Reinvention in the age of generative AI

Contents

03

Preface

04-06

Executive summary

07-14

Reinvention as the strategy for success

15-18

Generative AI accelerates and enables reinvention

19-43

The picture of success and how to achieve it

Imperative 1: Lead with value

Imperative 2: Understand and develop an AI-enabled, secure digital core

Imperative 3: Reinvent talent and ways of working

Imperative 4: Close the gap on responsible AI

Imperative 5: Drive continuous reinvention

44-46

Are you ready for reinvention in the age of generative AI?

Contents | Preface | Executive summary | Reinvention as the strategy for success | Generative AI accelerates and enables reinvention | The picture of success and how to achieve it

2

Authors

Jack Azagury

Group Chief Executive –
Strategy & Consulting

in

Muqsit Ashraf

Global Lead –
Accenture Strategy

in

Oliver Wright

Senior Managing Director –
Consumer Goods & Services,
Global Lead

in

Karen Fang Grant

Global Research Lead –
Industry Networks
& Programs

in

Mike Moore

Principal Director –
Accenture Research

in

Preface

For many companies, the next 12 to 24 months will be a moment of truth. Among those who have invested over the years in new technologies, skills and ways of working, return on those investments has varied. The advent of generative AI presents businesses with unparalleled potential to leapfrog their competitors. Will they seize that opportunity and accelerate their reinvention to set a new performance frontier? Or will they fall further behind in the ongoing technology revolution?

The generative AI revolution will require the board, the CEO and the entire C-suite to understand this technology at a level not previously seen — even though the digital revolution has already reshaped the C-suite to be tech literate.

This is not your average technology revolution.

Where could reinvention take your business?

Reinvention in the age of generative AI

| What if you could turn the promise of personalized healthcare into a reality? | What if you could tailor your products and services to an individual customer in every market you serve? | What if you could enhance annual productivity gains by a factor of 5x (or higher)? | What if you could dramatically compress drug discovery time? |

This is exactly what organizations are achieving through generative AI-powered reinvention.

In 2022, we set out a **bold prediction**: companies that embrace Total Enterprise Reinvention as a strategy using technology, data and AI would lead in the coming decade.

In 2023, we **tested our prediction**, setting a baseline for the number of companies that had fully embraced enterprise reinvention to become "Reinventors" and establishing that these companies were outperforming the rest.

Now in 2024, we have more recent evidence that reinvention, enabled by generative AI, will become the default strategy for the world's leading organizations. Our latest research shows that Reinventors realize more **360° value** (across both financial and non-financial outcomes) than other organizations within their own industries and beyond, and they're realizing it faster.

Between 2019 and 2022, Reinventors increased their revenues by 15 percentage points more than the rest of our research participants, with an average profit margin 5.6 percentage points higher. Crucially, Reinventors are widening the gap between them and their competitors — increasing the revenue growth gap by 2.4 times — creating an imperative for others to act.

AI is both accelerating the need for change and enabling bigger and bolder reinvention. When we released our first report, generative AI — and specifically ChatGPT — had only just exploded onto the scene. Why is generative AI different from other technological innovations we've seen in recent years? The technology has the power to reinvent every facet of an organization — and this is new.

Based on our experience across more than 700 client engagements and our research, we predict that over the coming 12 to 24 months there will be a significant uptick in companies that embrace generative AI as a catalyst for reinvention.

Through our work, we see empirical evidence that this trend is already in motion, particularly as generative AI rapidly disrupts every industry. Technology is the top lever for reinvention for 98% of organizations, with generative AI now seen as one of the main levers for 82% of those organizations.

Over the past year, generative AI has already enabled organizations' reinvention progress, creating previously unimaginable opportunities for growth, productivity and agility.

We expect that new Reinventors will emerge and some of the current ones may be displaced, with the number of Reinventors growing overall. In fact, in our research, we see evidence that the companies powering their reinvention with generative AI could leapfrog today's leaders over the next five years.

Where could reinvention take your business?

Generative AI client experience

We have delivered more than 700 generative AI engagements in which companies have applied the technology to reinvent how they operate. Throughout this report, we highlight what we have learned from those engagements and feature several client stories to illustrate the impact.

About the research

We took a multi-method approach again this year to research the topic of Total Enterprise Reinvention. This report is based on:

- **A multi-year survey** of over 3,000 executives across 19 industries and 10 countries. Respondents were asked about their organization's approach to business transformation and reinvention strategy, as well as about their specific programs and success factors. The surveys were conducted in November 2022 and October to November 2023. In this report, we provide comparisons between the two, focusing on new insights gained from the most recent fieldwork.

- **Financial and non-financial analysis and econometric modelling** to assess the performance impact of adopting a reinvention strategy. The analysis combines data from publicly available achieved results, analyst expectations and survey data to create a robust view of both historic and future performance.

- **The annual Pulse of Change Index** that quantifies the level of change affecting businesses globally, caused by six major factors: technology, talent, economic, geopolitical, climate, and consumer and social. The index provides context to the need for reinvention.

Reinvention as the strategy for success

Contents | Preface | Executive summary | **Reinvention as the strategy for success** | Generative AI accelerates and enables reinvention | The picture of success and how to achieve it

7

The state of reinvention

Let's start by looking at the most recent evidence that reinvention is becoming the default strategy for the world's leading organizations.

9% of companies are **Reinventors,** building the capability for **continuous reinvention.**

We repeated our global survey of 1,500 C-suite executives to find out what's changed in the past year. We found that companies are tailoring their reinvention strategies to fit their own agendas, and some are driving forward faster than their peers.

A small number of Reinventors (9%) have already met the high bar of building the capability for continuous reinvention. They're making swift progress in executing their strategy and setting out to define a new performance frontier — with technology at the core of their reinvention (**see six characteristics of Total Enterprise Reinvention**). While this is a relatively small rise from 8% last year, we see bigger change when examining the data in closer detail.

New performance frontier

A new level of performance that goes beyond existing best practice. It's characterized by a business's ability to deliver products, services and value that surpass what has been delivered in the past. It's based on a forward-looking view of what technology, data, AI and new ways of working could do. This recognizes that today's fast-moving environment requires companies to go beyond benchmarks to define a new level of performance for themselves and the industry in which they operate.

The six characteristics of Total Enterprise Reinvention

01/
Reinvention is the strategy

It is no longer an execution lever. The entire C-suite, together, makes a deliberate decision to reinvent the enterprise to deliver 360° value.

02/
The digital core becomes a primary source of competitive advantage

It leverages the power of cloud, data and AI through an interoperable set of systems across the enterprise — including enterprise platforms, automation, integration and security — that allows for rapid development of new capabilities.

03/
Reinvention goes beyond benchmarks, embracing the art of the possible

Technology and new ways of working create a new performance frontier for organizations and the industries in which they operate.

04/
Talent strategy and people impact are central to reinvention

Continuous change is enabled through new talent capabilities and technology solutions that reflect the ability of users to adopt them. Change management is a core competency.

05/
Reinvention is boundaryless and breaks down organizational silos

It tackles capabilities end to end with people, processes and data deeply connected across the value chain, inside the organization and beyond.

06/
Reinvention is continuous

It is not a time-defined one-off, but a capability continuously tapped by the organization. It is leadership sponsored, focused on sharpening strategic differentiation and overall operational efficiency.

Among the largest companies, especially those with revenue over US$50bn, the number of Reinventors has quadrupled (increased by 14 percentage points from 4%) in the past year. Industry giants are not standing still. Unlike the digital revolution, the largest companies are taking an early lead by leveraging their substantial investment in their digital cores and talent. These companies are 2.5 times more likely to be in the top quartile for the intensity of investment in AI, data and cloud compared to those with revenues below US$50bn. They also have a deeper technology bench. Almost 10% of existing roles at large companies are technology-related, 1.6 times more than smaller companies. And their job postings point to higher future demand: for every 100 jobs posted, 1.5 times more require skills related to new technologies.[1]

Taking an industry view, two industries saw double-digit increases in the number of Reinventors: software and platforms up 34 percentage points to 43%, and life sciences up 13 percentage points to 20%.

This corresponds with what we see at Accenture. Across our more than 700 generative AI engagements, software and platforms and life sciences are among the most active industries. For these companies, embedding generative AI into their solutions and R&D capabilities respectively, is a matter of survival.

Most organizations are still at the beginning of their reinvention journey, with few reinventing at scale today. Similar to last year, we found that the majority (81%) of companies are "Transformers." Transformers should keep going, as they're taking many of the right steps toward reinvention. However, they're less likely to be building sustainable capabilities to reinvent continuously, may be missing the speed and cost efficiencies from a connected strategy of reinvention and need to accelerate progress on generative AI or otherwise fall further behind. The remaining 10% of "Optimizers" are organizations in which reinvention isn't currently a priority.

Reinvention is the answer to disruption

Wherever they are in their reinvention journey, all companies are facing disruption.

The annual **Accenture Pulse of Change Index** found the rate of change affecting businesses has risen sharply since 2019 — 183% over the past four years and 33% in the past year alone. Over the past year, technology disruption increased by more than any of the five other areas measured in the Pulse of Change Index — talent, economic, geopolitical, climate, social & consumer. It was the top cause of business change in 2023, up from number six in 2022 (**see Figure 1** and **About the Research**).

In response, 83% of organizations have accelerated the execution of their transformation since last year.

Despite this stated desire for acceleration, Reinventors continue to outpace the rest and extend their leadership position. Almost half (46%) of Reinventors have significantly accelerated the execution of their reinvention strategy, compared to the 7% of Transformers that have significantly accelerated their transformation program (**see Figure 2a**). And Reinventors expect 20% of the value from reinvention to be released within six months and 45% within 12 months — a 1.6 times increase in pace from just a year ago (**see Figure 2b**).
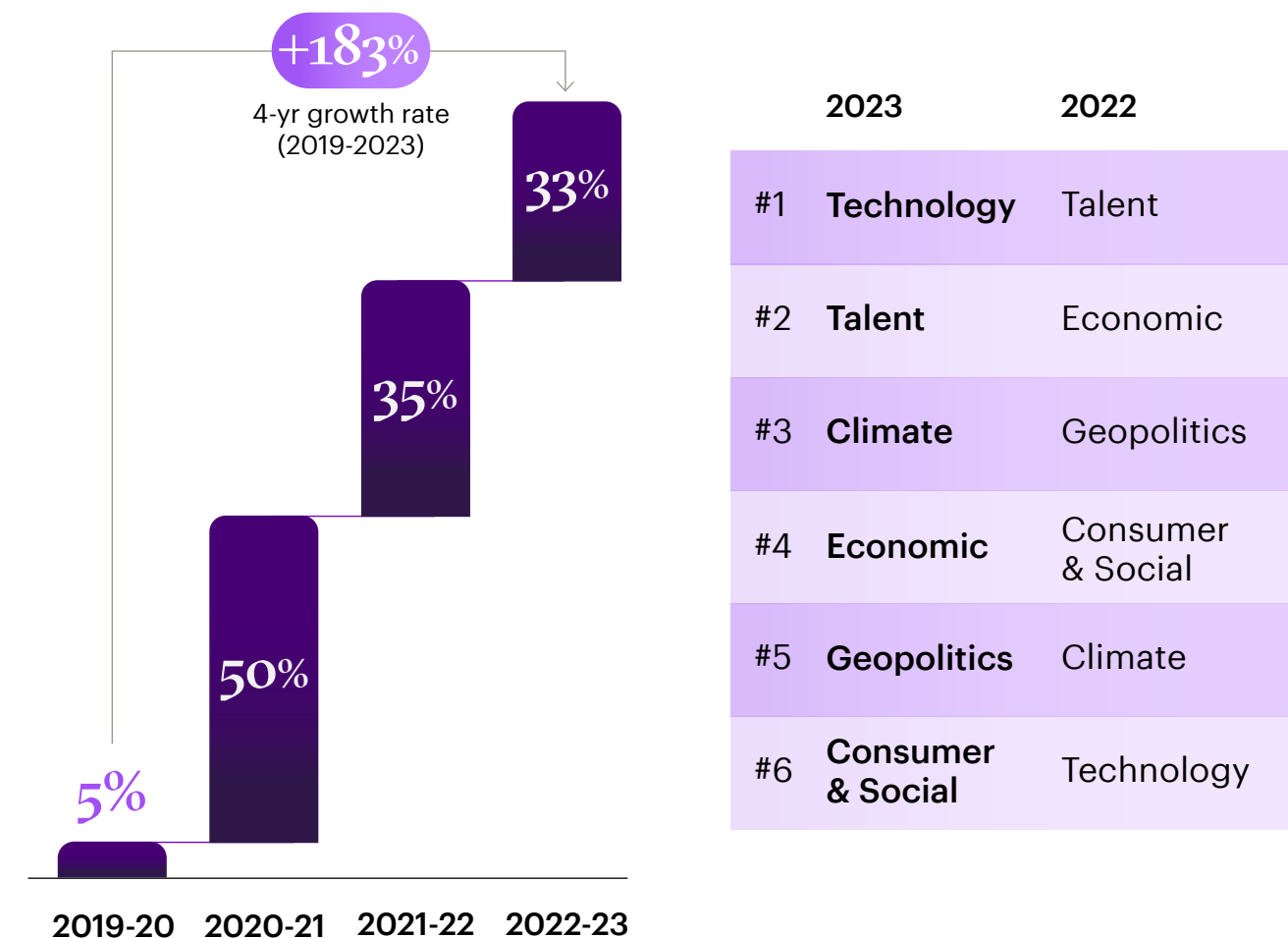

Figure 1

Technology has been the leading driver of disruption over the past year

Analysis of business disruption

The rate of change affecting businesses has continuously increased since 2019
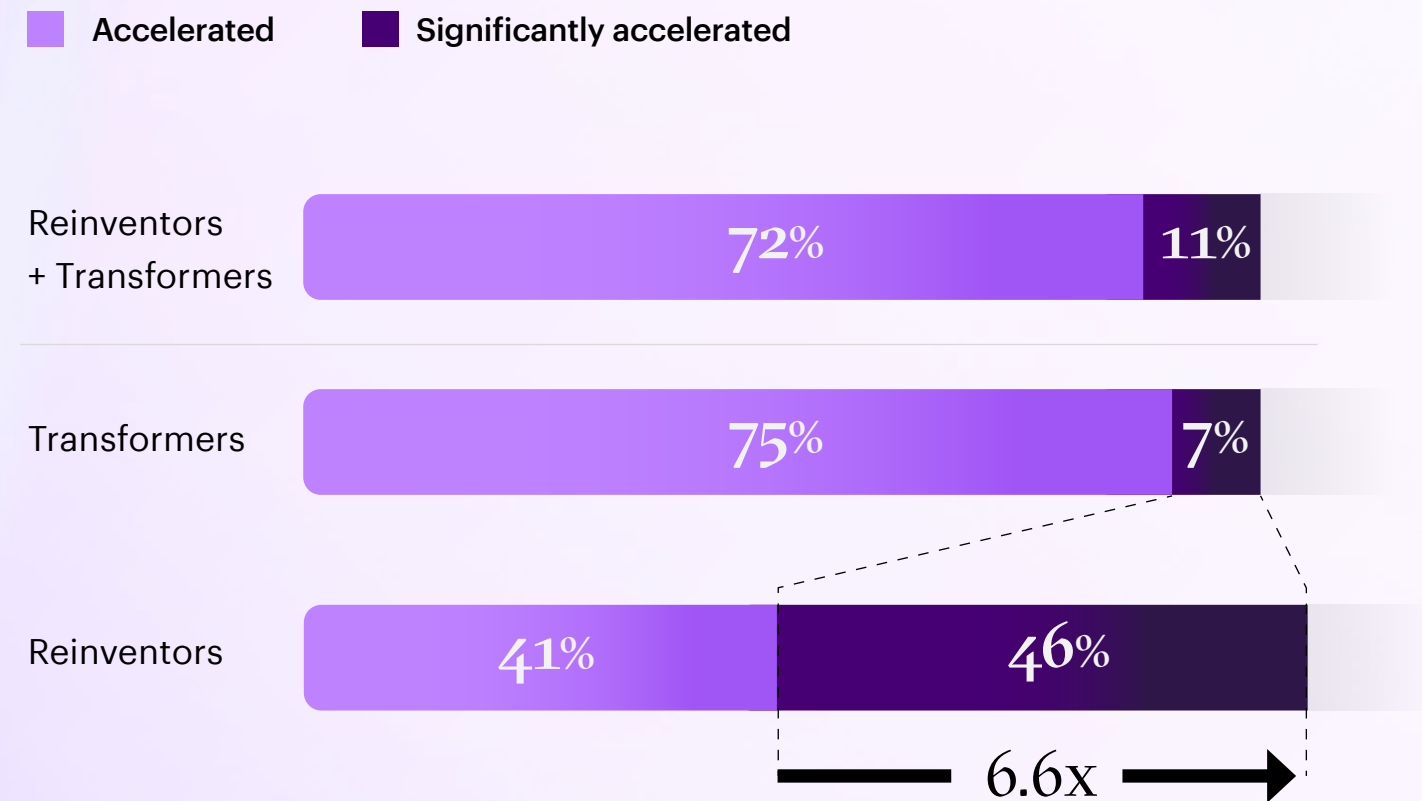
+183%
4-yr growth rate
(2019-2023)

