

# Outmaneuver uncertainty to reinvent your business



**Business  
Journal  
For India**  
**6<sup>th</sup> Edition**

# CONTENTS

## 03 Foreword

**Piyush N. Singh**

## 04 Re-architect your business to outpace change

Businesses must be relevant, resilient, and reinvent themselves to outmaneuver uncertainty

**Piyush N. Singh**

## 16 Adapting to new consumer realities at the speed of now

Near-term consumer behaviors and long-term considerations in Consumer Goods & Services

**Anurag Gupta | Anshul Batra**

## 27 Where smart banking meets AI

How banks can boost productivity and elevate customer experience through AI to accelerate growth

**Pranav Arora**

## 34 A digital booster dose for healthcare

Reimagining India's pharma commercial workforce model in the never normal

**Rishabh Bindlish | Amit Misra | Tushar Bakshi**

## 48 From crisis to conquest in utilities

Helping companies in the utilities sector in India outmaneuver uncertainty by becoming digital enterprises

**Amit Khurma | Anurag Johri**

## 59 High-touch customer experience for a no-touch world

How Indian CGS companies can keep pace with changing consumer trends and thrive

**Satyadeep Chatterjee | Anshul Batra**

## 71 A stairway to hyper agility

Global business services are your best defense and offence to outpace change, now and in the future

**Tarun Satiya | Amneet Singh | Chacko Lakshminarasimhan**

## 82 Resetting cost baseline to fuel growth

A zero-based mindset for businesses to fuel growth and outmaneuver uncertainty

**Manish Chandra | Jugnu Sakuja**

# FOREWORD

**All significant transformations are preceded by chaos.**

The COVID-19 pandemic has changed the way people live and work, how businesses operate, and governments run. It's challenged our beliefs about growth and progress and rendered traditional ways of working that enabled these goals ineffective.

While companies in India are now finding their feet after a year of severe disruption, several challenges remain. The consumer is not the same anymore. What, how, when and where they buy have altered drastically. Hard-earned brand loyalties are now displaced, with customers' growing love for local and almost-exclusive virtual experiences. That's not all—disrupted supply chains, fixed cost models and legacy systems threaten to slow down new growth. **To turn these massive challenges into meaningful change and outmaneuver uncertainty, companies must reinvent their business models and technology architecture—at speed and scale.**

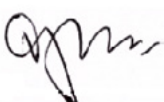
The pandemic showed us that forward-looking businesses that were better prepared with the right technology and strategy fared better. They are also recovering faster now as the economy is witnessing clear signs of revival. There's no doubt that going back to pre-pandemic ways of working and legacy business models is not an option. Companies must accelerate their transformation and rely on digital intelligence to stay close to all their stakeholders—customers, investors, the workforce, supply chains—and shape their future course of action.

It's the way forward to develop operational resilience and cost elasticity, stay relevant through purposeful business transformation, and reimagine the future to gain a competitive advantage. **More importantly, organizations must build their digital muscle to function like digital natives and demonstrate empathy for their customers and trust for employees. Companies that set off on this voyage of discovery and reinvention are more likely to emerge as winners in the future.**

**In the articles that follow, you'll find actionable insights across industries curated from Accenture's research and our extensive experience of partnering with clients in their digital transformation journeys**—from building resilient supply chains, enabling liquidity and profitability to reinventing operating models for boosting operational excellence levers across industries.

I hope you find these articles useful. Please [contact us](#) if you would like to discuss how to accelerate your transformation journey.

Thank you!



**PIYUSH N. SINGH**

Senior Managing Director,  
India Market Unit Lead and Lead - Growth and Strategic  
Client Relationships, Asia Pacific and Latam, Accenture



# **Re-architect your business to outpace change**

**Businesses must be relevant, resilient, and reinvent  
themselves to outmaneuver uncertainty**

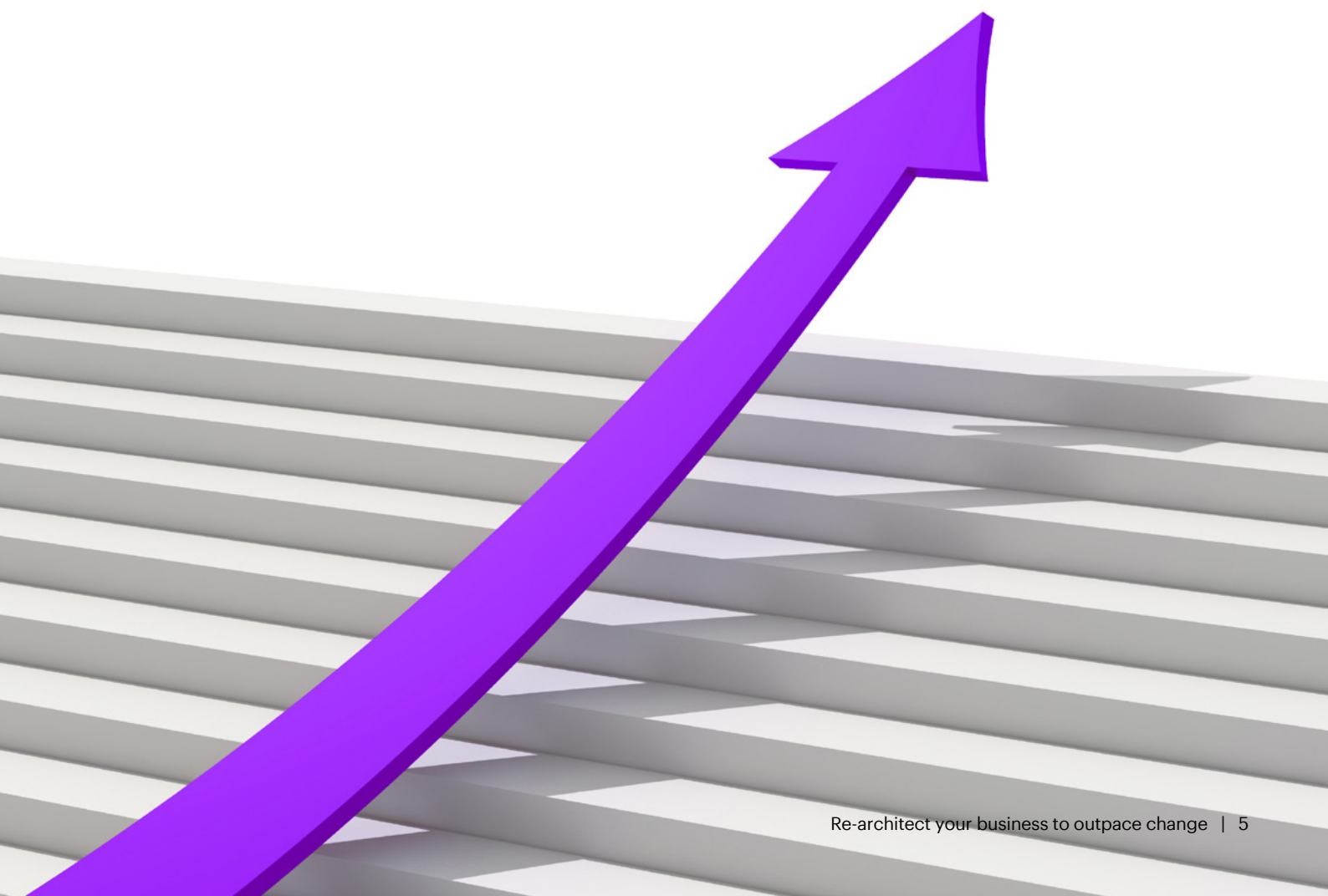




The Indian economy, severely disrupted by the pandemic, is gradually finding its feet again. After hunkering down to let the initial storm pass, organizations in India continue to ride the waves of supply and demand volatility and even more rapidly evolving customer behaviors. There are clear signs of revival with healthcare, IT and FMCG sectors leading the way, and auto and capital goods hoping the current uplift is not just pent-up demand. Finally, months after the onset of the crisis, we can dare to plan for a world post-COVID-19.

While the economy weathered the storm, but headwinds remain. Today's big challenge for companies is to stay relevant through purposeful business transformation, even as changes in customer behaviors and patterns become irreversible. With virtual interactions and work from anywhere emerging as the norm, Indian businesses must rely on digital intelligence to stay relevant to customers, investors and the workforce. Naturally, pre-pandemic ways of working and legacy business models cannot help companies thrive, let alone recover.

**Ultimately, the goal is reinvention, not just recovery. Organizations that re-architect themselves by fundamentally changing their business models and technology architecture to function like digital natives and demonstrate empathy for their customers and trust for employees will most likely emerge as winners in the post-pandemic world.**



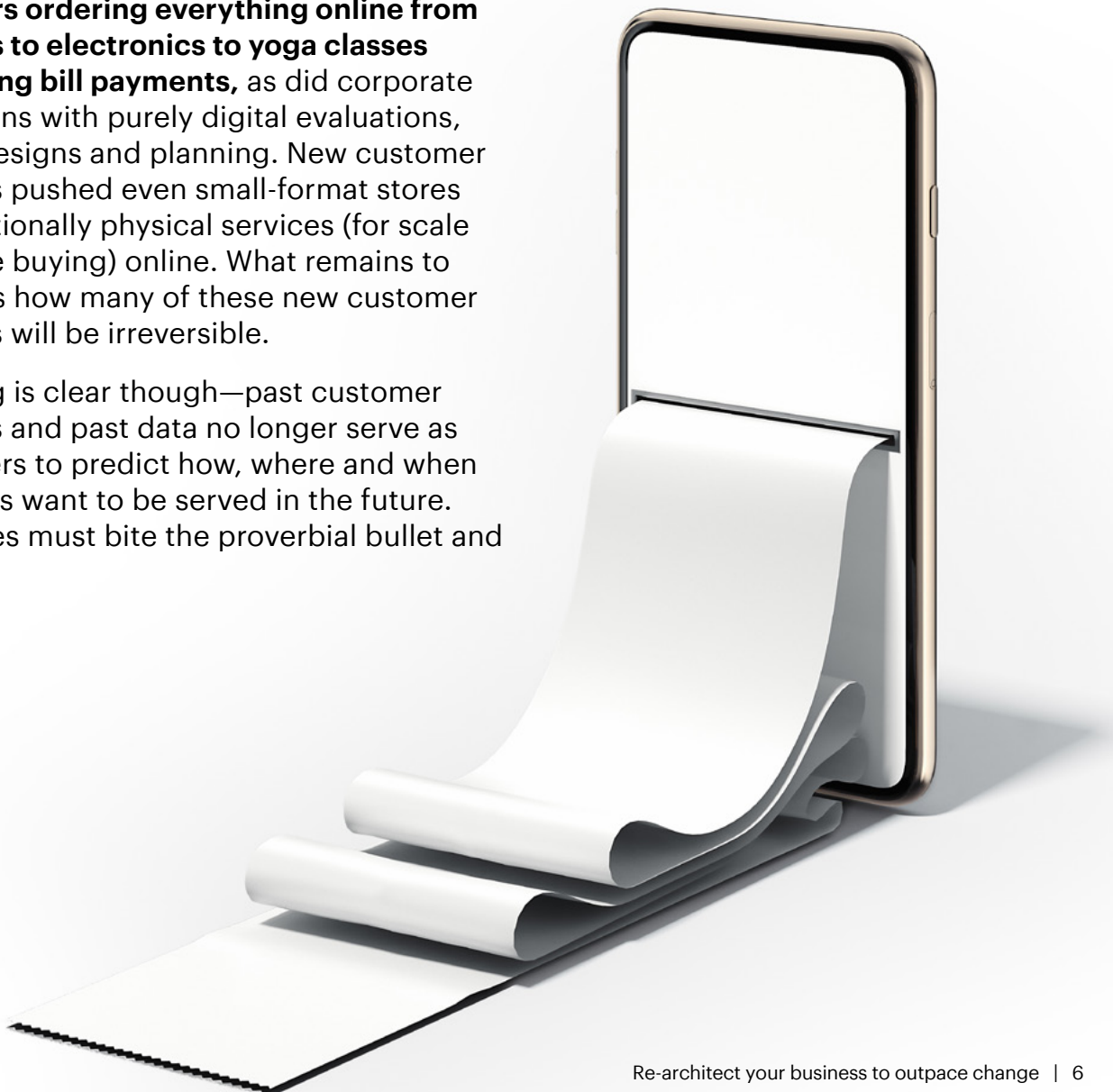
# THE MULTIFOLD CHALLENGE

Today, leaders planning for the future face a multifold challenge of adapting their businesses to respond to new customer preferences and trends, instilling confidence in investors to attract capital and creating an enabling environment for the workforce.

## ENHANCING CUSTOMER ENGAGEMENT

Throughout the pandemic, we've seen drastic shifts in why, what and how customers buy. Buying preferences moved to local produce, focusing on healthy alternatives and conscious consumption. As customers embraced more digital ways of living for their health and safety concerns, businesses rushed to build and enhance their online presence. **For instance, retail interactions changed dramatically with customers ordering everything online from groceries to electronics to yoga classes and making bill payments,** as did corporate interactions with purely digital evaluations, project designs and planning. New customer behaviors pushed even small-format stores and traditionally physical services (for scale corporate buying) online. What remains to be seen is how many of these new customer behaviors will be irreversible.

One thing is clear though—past customer behaviors and past data no longer serve as barometers to predict how, where and when customers want to be served in the future. Businesses must bite the proverbial bullet and



set out on a voyage of discovery underpinned by their customers' digital footprint to understand the new shape of demand and deliberate on ways to meet their customers' unique needs. It will take putting themselves in the customers' shoes—to understand their motivations, experiences, fears and aspirations in the present-day context.

On the upside, customers and supply chains are leaving stronger digital footprints. Companies can rely on data-based insights to better understand their behaviors and preferences. **Tapping into this digital intelligence will help organizations make crucial decisions to get closer to customers and supply chains and shape their future course of action.**

## RESTORING INVESTOR CONFIDENCE

The burning question today is not whether organizations should transform but how quickly they can. Transformation requires capital and the more they spend on reinventing the business, the more likely they are to generate new revenue streams in the future. One of the key drivers of an organization's ability to attract capital is boosting investor confidence. **Despite the initial slump in the market, initial public offering (IPO) activity in India saw a boom during the second half of the calendar year 2020, with 16 IPOs that raised INR31,000 crore.** This positive sentiment, weak bond yields (globally) and resulting higher risk appetite of investors is expected to extend into 2021, with sectors like new-age tech, healthcare and consumer dominating the market and recovering sectors like hospitality, commercial real estate and BFSI making a comeback. Most year-end economic forecasts point to signs of a robust macro-economic recovery. Companies can use that as a platform to take their reinvention story to Boards and investors.

The strong FII flow and vibrant IPO activity are evidence that there is no dearth of capital in the market, provided organizations present a credible transformation plan along with a coherent strategy for increasing market share. In short, they need a business value proposition that the market believes in.

## BUILDING WORKFORCE RESILIENCE

With the pandemic came the need for the workforce to work from home and work remotely. Most companies in India's services sector were quick to switch to remote work with some initial hiccups. In contrast, the manufacturing sector juggled shutdowns and adopting customized remote working models to keep production running. But traditional workplaces were not designed for the level of digital collaboration the workforce needs today.

**Organizations that reinvent their ways of working by investing in digital collaboration tools will help the workforce blur physical boundaries and work more effectively.** They will create an enabling environment with the right tech infrastructure so employees can work in a truly digital way and remain relevant by learning new skills, training and coaching. Moreover, employers also need to be mindful of the local context and biases that may creep in the virtual workplace,

especially for people living in shared accommodations and those working from home with young children. In a world that has structural gender imbalance at the workplace, challenges in working remote or from home for women and mothers have been more acute than others.

The future of work is “work from anywhere,” and not a rudimentary work from the most feasible remote location. This fundamental shift if embraced and enabled correctly will help companies onboard talent from previously inaccessible geographic locations. Therefore, leading to higher quality and diverse workforce.

**Addressing only one of the above challenges will not suffice. The key to success lies in finding the right balance to solve all challenges simultaneously without neglecting any one.**



# A NEW BEGINNING

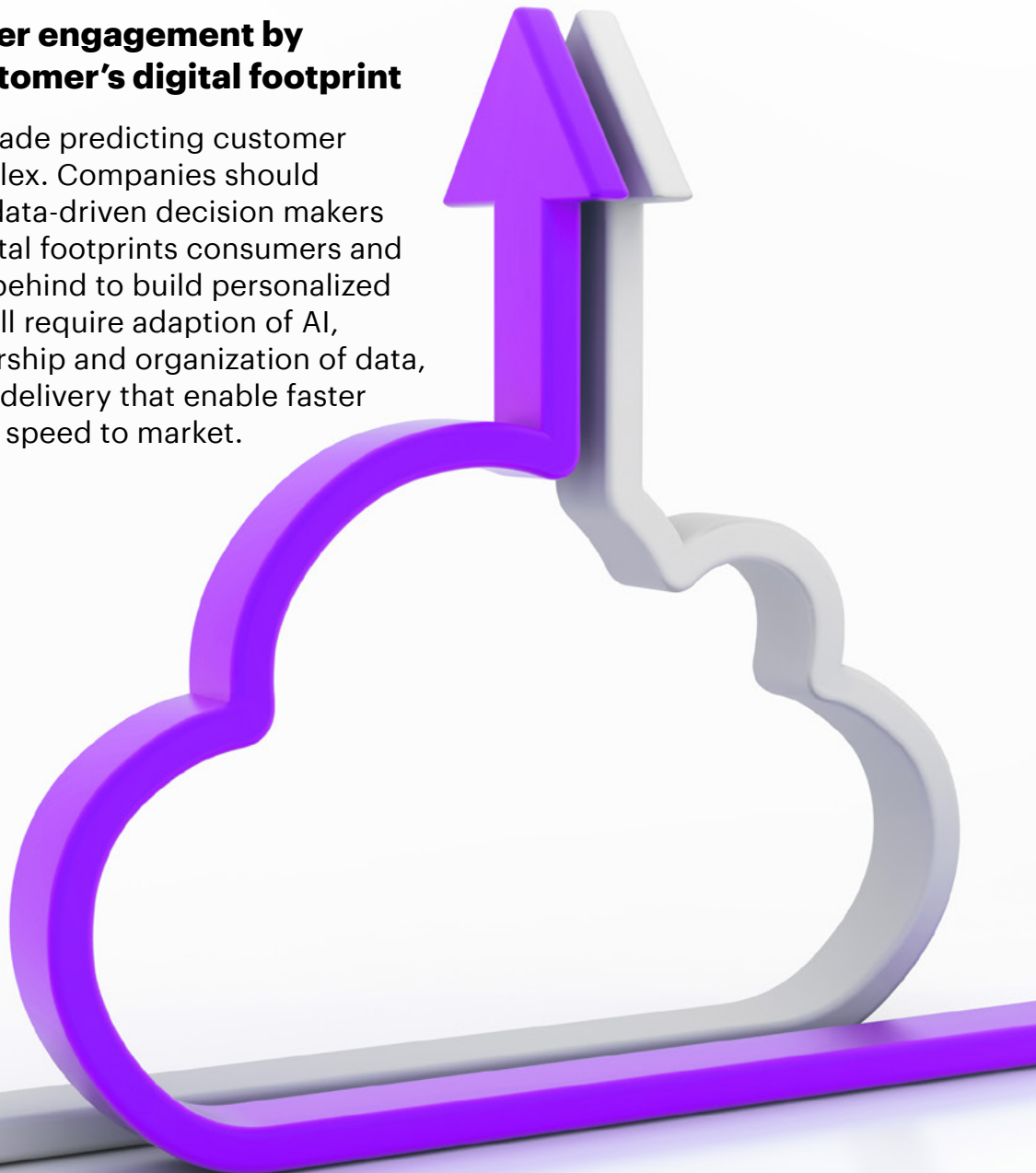
The future belongs to companies that can re-architect their business to respond to the varying depths of disruption and bolster investor confidence while building elastic resilience and staying employee-centric. **Companies must commit to a program of active reinvention right now, prioritizing the following three key areas:**

## 01 CREATE NEXT-GEN AGILITY TO GET FUTURE-READY

**New technologies, such as cloud and artificial intelligence (AI), can help companies adapt to customer preferences and buying behavior shifts.** All companies must now strive to function like digital natives by delivering the first-class experiences their customers have come to expect.

### **Adaptive customer engagement by following the customer's digital footprint**

The pandemic has made predicting customer behavior more complex. Companies should focus on becoming data-driven decision makers by analyzing the digital footprints consumers and supply chains leave behind to build personalized relationships. This will require adaption of AI, investments in ownership and organization of data, new ways of change delivery that enable faster decision making and speed to market.





Finally, organizations need to rapidly dial up the level of empathy for customers by paying attention to experiences that shape new demands and needs. It will go a long way in building trust and brand loyalty. One way to achieve that is by reinforcing the organization's purpose or the reason why they are reinventing in the first place.

## **Establish elasticity in your business model by embracing cloud and AI**

Organizations need a digitally native technology infrastructure to become more resilient by taking advantage of the cloud. Moving to business applications that are cloud native must be the default option. And preconceived inertia in the name of regulation or security should be challenged and dismantled. With the cloud's pay-by-the-drink model, businesses can navigate extreme surges or drops in demand. And new cloud-native solutions can exponentially increase the speed of deployment of innovations at scale.

### **Another upside of leveraging the cloud is doing things faster and differently.**

Be it developing minimum viable products in days, implementing rapid automation to resolve high-volume tasks using machine learning and AI models, or managing volatility from the demands of a larger remote workforce. **Building the infrastructure to support a cloud-native world also requires investing in security, quality of digital interface and the management team's competence to be more technology-led.** Moreover, a cloud-native world today is a more "secure" place than historically self-owned infrastructure.



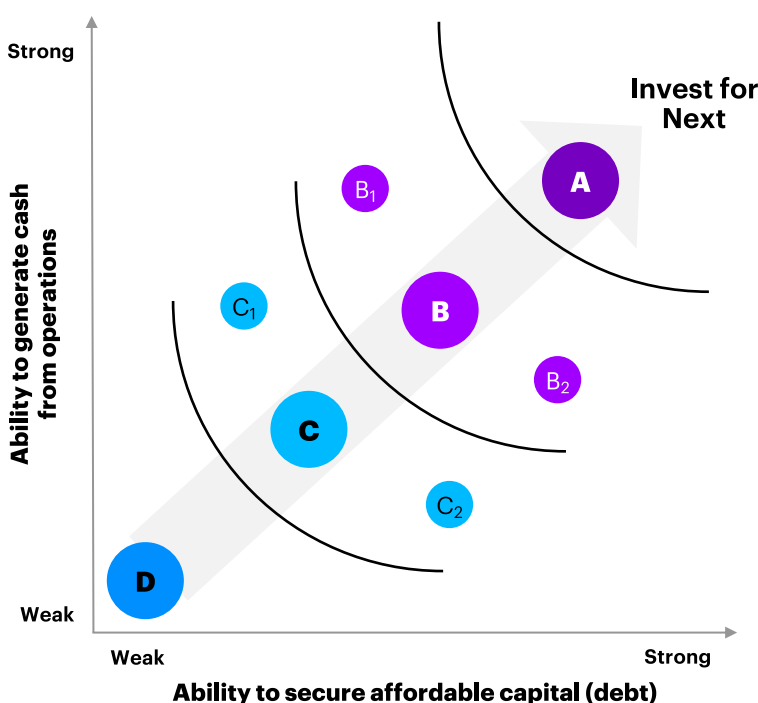
## 02 UNDERSTAND YOUR FINANCIAL FLEXIBILITY

Companies need to take measures to **bolster investor confidence** and attract capital. Business leaders can achieve this by understanding whether their company is in a position to act offensively or needs to be defensive when navigating through uncertainty and plan for the future accordingly (see Figure 1).

To become resilient and future-ready, companies must establish an elastic business model and:

- Act based on their ability to generate cash from operations—directly proportional to retain customer trust through disruption and drive structural efficiency.
- Act based on their ability to secure affordable capital—directly proportional to the strength of the reinvention story.

**Figure 1: Financial Flexibility Map: Crucial actions for business leaders to take now and next**



**Financial flexibility is contingent on:**

- A strong ability to generate cash from operations.
- A strong ability to secure affordable debt.

Source: Accenture Research Analysis

Zone <b>A</b> Invest for Next - Strong Cash and Debt Position	Zone <b>B</b> Resilient - Balanced Cash and Debt Position	Zone <b>C</b> Exposed - Weak with Limited Cash Generation and Risky Debt Position	Zone <b>D</b> Threatened - Fighting for Survival
Companies ready to undertake significant strategic measures and innovation to gain a competitive edge.	Companies ready for tactical measures to improve position and offensive play. Generating more cash and securing affordable debt is a priority.  B1 position prompts more action toward the ability to secure affordable debt; B2 position calls for improvement in operational efficiency.	For these companies, generating more cash and securing affordable debt while improving operational efficiency is an imperative to stay afloat.  C1 position prompts more action toward the ability to secure affordable debt; C2 position calls for improvement in operational efficiency.	These companies are fighting for survival and need to take urgent actions.



The current pandemic has shown multiple examples of success the model above can offer companies. A good example is the Reliance Jio Platforms story<sup>1</sup> and how it raised US\$13.72 billion capital to underscore the scale of feasible success.

### 03 PUT PEOPLE FIRST

If there's one lesson to be learned from the pandemic, it is that true shared humanity at work can make all the difference. **Companies that go beyond the transactional and really get to know their employees will create productive, inclusive and rewarding working environments for the long haul.**

The forced work from home and no in-person interactions necessitated by the pandemic have left the workforce feeling emotionally detached from their employers. **Organizations need to act quickly by building a safe and secure work environment, caring for employees at the core of their business strategy and reinforcing their purpose to enhance connectedness and belongingness.**

#### **Build trust through purpose**

Employees that don't embrace their organizations' purpose and mission do not trust their leaders and lose focus and motivation. As leaders go about reinventing their business, they shouldn't lose sight of the need to revisit the organizations' purpose. And take the time to reinforce the purpose and shared values with the workforce.

Leaders must communicate with the workforce often, with compassion and transparency. Put in place inclusive processes to proactively seek feedback from employees and train people managers to ensure their virtual teams are engaged and motivated. Giving employees a voice is vital to maintaining their morale.

#### **Care about more than employees' work problems**

Offer life coaches, mental health support and well-being programs to help grieving employees or those managing stress, for example, those caring for elderly patients or partners of frontline health workers. Support households, not just employees. Revisit policies, focusing on the most vulnerable groups, such as temporary workers, people with disabilities, single parents, or those who lack adequate health benefits.

<sup>1</sup>[Hindustan Times – How Reliance's Jio platforms snapped 10 deals in 2 months](#)

## **Expand your talent reach and address reskilling needs**

To accelerate business reinvention, organizations must enable employees to work from anywhere. It also allows them to onboard previously inaccessible, remote talent that is highly skilled and usually available at a premium.

Also, organizations must be transparent with employees about changing work opportunities. And as roles are disrupted, focus on the skills, not just jobs. Reskill the workforce in areas that will enable them to build new skills and remain relevant in the future. For instance, an organization that has an unprecedented drop or spike in customer volume can build an AI-assisted workforce via training on the technology. Also, offer training, learning programs and career pathways to those who are affected.



