on its environment, be adaptable and customizable, and perceive the user’s situation to reason properly in each interaction.

SAP, supported by partners such as Accenture, is working on a future beyond conversational AI. In it, digital assistants will learn from user input, and will understand current context and previous experience to predict what a user most likely wants to do next. That means more relevant information—such as contracts that have been agreed with a supplier or a list of relevant company contacts—can be presented proactively in a clear overview, including information that might otherwise have been overlooked without the help of SAP CoPilot.

Imagine, for example, extending an equipment failure detection system enabled by IoT sensors with more contextual understanding. If multiple failures happen in sequence, context-based AI working with an integrated SAP system could help understand the bigger picture. Why are multiple machines failing in sequence? Could that be a power failure in a substation? Or maybe a voltage variation? Rather than simply pointing out an issue, the core SAP system could then make suggestions such as shutting down the power station and solving the root cause of the failure.
**The autonomous enterprise**

Once enterprises enable the full scope of human-AI collaboration, they give themselves the opportunity to really start employing AI as an agent of change. Future competitive advantage won’t be about finding a faster way to do what’s already being done. Rather, it will be about creating an autonomous enterprise that can rapidly and continuously adapt to change. It will be about using AI to keep rethinking and rebuilding the business, everything from the way the organization is structured, to the way work gets done, to the value created.

Autonomous enterprises powered by SAP intelligent technologies and solutions will support widespread human-machine collaboration in decision making. A blend of quality data and trained data science models will enable faster, better and more confident decisions—in everything from everyday tactical decisions right through to big strategic enterprise-wide decisions.

Take power line operations, for example. Here, machine learning algorithms can automatically detect failure in power lines and investigate the cause by inspecting images taken from a drone. The likely cause and suggested remedial action can then be presented for approval by human team members. This goes beyond simple failure detection, with AI beginning to provide root cause analysis, helping to significantly increase decision making power and reduce human operator workload.

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**How can SAP customers use AI and automation to rebuild and recover?**

- **The short-term need for AI is clear: workforces need help**
  
  With many companies facing enormous challenges getting through tough times, they can use AI to help get the work done, as well as rethink how the business operates.

  Many organizations are managing recalibrated staff numbers and new distancing rules, while also facing the ongoing economic effects of the pandemic. AI can help automate more activities, as well as helping the workforce ideate new solutions and build a more flexible organization. This can ease the burden of operating in a post-COVID world by helping enterprises pivot in response to change.

  For example: use SAP Conversational AI to accelerate automation today.

- **The long-term need is to show the value in scaling up human-AI collaboration**

  Demonstrable success in helping manage the COVID-19 pandemic could potentially ease people’s concerns about AI.

  A 2019 global Accenture study found that one of the top roadblocks to scaling AI is a lack of employee adoption. The pandemic has the potential to help the workforce overcome this. The immediate AI use cases—from virtual healthcare assistants, to AI-powered thermal cameras for fever detection, to managing changing demands—are paving the way for other opportunities to harness AI technologies and reinvent how businesses operate and people work.

  Use this period to start a conversation about your organization’s aspirations for future human-machine collaboration.
The Dilemma of Smart Things

OVERCOME THE “BETA BURDEN”
**Overcome the “Beta Burden”**

COVID-19 is increasing the need for smart and updateable products and services, and especially those with high public health potential. Already, for example, the SAP app store has over 45 products that extend the functionality of existing solutions to help organizations and their employees manage the effects of the pandemic. Built with the SAP stack, these products cover everything from employee safety, engagement and retention to asset security, driver safety and customer satisfaction.

Long before this crisis, however, the relevance of traditional concepts of ownership and service was being challenged. New strategies and operating models were being developed to support constantly evolving products over their whole lifecycles. Increasingly, manufacturers were designing updateable products, expanding into services and experiences and even developing the ability to respond to changing customer demands and expectations at a moment’s notice.

This trend will step up a gear in the post-pandemic environment. Customer demand, in particular, remains highly variable, making agility in product design and rapid adaptation of services more important than ever.

SAP customers will need to develop agility in providing (and consuming) products and services that are continually changing. As products shift to experiences, they’ll need to integrate their SAP and other systems more deeply to understand customer experiences in real time and react accordingly. And they’ll need to do all this while ensuring high levels of transparency and trust.

