Introduction [00:00:00] Welcome to Accenture is XaaS a service files the podcast for business leaders helping their companies transform using innovative digital business models. Here, you'll learn from some of the industry's leading movers and shakers, senior executives from companies around the globe who are changing the way the world works and plays by delivering all types of compelling subscription services. Join your host Kevin Dobbs Accenture as XaaS service managing director who brings 20 plus years of experience as an entrepreneur, CEO and senior executive to the table. Kevin has led dozens of as a service business transformation for some of the largest technology and industrial companies globally. Now let's get to today's episode.

Kevin Dobbs [00:01:03] Thanks for tuning in today to our X-as-a-Service Files podcast. Again, my name is Kevin Dobbs and I run a revenue acceleration practice here at Accenture. And we're going to continue our discussion with Leslie Stretch, who's the CEO and Medallia. You know, in our final segment, it'd be really interesting to get your take on when companies are starting to build out and scale their businesses and they're thinking about experience. What do you think the role of the partner, how should the companies be looking at using partners, using an ecosystem to kind of, in your case, build a really excellent experience?

Leslie Stretch [00:01:40] Well, I think this is very important to me because over the years I've built several businesses where the inflection point has been the point where we've got everybody in our product business. I'm a product person, I'm a product person, and we've got everybody to recognize that we will never scale on our own. But there are so many ways of looking at this. And I think that many companies think about, you know, I'm working with one partner that has a cost implication, if I'm working with two, that has another cost implication that there's that lens. The other lens is why do I need someone? Is it it very complex to do this? Is that why I need this third party? That's the other lens. And none of those are true. The truth is the technology can be deceptively simple and easy to implement. And that content, especially large enterprises down the route of, well, I can do this, but the unbeatable combination of know-how, know-how and commitment from a great partner is actually key to our growth and our customer success. So we're at that point now where three years ago we didn't really embrace and we're doing it ourselves with customers. We were we were we were getting seduced into that line of thought. And the worst thing that you can do, a stitch in time saves nine. The worst thing that you can do is to have a false economic perception of the type of investment that you're making. And I think the worst thing that you can do when we are implementing, we a SaaS consumer, when we consume millions of dollars of SaaS subscriptions from great technology partners. We're always looking at the track record and know-how of an independent third party. The success of combining that know-how with our technology outstrips the direct, simple, what we think are simple one-to-one relationships as product companies with customers. And I think companies that do that put a ceiling on their growth. And there's no way that we can implement every customer that we take on. That would be foolish. We wouldn't provide a great experience for our customers, but we do have partners select a select group of partners that we know, combine fabulous know-how and generate and create a transformational experience for customers. The value of that is incredible. How to look at the data, how to build a balanced scorecard, how to create the ultimate CEO dashboard that's really the province of our partners like Accenture and others. The value of that is easily the value of the core product subscription and more. And so, I think we do all need to do more in the market to get our customers to see that this investment pays them back massively over time. We've seen it again and again in small, medium and large
customer's action. So we're not just restricted to the very top of the pyramid. So, I think that's the way we have to look at it. If you if it is just a simple, basic survey, number one, you have to think about the value of that. Sure, you can be yourself any time, but that's fine for a bit of ad-hoc market research. If you really want to operationalize feedback and mind powerful innovation insights that you can act upon, then enlist some know-how as well. Not just the technology, we have great know-how in the company, we have great enablement in our professional services team, is the best professional services team I've worked with in my thirty-five years in the industry. But they are focused on certain enablement tasks for our customers. There is no way that we can scale or we would ever scale our business. And also our business model is hinged around products and product growth. So that's how we look at the market now. So, we're at the inflection point where we're seeing bigger and bigger scaled implementations led by great partners and finding super outcomes for our customers. But it's the know-how is really interesting.

Kevin Dobbs [00:05:41] I agree with all of that. And what I hear from a lot of companies is also I need to do it now. So, it's almost like maybe five years ago it was a more cost conscious about how much this is all going to cost. Now, what I'm hearing, and it's probably because of the pandemic, is we've seen digital adoption like something that was going to happen in five or 10 years, happen in 18 months. And so, there's just been a tremendous compression of time. So we see it's almost like a sense of urgency for companies to move that much faster. And I think coming in and using partners as a way to kind of accelerate also seems to be a big theme.

Leslie Stretch [00:06:23] Well, I think we have seen we have working with one of those. You are with one of the largest retail brands in the world at the moment. Their CMO recently who I talked to, she expressed it like this. She said we had 48 week projects that we're doing in 48 hours, now it's extreme or maybe not quite accurate. But but that's where the world is today. And we welcome it because we know we can get to the value faster business as usual. And extended projects are less appealing because people want to get to the digital first world now. They see, just watch CNBC and look at the slew just in retail of companies that have transformed their business. It's legion again and again, GAP, Target, Dick's and so on. They are constantly looking at ways to enhance the digital experience. And so I think the know-how that Accenture has built in this domain, I personally think is second to none. I know you want to be seeing results and outcomes now and the digital technology, as we said earlier, it's very simple, actually. It's not about taking away the complexity of the digital technology. It's about getting to outcomes for customers faster. A very exciting we're seeing very exciting dividends from these rapid implementations.

