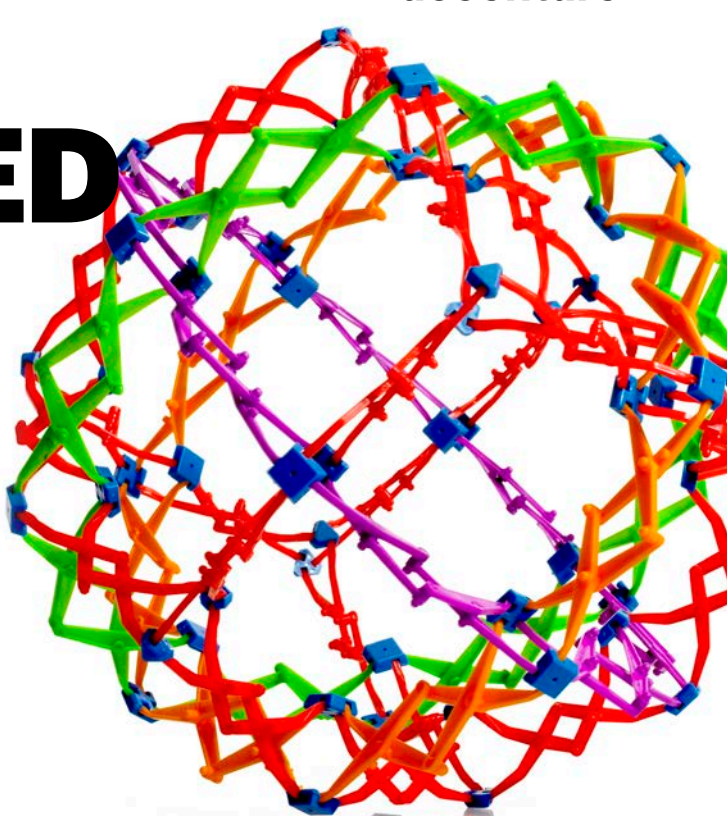
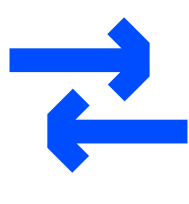


ADAPTING BUSINESS TO A DIGITALLY FRAGMENTED WORLD

Protectionist policies are growing worldwide, putting digital innovation at risk by disrupting the free flow of data, IT talent and IT products and services. We call this process digital fragmentation, and our research reveals four pragmatic steps to help organizations succeed in this new, global landscape.



GLOBAL BARRIERS ARE RISING



MORE THAN 1,200

protectionist measures have been adopted by G20 members since the global financial crisis



FDI SLOWDOWN

global foreign direct investment inflows remain below their 2007 pre-crisis peak



34 TO 109

the number of countries with data privacy laws more than tripled in the last two decades (1995 to 2015)

Sources: World Trade Organization; UNCTAD; Greenleaf, Graham, Global Tables of Data Privacy Laws and Bills (4th Ed, January 2015) (January 30, 2015). (2015) 133 Privacy Laws & Business International Report, 18-28; UNSW Law Research Paper No. 2015-28.

THE FALLOUT FROM FRAGMENTATION IS TANGIBLE

Rising IT costs

91%

Rising barriers to globalization will increase IT costs in the next 3 years

Compromised digital capabilities

51%

Are already reorganizing global IT architectures due to increasing barriers to globalization

Increasing operational complexity

86%

IT strategies and systems are vulnerable to increasing barriers to globalization

CIOS AND CTOS ARE WORRIED

86%

Say that increasing barriers to globalization will be a problem for the IT function in the next three years

74%

Likely to exit a market, or to delay or abandon market-entry plans, in the next three years due to increasing barriers to globalization

THEY ARE TAKING ACTION BY...

67%

Increasing investment in automation to offset labor restrictions

80%

Discussing obstructions to global flows during strategic planning at board meetings

4 STEPS TO THRIVE AMID DIGITAL FRAGMENTATION



STRATEGIC PLANNING

Boards must dedicate time to discuss implications of fragmentation across the business



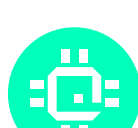
DE-RISK DATA

Protect and reassess key information flows to optimize decision making and prevent disruption



BUILD LOCAL ADVANTAGE

Adopt IT strategies, processes and infrastructure that enables the organization to "be genuinely local" in all markets



EMBRACE TECHNOLOGY

Fully explore and exploit new technology to navigate complex and evolving regulatory rules and legislation in relevant markets

LEARN MORE ABOUT DISRUPTION



Big Bang Disruption

www.accenture.com/bigbangdisruption



Compressive Disruption

www.accenture.com/compressivedisruption



Digital Fragmentation

www.accenture.com/digitalfragmentation

WHERE ARE YOU IN THE JOURNEY TO LEAD IN THE NEW?

Take Control of Disruption

Forms of disruption:

- Big Bang
- Compressive
- Digital Fragmentation

Unlock Trapped Value

Opportunities:

- Enterprise
- Industry
- Consumer
- Society

Rotate to the New

Perpetual change journey:

- Transform
- Grow
- Scale
- Pivot wisely

Navigate Practical Paths

New organizational architectures:

- Living business
- Industry X.0
- Future workforce
- Digital decoupling
- Cyber-resilient business

ABOUT THE RESEARCH

Accenture Research together with Roubini ThoughtLab surveyed 402 CIOs and CTOs across industries in eight geographies. The research team also conducted in-depth interviews with experts on policy, economy and digital business, as well as carrying out Web scraping, data analytics, trend analysis and policy research.