The High Tech Industry

Navigating the AI Revolution

accenture

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The high tech industry at an inflection point

- **Powerful forces are reshaping the industry:** From AI / GenAI/ Edge AI and data-center expansion to robotics, electrification, and next-gen connectivity — high tech stands at the center of global transformation.
- **Change is inevitable:** The value in high tech is shifting from physical devices to data-centric platforms and AI-native services.
- **Rising capital intensity:** The industry faces increasing capital needs and uneven returns on AI investments, creating a widening gap between leaders and laggards.
- **Unprecedented complexity:** Volatility, geopolitics, trade tensions, talent shortages and cybersecurity risk and challenging growth and resilience.
- **Global platform:** The industry's dual role as an economic engine and strategic asset (especially in semiconductors, AI, and digital infrastructure) has made it a central player in geopolitical dynamics.

As we explore the key drivers and strategic imperatives in the following slides, remember: **the time to act is now**.

The AI-native economy: A massive opportunity

Expanding TAM: The global TAM for High Tech is poised for explosive growth in the new AI-native economy

Regional Proof Point: In the US alone, Accenture research projects a potential unlock of $5.3 trillion in incremental value by 2038.[1]

$5.3 trillion

in incremental value in the U.S. alone.

Our GDP scenarios vary based on rate of adoption of AI technologies and impact to the labor market. In the "people-centric" scenario assumes AI will promote upskilling of existing people to higher value roles vs overall reduction of available jobs.

Economic impact of Gen AI on GDP gains under three scenarios

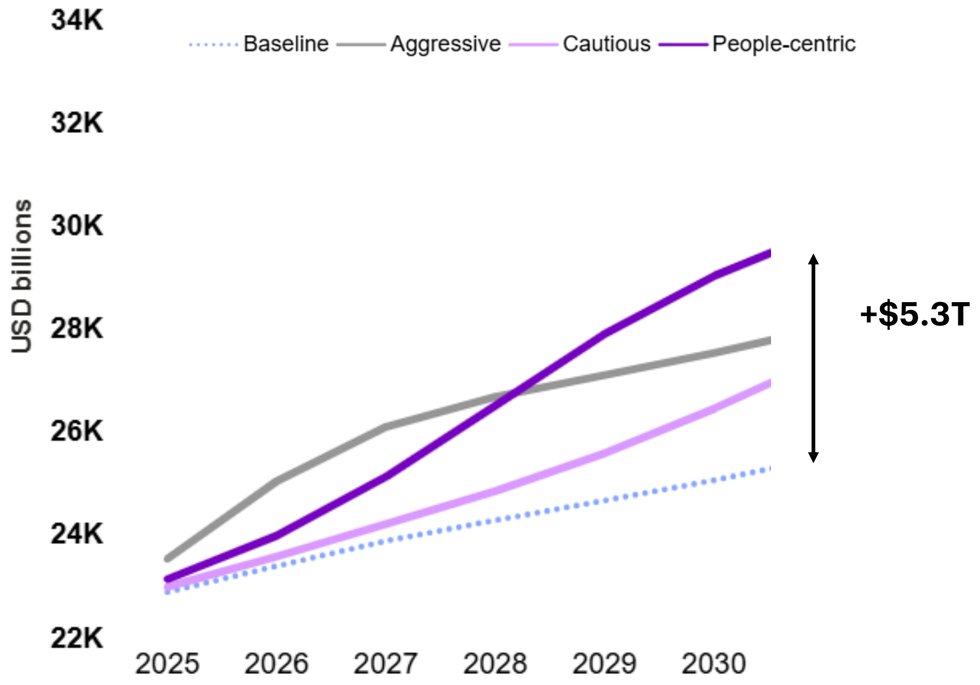


Figure 1:
Accenture Research. Simulated GDP growth under three scenarios. GDP country forecasts from Oxford Economics as the baseline

Source: Accenture Analysis

Diverse sectors, divergent paths

Semiconductor industry: The backbone of the AI revolution, developing specialized hardware and chips that optimize AI workloads, from voice commands to real-time analytics.

Consumer technology: Value is shifting towards data-centric platforms and hyper-personalized, always-on services, but still navigating the path to monetizing AI-native devices.

Enterprise technology: Data center expansion driving record AI server orders; building integrated hardware-software solutions to enhance customer interactions.

Network equipment: Rise of physical AI and intelligent networks is accelerating demand for high-speed switching and optics.

