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Soar in the face of disruption

Accenture Strategy



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Disruption is the new normal for business today

Accenture research indicates nearly three-quarters of companies are in a state of or on the brink of disruption.¹ And no industry is immune—from manufacturers such as consumer goods companies to banks in financial services.

The stark difference between those who thrive amid disruption and those who don't can be summed up in three words: Purpose. Agility. Culture.

The companies that thrive are those that go further in driving transformation by investing with purpose, adopting agile operating principles, and empowering people at all levels of the organization. And those moves are paying off: The long-term EBITDA growth for truly agile organizations is 16 percent compared with only six percent on average for non-agile organizations.²

Don't let cost transformation efforts sputter

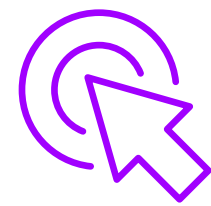
Businesses have been battling disruption by capturing savings and reinvesting to fuel growth. Many management teams have applied a zero-based mindset to unlock up to—and in some cases even greater than—1,000 basis points of their profit and loss (P&L) statement to create a critical source of investment capacity into operational agility.³

But that is only half the battle. While these funds may boost the bottom line, is the money flowing to the right places to fuel growth? Leaders must consider **why, how, where, and by whom work gets done** to execute against strategic imperatives else they may fail competitively—or else earnings will suffer.



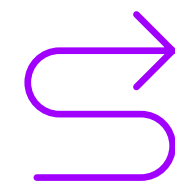
Through a zero-based mindset, nearly 50% of the G2000 has adopted strategies that show potential to significantly increase execution speed and create investment capacity.⁴

The companies that get it right address these fundamental changes as they build a robust portfolio of investments driving the business model.



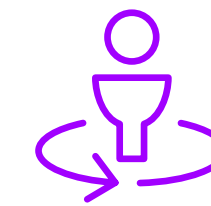
Clear purpose

Investments underpin the organization's purpose so that it's the "north star" fueling loyalty in customers, passion in the workforce and strengthening the business model.



Agile operating models

Flexible structures and more intelligent organizations give businesses the foundation on which to innovate in the core business and beyond.



Empowered workforce

Adaptive talent powered by creative, whole-brain thinkers can rally behind the company's purpose and help the company to grow amid disruption.

These moves can pull an organization out of the mire of stalled inertia and put it firmly on the path to growth. For example, a North American consumer goods manufacturer addressed each of these factors while reorganizing to move from a renewed vision into action. In the process, the business aligned intensely around five interdependent strategic priorities that would drive profitable market share and build a culture of high accountability.

A woman with long dark hair, wearing a white t-shirt and dark pants, is walking at night. She is looking to her right. The scene is illuminated by blue and purple lights, creating a bokeh effect in the background. A vertical glass pane is positioned in front of her, showing a clear reflection of her. The overall mood is contemplative and forward-looking.

Invest with purpose

Consumers and employees are increasingly seeking out brands that stand for something bigger than themselves. As a result, companies investing with purpose are not only attracting customers and talent, but they are also building sustainable trust and connections that lead to increased profitability and competitiveness.

Take Unilever for example. Unilever has continued to build its purpose-led brand portfolio, including Dove, which has reached 35 million young people with its self-esteem building education program since 2005.

In 2019, the company announced that its Sustainable Living Brands are growing 69 percent faster than the rest of the business. In fact, they are delivering 75 percent of the company's growth, and it's clear to see why. Our research shows globally 62 percent of consumers want companies to take a stand on social, cultural, environmental and political issues and 65 percent say their purchasing decisions are influenced by the words, values and actions of a company's leaders.⁵

Lay the foundation for growth

Agile structures that rally around a purpose inspire employees and enable teams to work more effectively, collaborate more intensely, and engage more broadly across their ecosystem to drive better outcomes for the business.

This creates the speed and flexibility necessary to sense and respond to volatile industry economics, shifting customer expectations and emerging business models.

