Preface

We are pleased to present the 2016 edition of Accenture Business Journal for India, our annual compendium of trends that are disrupting businesses and compelling them to transform.

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Most businesses are stuck in the age of incrementalism. They are focusing on responding to customers’ demands a little faster, squeezing costs to save another rupee, improving quality a notch or seizing another percentage point of market share. But these quick wins and incremental improvements are not enough to keep pace with today’s increasingly global and disruptive environment, and changing customer behavior.

In today’s digital world, customers are in charge. They have multiple choices and demonstrate their autonomy by switching providers when they are not satisfied with the service. This growing sense of independence is redefining their relationship with companies. And, as customers increasingly take advantage of evolving technologies, companies need to relook at their customer experience strategy to better serve what Accenture calls “the nonstop customer.”

These nonstop customers have more ways of interacting with companies than ever before. They expect services on demand—anytime, anywhere—delivered via channels of their choice. They benchmark brands not only against peers in the same industry, but also against great customer experiences offered by unrelated brands in other sectors. Their expectations are fluid—constantly changing, and often rising as they experience every day better products and services.

Against this backdrop of unprecedented change, Accenture believes companies need to continuously reinvent themselves to remain competitive. A fact corroborated by the findings of our Technology Vision 2016, which finds that 50 percent of Indian executives agree that organizations are under pressure to reinvent themselves before they are disrupted from “outside”—by their competitors or by market forces.

So, how can companies continuously reinvent themselves? Accenture believes customer-focused transformation—enabled by digital and innovation—is the key. Through this edition of the journal, we present the latest trends and insights into digital and innovation, which are affecting businesses and governments, and signaling the need for transformation.

The power of digital technologies

Businesses seeking to reinvent themselves continue to look at four of the most disruptive digital technologies of our times—social, mobile, analytics and cloud (SMAC). So what’s new? This year, we are seeing newer applications of SMAC. These newer technologies are being woven into the next generation of business strategies to transform existing functions, such as finance and supply chain, or even create something new—new markets, new products, new industries, and new areas of growth and revenues. Consider the following examples:

- Mobile device, network and service convergence has given rise to entirely new services in the communications, media and technology industry—such as Internet protocol television (IPTV), instant messaging (IM) and video chat. This has put customers in control, enabling anytime, anywhere access to information and entertainment.
- The As-a-Service model, which is supported by analytics, cloud technologies and automation, can help companies “plug in” a required resource such as computing power and scale it up or down quickly, on demand. The model helps transform businesses by enabling more intelligent, flexible and robust operations, and by facilitating entirely new business models.
- In the banking industry, as nonbanking players muscle into the payments space, banks are using digital technologies to not only protect their existing business, but also to transform what they offer to customers. They are becoming a central part of customers’ everyday life, meeting their financial as well as nonfinancial needs.
- Supply chains across industries are being reimagined into integrated digital supply networks that are more predictive, real-time and scalable, with companies moving faster to take advantage of growth opportunities.

In addition to SMAC, businesses today are increasingly evaluating the Internet of Things (IoT) to reshape their existing operations, paving the way for industry disruption on a massive scale. More and more companies are combining the sensor-rich, connected objects in the IoT ecosystem with powerful data analytics to create services that predict and respond to consumers’ changing needs and circumstances. These “Living Services” learn from consumers’ everyday actions and automate low-maintenance tasks to make decision making easier, communications more seamless and entertainment more accessible. These pervasive technology-driven changes in everyday life are compelling companies to relook at their operating models, policies and practices. It is also compelling companies to reassess opportunities and risks emerging from the evolving digital and technology landscape. Take a look at the insurance industry. New technologies such as drones will present new risks requiring unique insurance coverage. Even an existing service such as car insurance will need to be recalibrated to take into account new parameters such as self-driving cars.

These changes are not limited to just businesses. Governments too are looking at smart services to help solve issues impacting their citizens. Implementing IoT on a country-wide scale can help governments provide a host of smart services to its citizens. Services such as smart traffic monitoring and smart grid management can help improve citizens’ quality of life as well as optimize utilization of natural resources.

Unlocking innovation

Driven by disruptive technologies, the pace of change in the marketplace is accelerating. As a result, companies need to look beyond their boundary walls to leverage the innovation ecosystem that has emerged with the democratization of entrepreneurship. Today, open innovation and crowdsourcing are revolutionizing the way companies innovate, and develop new products and services. Open innovation enables organizations to draw on external technologies, solutions and knowledge early in their innovation effort. This helps companies quickly bring in new ideas that can be used to enhance operations, including product development and process improvement. More importantly, open innovation is fostering collaboration between different players in the business ecosystem, resulting in a greater level of economic activity and value creation.

People: Completing the transformation

While digital and innovation are the drivers, it is the people, not just technology, which will transform organizations for the future. Businesses will have to invest in their skill development, and help them adapt and embrace transformational change. Indeed, digital technology is all set to reinvent and change the overall work experience for all levels of employees, including the leadership. So, organizations must develop the workforce of the future—agile, multidisciplinary, augmented and humanized by digital—to stay competitive and relevant.

Collectively, the themes in this edition represent our stance—transformation is an imperative to survive in today’s disruptive marketplace. High-performance companies look beyond incrementalism; they combine their industry expertise with the power of digital and innovation to reshape their markets—and even disrupt other markets.

We hope this edition of Accenture Business Journal for India will provide relevant ideas and compelling insights to help transform your business—and your people—for success. We encourage you to read this journal and share your perspectives, and help us in our journey to deliver thought-provoking content that is relevant to you.