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**Products as “beta burden”**  
Companies need to manage the impact of products and services that are continually in flux:  
- Create an engine for continuous innovation with digital continuity across the whole product lifecycle  
- Develop new smart products infused with intelligence

**Products as services**  
To support emerging business models:  
- Measure and monitor customer experience  
- Monitor product performance to determine the need for service and upgrades  
- Anticipate and execute services to enrich customer experiences and enable seamless integration with service and billing functions

**Fostering data trust**  
Develop secure methods to share potentially sensitive data across applications, as well as across complex ecosystems with multiple partners and numerous datasets
Products as “beta burden”

Our Technology Vision 2020 survey\(^*\) found 79 percent of executives believe their industry is moving toward more variety in ownership models for connected products and services. As these ownership and consumption models change, organizations need to find ways of managing the “beta burden”. That is, the impact on their organizations both as consumers and producers of products and services that are continually in flux.

To do that, organizations need to be agile and responsive to change. They should strive for digital continuity across processes (from research, to manufacturing, fulfilment and warranty) to create an end-to-end digital workflow in which all systems and platforms work and communicate with each other seamlessly. This digital continuity can be used to create new business models that put the user at the center of the discussion. It can also provide the agility needed to overcome demand variability and cater to new service requirements.

For SAP customers, digital continuity starts with building an end-to-end architecture to cover the entire product lifecycle, based on SAP and complementary solutions. For example, SAP S/4HANA Manufacturing for Production Engineering and Operations (PEO) helps create digital continuity by modelling the production process from design to operate. Then, as more digital assets are created to accurately visualize complex processes and deliver tailored services and maintenance, SAP Intelligent Asset Management cloud solutions (developed together with Accenture) can enhance those assets with real-time customer feedback or machine data. This means services can be quickly adapted to rapidly changing situations based on real data. That’s vital in scenarios like needing to decrease asset usage during a pandemic or increasing safe social distancing in the workplace.

Products as services

Once, what you bought was what you got. Now, it’s different. The nature of ownership is changing. Digital services are being wrapped around products. Under these emerging business models, the value of the exchange becomes less about purchasing the physical asset, and more about the ongoing overall physical/digital experience, which the manufacturer is responsible for delivering over the entire product lifecycle. The catch? Many companies today lack the tools and capabilities to make experience the central lever in their customer satisfaction and retention strategies. Even fewer possess the ability to measure customer experiences and act on them at speed.

SAP Intelligent Asset Management solutions can monitor assets holistically and initiate predictive maintenance services. Together with the SAP “intelligent supply chain for assets” initiative\(^\text{10}\), the combined solution integrates demand, maintenance and supply planning while optimizing the performance of maintenance teams in the field. Additionally, SAP Cloud Platform allows companies to integrate processes and data between cloud, third-party and on-premises applications. SAP, supported by partners such as Accenture, wants to go further and build a new paradigm in customer experience with new and existing SAP assets. For example, SAP and Accenture’s Supply Chain planning (SAP IBP) as a Service can help companies in need of a planning optimization and simulation capability to deal with disrupted supply chains. As another example, SAP Entitlement Management\(^\text{11}\)—co-developed with Accenture—helps companies quickly and easily create, build and scale new as-a-Service business models by managing contract rights, subscriptions, content assurance programs and professional services agreements.
Fostering data trust

We described in our 2019 Technology Vision how trust is a key currency in the post-digital era. Becoming a trusted provider in a world with ubiquitous smart devices is the next frontier of differentiation. With the delivery of business outcomes more and more dependent on growing partner ecosystems, enterprises must share business data more widely (with the necessary consent). As such, data security, confidentiality and privacy all become paramount, especially for sensitive business and consumer information. Operationally, this means extending security controls across applications within the enterprise, as well as across whole ecosystems including multiple partners and numerous datasets.

SAP customers could use services such as the SAP Cloud Platform enterprise blockchain service to integrate various external parties and distributed ledger technologies, ensuring every partner and data controller is synchronized and encrypted. Moreover, the growing number of APIs being developed by SAP can help manage the secure sharing of data with external applications. This enables the modern “modular” enterprise to keep a relatively small digital core that shares data via APIs with multiple cloud applications as needed.

How can SAP customers realize the full potential of smart and connected products and services?

• In the short term, use smart and updatable devices in the fight against COVID-19

Helping the workforce and their extended communities manage the challenges created by the pandemic is the clear priority for enterprises right now.

Automated devices have been rapidly updated or repurposed for COVID-19 and used for enforcing safe distancing in public spaces, dispensing hand sanitizer, and other purposes. Sometimes controversial in the past, these kinds of automated device are much more welcome in the context of COVID-19.

