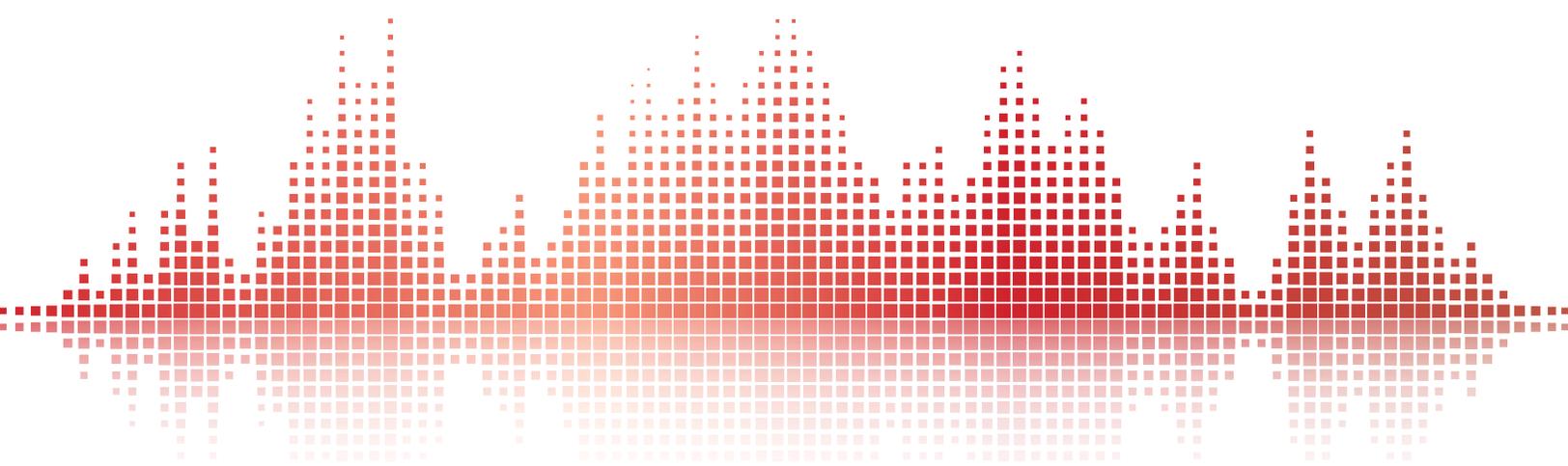




# **SCALING AN INSIGHTS FACTORY**

## **FOR B2B GROWTH**



**SHIVANI VORA | MARK GAYLARD**

**Business-to-business (B2B) sales have long been a primary growth engine for established technology and communications companies. That engine is now sputtering. Today, new and more agile competitors, digitally enabled sales approaches, and increasingly “liquid” customer expectations are making B2B growth much more elusive.**

Companies’ responses to these disruptive forces take many forms, including cutting operating costs and attracting new business customers. Two actions, however, stand out. Roughly a quarter (26 percent) of companies are redoubling their efforts to retain and grow revenue in core B2B product and service areas.<sup>1</sup> Nearly as many (25 percent) are turning away from their old business models and pivoting toward new, disruptive growth opportunities.<sup>2</sup>

Both approaches are valid. But neither is sufficient. Technology and communications companies must enhance their core solutions to satisfy customers’ demands for better performance and faster, more efficient service. But they also need to develop new B2B business models, new revenue streams, new value propositions, and new uses for existing assets. We believe one of the most promising opportunities and a lifeline for new growth is hidden in plain sight—in the data of their B2B customers.

### **The one-two punch**

Investing billions in wireline (fiber) and wireless (5G) alone will not guarantee substantial growth for communications companies. Similarly, achieving greater chip density, computing power or platform reliability alone won’t supercharge technology companies’ revenue performance.

What’s needed is the right balance of capital investments that will enable them to maintain competitiveness in core services, while optimizing existing assets to launch new business models.