2019-20	2020-21	2021-22	2022-23
5%	50%	35%	33%

Technology rose to #1 cause of change*

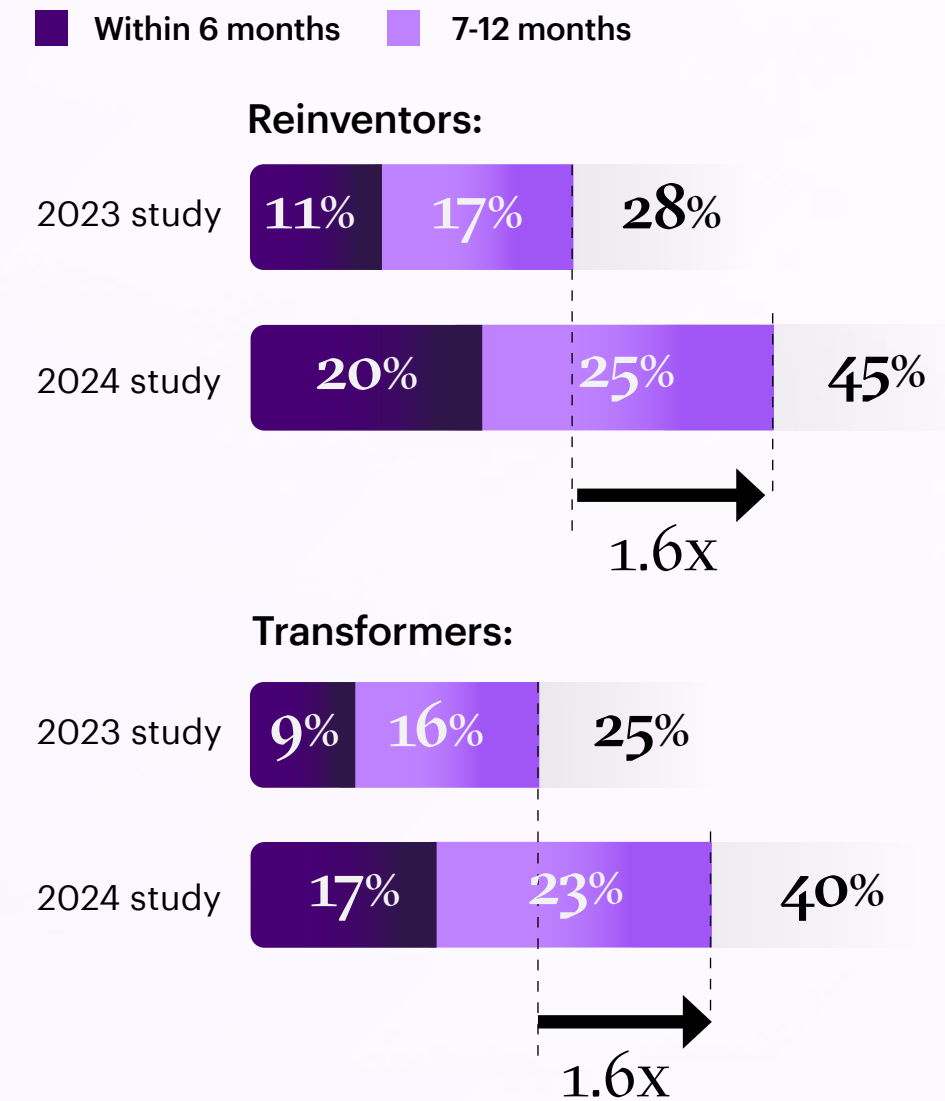|		2023	2022
#1	Technology		Talent
#2	Talent		Economic
#3	Climate		Geopolitics
#4	Economic		Consumer & Social
#5	Geopolitics		Climate
#6	Consumer & Social		Technology

*Ranking is based on % of increase measured from 2022 to 2023 for each of the six factors
Source: Analysis of business disruption is based on the average of six factors, each of which are based on a set of indexed scores of a set of indicators. C-suite leaders' perception is based on a global survey of 3,450 C-suite executives, across 20 countries and 19 industries.

Figure 2

Organizations are accelerating the execution of their reinvention strategy or transformation program and delivering results quicker — but Reinventors continue to outpace the rest

2a) Has your organization's reinvention strategy and/or transformation program accelerated or decelerated over the past year in response to external disruption? (% of respondents[1])

■ Accelerated   ■ Significantly accelerated

Reinventors + Transformers: 72% | 11%

Transformers: 75% | 7%

Reinventors: 41% | 46%

6.6x

2b) What proportion of the financial value from your reinvention strategy and/or transformation program have you or do you expect to be delivered in each time period? (% of financial value released)

■ Within 6 months   ■ 7-12 months

Reinventors:

2023 study: 11% | 17% | 28%

2024 study: 20% | 25% | 45%

1.6x

Transformers:

2023 study: 9% | 16% | 25%

2024 study: 17% | 23% | 40%

1.6x

Reinvention in the age of generative AI

3a

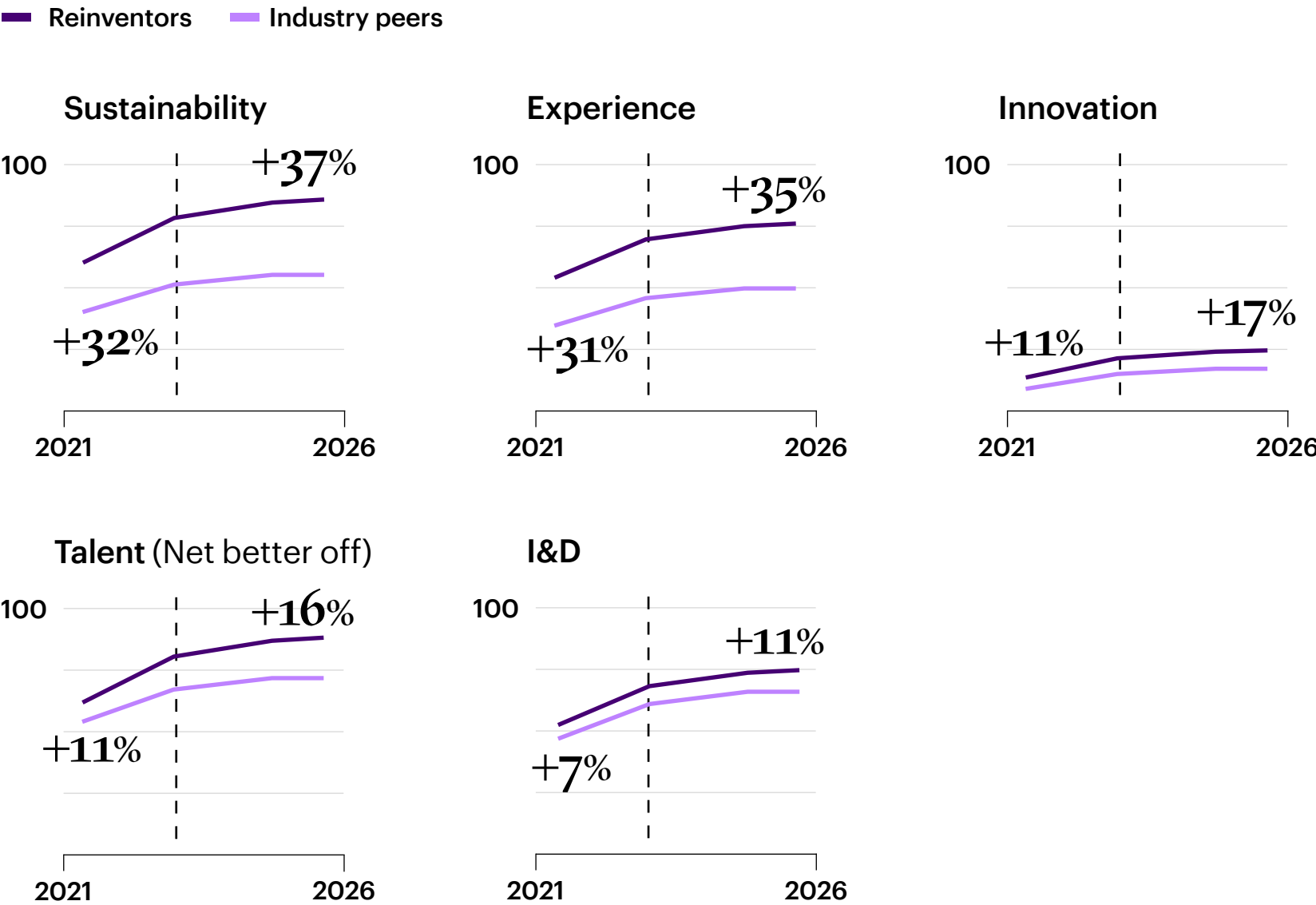Reinventors' revenue growth is projected to outpace that of all others.

Accenture's analysis found that Reinventors increased revenues by 15 percentage points more than the rest of the survey respondents between 2019 and 2022. We expect the gap in revenue growth to increase by 2.4 times to 37 percentage points by 2026 (**see Figure 3a**).

Reinventors are also more profitable. Their average profit margin (EBITDA/revenue) between 2019 and 2022 was 5.6 percentage points higher than the rest. Our modelling estimates that, for the average Reinventor, each year following the adoption of a reinvention strategy is linked to a 2.9 percentage point uplift in margin relative to those that are not pursuing reinvention.

Figure 3a

Reinventors expect to grow the value gap across financial indicators

Financial value gap
Revenue growth, indexed (2019 = 100)

— Reinventors **— All others (Transformers + Optimizers)**

Expected **2.4X** increase
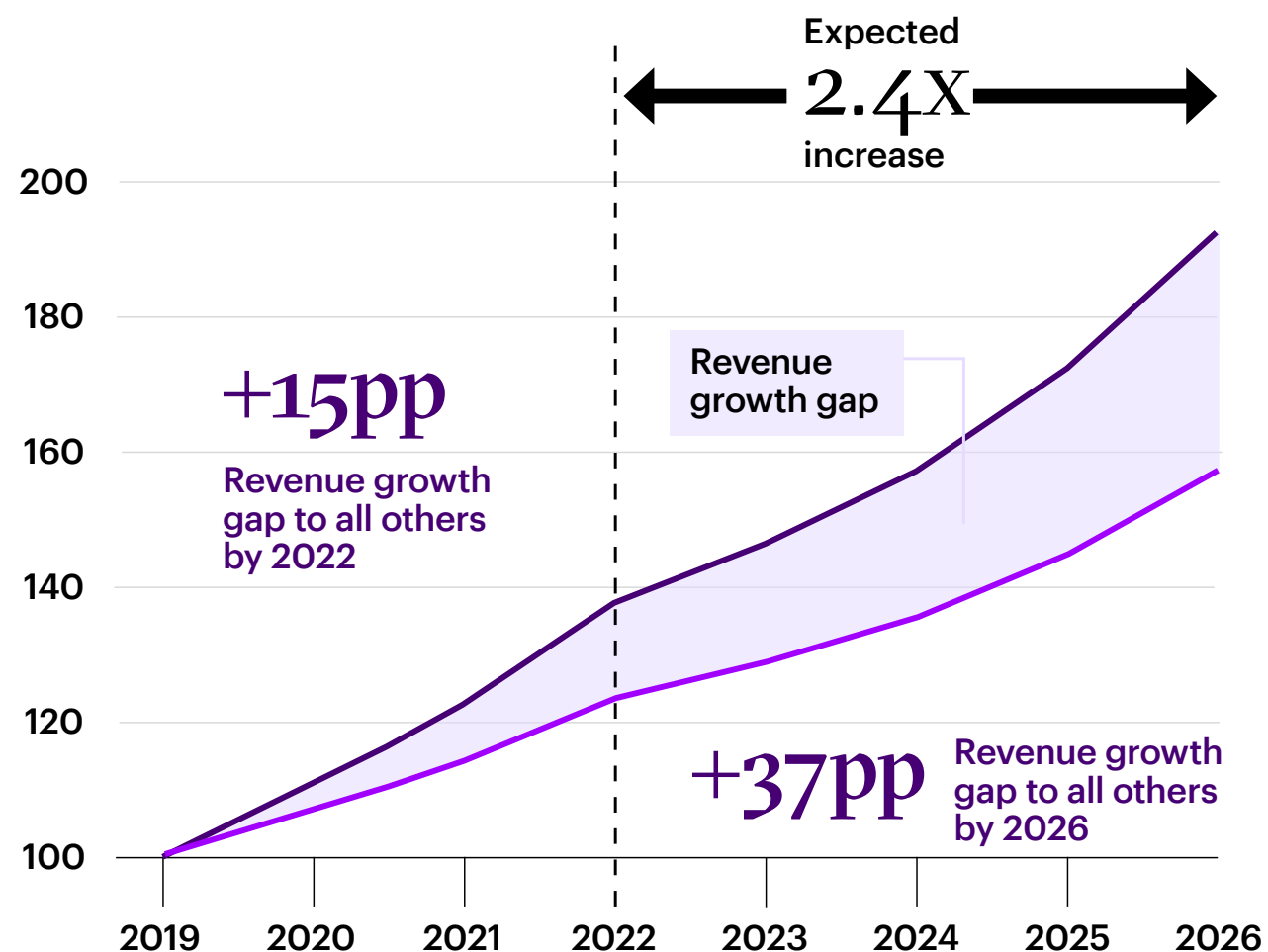
Profitability (EBITDA/revenue)

+5.6pp
Higher margins for Reinventors compared to all others from 2019-22

+15pp
Revenue growth gap to all others by 2022

Revenue growth gap

+2.9pp
Uplift in margins each year following adoption of a reinvention strategy vs. those not pursuing reinvention

+37pp
Revenue growth gap to all others by 2026

2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026

2019-22 = CAGR based on actuals. 2023-26 = self-reported expectations stress-tested vs. analyst expectations. Average EBITDA margin based on actuals for 2019-22. Panel data model tests the relationship between # of years of reinvention (from year respondents report adopting reinvention strategy) and EBITDA margin, controlling for industry, geo and company size. Financial services companies are excluded. Source: Accenture reinvention survey, Oct-Nov 2023. Sample size: Total, 1,500; Reinventors, 136; Transformers, 1,210; Optimizers, 154.

Figure 3b

Reinventors expect to grow the value gap across non-financial indicators

Non-financial value gap[2]

Indexed scores on non-financial performance metrics (0-100)

━━ Reinventors   ━━ Industry peers

Sustainability
+37%
+32%
100
2021   2026

Experience
+35%
+31%
100
2021   2026

Innovation
+11%   +17%
100
2021   2026

Talent (Net better off)
+16%
+11%
100
2021   2026

I&D
+11%
+7%
100
2021   2026

The value generated by Reinventors is holistic — it's 360° value that goes beyond financial and business outcomes. When compared with their industry peers, Reinventors are already performing to a higher level, and they expect the gap will widen. In three years, Reinventors expect to perform 37% better on sustainability and 35% better on experience than their industry peers. They expect to score 17% higher on innovation, 16% higher on "**Net Better Off**" outcomes for employees and 11% better on diversity and inclusion (**see Figure 3b**).

Sustainability is a notable area of focus for Reinventors. Relative to the rest of respondents, they plan to drive further improvements to their sustainability capabilities in the near-term. While one in four companies across the full sample expect to "fundamentally reinvent" sustainability at their organizations over the next three years, one in two Reinventors do.

The growing performance gap creates an imperative for other organizations to find new ways to further accelerate their reinvention journey.

2021 is based on the Total Enterprise Reinvention 2022 research, published January 2023. 2023-26 = self-reported expectations. Sustainability is based on ESG data from Capital IQ. Experience is based on measures of customer relationship management and supplier churn from S&P Global and FactSet Supply Chain. Talent and I&D is based on Net Better Off indicators from Glassdoor, ESG Book and S&P Global. Innovation is based on the efficiency of tangible and intangible expenditure. Source: Accenture reinvention survey, Oct-Nov 2023. Sample size: Total, 1,500; Reinventors, 136.

Generative AI enables and accelerates reinvention

Generative AI is not your average technology revolution

In the past several decades, we haven't seen a technology that has the potential to materially impact every aspect of a company — this is why we connect generative AI and reinvention.

Those companies that deploy this technology to its full potential will reinvent themselves. At the same time, the *only* way to deploy it to its full potential is to embrace the need to reinvent processes and talent, while managing the technology through a new capability commonly referred to as responsible AI — and with a digital core that has a data and generative AI backbone.

