Survive and thrive in the transformation journey
Relentless change is the new normal. And digital technologies are redefining the way the world works and lives.

Business and government leaders must transform their organizations to ensure relevance, efficiency and competitive advantage. Technology is increasingly indivisible from the business, and frictionless interactions, pace and security must be the everyday currency.

The need to adopt a bold transformation mindset is now a well-established imperative, but the path from transformational vision to enduring enterprise value is less certain. Consider that 151 of the Fortune 500 from 2010 have disappeared because of their inability to adopt and transform.

How will your organization survive and thrive in this environment?
Survive and thrive in a transformation environment

Accenture research shows that most organizations are struggling to meet the challenges of transformation and achieve improved outcomes. Many of our clients have a target vision of what they need to transform, but they don’t always know the best path because the journey is complex and requires a management methodology that doesn’t exist in traditional corporate structures.

The transformation journey also has a host of common landmines:

- Competing priorities across business functions
- Simultaneously balancing business as usual and transformation
- Inability to act in an agile manner and scale new businesses quickly
- Mismatch between workforce capabilities and new business requirements
- Increased cybersecurity threats
- Less than expected business value from the changes.

75% of businesses do not feel confident in their ability to execute transformation.¹

79% of businesses admit that their organization is adopting emerging technologies faster than they can address related cybersecurity issues.²

60% of companies have not achieved expected financial high performance.³

45% see Benefits Realization as the most troublesome processes to embed.⁴

1. Progress Publications 2017
3. Accenture Digital Strategy 2017
4. CEO Digital, 2017
Our experience shows that those who thrive in the transformation journey exhibit these common characteristics. They:

1. Accept that continuous change is a given.
2. Are adept at figuring out how to extract greater value from their existing business or organization to free up investment to fund developing the NEW.
3. Align business and technology vision and agendas.
4. Organize their transformation efforts across the organization and rigorously track results and value delivered.
5. Are unafraid of making course corrections as needed along the way.

Let’s consider each of these.

33%
The average schedule overrun for projects involving software

– CEO Digital, 2017
1

Embrace continuous change
We no longer see “long waves” in technology adoption. Incremental innovation—even if successful—will not guarantee survival.

What makes this point in time different is the host of new technologies that are simultaneously maturing to enable new business models and improve customer experiences (see Figure 1). The battleground for customer affections centers on providing a personalized, convenient and well-curated experience—whenever and wherever customers desire. A strong product or service alone is unlikely to be enough.

At the same time innovations within process automation, applied intelligence, distributed ledgers (such as blockchain), extended reality and quantum computing are structurally altering expectations on productivity and operating cost. Leaders who accept these realities will embrace continuous change as the new business reality and build it into their operational model.
Figure 1: Increasing rate of technology change

- **1784**: Mechanical Loom
  - Water and steam powered mechanical manufacturing facilities

- **1800**: Production Line
  - Electrically-powered mass production based on the division of labor

- **1969**: Programmable Controller
  - Use of IT to achieve further automation of manufacturing

- **1977**: 1st PC

- **1989**: WWW

- **1994**: Buying online
- **1998**: Search
- **1999**: Organizational Tools

- **2000**: 1st Smart Phone
- **2002**: Android
- **2004**: Social Networking
- **2007**: IBM Deep Blue
- **2010**: 1st Tablet
- **2014**: Blockchain
- **2016**: IoT/Smart Machine

**Digital Innovations**

Source: Accenture Research

**Source:** Accenture Research
Client example

Accenture collaborated with a global quick-service restaurant group to help them transform their business to reflect changing customer behavior and deliver a great experience across multiple channels. The program defined and implemented a new operating model that was built from the ground up to drive a seamless multi-channel experience and be highly personalized. The scale of the ambition required new ways of working and a new approach to technology enablement. Accenture helped create a new digital business unit to design, build and launch new products to the market in record speed, including the development of a new loyalty program for North America—which was activated simultaneously at 27,000 restaurant locations. Digital channels have realized a 24 percent lift in average order value and five million new loyalty members signed up in the first nine months.

50% of customers are demanding hyper-personalization

80% of business processes and products will be reinvented, digitalized or eliminated using information by 2020

72% of executives report that blockchain and smart contracts will be critical to their organizations over the next three years

Source: Accenture Technology Vision 2018
Optimize the existing business to support the NEW
The transformation journey involves an ongoing pursuit of the NEW—new technologies, value propositions, revenue streams, industry or demographic trends, skills and ecosystem partners.

To deliver this transformation in a sustainable way, leaders need to optimize their core business to free up investment to support the progressive “wise pivot” to the higher growth and value dimensions of the business (see Figure 2).

Accenture, in re-positioning itself for its own digital transformation, pursued a strategy to better leverage technology to fundamentally change our operating model, build new businesses and skills required to help shape the digital market, and aggressively acquire businesses that would complement and quickly grow our digital presence in the marketplace. One result: we are now one of the leading global digital marketing agencies in the world—an unthinkable concept for the company even 10 years ago.

