



RADICALLY HUMAN

VIDEO TRANSCRIPT

Penelope: Hi everyone and welcome to today's episode of the CIO 24/7 Podcast Series. I'm Penelope Prett, Accenture's Chief Information Officer and I'm thrilled to be here today speaking with Paul Daugherty. Paul is the Group Chief Executive for Accenture Technology. He's also Accenture's Chief Technology Officer, and, as if that wasn't enough, he is the coauthor of a new book, *Radically Human: How New Technology is Transforming Business and Shaping Our Future*. The book explores how emerging human-centric technologies are helping businesses to drive innovation, to support the human workforce, and to unlock new opportunities. Paul, thanks so much for being here today.

Paul: It's great to be here with you, Penelope. Looking forward to the conversation.

Penelope: Well, super. Let's jump right into it then. First of all, congratulations on the new book, *Radically Human*. It was a great read from you and your colleague, Jim Wilson. And, if you could, tell our listeners a bit about the book in that while you were writing it, what were some of the most notable trends you found that you think will shape businesses over the next decade?

Paul: Yeah, it's a good question because we had come out of our first book, you know, we wrote about five years ago or I guess six years ago now, and the book we spent a lot of time in our first book, which was called *Human Plus Machine*, talking about artificial intelligence and trying to set the record straight on what we thought was the positive benefit and impact of artificial intelligence to us as humans and how we work and live and do what we do. And then following that book, as we're looking at the reception to the book, and we had a lot of good, good reception to it, we started thinking, you know, kind of beyond what came next. And then

other things came along like the COVID pandemic and such. And in the context of all that, the technology, this ongoing technology revolution kept marching forward. And there was a series of broader trends that were at the center of our minds - my mind and my coauthor Jim Wilson's minds - as we wrote the book. And it's these five forces that we've been talking about with respect to the book and separately, they're really shaping how the world will unfold in the next decade. And the five forces are total enterprise reinvention, which is the reshaping of every part of every business using digital technology and really taking it to the next step, which is, again, what we characterize a total reinvention. We would say that in the next ten years, businesses will see more disruption and change and positive reinvention than they've seen in the past ten years of the digital era. And I think that's very exciting and also daunting for some, you know, for some leaders we talk about that in the book, The second force shaping the next decade is what will happen with talent, how you approach talent, how you can become a talent creator in fueling your business, which is an important part, we believe, of every organization's agenda, not just for technology skills, but for other skills as well. The third force shaping the decade is sustainability, and it's kind of on our list of technology related topics, because technology will not only be a way of measuring, you know, the impact of sustainability, but technology in many cases is the way in which we'll solve the solution to some of the most daunting sustainability and climate challenges that we have. The fourth force, that is the metaverse, which we may get more into, something you and your team have been doing a lot of work with in particular Penelope. And then the fifth is really just what we call the continuation of the tech revolution, which is quantum computing, bio computing,



science-based technology, infusing into computational chemistry and biotech and other areas. And just like business has become digital, science and a lot of other domains of technology outside of IT are becoming digitally dominated, which creates a really exciting opportunity for many organizations, and also exciting opportunities to really solve some of the big problems that we face in the world.

Penelope: Paul your book also lists some crucial areas for businesses to focus on, which include things like talent, experiences, and sustainability. But in particular, you mentioned trust. Can you talk a little bit about building trust in tomorrow's organization?

Paul: We talk about trust as one of the differentiators for companies going forward. And the reason is that if you think about it, technology is becoming infused into and pervasive in every organization. It's allowing us to create much more compelling experiences and services for customers powered by AI and data and all the things that we're talking about in the book. The metaverse and such. And trust is important because as you create these more profound, powerful experiences for customers, they're only going to respond to them or use them if they trust you. I'll give you a simple example of Walmart doing more in-home delivery. If you're going to let Walmart into your home, you're going to have a lot of trust in them, and Walmart needs to cultivate a lot of trust. Just a simple example as you look at kind of how the future unfolds. And so, the ability to cultivate trust in your customers, trust among your employees, trust among your stakeholders really does become a differentiator because that trust will allow you to shape the experiences, that will create the data that will then know how to fuel, you know, more things that you do for those customers and employees and stakeholders. It's kind of a virtuous circle of trust leading to data and experiences and then, you know, then allowing you to create more value for organizations. I think trust becomes the ultimate currency of this new radically human era that we're moving into because to create these

radically human outcomes, it's going to require a great deal of trust from organizations.

Penelope: And Paul, we're now in a time where technology is advancing faster than ever, right? Enterprises are feeling a ton of pressure to innovate to get to a competitive advantage. Can you talk a little bit about how this is going to play into the radically human future?