Generative AI has become an extraordinary force in enabling reinvention and accelerating organizations' progress toward a new performance frontier. Technology is the top lever for reinvention for 98% of organizations, with generative AI now seen as one of the main levers for 82% of those organizations. Some understand this potential and are taking action. We're seeing this among Reinventors, and also among a group of Transformers that we expect to leapfrog today's leaders by applying generative AI more intensively to their business.

What Reinventors know:

- Generative AI is unique in its ability to impact the entire value chain and to drive productivity and growth in a way that establishes a new performance frontier.

- Achieving reinvention through generative AI is only possible by developing end-to-end business capabilities, rather than the more common function-by-function focus on individual use cases.

- Developing end-to-end capabilities requires extensive and coordinated changes across processes, people and technology. Processes need to be redefined, people need to be reskilled and a data and generative AI backbone needs to be built into the digital core.

We saw that 2023 was the year of education and experimentation with generative AI. Moving forward, 2024 is when things get more intentional. This is the year of strengthening the foundation for generative AI and delivering value at scale.

An overwhelming majority (97%) of executives believe generative AI will transform their enterprises and industries, and will play a major role in their strategies over the next three to five years. Of those, only 31% have already made "significant" investments in their AI initiatives, but 99% plan to amplify their investment in this technology.[2]

It's hard to overstate how significant generative AI's contribution to the world might be. It can make the previously impossible, possible — including bigger and bolder reinvention and once unimaginable opportunities for productivity, innovation, experiences, decision making and growth.

Scale deployments are already delivering step-change results as the following examples illustrate:

3M hours saved
A government agency responsibly used the latest technology to deliver automations at speed and scale, saving three million operational hours, while helping a workforce of nearly 90,000 people better serve more than 20 million citizens.

16M customer offerings
A bank delivered 16 million hyper-personalized offerings to customers within three months of building a generative AI-powered marketing solution.

+10% revenues
An insurer reinvented the entire workflow of underwriting — from automatically routing emails to creating insurance quotes based on policyholders' specific needs — with early results indicating that a revenue increase of up to 10% is possible.

Generative AI will disrupt work as we know it today, introducing a new dimension of collaboration between people and machines. Ultimately, every role in an enterprise has the potential to be reinvented. Our modelling shows that 44% of working hours in the US are in scope for automation or augmentation by applying the technology.

Generative AI can inform decision-making by assimilating data and helping leaders make more effective, accurate choices. For customers and employees, this technology can help shape the right experiences at the right times, enhancing their relationships with an organization and leading to better outcomes. Furthermore, generative AI can help build connective tissue across an organization by unlocking data and people siloes through its ability to seamlessly process structured, unstructured and even synthetic data.

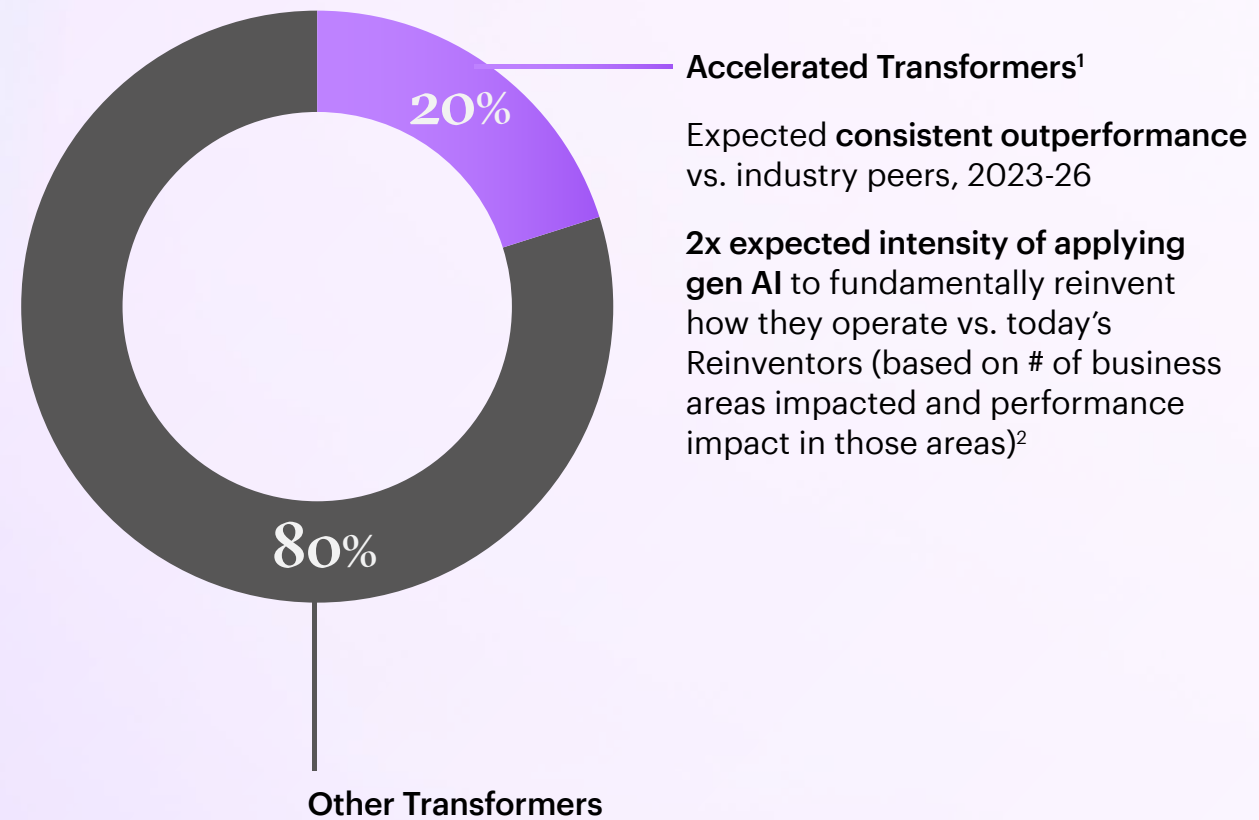Generative AI is predicted to enable companies to leapfrog today's leaders over the next five years. Among Transformers, a highly motivated group of "Accelerated Transformers" plans to apply generative AI twice as intensively as today's Reinventors. This means that they plan to use the technology to reinvent more of their functions and business areas across the enterprise, and they anticipate the performance impact to be greater (see Figure 4a).

These future Reinventors are on a path to catch up and even overtake the revenue growth rate of today's Reinventors within the next five years (see Figure 4b). They believe the impact will be felt beyond revenue growth — that it will also boost employee productivity by an additional 6.5 percentage points relative to the rest of our survey respondents.
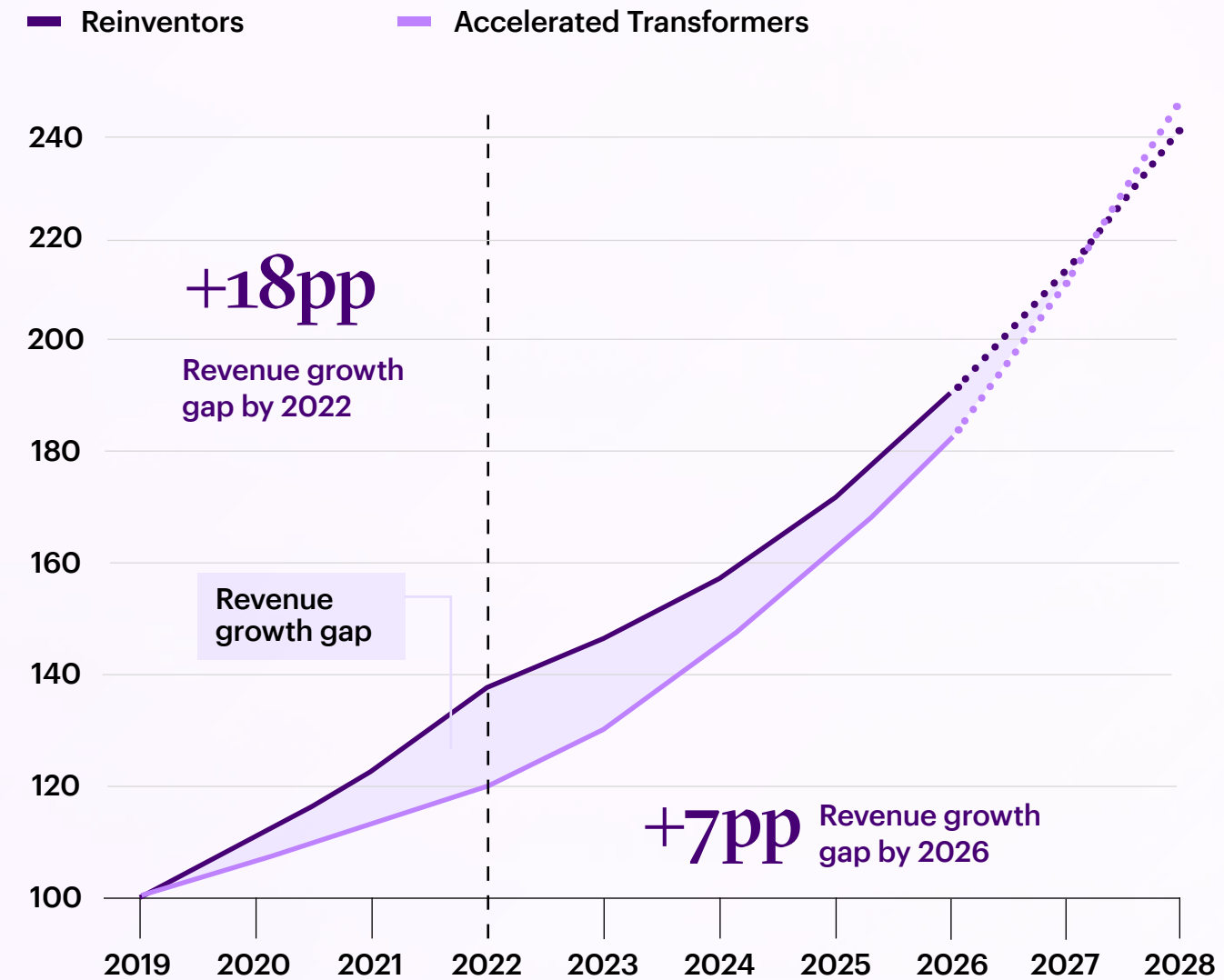
Most executives grasp the scale of the opportunity this presents; however only 15% see generative AI as a threat. This asymmetry is concerning. Organizations need to be ready to capture the generative AI opportunity but not underestimate how this technology will upend their industry and competitive advantage.

Figure 4

Generative AI can act as a catalyst for change, enabling a subset of Accelerated Transformers to close the value gap to today's Reinventors

(4a) Identifying Accelerated Transformers

20%

80%

Accelerated Transformers[1]

Expected **consistent outperformance** vs. industry peers, 2023-26

2x expected intensity of applying gen AI to fundamentally reinvent how they operate vs. today's Reinventors (based on # of business areas impacted and performance impact in those areas)[2]

Other Transformers

(4b) Financial value gap between Reinventors and Accelerated Transformers[3]   (Indexed revenue growth (2019 = 100))

- Reinventors
- Accelerated Transformers

+18pp
Revenue growth gap by 2022

Revenue growth gap

+7pp Revenue growth gap by 2026

240
220
200
180
160
140
120
100

2019 2020 2021 2022 2023 2024 2025 2026 2027 2028

1) Identified based on expected outperformance vs. industry peers from 2023-26. 2) Measured based on the number of functions / business areas expected to be fundamentally reinvented using gen AI and the extent of performance impact in those areas. 3) 2019-22 = CAGR based on actuals. 2023-26 = self-reported expectations stress-tested vs. analyst expectations
Source: Accenture reinvention survey, Oct-Nov 2023. Sample size: Total, 1,500; Reinventors, 136; Accelerated Transformers, 243.

The picture of success and how to achieve it

Companies must be able to use generative AI to reinvent — it's a prerequisite for success. Companies will compete on how fast they are able to harness and deploy generative AI to create material value. This is a reality that not everyone has yet absorbed.

Success will require every CEO and their team to assess where they are today in their competitive set, and then systematically execute a reinvention strategy with five imperatives that can be broadly applied. Here, we describe these imperatives in the context of generative AI and illustrate with client examples.

Our observations are of a C-suite focused on leading with value and talent. There needs to be deeper understanding of the digital core beyond the CIO, and more focus, investment and speed on responsible AI. Generally, only Reinventors are embracing continuous reinvention as their strategy and building the capabilities to enable it with urgency.

01/

Lead with value

Shift the focus from siloed use cases to prioritizing business capabilities across the entire value chain, based on an objective assessment of the business case, enterprise readiness and the corresponding return on investment.

02/

Understand and develop an AI-enabled, secure digital core

Invest in technology that runs seamlessly and allows for continuous creation of new capabilities.

03/

Reinvent talent and ways of working

Set and guide a vision for how to reinvent work, reshape the workforce and prepare workers for a generative AI world.

04/

Close the gap on responsible AI

Design, deploy and use AI to drive value while mitigating risks.

05/

Drive continuous reinvention

Because change is constant, reinvention never ends. Make the ability to change a core competency and part of company culture.

Imperative 1:

Lead with value

Executives agree that reinvention drives significant value, and generative AI will help them realize this value much faster.

Rather than investing in siloed use cases, organizations that fundamentally reinvent their value chains based on an objective assessment of the business case, enterprise readiness and the corresponding return on investment will realize superior outcomes.

Many organizations have spent the past year experimenting with generative AI, resulting in a string of standalone use cases that are not yet materially impacting the bottom line. This phase has shown what can be achieved with this technology. Looking ahead, companies will need to embark on a profound reinvention of their value chain and develop enduring, end-to-end business capabilities, aided by generative AI, to reach a new performance frontier.

This is an ambition beyond today's best-in-class and requires a fundamental redesign of decision-making, underlying processes and ways of working.

Companies need to take a value-led approach when deciding where they deploy generative AI, taking full account of the costs and returns. This includes a consideration of where the technology creates differentiated sources of value (that can't be easily captured by competitors using readily available foundation models), the unit economics (from vendor costs to human oversight costs) and the level of change and associated risks involved. Importantly, there needs to be an ongoing assessment of the value created.

REINVENTION IN ACTION

Roche: Dissolving boundaries to deliver data-driven cancer care

Today, the combination of new developments in science, data and AI have created the potential for care to be tailored to each person. But realizing this potential requires a new way of working that breaks down barriers across the lifecycle of care that a patient receives.

Healthcare professionals typically haven't been able to access all the patient data they need because it has been spread across different systems that aren't integrated. Roche is tackling this challenge by building platforms that aggregate data from disparate sources. One such platform is its oncology hub, which securely makes sense of patient data from various sources and serves as a central workspace where clinicians can collaborate. This hub enables physicians to get patients into treatment faster, in a field where time can save lives.

Companies can pursue generative AI investments in two categories: "no regrets" investments that offer productivity improvements; and "strategic bets" that offer truly novel competitive advantage including reshaping how industries operate.
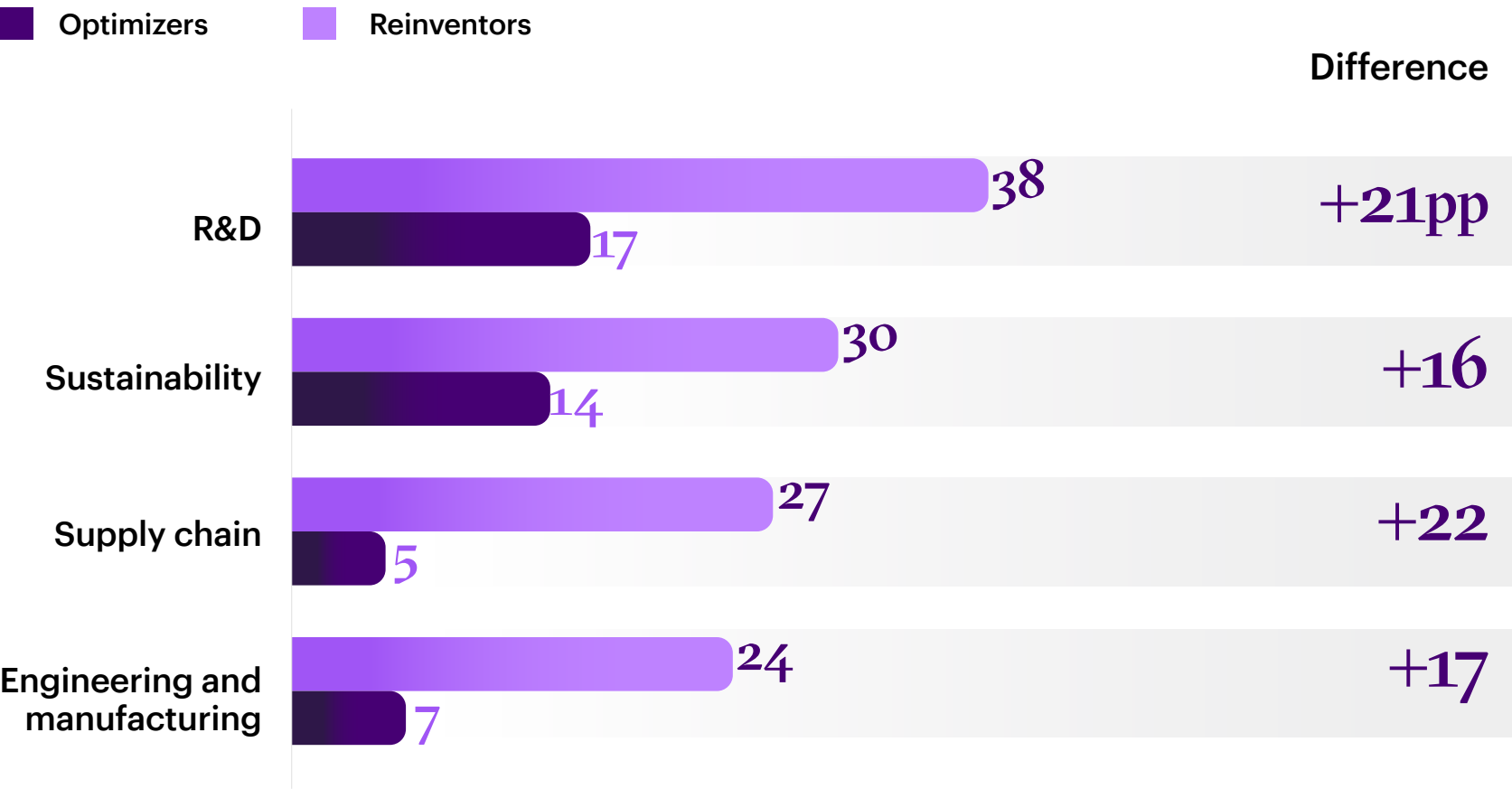
Many companies are focused on well-known, no regrets initiatives that bring early wins in functions like IT, marketing, finance and customer service. Examples in these areas include adopting a coding co-pilot for software development, supporting content creation, automating financial reporting and enabling knowledge retrieval and enhanced productivity at contact centers.