**SUCCESS COMES FROM TRANSFORMING THE EXISTING BUSINESS WHILE INNOVATING AND SCALING THE NEW.**
Align the business and technology vision and agendas
Effective leaders align and prioritize their resources to business objectives. Now, they must also seek a closer alignment with IT to position themselves to make the wise pivot.

To reposition IT as a transformation engine, the IT function will need to be reimagined and elevated to a strategic core business function. This means changing how IT engages with the business. Accenture calls this foundational approach the “New IT.”

New IT is a different way of conceiving, designing and deploying technology across an enterprise. New IT helps unlock unrealized streams of business value by optimizing an organization’s current IT estate while simultaneously innovating with new technologies such as automation, cloud, artificial intelligence and advanced algorithmic analytics, extended reality, Internet of Things or blockchain.

When you approach technology strategically, its core objective becomes creating business value—from the boardroom to the back-office, and from the employee to the customer experience. Technology leaders who embrace the New IT philosophy will gain new metrics that tie technology directly to business objectives and measure their real impact on business value.

A tighter integration between the business and technology agendas will enable organizations to look for opportunities to create new business models, transform experiences and industrialize operations more quickly and efficiently.
Organize your transformation—from vision to value
Many organizations are succeeding in incremental innovation but failing in organizational transformation, and thus are not achieving sustained competitive advantage or new sources of value.

When digital technologies were limited to creating value-added user experiences, companies could afford to learn as they go and slowly build incremental value. Now that digital technologies are at the core of how business works, organizations must quickly determine the right technologies, processes, cybersecurity risk tolerance, operating model and workforce across the enterprise. They need broader enterprise transformation to really change the business.

At the same time, execution risk for large-scale transformation is at an all time high. A skilled Transformation Management team can partner with you to create a transformation experience that orchestrates the complex changes securely, minimizes business risk, brings critical skillsets and the best ecosystem partners to the table, and works to create the right operating model and talent strategy to guide your workforce evolution.

All these components of the transformation must be based on advanced analytics and include rigorous tracking of results and business outcomes. It has never been more important to get the execution of your transformation right because a failed journey could mean a failed business.
Course-correct as needed along the way
Business transformation is no longer a one-time, linear process.

It may begin with clear and concrete business objectives. But each business objective could have multiple projects associated with it, all with discrete and shared objectives, goals, dependencies and timing. This requires dynamic, simultaneous cycles of project-based collaboration, coordination, innovation and optimization.

Also, business objectives may shift as circumstances change, so decision-making agility—both executional and strategic—is critical. An effective Transformation Management partner will help reduce decision-making risk by coordinating interdependencies across projects, address needed changes in real time, and empower decision-making agility with rich data.

The new face of transformation management at Accenture

Today’s Transformation Management is a holistic, data-driven capability that guides successful, secure enterprise transformation. The capability drives:

• Unified business and technology agendas
• A structured process for each segment of the journey
• Effective management of the organization and technology change required
• Rigorous focus on outcomes
• Relationships with the right ecosystem partners—from business and technology players, to startups, platform partners, academic experts and other industry experts
• Flexibility to adjust to ever-changing conditions.

Transformation Management at Accenture involves shaping, mobilizing and managing the transformation journey from inception through execution, to deliver sustainable value. The three stages of this process include (see Figure 3):

• Vision and Approach
• Shape and Plan
• Accelerate and Control.
VISION & APPROACH
Scaled transformation

• Creating an operational vision and transformation blueprint for enterprise-wide transformation
• Defining the journey map to the future state
• Evaluating key change impacts and organizational readiness.

SHAPE & PLAN
Innovate in the NEW, nurture the core

Defining the transformation journey, investment case, resource planning and program foundation to optimize value in the core to generate investment capacity for a balanced transition to the NEW.

CONTROL & ACCELERATE
Controlled agility

Delivering complex, transformational change at scale, with speed, control, risk management and security.
Grounded in the best practices of program management, but not limited by them, experienced transformation architects and engineers can identify hidden opportunities for value and anticipate likely failure points in development and delivery. Accenture also brings deep industry experience to bear to choreograph change that succeeds within your specific business context at the pace that’s right for you.

The team can engage at any point in the journey, keeping the momentum going on current initiatives, and developing new, shared priorities. Ultimately, effective Transformation Management helps organizations determine how to transform their current business—securely and at scale—to seek predictable business outcomes.

Get started

Engage with the Transformation Management diagnostic team to assess your strategic readiness for transformation. The assessment explores five key success factors:

- Are programs fully aligned to strategic business imperatives?
- Is the organization aligned? Are the right leadership skills and resources in place? Do we have the right ecosystem partners?
- Are the technology and business strategies aligned?
- Are the right operational capabilities in place? Are they mature and responsive?
- Can the business value delivered be articulated? Are we proactively managing the business in a secure manner?

The results of the assessment will identify potential risks, recommend improvements and prioritize opportunities within an executional roadmap. Most importantly, it will spark a critical conversation among C-suite leaders about how to guide and support the transformation journey to ensure business success.
Contact us

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