Performance by sub-industry since December 2022

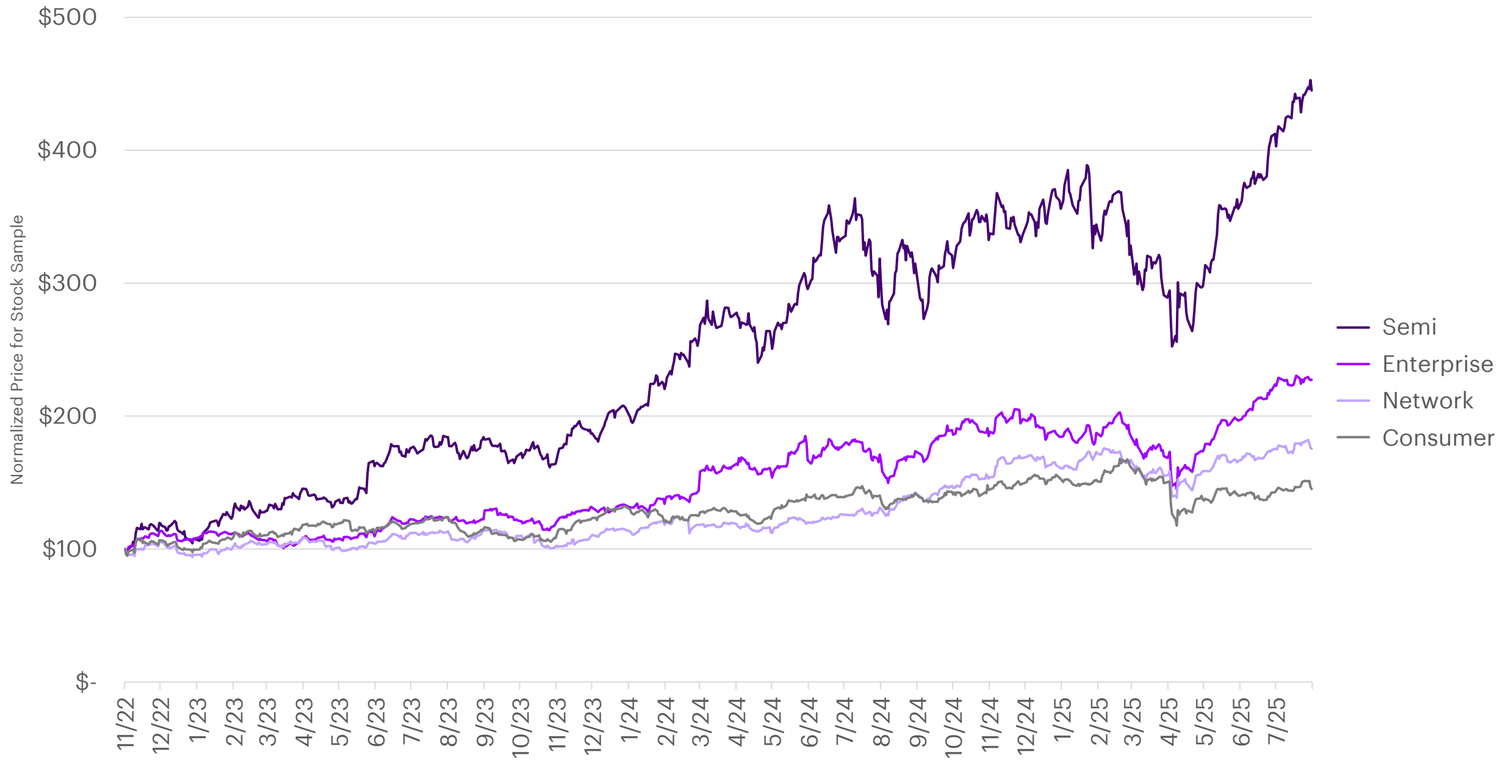


Figure 2:
ETFs indicate sector signals based on a representation of normalized company stocks from 11/1/22 to 7/31/25. Semiconductor, Enterprise Technology, Network equipment and Consumer Technology

Source: Accenture Analysis

The widening performance gap

Market capitalization and R&D spend: Since ChatGPT's launch in November 2022, AI investors have seen dramatic gains.

Value consolidation: The value in high tech is rapidly consolidating with the winners. While a few companies are reaping significant benefits, those making smaller siloed bets are falling behind, creating a divide between leaders and laggards.