Meanwhile, Reinventors are going further, enabled by a stronger digital core. They're scaling the technology to power enterprise-wide reinvention, deploying generative AI in no-regret areas while also investing in strategic bets in more complex and core areas of the value chain like supply chain, R&D, engineering and sustainability (**see Figure 5**).

Figure 5

Reinventors are focused on using generative AI to make strategic bets in challenging areas

Functions / business areas in which organizations expect to focus using Gen AI to fundamentally reinvent how they operate over the next 3 years (% of respondents).

■ Optimizers   ■ Reinventors

Difference

		Difference
R&D	Reinventors 38 / Optimizers 17	**+21pp**
Sustainability	Reinventors 30 / Optimizers 14	**+16**
Supply chain	Reinventors 27 / Optimizers 5	**+22**
Engineering and manufacturing	Reinventors 24 / Optimizers 7	**+17**

62[%]

of Reinventors take a holistic approach to value levers, integrating them across the business.
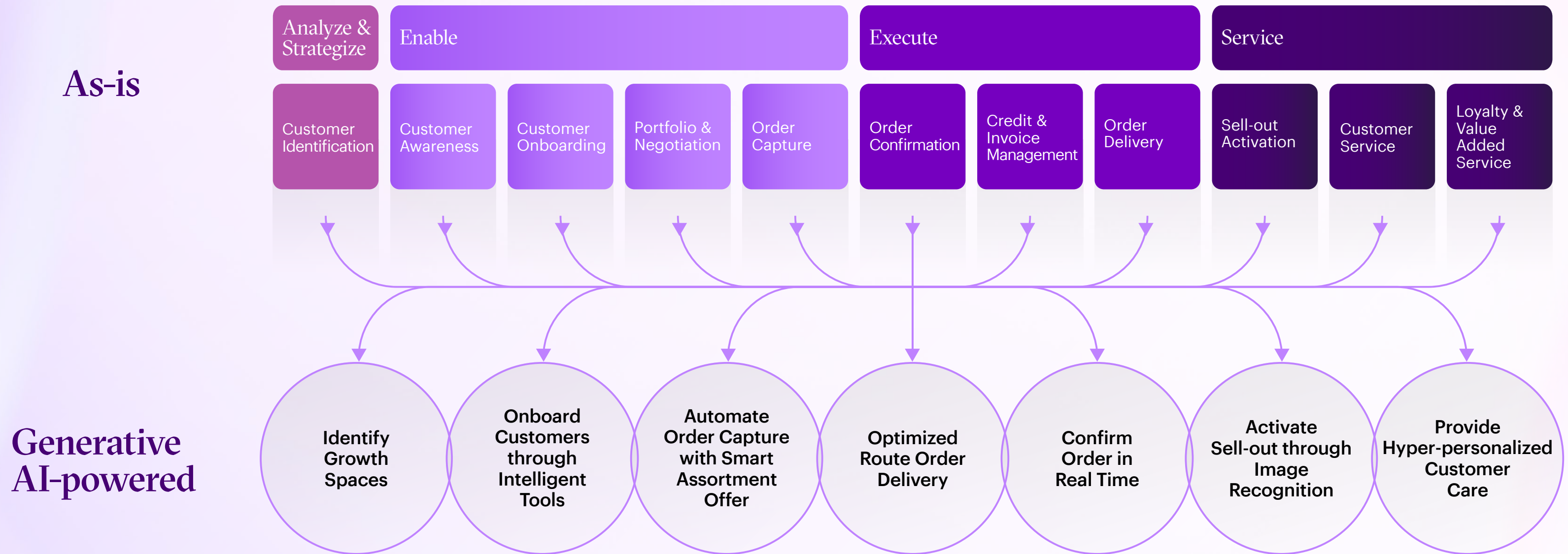
By connecting these broad-based efforts, Reinventors can move beyond use cases to reinvent entire workflows. For example, companies in the hospitality industry can evolve a generative AI-enabled reservation chatbot into a fully-fledged travel companion that provides inspiration for trips, manages reservations, plans itineraries and more.

Reinventing entire workflows drives greater productivity, enabling some activities to be automated and others to be augmented. Take the end-to-end capability by which a Consumer Packaged Goods (CPG) company sells its products to a retailer (**see Figure 6**). While in the past, sales representatives would have begun this process with manual analysis to identify new customer leads based on historic data, generative AI can provide automated, real-time insights on prospects. Intelligent sales bots can then coach the representatives across their interactions with customers, from onboarding through to customer care. With their work being both automated and augmented, sales reps in the field have additional capacity to do more of what they do best: build client relationships.

Figure 6

Illustrative example of the consumer package goods workflow for engaging customers, reinvented using generative AI

Reinvention in the age of generative AI

As-is

Analyze & Strategize	Enable				Execute			Service		
Customer Identification	Customer Awareness	Customer Onboarding	Portfolio & Negotiation	Order Capture	Order Confirmation	Credit & Invoice Management	Order Delivery	Sell-out Activation	Customer Service	Loyalty & Value Added Service

Generative AI-powered

Identify Growth Spaces

Onboard Customers through Intelligent Tools

Automate Order Capture with Smart Assortment Offer

Optimized Route Order Delivery

Confirm Order in Real Time

Activate Sell-out through Image Recognition

Provide Hyper-personalized Customer Care

Source: Accenture 2024

24

Reinventing entire workflows requires the combination of multiple value levers (**see Figure 7a**). AI, including generative AI, needs to be accompanied by process redesign, new workforce models and more, as the CPG example illustrates. We discovered that 62% of Reinventors — compared with 45% of Optimizers — take a holistic approach to value levers, integrating them across the business (**see Figure 7b**).

Building end-to-end capabilities also requires a new way of operating. Siloed functions can hinder progress and cause friction that affects decision-making and productivity.

Reorienting the organization to build end-to-end capabilities through a unified data architecture and cross-functional teams opens new opportunities. We learned that 81% of Reinventors say they operate in an integrated and outcomes-based way that cuts across functional and departmental siloes.
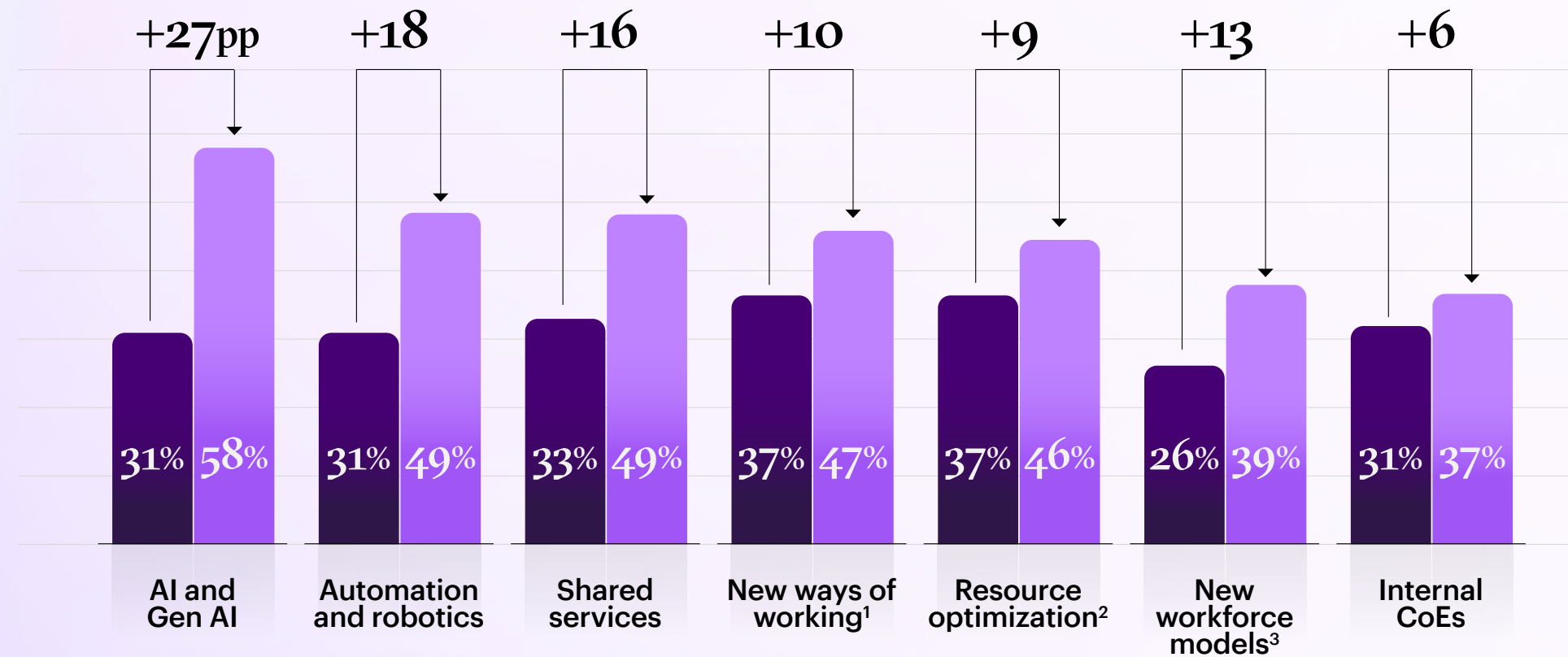
Actions

- **Understand the potential to reinvent your value chain and develop end-to-end business capabilities powered by generative AI and new ways of working. Be intentional in executing on the roadmap versus the more common function-by-function focus on individual use cases.**

- **Be value-led in every business capability you choose to reinvent with generative AI. Too many organizations have pilots and proofs of concepts with no C-suite approved mechanism to evaluate business value. Rapid interventions are needed to move from hype to material value, and choices need to be made.**

- **Identify strategic bets where the technology creates differentiated sources of value that can't be easily captured by competitors. Evaluate whether you can achieve your strategy or are at risk of your competitors getting there first because your digital core or organization — including talent — is not ready. Then plan according to where you are.**

- **Reorient your organization from siloed functions to end-to-end business capabilities and decision-making through a unified data architecture and cross-functional teams. This will enable you to unlock opportunities within the value chain and open new value pools for the enterprise.**

Figure 7

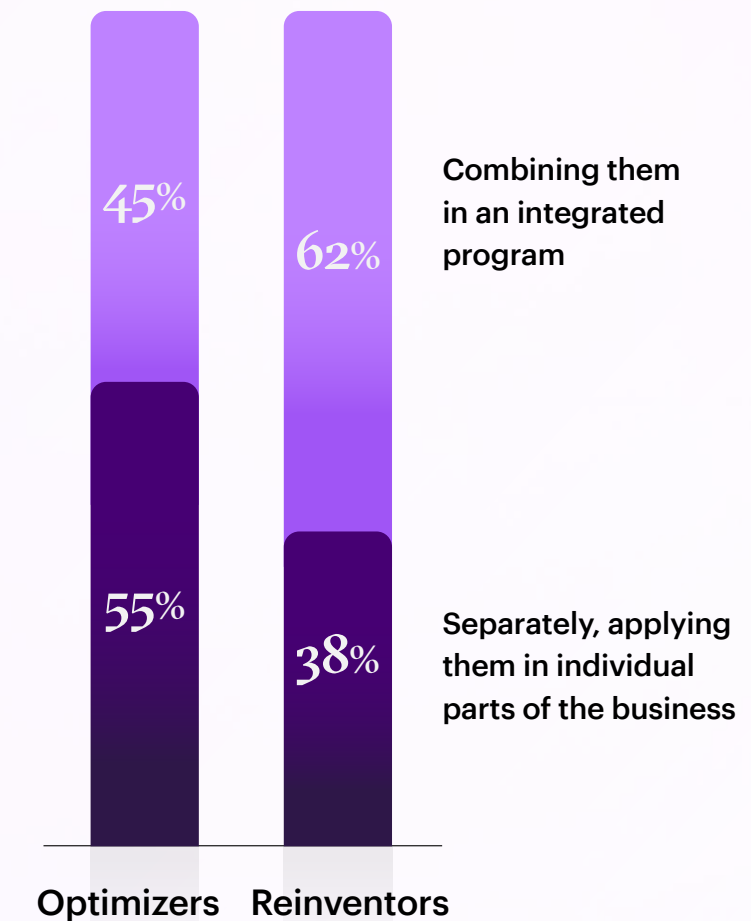## Reinventors take an integrated approach to deploying a broad set of value levers

(7a) "How important are the following levers to your productivity improvement goals in the next 3 years?"

(% of respondents selecting "significantly important")

■ Optimizers ■ Reinventors

Lever	+27pp	+18	+16	+10	+9	+13	+6
Optimizers	31%	31%	33%	37%	37%	26%	31%
Reinventors	58%	49%	49%	47%	46%	39%	37%
	AI and Gen AI	Automation and robotics	Shared services	New ways of working[1]	Resource optimization[2]	New workforce models[3]	Internal CoEs

(7b) "How do you plan to utilize those levers?"

(% of respondents)

Combining them in an integrated program

Optimizers: 45% — Reinventors: 62%

Separately, applying them in individual parts of the business

Optimizers: 55% — Reinventors: 38%

Optimizers   Reinventors

1) Simplification and optimization of the organization by improving organizational structures and ways of working; 2) For example, related to people or investments to focus on the most strategic priorities; 3) Different workforce models such as outsourcing, use of contractors or platform workers.
Source: Accenture reinvention survey, Oct-Nov 2023. Sample size: Total, 1,500; Reinventors, 136; Optimizers, 154.

BBVA: A bold new future

Banco Bilbao Vizcaya Argentaria (BBVA) has reinvented itself from a traditional neighborhood bank into a digital powerhouse.

Underpinned by a stable digital core, the client is using generative AI to transform operations and digital marketing, and to help employees be more productive.

BBVA launched an agile transformation program to break down organizational barriers and enable cross-functional collaboration. Coaches worked with BBVA's people to embed agile principles throughout the business. Today, the bank has a "liquid" talent pool from which people can be assigned to the highest-priority projects or processes at any given time.

BBVA is using Amazon Web Services to create a new data platform that will be deployed globally, providing all business units with a unified view of their data and access to more efficient data processing, analysis and insights. The use of bank-wide data and AI delivers a holistic view of the current and lifetime profitability — and likely behavior — of every customer. It has also enabled BBVA to evolve from simply offering digital services to developing and selling new digital banking products and offering leading financial health tools. For example, BBVA Valora provides users with recommended purchase or rental prices for a specific property. Two out of three mortgages sold by BBVA are to customers that used BBVA Valora.

BBVA is also able to offer "one-click loans," which provide personalized and contextual pre-approved loans and potential same-day funding for both customers and non-customers. And BBVA's client onboarding process now takes just a few minutes (versus a few days at most other banks). This has contributed to a 150% growth in new customers.