• In the long term, focus on data trust. As the pandemic eases, the current willingness to share data may lessen

In fact, using mobile devices to track COVID-19 is sparking conversations about privacy, with many people worried how the health-related data they provide might be used against them in the future.

Enterprises need to think about how to introduce new features without overstepping on data trust. Those that go too far will find the benefits are short-lived.
CREATE AN ENGINE FOR CONTINUOUS INNOVATION
Create an engine for continuous innovation

In the post-pandemic rebound, innovation will be the key business imperative. Our 2020 Technology Vision survey shows over three-quarters of executives (76 percent) believe the stakes for innovation have never been higher, and that getting it right will require new ways of innovating with ecosystem partners and third-party organizations. Over half (56 percent) believe rapid advances in new technologies and scientific innovations are poised to disrupt their industries. The COVID-19 pandemic has now shifted the pace of innovation by several orders of magnitude.

The big challenge for enterprises is managing continuous innovation and experimentation across a range of different technologies—and doing it at scale. This is about building an “innovation DNA” for the enterprise, taking the various technology building blocks, combining them, experimenting with them, exploring their potential, and building a culture and ecosystem that supports rapid innovation.

SAP customers are increasingly focused on innovation, whether incremental, breakthrough, or truly disruptive. They’re taking innovation beyond ideas and putting it into action with a culture of experimentation. They’re creating value by building scalable, measurable and relevant solutions to business problems.

Innovation DNA

**WHAT?**

- **Leveraging fundamental technology building blocks**
  - Innovation DNA is made up of three building blocks:
    - Maturing digital technology
    - Scientific advances that push the boundaries of industries and inspire change
    - Emerging DARQ technologies that are poised to scale rapidly

- **Creating a culture of innovation**
  - Use the fundamental technology building blocks to create an engine for constant innovation
  - Accelerate the discovery process by forging new partnerships, fueling experimentation and building a culture and ecosystem that will drive disruption at scale

- **Dedicated innovation spaces to explore the “next new”**
  - Build innovation hubs, centers of excellence, and co-innovation partnerships to ensure a constant injection of new skills, technologies and ideas

**HOW?**

- **Use SAP’s innovation and digital technologies to:**
  - Deploy the latest technologies at scale with Platform-as-a-Service (PaaS) and Software-as-a-Service (SaaS) in the cloud
  - Test, deploy and scale DARQ technologies on the SAP platform

- **Embed innovation at every stage of product/services lifecycles:**
  - Follow the 12 innovation rituals adapted to SAP projects
  - Use Accenture’s library of more than 170 intelligent applications
  - Tap into Accenture Venture’s network of vetted start-ups

- **Leverage fundamental technology building blocks**
  - Use Accenture’s Innovation Hubs and Innovation Centers to accelerate innovation
  - Leverage Accenture’s co-developed applications and quantum computing research

Figure 4: Innovation DNA in an SAP context
Leveraging fundamental technology building blocks

Companies, like humans, are all unique. Each relies on a “code” that determines how it will grow. For humans, that’s DNA, which stacks chemical building blocks together to make each person who they are. Similarly, a company’s “innovation DNA” can be thought of as a series of technology building blocks. Leaders are weaving these blocks together to build their own innovation DNA and create a culture that drives business transformation.

The three building blocks of innovation DNA are:

- Maturing and commoditizing digital technology that is becoming ever more accessible.
- Scientific advances that push the boundaries of industries and inspire change.
- Emerging DARQ technologies (distributed ledgers, artificial intelligence, extended reality and quantum computing) that are poised to scale rapidly.

SAP customers can benefit from innovations and digital technologies in SAP’s solution stack, underpinned by SAP S/4HANA and integrated with other systems and applications through SAP Cloud Platform. They can deploy the latest technologies at scale with Platform-as-a-Service (PaaS) and Software-as-a-Service (SaaS) in the cloud. DARQ technologies on the SAP platform can be rapidly tested and deployed without worrying about integration with other SAP solutions.

How can SAP customers innovate at speed?

• Short term, the pandemic is putting ecosystems through an innovation stress test

Whether they’re helping companies adapt to volatile demand changes or simply keeping the lights on during the pandemic, the technologies, partnerships, products, and services that enterprises are building today have the potential to last long after the crisis, defining the business and technology landscape for years to come.

Consider how SAP UK asked partners such as Accenture to join a social collaboration to develop tangible and sustainable solutions to the COVID-19 challenges faced by the UK’s National Health Service and other key workers. The solutions were required to operate on SAP technology and demonstrate an embedded maturity, so they could be launched at the speed needed to meet urgent demand.