Percent change in mkt cap vs R&D spend since November 2022

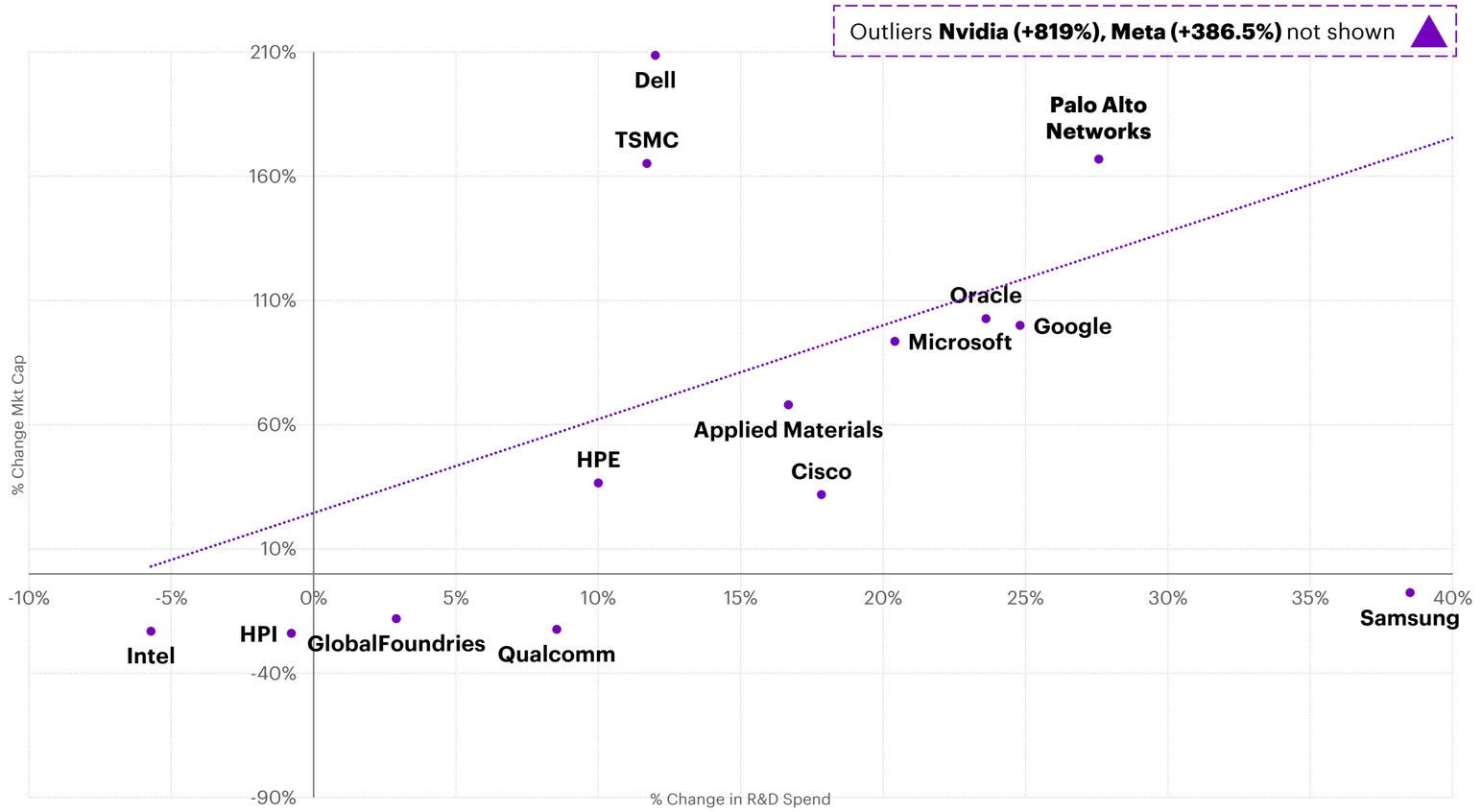


Figure 3:
Accenture Research based on publicly available information
R&D outliers not shown to maintain scale: Apple (81% Change R&D Spend)
Note: Outliers not shown on chart still factored into trend line

Six disruptive forces reshaping high-tech

1	**Emergence of agents as the new customer interface**	Agents are transforming customer interactions with hyper-personalized and real-time engagement, becoming the new customer interface to enhance productivity and satisfaction.
2	**Products becoming smarter**	Software, data and AI are rewriting the rules of product innovation.
3	**Rising geopolitical tensions**	Geopolitical risks are influencing strategic decisions and supply chain resilience, leading companies to rethink their global footprints and capabilities to mitigate these risks.
4	**Exploding need for capital**	The demand for capital to support AI-driven R&D and infrastructure is unprecedented, and effective capital allocation will determine the gap between leaders and laggards.
5	**Need for lean operations and agility**	There is a renewed focus on operational efficiency and value realization to have organizational agility to invest in AI and scale AI potential into tangible P&L impact.
6	**The race for intelligence**	AI is not just a tool or a new technology; it's now becoming existential race that could define the future our of the industry. Companies are investing in infrastructure to support and scale AI use cases in their organizations.