Investments in agile structures and intelligent organizations are at the core of the zero-based mindset—and they are among the most strategic a company may make in today’s digital environment. Breaking down internal silos is critical as a starting point. However, it is creating cross-functional teams that operate in flexible pod-like structures focused on specific imperatives that can discover and solve problems in ways they simply couldn’t within traditional, more restrictive structures. These moves can unleash innovation, enabling teams to execute in sprints and collaborate for better outcomes.

For example, a global bank, stifled by traditional functional silos, was able to break through and unlock the full power of the organization to pursue high impact initiatives. The bank created a single portfolio agenda and aligned resources to one strategy: to become a transparent, flexible and productive organization. Following this north star, the bank reorganized more than 30,000 employees in three primary areas and created centers of excellence to provide the right insights as the organization transformed. This new collaborative organization and leadership culture is centered on outcomes. With people as the cornerstone of the new organization, they are responsible for the success of the bank’s transformation.

Companies focused on disruptive growth also recognize that competing in today’s environment is not an individual sport. They embrace ecosystem

partners to bring in new ideas, capabilities and talent to shape business models and enhance operations. They achieve the art of the possible by working closely across the value chain—and even direct competitors. Take Procter & Gamble for example. The company created an innovation network of startups to discover solutions and innovations across multiple business functions, posting challenges externally so anyone can partner with them to develop solutions.

The company’s “startup studio”, P&G Ventures, is designed to fuel growth by creating new brands and solving ongoing problems. The team works with entrepreneurs and innovators from all over the world to create new businesses to be tested. At any given time, the studio has 13–20 projects in its portfolio, many of which scale to become catalysts for growth.⁶

Bet on big thinkers

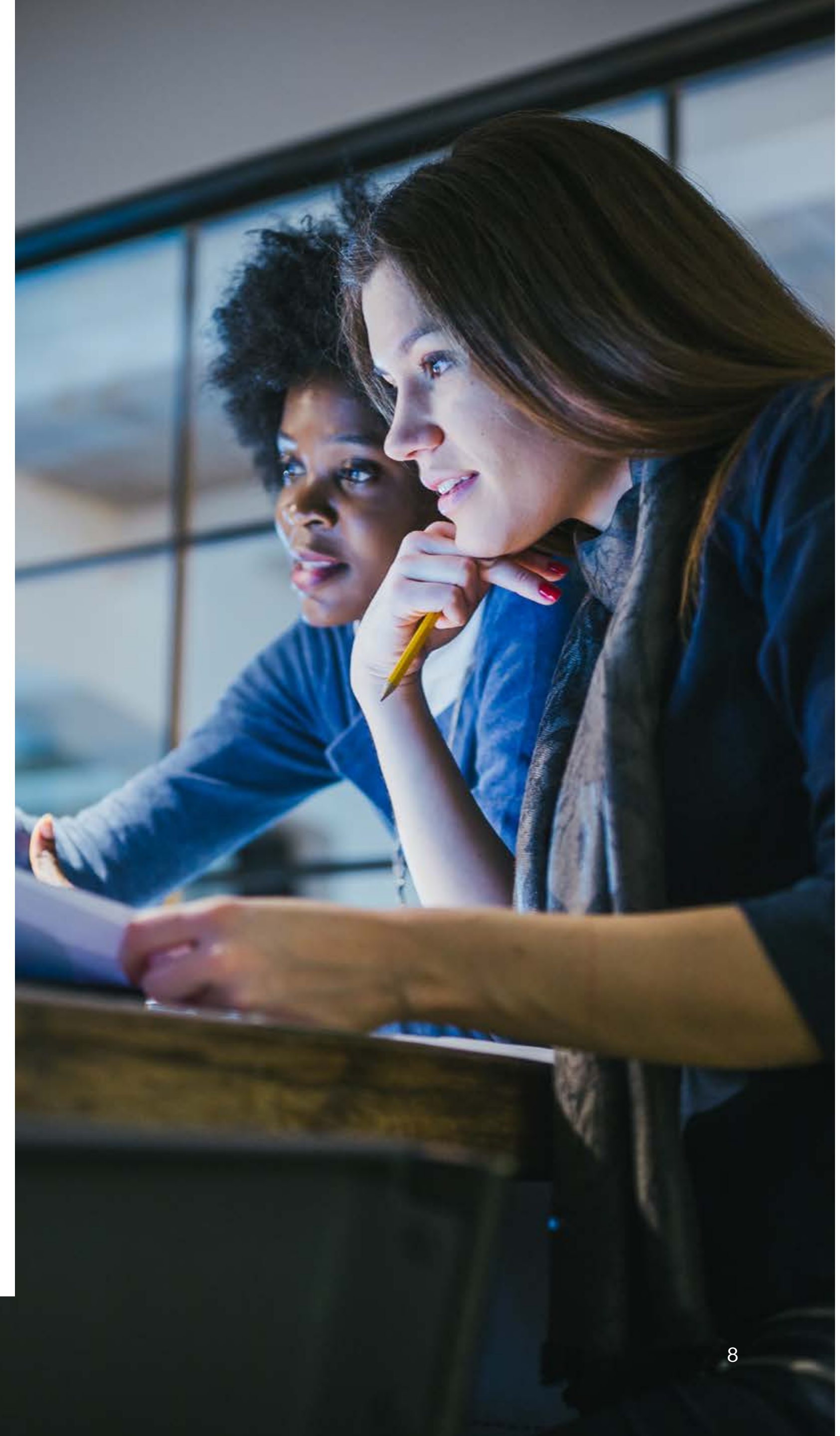
An operating model is only as good as the people who put it into practice.