# FROM DATA TO INSIGHTS TO VALUE

**The digital advances that have disrupted the B2B growth momentum are now providing technology and communications companies the opportunity to expand their focus from core services to new offerings and business models that tap new revenue streams.**

It's an opportunity that is based on the extraordinary amount of customer data from multiple data sources, as well as the surge in connected Internet of Things (IoT) devices (see Figure 1).

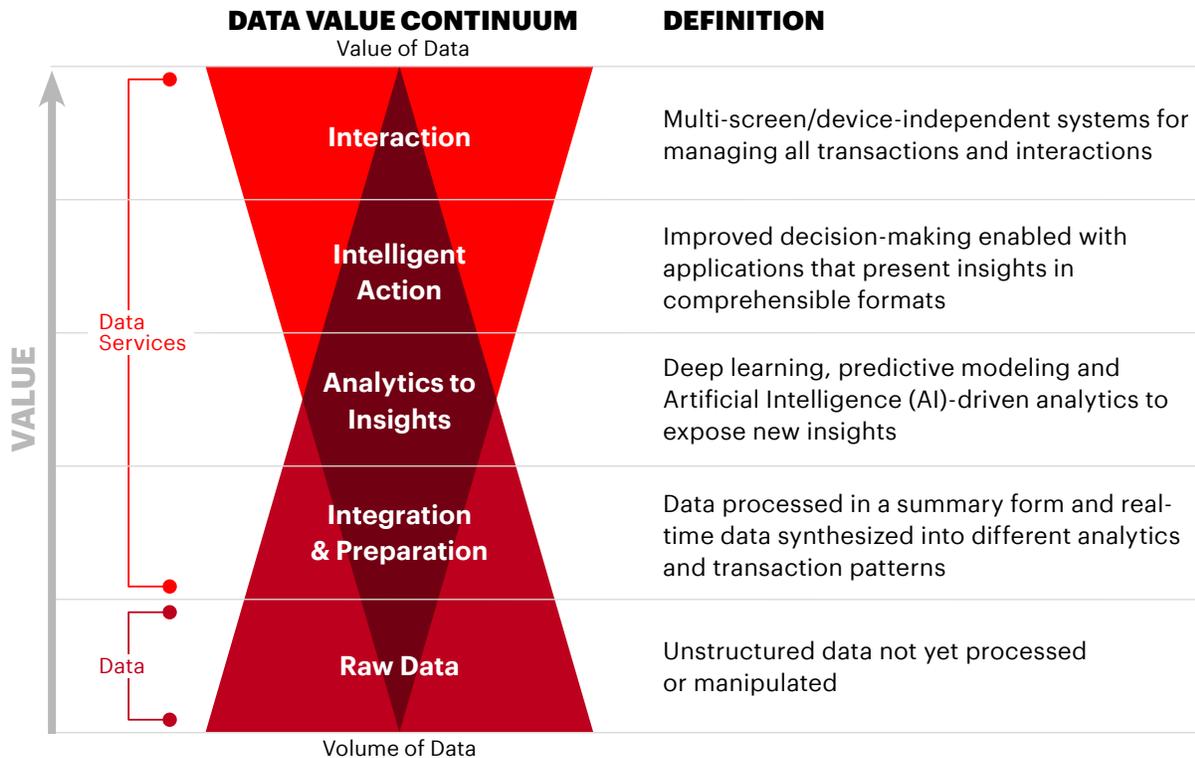
By 2020, annual data flows are expected to reach 44 billion terabytes.<sup>3</sup> In the same period, the number of connected devices will rise to more than 20 billion.<sup>4</sup> This creates a problem—particularly for companies already so overwhelmed with raw data that they don't know what to do with it. Some are dumping it into vast data lakes, preserving it in its unstructured form.<sup>5</sup> Others are suffering from data exhaustion and simply opting not to keep it. But by tossing away this data, they are losing potentially valuable insights that can directly translate into net new revenue.