The forces are global, but priorities vary by region

EMEA

Rising geopolitical tensions and increasing costs of operations are shaping strategic priorities, with European and Middle Eastern firms reconfiguring supply chains and tightening governance around AI compliance and sustainability. The region is also focused on standardizing AI infrastructure under strict data residency and EU AI Act guardrails, seeking to balance innovation with responsible scaling.

Client Focus: 1 2 4

Americas

The most significant forces are the shift of AI from feature to infrastructure and the exploding need for capital, as U.S. and Latin American firms lead massive investments in AI-native data centers, silicon design, and cloud infrastructure. Rising operational costs—from energy, compute, and talent—are intensifying pressure to achieve measurable productivity gains through agentic automation and large-scale transformation programs.

Client Focus: 1 2 3 6

APAC

In APAC, manufacturers and technology leaders are focused on embedding AI into hardware, software, and factory systems to accelerate automation and export competitiveness. At the same time, geopolitical and capital constraints are pushing firms to localize semiconductor ecosystems and invest in AI-ready infrastructure to maintain growth momentum.

Client Focus: 4 5

C-Suite imperatives: Navigating the AI-driven future

To navigate these changes and capitalize on the opportunities, C-Suite leaders must focus on the following strategic imperatives:

Revenue generating

1. **Build a new unified customer platform powered by Agentic AI:** Enhance customer experiences and retention through hyper-personalized, always-on engagement.
2. **Accelerate product development powered by AI** and shift from hardware-centric offerings to integrated solutions, including software and services
3. **Establish trusted and resilient supply chains:** Mitigate geopolitical risks and enhance supply chain flexibility through AI-driven solutions.
4. **Rethink capital allocation models:** Implement agile, cross-functional decision-making to ensure effective investment in AI.
5. **Redesign the operating approach:** Transform legacy operating models to anchor on AI and improve efficiency.
6. **Modernize infrastructure to support AI-native workloads:** Modernize and standardize digital infrastructure to handle the demands of AI.

Core Operations

Imperative 1:

Build a new unified customer platform powered by Agentic AI

Build a new unified customer platform powered by agentic

What is changing: The front office is top of mind for executives, with a focus on customer experience and retention.

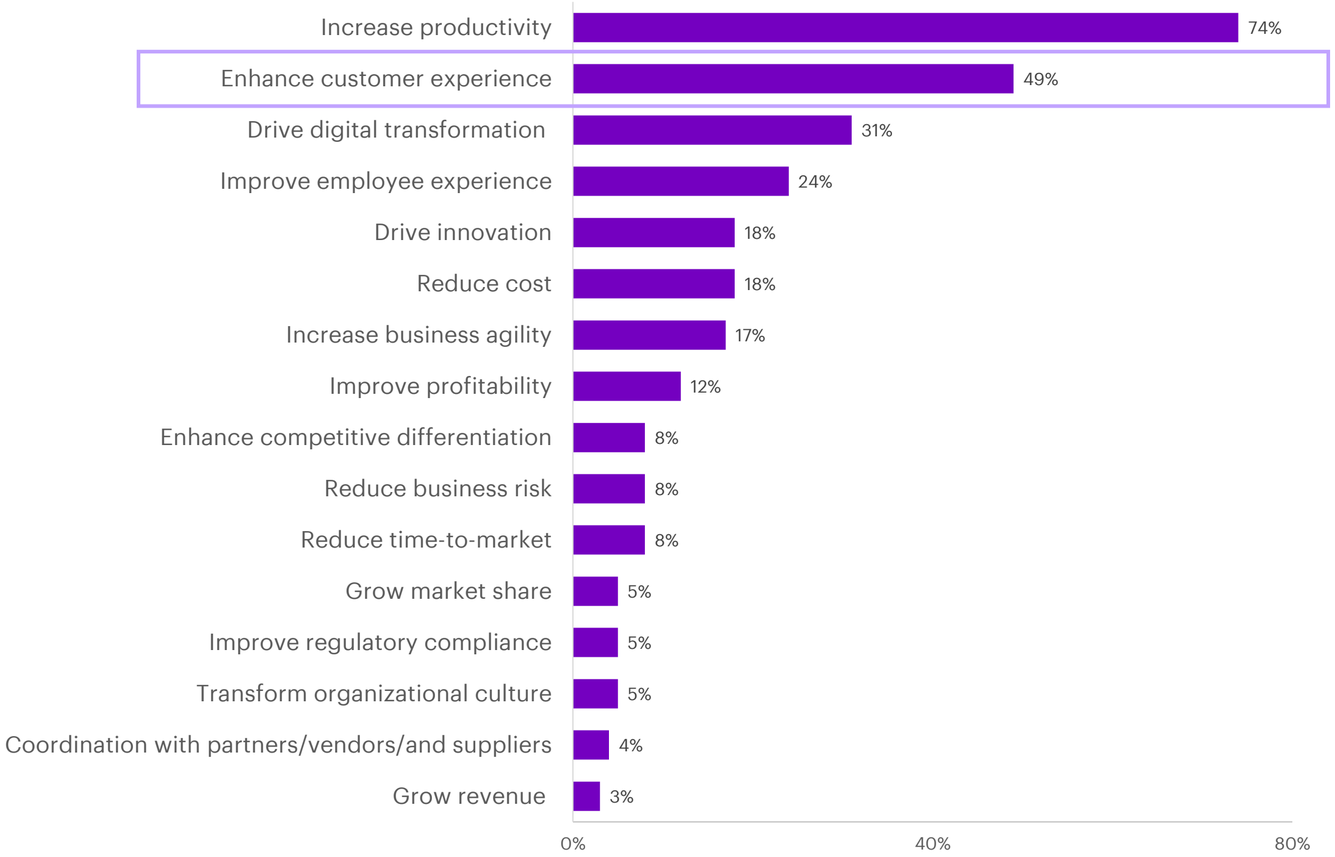
Why it matters: Customers expect hyper-personalized, always-on engagement in real-time.

