The generative growth edge

How to unleash organizational velocity to achieve scalable growth
Companies are at an inflection point. Old growth models can’t keep pace with the speed of change, leaving leaders with existential choices to make. The size of the prize for those with the courage to embrace new models is massive. If Accenture Global 2000 companies' pursued growth in new ways, they could collectively unlock more than $800 billion in new annual revenue—faster.
The new velocity of everything all at once

Most companies are investing in new products, services and businesses to drive relevance and growth. The backlog of new ideas has never been bigger. Yet our recent survey of 970 global executives reveals that despite all the funding and energy, growth is often underwhelming. While 81% of executives invested more capital in these areas over the past three years, 46% of their companies had single digit revenue growth, and 10% had a decline in revenue (Figure 1). Investment alone doesn’t solve for growth. It’s not just about what companies spend, it’s about how they spend.

Figure 1
Most investments in new products, services and businesses aren’t yielding strong revenue growth.4

What’s behind this gap between investment and growth? It’s a crisis of relevance—the inability to proactively understand customer needs, caused by a lack of organizational velocity. Sixty percent of executives say it takes their company one year or more to adapt to changing customer needs. Over half (54%) are unhappy with the pace at which their company addresses customer problems.

Companies have been racing to deploy capital, develop ideas and deliver new products and services for years. But they’ve reached a breaking point. Horizons have collapsed—growth models must account for the new pace of change, and the timeline for return on capital is compressed. Signs suggest that companies without the organizational velocity to solve customer problems in less than a year are unlikely to win. Some may not survive.

“I wish the company had reacted faster to the market and not allowed so much time to go by to get intermediated by smaller providers.”

— Telecommunications executive
Generative growth companies: More organism than organization

The question for executives isn’t whether they want to improve the speed of developing products and services. The real question has always been about how to do it. Until now.

Within our research, we discovered the essentials to becoming a generative growth company—and identified the actions that organizations should take to move closer to a solution.

Generative growth companies are life-centric. This means that they adapt their businesses around understanding their customers as multidimensional individuals, who constantly evolve in response to unpredictable external forces. These companies see customers as people, solve for relevance, simplify for ease of experience and scale for growth. And they have an X factor—the organizational velocity to move at the speed of life.

If companies in the Accenture Global 2000 had adopted a generative growth strategy in 2022, they could have grown a combined additional $800 billion in that year alone. To put this into perspective, a $35 billion company today could potentially generate an extra $900 million in revenue over one year, and up to $7.9 billion in additional revenue over the next five years.

Frozen in place while the world keeps turning

Many executives are clinging to models designed for a previous era, focusing on protecting permissions instead of exploring possibilities. As one banking executive admitted, “We’re giving them the product. The customer might not need it.”

— Life Sciences executive

Selling what everyone else sells instead of standing out. 67%

see their top competitors as other large companies in their industry that sell similar products and services.

Greater focus on churning out new products instead of solving real problems. 73%

say their companies have been chasing solutions without first asking what needs to be solved.

Working in silos instead of breaking down barriers. 83%

aren’t collaborating aggressively, which leads to fragmented experiences.

“Projects completely failed, budgets completely wasted because there was no alignment, no understanding of customer needs.”
From freezing to freedom

Amid so much pressure from external forces, most companies either freeze out of fear or push more through the funnel faster and get stuck. Generative growth companies remake the funnel itself to unlock organizational velocity. It’s not only about being faster. These companies enable velocity without sacrificing quality. They create a flywheel effect where speed and quality continually build through every phase of the development process, compounding the value delivered.

Generative growth companies use emerging technologies, such as generative artificial intelligence (AI), as a tool to fully embrace life centricity and increase organizational velocity to deliver business outcomes faster. These companies approach generative AI as a driver of their continued expansion. It’s a growth enabler that transforms how they work, from ideation to product launch. And it frees these companies from endlessly cycling harder and faster without results. That’s thanks to a human and machine symbiosis that optimizes both people and technology.

Speed is now the shorthand for relevance. The faster a company moves, the more it connects in the moment, the more compound growth it can create—and the more relevant it is.

Evolving from legacy models to life centricity

Legacy growth models are no longer sufficient. Companies that adopt a life-centric lens can proactively understand their customers’ needs and embed organizational velocity to meet them at the speed of life.

Legacy models

- Segment customers
- Sell products
- Optimize for the business
- Extend the core

Life centricity

- See customers as people
- Solve for relevance
- Simplify for ease of experience
- Scale for growth
How to become a generative growth company

01. **See customers as people**
   - Gain a profound understanding of customers as people with complex, multidimensional lives.

02. **Solve for relevance**
   - Broaden the canvas for value creation by shifting from Total Addressable Market to Total Addressable Need.6

03. **Simplify for ease of experience**
   - Design a delightful experience that addresses the complexity tax for customers and employees.