Today, nearly 50 million BBVA customers interact with the bank through digital channels, and seven out of 10 sales are made digitally, cost-to-income has dropped to 43% (17 percentage points under the European average) and it's been named Best Global Bank of the Year by The Banker.

Thanks to its strong digital core, BBVA is set up to continue reinventing with generative AI. BBVA is staying ahead of the curve by continuing to reinvent its business model with generative AI. For example, it has built a generative AI-powered financial coach assistant to disrupt customer centricity in banking.

Reinvention in the age of generative AI

Imperative 2:

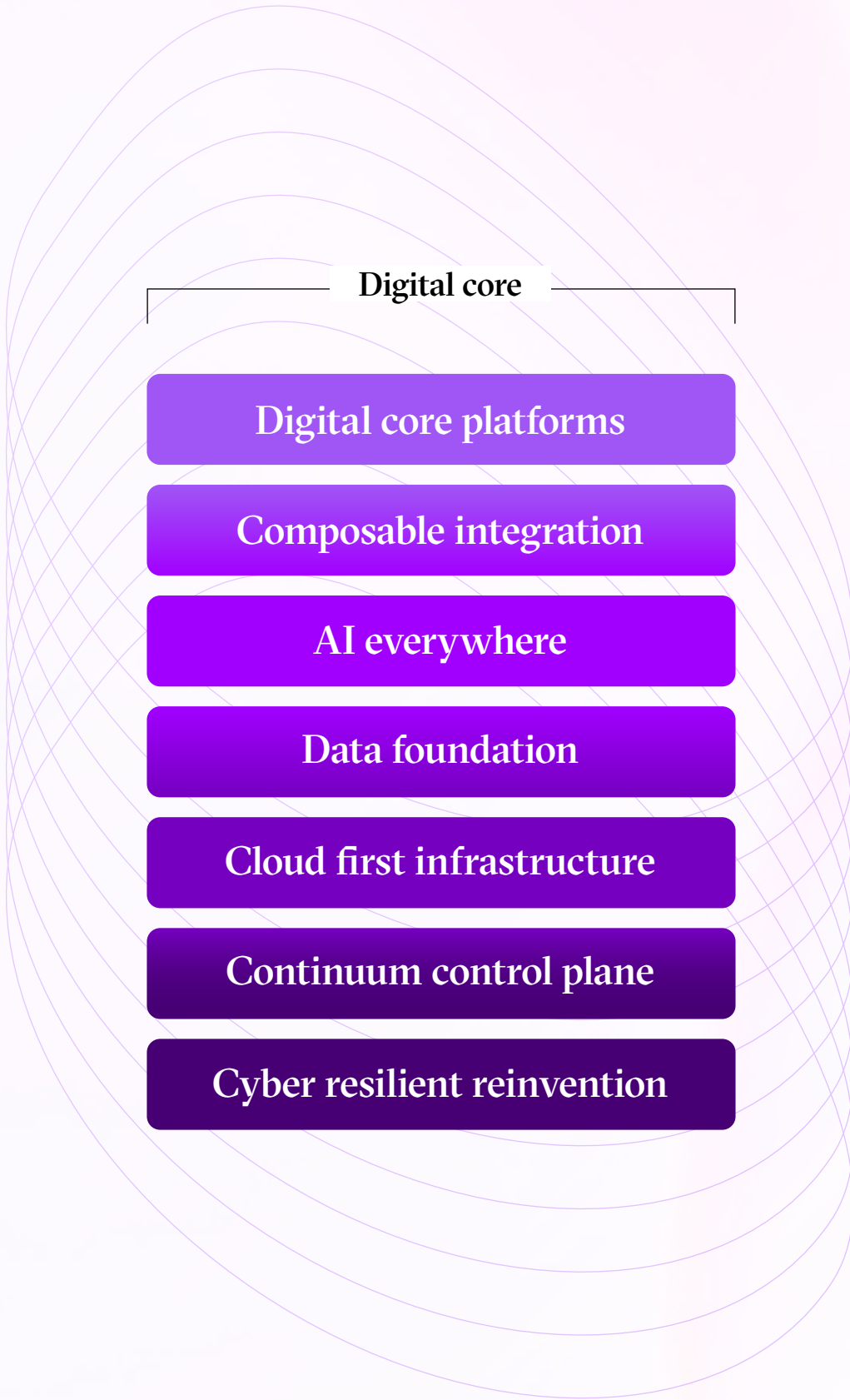# Understand and develop an AI-enabled, secure digital core

Companies need to elevate IT for the age of generative AI. This second imperative centers on connecting what was a disparate collection of data sets and technologies via an AI-enabled, secure digital core that consists of seven integrated components.

Generative AI requires a fundamentally different enterprise architecture in which data is more fluid, and unstructured and synthetic data become much more important. It places higher demands on infrastructure, and IT operating models will need to change.
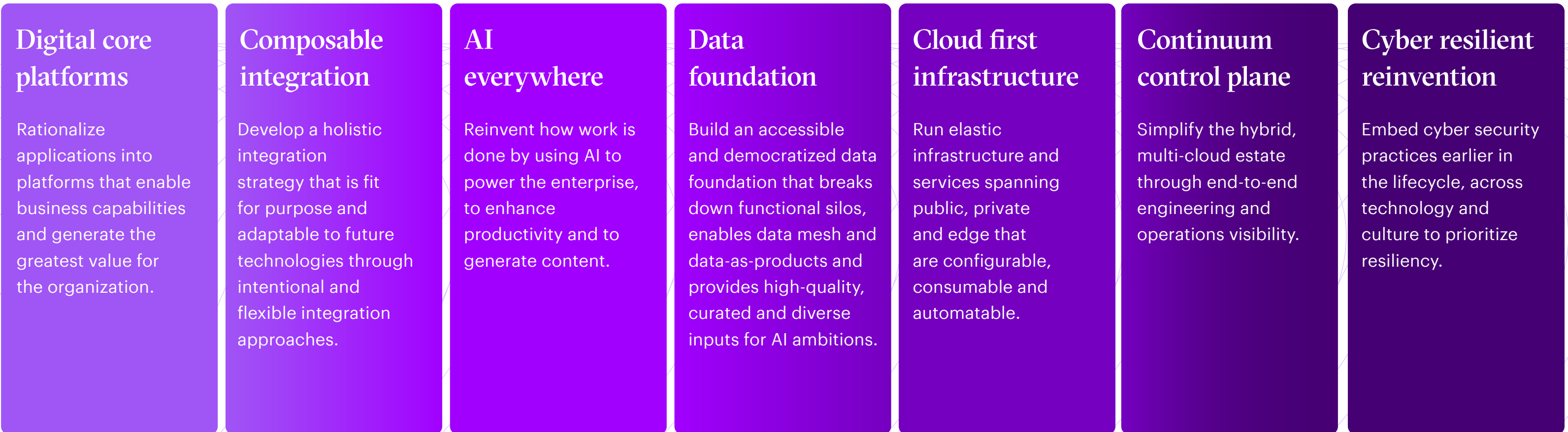
Reinventors prioritize their digital core as a key competency. Relative to the rest of the organizations we surveyed, 1.8 times more Reinventors have a best-in-class digital core capability. They also recognize the scale of change required to make effective use of generative AI.

They are 1.4 times more likely to expect to make significant changes across their IT estate to benefit fully from generative AI in their organization.

Given generative AI will impact the requirements of the digital core, companies must first understand where they are today. Questions to ask include: Are you in the cloud? Do you have a modern data platform? Do you have the right security implemented? Gaps in any of these, and other critical areas, will undermine a company's ability to scale generative AI. Our research shows that the strength of each of the digital core components correlates with each of the others. When one component is weak or inadequately connected, it affects all other parts. It's the combined strength of the components that creates resilience and the foundation for driving new capabilities across the value chain.

Digital core

Digital core platforms

Composable integration

AI everywhere

Data foundation

Cloud first infrastructure

Continuum control plane

Cyber resilient reinvention

Seven components of the digital core

Digital core platforms

Rationalize applications into platforms that enable business capabilities and generate the greatest value for the organization.

Composable integration

Develop a holistic integration strategy that is fit for purpose and adaptable to future technologies through intentional and flexible integration approaches.

AI everywhere

Reinvent how work is done by using AI to power the enterprise, to enhance productivity and to generate content.

Data foundation

Build an accessible and democratized data foundation that breaks down functional silos, enables data mesh and data-as-products and provides high-quality, curated and diverse inputs for AI ambitions.

Cloud first infrastructure

Run elastic infrastructure and services spanning public, private and edge that are configurable, consumable and automatable.

Continuum control plane

Simplify the hybrid, multi-cloud estate through end-to-end engineering and operations visibility.

Cyber resilient reinvention

Embed cyber security practices earlier in the lifecycle, across technology and culture to prioritize resiliency.

Figure 8

Reinventors have higher strength than other respondents in their digital core — but must accelerate building the data foundation

During the pandemic, many organizations necessarily focused on building out digital core platforms and cloud-first infrastructure to help them weather the disruption. Companies that have largely overlooked their data foundations — identified as the weakest component of Reinventors' digital cores alongside security and governance (**see Figure 8**) — must accelerate action in that area. Leading companies are making extensive use of structured enterprise data in their applications. The opportunity lies in systematically building a data foundation that also includes the use of unstructured and synthetic data.

Having developed the fundamental capabilities of the digital core, companies will need to add new capabilities to the components of their digital core to build a data and generative AI backbone. This includes new data capabilities for unstructured and synthetic data and an architecture that can integrate multiple foundation models and tie data together in a consistent fashion, enabled by an ecosystem partnership strategy for generative AI applications.
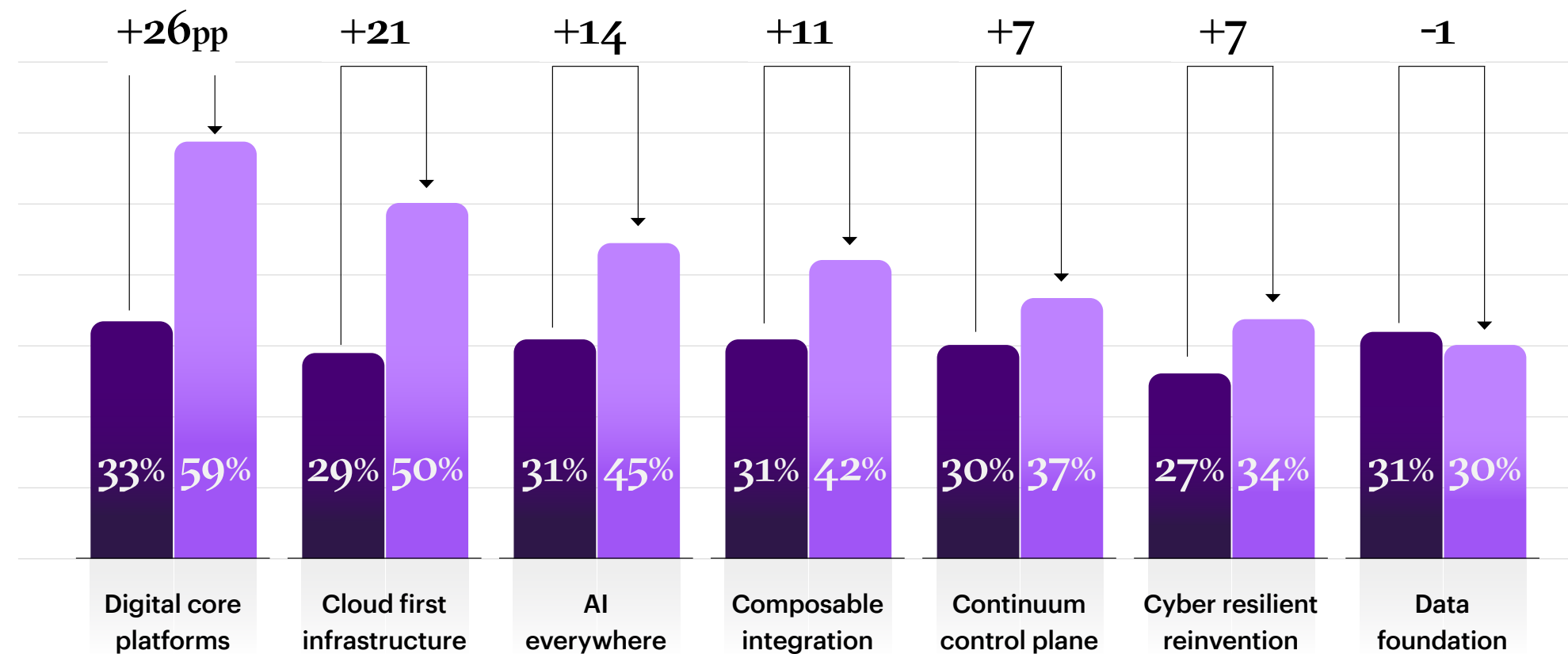
Digital Core Strength
(% of respondents rating the current strength of each component as "leading" (top quartile in their industry))

■ All other respondents   ■ Reinventors

Component	All other respondents	Reinventors	Difference
Digital core platforms	33%	59%	+26pp
Cloud first infrastructure	29%	50%	+21
AI everywhere	31%	45%	+14
Composable integration	31%	42%	+11
Continuum control plane	30%	37%	+7
Cyber resilient reinvention	27%	34%	+7
Data foundation	31%	30%	-1

Source: Accenture reinvention survey, Oct-Nov 2023. Sample size: Total, 1,500; Reinventors, 136.

Before generative AI, companies could take a use case-centric approach to relieve pressure on their dated data architecture, but this is no longer true. Foundation models need vast volumes of diverse, high-quality, multimodal data to learn and be applicable in new ways.

Our research found that 67% of Reinventors believe their companies will need to make significant changes to their data strategy to make best use of generative AI. This requires them to define their data needs based on the business capabilities they're focused on developing, then enhancing that data over time. It means going beyond structured data to include proprietary unstructured and synthetic data sources, which most organizations do not use extensively today. Developing proprietary data sets will give companies an advantage over rivals that have adopted industry-standard foundation models.

And a unified data architecture will allow information to circulate from foundation models to applications and back to continuously improve performance. Security standards are also essential to protect any personal or proprietary data.

With an accessible and contextual data foundation in place, companies can turn to the generative AI interface that will sit on top of it. New foundation models are being released every week, each of which can interpret prompts differently. A flexible architecture enables companies to select the right combination of models to address their business needs, while managing cost, risk and sustainability. For example, Accenture launched a "switchboard" in 2023 — a specialized service that allows companies to select a combination of generative AI models to address the business context while considering factors such as cost and accuracy (**see Figure 9** for an illustrative example).

Accessing the right models will require the support of ecosystem partners.

For low-risk, no-regrets initiatives, companies may choose to use models from a vendor as-a-service, or to tune or ground a pre-trained model from a vendor with proprietary data. More complex, strategic bets may require companies to build their own models. In either instance, a new level of collaboration will be required across their ecosystem. Our research shows that 99% of Reinventors describe their technology ecosystem as strategic partners, with whom they seek ways to co-create solutions or share in risks and rewards.
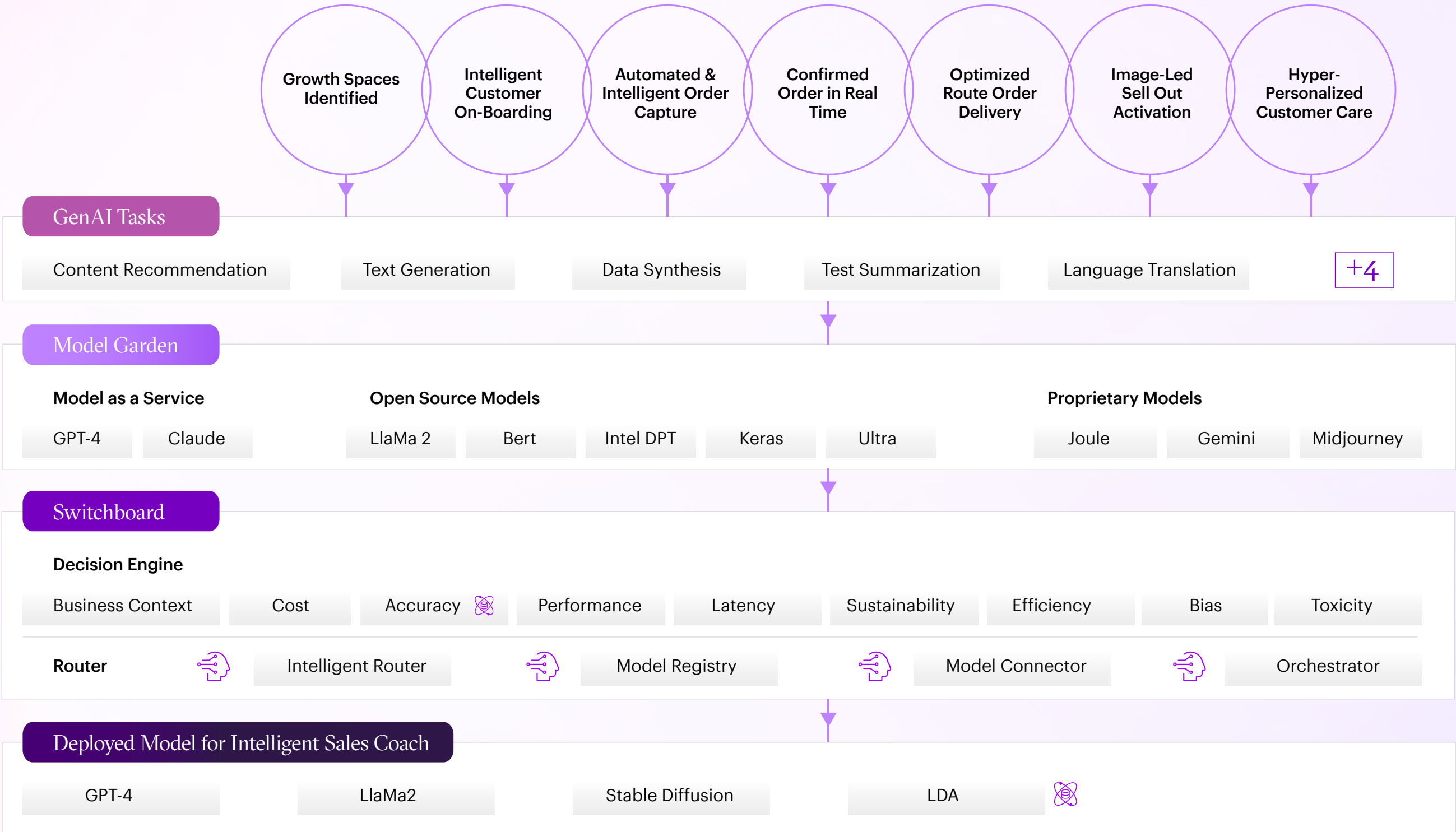
Building the digital core is not a one-time project. Leaders must constantly evaluate and support their digital core with investment and adjust it for maximum impact.

