Together, people and AI are reinventing business processes from the ground up.
is placing new demands on business and operating models. To win, today and tomorrow, enterprises must be able to act quickly—with intelligence, insight, and confidence—to changes in the competitive and customer landscape. Agility, flexibility, and responsiveness are now the keys to success.

That’s why the future belongs to organizations with Intelligent Operations—those that use diverse data driven by applied intelligence and human ingenuity to enhance and optimize the customer experience and deliver superior business outcomes.
SMART MACHINES POWERED BY AI

Across the world, businesses have been using smart machines powered by artificial intelligence (AI) to automate and speed up their processes, reduce costs and free employees of repetitive tasks.

But automating only their existing processes misses a much bigger and truly transformational opportunity. Intelligent Operators are creating self-adapting and self-optimizing “intelligent” processes and operations that use machine-learning (ML) algorithms and real-time data to continuously improve.

In our view, this represents a great leap forward that will unlock entirely new roles and new ways for humans and machines to work together, enabled by three complementary factors:
1. Reimagining processes
2. Creating human-machine relationships
3. Unlocking hidden value in data.

AUTOMATING FOR EFFICIENCY, BUT NOT YET FOR TRANSFORMATION

Companies today are automating processes across the enterprise. In research conducted in support of the writing of the book Human+Machine: Reimagining Work in the Age of AI, written by Paul Daugherty and H.J. Wilson and published by Harvard Business Review Press, we analyzed 1,000 organizations that are early adopters of machine learning, and are already using it in at least one process. But relatively few of them (just 9% percent) are truly reimagining their processes. These leaders (or Intelligent Operators) are driving breakthrough process transformation and seeing the value from doing so. Our research indicates that they are achieving improvements of between five and 10 times more in key performance indicators (KPIs) across processes including manufacturing, sales and marketing and enterprise functions.
But to date, they are in the minority. A larger proportion (27 percent) are reimagining processes and process change with AI algorithms. By applying AI to process change management, they are starting to rethink standard processes as continuously adaptive and effecting change across the enterprise.

The overwhelming driver behind most automation processes today remains cost reduction and FTE take-out. Instead of focusing on the business outcomes they want to achieve—and using those to frame their strategies for AI, ML and process reimaginations—our research shows that most organizations are seeking greater efficiency from existing processes, rather than seeking to transform them. The fact is, most organizations have already squeezed out most of the cost, efficiency and productivity gains from their processes. To thrive and grow, organizations must shift their operations strategy to enable true process reimaginations and lay the path toward Intelligent Operations that facilitate real-time, predictive decision making and superior business outcomes.

BARRIERS TO PROGRESS

So, what’s holding those organizations back from making the leap to true process reimaginations? In our view, there are two main constraints. The first is a predominantly tactical rather than strategic view of the potential that AI and ML offer to drive breakthrough gains in productivity, profitability and growth. To break out of this, businesses need to engage the C-suite to drive process reimaginations as a strategic priority. Senior leadership’s engagement creates a mandate for change and a platform to engage process and functional owners to drive transformation at scale.

The second major barrier to progress is the need to align process reimaginations with desired business outcomes to drive business value. This requires a careful analysis of specific processes and the results that they generate, prioritizing those that confer strategic differentiation and unlock value. Our research reveals that leaders are already doing this, with businesses in specific sectors focusing their efforts in those areas where they see the greatest strategic advantage in their industry. For example, banks are more likely to focus on managing enterprise risk and compliance (47 percent) whereas retailers are looking to process reimaginations to transform customer service (51 percent).

These Intelligent Operators are aligning process transformation with priority business outcomes, an activity that requires collaboration between business and IT. In contrast, we see many organizations struggling to move beyond proofs of concept (PoCs) and pilots because those projects are being initiated and managed largely by technologists, without the rigor of defining desired outcomes with the business. In many cases, IT is arriving at a technology solution without first identifying or articulating the right question or business outcome. These pilots and PoCs therefore often fail to gain broader traction within the wider business because the outcomes they deliver either miss the mark, or remain unclear.
MOVING FORWARD: THREE STEPS TO REIMAGINING PROCESSES

So, what do organizations need to do in order to move forward and start reaping the rewards of process reimagination? Our experience suggests that there are three fundamental steps required to jumpstart process transformation:

1. **Examine in detail the essential business outcomes required for each process.**
   These could cover a wide range of potential activities, but the critical consideration is not whether a process can be executed faster, cheaper or with fewer people, but what value can be achieved from doing things differently.

2. **Determine what is differentiating for their specific business.**
   Will process change help provide a leading-edge product line or breakthrough marketing results? If not, business and IT leaders need to explore together how to reimagine the process to deliver a differentiated outcome.

3. **Perform a gap analysis of the technology and other enablers required to deliver differentiation.**
   This needs to take into account how the process will look different and how the complete ecosystem of robots, data, AI, ML and, crucially, people can be organized to deliver the transformation.

   Attempting to reimagine processes without first considering these fundamental business issues is likely to end in disappointment. Focusing on business outcomes is essential and necessitates wide-ranging and engaged conversations between the business, IT and C-suite. From these, companies can elevate their process transformation agenda from tactical to strategic and start moving more rapidly toward process reimagination and Intelligent Operations.
About Accenture

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions—underpinned by the world’s largest delivery network—Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With more than 442,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives. Visit us at www.accenture.com.

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