

# accenture

# BEYOND 2021

## VIDEO TRANSCRIPT

(VALENTIN)

01:26 Higher, faster, shinier, louder may attract a lot of attention.

06:09 But when it comes to companies that get ahead, stay ahead and create real value in the long run, we need to look at the changing nature of corporate transformation.

01:45 In the 12 months following the COVID-19 outbreak, many companies across the Asia Pacific, Latin America, the Middle East and South Africa have seen significant growth in their market capitalizations.

01:57 These increases reflect investors' confidence in the companies' ability to accelerate out of crisis. But if you delve deeper, Accenture's research found a critical warning sign. An unusual, widespread disparity between market cap and revenue growth. We call this phenomenon the "growth-speed challenge". And we're seeing this in 10 out of 15 industries we studied.

(VEDRANA)

20:34 Here's some perspective.

In the three years prior to the pandemic, market capitalization grew an average of nearly 10%, with revenue growing an average 7% across more than 1,300 companies we studied.

20:48 However, by early 2021, the situation changed. Average market cap growth across the group was close to 24%. Expected revenue growth, on the other hand, is just a fraction of that, at 6.4%.

17:31 Why is this important? Because the longer this growth-speed challenge persists, the less time there will be for companies to fortify the fundamentals of their business before investors start to question their ability to compete successfully, in a very different, post-pandemic world.

21:25 That said, we've found that a small group of companies has averted the growth-speed challenge. They're growing their revenues in tandem with the gains in their market cap, and they enjoy stronger prospects for accelerating past their competitors.

(VALENTIN)

12:10 So, what are they doing differently?

07:40 This small group of companies is embracing a change agenda underpinned by 4 priorities that we refer to as "RICE", for Responsible, Intelligent, Customized and Expandable.

07:57 "Responsible" refers to change that strengthens environmental stewardship and fosters positive societal impact.

This includes actions such as bringing manufacturing closer to the point of end consumption, or conducting business based on a strong code of ethics.

08:34 "Intelligent" is about change that is innovation-accretive.

It includes smart teaming, bringing data scientists to collaborate with front-end functions, as well as leveraging data analytics and Artificial Intelligence at scale to make timely and informed decisions.

(VEDRANA)

21:44 "C" is for "Customized" and refers to change that creates more connected and meaningful human experiences.

22:15 South Korea-based Kia is an example. The car manufacturer established a partnership with MIT Media Lab to develop a system for Real-time Emotion Adaptive Driving.

27:59 Imagine a car that adjusts to your moods. I like that.

22:27 This system personalizes the driver's cabin space by controlling various vehicle functions, including light, sound, cabin temperature, seat vibration and even scent.

23:17 "Expandable" is about change that propels new business creation, on new foundations, forming new ecosystem partnerships based on "shared values", such as airlines partnering with vertical farms to create healthier in-flight meals.



(VALENTIN)

14:20 We found that the top-performing companies in our study placed greater focus on the “RICE” priorities and these companies have higher revenue growth projections for 2021 and beyond.

04:24 The top performers registered 4.5% revenue growth in 2020, compared to the bottom performers who saw their revenues tumble 8.7%.

05:12 And these same top performers expect to bounce forward in 2021 with revenue increase of 18%, while the bottom performers are expected to log much lower revenue growth.

(VEDRANA)

24:01 In the years to come, differentiated success will be determined by how well companies execute on a differentiated change agenda.

29:04 Reverting to pre-pandemic habits of incremental improvements and punctuated transformation will not yield durable results.

TAKE 8

(VALENTIN)

15:53 The numbers tell the story. When a company focuses on change that prioritizes environmental and societal impact, employee empowerment, customers’ wellbeing and new business foundations, like leveraging data analytics and AI, it’s more likely to drive superior performance.

(SOUNDTRACK)

16:07 These are the conditions for getting ahead and staying ahead, well Beyond 2021.