



# Preparing the company for future challenges means starting from the ground up

## Video Transcript

### Teaser

The speed at which your company is responding to the needs of the market today will determine its fate. Are your systems, talents, and processes flexible enough to respond better to changes? Do you know how to get started with such change and what to watch out for? If you want your company to devote more resources to innovations and less to operations, then it's time to start thinking about the concept of "Living Systems," which helps companies to find answers for important decisions.

I'm Adam Leščičin from Accenture, where I'm responsible for technology modernizations and transformations of financial institutions, and I'd like to outline for you how my colleagues and I approach these challenges.

### Introduction

All managers are every day exposed to challenges that force them to think about how their company is ready and able to adapt to new ways of working, new technologies, and, most importantly, new opportunities. They are looking for the right strategies, prescriptions, and advice. They have limited resources, and there is usually only one chance to execute a plan correctly. Creating such a strategy from nothing can

take months or even years. That is why Accenture, calling upon the experience from roughly 100 such projects we execute in this area each year, has created a transformational concept we call "Living Systems." We say "living" because these are not static. They must change as the requirements, environment, and skills of the players within it change. It is our blueprint for transforming a company in a way that not only supports, but more importantly drives, innovation, positive energy, and the realization of business values. At the same time, it also defines the necessary change in comprehensible and prioritized steps.

In short, Living Systems is a comprehensive innovation accelerator for companies that want to modernize and want to avoid typical mistakes and wasted investments.

If we look at successful modern companies, such as Netflix, Starbucks or, in our own country, Moneta and T-Mobile, we can identify several common features of their success.

All these organizations place emphasis on understanding modern technologies. Their businesses, services, and products are driven by these. They enable talent development, agility, and experimentation in the search for new values. They build a technology core that is both robust and at the same time flexible enough to enable the firm's sustainable growth and development.



## How best to start?

What is the best way to start? We often see three examples of rather technocratic approaches from clients: "We need to replace the system." "We must be agile." or "We need to go to the cloud." Although such things may be the right piece(s) of the puzzle from which a solution or strategy will emerge, they rarely are sufficient on their own. It's necessary to look at the problem or plan in a broader context.

Let's elaborate a bit on the 3 examples mentioned:

We all are probably familiar with the intention in replacing a system: We keep hearing that "the system doesn't work," "it's slow," or "the employees don't have access to the information they need." If this happens at the post office, the bank or a gas station, it usually slows us down or makes us angry. In the case of emergency services, human lives may even be at stake.

Replacing system X with system Y may be a huge investment but may not get to the root of the problem at all. A number of banks, manufacturing companies, or telecom service providers know this. The main questions needing to be asked concern what may be causing the reasons for dissatisfaction, how the target model for serving users should work, and what should the innovation or modernization of the service consist of.

The second example concerns the agile approach to development, which has become very popular recently. The NN insurance company, Moneta or Škoda Auto, for example, have gone through this process in this country. Companies helping

with transition to agile management pop up like mushrooms after rain. But even the best experts cannot do much unless the entire architecture and ways of working to manage changes and operations will be compatible or built upon a common set of values and priorities.

If the development team produces four new services or applications per month but the operations team is only able to deploy one release per quarter, then sooner or later there will be a problem. In fact, it is necessary to look continuously at the ecosystem as a whole, at its weaknesses, and to fix them. Where necessary, we need to start from the very foundation and to build upon it in an efficient and sustainable way.

The third example is that of moving to the cloud. This is a multidisciplinary proposition that is mainly about changing the mindset when building the shape of the firm, understanding modern technologies, and building new talents and skills. It is definitely not an "IT thing" or a "different infrastructure." Every responsible management employee should understand at least the basic principles of cloud technologies and strive to apply them incrementally with their colleagues within the company – for example, by considering the modern "software as a service" solutions that can replace years of laboriously developed in-house systems or perhaps by considering analytical or automation solutions using artificial intelligence and machine learning.



Only in this way will they form their own opinions, will they be able to make informed decisions, and can the cloud deliver the desired long-term benefits and values. We can find some successful cases abroad, such as the energy distributor Enel or Deutsche Telecom. In our own country, some companies are only at the beginning of this road, such as Allianz or Generali, and we are right there with them.

### **Technological strategy for company modernization**

Examples of transformation efforts, regardless of sector, show unmistakably that change is inevitable. To be successful, any strategy must simultaneously fulfill several essential criteria:

First, it must be clear where is its value. That means not only WHAT the company will do, but mainly WHY and HOW.

A strategy also needs to be understandable. Every employee within the company must see how he or she fits into it, which means what is that person's role in its implementation.

Last but not least, the strategy needs to be embedded into a real context. It will have obvious impacts, but also limitations and assumptions.

Finding the right path in the tangle of possibilities is made possible by the comprehensive concept of Living Systems. It helps to adopt new ways of working and modern technologies, to achieve new values, and at the same time to allocate more financial resources contributing to innovation at the expense of operating costs. Of course, the final solution may vary

depending upon industry, age, ambition, or maturity level of the business, but the way we at Accenture work with clients to find answers is always same – focused on results and your values.

Are you interested to know more?

Innovation and technology changes are a passion for us at Accenture, so let's change the world together! We will be happy to help you.

### **Short teaser**

Digital transformation brings innovation, positive energy, and the fulfillment of business values.

### **Long teaser**

“Living Systems” is an innovation accelerator that helps adopt new technologies and working styles. It is a way of operating a company that enables talent development, agility, and experimentation in the search for new values.

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