The COVID-19 pandemic is accelerating digitization. More than ever, companies need to collaborate on digitally transforming the entire organization. But executives admit: “Our business functions fail to work together.” This is costing them at a time when no company can afford it.

The silos problem is rearing its head again ... hindering overall digitization:

75% of executives say that their business functions compete rather than collaborate on digital projects.

Cross-function competition is costing companies ... increasing costs and eating up expected revenues gains:

- 5.8% overall increase in costs because of redundant investments in digital technologies
- 6.5% actual annual revenue growth versus expected growth of 11%
- 64% of companies not seeing a return on digital investments

Collaboration champions outperform peers ... on revenue gains, EBIT growth and stock performance:

Collaboration champions achieve 4 times the revenue gains with digital projects

Collaboration champions grow 13 times more profitably

Markets expect collaboration champions to perform better during the crisis

The secret of Champions

We’ve identified 5 key behaviors which set them apart from other companies. Champions are more likely to emphasize:

1. Clarity and a common goal. They clarify “what” digital transformation means for their organization and why everyone should collaborate.
2. Executive accountability. They hold executives accountable for tight collaboration between business functions.
3. Choosing the right bets. Champions prioritize projects that require or stimulate close collaboration between functions.
4. Platform interoperability. They invest in and scale collaborative platforms while avoiding the build-up of “siloed” solutions.
5. IT-OT convergence. They establish rules for their Information and Operating Technology, and how the two work together.

All findings taken from Accenture Industry X.0’s “Together Makes Better” study, June 2020, based on publicly reported data from interviews with 1,550 executives across 11 countries and 14 industries in Jan/Feb 2020. Overall increase in costs, actual annual revenue growth, expected revenue growth and overall revenue gains with digital projects were determined for the period 2018 to 2019. Profitable growth was measured in average year-on-year growth in EBIT (earnings before interest and tax). Market performance was measured in average daily share price index (base date January 1, 2020). Champions’ stock price fell by 15.7% between Jan 1 and April 29th (Others: 18.2%).