Our research reveals a connection between a company's reinvention aspirations and the strength of its digital core — in other words, as a company's aspirations for the performance of its business capabilities increase, the sophistication and strength of its digital core needs to grow.

99%
of Reinventors describe their technology ecosystem as strategic partners...

Figure 9

Illustrative generative AI model "switchboard" for the consumer package goods workflow for engaging customers

Growth Spaces Identified

Intelligent Customer On-Boarding

Automated & Intelligent Order Capture

Confirmed Order in Real Time

Optimized Route Order Delivery

Image-Led Sell Out Activation

Hyper-Personalized Customer Care

GenAI Tasks

| Content Recommendation | Text Generation | Data Synthesis | Test Summarization | Language Translation | +4 |

Model Garden

Model as a Service

| GPT-4 | Claude |

Open Source Models

| LlaMa 2 | Bert | Intel DPT | Keras | Ultra |

Proprietary Models

| Joule | Gemini | Midjourney |

Switchboard

Decision Engine

| Business Context | Cost | Accuracy | Performance | Latency | Sustainability | Efficiency | Bias | Toxicity |

Router

| Intelligent Router | Model Registry | Model Connector | Orchestrator |

Deployed Model for Intelligent Sales Coach

| GPT-4 | LlaMa2 | Stable Diffusion | LDA |

Source: Accenture 2024.

That's why two-thirds (64%) of Reinventors continually monitor all aspects of their digital core (i.e., effectively measure strength across technology, digital strategy alignment, digital talent and skills, and agile practices) to ensure they can deliver the business process reinvention they need, versus 9% of Optimizers. Companies then need to act on newly accessible insights to gain competitive advantage, integrating new technologies from across the information, operational and science technology landscape as they emerge.

In the coming years, businesses will have an increasingly powerful array of new technologies at their disposal that will open new pathways to unleash greater human potential, productivity and creativity. Most organizations recognize that they will miss future opportunities (67%), forfeit value (65%) and lose competitiveness (63%) if they fail to harness this ongoing technology revolution.

> In the coming years, businesses will have an increasingly powerful array of new technologies at their disposal…

Actions

- Understand what "digital core" means for you and look at your technology objectively to understand where your digital core is — relative to the industry, and most important, relative to what is needed to use generative AI. Make a plan from there that is tied to the biggest potential to win in reinvention based on where you are.

- Understand the new capabilities required for a data and generative AI backbone, and what it will take to build them. Develop new data capabilities for unstructured and synthetic data and an architecture that can integrate multiple foundation models.

- Ensure your CIO is embedding cyber security practices early in the lifecycle across technology and that you have a strong security culture to prioritize resiliency.

- Understand your current technology and advisory ecosystem, and refresh your strategy on how you will work with them to compress the reinvention cycle. Consider whether you have the right risk and reward relationships. Challenge whether you can co-create more with partners to go faster.

- Rigorously measure the progress toward ensuring more than 50% of your technology investments are targeted at building the new.

Southeast Asian national oil company: Simplifying volumes of data

Like many others in the oil and gas industry, this Southeast Asian national oil company has huge volumes of data in different formats, and generates more daily.

With no efficient way to access and search its data, decision-making was only getting slower, while the risk of accidents due to missing data points kept growing. Staying on top of pipeline maintenance and repairs was time-consuming, as technicians and engineers had to comb through pages and pages of historical documents to predict where issues may come up.

After taking a holistic look at the issues, the company deployed generative AI and cognitive search, and can now realize the true value of its data and drive new growth. Its new knowledge base incorporates more than 250,000 documents with structured and unstructured information,

surfaces whatever information the user is looking for and converts it into the desired format. On the front end, a new search engine simplifies and accelerates the way people find important information, allowing them to "chat" with the company's data to find what they need in a quick and conversational way, speeding up decision-making and giving people confidence to act.

The speed at which the right information can now be accessed is also helping avoid equipment downtime as historical data can be accessed almost instantly, like finding out how long it's been since a piece of equipment was serviced or had a fault.

It's also speeding up onboarding by replacing dense logbooks with a simple search engine to teach complex knowledge. Ultimately, the new, integrated setup makes information discoverable with minimal effort, automates the knowledge-gathering process for different roles across the organization and helps reduce accidents.

Imperative 3:

Reinvent talent and ways of working

Success with this latest tech revolution requires leaders to set and guide a vision for reinventing work, reshaping the workforce and preparing workers for a generative AI world. This is the third imperative.

One of the most likely reasons companies will fail to succeed with generative AI is their inability to reach clarity fast enough on how work needs to be reinvented and reshape the workforce accordingly. This will require a new kind of HR that supports a skills-based HR and continuous learning across all levels of the workforce, including the C-suite. Another reason is a common lack of core competencies in change, and in focusing on how to unlock the potential of people. Success requires putting people at the heart of change. And it will mean leaders with different skills.

As leaders acquire necessary new skills for the age of generative AI along with the workforce, they can better drive reinvention across entire value chains and business processes. This carries with it the potential to dramatically impact work, workers' experiences and how work flows through an organization.

As we highlighted in **Technology Vision 2024**, for the first time in history, we're embracing a generation of technology that is human by design. In this moment of reinvention, companies have the chance to build a strategy that erases the friction between people and technology and leaves people feeling Net Better Off.

Reinventors see this potential. They are two times more likely than Optimizers to anticipate productivity gains of more than 20% in the next three years (**see Figure 10**). And two out of three strongly agree that generative AI will make work more fulfilling and meaningful.

Of all the executives we surveyed, 95% agreed that generative AI will in fact create net new jobs in their workforce. However, with **58% of workers** citing job displacement as a concern, leaders will need to foster transparency and build trust among their people that generative AI can and will help them build market-relevant skills, work with purpose and strengthen their emotional, physical and financial health.

Figure 10

Executives see generative AI as an opportunity to significantly improve productivity

Potential for Gen AI to improve employee productivity over the next 3 years (% of respondents)
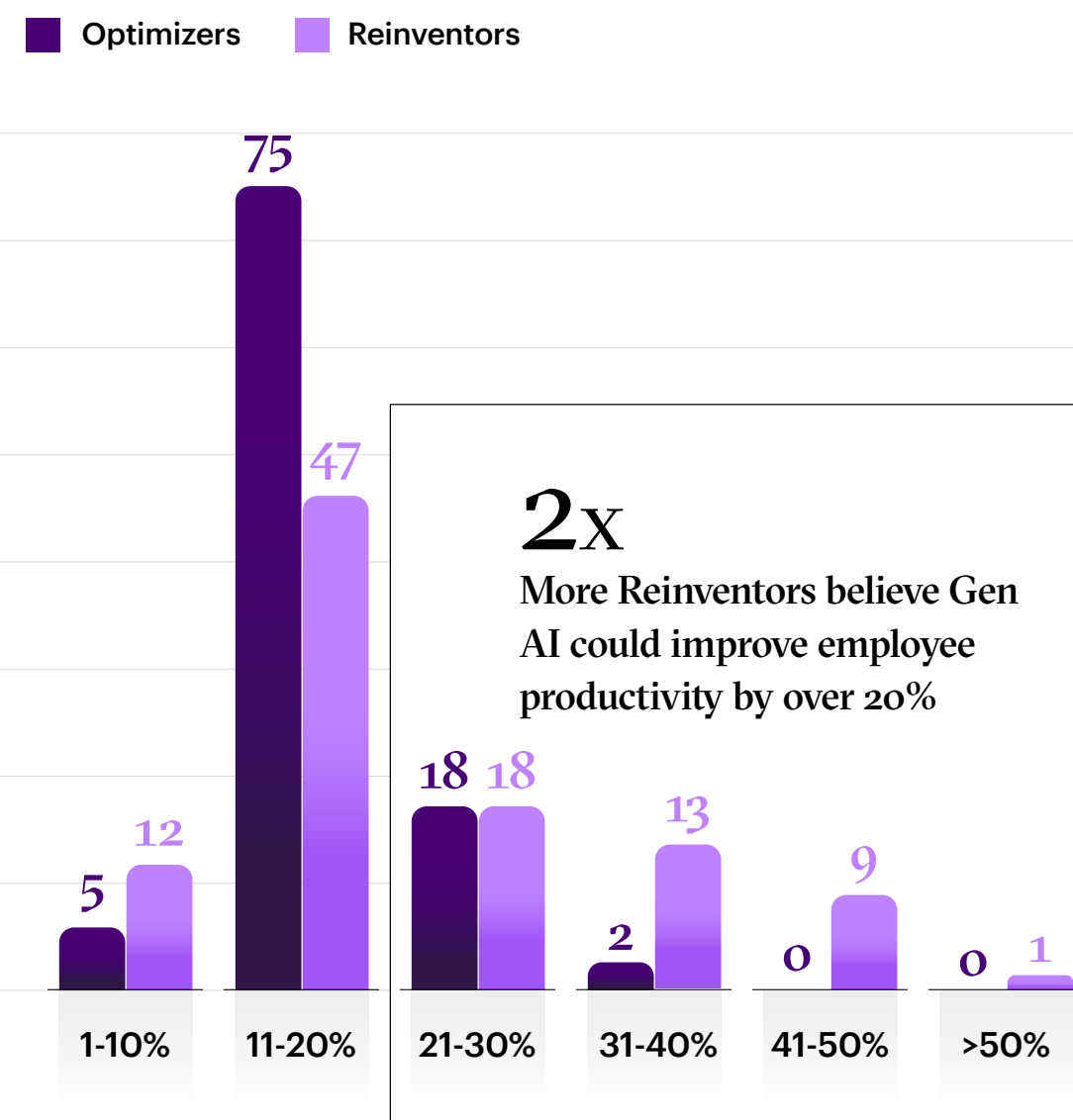
Optimizers ■ Reinventors ■

- 1-10%: Optimizers 5, Reinventors 12
- 11-20%: Optimizers 75, Reinventors 47
- 21-30%: Optimizers 18, Reinventors 18
- 31-40%: Optimizers 2, Reinventors 13
- 41-50%: Optimizers 0, Reinventors 9
- >50%: Optimizers 0, Reinventors 1

2x More Reinventors believe Gen AI could improve employee productivity by over 20%

Source: Accenture reinvention survey, Oct-Nov 2023. Sample size: Total, 1,500; Reinventors, 136; Optimizers, 154.

In addition to reinventing work and reshaping the workforce, realizing this potential means building a culture to navigate continuous waves of change, as we explain further in our report on **Work, Workforce, Workers: Reinvented in the Age of Generative AI**.

Change starts with leaders, who must have the courage, knowledge and understanding to shape the future. Yet our research reveals that 66% of the C-suite recognize that they and their direct reports are not fully equipped to lead a company through reinvention. Many lack a range of essential attributes, including practical understanding of what technology, data and/or science can achieve (66%).

Learning will be critical to lead in this new era. Executives need to deeply understand generative AI, its full capabilities and its impact on their business. Leaders need to start with their value chains to determine how core processes and the work itself need to change.

Compared with the other groups, Reinventors spend more time considering how they will reinvent work. More than half (52%) strongly agree their company is already engaging in efforts to redesign work to incorporate emerging technologies like generative AI. And almost three-quarters (74%) rate their engagement with employees in the design of their new roles and activities as strong. In doing so, they make change a core part of company culture by giving people a voice in the process. Companies will accelerate their progress if they bring people — employees, customers and stakeholders — along as owners of and evangelists for change.

As work evolves and change becomes continuous, companies need to reshape the workforce. Time and talent can be reallocated to areas of greater impact. For example, in the first imperative we highlighted how CPG field sales representatives could be given additional capacity through a generative AI-enabled capability for selling products to a retailer. This could free up people's time for customer and business outcomes or enable them to transition to new roles (**see Figure 11**). In another example, customer service agents could be redeployed to product design, where they can use their unique insight into product issues to recommend design features that boost customer satisfaction. Skills must keep pace with changes across the value chain. This requires a skills-driven talent strategy, and talent roadmaps that are just as precise as technology roadmaps.
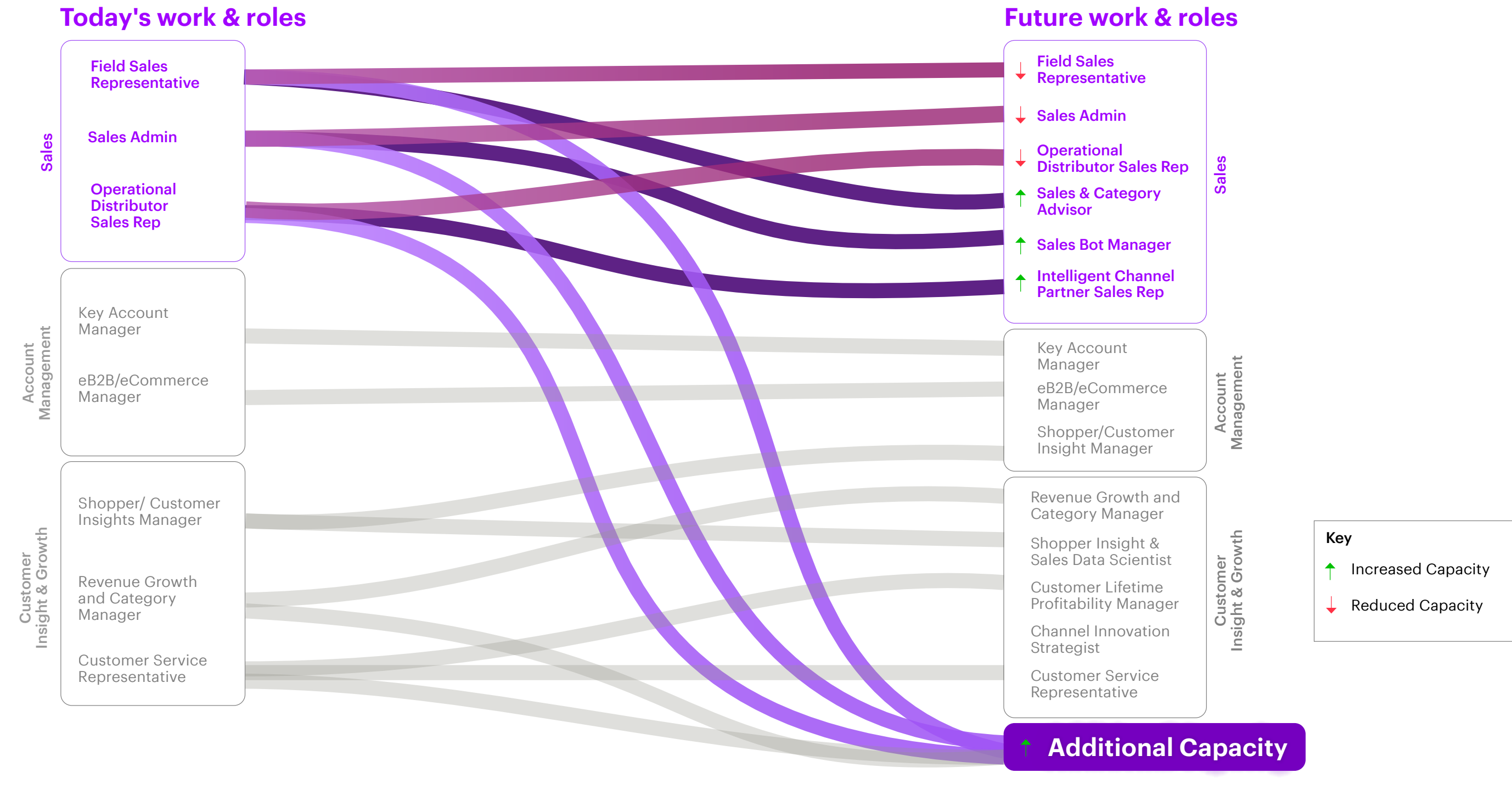
Our research found that 86% of Reinventors say they have a strong talent roadmap to build the workforce and skills they will need in the next three years (versus 63% of Optimizers). AI can help organizations become skills-driven, mapping people into new roles in which they will excel and develop their careers. Most Reinventors (56%) say they have "very strong" capabilities in using AI to identify talent gaps and provide personalized upskilling opportunities for their workforce (versus 16% of Optimizers) and 42% are even using AI to create the right team structures and composition.

