

# WHAT ARE REINVENTORS DOING DIFFERENTLY? WHAT RESULTS ARE THEY ACHIEVING?

## VIDEO TRANSCRIPT

**Interviewer:** Let's have a conversation about this massive survey you've done. You surveyed over 1500 executives. That's no mean feat, to say the least, about their technology reinvention since the pandemic. We know that the pandemic forced companies around the world to literally pivot in a couple of days and adopt technology in a way that we've never seen before. So, what are the main headlines from this survey that you've done?

**Jack Azagury:** So, the first thing, which has been a big topic, is the level of uncertainty in the world. And we have a composite index that you can see in the research—the level of disruption, includes consumer sentiment, the geopolitics, the economy, technology—the level of disruption has tripled in the last five years. The five years prior to that, it was basically flat 5%, and we feel it every day. But that's what, you know, CEOs and C-suite and leaders are dealing with is this massive level of uncertainty.

**Interviewer:** I mean, that is extraordinary, just repeat that number again.

**Jack Azagury:** Three-fold. And it's on all

dimensions, every dimension—health technology—it's all spiked. So that's the number one thing. And, you know, we can tell where the economy is going to be. The key question is how do you deal with uncertainty? It's almost more important than is there a recession or not a recession. How do you deal with uncertainty? The second thing that we found is there's a group of companies in our survey, small group. We think this is an early trend, we think this is the next three years, that are Reinventors that are separating themselves from the group. This 8% of companies that are really using technology as a core competitive advantage, changing their ways of working and aspiring to a new level of performance, you know, and separating themselves from the rest of the companies in their industry.

**Interviewer:** So, if we look at it, a bell curve, you've got 8% at the very front who are doing what everyone else doing.

**Jack Azagury:** So, we have three groups. We have the Reinventors, 8%. A core group, the core of the bell curve, is what we call Transformers.



These are companies that are using technology in many parts of their business—maybe not all—that really started to take technology very seriously during the pandemic. Most companies questioned whether technology was critical pre-pandemic. During the pandemic, that question was over. So, they're using technology they're transforming parts of their business—but they're missing some of the attributes in terms of the aspiration, in terms of working across the business, in terms of really embedding technology in as a talent strategy—how do you take your organization and build technology acumen. That's group two. Group three are Optimizers. It's a small percentage, less than 10%. These are companies that are not using technology to drive their business, that are maybe optimizing a process or part of their whole structure in pockets, usually quite siloed by functions or departments.

**Interviewer:** Okay. So, let's focus on that. The first 8% and that's still quite small number.

**Jack Azagury:** It's small number.

**Interviewer:** So, what are they doing that the others aren't doing? And is it sector led or is it leader led?

**Jack Azagury:** It's leader led. So, we see some of these Reinventors in most industries, and we have six attributes in the report. I'll touch on a few of them. The first one is they view reinvention as a strategy. So, it used to be transformation was the how—a method to get to something. We think reinvention has to be a strategy adopted by the C-suite. The second thing is they put talent up front. A lot of companies deploy technology and towards the end of the plan, say, you know, do we have the right talent trained in the right way, do they understand technology to reinvent us. Look at talent up front. What's our talent strategy? What skills do we have today? What skills do we need? And do we have technology acumen in the C-suite and throughout the organization? So, talent is the number one hindrance to, you know, achievement of results. But the Reinventors take that equation and put the talent way up front.

And the third thing that I'd point out is that they're looking across silos in the organization. Because to transform a capability—let's say you want to improve your customer and sales capabilities. You need to link in with your supply chain team, because if you're not fulfilling with your product, you need to bring in your finance team to look at the financials across and your HR team to look at your talent. So, these Reinventors are looking across boundaries in the organization and breaking down departmental silos.

**Interviewer:** Who are these leaders?

**Jack Azagury:** So, they're in every industry. And I'll give you one example. This a company some people don't know well. Siam Commercial Bank, the oldest bank in Thailand, founded in 1906. Last year in 2022 they were voted best bank in Asia and best bank in Thailand. They increased their online adoption by 500% in a very short period of time. The CEO declared technology as the DNA of the company and is pivoting the entire company moving to super apps, which are, you know, very popular and moving fast in Asia, and really pivoted the company and put technology in DNA at the core and using technology to reinvent.

**Interviewer:** Yeah, it's fascinating. And they are kind of leaders in their own right. So, for the large group in the middle, to become part of that 8% group, what do their leaders need to do?

**Jack Azagury:** So, the first thing that we see in the survey [results], about half of those companies want to be Reinventors. And when we lay out the attributes, half of them say we want to get there. And that's the first question for a Transformer—do you want to get there? Do you want to be a Reinventor? Do you want to—not just look at your top quartile in your industry—but set a higher ambition? The second thing is they need to look at technology, not just as important, but as core.



And look at that digital core and make sure it is set up for success. Cloud Data, A.I. their core systems of records, their security, are their systems interoperable so that they can build digital capabilities fast? Not in years, but in days and weeks and months. And so those are some of the questions, the talent, the digital core. Is it a strategy? Are we committed as a C-suite? These are some of the questions they need to ask. And we see half of that group saying we want to get there in our survey.

**Interviewer:** So, technology obviously is the buzzword (and one of many, actually, in Davos). Talking about AI in particular and data. So, we all know companies know they need data. They get this data and they don't know what to do with it. It can be quite overwhelming concerns.

