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Digital Operations for the Digital Business

Using Technology for
Competitive Advantage

Executive Summary



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To what extent are digital technologies changing the operations of your company's key functions and processes, as well as how your service provider works with you? These days, every business is a digital business—or will be soon. Technology is intertwined in nearly every aspect of the enterprise today, with information technology fast becoming a primary driver of market differentiation, business growth and profitability.

Digital technologies are also disrupting industries and markets in nearly every corner of the world. Industrial companies are becoming customer service companies. Consumer products companies are becoming Internet companies. Energy companies are becoming information companies. Media and entertainment companies are becoming logistics companies. And on and on. The question for every business today is: Are you going to allow yourself to be disrupted, or will you take the proactive steps to be a "disrupter"? Your approach to technology innovation will be key to how you answer that question.

The rise of digital is still on the horizon for many buyers and some business services providers. But it's fast approaching. After all, if every business is a digital business, then the operations that enable and support the business—whether they're delivered internally or through an external provider—must be digital as well.

In many cases, however, these operational arrangements are still stuck in an analog world, using a gramophone when everyone else is using an MP3 player.

This paper explores the path to digital operations and a digital BPO model—what that means and why it is important. New Accenture-sponsored research reveals the extent to which innovative technologies, including social, mobile, analytics and cloud, are driving every business today, and therefore how providers should be planning and managing operations on behalf of their clients. These insights and practical considerations into the role of technology are vitally important to ensuring the ongoing value of externally sourced operations arrangements. The research reveals that two-thirds of such engagements remain focused primarily on cost reduction, with existing processes "lifted and shifted" to an external provider and delivered from a low-cost location with little value-add from an innovation or technology perspective.¹

The research found that analytics and automation technologies are most relevant to buyers of externally provided business services today, but that other technologies such as cloud, mobility and social media are rising and will continue to rise in importance over the next couple of years.²

Why aren't innovative technologies being leveraged more often in externally sourced operations programs? In some cases, buyers and some providers may be too focused just on contractual obligations, which may stifle research and innovation regarding today's game-changing technologies. It is also sometimes the case that when a buyer hands off a process to a provider it is "out of sight, out of mind," and therefore not considered for additional investments. Engagements that are focused on using technology to drive business outcomes have a far better chance of delivering improvements in business value, not only process improvements.

This paper explores four key ways that technology can assist with achieving greater value from digital operations and business services. Such technology:

1. Executes processes on a resilient digital platform that's designed to be secure, available on demand and easy to set up and use.
2. Is designed to offer anytime, anywhere digital insights, driven by analytics, that improve business performance.
3. Creates a digital workforce platform that supports knowledge workers' performance through advanced monitoring and analytics tools, and that is designed to connect workers anytime, anywhere using advanced collaboration technologies.
4. Proactively manages a digital innovation ecosystem for operations, comprised of multiple partners, developers and vendors, which helps in leveraging the latest available technologies and tools.

For analog operations to become digital operations, these technologies must be integrated into new and expanded solutions—not as add-ons, but at the core of operations and at the heart of operational management, leadership and culture.

About Accenture

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