



NEED TO REVISIT OPERATING MODELS

VIDEO TRANSCRIPT

Piyush, how do you think companies have looked at this situation and how do you think they need to look at it?

Piyush: You are absolutely right in calling this period the never normal. And we don't know what the normal is going to be for some time. I agree with Mr. Manjul on how most organizations have done a commendable job of dealing with this level of uncertainty that is unprecedented. Specifically, about consumers, we were already living in a world where we were all projecting a level of digital adoption. What this crisis has done is it has accelerated that level by about 10-fold in the last few months. A lot of people have said this, and the only question is whether it is 10X or it is 50 X, but that curve has gone up. So, what that means is that we are now in a possibly irreversible position of that acceleration of consumption of all goods and services and digital interaction with our customers. The need of the hour is a fundamental revisiting of operating models and of the way organizations are designed to deal with customers. And this is true across industries – not just in consumables or e-commerce. For example, in China, a number of organizations are fundamentally revisiting the distribution supply chain or the distribution end of automobiles because they don't foresee footfall at dealerships. We're working with life sciences organizations that are having to revisit how to interact with medical health professionals. This is because no medical health professional is willing to increase their risk of exposure. So, we're looking at a fundamental rebuilding of the way you interact with our consumers.

Companies also need to plan for a massively elastic cost base because there are scenarios that'll require us to go all the way down to zero production and zero supply. This will mean a fundamental revisiting of the internal supply model and operating model. Organizations can't look at cost cutting superficially and hold back just on discretionary spend. Because then they'll risk building massive inefficiencies. Companies instead need to find way to reinvest for growth.

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