Paul: Yeah, absolutely. I talked about these five forces, but you step back and think about the world today, where we're in this world with tremendous uncertainty, with war, pandemic, inflation, recession, all sorts of things being talked about. But, you know, the one certainty that you can bet on is the unrelenting pace of technology innovation. And I think that's actually an interesting point and something that we've been talking to a lot of companies about, because you can bet on where technology is going and that can provide some of the answers to those uncertainties that you're looking at. And that's why we're seeing in light of all this uncertainty that the companies are facing, a continued investment in transformational technology investment. And, in fact, we've done a series of surveys related to the book and the work we've done. We surveyed over 8000 companies at multiple points in time, and it showed that before the pandemic, the top 10% of companies that we did research on – again leading companies around the world, top 8000 companies - those that had the technology foundation in place around cloud and data and AI were outperforming other companies by a factor of 2x. Then the pandemic hit. We moved into this new era that we're in now with the uncertainty I've alluded to, and the interesting thing is that when we do the research and look at how companies are performing, those that are investing in the technology in that way have widened their gap from 2x to a 5x, you know, kind of outperformance of other companies. So, technology is making a difference. Technology is accelerating the performance of companies. And I think that's why we're in this interesting time where companies realize that technology kind of has been the lifeline through COVID and some



of the challenges we had. And technology now is that certainty that can provide them the ability to unlock some of the value that they need to get as they look to moving forward into the future.

Penelope: Yeah. When I share the 5x metric in some of the work that I do, people are really stunned by that. And of course, the next natural question is, well, how do I become a digital leader to be able to take advantage of that, right? Within *Radically Human*, you talk about a strategic framework that can help businesses apply technology in new and innovative ways to become digital leaders. It's called The IDEAS Framework. Can you talk about that a little bit?

Paul: Yeah, absolutely. The IDEAS is the subject of a lot of the book as the whole first part of the book talks about what we call The IDEAS Framework, which is the roadmap, in essence, of how to apply these radically human ideas and take advantage of this opportunity that I was just talking about. And IDEAS is a mnemonic that stands for intelligence, data, expertise, architecture, and strategy. That's the five parts of the IDEAS framework. And in each one of those five components, what we're doing in the book is really kind of flipping the assumptions around how you think about each one of those areas. And that's really the core, you know, kind of insight of the book, and I think a roadmap that we lay out. For example, with intelligence, we talk about with artificial intelligence, how do you make it more human and less artificial, leveraging emotional AI, leveraging other types of technology to really bring about greater intelligence and accelerate your roadmap to getting insights and intelligence baked into your business. In data, we're talking not just about big data, but talking about small data and minimum data. What's the minimum data that you need to solve a problem which is often important if you're dealing with problems using edge computing and small processors and sensors on the edge. It's not about the big data, it's sometimes about the small data. So again, to go through each element of the IDEAS framework, we talk about what it means, why it's really strategically important to you and how to flip some of your assumptions and maybe think about it differently

than your competitors and create a compelling business advantage. And then, you know, a couple examples of it along the way are McDonald's in the way that they're capitalizing on data to reinvent the customer experience and the food preparation part of their part of their business there, but by really focusing on data and intelligence and baking into their business in a different way. Or the expertise, which is the 'e' in IDEAS. We talk in the book about Etsy, the marketplace that some of you may use for unique products. Well Etsy found a way using technology to use human expertise to build technology that understands design aesthetic which is a really hard thing to get technology to understand, but it's really valuable then to consumers of Etsy to help them find the right products. And its different ways of thinking like that in the application of technology that we talk a lot about the book culminating in the 's' of the IDEAS framework, which is strategy. And we think that, and we are seeing in the application of this, that companies need to think differently about strategy. It's not about developing a strategy and then executing. There's three new strategic frameworks we lay out the book. One that's called Forever Beta. You know, Tesla maybe being the best example of always innovating and advancing your product. We talk about minimum viable ideas, which is using this IDEAS framework and really starting small and building on incremental success. A good example we talk about in the book is the disruptor insurance company Lemonade in the way that they're building their business in that way. And the third strategy we talk about is CoLab, which is talking about bringing together new forms of collaboration, as well as new forms of science and technology and building them into your business. So that's - maybe in a bit of a long nutshell - the core of the IDEAS framework and how we're seeing it being applied in businesses. Penelope: And Paul, a bit earlier, you mentioned the metaverse, and it's an excellent example of how technologies are converging to completely reshape the human experience and how companies are going to have to operate in the future. In particular, the metaverse itself has been in the spotlight lately. A lot of people talk about, it means a bunch of



different things depending on who you talk to, but for you, what does the metaverse mean to the future of business?