Kevin Dobbs [00:07:43] You know, the other big change, especially with partners and again, giving your tenure, having worked at Oracle, I worked at Oracle all the way through. You know, embracing partners also sort of changes your business the way you kind of sell and the way you embrace your sales model. I know working with some of our larger clients as they move to these more digital models, it's almost they need to think differently about their channel, how they sell, how they work with partners. How how is Medallia kind of doing that? Is it did you already have, like, a lot of kind of channel partners and now you've kind of reoriented them into more of an ecosystem or how is that working?

Leslie Stretch [00:08:23] Three years ago, we were a do-it-yourself outfit. We did not have a formal professional channel management group, which we do now. We've invested heavily in that. And so that's transformed our business. We did, for example, in the last couple of quarters, we were doing about two hundred and fifty enterprise go lines a
quarter. The significance of that statistic is that three years ago when I joined the company, when we were probably doing, were doing 20 to 30 go lines a quarter. We haven't increased our professional services capacity that much. This has come through our partner involvement. And so, the scale has been incredible. And I am actually looking forward and seeing five hundred go lines in the quarter in our future. And the bulk of those, the majority of those are implemented by our partners. And I think the, you know, the world is small and it's run and you have a tendency to bump into people. And so, I think companies that don't get that in our space, you know, struggle with these partnerships. And nobody owns an account. No one owns a customer. The customer has infinite choice. There's no one of anything. And so, I think that's an important notion for our teams to recognize. You don't own a customer, right? We don't own customers. Accenture doesn't own customers. We are at their service. And I think that our channel group is an absolutely key element in our business today from nothing. Three years ago, in every single major customer situation, our channel group is involved either subtly, indirectly or directly with great partners like Accenture. And so that's that's been key. And we are at an inflection point in this regard. Ultimately, I could see over time, you know, two thirds of the bookings of our business, which is a key measure in our business, being influenced or contracted with third parties, maybe 80 percent actually over time.

Kevin Dobbs [00:10:33] So is a kind of round out of our discussion. I mean, the last one I'd really love to hear about is that and again, you talk to CEOs, you've already said you've talked to three this week. But when you're talking to companies about kind of the impact that you can make with partners, do you have like a common story or is there a customer that kind of sticks out as somebody really moved the needle by kind of taking this experience led approach that's really kind of transformed their business.

Leslie Stretch [00:11:05] It goes by so they know-how stories. So we have the technology customer has the need and the vision of the future that they want to get to. And they have a map of outcomes. When we're talking and talking with our account management teams, we want to talk about the map of outcomes that the customers see. They already see that. That's why they're talking to you. Actually, 50 plus percent of the decision criteria have already been covered off digitally before they even speak to you to get them to understand that they were to combine that digital platform that they acquired from us with the know-how of a global partner that has seen just about every use case, just about every timeline, just about every outcome. That's a huge value add. And so that's the total track that we want to engender. I want to engender with our channel people and our account teams. There is never an argument that says in this case, fewer hands are better. And so, I think that that's the way we talk about it. With our enterprise customers it's an easy discussion. It's a well-trodden path. They get it. And I think there's a commercial equation in it, too, which is, you know, we're going to ask for these outcomes or if we're going to be promised these outcomes, we expect the contract to run that. And that's really the domain of an Accenture. That's that's not our domain. As I say, you know, as I've said several times, we are at an inflection point and we can see it in the acceleration of the go lines as the data point. That doesn't lie, you know, you can't get away from. And that's that's absolutely key to our growth.

Kevin Dobbs [00:12:41] Well, I appreciate all insights and all the ideas for the people who are listening to this, because I think we are in a really disruptive, unpredictable period of time, and so it's been really helpful to kind of get your your thoughts, your ideas, your insights, coaching even. And so, I wish you and the Medallia team the best. And again, thank you for your time.
Leslie Stretch [00:13:07] Well, thank you very much for having me, Kevin. And all the best to the Accenture team who I've known for decades. And we're looking forward to a fruitful, continued partnership.

Closure [00:13:18] Thank you for listening to Accenture XaaS Service files. Please be sure to visit our podcast Web site at Accenture.com slash XaaS service files that's Accenture dot com slash x a a s dash f i l e s. Where you can listen to more conversations with other industry leaders about their vision and perspectives on innovative digital business models. You'll also find more great insights from these leaders on our blogs that accompany each episode. And of course, we always appreciate it when you rate and review the show. Be well and we'll catch you again on the next episode of the XaaS files where we'll learn about the next venture in the digital transformation business journey.

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