Headlines to watch:

- **Zebra** Integrating Agentic AI into retail to enhance interactions, streamline order tracking, and provide in-store assistance.[2]
- **Dell** Deploying Agentic Retrieval Augmented Generations in customer service to automate reasoning and ensure faster, accurate support.[3]
- **Google Gemini** Developing Gemini, an AI system for seamless, hyper-personalized customer experiences across devices and browsers.[4]

Top Types of Business Value From Applying Generative AI

Multiple responses allowed



n = 78 CIOs, excluding "not sure"
Q: What are the top three types of business value your enterprise seeks from applying generative AI?
Source: 2024 Gartner CIO Generative AI Survey
818765_C

Figure 4:
Gartner®, "Top Strategic Technology Trends for 2025: Agentic AI", Tom Coshow, Arnold Gao, et al., 21 October 2024 (Accesible to Gartner subscribers only)
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Imperative 2:

Shift from hardware-centric offerings to integrated solutions

Shift from hardware-centric offerings to integrated solutions

What is changing: Products are no longer just hardware, they're intelligent, connected, secure and continuously evolving. AI and edge computing are shifting value from HW components to SW and companion services.

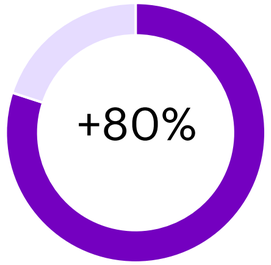
Why it matters: The right ecosystem strategy will be essential to accelerate capabilities required and achieve scale.

Headlines to watch:

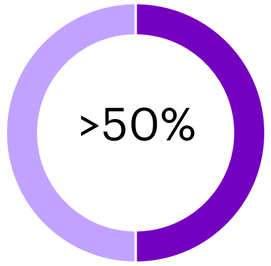
- **Leading Industrial Vehicle Manufacturer** To evolve beyond a traditional product-based model, a leading industrial vehicle manufacturer partnered with Accenture to launch a five-year Digital Services Factory, launching a digital service to optimize fuel consumption for end users, enabling continuous innovation with scalable technology platforms, and positioned the company to expand beyond vehicles into mobility services

Figure 5:
Accenture: Software-defined vehicle solution

Example: Automotive Industry - Are HT companies ready to rethink their development processes for the smart product era?



increase in time-to-market for connected products in last 4 years*



of automotive innovation comes from software & data

The car is no longer just a machine: it's becoming a real-time, smart, connected device
Consumers now expect vehicles to be as intuitive, personalized and updatable as smartphones - redefining "performance" as intelligence, connectivity and digital services

AI and electrification are rewriting the DNA of the industry
Electrification, autonomous driving, predictive maintenance and intelligent cockpit experiences are becoming the new standard

83%
of automotive leaders believe digital service will be key differentiation by 2040

$3.5T
in revenue will be generated through digitally enabled car services by 2040

90%
of all vehicles produced by 2030 will be software-defined — up from 1.5% in 2020

Imperative 3:

Establish trusted and resilient supply chains

Establish trusted and resilient supply chains

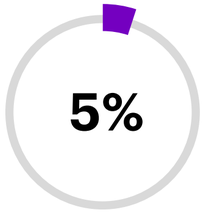
What is changing: Supply chain resiliency and flexibility are becoming strategic imperatives, with the introduction of agents.

Why it matters: AI-driven scenario planning, real-time risk sensing, and dynamic network optimization can improve efficiency and sustainability.