# THE FUTURE BECKONS— ACT NOW

Forward-thinking companies recognize the opportunity created by the pandemic to build the competencies they wish they had invested in before: to function like digital natives, be more data-driven and in the cloud, and create stronger e-commerce and security capabilities. More importantly, the greater opportunity for companies lies in building empathy for customers and trust with employees. Now is the time to re-architect the business to navigate the future confidently.

**Outmaneuvering uncertainty—by mitigating immediate challenges and investing in building a better future—**will create organizations that one day look back on the pandemic as the darkness before the dawn.



## AUTHOR



### **PIYUSH N. SINGH**

Senior Managing Director,  
India Market Unit Lead and  
Lead - Growth and Strategic  
Client Relationships, Asia Pacific  
and Latam, Accenture

## ABOUT ACCENTURE

Accenture is a global professional services company with leading capabilities in digital, cloud and security. Combining unmatched experience and specialized skills across more than 40 industries, we offer Strategy and Consulting, Interactive, Technology and Operations services—all powered by the world's largest network of Advanced Technology and Intelligent Operations centers. Our 514,000 people deliver on the promise of technology and human ingenuity every day, serving clients in more than 120 countries. We embrace the power of change to create value and shared success for our clients, people, shareholders, partners and communities. **Visit us at [www.accenture.com](http://www.accenture.com)**

**Disclaimer:** This article has been published for information and illustrative purposes only and is not intended to serve as advice of any nature whatsoever. The information contained and the references made in this article is in good faith and neither Accenture nor any its directors, agents or employees give any warranty of accuracy (whether expressed or implied), nor accepts any liability as a result of reliance upon the content including (but not limited) information, advice, statement or opinion contained in this article. This article also contains certain information available in public domain, created and maintained by private and public organizations. Accenture does not control or guarantee the accuracy, relevance, timelines or completeness of such information. Accenture does not warrant or solicit any kind of act or omission based on this article. The article is the property of Accenture and its affiliates and Accenture be the holder of the copyright or any intellectual property over the article. No part of this article may be reproduced in any manner without the written permission of Accenture. Opinions expressed herein are subject to change without notice.



# Adapting to new consumer realities at the speed of now

**Near-term consumer behaviors and long-term considerations in Consumer Goods & Services**



The COVID-19 pandemic has led to what is no ordinary economic downturn, upending the Consumer Goods and Services (CGS) industry. Core changes in consumer behavior, supply chains and routes to market have thrown many companies off balance, while few have emerged winners.

Consumer behavior over these past months has drastically changed, permanently impacting how, what and where to buy goods and substantially accelerating the structural changes shaping the industry. In such a volatile environment, it is impossible to forecast and analyze trends based solely on traditional benchmarks and historical data to manage business. Sub-segments such as beauty and alco-bev have been severely affected as home became the new hub and consumers shifted to core staples. **With “Health and Hygiene” as the new priorities, food and home care segments saw a significant growth in demand.**





**A clearer shift towards e-commerce, rise of omnichannel and surge in the low-touch economy through digital payments and contactless deliveries have impacted channel and route-to-market (RTM) strategies across the industry.**

Organizations need to continuously reimagine services to meet evolving consumer needs quickly. For instance, several leading CGS organizations have rapidly developed the capability to manage omnichannel commerce and engagement or forged hyperlocal delivery options.

Additionally, resources and investments will need to be continually reallocated, and companies will need healthy ecosystem partners, not just as allies but also as sources of real-time data and information.



# **MOVING FROM “NOW” TO “NEXT”**

**The rules have changed. It’s the beginning of a new era of business, creating opportunities for organizations with the courage and foresight to change more than what their immediate needs demand.**

While organizations have repurposed themselves to respond in the Now, they must also spend time today identifying new growth paths. Lessons from the past two recessions suggest companies that balanced growth and cost management outperformed their competition in the aftermath.

This presents an opportunity—and a need—for many companies to build the competences they wish they’d invested in before: to be more digital, data-driven and in the cloud; to have more variable cost structures, agile operations and automation; and to create stronger capabilities in e-commerce and security.



To be ready for what's next, CGS organizations must prioritize three goals.

## **01 VIEW BUSINESS THROUGH A CONSUMER LENS: BE DIGITAL; DATA AND ANALYTICS-DRIVEN; AND AI-LED**

Consumer behavior is likely to continually shift as the crisis wears on, hence real-time insight and analytics are fundamental to addressing the challenge. As they continue operations, businesses must stay close to the evolving needs of consumers and build deeper understanding of new demand spaces and paths to purchase. Ongoing and localized insights are essential to respond to new dynamics and trends while anticipating market shifts. Rethinking the process of innovation will be at the heart of reinvention.

**CGS organizations need to invest in Artificial Intelligence (AI), Machine Learning (ML) and other tools to manage customer interaction and analyze customer behaviors.** This will help them provide frontline staff with the insights they need to personalize experiences and add value. That is exactly what a large multinational foods organization in India did. **Creating a real-time, automated insights engine, leveraging AI and ML, across sales and operations helped them enable real-time decision-making as well as transform and digitize their processes.**



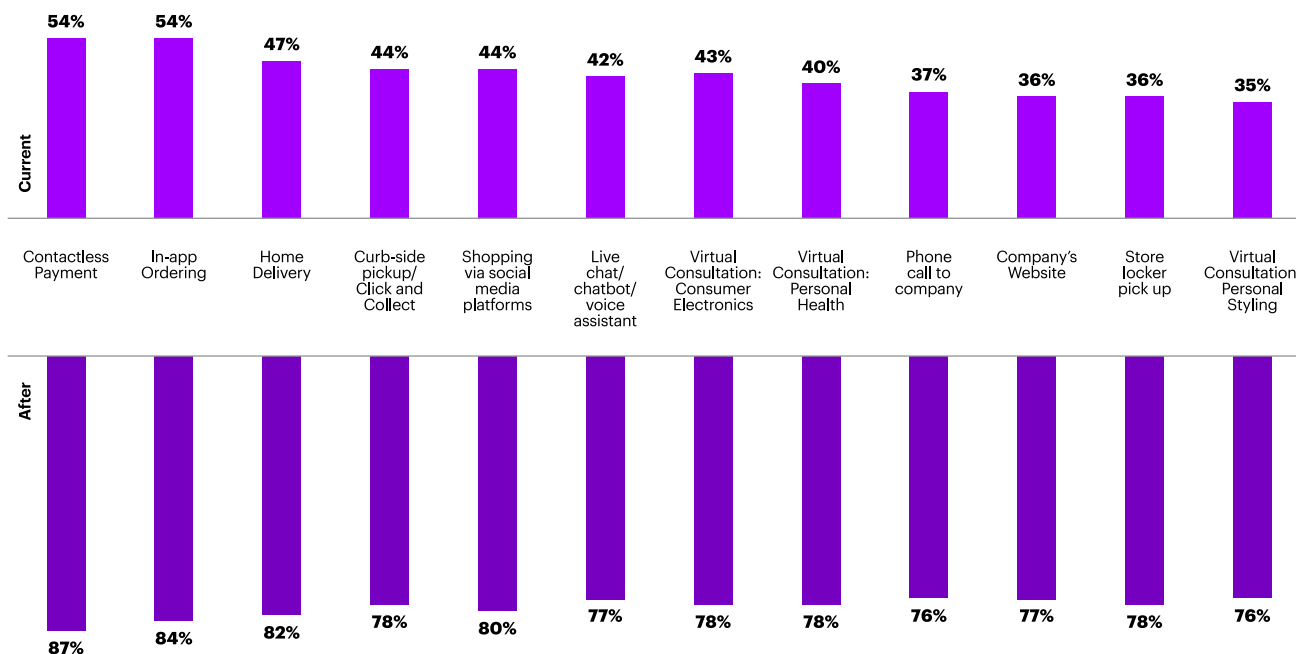
## 02 RETHINK CHANNELS AND ECOSYSTEMS: PIVOT TO THE DIGITAL COMMERCE WAVE

Business model flexibility will be more important than ever, and having ecosystem partners that allow for experimentation and rapid scaling on a variable cost basis would be key to success. With the shift to omnichannel services likely to be permanent (refer to Figure 1), there is a need for a stronger and integrated digital commerce strategy, aligning to new occasions and shopper missions. This needs to be strengthened by decision-support analytics across the e-commerce value chain.

**From an operating model perspective, one of the main trends is an increase in the adoption of digital platforms to connect directly with consumers.** Many fast-moving consumer goods (FMCG) players have co-created products with e-commerce players as online-first products and are getting into last-mile distribution leveraging partner ecosystems.

**Figure 1: Consumers using omnichannel services are likely to continue doing so**

**Proportion of consumers who have increased usage of digitally-enabled services during the COVID-19 outbreak**



**Proportion of consumers who expect to sustain increased level of usage**

Source: Accenture COVID-19 Consumer Pulse Research, conducted 2nd-8th June 2020. Excludes those who do not use services. <https://www.accenture.com/us-en/insights/retail/coronavirus-consumer-habits>

### **03 INVEST WISELY IN WHAT'S NEXT: DEFINE A PORTFOLIO APPROACH FOR PRODUCTS AND BUSINESSES**

Economic downturns require portfolio-minded investment decisions. An integrated and forward-looking approach to investment allocation and prioritization can help future-proof businesses. Companies would need to realign their core assets and competencies to changes in the marketplace. They can also put new demand sensing capabilities to work for informed investment decisions.

**For example, many CGS organizations have pivoted to offer products and services in the health and hygiene range, from vegetable wash and immunity-boosting drinks to health supplements and facemasks. At the same time, adjacent industry players have forayed into the hand sanitizer space, among others.**

The current environment also creates unique opportunities to acquire assets, intellectual property (IP) and talent in the search for new growth pathways. In recent years, many established industries have been threatened by “the rise of the ants”—startups offering services that are cheaper, more transparent and delivered differently. This may be the reverse Black Swan opportunity for some incumbents to acquire underfunded or overleveraged startup threats.

**CGS organizations need to take a value chain view to mergers and acquisitions (M&A) to consider how securing cross-industry ecosystem capabilities could improve longer-term competitive agility and resilience. This will help them identify small-scale, opportunistic M&A to acquire discrete/niche capabilities or talent that will generate long-term value.**



# GEARING UP FOR THE FUTURE, THE NEVER NORMAL

**It's a sprint now, but it's time to start preparing for the marathon of never normal.**

Now more than ever, businesses must think about how they can outmaneuver today's uncertainty by planning for the more distant future. To position their companies for long-term growth in the recovery, leaders are now thinking about disruption more pointedly and are strategizing to make their organizations more resilient and competitive.

**As CGS organizations think of the more distant future, three key areas should be considered.**

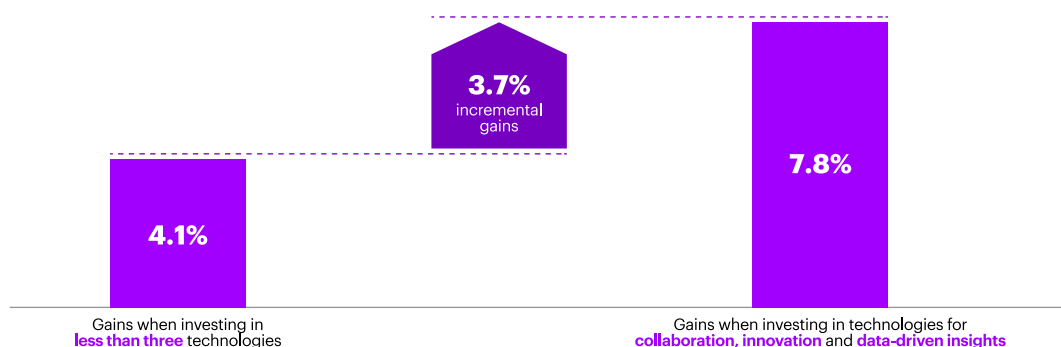
## 01 BUILD BUSINESS RESILIENCE: CREATE NEXT-GEN AGILITY IN OPERATIONS

In these uncertain times, success hinges on business resilience and the ability to readily adapt to changing conditions. Indian companies need to accelerate their strategic ambition, acquire capabilities that set them apart and place growth bets at a time when others are retrenching and recovering at different rates (refer to Figure 2).

Traditionally, supply chains were designed for efficiency. Now there's a need to redesign them to balance efficiency and resilience. CGS companies need to have purpose-led intelligent supply chains that operate fast, with more agility to fuel sustainable future growth.

Additionally, adopting and adapting distributed global services models (GBS) and advanced data solutions can help automate routine process tasks and allocate talent across regions or time zones. For example, a large Indian FMCG organization embarked on a digital supply chain journey to move toward lean, agile and resilient supply chain operations enabled by AI/ML-based cutting-edge digital platforms. The transition enabled them to respond at scale to the pandemic's evolution.

**Figure 2: Investing in new technologies to turn data into insights**



## 02 WORKFORCE OF THE FUTURE: CREATE SHARED WORKFORCE RESILIENCE

The type of skills and roles CGS organizations need since COVID-19 are different from what was needed earlier; and the way these roles will be sourced is becoming more innovative and agile. **Talent and its sourcing will increasingly become geography-agnostic, thereby giving both organizations and the workforce more choices. The concept of the “workforce” will expand beyond traditional organizational boundaries, and this will be further augmented by the drive toward increased automation, and contactless and digitally driven processes.** This “on-tap” model of employment will find greater acceptance and adoption by employers, with increasing realization that fixed costs need to be made more variable.



### 03 COMMIT TO AN ELASTIC COST STRUCTURE: CREATE FUEL FOR GROWTH

While making temporary cutbacks, CGS organizations must evaluate investments holistically, in a manner that balances the trade-offs between near-term realities and longer-term considerations.

**CGS organizations would need to reset the cost baseline for the new reality and enable elastic cost structures by making zero-based cost strategies more effective and implement and sustain a broader culture of cost ownership.**

**Best-in-class companies are looking beyond traditional cost reduction to move to Quartile Zero, by considering second wave cost reductions and generating fuel for growth.** Reducing stock keeping unit (SKU) complexity to streamline cash management; variabilizing costs, including technology (e.g., software-as-a-service and cloud) and outsourcing non-core activities, while investing in greater data intelligence can help better adjust cost structures and manage liquidity.

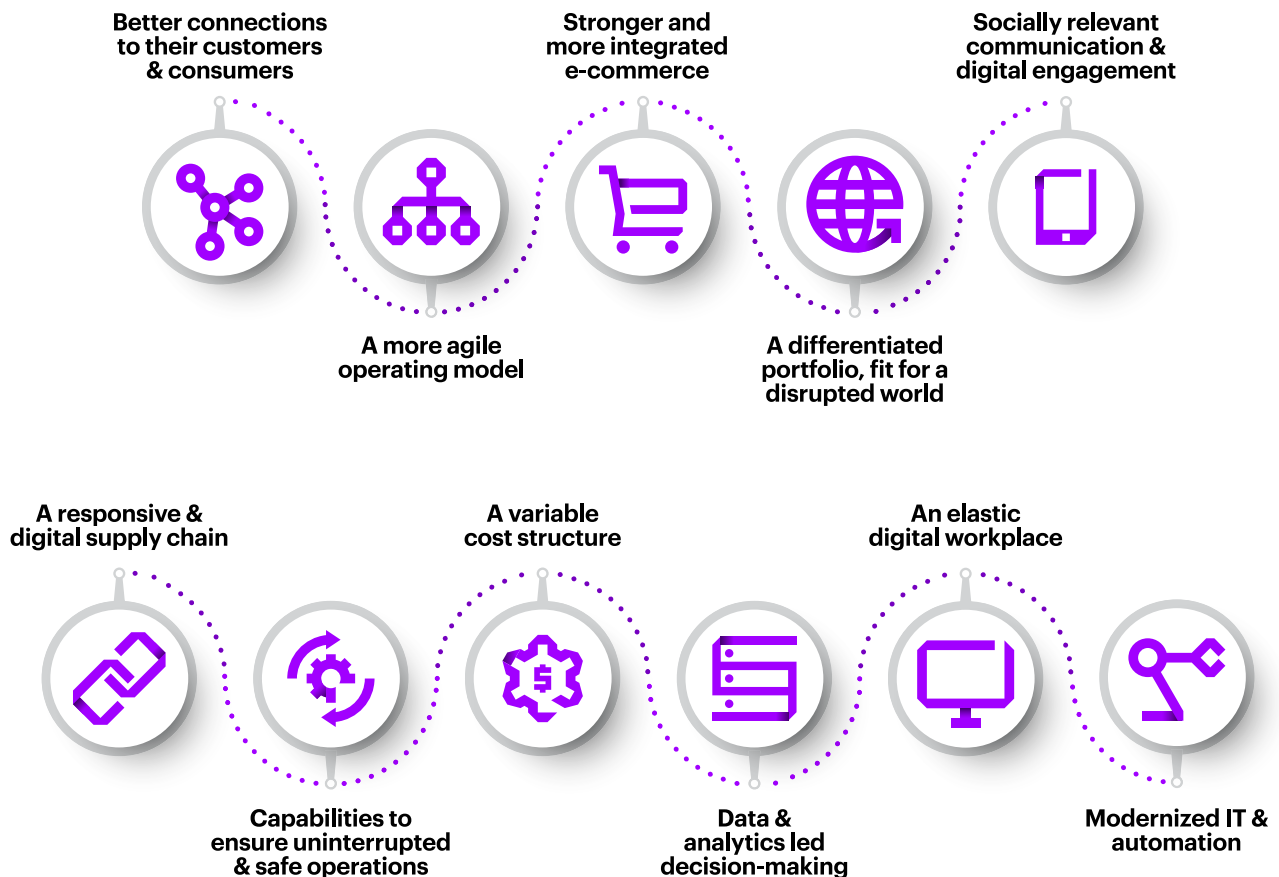
Take the example of a leading Indian FMCG that is working on achieving cost optimization and value enhancement across all spend buckets of the business. This will help them deliver a bottom-line impact of 2 percent and provide them the fuel they need to growth in a post-COVID world.



# THE FUTURE WILL BELONG TO THE PREPARED

Winners will combine the sprint on their COVID-19 response with the marathon of longer-term impacts on their operating model. Losers will be, at best, forced to rebuild their brands, values and reputation from the ground up. Or, at worst, they will simply disappear.

Organizations across the industry have rapidly responded to operate in a new reality. But those that emerge winners will be the ones with:





## AUTHORS



### **ANURAG GUPTA**

Managing Director and Lead,  
Strategy & Consulting,  
Accenture in India



### **ANSHUL BATRA**

Senior Manager,  
Strategy & Consulting,  
Accenture in India

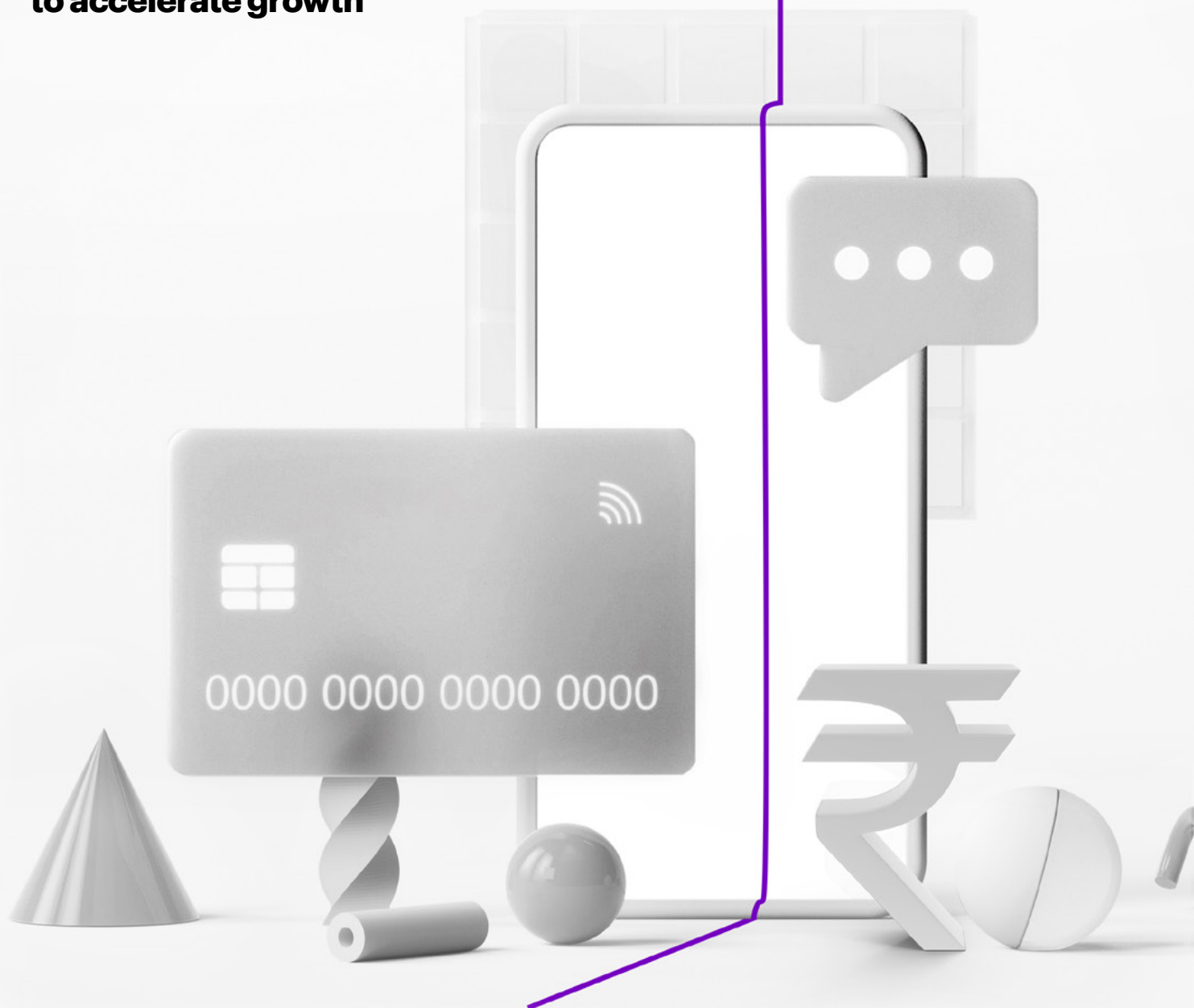
## ABOUT ACCENTURE

Accenture is a global professional services company with leading capabilities in digital, cloud and security. Combining unmatched experience and specialized skills across more than 40 industries, we offer Strategy and Consulting, Interactive, Technology and Operations services—all powered by the world's largest network of Advanced Technology and Intelligent Operations centers. Our 514,000 people deliver on the promise of technology and human ingenuity every day, serving clients in more than 120 countries. We embrace the power of change to create value and shared success for our clients, people, shareholders, partners and communities. **Visit us at [www.accenture.com](http://www.accenture.com)**

**Disclaimer:** This article has been published for information and illustrative purposes only and is not intended to serve as advice of any nature whatsoever. The information contained and the references made in this article is in good faith and neither Accenture nor any its directors, agents or employees give any warranty of accuracy (whether expressed or implied), nor accepts any liability as a result of reliance upon the content including (but not limited) information, advice, statement or opinion contained in this article. This article also contains certain information available in public domain, created and maintained by private and public organizations. Accenture does not control or guarantee the accuracy, relevance, timelines or completeness of such information. Accenture does not warrant or solicit any kind of act or omission based on this article. The article is the property of Accenture and its affiliates and Accenture be the holder of the copyright or any intellectual property over the article. No part of this article may be reproduced in any manner without the written permission of Accenture. Opinions expressed herein are subject to change without notice.

# Where smart banking meets AI

**How banks can boost productivity and  
elevate customer experience through AI  
to accelerate growth**



Humans have repeatedly invented newer machines to improve output. Think how bicycles and then automobiles magnified the distance and speed with which humans could travel, while radically changing the experience. These machines were based on the general purpose technologies of wheels and internal combustion engine. **Artificial Intelligence (AI) is the latest general purpose technology that is being used to redefine the banking experience and business economics like the computer and Internet did before.** The possibilities are both endless and already limitedly proven. For example, think about how AI is revolutionizing the way we interact with machines—it is changing the onus of understanding from humans to machines. Earlier, we had to know where to go, what to click to accomplish a particular task and now you can probably just ask Google or Siri or Alexa. This will transform the customer adoption and experience landscape. **Similarly, AI-based bots can enable a thousand small conveniences for your customers like one-click repeat payments, or for your employees like build a draft credit appraisal memo. These bots are already being deployed for some common use cases across banks, like chat bots, and across industries, like robotic vacuum cleaners.**



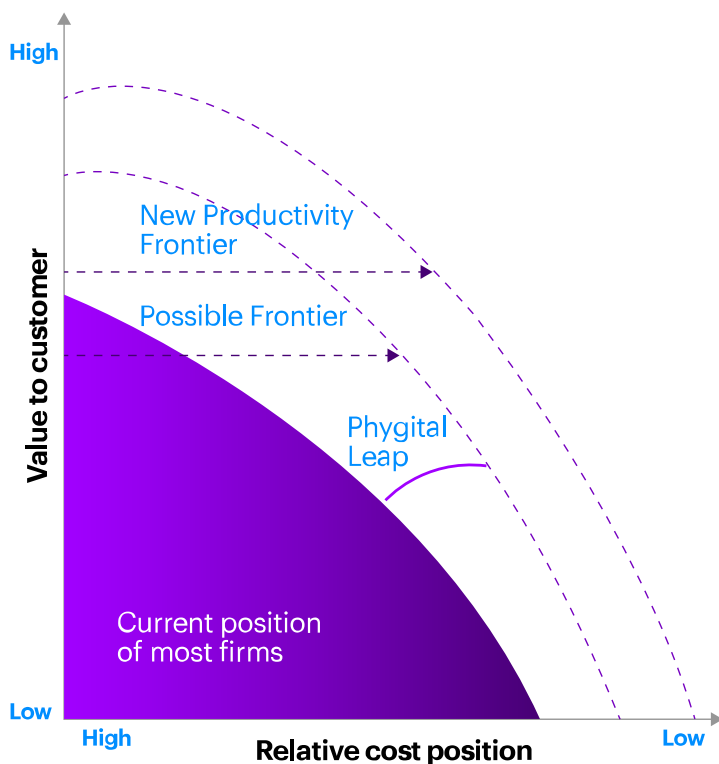
Whether the recent pandemic has necessitated a bank to ride the tailwinds of digital acceleration or dramatically improve their productivity to survive, AI offers a compelling proposition. Like any technology leap, it pushes the Production Possibility

Frontier out (see Figure 1), allowing banks to simultaneously improve experience and business economics, while also improving control and compliance. It helps banks accelerate growth, both by removing bottlenecks to scale and by driving a differentiated experience that can drive virality in demand. **Our client diagnostics have repeatedly shown that using AI-based solutions, banks can achieve a 2-5X increase in the volume of interactions or transactions with the same headcount.** Think about it—if banks could drive that 2-5X volume with their current branch or office and people infrastructure, wouldn't their Cost Income Ratio land sub 30 percent?



**While most banks were operating below the possible productivity frontier, a newer frontier has taken shape.**

**Figure 1: From driving cars to writing news articles with no human intervention, AI is revolutionizing industries and pushing the Production Possibility Frontier further.**



### CURRENT PROVEN FRONTIER

Why are we still filling forms, entering data, reconciling transactions, consolidating GL...