**Jack Azagury:** The data can be quite overwhelming. And one of the challenges is data is not democratized in most companies, most departments and functions and many companies that want to hold on to their data. Data is only valuable when you have it at scale and when you can take data across your enterprise and look at it end to end. And that has been a big challenge. But companies are embracing the challenge.

**Interviewer:** So Accenture, one of the biggest consulting groups in the world, this is your area of expertise, is advising companies. So, what is your advice then?

**Jack Azagury:** Well, let's talk about results, because ultimately it's all about results. And when we look at the survey, the Reinventors drive 10% more growth, 13% better cost posture, better balance sheet. And most interestingly—two facts that I thought in the results that are most interesting—they're going faster than the Transformers. In the first six months, they deliver significantly higher results, 30% more than the Transformers. And the last thing that I found most surprising is they're not just looking at the financial benefits, they're looking at a 360 view of the benefits—sustainability benefits,

much higher benefits to their employees, to inclusion and diversity, to their customers, to their operations. And so, 76% of Reinventors are looking at a full view of value. This is mid-thirties for the Transformers, and that to me is very important because, yes, we have to focus on earnings and the next quarter and the financials. But if you just look at that, you're missing the big picture.

**Interviewer:** Let's talk about talent in more detail, because I know that that is fundamental. And what should a good leader's talent strategy be?

**Jack Azagury:** I think, first of all, having the talent strategy is hard to do. And you have to start with a systematic view of what skills—skills are the critical currency in an organization. What skills do you have today? What skills do you need in a year, two years, three years? And how do you make that pivot? Great companies are not just talent consumers. It's easy to be a time consumer; you go hire people. You need to be a talent creator and build skills in your organization. Have the right training, have the right mentoring and foster—because you can't buy those skills to the extent that the pivot you need to make. You've got to be able to be a talent creator in the organization and you need to be committed top to bottom. So, for example, with us, we rolled out a program called Technology Quotient. We rolled it out three or four years ago. Every one of our 700,000 employees has to be trained and pass a certain number of technology modules. All of us need to be trained, and that's part of the commitment to make sure that everybody has that technology acumen, which for us is a critical skill. For another company, they may look at other skills they need to build, but you have to have that commitment to be a talent creator.



**Interviewer:** Because talent retention is one of the biggest issues.

**Jack Azagury:** Very hard. It's very hard and we've seen a very heated job market, especially in technology, in the last two and a half years. I think, you know, the job market is still very healthy. It's come back down to earth a little bit. But the war for talent is not—is never going to be over.

**Interviewer:** And so if a leader takes all of these points on board, how long does it take to kind of put the strategy in place and see results?

**Jack Azagury:** So I think for most companies, you know, the first step they usually take is—are we in the right business, the right markets, the right products? That's usually a fundamental question. Then they look at their organization to determine, you know, are we organized in the right way, the right accountabilities? You know, do we have the right speed and agility? And then it's a commitment, are we going to reinvent? Once you've got the foundation—is that our strategy? And, you know, speed is of the essence. And, you know, companies need to move fast once they execute. And one of the key attributes is you have to make it continuous. A lot of companies—the Transformers—they do a transformation program every 2 to 3 years. And when you speak to the employees, the first thing you hear is "here we go again". So, these Reinventors have to build change as a core competency. You know, you need to be as a company about change. Not every now and then let's build up change management capabilities. You need to embrace change. It has to be part of who you are as an organization and then, and then make it continuous. It's like going to the gym. If you only go to the gym once a month, you never going to build that muscle and that aptitude. If you go a few times a week, you build that endurance, that capability, that muscle. That's what companies need to be; look at as a core competency.

**Interviewer:** That's very good point. Just to go back to your survey and the wider themes. What are the costs involved in having this mindset?

And obviously there must be some kind of investment needed to get to where they want to go.

**Jack Azagury:** Certainly, companies are investing and need to continue to invest in their digital core. As I talked about—cloud, data, AI capabilities, your security your applications—and it's important for C-suites to understand: what shape is our digital core in, are our applications interoperable, talking to each other in the right way. Is it flexible enough that we can ramp up digital solutions at speed, fail fast if we need to, and understand the ROI on a digital core of the organization? The second one, and probably even more important, is the investment on talent. It's not just about having a talent strategy, but are you committed to the training? Are you committed to the learning? Are you learning for new source of talent? For example, at Accenture, 20% of our hires in the US no longer have a four-year degree. Why is that? Because we're looking for new sources of talent, new sources of skills that are scaled. The number of people we hire, we need to look for talent everywhere. So, we made a big investment in our apprentice program to go find, you know, people that are hungry, that are keen to learn, that have maybe not a four-year degree, but have key technology skills that are extremely valuable for our clients. And so, looking at investing in your talent strategy, investing in new sources of talent and investing in becoming a talent creator in the organization.

**Interviewer:** So, to wrap up, Jack, because we're running out of time, what is your call to action then? What would you like to leave our audience with?

**Jack Azagury:** I think I mean, the question we pose in our survey is, are you a Reinventor, a Transformer or an Optimizer? I think that's an important strategic question to determine the path for the next two or three years for an organization.



And make that commitment in terms of where you want to position relative to competition and whether you want to set a new bar for performance.

**Interviewer:** Okay, well said. Thank you so much.

**Jack Azagury:** Thank you very much. Pleasure.

**Interviewer:** Thank you so much.

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