86%
of Reinventors say they have a strong talent roadmap to build the workforce and skills they will need...

Figure 11

Illustrative example of how work and roles can be reallocated in a generative AI future, freeing additional capacity

Today's work & roles

Sales
- Field Sales Representative
- Sales Admin
- Operational Distributor Sales Rep

Account Management
- Key Account Manager
- eB2B/eCommerce Manager

Customer Insight & Growth
- Shopper/ Customer Insights Manager
- Revenue Growth and Category Manager
- Customer Service Representative

Future work & roles

Sales
- ↓ Field Sales Representative
- ↓ Sales Admin
- ↓ Operational Distributor Sales Rep
- ↑ Sales & Category Advisor
- ↑ Sales Bot Manager
- ↑ Intelligent Channel Partner Sales Rep

Account Management
- Key Account Manager
- eB2B/eCommerce Manager
- Shopper/Customer Insight Manager

Customer Insight & Growth
- Revenue Growth and Category Manager
- Shopper Insight & Sales Data Scientist
- Customer Lifetime Profitability Manager
- Channel Innovation Strategist
- Customer Service Representative

↑ **Additional Capacity**

Key
- ↑ Increased Capacity
- ↓ Reduced Capacity

Reinvention in the age of generative AI

Source: Accenture 2024.

Contents | Preface | Executive summary | Reinvention as the strategy for success | Generative AI accelerates and enables reinvention | **The picture of success and how to achieve it**

37

As organizations further integrate AI, they need to prepare workers. Comprehensive learning initiatives will be vital to ensure people have market-relevant skills and the capability to collaborate with machines. Before long, many people will have an AI-powered assistant, but they won't need data science degrees to collaborate with it.

With generative AI powering quicker mastery of new specialties, individuals' technical expertise can evolve more broadly into multiple domains while deeper soft skills will be required. Indeed, almost twice as many Reinventors as Optimizers report having strong demand for soft skills related to generative AI, such as creativity, collaboration and empathy. What's needed is a strong teach-to-learn culture that presents learning in a three-dimensional way: individual, organizational and the machine itself.

Approaching learning like this goes a long way toward actively involving people at every step. It's essential to design any journey or experience with the target user to increase adoption. A user-focused approach not only ensures a product that solves their pain points and meets their needs, but it also does another important job. When people's voices are heard, change becomes much more welcome and is quicker to scale. It's a critical shift from designing for people to designing with them.

Actions

- Create a talent strategy that identifies how work will change, documents the impact to roles and assesses what skills are needed for every generative AI use case. Make business decisions on how to address freed up talent capacity with transparency.

- Build strong people-centric change competencies that are the same across functions and business processes to fully understand the impact of generative AI on people and their experiences.

- Develop, either organically or with partners, the continuous learning capabilities needed to support reinvention. Prepare workers for generative AI, actively involving them in change and ensuring they have market-relevant skills.

- Review HR capabilities and invest in the competencies and technology needed to support the reinvention vision. HR is a core part of the business strategy.

- Review your employee value proposition and ensure that it makes employees feel Net Better Off for working at your company, and that your use of generative AI is consistent with your commitments.

Biopharmaceutical company: A reinvention to match its ambition

A biopharmaceutical company aspires to be the premier research-intensive organization specializing in the science of discovering and developing new therapies.

Reinvention in the age of generative AI

They have worked to reinvent the business by diversifying from a small-molecule and vaccine business to become a multi-platform, large-molecule pharmaceutical leader.

This transformation requires new techniques to examine cells and proteins and how they interact, plus high-performance compute capability to analyze complex biomechanical pathways. It also means involving more new and more diverse partners to execute an ambitious clinical agenda. The company's reinvention has seen significant investment in modernizing the technology

that underpins its digital core. The company also has put people at the heart of its reinvention strategy.

The company is developing new types of leadership training and experiences to help foster the entrepreneurial mindsets and new ways of working that support the organization's ambitions. This includes making sure people are properly involved in the design process. Additionally, they are working on a program to upskill thousands of people over the next year and make them experts on generative AI, not just knowing what it is, but actually able

to develop and create solutions or integrate generative AI into existing solutions. In addition, this company is committed to bringing in the right talent at the right times and has been recognized for its apprenticeship program focused on offering opportunities to military veterans, people transitioning their careers and individuals without traditional four-year degrees.

Imperative 4:

Close the gap on responsible AI

Leaders must commit to maintaining high standards of trust, transparency and sustainability in every generative AI-driven initiative.

Designing, deploying and using AI to drive value while mitigating risks is the fourth key imperative for leaders today. The exact capabilities that leaders need will continue to evolve, but making the right judgements on the responsible deployment of generative AI is critical. Making responsible AI pervasive and systematic is necessary to avoid scaling unintended consequences enterprise-wide. The risks that have potential to impact people's lives include bias and harm, liability and compliance, unreliable outputs, confidentiality and security, sustainability, and workforce transition. As businesses adopt AI, their responsibility to manage these factors increases.

Given generative AI's speed of evolution and adoption, these risks need to be a focus now to avoid challenges later, including regulatory costs. European Union officials, for example, have reached a provisional deal on the world's first comprehensive laws to regulate the use of AI. Fines for organizations that do not comply with the rules could be as high as 7% of global annual turnover for violations of banned AI applications.[3]

For any enterprise, responsible AI means taking intentional actions to design, deploy and use AI to create value and build trust by protecting the organization and its people from potential risks. Responsible AI begins with a set of AI governing principles, which each enterprise adopts, enforces and holds itself accountable for realizing (**see Figure 12**).

Figure 12

Operationalizing Responsible AI
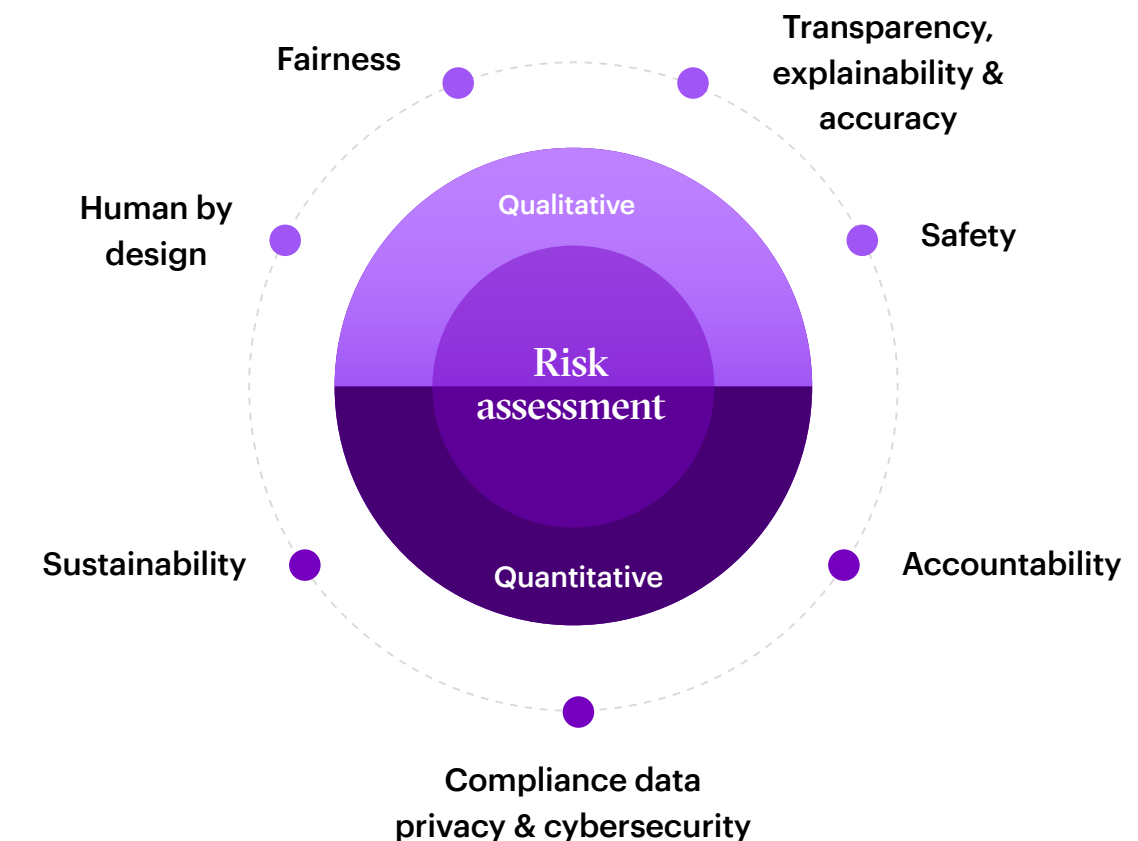
Source: Accenture Responsible AI Framework, 2024.

The vast majority (96%) of organizations support some level of government regulation around AI.[4] But just 2% of companies have self-identified as having fully operationalized responsible AI across their organization. And only 31% expect to have done so in the next 18 months.[5] When asked the simple questions, "Do you know every place in your organization where AI is being used?" and "Do you know what the risk is, and how you are managing that risk?" many CEOs answer "no" to the first question, and, if you get to the second question, answer "in process." The gap between intent and execution is huge, and it must be addressed.

Closing the gap requires more than a responsible AI framework for risk management and ethical, sustainable use of AI — it needs a plan that moves from commitment and frameworks to action on the ground.

The human-like nature of generative AI is what makes it exciting and explains the hype. Its effective use creates a greater intelligence by combining human and machine capabilities. It's therefore critical, when implementing responsible AI governance, to first understand the impact on people every time the technology is deployed. As the first principle in a responsible AI plan, leaders must identify and manage negative impacts on people, consistent with their organization's purpose and core values.

Fairness is also key — all models should treat all groups equitably. It's crucial to mitigate the potential for unwanted bias and other negative unintended consequences, like unfair impact relating to factors like gender, race or ethnicity.

Transparency and accuracy are also key principles of responsible AI. Our Pulse of Change research found that **40% of leaders** plan to bring people along with them in the adoption of generative AI through transparency and open dialogue on strategy and goals for working with the technology. Companies that engage in this type of transparency and disclose the use of generative AI where appropriate could earn higher levels of trust. Large language models can, for example, convey uncertainty and provide sources for verification when giving responses. Using relevant, high-quality data helps everyone understand and appropriately evaluate AI outputs and decision-making processes.

Technology's potential effect on people and our planet stretches far beyond the moment of interaction, so there are safety and sustainability implications to manage. Leaders must evaluate potential safety concerns and mitigate harm with respect to life, health, mental health, property and the environment when deploying AI.

REINVENTION IN ACTION

Building responsible AI foundations in retail

A global retail and pharmacy giant integrated AI strategically and responsibly across the enterprise. This involved mapping AI development throughout the business, enhancing its Ethical AI governance model, and establishing clear roles and responsibilities for stakeholders using AI.

The client established a methodology to assess risk levels and mitigation strategies during any current or future AI development, with a fairness framework to equip the company's data scientists with tools and guardrails to reduce bias. The project included development of persona-based training materials to highlight the importance of responsible AI and its place in driving business outcomes.

Now, the client has the responsible AI foundations it needs to use and scale AI intelligently and responsibly across the business.

Generative AI's vast power demands a lot of energy — in fact, according to our calculations, its use could account for a 5% share of global electricity consumption growth.[6] Integrating sustainability programs with AI governing principles can help mitigate negative environmental impacts.

Complete responsible AI principles include documentation and compliance beyond relevant laws. The most successful companies in this area will document enterprise-wide governance structures, with roles, policies and responsibilities clearly articulated.

Integration between compliance, data security and AI governance programs can help secure against cyberattacks and ensure appropriate privacy protections are in place.

In addition to being the right thing to do, implementing responsible AI fosters trust, creates operational advantages and ensures regulatory readiness. This comes through robust principles, policies and compliance, culture, training and technology tools. Leaning into technology to operationalize responsible AI principles can integrate policies into decision tools and workflows, which in turn helps to ensure AI is used responsibly throughout organizations.

Actions

- **Establish AI governance and principles. Agree and adopt responsible AI principles with clear accountability and governance for design, deployment and usage of AI.**

- **Conduct AI risk assessment. Understand the risks of your organization's existing AI use cases, applications and systems through qualitative and quantitative assessments (e.g., fairness, explainability, transparency, accuracy, safety, human impact, etc.).**

- **Enable systematic responsible AI testing. Perform ongoing testing of AI for fairness, explainability, transparency, accuracy and safety leveraging best of breed responsible AI tools and technologies, and enable mitigations.**

- **Establish ongoing monitoring of AI systems and oversee responsible AI initiatives while executing mitigation and compliance actions.**

- **Engage cross functionally to address workforce impact, compliance with laws, sustainability and privacy and security programs across the enterprise.**

Monetary Authority of Singapore: Operationalizing a ground-breaking responsible AI program

In today's financial services industry, companies are increasingly relying on AI to provide exceptional customer service while keeping operations lean and costs low.

The Monetary Authority of Singapore (MAS), the central bank and financial regulatory authority of Singapore, recognized the benefits AI provides to financial services institutions (FSIs). But it was also aware of the potential impact of unintended consequences from AI on the industry. These risks could include AI models incorrectly rejecting proportionally more people of a certain sex, race or religion for credit card applications, or people from a certain neighborhood being charged higher insurance premiums when the claims rates don't justify it. MAS knew that as FSIs tackled these issues, they would face complex questions around ethics, accountability and transparency.

As one of the first financial regulators to have a dedicated responsible AI program, MAS is enabling FSIs to evaluate their AI and data analytics solutions against the key principles of fairness, ethics, accountability and transparency (FEAT).

MAS established and led Veritas, an industry consortium that now has more than 25 members, to increase the adoption of FEAT principles and enable FSIs and tech firms to enhance their governance around them. To ensure a holistic assessment of FEAT principles throughout the AI and data analytics software development lifecycle, the comprehensive checklist encompassed:

- Defining a new Ethics and Accountability Assessment Methodology to provide a framework for articulating ethical commitments, concepts of justice and principles.

- Extending and refining the Fairness Assessment Methodology, enabling FSIs to define their systems' fairness objectives, identify attributes of individuals and bias and develop mitigation strategies.

- Defining a Transparency Assessment Methodology to help FSIs determine whether and how much transparency is needed to interpret machine learning models' predictions.

The methodology has been tested against several use cases, such as: predictive underwriting, customer marketing or fraud detection. Veritas also introduced the first responsible AI toolkit for the financial industry — an open-source, extensible code with easy-to-use features and user-friendly interface, to support responsible AI assessment and adoption.

MAS has become the first regulator to publish a framework of this depth relating to FEAT, and its guidance gives FSIs the ability to move from principles to practice, helping FSIs gain value from AI responsibility and building a fairer future to benefit billions of consumers worldwide.

Imperative 5:

Drive continuous reinvention

Change is constant, so reinvention never ends. Leaders cannot approach reinvention as a contained effort undertaken every few years.

They must build the capability to continuously reinvent, which is the fifth imperative. When the ability to change is part of the organizational DNA, it's possible to operate and reinvent the organization without unduly stressing it.

Enterprises that not only survive disruption but come out on top are those that are in perpetual motion.

Companies must constantly build their organizational agility. It's a switch to a state of openness to new thinking, requiring a cultural and operational mindset for continuous change, powered by a flexible digital core that supports generative AI at pace and at scale. Over twice as many Reinventors as Optimizers rate their organizations as being very effective in executing on new strategies and performance goals continuously, in response to changes in the business environment.

The reinvention journey is being made significantly faster thanks to generative AI and its human-like qualities.