### THE NEW FRONTIER

AI can drive cars, design car chassis, write news articles...

### AFFLUENCE AND DIGITAL PUSH

Are changing the customer indifference curves

# THREE BARRIERS TO AI

While the possibilities of AI in banking are endless, adoption is low. Our recent **Accenture–AI: Built to Scale** research that surveyed more than 1,500 CXOs, including 126 in India, discovered that while a whopping 84 percent of the executives believe AI is critical to their future ambitions, a vast majority of companies are stuck in Proof of Concept mode and less than 5 percent are leveraging AI in an industrialized manner. This “know-do” gap stems from three typical challenges.



## **AI is being applied by technology rather than business intent.**

Think about all the robotic process automation (RPA) and optical character recognition (OCR) programs you have heard of. The challenge in such an approach is that even when the individual application of technology may be successful, there is little improvement in turnaround time or customer experience for the overall process. Humans bring together multiple capabilities and senses to accomplish any task and so should AI. This technology-led approach doesn't prompt a reimagination of business process or journey and a lack of appreciation for the inherently exponential learning curve required leads to early despair.



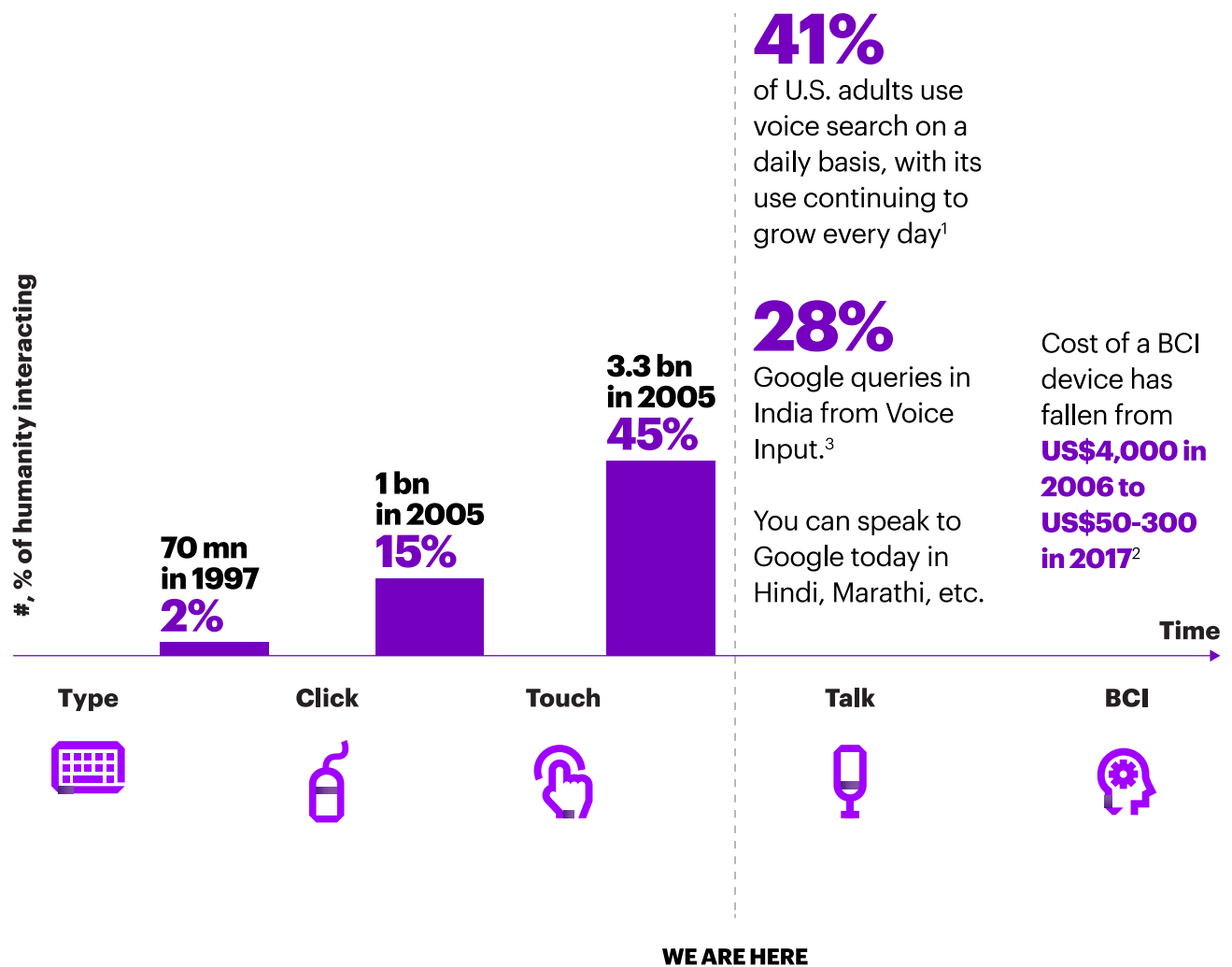
**The fragmented technology infrastructure for AI**, often made of a collection of fintechs, and a lack of a modern integrated data platform further exacerbates the problem. AI can't work without data and, all too often, banks' data is locked in either source systems or in highly aggregated forms in under capacitized warehouses. Further, the key enablers for AI—the knowledge and algorithms—are often locked in individual silos leading to rework and inefficiencies that slow down the scale-up.



## **The impact of AI on the operating model cannot be overstated.**

It is dramatically changing the nature of work and the pyramid of work. And business leaders who have to deliver these experiences of tomorrow with the teams of tomorrow must actively be engaged in creating their future. AI must be treated as a team sport that requires multi-disciplinary skills and unless organizations start by setting up these teams with a clear mandate and empowering them with base infrastructure, tools and know-how, AI will at best exist sporadically in the fringes, making little difference to the organization's results.

**Figure 2: As customer interactions move from touch to voice, taking a voice-first approach to AI will help banks gain competitive advantage.**



Source:

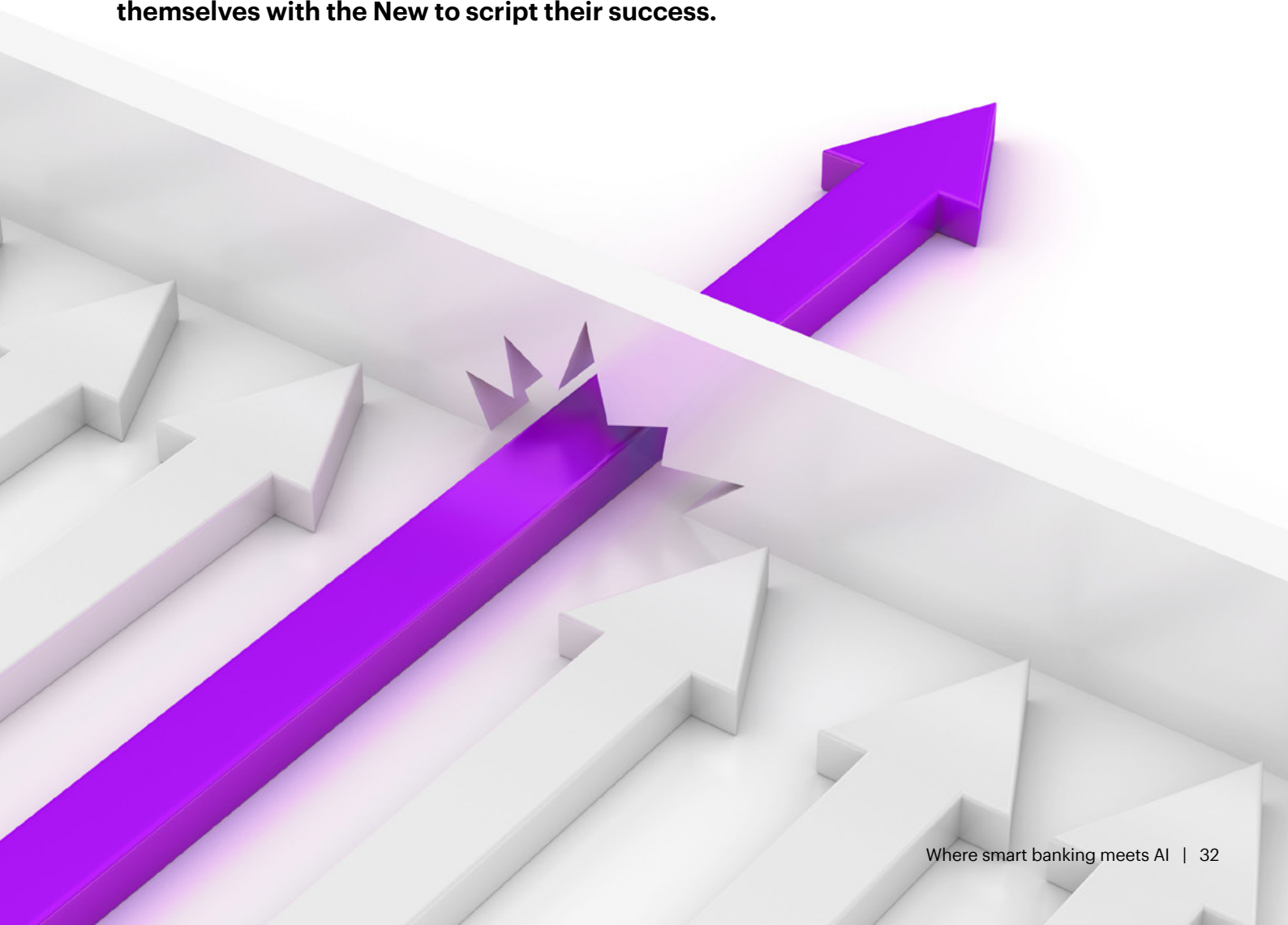
1. <https://www.forbes.com/sites/forbesagencycouncil/2017/01/03/2017-will-be-the-year-of-voice-search/#459ade7512c5>
2. Exponential organization
3. Presented in Google for India Summit 2017

# A NEW WORLD BECKONS THE BRAVE

AI, like the preceding wave of digital, is inevitable. And it's not a distant possibility—it is already all around us and easily available as a base capability. It is available as open source (TensorFlow, OpenAI GPT-3), as infrastructure or service from cloud hyperscalers (speech to text APIs) and even as finished products (fintech point solutions). There's no time to wait, banks must act now.

The recent digital acceleration makes it an imperative. Trends like Central Know Your Customer (CKYC) or video KYC are a double-edged sword. While they make it easier for banks to acquire customers, customers can also switch with ease, exacerbating winner-takes-all conditions.

**There's a phrase in Sanskrit that sums up the AI opportunity for banks—Veer Bhogya Vasundhra, meaning "To the brave belong the riches." Banks that boldly embrace the brave new world of AI are most likely to lead in the future and keep the customers. The choice is for them to make—either wait for their Kodak moment or power themselves with the New to script their success.**





## AUTHOR



### **PRANAV ARORA**

Managing Director and Lead,  
Applied Intelligence,  
Accenture in India

## ABOUT ACCENTURE

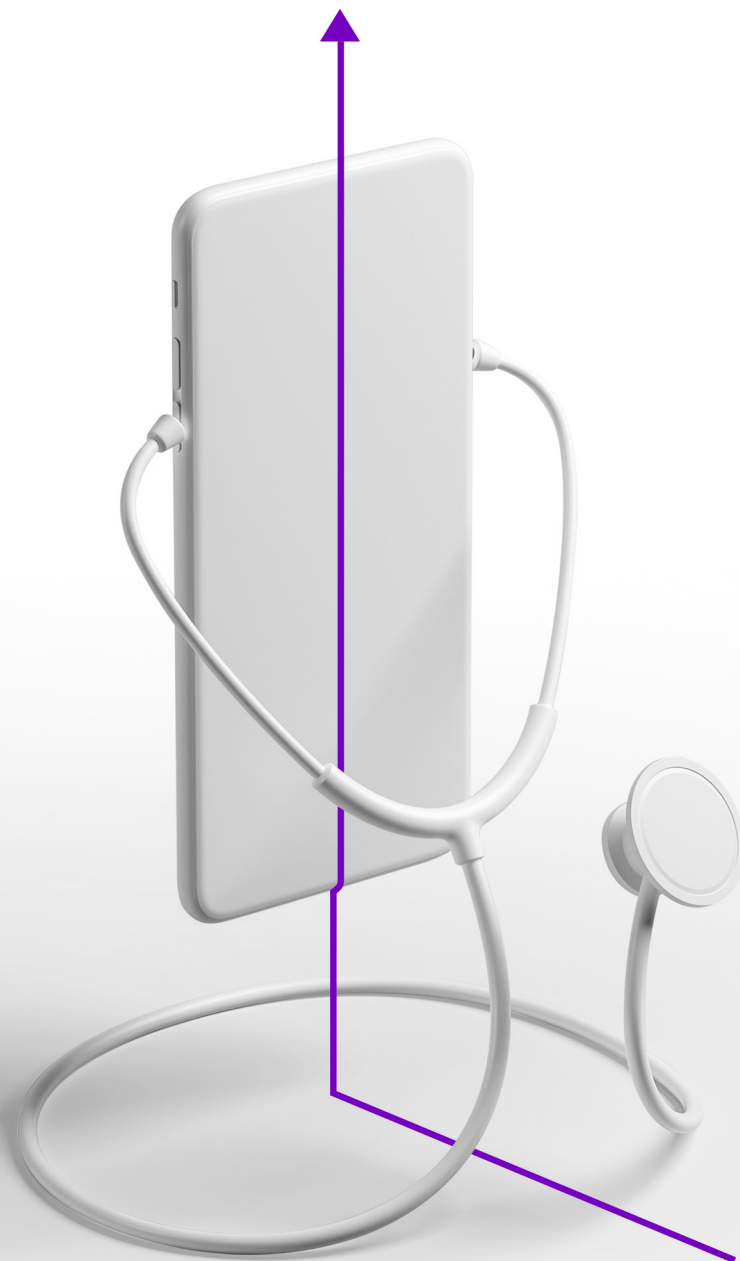
Accenture is a global professional services company with leading capabilities in digital, cloud and security. Combining unmatched experience and specialized skills across more than 40 industries, we offer Strategy and Consulting, Interactive, Technology and Operations services—all powered by the world's largest network of Advanced Technology and Intelligent Operations centers. Our 514,000 people deliver on the promise of technology and human ingenuity every day, serving clients in more than 120 countries. We embrace the power of change to create value and shared success for our clients, people, shareholders, partners and communities. **Visit us at [www.accenture.com](http://www.accenture.com)**

**Disclaimer:** This article has been published for information and illustrative purposes only and is not intended to serve as advice of any nature whatsoever. The information contained and the references made in this article is in good faith and neither Accenture nor any its directors, agents or employees give any warranty of accuracy (whether expressed or implied), nor accepts any liability as a result of reliance upon the content including (but not limited) information, advice, statement or opinion contained in this article. This article also contains certain information available in public domain, created and maintained by private and public organizations. Accenture does not control or guarantee the accuracy, relevance, timelines or completeness of such information. Accenture does not warrant or solicit any kind of act or omission based on this article. The article is the property of Accenture and its affiliates and Accenture be the holder of the copyright or any intellectual property over the article. No part of this article may be reproduced in any manner without the written permission of Accenture. Opinions expressed herein are subject to change without notice.



# A digital booster dose for healthcare

**Reimagining India's pharma commercial workforce model in the never normal**



The COVID-19 pandemic and the subsequent restrictions have undoubtedly caused a major upheaval in how pharma companies engage with Healthcare Providers (HCPs) and HCPs, in turn, engage with their patients. The rapid acceleration toward remote visits and virtualization of care during the pandemic demonstrate that conventional engagement models are moving in the direction of “never normal.”

## THREE EMERGING TRENDS IN THE VIRTUAL HEALTHCARE SPACE

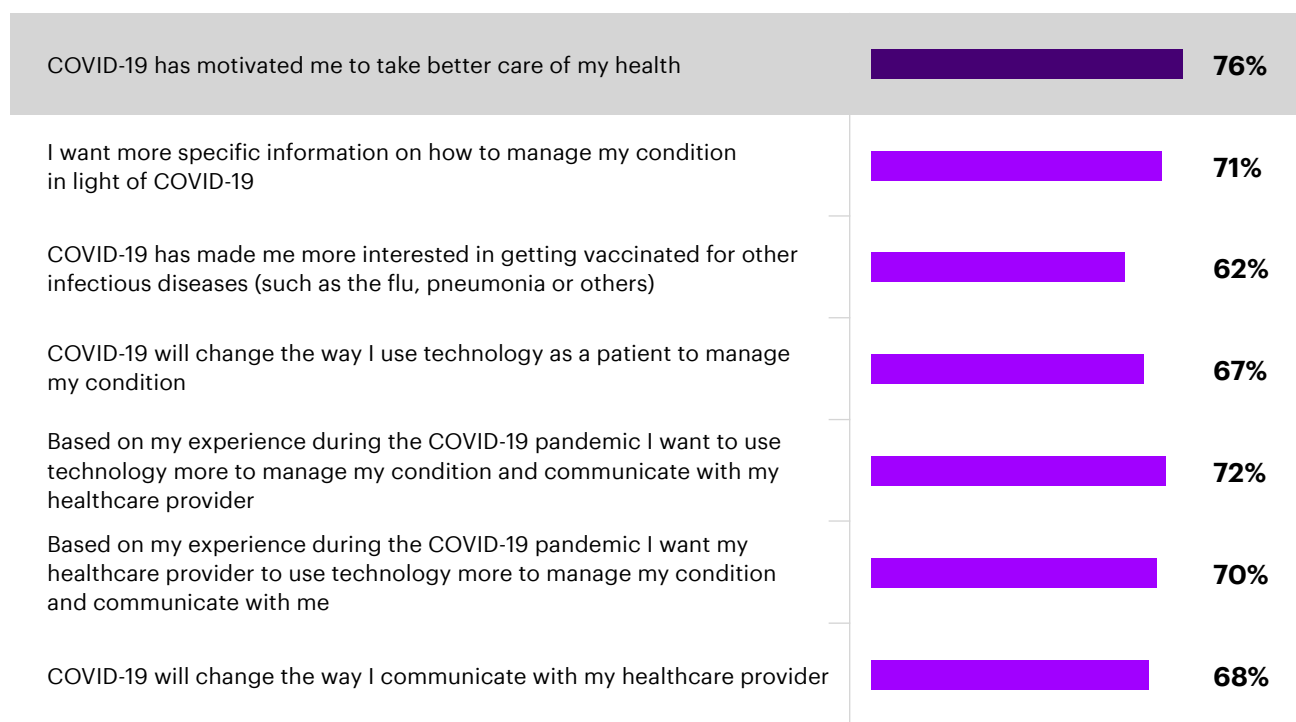
While the virtualization of healthcare was long expected, the pandemic has finally proven to be the tipping point. The recent **HCP-Patient survey**<sup>1</sup> conducted by Accenture confirms the imminent transition in the HCP-patient dynamics. Here are some notable findings of the survey.



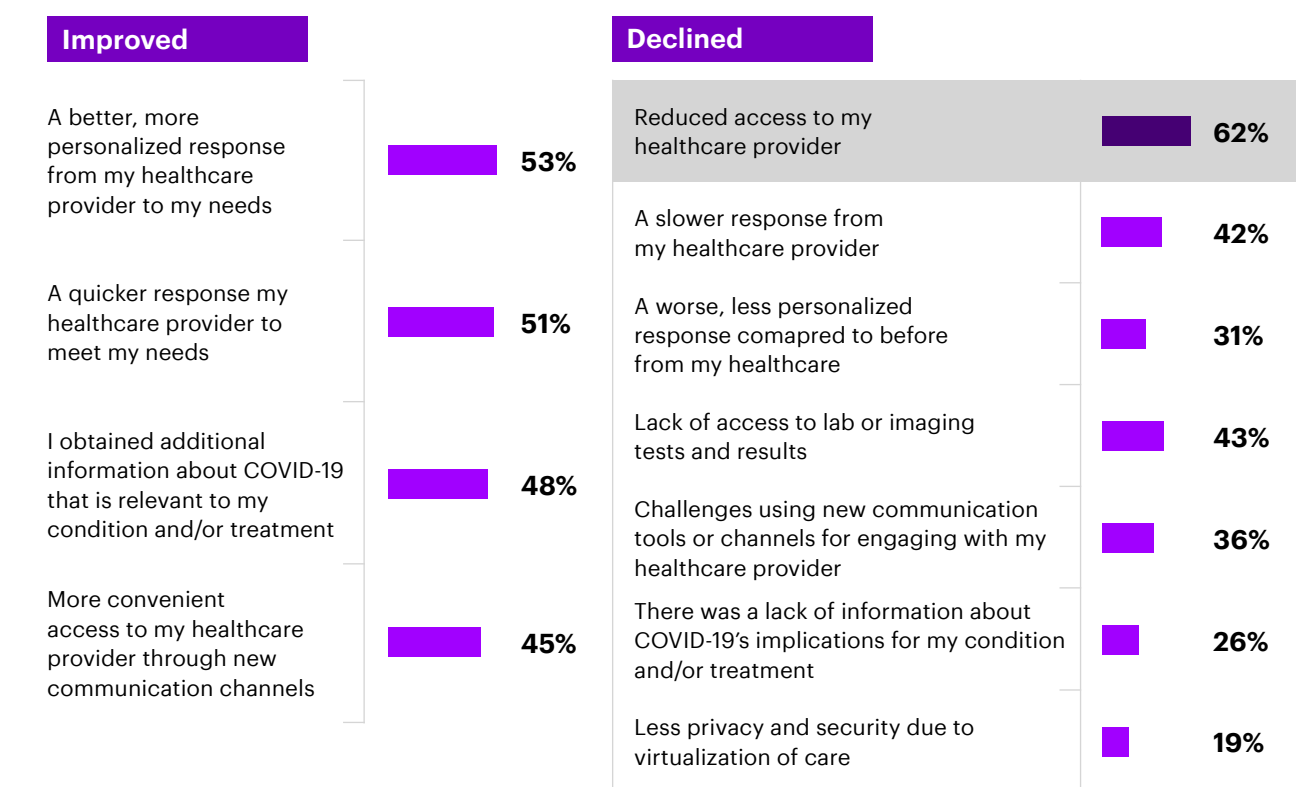
## PATIENTS SAY YES TO DIGITAL BUT MISS PERSONALIZED SERVICES

Lockdown restrictions and the danger of infection has prompted patients to use new technologies to address healthcare issues (see Figure 1). Even the doctors are now encouraging patients to use various apps to manage their health conditions. On the other hand, **62 percent of the patients surveyed felt that the extensive usage of technology had reduced direct access to their healthcare providers, thereby affecting the quality of care** (see Figure 2).

**Figure 1: Patients are motivated to take better care of their health**



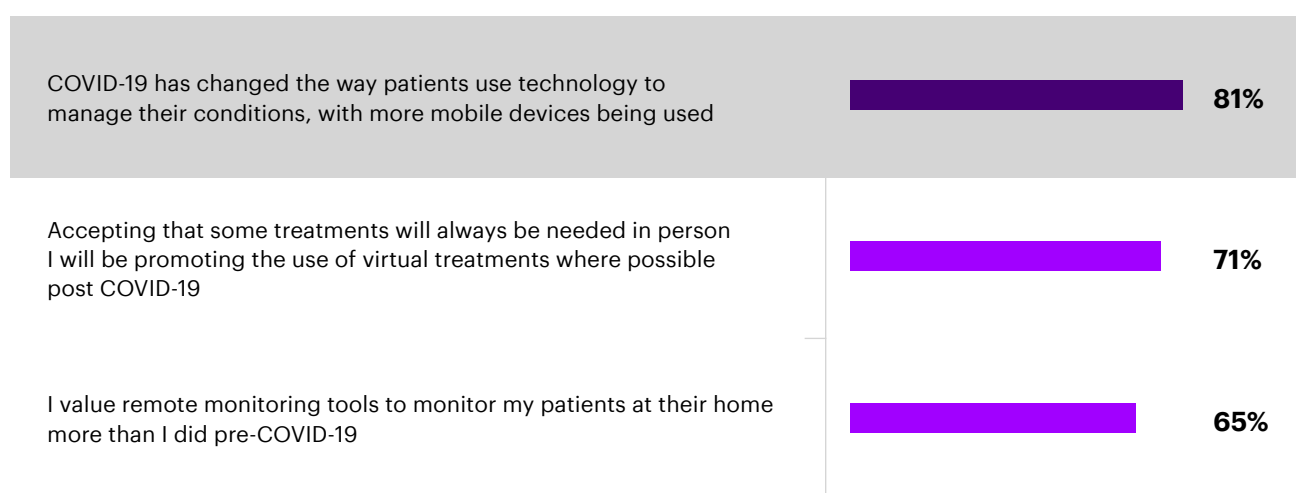
**Figure 2: Primary reasons why the quality of care has improved or declined**



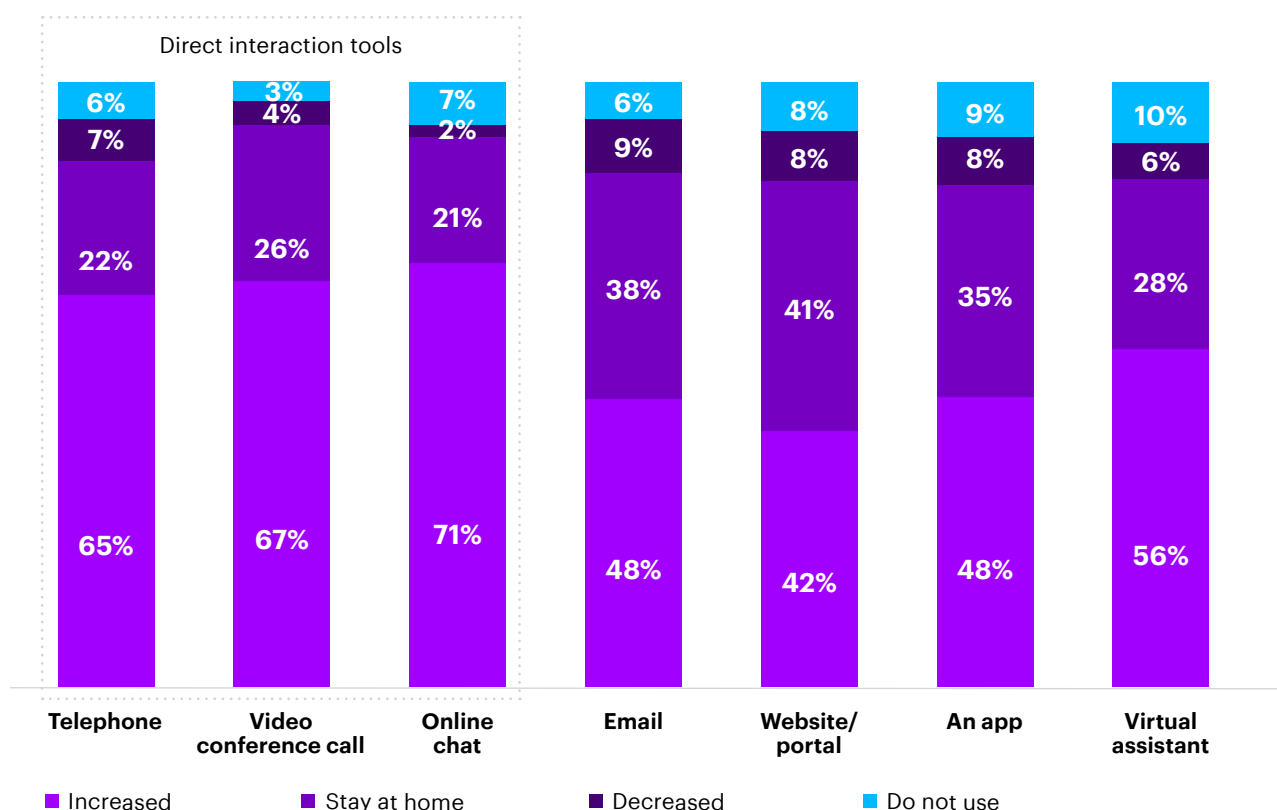
## DOCTORS RESPOND FAVORABLY BUT SOME DOUBTS PERSIST

The doctor community has quite seamlessly embraced virtual tools to manage health outcomes for their patients. Online chat, telephone and video conferencing are the most popular options (see Figure 4). However, as the survey reveals (see Figure 5), lack of empathy in virtual discussions, delayed diagnosis and patient privacy issues are concerns that still persist while delivering health services through the digital medium.