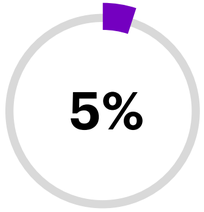
Headlines to watch:

- **Nvidia**: Developing sophisticated supply chain agents armed with advanced optimization engines, like NVIDIA cuOpt, NVIDIA is charging ahead with solutions applicable across the entire supply chain function.[5]

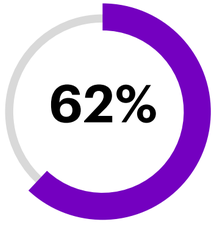
Agentic supply chains: from human-driven to autonomous



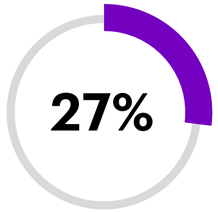
increase in EBBITA and 7% improvement in ROCE



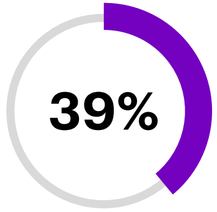
boost in delivery reliability, critical for industries requiring fast fulfillment



decrease in response time and 60% in recovery times from disruptions



reduction in order lead time and 35% rise in labor productivity



of companies anticipate more efficient, circular supply chains and a 16% fall in carbon emissions

Figure 6:
Accenture Research: Making Supply Chains Autonomous

Imperative 4:

Rethink capital allocation models

Rethink capital allocation models

What is changing: Global demand for chips, data, and compute power is driving exponential capital expenditure (capex) needs.

Why it matters: Ineffective capital allocation can lead to a downward spiral, while strategic investments can widen the lead and ensure long-term success.

Headlines to watch:

- **HPE:** Acquiring Juniper Networks' rugged compute products to move technology closer to manufacturing lines, enhancing operational efficiency and reliability.[6]
- **Samsung, GlobalFoundries, TSMC and Intel:** Expanding operations in key states with government incentives to derisk expensive fab projects and secure a competitive edge.[7,8,9,10]