Continuous reinvention needs to be actively managed, enabled with supporting infrastructure, value tracking practices, and a strong change management capability. Leaders need to integrate planning capabilities — including strategic, capital and operating processes. This requires integrated stakeholder management and might mean updating planning templates, evolving data and reporting, and establishing value governance controls.

Leadership teams must have a holistic view of leading indicators of progress and outcomes achieved, and be able to proactively manage interdependencies and risks along the way. For example, leaders need to be able to constantly scan the external environment for potential threats and opportunities, then adapt the transformation journey or reprioritize investments as needed.

There must also be greater integration across supporting governance structures and management processes to enable this level of transparency and decision making. That's why most Reinventors (90%) have put in place a dedicated unit, integrated planning and management tools that drive transparency across the reinvention program, enabling the majority (89%) to regularly adjust their reinvention program based on ongoing data.

Managing the change and talent journey should also be an ongoing focus. All Reinventors build change management as a core competency and most (80%) continuously assess the performance of their change initiatives to keep them closely aligned with the organization's reinvention plans.

The reinvention journey is being made significantly faster thanks to generative AI and its human-like qualities. This technology is developing quickly, so leaders must continuously seek new and more powerful ways to use it along with other emerging technologies. Those that recognize the importance of blending technology with people's ingenuity in their reinvention will capture long-term value and build lasting resilience.

Throughout this report, we discuss how organizations must target value and reinvent the value chain, enable reinvention with the digital core, power change with people and embrace responsible AI. These are not one-time activities, and organizations must build the capability to continuously reinvent in each of these areas.

Are you ready for reinvention in the age of generative AI?

Charting your path to reinvention

- Do you have a clearly defined vision for reinvention — a north star — to achieve a new performance frontier? How are technology and AI — including generative AI — underpinning your reinvention strategy and where are they expected to unlock the largest pools of value?

- How do you intend to scale AI and generative AI across your enterprise? How will you use these technologies in a boundaryless manner to drive enterprise reinvention?

- Do you have an assessment of your digital core strength? How are you going to enhance that strength across the seven elements? Do you have the technology acumen at all levels to do so?

- Are you radically rethinking your work, workforce and workers to complement the technology? Do you have a talent roadmap that helps you deliver on reinvention and makes your employees feel Net Better Off — today and tomorrow?

- Do you understand where AI is — and will be — used in your organization and what the potential risks may be? Do you have a roadmap and ongoing resources for proactively building systemic responsible AI capabilities to ensure that the reinvention of your enterprise through AI is human by design, fair, transparent, safe, accountable, secure and sustainable?

- How do you plan to enhance your change management capabilities to drive continuous reinvention?

Generative AI has democratized artificial intelligence and made technology much more human-like. This means the pathway to reinvention is much faster than we envisaged even a year ago, as the technology has the potential to redefine entire value chains. Organizations that make bold bets to reinvent while recognizing the importance of blending technology with people's ingenuity will capture long-term value and build lasting resilience.

Where could reinvention take your business?

How Accenture can help

We help companies transform and reinvent every aspect of their enterprise with our generative AI services that span strategy and roadmap, design and build, and operationalize and run.

Companies can visit our network of generative AI studios around the world to explore ways to reinvent their business through the responsible use of generative AI applications. These studios have a range of areas of specialization, enabling companies to explore industry use cases, co-innovate, conduct AI pilots, and rapidly initiate and scale programs.

Our industry-specific diagnostics help organizations shape a blueprint for successful reinvention and define how best to use generative AI across the enterprise. We have developed a detailed set of new performance frontiers for businesses in 19 sectors — integrated with sustainability, talent and the digital core — alongside the key business capabilities for realizing them.

Our AI Navigator for Enterprise is a generative AI-based platform that can then help clients define business cases, choose architectures and understand algorithms and models to drive value responsibly.

With a strategy in place, our proprietary "switchboard" allows clients to select a combination of generative AI models to address the business context or based on factors, such as cost or accuracy.
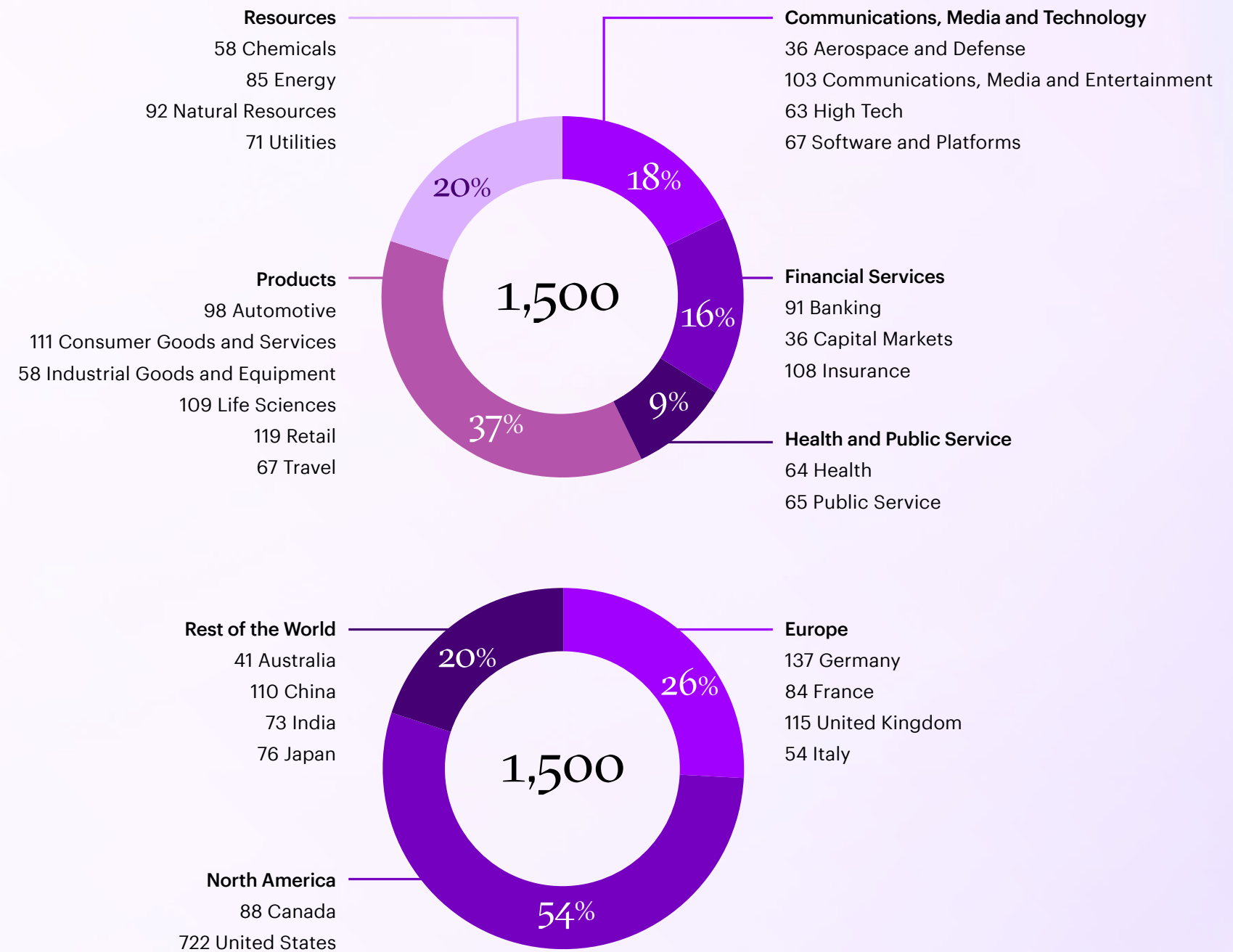
About the research

Accenture Reinvention Survey

Accenture Research conducted a survey of 1,516 C-suite executives in November 2022 and of 1,500 C-suite executives in October-November 2023. Respondents were asked about their organization's approach to business transformation and reinvention strategy, as well as about their specific programs and success factors.

We conducted the surveys in 10 countries: Australia, Canada, China, France, Germany, India, Italy, Japan, United Kingdom and the United States. Respondents represented 19 industries: Aerospace and Defense; Automotive; Banking; Capital Markets; Chemicals; Communications, Media and Entertainment; Consumer Goods and Services; Energy; Health; High Tech; Industrial Goods and Equipment; Insurance; Natural Resources; Life Sciences; Public Service; Retail; Software and Platforms; Travel; and Utilities.

2023 executive survey respondent breakdown by industry and country

Resources
58 Chemicals
85 Energy
92 Natural Resources
71 Utilities

Communications, Media and Technology
36 Aerospace and Defense
103 Communications, Media and Entertainment
63 High Tech
67 Software and Platforms

Products
98 Automotive
111 Consumer Goods and Services
58 Industrial Goods and Equipment
109 Life Sciences
119 Retail
67 Travel

Financial Services
91 Banking
36 Capital Markets
108 Insurance

Health and Public Service
64 Health
65 Public Service

20%   18%   16%   9%   37%   **1,500**

Rest of the World
41 Australia
110 China
73 India
76 Japan

Europe
137 Germany
84 France
115 United Kingdom
54 Italy

North America
88 Canada
722 United States

20%   26%   54%   **1,500**

Financial and non-financial analysis and econometric modelling

We compared the financial and non-financial performance of companies we identified as Reinventors in our 2023 survey.

For financial performance, we analyzed the revenue growth and profitability for the three groups of companies (Reinventors, Transformers and Optimizers). For the historical period 2019-22, we used actual revenue growth (CAGR) and average profit margin (EBITDA/revenue) from S&P Global. We further used a panel data model to test the relationship between the number of years of reinvention (starting from the year in which respondents report adopting their reinvention strategy) and EBITDA margin, controlling for industry, geography and company size. Financial services companies are not included in the panel data model.

For the analysis of expected revenue growth for the 2023-2026 period, we applied the self-reported expectations in respective time horizons from the Accenture reinvention survey and used trend data extrapolation for missing values. We reviewed the self-reported expectations of respondents against analyst forecasts to test for consistency.

For the non-financial performance elements, we used our 360° Value framework for the analysis: sustainability, experience, innovation, talent, and inclusion and diversity (I&D). Each sub-component is based on a set of indexed scores.

Sustainability is based on ESG data from S&P Global. Experience is based on measures of customer relationship management and supplier churn from S&P Global and FactSet Supply Chain. Talent and I&D is based on Net Better Off indicators from Glassdoor, ESG Book and S&P Global. Innovation is based on the efficiency of tangible and intangible expenditure from S&P Global data.

We compared Reinventors to their industry peers. 2021 data is based on last year's analysis reported in our "Total Enterprise Reinvention" report. For the 2023-2026 period, we applied the self-reported expectations in respective time horizons from the Accenture Reinvention survey and used trend data extrapolation for missing values.

We also identified a group of companies within the Transformers group as "Accelerated Transformers." These companies are expecting to consistently outperform their industry peers on revenue growth between 2023 and 2026. We assessed the financial value gap between this group and Reinventors.

For the historical period 2019-22, we used actual revenue growth (CAGR) from S&P Global. And for the 2023-2026 period, we applied the self-reported expectations in respective time horizons from the Accenture Reinvention survey and used trend data extrapolation for missing values. We reviewed the self-reported expectations of respondents against analyst forecasts to test for consistency.

This analysis also uses a measure of the expected intensity of applying generative AI to fundamentally reinvent how companies operate. This metric was created based on data from the Accenture Reinvention survey looking at the number of functions / business areas expected to be fundamentally reinvented using generative AI and the extent of performance impact of generative AI in those areas.

Client experience

We draw on our client experience from across thousands of transformational engagements and more than 700 generative AI projects in 2023 in which companies had applied the technology to reinvent how they operate.

All client examples referenced in the report are based on Accenture client engagements unless sourced (or cited).

Accenture Pulse of Change: 2024 Index

Accenture's Pulse of Change Index compares findings from two major inputs.

1. An analysis of change affecting businesses globally, caused by six major factors:

    - Technology, which is based on indicators such as IT spending and VC funding on emerging technologies, reflects the pace and scale at which technologies, such as generative AI, are adopted and implemented.

    - Talent, which includes indicators measuring the risk of labor shortages, level of employee engagement, wage costs and labor productivity, reflects the overall talent environment from a quantitative and qualitative perspective.

- Economic, which includes macroeconomic, financial and business indicators, reflects the overall economic disruption, financial volatility and business outlook.

- Geopolitical, which includes indicators measuring geopolitical risk, number of economic sanctions and number of cyberattacks, reflects changes in war and conflicts, trade tensions and cybersecurity.

- Climate, which is based on indicators such as climate-related disasters and direct economic loss attributed to natural disasters, looks at the risks related to environmental issues, as well as the financial cost implications of climate-related regulations for businesses.

- Consumer & Social, which includes indicators assessing social unrest and household savings, reflects the overall social climate as well as consumers' confidence in the future.

To evaluate both the rate and nature of change, the Index computes, through AI-led data modeling, 40 proprietary and public data series covering 2019 to November 2023 from leading institutions such as the Organization for Economic Cooperation and Development (OECD), International Monetary Fund (IMF) and the United Nations Sustainable Development Goals (UN SDG).

It quantifies the change businesses are facing and determines the rankings of the top six causes of change by comparing their respective increases from 2022 to 2023. This approach identifies the specific change factors that had the most substantial impact on the overall rate of change in 2023.

2. A global survey of more than 3,400 C-suite executives, conducted from October 2023 to November 2023, across 20 countries, 19 industries and a full range of corporate functions, to compare their perceptions of change with the analysis of business disruption.

Work, workforce and workers analysis

We leverage the research conducted for our recent publication, Work, workforce, workers: Reinvented in the age of generative AI. This includes a survey of 5,000 workers conducted in October-November 2023 and an analysis of the total working hours that could be impacted by generative AI across occupations and industries in 22 countries.

Acknowledgements

Accenture Research Team

Marcin Bodziak, Ladan Davarzani, Katarzyna Furdzik, Khalil El Hariri, Pritesh Karnawat, Anna Marszalik, Surya Mukherjee, Elizabeth Naik, Himanshu Patney, Catalina Rodriguez, Juan Pablo Romero, Belén Rubio, Prashant Shukla, Juan Smolkin, Jakub Wiatrak

Editorial Team

Meredith Trimble, Helen Tweedy

References & Methodology

1. We analyzed the intensity of investment in new data, AI and cloud applications and related technologies based on intent (per earnings calls), spend and extent of partnerships with technology vendors and suppliers. We place companies in quartiles based on their composite score. We find that 58% of companies with annual revenues above $50bn are in the top quartile and 23% of companies with revenues between $1-50bn are in the top quartile. The analysis accounts for structural differences between industries and is based on Q1 2022 to Q2 2023. For existing roles, we used data from LinkedIn to estimate the proportion of employees in technology-related roles. This was based on those outside of leadership positions (i.e., excluding owners, partners, CxOs, directors and VPs). We compare the findings for companies with annual revenues above $50bn against companies with revenues between $1-50bn. For job postings, we analyzed the demand for innovative technology skills (based on IDC definitions) as a proportion of all skills in the Lightcast database.

2. Accenture Pulse of Change Quarterly C-suite survey, October 2023.

3. European Commission, Commission welcomes political agreement on AI Act (europa.eu), December 9 2023.

4. Accenture Pulse of Change Quarterly C-suite survey, October 2023.

5. Accenture AI CEO survey, August-September 2023

6. Accenture data developed for the Powered for Change report. Our analysis is based on forecast ranges of total-, data center-, cryptocurrency- and AI-driven electricity demand from IEA WEO 2022, VU Amsterdam 2023 and Factiva.com.

All other data is from our Total Enterprise Reinvention research.

All non-sourced stories are based on Accenture client engagements.

About Accenture

Accenture is a leading global professional services company that helps the world's leading businesses, governments and other organizations build their digital core, optimize their operations, accelerate revenue growth and enhance citizen services—creating tangible value at speed and scale. We are a talent and innovation led company with 743,000 people serving clients in more than 120 countries. Technology is at the core of change today, and we are one of the world's leaders in helping drive that change, with strong ecosystem relationships. We combine our strength in technology with unmatched industry experience, functional expertise and global delivery capability. We are uniquely able to deliver tangible outcomes because of our broad range of services, solutions and assets across Strategy & Consulting, Technology, Operations, Industry X and Accenture Song. These capabilities, together with our culture of shared success and commitment to creating 360° value, enable us to help our clients succeed and build trusted, lasting relationships. We measure our success by the 360° value we create for our clients, each other, our shareholders, partners and communities.

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Accenture Research creates thought leadership about the most pressing business issues organizations face. Combining innovative research techniques, such as data-science-led analysis, with a deep understanding of industry and technology, our team of 300 researchers in 20 countries publish hundreds of reports, articles and points of view every year. Our thought-provoking research developed with world leading organizations helps our clients embrace change, create value and deliver on the power of technology and human ingenuity. For more information, visit Accenture Research on **www.accenture.com/research**.