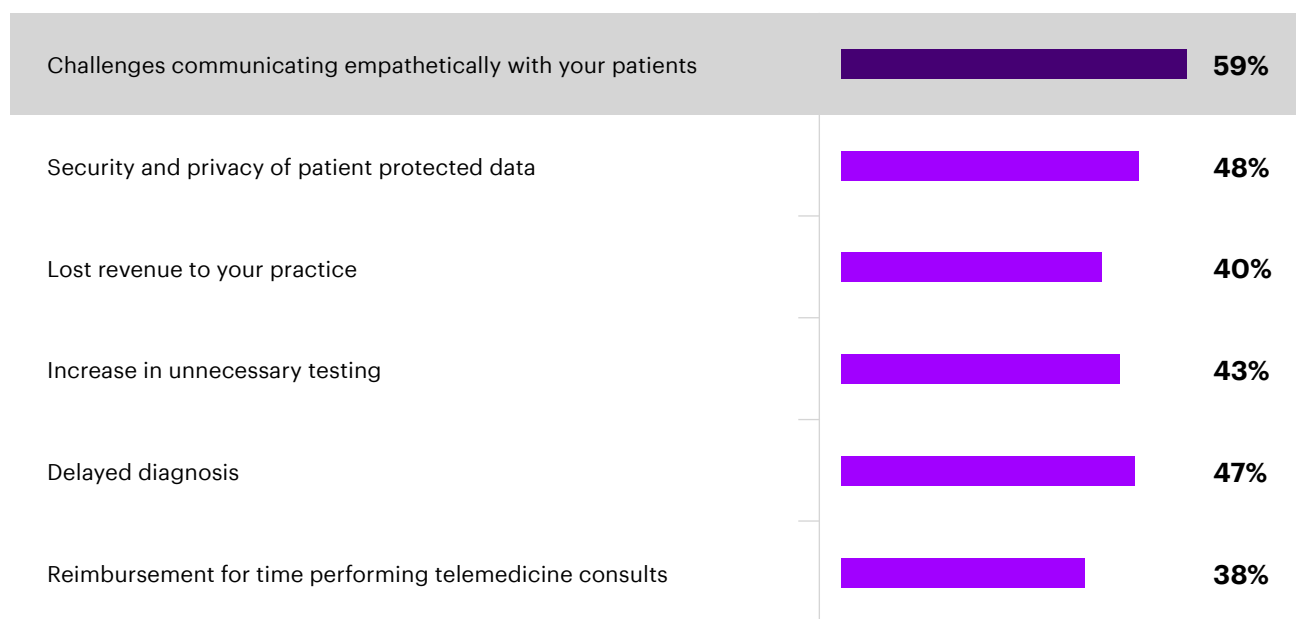
**Figure 3: HCP responding favorably to virtualization of care**



**Figure 4: HCP interaction channels preferences**



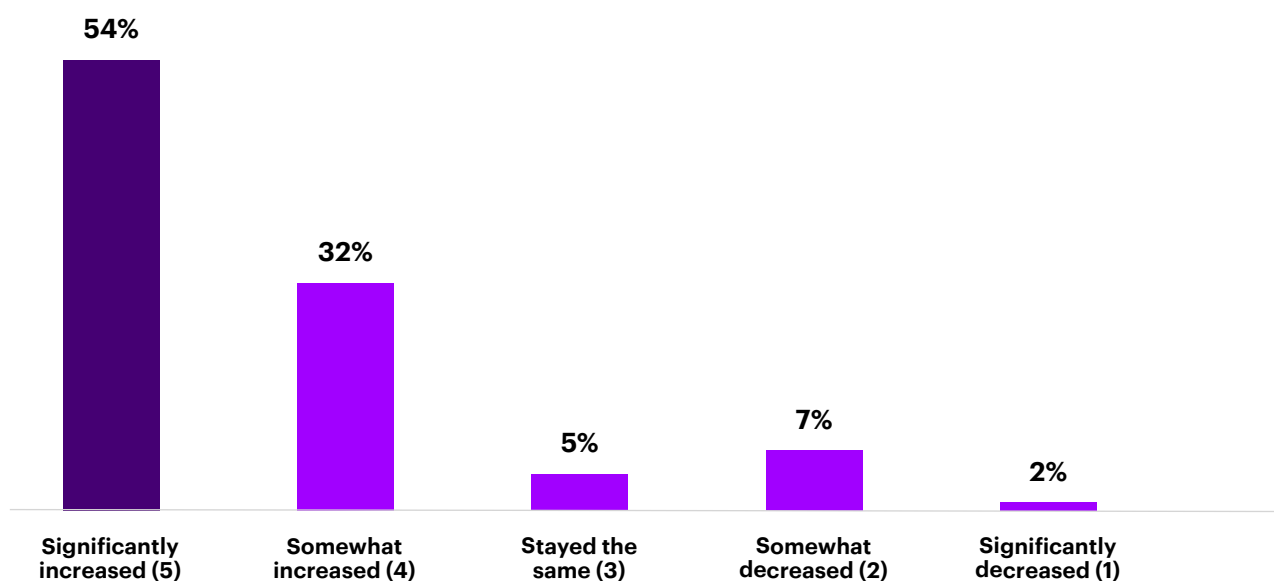
**Figure 5: Patient interaction challenges**



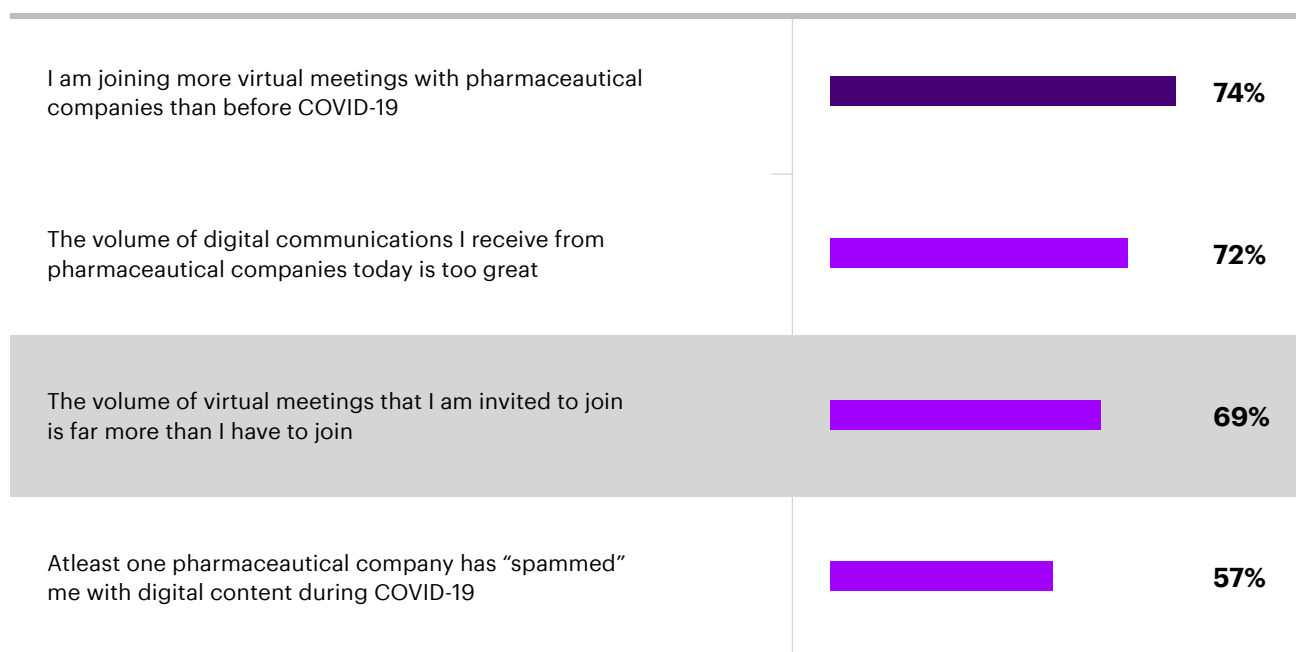
## DOCTORS NEED “RIGHT” INFORMATION, NOT “MORE” INFORMATION

In the wake of COVID-19, volume of information sent by pharma companies to HCPs through digital channels has increased significantly (see Figure 6). However, despite the digital engagement, as highlighted in Figure 7 and 8, doctors feel that the pharma companies have not fully understood their changing needs and expectations for patient treatment.

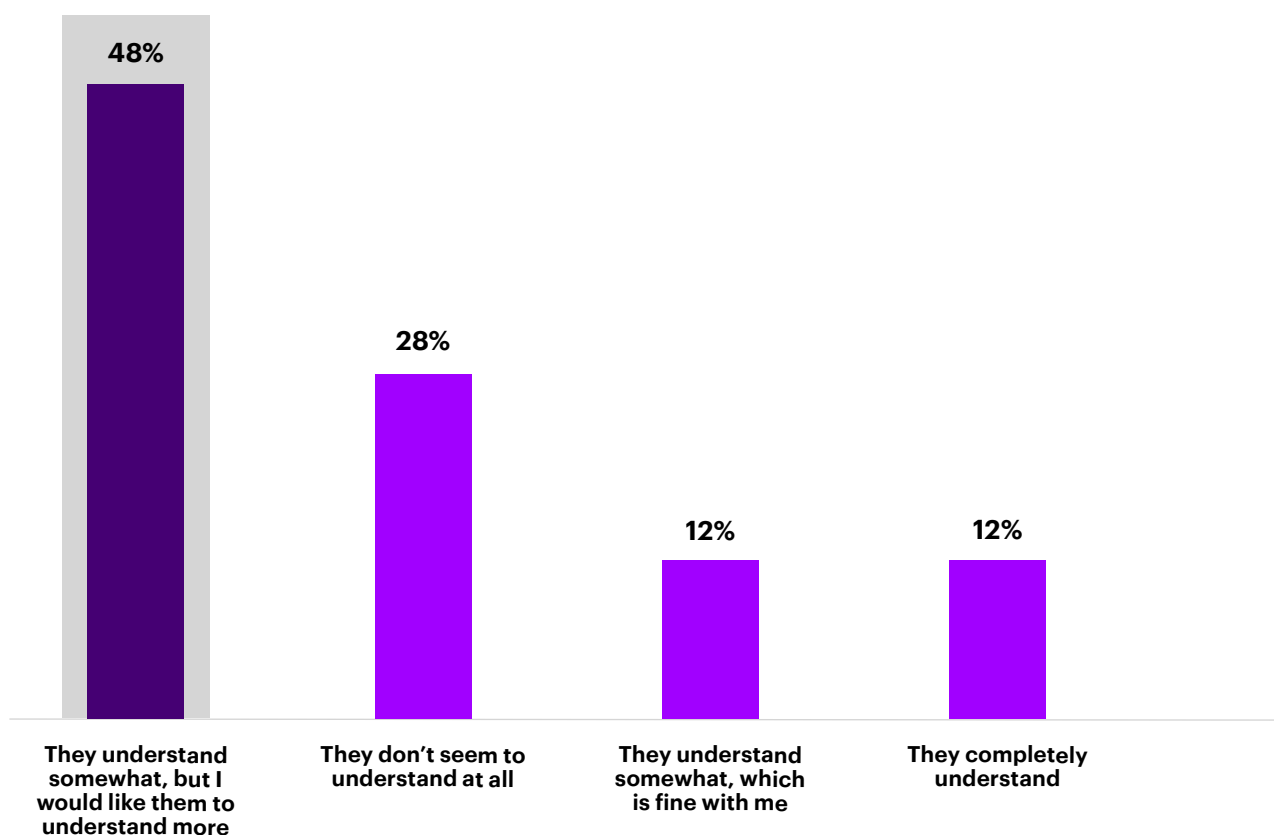
**Figure 6: Volume of information from pharma companies**



**Figure 7: Pharma companies' engagement with HCPs**



**Figure 8: Changing HCP needs for patient treatment**





# FOUR KEY IMPERATIVES TO BOOST PHARMAS' DIGITAL SUCCESS

As evident from the above-mentioned findings, the future commercial agenda of Indian pharma companies will have a significant digital influence. The objective—more than just communicating product details—would be to deliver a hyper-personalized customer experience while addressing the existing challenges around relevance, empathy and privacy.



**We believe a winning agenda to deliver success for pharma companies will hinge on four key aspects:**

## **01 CURATE DIFFERENTIATED EXPERIENCES FOR HCPs**



With COVID-19 reducing physical touchpoints, what is needed is an intelligent and closed-looped digital communication with the HCP, powered by the right tools and personalization, along with content management and renewed digital marketing capabilities.

---

## **02 TEAM UP WITH HCPs FOR EFFECTIVE PATIENT MANAGEMENT**



As the HCP-patient interactions increase over various digital platforms, both stakeholders require each other's support to enable a superior patient and practice management. Pharma companies can facilitate doctor-patient interactions in a manner that addresses the gaps arisen due to digital channels—lack of empathy, delayed diagnosis and patient privacy.

---

## **03 HARNESS ANALYTICS TO DRIVE CONTINUOUS IMPROVEMENT**



As engagement moves toward hyper-relevance, pharma companies must invest in improved intelligence to derive data-driven, actionable insights to understand HCPs and patients better.

---

## **04 DEFINE NEW SALES STRUCTURES FOR EFFICIENCY**



With customer needs becoming more nuanced and granular, pharma companies must gradually depart from conventional sales or business unit structures and define new sales structures or “plays” that help serve customer needs more efficiently.

# THREE CRITICAL STEPS TO REVITALIZE PHARMA WORKFORCE

The re-imagined commercial agenda in the never normal will warrant pharma companies to redefine their work processes and re-align their workforce. Here are three strategic themes imperative to transform pharma companies' workforce.



## 01 RE-IMAGINE ROLES

As pharma companies become more connected and sophisticated, their workforce needs diverse new skillsets to gain competitive advantage and adopt intelligent technologies to upskill and reskill existing talent. Three such roles that will undergo a metamorphosis are:

### **Transform medical representatives into intelligent representatives**

For medical representatives, engaging the HCPs by leveraging specific intelligence based on behavioral preferences will be the key. Armed with a closed-looped CRM, representatives can effectively use data insights to plan, deliver and report calls. This is where skills such as digital awareness and analytics will be put to good use. The emphasis is to see through doctors' eyes to understand their needs and solve problems by serving customers as individuals, not as numbers in a call roster.

### **Transform brand managers into customer experience managers**

As doctor-patient interactions become more dependent on omnichannel digital platforms, a brand manager's role will be pivotal to facilitate a uniform interaction experience across all channels. Therefore, the communication and choosing the right templates and promotional items must also include a better understanding of doctors and patients and how they want to be engaged. In the future, brand managers will have to acquire skills such as content management for continuous engagement across multiple channels and experience management to retain a multichannel identity and branding across the company.

### **Think beyond the patients**

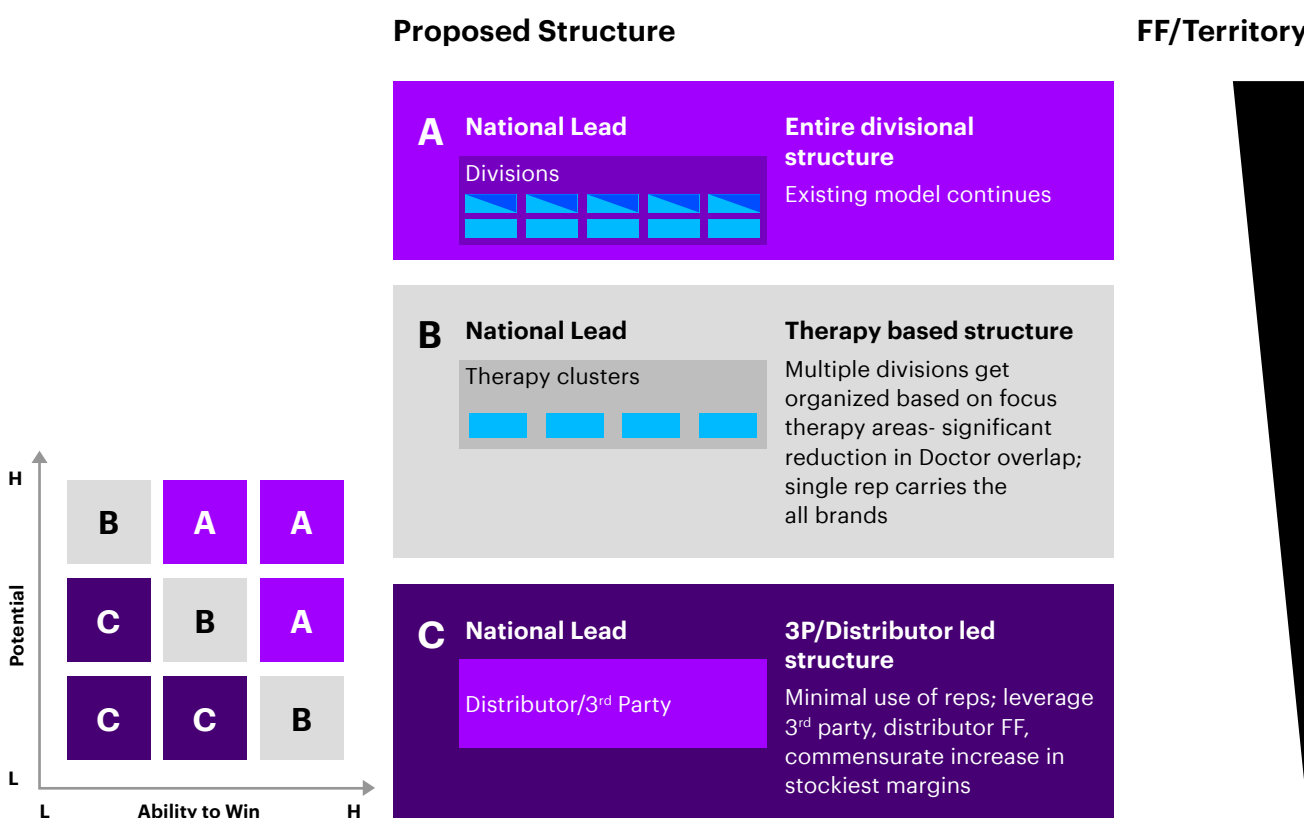
As the Accenture survey suggests, virtualization of healthcare is all about HCPs making further customizations into how they operate—both clinically (teleconsultation) and commercially (payments). One area where pharma companies can differentiate themselves is by helping doctors manage their practice and patients better. They can do so by acquiring critical skills in disease awareness (identifying key gaps that impact patient experience and clinical outcomes) and various digital engagement tools to perform these functions.

## 02 EMBED RIGHT-SIZED STRUCTURES

In a muted growth scenario, pharma companies must tackle the legacy of a **“one-size-fits-all”** organizational structure head-on and create a new competitive reality that propels them ahead of their competitors. With so much diversity, winning in the Indian market is about winning in **“many Indias.”** However, the pharma industry has been straddled by uniform sales structures across the country, irrespective of the potentiality or winnability.

Identifying growth hotspots at a micro-territory level based on potential assessment drivers can shape a company’s operating structure, such as divisions and marketing mix. Some of the vital assessment drivers are doctor needs, patient profile, disease burden, economic potential in a specific territory, competitive intensity, prescription and dispensing patterns. Adapting sales structures with a view on expected ROI can help pharma companies drive significant efficiencies (see Figure 9).

**Figure 9: Sale structures that commensurate with the market benefits**



### 03 INSTIL A DIGITAL WORK CULTURE

For pharma leaders, organizational transformation will revolve around embedding digital skills across the company. Since native digital-pharma experience is limited, companies will need to employ a hybrid approach that requires:

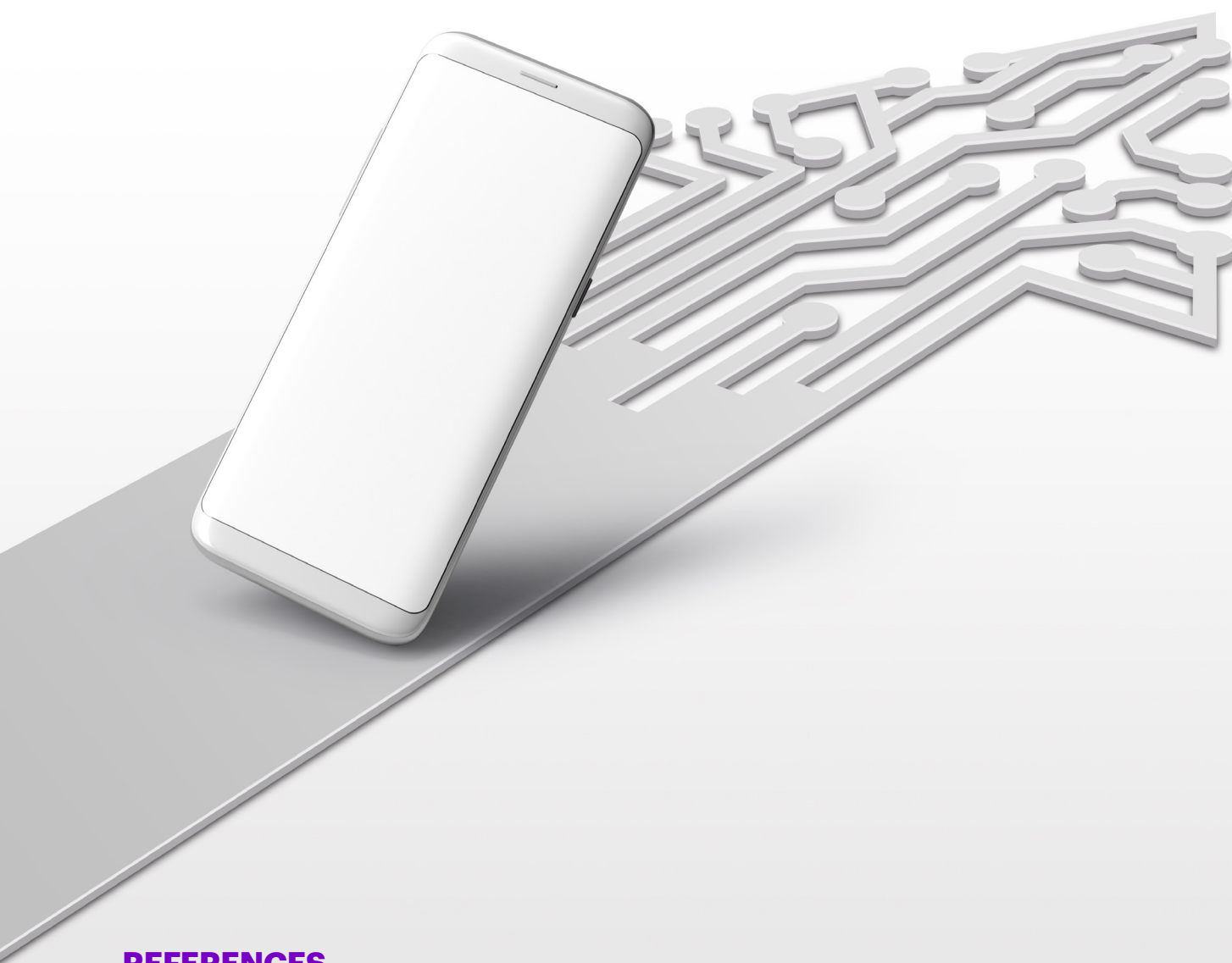
- **A digital center of excellence (CoE) led by a business expert with a good understanding of digital technologies and the external digital ecosystem.**
- **Digital champions within functions who can identify and resolve problems through digital interventions.**

Since data empowers leaders and individual employees to make quick and accurate decisions, a CoE can manage the seamless flow of data-driven insights across business models, functions and project teams. Moreover, as processes mature, predictive and prescriptive analytics will help teams make data-driven and insightful business decisions.



# THE ROAD AHEAD

Though virtual healthcare has been here for a while now, the pandemic became a crucial catalyst in forcing pharma companies to accelerate their digital transformation journey at scale. Many pharma companies are already taking steps around the digital imperatives, but the difference lies in how fast they execute their strategies. The key is to harness the power of these structural shifts and new tools and technologies to deliver high-quality and hyper-personalized patient experiences and healthcare services, while also improving business outcomes and resilience to counter future disruptions.



## REFERENCES

1. About the survey: HCP-Patient survey was done in India to understand what changed in doctor and patient care during COVID-19, how doctors felt about it, what they liked and what they want to continue in the future. HCP covered: 120, Patients covered: 700.