04. **Scale for growth**
   - Invest, improve and innovate continually to remain responsive to change and drive meaningful growth over time.

At speed enabled by AI and other accelerators

- **1.6x** higher revenue from new innovation efforts that continuously validate product and service relevance.
- **19%** greater likelihood to grow new and organic revenue faster from adapting their products within a year.
- **18%** uplift in new and organic revenue growth from urgently integrating customer-facing functions for a simplified experience.
- **17%** uplift in new and organic revenue growth from rebalancing their growth portfolio at speed.
01. See customers as people—at speed

Gain a profound understanding of customers as people with complex, multidimensional lives

Thinking of customers as fixed buyers who never change is outdated. Relevance comes from knowing customers as people with kaleidoscopic lives—full of colorful and conflicting needs and desires that are always changing.

Thanks to techniques like big data analytics, social listening and biometric measurements, generative growth companies have a much richer view of customers than their competitors do. As one grocery executive explained when interviewed in our research survey, “You did something online, even if you did that 15 minutes ago, I’ve already incorporated that knowledge into your store behavior.”

Generative growth companies research customers in the larger context of environmental, economic and institutional forces. Companies that revalidate their products and services at least once a year to ensure they are still solving customers’ needs realized a 24% higher revenue growth rate between 2020 and 2022, compared to their peers who revalidated less frequently.

83% of companies that used emerging technologies, such as AI to sync-up with customer needs also validated these needs at least annually.
Finding the next big thing first

By tapping into human judgement to validate what generative AI learns, companies can uncover the future. They close the “do versus say” gap through observing customer behavior, tracking the quiet signals early to get ahead of those that could become big customer trends.

• Mine for insights and trends at the edges of society by directing generative AI to unlock niche customer details that can be lost when aggregating massive amounts of data. Identify customer needs early by using generative AI to go deeper into data analysis.

Creating life-centric data funnels

Companies can use generative AI to revalidate existing products with new customer insights, rapidly shifting the focus of data analytics and optimization efforts from simply selling their latest product to truly seeing people's needs.

• Process and analyze multiple customer-related listening streams into a single model for a deeper, more holistic view of each individual customer. Use generative AI to carry the complexity of raw data much further, so that nuanced observations aren’t lost to oversimplification.

• Unlock better insights through generative AI-powered multivariate testing with a significantly larger sample size of potential users that is constantly offering qualitative feedback at scale.
Case in point

Banking for a new generation of customers

Fukuoka Financial Group (FFG) created a digital bank for digital-savvy customers in Japan. This wasn’t about creating a new app. FFG developed a completely new model that reflects its rich understanding of the intersection of banking and technology in people’s lives. Minna Bank has redefined how traditional banking is conducted, creating an essential digital banking service with thoughtful, human design that is built on the cloud. The generative takeaway? Everything that FFG did was designed to integrate with people’s daily lives and guided by a commitment to evolve alongside changing customer behaviors.9
02. Solve for relevance—at speed

Broaden the canvas for value creation by shifting from Total Addressable Market to Total Addressable Need

Solving for relevance is solving for human need. This isn’t building on what exists through product and brand extensions. It takes healthy cynicism—a belief that there’s always more and better to do for customers.

Generative growth companies use experimentation and co-creation with customers to adapt products based on their needs. Speed pays off here: companies that co-create with customers while experimenting fast are twice as likely to outperform their peers on revenue growth.

These companies also solve for relevance by leveraging their proprietary assets in new ways to create more value for customers. We found several ways companies can adapt their solutions faster, anticipating a boost in revenue growth over the next three years from new and organic sources: those that used data in new ways expect a 26% boost; those that work fast to rethink partnerships expect a 42% boost; and those that quickly find new ways to serve existing customers expect a 17% boost.

Companies that increased their learning velocity to discover and validate their solutions through small-scale experiments across a majority of their innovation initiatives saw a 17% improvement in their revenue growth rate, compared to companies that were more restrained.
Exceptional outcomes faster with generative AI

Cultivating big, bold, swift innovation
Companies can enrich systems and spaces for developing new ideas, experimenting and failing fast—and create new ways to boost the potential of human and machine symbiosis with generative AI through iteration.

• Move past models designed to optimize and manage the risk of existing products and instead use a repeatable system for experiments that can minimize risk with better analytics and insights.
• Amplify the impact of dedicated spaces such as venture studios or accelerators that focus on creating, testing and scaling ideas outside the core business.

Fast-tracking from ideation to launch
When companies combine technology with human creativity, they can develop high-quality minimal viable products with more urgency to win the battle for relevance.