Leading technology and communications companies—which manage the networks, sensors, circuits and infrastructures that facilitate the collection and flow of data—will take a different approach. They will take advantage of their unique position to store, maintain, process and use the data of their enterprise customers across the data value continuum (see page 5 Figure 2).

**FIGURE 1.** Multiple channels and connected devices now deliver a steady stream of raw data



**FIGURE 2.** Accenture’s Data Value Continuum describes how opportunities can be pursued and measured across five levels of data/insight maturity



This continuum highlights the inverse relationship between the volume of data generated and the potential value of the data. At the bottom of the continuum, companies sell raw data. But efforts to monetize data simply for the sake of creating a data monetization revenue stream typically fall short, generating annual revenue no greater than \$50-\$100 million.<sup>6</sup>

The value potential improves as companies move up the continuum and apply deep learning, data visualization and AI-driven analytics to convert data into business insights. For example, Accenture helped a global telecommunications company perform strategic cross-channel analytics on 400+ million customer

interactions per month, including care, social media, and web. This helped unlock \$120M in EBIT, reduced call-in rates, improved self-service completion, and increased agent productivity. Another large European telecommunications provider leveraged location and user data to detect fraud and strengthen its fraud-prevention capabilities.<sup>7</sup>

At the very top of the continuum, the highest-value opportunities and most innovative business models emerge. Here, companies monetize the actionable insights and present them in ways that enable new forms of interaction and drive better decision-making. Business customers seeking these deeper insights will pay a premium to acquire them.

# INDUSTRIALIZING B2B GROWTH

To tap these new revenue streams, we advocate that companies create an EBITDA-neutral data business to fund a low-risk business model for insight monetization.

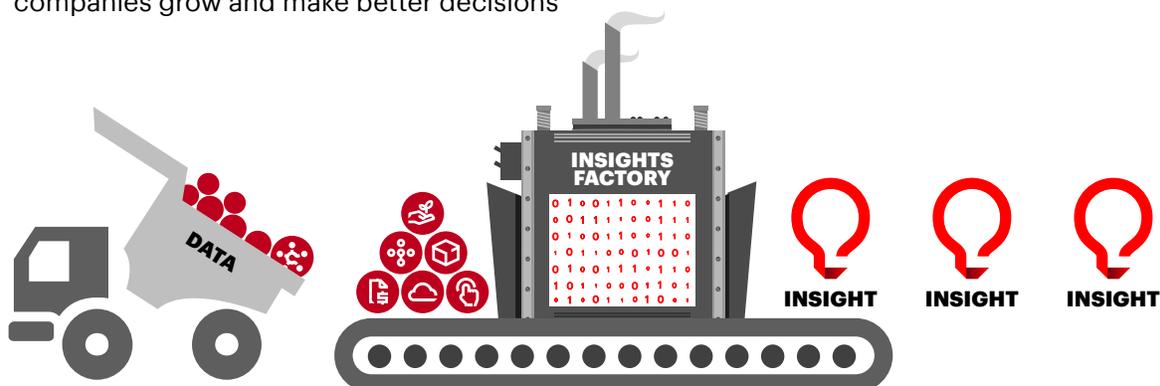
It is important they have a clear strategic intent when embracing this data opportunity. If they choose to pursue a more open approach, such as partnering with a digital player, a clear strategy and tradeable assets become key to earning a place higher up the value chain. The cornerstone of this model is an “Insights Factory” devoted to developing and packaging insights leveraging their vast data lakes (see Figure 3).

With such a factory, companies can analyze the data of their B2B customers—and their customers’ customers (B2B2C)—to enable true insight-driven interactions with end users. The Insights Factory harnesses numerous analytical models that can produce customized outputs to support a steady stream of use cases such as channel partner incentive-plan optimization, contract renewals rate improvement, and even Analytics- or Insights-as-a-Service offerings.