## AUTHORS



### **RISHABH BINDLISH**

Managing Director  
and Lead, India Life  
Sciences and Global  
Generics, Accenture



### **AMIT MISRA**

Senior Manager,  
Products - Life  
Sciences,  
Accenture in India



### **TUSHAR BAKSHI**

Senior Manager,  
Products - Life Sciences,  
Accenture in India

## ABOUT ACCENTURE

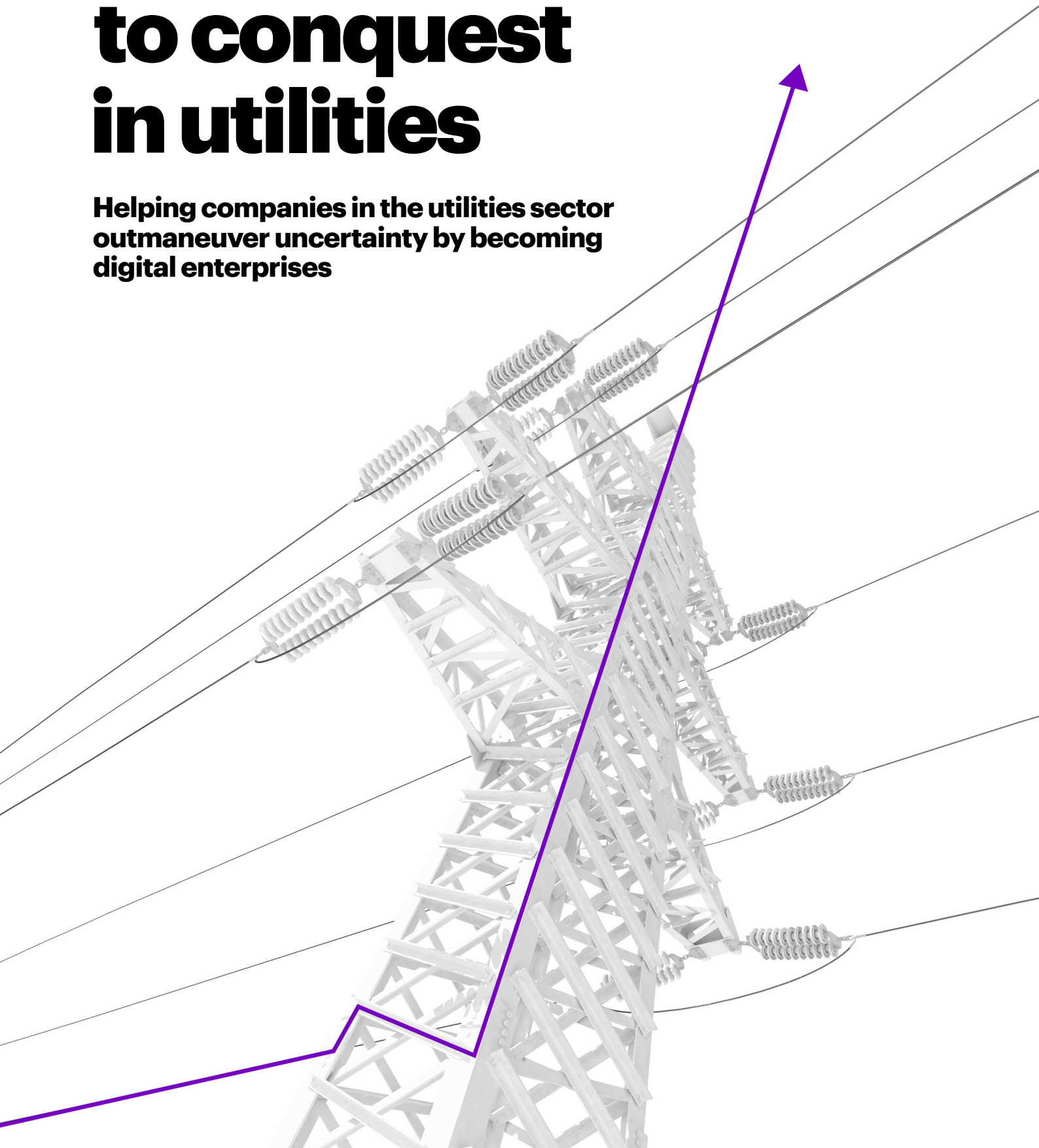
Accenture is a global professional services company with leading capabilities in digital, cloud and security. Combining unmatched experience and specialized skills across more than 40 industries, we offer Strategy and Consulting, Interactive, Technology and Operations services—all powered by the world's largest network of Advanced Technology and Intelligent Operations centers. Our 514,000 people deliver on the promise of technology and human ingenuity every day, serving clients in more than 120 countries. We embrace the power of change to create value and shared success for our clients, people, shareholders, partners and communities. **Visit us at [www.accenture.com](http://www.accenture.com)**

**Disclaimer:** This article has been published for information and illustrative purposes only and is not intended to serve as advice of any nature whatsoever. The information contained and the references made in this article is in good faith and neither Accenture nor any its directors, agents or employees give any warranty of accuracy (whether expressed or implied), nor accepts any liability as a result of reliance upon the content including (but not limited) information, advice, statement or opinion contained in this article. This article also contains certain information available in public domain, created and maintained by private and public organizations. Accenture does not control or guarantee the accuracy, relevance, timelines or completeness of such information. Accenture does not warrant or solicit any kind of act or omission based on this article. The article is the property of Accenture and its affiliates and Accenture be the holder of the copyright or any intellectual property over the article. No part of this article may be reproduced in any manner without the written permission of Accenture. Opinions expressed herein are subject to change without notice.



# From crisis to conquest in utilities

**Helping companies in the utilities sector  
outmaneuver uncertainty by becoming  
digital enterprises**



The utilities sector has always been at the forefront of preparedness to deal with changing situations, natural disasters and economic impacts. However, like most industries, COVID-19 caught utilities off guard and plunged them into a state of limbo. As the keeper of lifeline services, how can utilities, especially DISCOMS, maintain business continuity and show resiliency during the pandemic and beyond? The answer lies in embracing digital technologies, smart devices and data analytics.

# SPARKING A CHANGE

The global energy sector is undergoing a significant transformation—rapidly depleting conventional energy sources are being gradually replaced by renewable, sustainable and clean energy. **This transformation has triggered a disruption in the utilities industry. Increasing penetration of renewables, distributed energy generation and energy efficiency evolution have resulted in volatility and price hike, impacting demand and investment. For utilities in India though, these challenges are compounded with existing institutional problems in the power sector. These include:**

- DISCOMS are losing money because of high Aggregate Technical and Commercial (AT&C) losses of approximately 20 percent
- A supply-demand mismatch and regional imbalances are leading to frequent outages
- Developers trying to set up solar or wind farms are facing slow pace of greener transmission corridor buildup due to Right of Way issues and financial challenges

To ensure enterprise resiliency now and in the long term, utility companies must prioritize the safety of people and go the extra mile to serve customers while anticipating and minimizing the financial impact. (see Figure 1).

**Figure 1: The way forward for utilities**





### **BUSINESS CONTINUITY**

Challenge if BCPs are sufficient

Continually evaluate work-from-home implications such as productivity and cyber risks



### **WORKPLACE ACCESS**

Initiate planning for post pandemic return-to-work protocols

Conduct planning for best-likely-and worst-case employee absence scenarios



### **SURGE DEMAND FOR CRITICAL SERVICES**

Engage with government partners to support planning for massive surge of new critical care facilities

# **TIME TO SHED THE LOAD**

Utilities are struggling to find ways to tide over the current crisis—whether it's the constantly shifting and unpredictable demand for power, stoppages in transmission because of the lack of funds or labor, or lower bill payment collections due to restrictions in fieldwork. Here are three key challenges the utilities industry needs to overcome to drive sustainability and growth in its operations.

## **THE IMPACT ON POWER GENERATION**

With the lockdown confining people to their homes, the demand for power has shifted from industrial and commercial (I&C) customer segments to residential segments, leading to a significant drop in the overall demand. As a result, power generation companies have been forced to either shut down specific units within the power plant or operate at a very low Plant Load Factor (PLF), as low as 50 percent in some cases, making them economically unviable.

## **THE IMPACT ON TRANSMISSION**

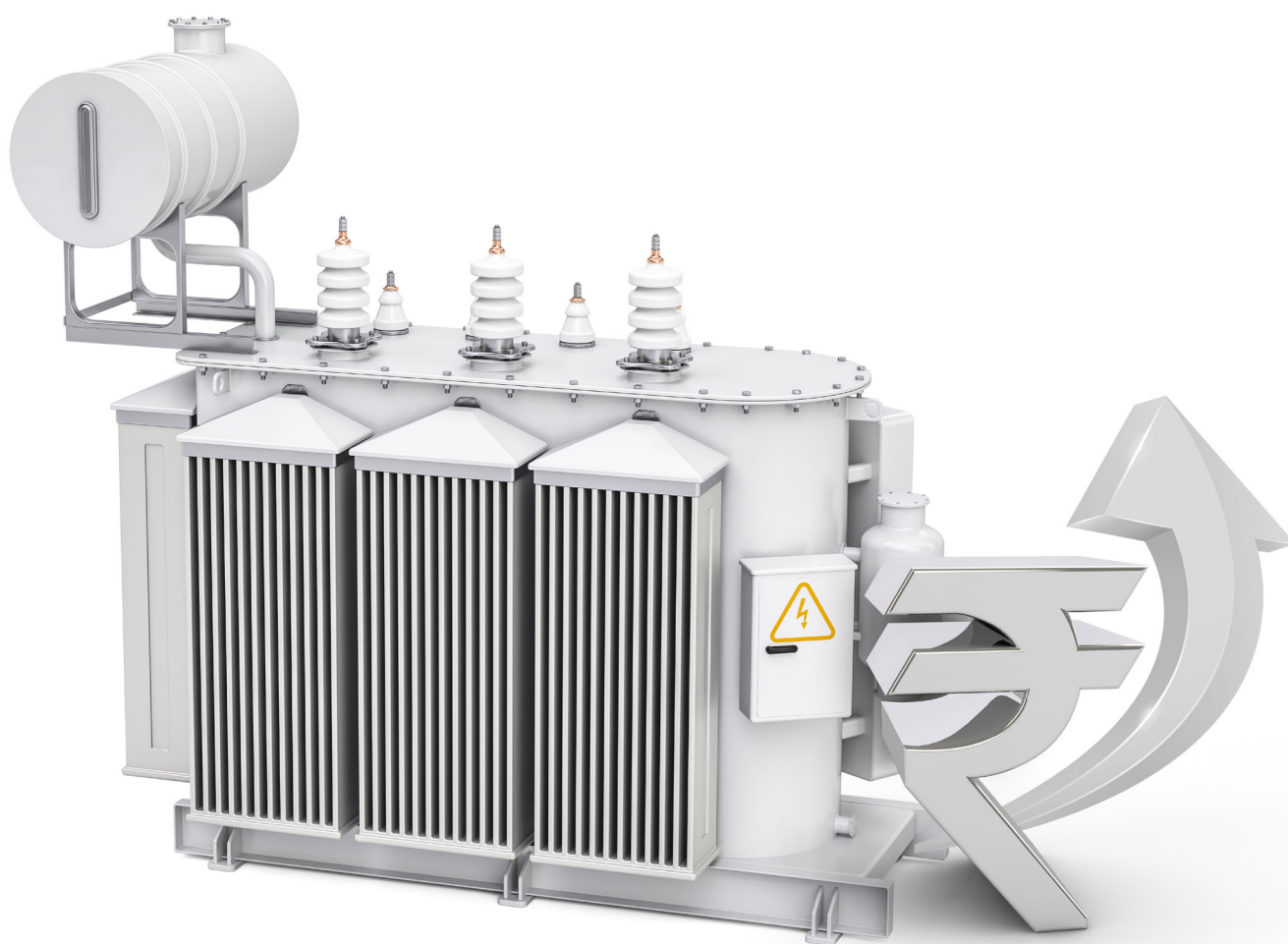
It's not been easy for the transmission companies too. The lockdown restrictions have triggered a significant drop in power consumption, making the transmission process financially unviable. Adding to the woes are severe operational challenges caused by the unavailability of skilled workforce and supply chain interruptions.

## **THE IMPACT ON DISCOMS**

Social distancing and intra-regional travel restrictions meant that the customers preferred digital platforms to make their bill payments. Although some technology-savvy DISCOMS have managed to offer digital touchpoint options for their

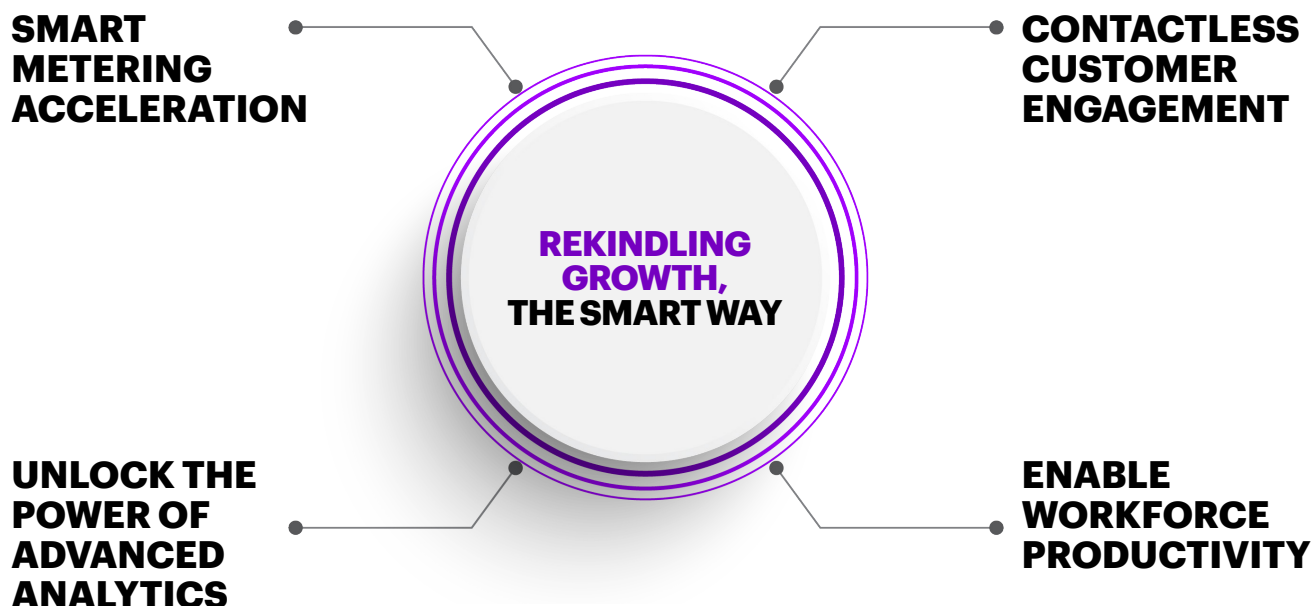
customers, most of them are still struggling. Another point of concern is the ballooning receivables. Most of the DISCOMS had agreed for deferred bill generation because of the unavailability of the workforce to visit each house and collect meter readings. With the pandemic happening in the summers—a period of high demand for power in India—the receivables increased drastically, straining the bottom line. Besides, the sudden hike in unemployment, leading to payment defaults, has further impacted the DISCOMS' revenue. In addition, electricity consumption shifting from industrial units to residential areas has also affected their earnings considerably—the former pays much higher prices per unit of electricity as compared to domestic consumers.

The COVID-19 situation also witnessed the white-collar workforce moving from tier-1 cities to either semi-urban or rural areas to work from home. These areas, which were being earlier neglected by the DISCOMS, will now require a more robust and reliable power supply network. **As a result, these areas will need more investments to upgrade the transmission and distribution network as well as bring changes to the Power Purchase Agreement (PPA) contracts to ensure uninterrupted power supply, thereby affecting all players in the power value chain.**



# REKINDLING GROWTH, THE SMART WAY

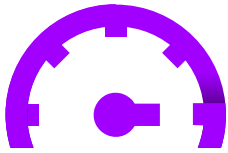
The situation is grave, no doubt. However, there's a lot utilities can still do to turn around their business, have business continuity and build resiliency for their people, processes and systems. One of them is by becoming digital enterprises—embracing digital technologies to drive high levels of efficiencies into their business operations. Here are four focus areas where utilities can use the power of digital technologies to outpace change and thrive.



## SMART METERING ACCELERATION

Smart meters can prove to be a game-changer for India like they've been for many countries around the world. The lockdown restrictions prevented field officers from visiting houses in person to collect meter readings and so most utilities couldn't get power bills sent to customers. With smart meters, the entire manual process can be fully automated, saving DISCOMS considerable time and effort in collecting meter readings while allowing customers to adopt good energy habits by tracking usage and spend. The planned rollout of 5G communication networks across the country is expected to further enable easy linkage between smart meters and utility back-end systems.





**The Ministry of Power is planning a country-wide program to install 250–300 million smart meters in the next few years. Accenture has designed the Information & Communications Technology (ICT) architecture for the smart meter rollout. Through this engagement, we are ensuring that besides catering to the India-specific use cases, the architecture also meets the critical requirement of enterprise- and grid-level resilience for DISCOMS.**

## CONTACTLESS CUSTOMER ENGAGEMENT

The country-wide COVID-19 lockdowns forced people to avoid visiting billing/customer care centers in person and, instead, embrace online options to make payments. As a result, many DISCOMS saw a significant jump in online bill payments. Quick to realize the changing customer preferences, the companies encouraged customers to go digital by making necessary arrangements to facilitate an unhindered online payment experience. **This transition further boosts the government's nation-wide initiatives to promote digital payments.** Besides, there is also a thrust to foster seamless customer engagements through interactive voice response (IVRs) mechanisms to address service requests and complaints.

Moreover, many urban consumers have started using voice-controlled devices such as Amazon Alexa, Google Home and more. Utilities in the US and Europe have already begun to use back-end billing and customer care applications such as CRM, IVR and in-home voice-controlled devices to offer seamless and integrated customer experiences. Not just that—soon, we will be seeing utilities leverage advanced technologies such as chatbots and robotic process automation (RPA) to offer hyper-personalized services to customers.

## UNLOCK THE POWER OF ADVANCED ANALYTICS

Utilities are inundated with data coming from various channels – transmission, distribution, consumption, assets, geographical locations and more. The challenge is how to tap useful data and generate actionable insights on consumption, losses, theft, consumer behavior, demand-supply balance and beyond. The answer lies in harnessing data analytics. And by doing so, DISCOMS can derive deeper insights



from grids, infrastructure and external sources to improve network functions while reducing cost and inefficiencies and enhancing customer-centricity.

For example, Accenture built a COVID-19 dashboard that gives DISCOMS a 360-degree view into the critical areas of power distribution and consumption, such as consumer trends, outages, supply levels and more, enabling executives to take fast and accurate decisions. The dashboard leverages the power of data to give information about locked down areas and the number of factories or industries that have been shut down there. This information helps DISCOMS predict demand better and take appropriate actions.



**Accenture teamed up with one of the New Delhi-based DISCOMS to understand consumer behavior and consumption trends for plugging revenue leakages. We helped them identify electricity pilferage and each consumer's probability to default by performing advanced analytics on consumer complaints and payment behavior. As a result, the DISCOM is now in a better position to minimize revenue leakage on account of non-payment of dues.**

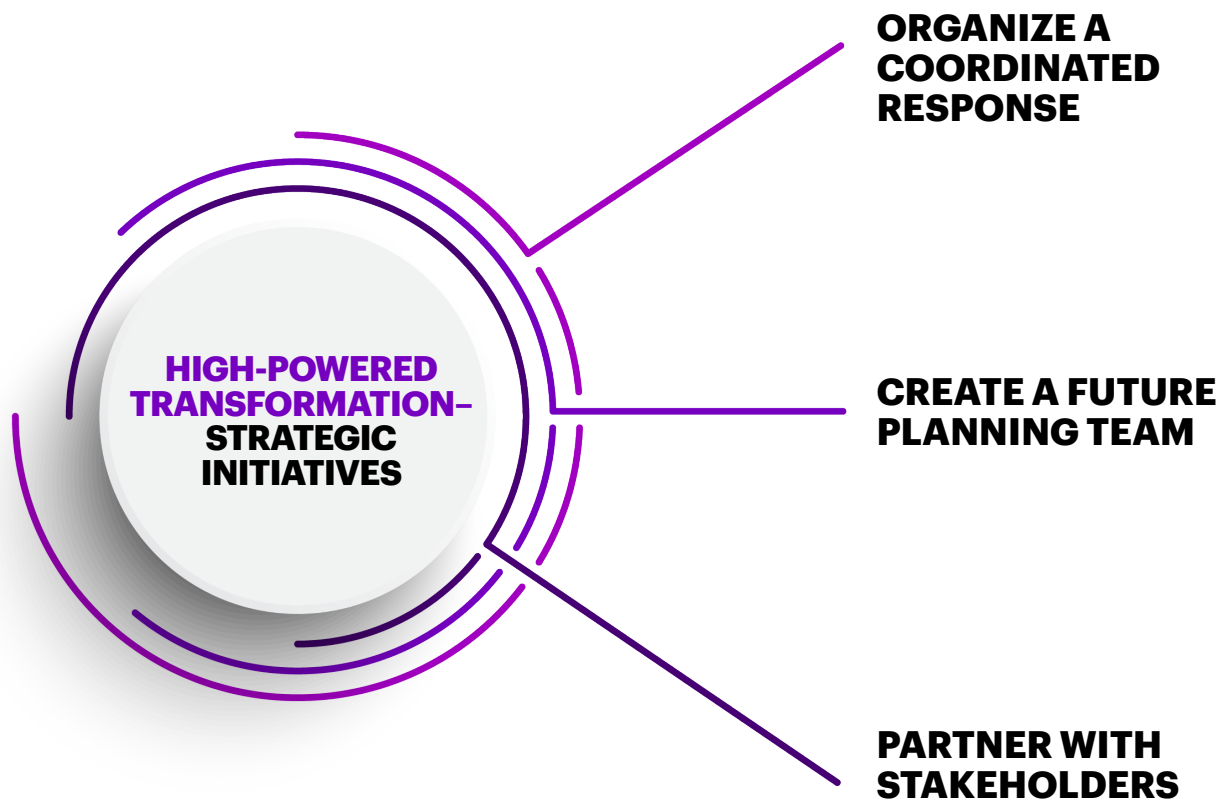
## ENABLE WORKFORCE PRODUCTIVITY

As the economy starts to open up, utilities must put in place strict back-to-work guidelines that include adherence to social distancing, workers' safety, and proactive incident prevention and management. Some of the important things companies must consider are:

- Manage work with a limited workforce and monitor health remotely with IoT and mobile field force devices
- Enable the remote workforce to monitor, assign and execute customer requests
- Equip field workers with GIS-based location tracking system, along with AR/VR devices and remote coaching facilities to avoid people-to-people contact
- Make the processes contactless, wherever possible

# HIGH-POWERED TRANSFORMATION-STRATEGIC INITIATIVES

While each utility will have different needs and requirements for workplace and people management, customer service and business continuity, Accenture recommends the following approach to address the immediate challenges.



## ORGANIZE A COORDINATED RESPONSE

A crisis such as this requires a far more harmonized response, where every employee, whether C-suite staff or field crew, know their roles and responsibilities. Utilities/DISCOMs must channel their attention toward strategic guidance, broad priorities and mitigation of legal or policy issues. A single, cross-functional response mechanism will foster better coordination among field crews, call centers and control room operators.

## CREATE A FUTURE PLANNING TEAM

The impact of the COVID-19 pandemic on the world has been far more complicated than a typical natural disaster. Therefore, utilities must adopt countermeasures that are modeled on different scenarios and their impact on the current and future business landscape, helping them identify critical gaps and thereby enable in developing robust short and long-term strategies. These measures must also leverage tools and methods to simulate and plan impending emergencies such as storms, floods and grid imbalances.

## PARTNER WITH STAKEHOLDERS

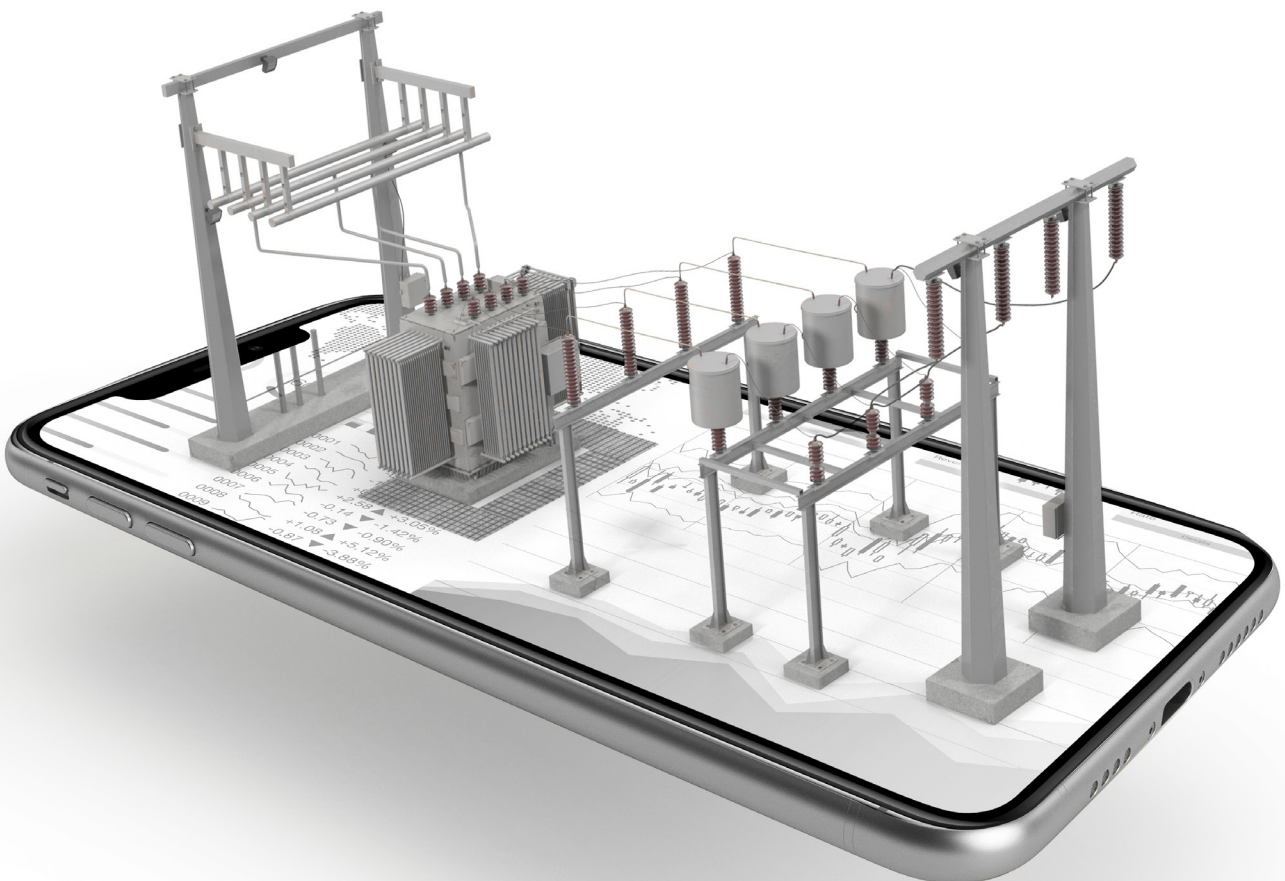
Restrictions on travel and people's movement are going to stay for some time now. Hence, utilities can expect a shift in the demand for services such as electricity and water—from commercial and industrial sectors to residential. This is where state and local legislators will have to champion response priorities in the different communities they serve. Utilities can actively partner with varying stakeholders to understand their needs and deliver services effectively. **Digital touchpoints and communication could be great enablers to establish and cement partnerships with multiple stakeholders with minimal effort and resources.**



# IGNITE THE FUTURE

Utility services are the lifeline of any city, state or country. The pandemic has brought catastrophic disruptions to the conventional means of generation, transmission and distribution of public utilities. **To tide over the crisis, utilities must adopt a digital mindset—an essential attribute of digital enterprises—to transform their conventional ways of working and usher in a digitally-driven work process and culture. And, by unlocking the power of digital technologies, smart devices and data analytics—anchored on a robust digital roadmap—utilities can not only emerge from the crisis but also surge ahead in the future.**

To know how Accenture is helping utilities outmaneuver uncertainty and build business resilience during the COVID-19 crisis.