• Long term, the rules around innovation will never be the same

The world is changing faster than anyone previously expected. Businesses need to be more flexible and more innovative than ever. COVID-19 will likely lead to new innovation strategies and partnerships to help outmaneuver uncertainty during the crisis. These will continue to be valuable long into the future. With agile and resilient organizations, plus an innovation DNA at the core, SAP customers will be well positioned to meet new customer needs and build new capabilities faster than ever before.
Creating a culture of innovation

Leaders use these technology building blocks to create an engine for constant innovation. They accelerate the discovery process by forging new partnerships, fuelling experimentation and building a culture and ecosystem, reinforced with strong governance, capable of transforming great ideas into disruption at scale.

SAP customers can follow the 12 innovation governance rituals (see Figure 5) adapted to SAP projects. These range across the whole innovation cycle, from inspiration, through ideation and experimentation, to scaling up. Accenture helps clients on their SAP innovation journeys by assessing their current innovation maturity (from project-specific to organization-wide), building an innovation growth agenda and reimagining what’s possible with design thinking.

Clients with unique innovation needs or aspirations that go beyond standard SAP functionality can use Accenture’s rich library of more than 170 intelligent applications that use DARQ technologies and more. Clients can also connect with Accenture Ventures’ network of vetted start-ups to accelerate this process.

Look at how Heineken implemented its “Heineken HR Brewhouse” innovation competition, in partnership with Accenture and The Next Web (TNW). This competition called on start-ups and technology innovators to submit their solutions to Heineken’s pre-identified human resources challenges. Accenture supported this first-of-a-kind innovation approach for Heineken by helping source startup applicants, supporting the review of applications and validating the 12 finalists. Now, Accenture is helping Heineken conduct four pilots to scale the winning solutions across its Asia Pacific companies.

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As part of Accenture’s innovation survey, we examined governance rituals across four stages of innovation:

**Inspiration**
- **01.** Put innovation at the center of corporate strategy.
- **02.** Actively communicate the innovation agenda to employees and the investor community.
- **03.** Actively build a culture of innovation.

**Ideation**
- **04.** Everyone generates ideas to improve existing offerings.
- **05.** A diverse team of experts generates ideas for brand new offerings.
- **06.** Identify disruptive ideas with the help of tech partners.

**Experimentation**
- **07.** Experimentation investments are made as part of the budgeting lifecycle.
- **08.** Experimentation investments are funded gradually.
- **09.** Experiments are conducted by an innovation lab/digital factory.

**Scaling**
- **10.** Scale with technology partners.
- **11.** Scale with talent partners.
- **12.** Scale through an innovation lab/digital factory.

Figure 5: 12 Innovation governance rituals
Dedicated innovation spaces to explore the “next new”

Using the innovation technology building blocks can’t simply be a box-checking exercise. Nor can innovation be treated as an incremental effort. Enterprises must design capabilities and governance structures to make innovation an ongoing practice throughout the organization and ensure a constant injection of new skills, technologies and ideas. Innovation hubs, centers of excellence, co-innovation venture-backed partnerships, academic research engagements and relationships with other organizations are some of the ways successful companies do this.

Through Accenture’s global network of Innovation Hubs, SAP customers can accelerate their innovation initiatives backed by Accenture’s innovation architecture. This architecture comprises co-developed applications with SAP and the Accenture Labs and Liquid Studio, as well as research into emerging areas. That includes Accenture’s quantum box that helps to explore value-generating use cases for applying quantum computing in an SAP landscape.

Accenture’s Industry X Innovation Center in Modena is another example of joint innovation. It provides manufacturers with a hands-on environment to transform operational efficiency, deliver new business outcomes, and develop creative business models enabled by connected digital technologies, industry innovation and collaborative ecosystems. One of the applications in the center is a connected asset system on SAP Cloud Platform for monitoring machine data, measuring performance in real time, planning maintenance and predicting possible malfunctions.

Conclusion

COVID-19 has made the trends we set out in our 2020 Technology Vision more relevant and more urgent than ever.

The pandemic has accelerated change to a degree no-one could have realistically predicted. Opportunities that businesses might have expected years down the line are suddenly upon us. Pain points that were previously slow growing and seemingly manageable are being pushed to the surface. People are depending on technology more than ever. How quickly and how responsibly enterprises deploy that technology matters more than ever too.

This is an unprecedented time. The future is uncertain and fast-changing. The four trends we set out in this paper provide a roadmap for navigating that uncertainty.

To survive and thrive, organizations will need to innovate, invent, and redefine themselves for a new era. We’re here to help.
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