



DIGITAL FRAGMENTATION. ADAPT TO SUCCEED IN A FRAGMENTED WORLD.

VIDEO TRANSCRIPT

Armen Ovanessoff—Principal Director, Accenture Research

The commonality between all these trends is they increasingly obstruct the free flows of products, services, of people and of data across borders, and if you think about it, those free flows form the foundation of global business models as we know them.

Things like analytic services, cloud services, the Internet of Things, these all rely on rapid and unobstructed flows of data—between people, between machines, across borders, and so if you are obstructing those, you are really bringing into question the progress of the digital kind of business models.

These trends have really been building for several years, but they have converged at the end of 2016 to really cause a tipping point.

Yes, the political aspects get all the media limelight, but really, we need to have a far deeper discussion about the serious business implications.

And, in fact, when we asked our CIOs and CTOs, they said that one of the most vulnerable

areas in their business to this is new digital business models.

Nearly ninety percent of the people we interviewed said that this is a serious issue for their business. Eighty percent are already discussing it at board level in their strategic planning. I actually expect that proportion to be higher since we asked them. Eighty-six percent say that their IT strategies and systems are vulnerable to these obstructed flows. Most of them are already reorganizing their global IT architectures, for example.

Let me leave you with one statistic. Three-quarters of the CIOs and CTOs that we interviewed said it is likely that they will exit a geographic market or delay market entry or abandon market entry completely. So, we are talking about very serious business issues that have to be discussed far more broadly.