## AUTHORS



### **ANURAG JOHRI**

Principal Director  
and Lead – Utilities,  
Accenture In India



### **AMIT KHURMA**

Managing Director -  
Utilities  
Accenture In India

## ABOUT ACCENTURE

Accenture is a global professional services company with leading capabilities in digital, cloud and security. Combining unmatched experience and specialized skills across more than 40 industries, we offer Strategy and Consulting, Interactive, Technology and Operations services—all powered by the world's largest network of Advanced Technology and Intelligent Operations centers. Our 514,000 people deliver on the promise of technology and human ingenuity every day, serving clients in more than 120 countries. We embrace the power of change to create value and shared success for our clients, people, shareholders, partners and communities. **Visit us at [www.accenture.com](http://www.accenture.com)**

**Disclaimer:** This article has been published for information and illustrative purposes only and is not intended to serve as advice of any nature whatsoever. The information contained and the references made in this article is in good faith and neither Accenture nor any its directors, agents or employees give any warranty of accuracy (whether expressed or implied), nor accepts any liability as a result of reliance upon the content including (but not limited) information, advice, statement or opinion contained in this article. This article also contains certain information available in public domain, created and maintained by private and public organizations. Accenture does not control or guarantee the accuracy, relevance, timelines or completeness of such information. Accenture does not warrant or solicit any kind of act or omission based on this article. The article is the property of Accenture and its affiliates and Accenture be the holder of the copyright or any intellectual property over the article. No part of this article may be reproduced in any manner without the written permission of Accenture. Opinions expressed herein are subject to change without notice.

# High-touch customer experience for a no-touch world

**How Indian CGS companies can keep pace with changing consumer trends and thrive**





COVID-19 has permanently reshaped shopper behaviors and the customer landscape, driving a fundamental shift, changing the way the world works and lives.

It has and will permanently impact **how, what and where we buy**, substantially accelerating the structural changes shaping our industry. Above all, it is a **wake-up call on agility** and the capability to be enduringly relevant to consumers, shoppers and customers. And while the economic outlook remains uncertain, critical business decisions remain to be made on the journey toward recovery.

In the near term, different Consumer Goods segments have different imperatives, with **AlcoBev** and **Beauty** having been hit hard in terms of demand, while **Food** and **Home & Care** have seen substantial demand increases, with a pivot toward “Health and Hygiene.” Longer-term lasting changes will continue to drive portfolio, channel, customer and RTM (route-to-market) revaluations across the Consumer Goods and Services (CGS) industry.

As the impact of COVID-19 continues to be felt, many businesses are reopening and moving forward on their journey to recovery, and towards reinvention—companies that can outmaneuver uncertainty continuously will emerge as leaders.

**Those who accelerate their digital transformation—embracing cloud, AI, analytics, flexible IT infrastructure and intelligent operations—will be best placed to lead with insight and agility.**





# DRAMATICALLY CHANGING CONSUMER BEHAVIORS

Throughout the crisis, consumers dramatically changed what goods they bought and how they bought them. These purchases revealed new trends in what consumers value – trends that are not likely to fade with time. Many of these consumer behaviours could become permanent in nature. **And in order to stay relevant, CGS organizations will have to adapt to this evolution through the lens of emerging priorities. We see 7 major shifts in consumer behaviour:**

## 01 SHIFT IN DEMAND ACROSS CATEGORIES

- Continuous boom in health & hygiene trends
- Unprecedented drop in demand for non-discretionary categories

**48% of consumers are increasing their purchases of personal hygiene products, whilst cutting back on more discretionary categories**

Net Purchasing Intent*	On The Edge 30% Of Consumers	Tentative Returner 33% Of Consumers	Me. Reinvented 23% Of Consumers	Stubbornly Seeking Normal 14% Of Consumers	Total Net Change
Personal Hygiene	58%	40%	62%	24%	48%
Fresh Food	48%	35%	51%	44%	44%
Cleaning Products	55%	29%	47%	35%	42%
Wellness	40%	21%	39%	5%	29%
OTC	21%	16%	35%	2%	20%
Online Entertainment	22%	5%	27%	0%	15%
Pet Care	14%	-11%	28%	-5%	6%
Tinned Food	9%	-4%	9%	0%	4%
Home décor	8%	-8%	20%	-4%	4%
Beauty	-1%	-9%	20%	-15%	0%
Fashion	5%	-17%	20%	-24%	-2%
DIY Tools and Materials	7%	-11%	4%	-18%	-3%
AlcoBev	2%	-11%	0%	-11%	-4%
Confectionary	5%	-23%	3%	4%	-5%
Luxury Goods	10%	-20%	-1%	-5%	-5%
Non AlcoBev	0%	-14%	2%	-16%	-6%
Frozen Food	-5%	-15%	-2%	-15%	-9%
Take-away from restaurants	2%	-22%	-5%	-16%	-10%
Consumption	Increasing > 5%	As Normal	Decreasing > 5%		

Source: Accenture COVID-19 Consumer Pulse, conducted 16th – 22nd June 2020

\*Net Intent measured as the % of consumers increasing purchasing, less the % decreasing purchasing vs. prior two weeks

## 02 SHOCK TO BRAND LOYALTIES

- Lower willingness to pay brand premiums
- Reverse premiumization to value brands & brands

### Net Purchasing Intent vs. Prior Two Weeks

Of those consumers that are prioritizing buying brands they trust

**22.5%**

of consumers are increasing their purchases of small **Local Brands**

**18.6%**

of consumers are increasing their purchases of **National Brands**

**-3%**

of consumers are increasing their purchases of **Large Global Brands**

**62%**

of consumers are increasing their purchases of **Retailer Brands**

### Purchasing changes during the pandemic



## 03 SOCIAL IMPACT AND PURPOSE OF BRANDS IN FOCUS

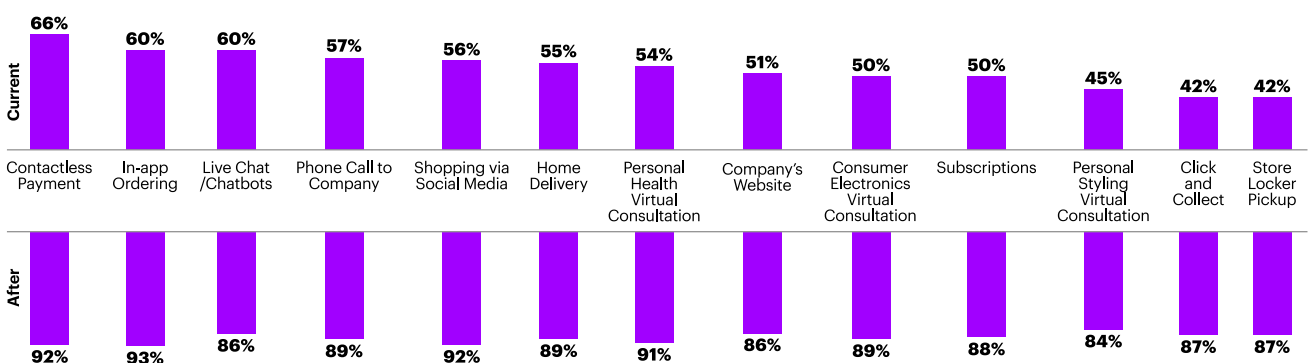
- Relevance in a post-COVID-19 world

## 04 SHIFT TO E-COMMERCE ACCELERATED

- Online-offline integration- Consumers expect their omnichannel shopping habits to change permanently

### Proportion of consumers who have increased usage of digitally-enabled services during the COVID-19 outbreak

Consumers who have increased or significantly increased usage of those that use the service  
Net Change (% who agree less % who disagree)



## 05 RISE OF THE LOW-TOUCH ECONOMY AND EXPERIENCE

- Low-contact and contactless
- Digital payments and open stores

## 06 MOVE TO LOCAL

- Buy-local; Shop-local

### Proportion of consumers who are changing their shopping habits



Source: Accenture COVID-19 Consumer Pulse, conducted 16th – 22nd June 2020

## 07 LESS-FREQUENT TRIPS; SUSTAINABLE CHOICES

- Bulk-buying in higher SECs
- Cost-conscious choices

# IMPACT ON CGS ORGANIZATIONS

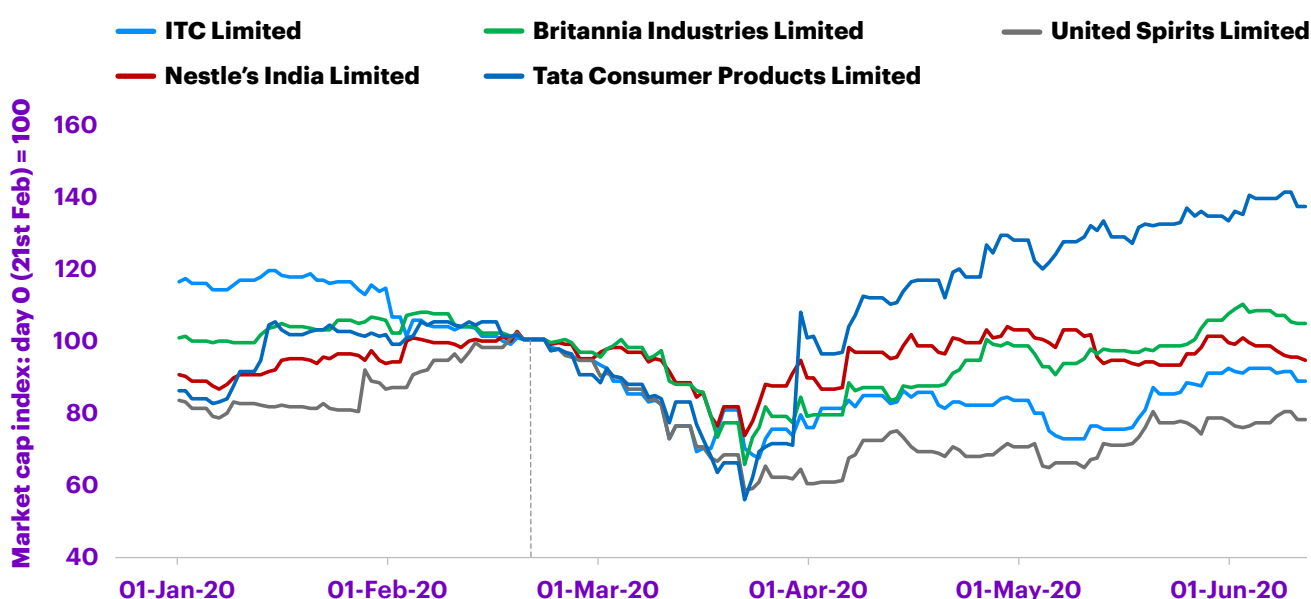
**COVID-19 was a wake-up call for the consumer goods industry. It can no longer just think about being agile and customer-centric—it's an imperative for now and in the future. Here's why:**

- **Unprecedented variabilities in demand** – Heavy drop in demand for non-essential items occurred while there were surges in demand for essentials.
- **Continued disruptions in supply chain** – With the continuously evolving scenario of COVID-19, the disruptions in the supply chain continue to be severe. Business leaders must make rapid decisions and take immediate actions to sustain business operations to serve their customers, clients and communities, as well as protect and support their workforce. The repurposed and reshaped supply chains of the future will need to be characterized by both resilience and responsibility.

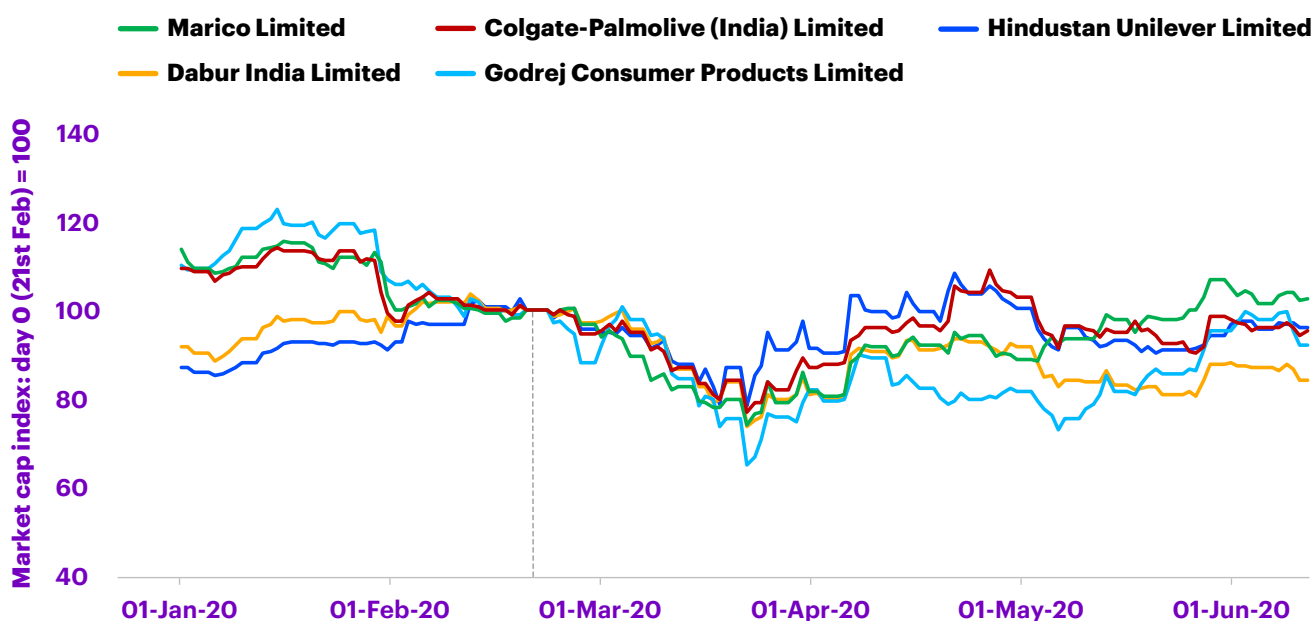
- **Rapidly shifting financial priorities** – Today’s preoccupation with confronting existential threats to business operations, keeping supply chains open, protecting market share and preserving liquidity is moving into a new phase. The focus for most companies will revert to controlling costs and maximizing profitability. And as the immediate threat posed by the pandemic recedes, organizations will emerge into a new world where enterprise value must be grown in a “never normal” environment in which business as usual is a thing of the past.

Even with these challenges, there’s a glimmer of hope. After initial dips, major Indian consumer goods companies have rebounded quickly.

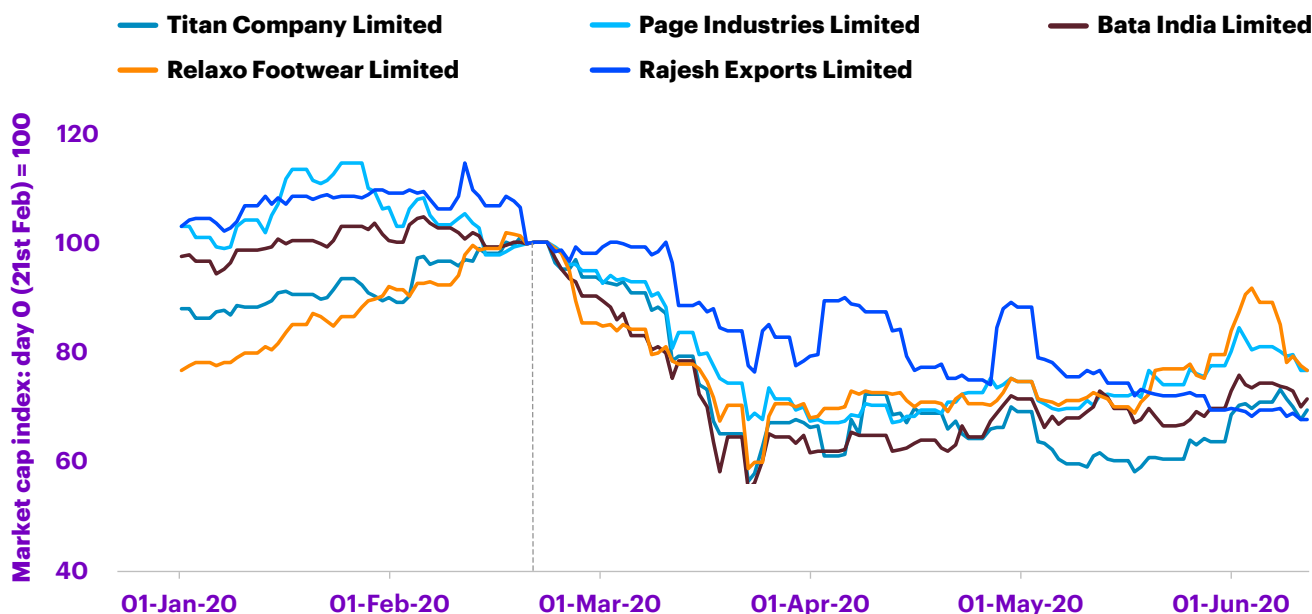
## FOOD, BEVERAGE & TOBACCO (TOP 5)



## HOUSEHOLD & PERSONAL CARE (TOP 5)



## TEXTILES, APPAREL & LUXURY GOODS (TOP 5)



Source: Capital IQ

However, the path remains uncertain.

The implications of these trends require consumer goods companies to continually flex as conditions change rapidly. They will need the right structure and capabilities to stay resilient and emerge winners.

# COURSE CORRECTION FOR CONSUMER GOODS ORGANIZATIONS

As the economy opens to social distancing being part of day-to-day operations, organizations must chart their bearings and course correct on a continual basis. Many are seizing the opportunity to build competencies that will help them emerge stronger to be more digital, data-driven and in the cloud; to have more agile operations and variable cost structures; to deliver better experiences for their workforce and customers.

# **REBUILD REVENUE GROWTH WITH BETTER CONNECTIONS WITH CONSUMERS**

## **01 REMODEL THE PORTFOLIO**

Figure out your “health and hygiene strategy” for portfolio and ecosystems.

**CGS organizations are diversifying into unrelated categories, launching new product developments at breakthrough speed and identifying new consumer needs to accelerate the health pivot.**

Some examples are Marico identifying a relevant need and launching Vegetable Wash; GCPL expanding its personal and hygiene range with 12 products under the Godrej Protekt brand; ITC launching fruit beverages with immunity offering; Coca-Cola introducing Minute Maid Vita-Punch with Vitamin C to ride the immunity trend; while “outsiders” like Asian Paints foraying into hand sanitizers among others.

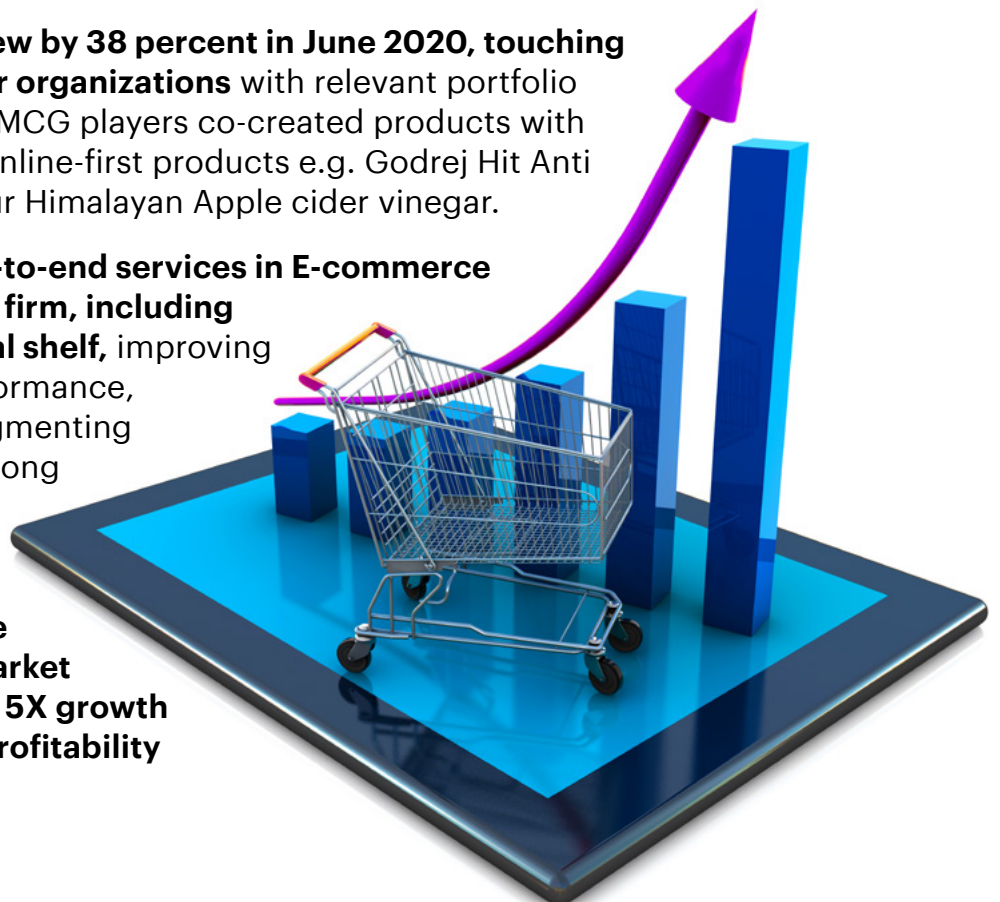
## **02 RIDE THE DIGITAL COMMERCE WAVE**

With the shift to omnichannel services likely to be permanent, there is a need for a stronger and integrated digital commerce strategy, aligning to new occasions and shopper missions. This needs to be strengthened by decision-support analytics across the e-commerce value chain.

**Overall, ecommerce grew by 38 percent in June 2020, touching 100+ percent growth for organizations** with relevant portfolio and capabilities. Many FMCG players co-created products with ecommerce players as online-first products e.g. Godrej Hit Anti Mosquito Racquet, Dabur Himalayan Apple cider vinegar.

**Accenture delivers end-to-end services in E-commerce**

**for a large Indian FMCG firm, including creating a perfect digital shelf**, improving on-platform search performance, precision marketing, segmenting portfolio choices and strong platform partnerships enabling differentiated play. **The business benefits to the firm have included doubling of market share in key categories, 5X growth in 3 years and leading profitability across all channels.**



### 03 PIVOT TO THE “DIGITALLY POWERED” NEXT-GEN RTM

Profitably increasing or “recapturing” coverage is a key challenge to unlock growth potential, especially with increasing manpower costs and the “long-tail problem” adversely impacting cost-to-serve.

Leveraging Alternate Demand Capture models (tele-calling, retailer self-service apps, chatbots, WhatsApp-based ordering) enabled by AI-powered capabilities which can act as a digital twin is enhancing salesforce productivity, enables real-time targeted personalized promotions and deliver analytically enabled “must-buy lists.”

Alternate fulfilment models (collaboration with hyperlocal delivery platforms, e-Concierge and e-B2B) have emerged as worthy RTM substitutes, especially for smaller CGS firms with heavily disrupted market deliveries.

### 04 STRENGTHEN BRAND CREDIBILITY THROUGH COMMUNITY-CENTRIC MARKETING

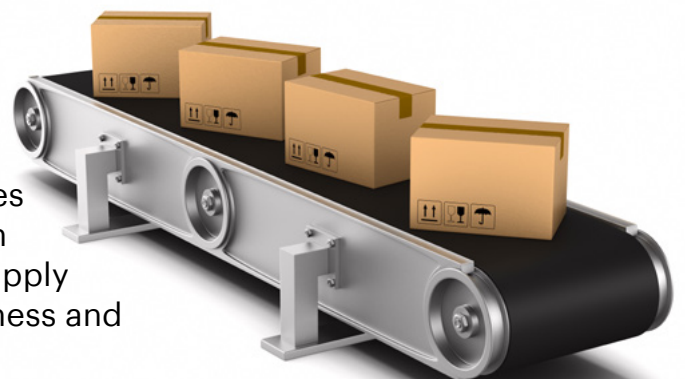
In a crisis, an interaction with the consumer can have an ever-lasting impact on brand loyalty and trust, which calls for continued emphasis on corporate/brand credibility through community-centric and socially responsible marketing.

At the same time, a continuous evaluation of the marketing-mix across traditional ATL, digital and promotions, and optimization will fuel growth.

## RESET OPERATIONS TO BE LEAN, AGILE, RESPONSIVE AND SAFE

### 05 REPURPOSE THE SUPPLY CHAIN INTELLIGENTLY

The COVID-19-led business uncertainties, fluctuating demand cycles and uncertain supply of labor disrupted both upstream and downstream supply chains. This has led to challenges across visibility, planning certainties and execution which will continue with certain intensity post COVID-19. A digitally enabled supply chain would improve adaptability, responsiveness and visibility across the value chain.



**Accenture is helping a large multinational FMCG in India create a real-time and automated insights engine for decision making using intelligent cockpits and advanced analytics models to digitize the supply chain.**



## 06 REINVENT MANUFACTURING WITH DIGITAL

Re-setting to a new normal is calling for CGS organizations to optimize their resources, reduce waste and increase productivity using digital manufacturing. Companies can use digital to monitor product quality, real-time worker tracking, monitor energy consumption at the plant level and optimize inventory to stay resilient and future-proof operations for uncertainties that may re-emerge.



## REDESIGN THE OPERATING MODEL WITH MODERNIZED IT AND AUTOMATION

## 07 ROTATE TO THE NEW-DIGITAL, DATA & ANALYTICS-DRIVEN, AI-LED AND IN-THE-CLOUD

Data and analytics, embellished with emerging AI archetypes have delivered significant advantages to other industries, and now, more than ever, is the time for the consumer goods industry—which is in relative Tech and AI infancy—to invest in the field to gain a wide range of benefits across business functions.

AI applications that can unlock growth and efficiency range from Demand Forecasting; Data-powered Sales Execution; Dynamic Spends Design and Optimization; Personalized and Localized Consumer Engagement, among others.

Additionally, technology solutions that leverage cloud, modern architecture, automation and agile delivery will not only drive efficiency, but enable organizations to scale to meet business/customer demands, rapidly deliver new products to market and open up new customer channels.

**Accenture is helping a large multinational foods company in India by transforming its sales operations using advanced analytics and AI/ML-led use cases such as precision forecasting at a granular level, which enables mid-month course corrections; and store-level assortment offerings, resulting in increase in call productivity and effectiveness.**

## 08 REBOOT COST STRUCTURES; LEAD THROUGH COST ADVANTAGE

COVID-19 has presented a burning platform, and an opportunity, to reboot/refresh cost structures and challenge the strategic relevance of spend categories. Best-in-class companies are looking beyond traditional cost reduction to move to quartile zero. Organizations like Dabur have undertaken strategic cost reduction programs focused on zero-based budgeting and should-cost models.

Along with eliminating and optimizing across spend buckets, another key imperative is variabilizing costs as much as possible. A good example is technology: moving to the cloud and software-as-a-service variabilizes fixed technology costs such as data center operational costs and software licenses. The same applies to supply chain and manufacturing: CGS companies should be asking where they could outsource production or distribution and logistics to third parties and reduce fixed costs and risks.

**Accenture is helping a leading Indian FMCG in its bid to achieve cost optimization and value enhancement across all spend buckets of the business. This will deliver a bottom-line impact of 2 percent and fuel growth required in the new realities of a post-COVID-19 world.**

## 09 BUILD THE WORKFORCE OF THE FUTURE

The type of skills and roles that CGS organizations need post COVID-19 are different than what was needed earlier; and the way these roles will be sourced is becoming more innovative and agile:

**BUY:** Diversified Talent Acquisition

**BUILD:** Workforce Skills and Engagement

**BORROW:** Shared Services; Outsourcing; Liquid Workforce

**BOT:** RPA (Robotic Process Automation) and AI to optimize manpower involved in repetitive tasks (F&A, Compliance, etc.)

## 10 LOOKOUT FOR STRATEGIC M&As

It is imperative for CGS organizations to move fast on both fronts—divesting products and portfolios not fit for the future and fill capability gaps with opportunistic M&As at favorable valuations.