Paul: Yeah. I think it's...the metaverse has a massive impact on the future of business simply stated. And, you know, I've said before that, the metaverse over the next decade will change business and change what we as humans do more than the last couple of decades of technology. And if you go back a couple of decades, we were just starting in the Internet. We didn't really have the smartphones and the like. And I think that degree of change is what we're going to see the metaverse introducing as we as we go forward. Part of understanding that is to frame the metaverse in the right way. It's not just about the consumer experiences and cryptocurrencies and things that sometimes people associate with it. It's things like the industrial metaverse of how you use augmented reality and digital twins to automate industrial aspects of your business or manufacturing more effectively. It's about the employee metaverse that we should maybe talk about a little bit more, that you and your team have pioneered, Penelope, and that we're using at Accenture around employees interacting differently in the metaverse. It's about the customer elements. How do you create new products, digital products enabled by non-fungible tokens, entirely new experiences you can create for customers using the metaverse? It's about the financial underpinnings of the metaverse, new payment rails and payment mechanisms, blockchain based trading mechanisms, cryptocurrencies and digital fiat currencies that are really creating new opportunities in terms of how companies conduct business. So, taking all that into account, it's the early days. This is like, you know, the kind of 1999 moment of the Internet when people were still deciding whether they wanted whether they needed a web page. In a similar way, people are deciding whether they need to play in the metaverse. And I think that'll quickly move to it's not if but how I should play the metaverse, you know, from the work we're doing we see opportunities for every

company in every industry to participate, even starting now in the metaverse.

Penelope: Yeah, you and I have been working together on this a couple of years, right? Here at Accenture, we have what we think is the largest enterprise metaverse there is, and we'll onboard about 150,000 new employees using our metaverse capabilities in a 3D immersive experience. What we were after here, Paul, that makes this so compelling is something that wasn't just effective, but it was fun, it was engaging. You can get to our Nth floor, which is essentially our virtual world for Accenture by laptop or by VR headset. We put about 60,000 headsets out there for corporate use, and our new hires can join small teams on our virtual campus to engage in learning games, to help them understand Accenture better, to bring greater clarity to the kind of work we're going to do and how we're going to do it together. It's really transformed the onboarding experience in general and been a game changer for us as a company, Paul.

Paul: Yeah, it really has. And it's, you know, it's not just, you know, kind of a fun gadgety thing, but there's kind of this the science behind this, the neuroscience that shows that immersive experiences and immersive learning are far more sticky and impactful, like 30% more effective than other mechanisms. There's real value behind doing this. And we're also seeing real results from our people. Our new hires who are using this for onboarding are giving it an outstanding rating in terms of the impact. They love it and so we're measuring the success of it. This isn't just something we're dabbling in and we're seeing that success. And I think the exciting thing is it's kind of the continued expansion of it. We do thousands of meetings a year in the metaverse, we do the onboarding, the employee experience. We've had our board of directors in the metaverse. We've had management meetings in the metaverse. We have many client meetings that we host there to interact in virtual worlds. But also, we have many of our research facilities and offices and labs



around the world as 3D scans, so we can take people to facilities around the world without having to get on a plane and go around the world and bring people together. And that's really turning out to be a way of kind of putting a signal at where the world's going to go as there's broader adoption of the metaverse.

Penelope: So, Paul, we're coming to the end of the broadcast. And in closing, what advice would you like to offer to business leaders who want to explore their own metaverse strategy, but they simply don't know where to start?

Paul: You know, the advice that we talked about earlier, the Internet days is relevant here because a lot of the metaverse is really about web3, which is the third iteration of the of the web, which is, again, why I believe this is inevitable, because the technology, evolution and web3 technology is going to create this future capability we're talking about. So, I think there is an inevitable element to this. It's not an if, but when. And similar to the early days of the Internet, I think the advice I'd give to customers now, to companies now is, first of all, think big about the possibilities because this is a game changer. This will change the way your industry works, and it will create opportunities for you or your competitor to do things very differently. You have to think big about the application of it, think broadly about the opportunities. The second part, though, is start small. Really find a focused area like we have with employee onboarding that you talked about Penelope to really demonstrate the value, learn the technology, and figure out how to apply it. And then scale fast. Look at how you build, you know, build out the capabilities and benefit from the early experience of this to scale into the bigger opportunities. I think that's really the right framework. I would say my advice would be to any leader in any company, don't ignore it. Don't assume you can just wait for the future, because one of the things that really frustrates me a little bit is the number of meetings that I've had the last, you know, say, 10 or 15 years that have been about companies talking about, well, I

missed the first generation of e-commerce and Amazon is out there. How do I compete with them or how did they do that? Or, you know, simulated social media, similar in the sharing economy kinds of fields. This is an opportunity for companies to get ahead, for companies to be first, for companies to write the rules. So do look at it. Do decide how you want to play. Don't ignore it. And then, you know, think big, start small and scale fast as your path to the future.

Penelope: Well, Paul, it's been really fun and fascinating to chat with you today. And congratulations again on Radically Human. I look forward to continuing our work at Accenture in the metaverse with you and seeing what's to come after this.

Paul: It's always a lot of fun. And maybe I'll see you in the metaverse soon.

Penelope: Thank you so much. And everyone, be safe. Talk soon.

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