Opportunity to increase returns on invested capital

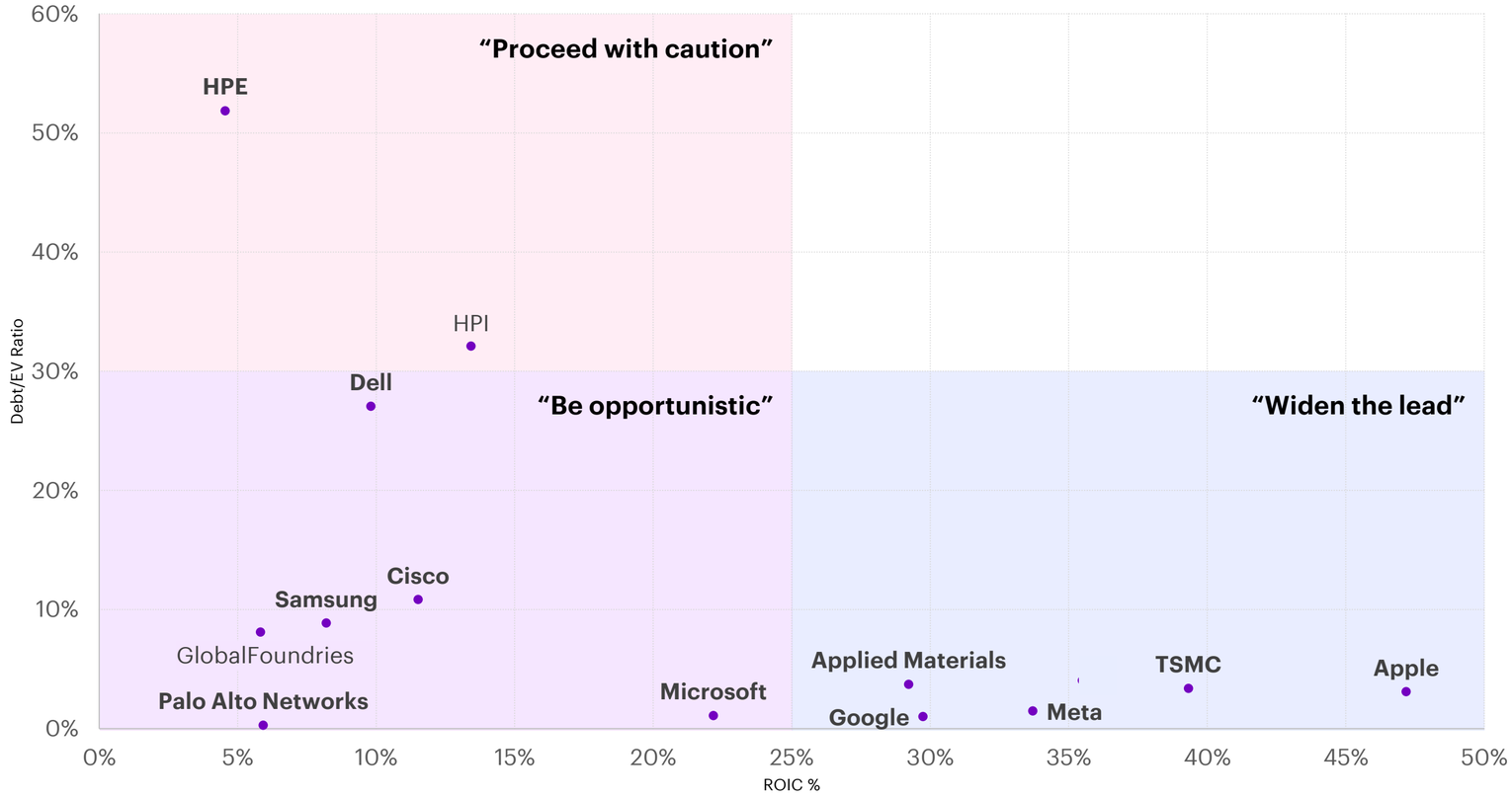


Figure 7:
Accenture Research. (n.d.). Return on Invested Capital (ROIC) methodology. Metrics retrieved from public filings via AlphaSense.

Imperative 5:

Redesign the operating approach

Redesign operating approach

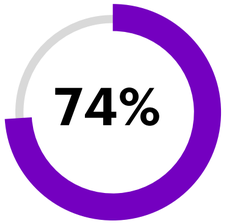
What is changing: AI and automation are maturing, and C-suites are putting focus on reducing OPEX to increase organizational agility and free up capital to scale AI investments.

Why it matters: Legacy operating models are becoming obsolete, and companies need to translate AI potential into P&L outcomes.

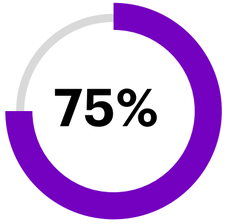
Headlines to watch:

- **HPE:** Announced multiple Agentic AI use-cases in finance to improve forecasting and employee productivity.[11]
- **Dell:** Overhauled infrastructure and operations to focus on AI, adopted strict RTO policies and integrated cross-functional teams for in-office AI development.[12]

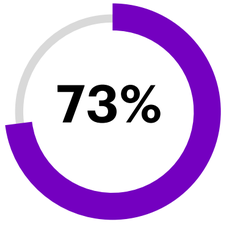
Financial leverage in the AI-driven transformation



of executives believe they need to completely rethink their operating model to be more resilient



of business leaders agree that current operating models will be unrecognizable in the next five years



of executives say their operating model puts their organization’s growth and performance at risk

Figure 8:
Accenture Research: Operating Model Organizational Design | Accenture

Imperative 6:

Modernize infrastructure to support AI-native workloads

Modernize infrastructure to support AI-native workloads

What is changing: High Tech companies are standardizing and harmonizing their digital infrastructure to power AI products and internal efficiency solutions.

Why it matters: Legacy IT tech debt blocks or slows AI adoption, leading to delays in innovation and poor customer experiences.

High tech infrastructure headlines worth watching:

- **Intel:** Collaborated with Accenture to build AI reference kits, helping enterprises accelerate their AI deployments and reduce running costs.[13]
- **Microsoft:** Committed to investing $13B in OpenAI and is developing its own AI solutions for Microsoft software, driving industry-wide AI adoption.[14]
- **Dell:** Launched the AI Factory product suite with Nvidia, which delivers servers, storage and high-density hardware optimized for AI inference and training workloads.[15]

What impact do you believe AI will have on your application modernization efforts?1