Acquiring during a downturn with lower multiples at weak cycle earnings allows companies to be more effective in restructuring assets so they can improve margins and cut costs, generating higher returns. Our research suggests that firms who buy in a downturn tend to have a higher three-year total shareholder return (TSR) than their sector average.

**There's no question that consumer goods companies face a challenging time as they navigate the accelerated pace of change caused by COVID-19. No one knows how long the crisis might last, but leaders must be prepared for whatever comes next because the New Normal will Never be Normal.**



## AUTHORS



### **SATYADEEP CHATTERJEE**

Managing Director and  
Lead - CG&S  
Accenture in India



### **ANSHUL BATRA**

Senior Manager,  
Strategy & Consulting,  
Accenture in India

## ABOUT ACCENTURE

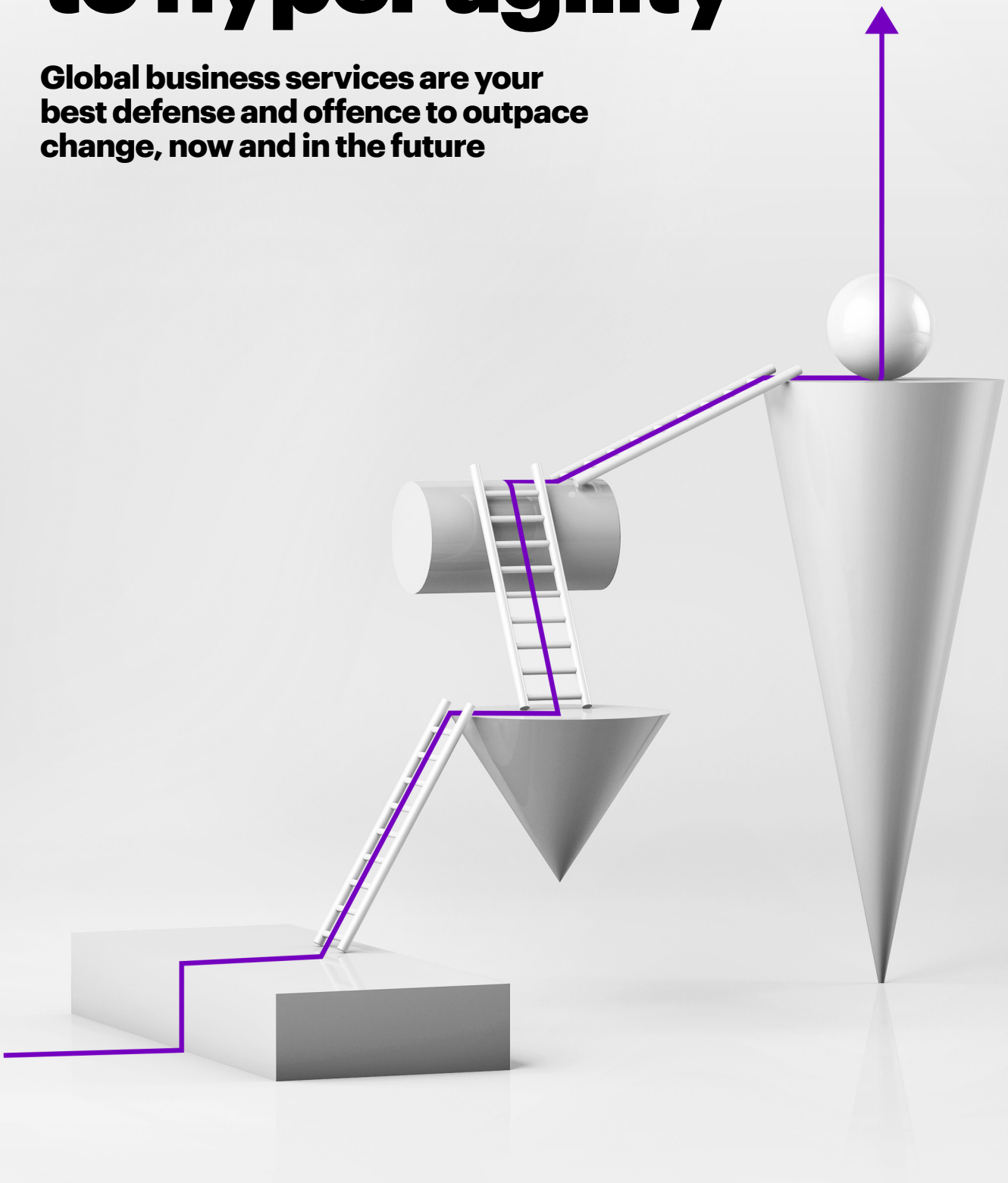
Accenture is a global professional services company with leading capabilities in digital, cloud and security. Combining unmatched experience and specialized skills across more than 40 industries, we offer Strategy and Consulting, Interactive, Technology and Operations services—all powered by the world's largest network of Advanced Technology and Intelligent Operations centers. Our 514,000 people deliver on the promise of technology and human ingenuity every day, serving clients in more than 120 countries. We embrace the power of change to create value and shared success for our clients, people, shareholders, partners and communities. **Visit us at [www.accenture.com](http://www.accenture.com)**

**Disclaimer:** This article has been published for information and illustrative purposes only and is not intended to serve as advice of any nature whatsoever. The information contained and the references made in this article is in good faith and neither Accenture nor any its directors, agents or employees give any warranty of accuracy (whether expressed or implied), nor accepts any liability as a result of reliance upon the content including (but not limited) information, advice, statement or opinion contained in this article. This article also contains certain information available in public domain, created and maintained by private and public organizations. Accenture does not control or guarantee the accuracy, relevance, timelines or completeness of such information. Accenture does not warrant or solicit any kind of act or omission based on this article. The article is the property of Accenture and its affiliates and Accenture be the holder of the copyright or any intellectual property over the article. No part of this article may be reproduced in any manner without the written permission of Accenture. Opinions expressed herein are subject to change without notice.



# A stairway to hyper agility

**Global business services are your  
best defense and offence to outpace  
change, now and in the future**



The disruption caused by the recent COVID-19 crisis hasn't spared any industry. Reeling under sudden and unprecedented lockdowns, halted manufacturing, and interrupted supply chains, companies—big and small—have been forced to take the quintessential pause to rethink and re-strategize their business models to stay afloat.

With one exception. Companies with agile operating models and those with a vision to address the immediate needs and plan for the future didn't have to work as hard.

Not only did such companies survive but even recorded new growth during this phase. Case in point, a pharmaceutical company in India that hit a 52-week market high (a 128 percent spike) in the “lockdown” quarter (April–June). How? **It leveraged an agile operating Global Business Services (GBS) model** along with cost control initiatives to drive strong growth across markets.

The era of **intelligent agility** is here.

GBS models can be the panacea companies are looking for—providing them **immunity against disruption**, injecting **cost elasticity** and higher **operational resilience** into their systems. It can also help companies **fuel future growth by unlocking trapped value through better controls and fewer revenue leakages**. Indeed, it can act both as an armor against disruption as well as a weapon to charge ahead and create new growth.

# AGILITY IS YOUR BEST DEFENCE

Agility itself isn't new. Today, **95 percent** of Fortune 500 companies are using some form of GBS.<sup>1</sup> Another Accenture survey<sup>2</sup> shows that **91 percent** of surveyed executives believe that CEOs view GBS as a critical success factor for reducing complexity.

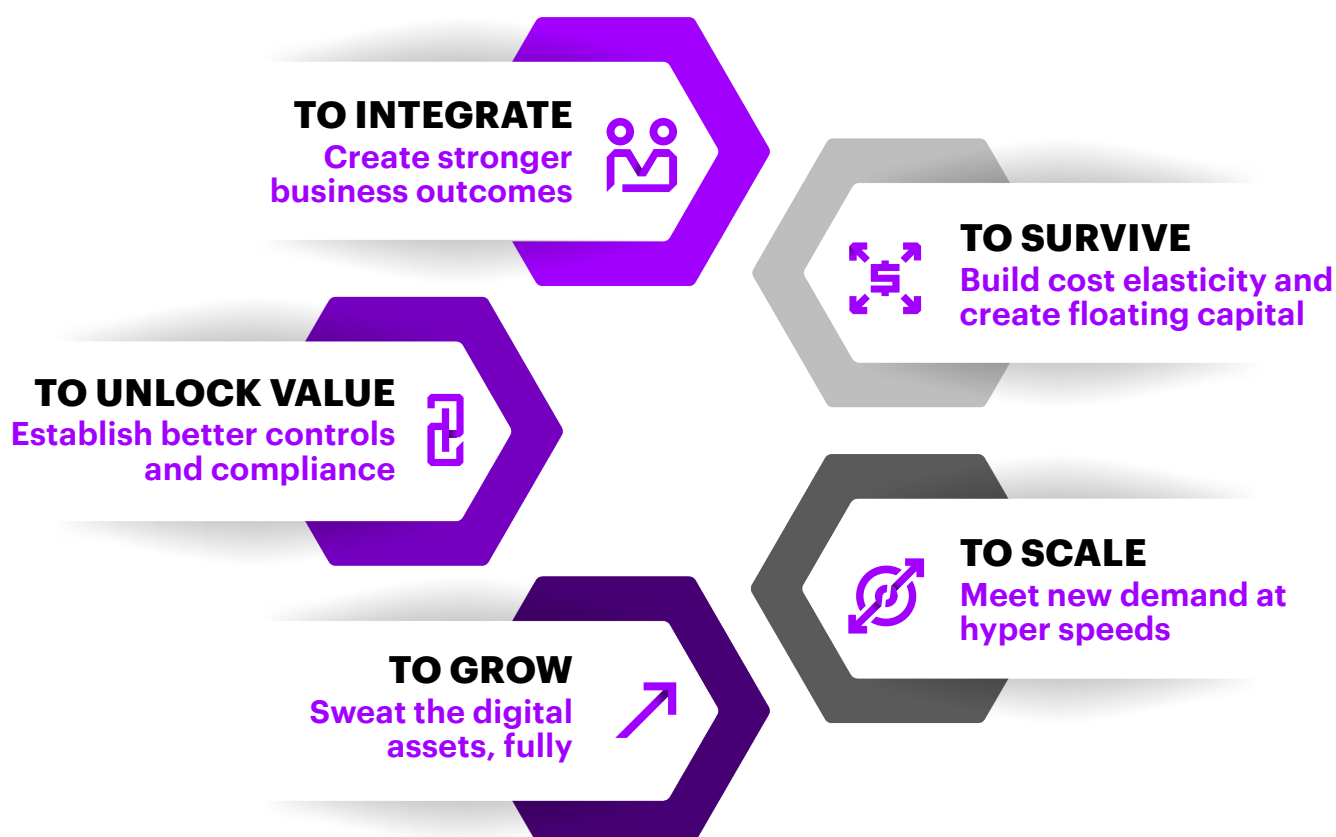
However, despite such a wide uptake of agile practices at different levels, many companies are still low on agile maturity.

In India, specifically, the adoption of GBS has traditionally been low. Most Indian companies find it difficult to justify the investment in creating a GBS command center to run their day-to-day operations. The story is different in the west, where the prospect of cost benefits from wage arbitrage was exciting enough for wide adoption of GBS. But in India, where companies typically spend less than **1–2 percent** of their overall revenue on enabling functions such as HR and procurement, cost optimization in these areas was not attractive enough.

But all that changed during the recent crisis. As observed in the earlier example, companies that embraced agile practices are surviving better, recovering faster, and charting a new growth path for themselves.

# AGILITY IS ALSO YOUR BEST OFFENCE

**So, why adopt GBS, especially now?** Companies are fast realizing that GBS models enable just the kind of benefits they need to survive the crisis and thrive in the future. **Here are the five key imperatives that GBS enable for companies to fight disruption and find new growth avenues:**



## FIRST, TO SURVIVE

### Build cost elasticity and create floating capital

Going forward, businesses will be expected to continually switch between stop, slow down and walk signs. They may have to deal with sudden plunges in revenue streams owing to disrupted supply chains and unforeseen situations such as the current crisis. It's near impossible for companies to bring down their fixed costs in line with the drop in revenues at such short notice. That is, unless their operating model **enables cost elasticity**.

Agile, centralized and standardized operating models allow companies to consolidate and **optimize transactional activities and standardize processes**. They **also bring in a higher degree of automation and enhance productivity**.

Consider this. A global hospitality major that witnessed a 90 percent dip in revenue when the pandemic struck, was able to quickly scale down its outsourced GBS workforce to match its reduced business operations. Once the business started recovering, it resumed large-scale operations, demonstrating well-timed agility and ensuring cost elasticity in its operations.





## SECOND, TO SCALE

### Meet new demand at hyper speeds

The pandemic divided the business landscape into extreme polarities—industries in which demand evaporated (such as hospitality and high-end retail) and those in which demand suddenly surged (such as pharmaceuticals, online grocery shopping, and digital education).

Legacy systems with linear operating models weren't built for pandemic-like crises. So, how can companies bring in hyper agility to scale up at hyper speeds? GBS can bring the much-required non-linearity in enabling functions. They allow companies to quickly re-strategize and re-invest where required and **be better prepared for crises—helping achieve scale at speed and making them future-ready.** Consider another example of this Indian agrochemical company. With a presence in more than 50 countries, the company was growing its business up to two times every five years by expanding its geographical footprint and products portfolio. To sustain this rapid growth, the company realized the need for a robust global delivery platform for its enabling functions such as F&A, HR, procurement and logistics through a GBS model. It has now initiated a large transformation program to digitalize its operations, set-up a GBS hub in Bengaluru with spokes in LATAM, East Europe and China.



## THIRD, TO GROW

### Sweat the digital assets, fully

Being digital is no longer a differentiator. But, achieving digital maturity is. And companies are realizing that it's easier to adopt and integrate digital at their core if their systems have a high degree of centralization to begin with. GBS can help consolidate processes and bring in scale. Companies can utilize their digital assets better and round the clock to get **sharper, data-based insights and speed up decision-making, ultimately leading to growth.**

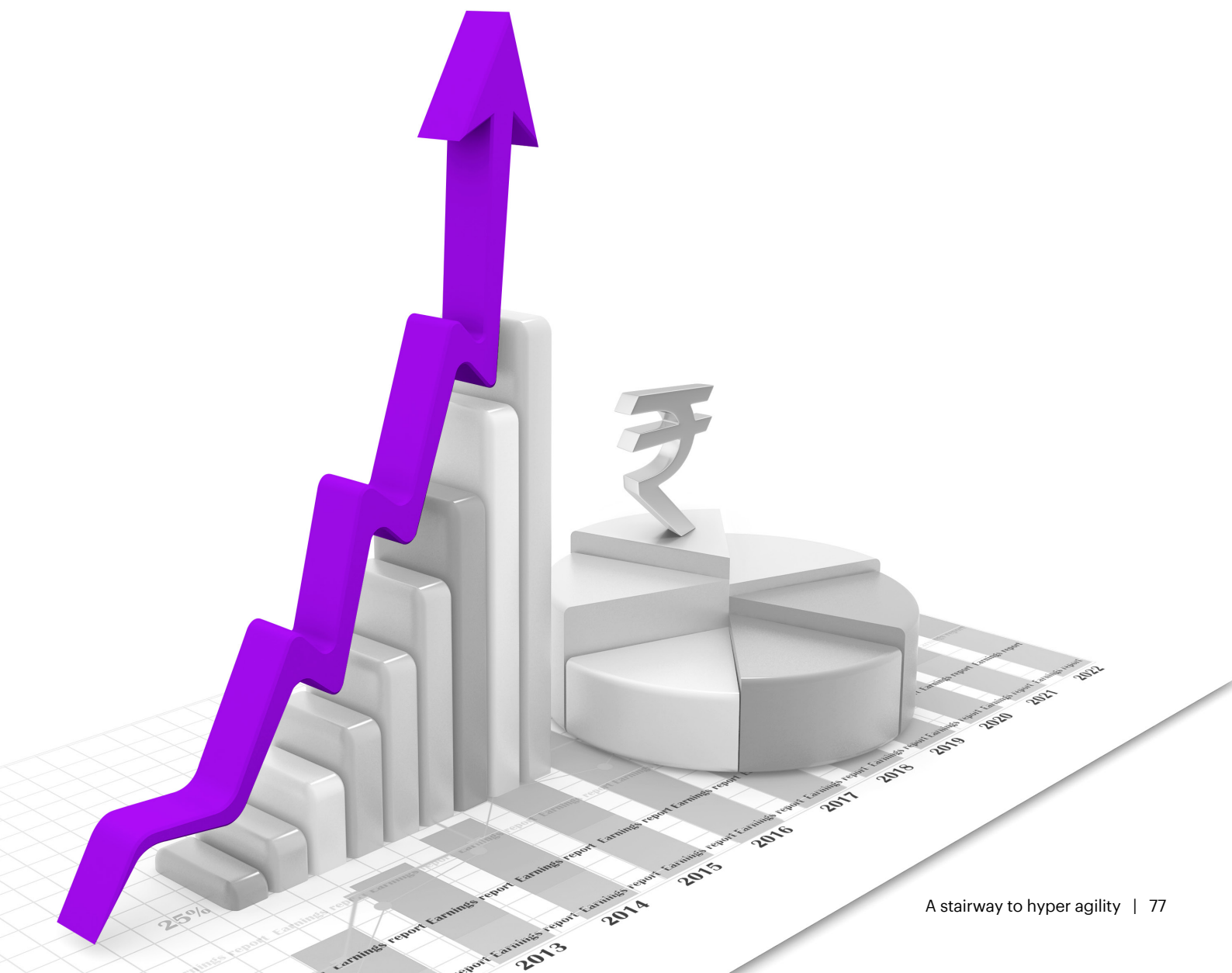


## FOURTH, TO UNLOCK VALUE

### Establish better controls and compliance

GBS enable a system where every cog in the wheel is geared toward creating value. Apart from the efficiency and productivity benefits, it unlocks greater value through working capital management, spend optimization and improved controls. It can help companies leverage variable cost structures by using data for better decision making, insights to plug revenue leakages, and automation to create a leaner organization. Similarly, identifying non-critical spending itself can immediately release floating capital for a company, unearthing trapped value. Fast cash take-out initiatives and consumption-led interventions can also lead to rapid value realization.

A large commercial vehicle manufacturer, with operations across six sales regions and seven manufacturing plants seized the benefits of GBS to realize cost savings. It profited from 8-9 percent spend optimization in its maintenance, repair and operations (MRO), consumables, and selling, general and administrative (SG&A) expenses. It used advanced analytics to control unit-price variance, specification-rationalization and combining its long tail-spend and supplier base.



## FIFTH, TO INTEGRATE

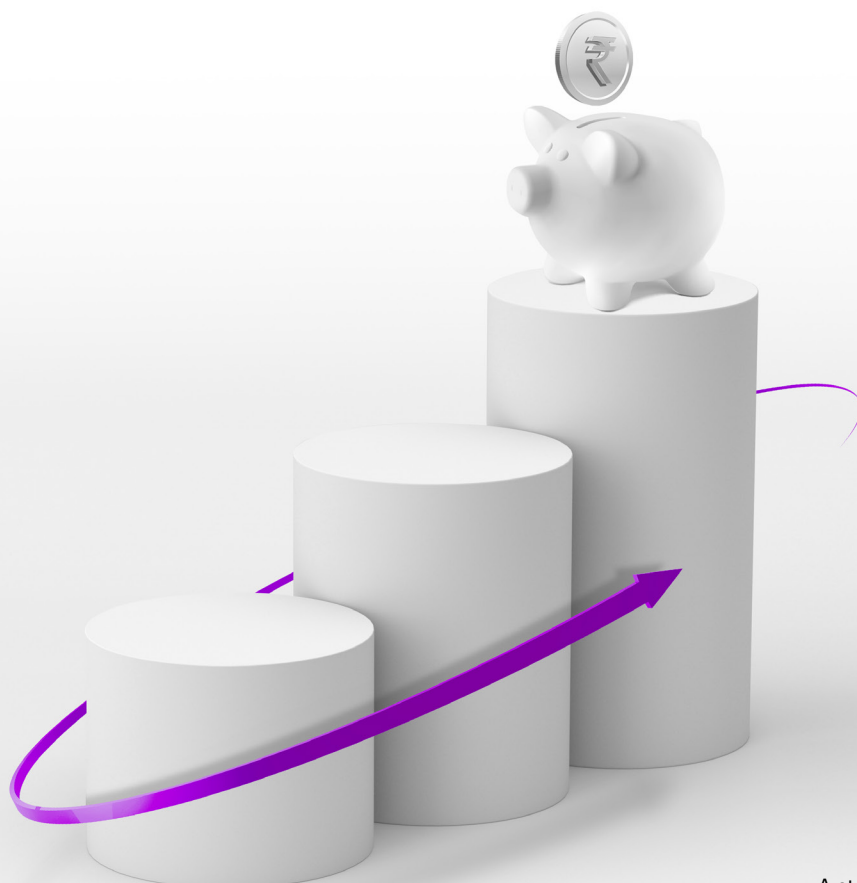
### Create stronger business outcomes

Many global companies that started with discrete GBS are fast switching to multi-function and advanced GBS. Economies of scale have enabled these companies to invest in new technologies, drive continuous productivity and efficiency—improving returns from GBS itself. Companies that use advanced models with **integrated internal and external service offerings are achieving high levels of customer centricity and boosting customer confidence, including internal customers of enabling functions. The combined benefits of integrated offerings lead to higher savings, working capital and growth.**

All this, in turn, can **bring down fixed costs, increase cost elasticity, and ensure year-round compliance—unlocking incremental value** for the enterprise.

There are several cases where companies with GBS models have had greater success in acquisitions and post-merger integration. In fact, for many companies, GBS models have been a strategic lever to drive integration and better synergy.

For instance, recently, an Engineering, Procurement and Construction (EPC) company and an oil-field services player leveraged GBS for faster integration with an almost 30 percent increase in efficiency. Going back in time, in 2005, experts attributed the successful merger of The Procter & Gamble Company (P&G) with The Gillette Company to a robust GBS model. P&G's shared services delivery platform helped it to rapidly onboard and integrate the acquired operations.



# LEADING ON THE AGILE FRONT

Traditionally, GBS models were considered a lever for operational excellence. But now, advanced shared services form the basis for value creation—enabling economies of scale that allow companies to invest in new technologies, driving further productivity and improving returns.

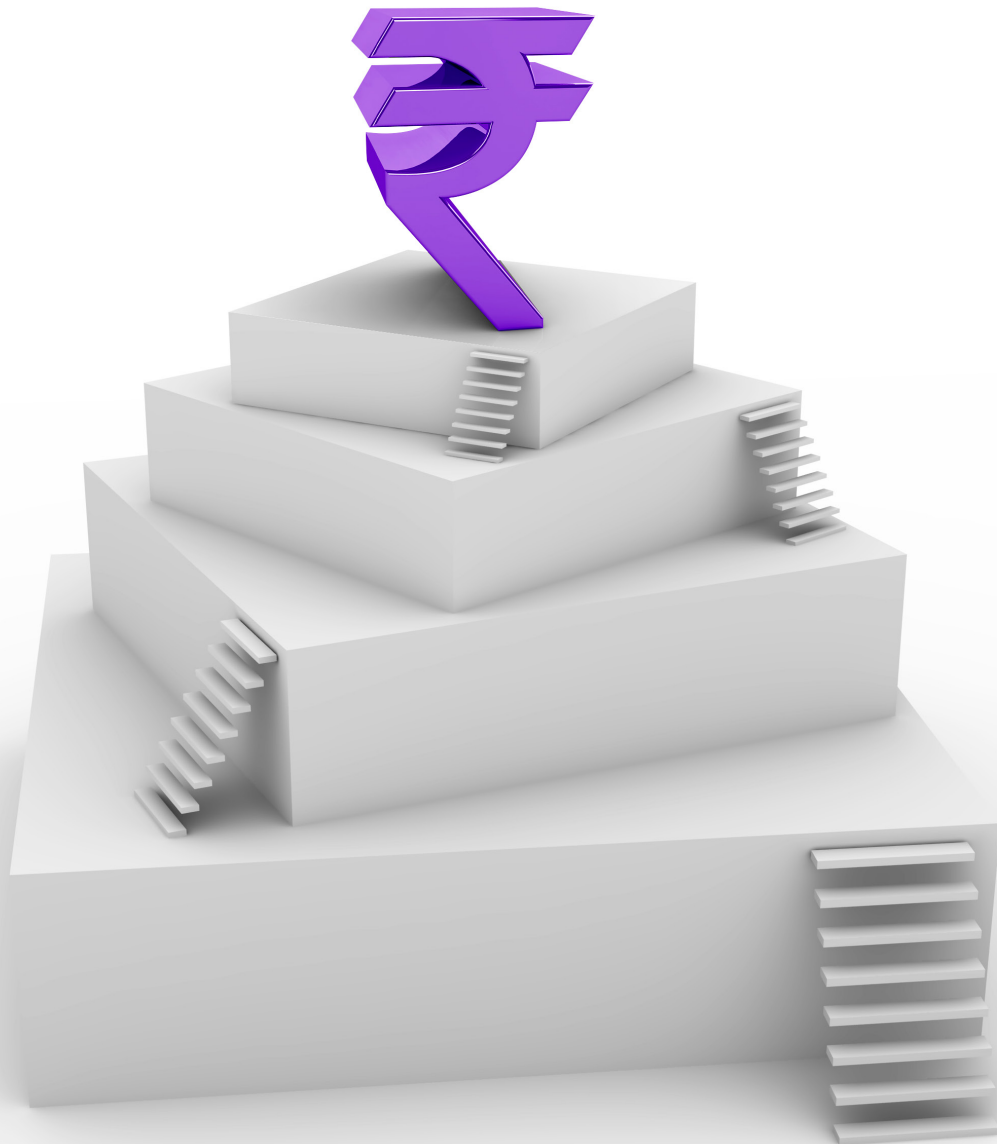
In India, companies have largely experienced the benefits that come from running in-house shared services models. It offers them a degree of agility and up to **20-30 percent productivity gains initially**. However, after a period of two to three years, the benefits start to stagnate. The reason? Shared services need constant reinvestment in new technologies to continue generating returns—something most companies are unable to do, especially in the current times.

In contrast, companies that adopt outsourced GBS models are far more effective in the long run as they leverage the latest technologies, can be scaled up or down quickly and easily expand the scope from internal to external, customer-facing models. It allows for more agility and higher productivity gains, enabling the management to focus on the core business.

Bottom line, GBS enable shared success by creating **incremental value through increased enterprise leverage** and can strengthen companies' reputation in the marketplace. Companies can play the disruption game to their advantage and make it an opportunity to outpace competition with the help of GBS partners. The zero hour is now.