• Rely on generative AI to do the “heavy lifting” of validation, bolstered by human ingenuity, by streamlining manual design tasks. The technology can accelerate prototyping while humans protect relevance, responsibility and quality.
• Take advantage of generative AI’s low cost-to-creation ratio. Imagine creating 10,000 fully functioning test ads or multiple fully functioning websites instantaneously, rather than just clickable prototypes.
• Develop a deep understanding of regulatory and ownership implications of generative AI as the technology continues to evolve, using these insights to ensure it remains an accelerator for the organization.
Case in point

One-stop shop for digital growth

Telkom Business realized its customers—small enterprise businesses—needed a better, more convenient way to shop for their connectivity products, hardware and marketing solutions than their printed Yellow Pages, so they created a new e-commerce site. Through this initiative, the company also saw the opportunity to build a digital marketplace where businesses could more easily buy and sell products and connect with other business owners directly. This new ecosystem opened up opportunities for businesses to create sustained growth through the value created by Telkom. The generative takeaway? By focusing on the customer’s needs, this company built an ecosystem that solved their customers’ problems and increased the value of their services.10
03. Simplify for ease of experience—at speed

Design a delightful experience that addresses the complexity tax for customers and employees

It’s not enough for a product or service to be great. The experience that surrounds it (all touchpoints from purchasing to servicing) must be great, too. Any complexity can become a fatal flaw that chokes growth.

Generative growth companies solve for external complexity by eliminating internal complexity. They break down organizational silos and flatten hierarchies to democratize decision-making, so that employees feel empowered to move quickly to solve customer problems. Human need is the touchstone. It requires a sense of urgency and purpose: those that aggressively integrated customer functions led by empathy—with real focus on what’s best for customers—realized a 39% uplift in inorganic revenue growth.

Some generative growth companies are taking the battle against complexity straight to the product. They prioritize self-adapting solutions that respond to customer needs. Research shows that those that created products that evolved with customers’ lives experienced a 22% increase in inorganic revenue growth.

67% of companies that use empathy and inclusion at speed in their new product development process outperform their peers on customer satisfaction.
Trading “off-the-shelf” for “on-the-fly”
Generative AI is pushing design processes to move from typing commands into a machine, to telling a machine, what is desired (and getting it).

• Use generative AI’s real-time and granular data analysis capabilities to shift from pre-packaged products and services to dynamically created solutions that empower people to easily find what they need—without being bogged down by options that aren’t right.

Committing to change on the inside
Because it can simplify experiences and enhance customer understanding, generative AI incentivizes companies to break down organizational silos in order to tap into the technology’s full potential.

• Develop a governance structure and appoint a leader who will make decisions on AI technologies and guide organizational changes to amplify its impact.
Focusing on lives, not silos

Global insurance provider Generali knew that a smooth experience was essential to cultivating lifetime customer partnerships. Company leaders also recognized that the best experiences come from collaboration between the design and IT teams. So, they brought them together to create a mobile app for customers, and later, a hub for their agents. People from across the business co-created solutions with an understanding of their customers’ needs, in a series of quick-turnaround design collaborations. **The generative takeaway?** Generali broke through longstanding organizational silos, prioritizing customer and agent needs to deliver a seamless experience.11
04. Scale for growth—at speed

Invest, improve and innovate continually to remain responsive to change and drive meaningful growth over time

The ability to scale is often the apex of growth. This requires an operational model to enable the mindsets and mechanisms to identify the most relevant ideas and innovations that align with people’s needs.

Generative growth companies have developed guardrails to minimize the risk of scaling new products and services. They create executive committees specifically trained in growth strategies and investments to advise and streamline decisions. Our analysis shows that companies using such committees to assess their growth portfolio more frequently experienced a 69% uplift in revenue growth from inorganic sources and a 39% uplift in revenue growth from organic sources.

We found that generative growth companies have the agility and courage to scale experiments. A consumer-packaged goods executive described the company’s process this way: “We brainstorm ideas, create prototypes—basically, we go from zero to a hundred in just one week. We end up with a huge number of ideas, like 100 or 200, and then we go through them and refine them.” Companies that increased their focus on scaling experiments and validated their growth portfolio more quickly realized a 22% boost in revenue growth from new and organic sources.

Generative growth companies know that scaling for growth is also about frequently assessing the longevity of their legacy products by revalidating their relevance. Companies that increased their focus on phasing out old products quickly achieved 19% higher revenue growth from new and organic sources, making them significantly more likely to outperform their peers who were slower in phasing out their old products.

Companies revalidating their growth portfolio more frequently with a dedicated advisory committee saw 69% uplift in revenue growth from inorganic sources.
Exceptional outcomes faster with generative AI

**Using breakthrough technology to break through**
Companies that redefine their processes from end-to-end with generative AI in mind can create more repeatable and scalable opportunities, compared to those that focus primarily on augmenting their current processes.