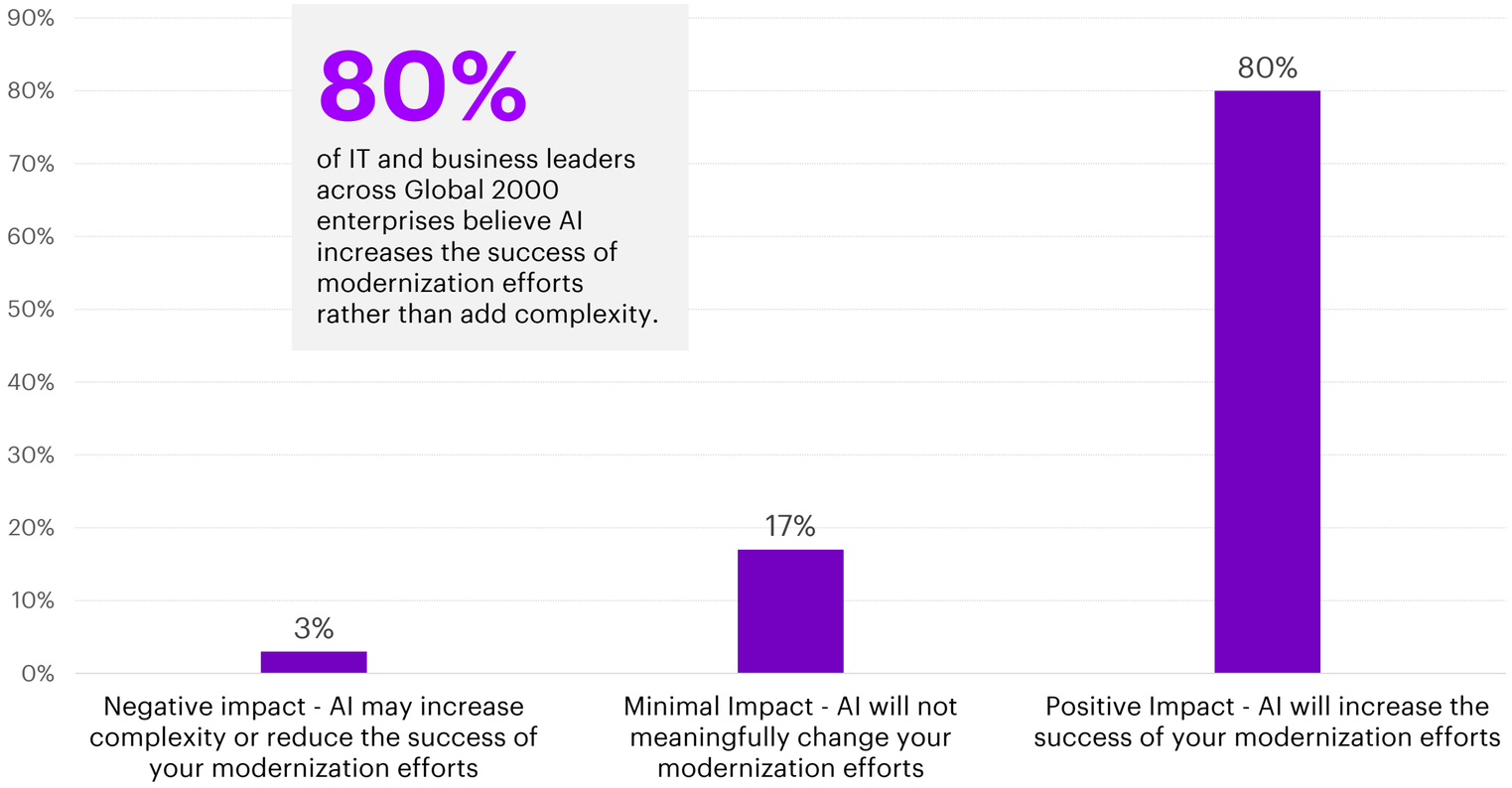


Figure 9:
HFS Research: Sample: 608 IT and business leaders across Global 2000 enterprises

Get started today

Develop an enterprise vision

Companies that make siloed investments in AI without transforming processes, people, or technology holistically are failing to return early value on their investments.

Build AI literacy and excitement

Humans are critical to maximizing the value of AI investments in human + machine environments. Foster a culture of AI literacy and excitement to drive successful adoption.

Build the Engine to Execute

Executives identify high-value business problems where AI can drive measurable impact to scale successful solutions across the organization

By embracing these strategic imperatives, C-Suite leaders can position their companies to not only survive but thrive in the AI-driven future.

The time to act is now—don't be left behind.

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Figures throughout the document

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- Figure 2: ETFs indicate sector signals based on a representation of normalized company stocks from 11/1/22 to 7/31/25. Semiconductor, Enterprise Technology, Network equipment and Consumer Technology
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- Figure 4: Gartner®, "Top Strategic Technology Trends for 2025: Agentic AI", Tom Coshow, Arnold Gao, et al., 21 October 2024 (Accessible to Gartner subscribers only) GARTNER is a registered trademark and service mark of Gartner, Inc. and/or its affiliates in the U.S. and internationally and is used herein with permission. All rights reserved.
- Figure 5: Accenture: "Software-defined vehicle solution", 2025
- Figure 6: Accenture: "Making Supply Chains Autonomous", 2025
- Figure 7: Accenture Research. (n.d.). Return on Invested Capital (ROIC) methodology. Metrics retrieved from public filings via AlphaSense.
- Figure 8: Accenture Research, "Operating Model Organizational Design | Accenture", 2025
- Figure 9: HFS, "Smash through tech debt: Why AI is the jackhammer", 2025",