Digital Performance Index
Rotation to the New: High Performance through Digital Technologies

Interview: Omar Abbosh
Hello, I’m Omar Abbosh, Accenture’s Chief Strategy Officer.

Most of the business leaders I work with understand the power of digital. And in fact they see the transformative nature digital technologies can have across their whole industries. And indeed, most of them are making very big investment commitments in things like the cloud, mobility, big data analytics, the internet of things and cybersecurity.

So, a very logical question is, what is it all worth? Is there indeed a correlation between digital performance and financial performance?

And the honest answer is not really. It’s not as simple as that.

What Accenture has done, is we’ve gone and studied 343 companies from 8 industries across the world. We’ve studied them in great detail in terms of the degree to which they use digital in managing all aspects of their business – in fact we looked at 117 different metrics for each of those companies.

And we looked at the digital intensity, so our Digital Performance Index, and compared it to the overall financial performance using a set of metrics we call the High Performance Business Metrics, which look at long run and short run financial performance characteristics.

It turns out that fully 60% of the companies in the study neither delivered high on the Digital Performance Index nor on the overall financial performance metrics. And in fact, only a very small segment, 6%, the Digital High Performers, did well on both metrics.

So as you can imagine, we were super curious to understand what was it about the 6% that made them Digital High Performers overall. And it turns out the one thing they both have in common is the ability to do something that we call rotating to the new.

Firstly, the Digital High Performers transform the existing core business using digital to drive the investment capacity of the business.

They actually reinvest in the core to find the new that emerges from it and therefore drive growth in their core business.

Thirdly, they’re very bold and fast with how they make commitments to new areas where they experiment, are willing to fail fast, but also grow new shoots of business.
And then fourthly, something that we call the wise pivot. This ability to balance the investments between the near-term and the long-term, between the core and the new, over time in a way that really manages this rotation to the new that I'm talking about.

So, at Accenture, we view our purpose as bringing innovation into the enterprise to help our clients unlock value. In other words, helping use digital transformation to help transform their core and rotate to the new.

So, if you would like to learn more, we invite you to take a look at the materials here from a cross-industry perspective and over time we'll be adding industry-specific materials as we go.

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