- Be bold in fundamentally rethinking how to create top-line opportunities with generative AI, understanding that the learning curve will be steep.

**Collaborating with a co-pilot**
By introducing generative AI as a “co-pilot,” companies can empower their employees to solve customers’ problems and bring their best ideas to the world.

- Prepare people to partner with generative AI co-pilots by assessing roles, such as programmer, designer and project manager, for which machines can do the core transactional tasks while humans guide, refine and perfect their work. Leverage mass market AI co-pilots for designated teams and build proprietary co-pilots for specialized teams that deliver high value to the organization.

- Set up digital growth engines—streamlined frameworks for creating and delivering digital products—that execute generative AI use cases across the organization to work in tandem with humans and free them to do their most creative and strategic work.
Scaling beyond the stay

IHG Hotels & Resorts wanted to elevate its mobile app experience to inspire loyalty and generate digital growth. A digital growth engine was key to the app delivery model. The new architecture and platform made previously complicated development and delivery processes predictable, consistent, repeatable and reliable across IHG’s global properties.

The generative takeaway? IHG is bringing new app features and experiences such as new choice benefits for loyalty rewards members and integration with new hotel brands and partnerships (such as Iberostar Beachfront Resorts) to better serve guests while scaling business needs.12

Case in point

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The unforgiving pace of the world today creates exciting possibilities for companies to translate the outside forces of change into sustained competitive advantage and new growth. Opportunity is there for the taking—if companies rev up their organizational velocity.

Winners will tap into their generative growth potential. They will bring humans and machines together to think, do and adapt. To make things better—and make better things. They will see customers as people, solve for relevance, simplify for ease of experience and scale for growth. And they’ll have the foundation to set a new performance frontier through continuous reinvention.

This is a defining moment for executives. Thanks to the pace of technological change, especially the disruptive potential of generative AI, the bar has been lowered and mediocrity is now free. So, here’s the urgent question for every executive:

Are you ready to make the organizational changes needed to deliver value in radically transformative ways?

Those who answer "yes" have just taken their first step to gaining the generative growth edge.
The generative growth edge | How to unleash organizational velocity to achieve scalable growth
References

1 Our sample was based on the Accenture Global 2000 (or G2000): an Accenture developed list of the top 2,000 public and private companies in the world by revenue.

2 We examined the generative growth traits and actions that had the strongest statistical correlation with outperformance, from which we conducted a modeling analysis on expected growth rates for companies that demonstrate this set of actions. The modeling was adjusted to account for industry performance benchmarks and did not include all industries in the Accenture Global 2000.

3 Accenture Song, Growth & Product Innovation Executive Survey, 2023. Unless otherwise noted, all data and analysis come from this source.

4 Per our survey, while 80% of respondents reported investing more capital into R&D for new solutions to drive growth and relevance, 46% of their companies had single digit revenue growth, and 10% had a decline in revenue, indicating that investments alone are not yielding strong results.


6 Total Addressable Market to Total Addressable Need is the concept that a business should shift from focusing on its existing customers and markets, and instead focus on the needs of the customers in order to capture new markets and solve new customer problems.

7 Unless otherwise noted, uplift refers to the percentage increase in growth rate over the same three-year time period of 2020-2022.

8 Unless otherwise noted, all subsequent data that refers to revenue growth rate refers to the same three-year period of 2020-2022.


About the research

Surveying business leaders
To understand how successful global companies achieve sustained growth and identify new organizational capabilities they must develop to address customer needs at speed, we surveyed 970 C-suite and top management executives at global companies (with $500M+ in annual revenue) from April-May 2023. These companies represent 19 different industries and are headquartered in 20 countries across North America, South America, Western Europe, Asia and the South Pacific. We dissected and analyzed the survey data to uncover differentiated insights to validate our key research hypotheses.

Hearing from industry experts
Through our secondary research and discussions with Accenture leaders, we identified 20 Fortune 250+ companies with proven track records implementing successful growth strategies. We interviewed C-suite or senior management executives from each of these companies between February-June 2023. These experts had rich experience in a variety of industries including Insurance, Technology, Consumer Goods and Services, Life Sciences and Retail.

Estimating potential revenue opportunity
To estimate the potential revenue opportunity that key growth initiatives could generate if companies operated at their maximum potential, we identified the largest companies from the Accenture Global 2000 list and their financial data from S&P Capital IQ. Our analysis was limited only to industries and geographical criteria to align with our survey demographics. Post adjustments, a total of 1,013 companies qualified for projection based on our survey data. We used survey analysis to determine 13 key factors that significantly impacted companies’ revenue from an innovation standpoint. By applying these factors to our predictive model, we estimated the potential revenue these companies could create.
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