**Captive or in-house shared services models provide companies up to 20-30 percent productivity gains in the short run. Outsourced shared service models can offer 2-3 times the benefit—up to 50-60 percent productivity gains continually.**



## REFERENCES

1. [https://www.adlittle.com/sites/default/files/viewpoints/24\\_07\\_2015\\_Arthur\\_D\\_Little\\_Roundtable\\_Shared\\_Services\\_Summary.pdf](https://www.adlittle.com/sites/default/files/viewpoints/24_07_2015_Arthur_D_Little_Roundtable_Shared_Services_Summary.pdf)
2. [https://www.accenture.com/t00010101t000000\\_w\\_/de-de/\\_acnmedia/accenture/conversion-assets/dotcom/documents/global/pdf/strategy\\_7/accenture-strategy-next-billion-advanced-shared-services.pdf](https://www.accenture.com/t00010101t000000_w_/de-de/_acnmedia/accenture/conversion-assets/dotcom/documents/global/pdf/strategy_7/accenture-strategy-next-billion-advanced-shared-services.pdf)



## AUTHORS



### **TARUN SATIYA**

Managing Director,  
Strategy & Consulting –  
CFO & Enterprise Value,  
Accenture in India



### **AMNEET SINGH**

Managing Director,  
Products,  
Accenture in India



### **CHACKO LAKSHMINARASIMHAN**

Managing Director  
& Lead, Operations,  
Accenture in India

## ABOUT ACCENTURE

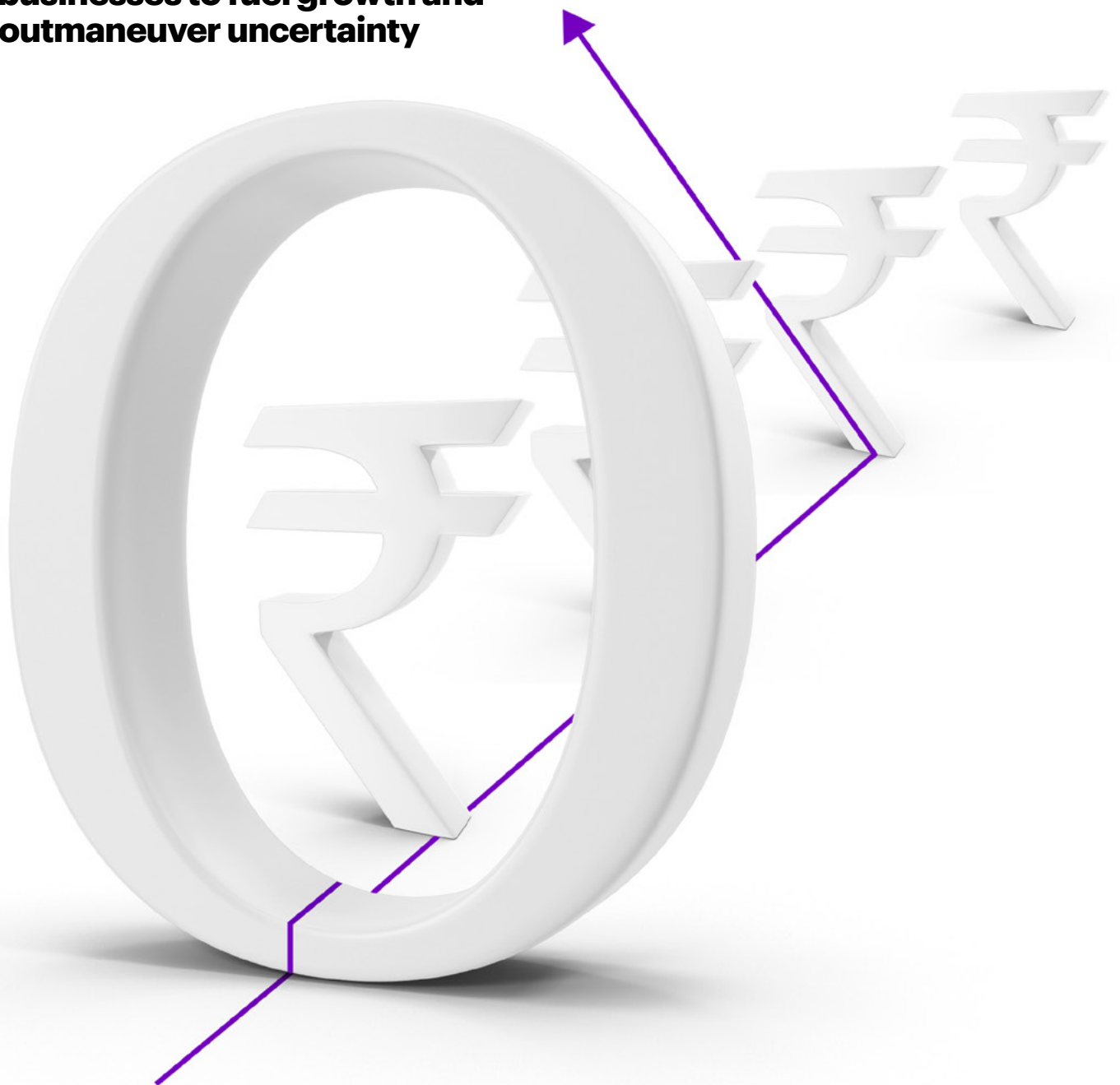
Accenture is a global professional services company with leading capabilities in digital, cloud and security. Combining unmatched experience and specialized skills across more than 40 industries, we offer Strategy and Consulting, Interactive, Technology and Operations services—all powered by the world's largest network of Advanced Technology and Intelligent Operations centers. Our 514,000 people deliver on the promise of technology and human ingenuity every day, serving clients in more than 120 countries. We embrace the power of change to create value and shared success for our clients, people, shareholders, partners and communities. **Visit us at [www.accenture.com](http://www.accenture.com)**

**Disclaimer:** This article has been published for information and illustrative purposes only and is not intended to serve as advice of any nature whatsoever. The information contained and the references made in this article is in good faith and neither Accenture nor any its directors, agents or employees give any warranty of accuracy (whether expressed or implied), nor accepts any liability as a result of reliance upon the content including (but not limited) information, advice, statement or opinion contained in this article. This article also contains certain information available in public domain, created and maintained by private and public organizations. Accenture does not control or guarantee the accuracy, relevance, timelines or completeness of such information. Accenture does not warrant or solicit any kind of act or omission based on this article. The article is the property of Accenture and its affiliates and Accenture be the holder of the copyright or any intellectual property over the article. No part of this article may be reproduced in any manner without the written permission of Accenture. Opinions expressed herein are subject to change without notice.



# Resetting cost baseline to fuel growth

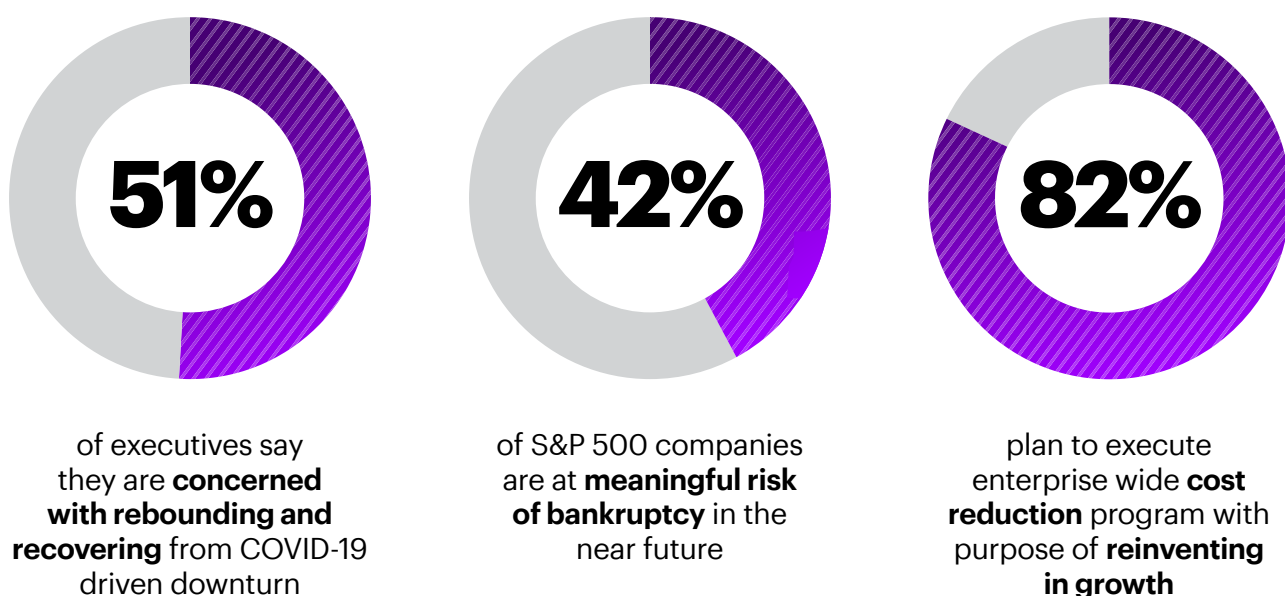
**A zero-based mindset for  
businesses to fuel growth and  
outmaneuver uncertainty**



The COVID-19 pandemic continues to drive fundamental changes in consumer values, supply chains and routes-to-market. At the onset of the crisis, it was a race for survival. Industries across the board faced depleted or zeroed revenue and increased costs as they rushed to address short-term liquidity challenges.

Our survey revealed that 51 percent of industry leaders were concerned about rebounding and recovering from the pandemic. Among S&P 500 companies, 42 percent are facing a real risk of bankruptcy. And a huge 82 percent plan to execute enterprise-wide cost reduction to free up funds to invest in growth initiatives (refer to Figure 1).

**Figure 1: Top of the mind for the C-Suite now**



## KEY PRIORITIES OF THE C-SUITE

Improve liquidity and cash flow

Reset the cost baseline

Increase variable nature of cost structure

Build operating resilience – e.g., balance of costs and risks

Sustain strategic investment

Identify and capture new growth potential to emerge stronger

Businesses have taken a series of belt-tightening measures to tide through the initial crisis. As we move to the NEXT (see Figure 2), the focus needs to shift to resetting the cost baseline and leveraging the new ways of working to sustain the cost advantage. This is critical to free up the necessary resources to reinvest in growth opportunities and thrive in the NEVER NORMAL.

**Figure 2: Striking the right balance between cost and profitability and reinvesting for growth**

NOW	NEXT	NEVER NORMAL
<ul style="list-style-type: none"> <li>• Manage cash and liquidity</li> <li>• Cut off discretionary spend</li> </ul>	<ul style="list-style-type: none"> <li>• Reset the cost baseline</li> <li>• Reimagine new ways of working</li> <li>• Sustain benefits through smart consumption policies and control &amp; monitoring</li> <li>• Lock savings in the budget</li> </ul>	<ul style="list-style-type: none"> <li>• Reinvest into growth</li> <li>• Accelerate digital transformation</li> </ul>
	FOCUS	
LIQUIDITY	COSTS AND PROFITABILITY	ENTERPRISE VALUE

# DRIVING PROFITABLE GROWTH WITH ZBx

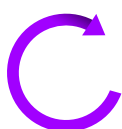
An Accenture analysis of actions that outperformers took to remain stable during past recessions found that the right balance between cost and profitability focus and reinvesting for growth has been the most reliable recipe to emerge stronger (refer to Figure 3). **This is where a zero-based (ZBx) mindset comes in. ZBx is a strategic and sustainable way of planning limited resources and find the non-working money which can be ploughed into new areas of growth.**

**Figure 3: A reliable recipe for fueling profitable growth**

<b>The pandemic provided a unique opportunity for businesses to intelligently relook costs and reset the cost baseline for the new reality.</b>	Leadership mindset and strategy employed	Success rate
	<b>Prevention:</b> minimize loss and downside risks	<b>21%</b>
	<b>Promotion:</b> focus on potential upside benefit	<b>26%</b>
	<b>Pragmatic:</b> reduce expenses and make selective investments	<b>29%</b>
	<b>Optimization:</b> focus on operational efficiency and investment in existing and new businesses	<b>37%</b>

The four key steps of this approach are as follows:

## 01 RESET THE COST BASELINE



Most companies are taking reactive, unsustainable measures such as reducing marketing spends, travel cuts, etc., which will certainly creep back in. **The pandemic provides a unique window of opportunity for businesses to intelligently relook costs and reset the cost baseline for the new reality.**

Traditionally, leaders have modeled the past to predict the future. In other words, they would examine past results and incrementally carve out costs. Now, the past is absolutely not a predictor of the future. Budgets will have to be redone keeping in mind that consumer values are constantly evolving, new opportunities are arising and the new ways of working are becoming the norm. That's why they need to use the should-cost models while revisiting their cost structure.

## 02 VARIABILIZE COSTS



There's a need to minimize risks and transform fixed cost into variable costs as much as possible. **HR and finance and accounting (F&A) costs can be optimized and variabilized by opting for managed services powered by artificial intelligence (AI) and automating routine, transactional work. Technology costs can be made variable by moving to cloud and adopting software-as-a-service.** Similarly, companies can look at outsourcing elements of production or distribution and logistics to third parties. That's where building a successful partner ecosystem can help.

### 03 DRIVE ONGOING CULTURE AND BEHAVIOR CHANGE



The crisis presents a unique opportunity to drive a broader ownership culture for costs in the organization. **Companies must come up with ideas to develop smarter ways of working and spending money.** This will generate additional savings year-over-year to fuel growth.

### 04 REINVEST IN GROWTH



The crisis is giving rise to new opportunities and changing the current competitive landscape. Continued focus on cost reduction will offer companies the funding **they need to invest in these new opportunities and future growth.**

#### WINNING WITH ZBx

**A large consumer goods company** is incorporating new ways of working to achieve a 10–20 percent reduction across indirect spend categories, while achieving a 5–10 percent reduction in direct spend categories. Further, it adopted the return on investment (RoI) lens to prioritize customer promotions and achieved 15–20 percent optimization by eliminating negative RoI programs.

**A large fashion retailer** leveraged the commodity downturn and renegotiated yarn prices, improving margins by 4–10 percent across categories. They are reinvesting the savings in reimagining their ecommerce business.

**A large industry and mobility client** leveraged the ZBx approach to drive 20 percent productivity improvement and 15 percent cost reduction across cost packages such as logistics, general and administrative, manufacturing, and sales and service. It is reinvesting the savings in digital and advanced analytics capabilities to create more value and deepen its competitive advantage.

# LEVERSTO AMPLIFY AND SUSTAIN SAVINGS

## 01 EMBRACING NEW WAYS OF WORKING

Business leaders are leaving the old employment playbook behind and embracing new ways of working (see Figure 4). They are looking at new operating models that are a mix of on-site working and hybrid virtual, and building workforces that are sustainably engaged, inclusive, diverse and resilient. These levers are resulting in significant savings, which can be sustained beyond the crisis.

### Figure 4: New operating models



## THE ZBx FACTOR

Forced into working virtually during the lockdown, a medium-sized auto ancillary company was pleasantly surprised by the effectiveness and ease with which it was able to adapt to the situation. **The company is now implementing digital and AI solutions to optimize its HR and F&A functions, reducing costs by 10–20 percent, and variabilizing its cost structure by leveraging third-party service providers.**

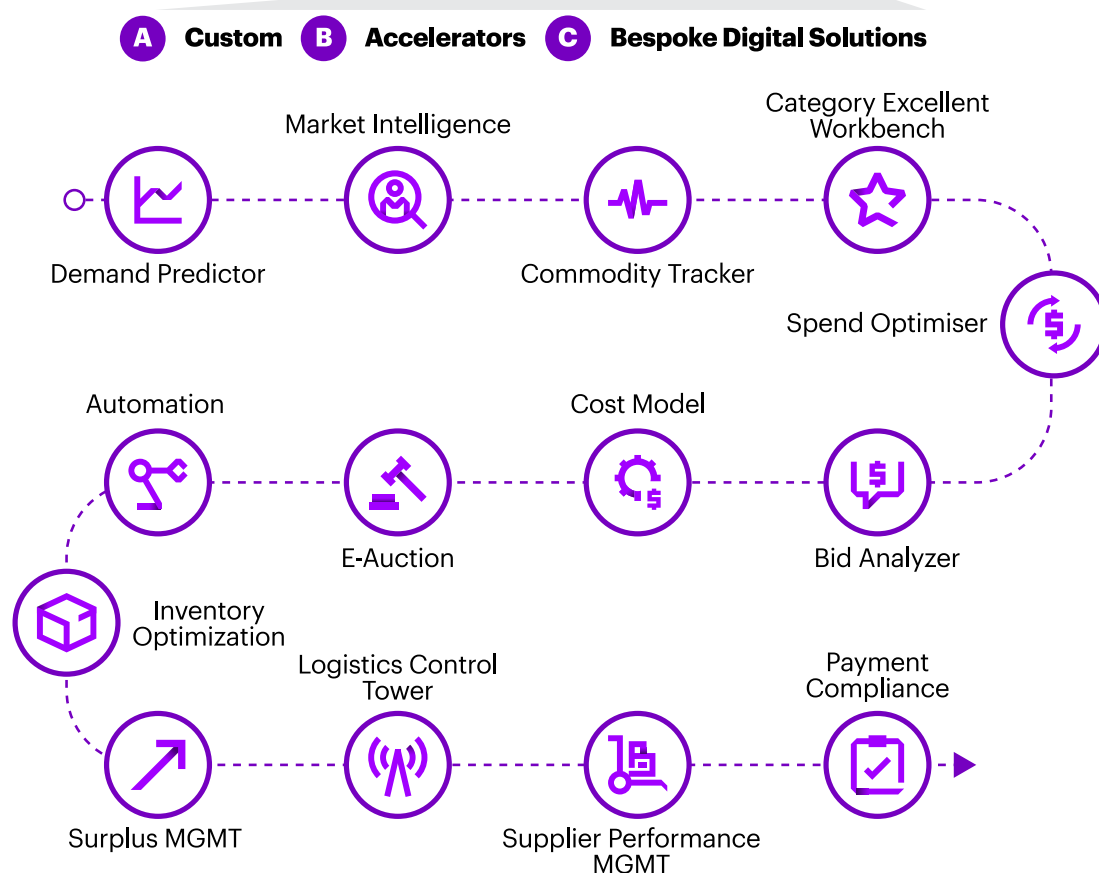


## 02 MAXIMIZING THE IMPACT OF ANALYTICS

While most companies are unlocking savings in direct material by leveraging the core ERP solution, in our experience, core solutions, when combined with EDGE solutions can result in 2x more savings. Accenture has developed EDGE solutions (Figure 5) that leverage AI and advanced analytics capabilities to enable businesses to integrate both structured and unstructured data from internal as well as external sources in meaningful ways to find new insights and savings.

**Figure 5: Leveraging core plus EDGE solutions to unlock 2x savings**

### MAXIMIZE VALUE REALIZATION THROUGH INTEGRATED PLATFORM CORE (ERP) + EDGE SOLUTIONS



### OIL'S WELL WITH ZBx

A large oil and gas company developed and leveraged more than 15 digital and analytics accelerators to achieve **US\$1.1 billion savings while transforming themselves into fully Digital Procurement Organisation.**



## 03 ACCELERATING DIGITAL TRANSFORMATION

Technology is increasingly becoming crucial as organizations reposition themselves to meet the ever-evolving demands of customers. This means companies need to optimize the non-core IT spend and reshape and variablize the spend profile to enable growth leveraging levers such as modern, fit-for-purpose architecture, AI-driven automation, migration to cloud and agile delivery.

### TECHNOLOGY LEVERS

**Define bold solutions to rapidly optimize non-core technology while establishing foundation for growth**



#### Cloud Infrastructure

**Accelerate adoption of cloud** for the rapid provision services, to variabilize IT costs, increase resiliency and performance, and deliver scale in a technology-enabled cost-efficient manner



#### Modern Architecture

Achieve **fit-for-purpose architecture** that creates flexible and adaptive business processes and capabilities



#### Technology Automation

Aggressively deploy **tech-enabled automation and AI OPS** across business capabilities

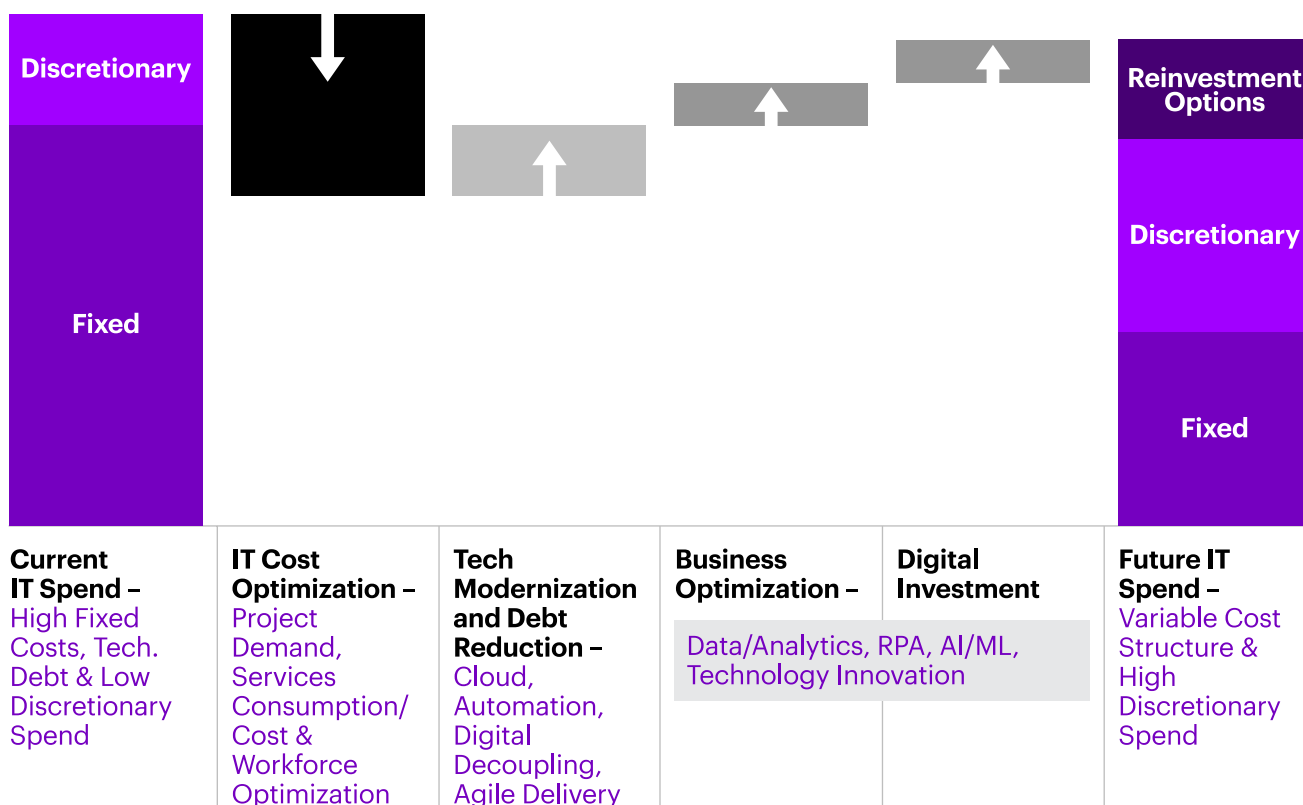


#### Agile delivery / DevOps

Reliably build **sustainable and secure technology solutions** at pace to enable business agility, growth and profitability outcomes

### ZERO-BASED TECHNOLOGY

**Optimize & reset cost baseline to invest**



## OPTIMIZING TECH SPEND

An agribusiness leveraged the ZBx approach to **optimize its technology spend by 42 percent, enhance its application landscape, speed up migration to cloud and align its IT services and projects with business outcomes.**

# REINVESTING TO UNLOCK FULL ENTERPRISE VALUE

The COVID-19 pandemic has enabled companies to make the ZBx approach even more relevant in today's world.

A key step to drive a low-cost base is adopting a should-cost mentality to foster a sustainable, cost-conscious culture within the organization. By ingraining it in how people think and work, it begins to happen naturally.



**As business leaders plan ahead, they should proactively focus on economic viability, cost efficiency and competitive moves. To thrive, they must adopt a balanced approach of resetting their cost baseline, improving profitability and creating a blueprint for ever greater levels of enterprise value. When new opportunities start to surface, it will be important to plan to capture these new opportunities ahead of the competition and emerge stronger from crises, now and in the future.**

## AUTHORS



### **MANISH CHANDRA**

Managing Director,  
Strategy & Consulting,  
Lead - Supply Chain &  
Operations (India) and  
ZBx (Growth Markets),  
Accenture



### **JUGNU SAKUJA**

Senior Manager,  
Strategy & Consulting –  
Supply Chain & Operations,  
Accenture in India

## ABOUT ACCENTURE

Accenture is a global professional services company with leading capabilities in digital, cloud and security. Combining unmatched experience and specialized skills across more than 40 industries, we offer Strategy and Consulting, Interactive, Technology and Operations services—all powered by the world's largest network of Advanced Technology and Intelligent Operations centers. Our 514,000 people deliver on the promise of technology and human ingenuity every day, serving clients in more than 120 countries. We embrace the power of change to create value and shared success for our clients, people, shareholders, partners and communities. **Visit us at [www.accenture.com](http://www.accenture.com)**

**Disclaimer:** This article has been published for information and illustrative purposes only and is not intended to serve as advice of any nature whatsoever. The information contained and the references made in this article is in good faith and neither Accenture nor any its directors, agents or employees give any warranty of accuracy (whether expressed or implied), nor accepts any liability as a result of reliance upon the content including (but not limited) information, advice, statement or opinion contained in this article. This article also contains certain information available in public domain, created and maintained by private and public organizations. Accenture does not control or guarantee the accuracy, relevance, timelines or completeness of such information. Accenture does not warrant or solicit any kind of act or omission based on this article. The article is the property of Accenture and its affiliates and Accenture be the holder of the copyright or any intellectual property over the article. No part of this article may be reproduced in any manner without the written permission of Accenture. Opinions expressed herein are subject to change without notice.

## PROJECT TEAM

**Aanujj Gupta, Abhinav Karwal, Alice Angom, Ankur Chauhan,  
Harini Mohan, Himanshu Patney, Mayank Sakhuja, Pradeep Roy,  
Pragati Sharma, Radhika Tewari, Rajesh Dube, Ritesh Kapoor,  
Ruth Phyllis Samson, Shalini Anand, Shiju Jim Thomas,  
Siddhant Johri, Soumyajit Dey, Subhamoy Das, Vineet Khanna**

## ABOUT ACCENTURE

Accenture is a global professional services company with leading capabilities in digital, cloud and security. Combining unmatched experience and specialized skills across more than 40 industries, we offer Strategy and Consulting, Interactive, Technology and Operations services—all powered by the world's largest network of Advanced Technology and Intelligent Operations centers. Our 514,000 people deliver on the promise of technology and human ingenuity every day, serving clients in more than 120 countries. We embrace the power of change to create value and shared success for our clients, people, shareholders, partners and communities. **Visit us at [www.accenture.com](http://www.accenture.com)**

**Disclaimer:** This article has been published for information and illustrative purposes only and is not intended to serve as advice of any nature whatsoever. The information contained and the references made in this article is in good faith and neither Accenture nor any its directors, agents or employees give any warranty of accuracy (whether expressed or implied), nor accepts any liability as a result of reliance upon the content including (but not limited) information, advice, statement or opinion contained in this article. This article also contains certain information available in public domain, created and maintained by private and public organizations. Accenture does not control or guarantee the accuracy, relevance, timelines or completeness of such information. Accenture does not warrant or solicit any kind of act or omission based on this article. The article is the property of Accenture and its affiliates and Accenture be the holder of the copyright or any intellectual property over the article. No part of this article may be reproduced in any manner without the written permission of Accenture. Opinions expressed herein are subject to change without notice.