Today's C-suite is saturated with leaders who bring to the table "left-brain" (scientific) skills that draw on data analysis and critical reasoning. In fact, a whopping 89 percent of the C-suite hold left-directed degrees.⁷ This leaves a gap when it comes to empathy, embracing change and having a clear vision—attributes that provide the courage, empowerment and resilience to create differentiated positioning in the market.

Unlocking the frozen middle—typically two to three levels below the C-suite—is critical. This group often has what the most senior leadership often does not—"whole-brain thinking" that unleashes innovation capability and frees creativity needed to solve the most complex business problems, explore possibilities and realize outcomes.

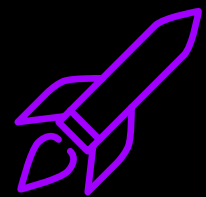
Our research found that while only 8 percent of companies globally employ whole-brain leadership today, 82 percent of companies state they intend to embrace the whole-brain approach in the next three years.⁸ This can be a game changer—but it requires more than just reskilling. It demands a reset in the mindsets and behaviors that can spark a cultural transformation toward greater entrepreneurship as leaders loosen the reins and empower their key talent to make broader decisions and operate as agents of change.

To fully achieve the potential of whole-brain thinking and associated execution against big bets, leaders need to do more than just change how they think and operate. Performance measures and incentives should recognize hard work and organizations should support employees' career paths through coaching and ongoing opportunities for growth.



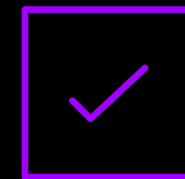
Thrive with agility

Companies ready to unlock their organization's potential can focus on these opportunities for growth:



Prepare for takeoff

Prioritize the removal of rooted systems and structures that prevent the ability to scale and innovate at speed.



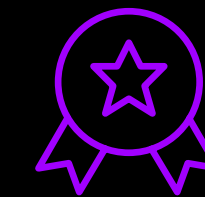
Invest with purpose

Provide a mechanism to become a disruptor with the help of a galvanizing purpose, expanded innovation breadth, and ecosystem partnerships to access technologies and talent. Create the right internal/adjacent entities who are given the permission to play by different rules.



Foster a growth mindset

Reset cultural norms across the organization to embrace creative thinking and relentless innovation. Balance legacy left-brain thinkers with bold right-brain minds willing to push new boundaries.



Reward innovation

Implement new or adjust existing incentive structures for behaviors and results related to the new or evolved business models. Relentlessly measure and recognize the right behaviors.

Overcoming disruption is not about survival—it's about coming out as the strongest in the pack.

Applying zero-based strategies to cost transformation puts companies on the right path but it takes a clear purpose, the right investments, an agile operating model and an empowered workforce to thrive and not just survive.



Contact the authors to explore ways to unlock your organization's full potential and soar in the face of disruption.

[Get in touch](#)

References

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About Accenture

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