## Insights in action

A medical device manufacturer, for example, might subscribe to a communication company’s Insights Factory services to remotely monitor data pouring in from its millions of IoT-enabled wellness monitors, insulin pumps or pacemakers. In real time, the factory can analyze terabytes of information, present performance reports to the device manufacturer, and immediately alert patients and their physicians when issues arise. Such a service would help the manufacturer not only track the effectiveness of its products, but also help hospitals and health professionals monitor patients’ adherence to treatment protocols.

**FIGURE 3.** An Insights Factory turns raw data into highly valuable insights that can help B2B companies grow and make better decisions



# ACHIEVING BALANCED GROWTH

To pursue a B2B growth strategy based on the delivery of insights, companies should take four actions.

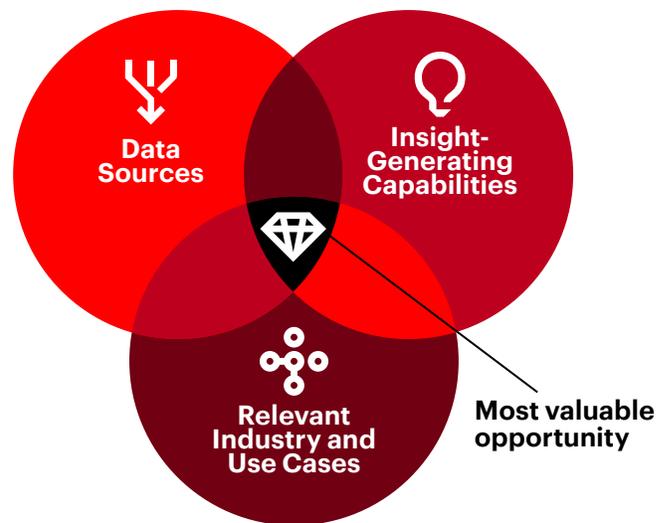
## 1. Give data the attention it deserves

The first step in this journey involves gaining an understanding of available data sources, storing the data securely in data lakes, and ensuring it is usable and accessible. Low-cost cloud and data-storage technologies can help companies populate their data lakes and streamline access. Companies must also take steps to secure their data and ensure compliance with the EU's General Data Protection Regulation (GDPR) and all local data privacy regulations.

## 2. Zero in on value

Next, companies need to objectively assess whether they have the skills, tools, resources, organizational alignment, cross-functional data governance protocols, and analytical capabilities necessary to generate valuable insights from the data stored in their data lakes. They also need to identify the industries and use cases that can benefit most from the insights their data will reveal. It is at the intersection of these three areas—data sources, internal insights-generating capabilities, and industry/use case applicability—that the greatest revenue-generating opportunities lie (see Figure 4).

**FIGURE 4.** Hidden growth opportunities are found at the intersection of three criteria



## 3. Scale through M&A

To accelerate growth, companies may want to consider scaling their new insight-driven business model through mergers or acquisitions (M&A). This means finding companies that have a successful go-to-market approach, proven analytics assets for the industries and use cases identified in step 2, and the potential to create “data synergies” with the data the company holds. Companies have two options here: Buy a large, well-established firm or pursue “string of pearl” acquisitions of smaller niche companies. They will need to choose based on their appetite for risk and ability to fund the M&A transaction.

#### 4. Reskill, retool and reorganize for success

B2B leaders prepare their organizations for successful change (see Figure 5). Achieving maturity in an insight-enabled business will require the delivery of exceptional customer experiences (CX). The Insights Factory is a critical enabler, making it possible for traditional companies to become hyper-relevant at scale and pace. Factories focused on delivering insight services respond to customers' needs in real time. They sustain their growth by adopting a mindset that keeps customers at the core. This starts with identifying the right talent that understands the business issues and has the skills to translate data into actionable solutions. New organizational models that are focused on end-to-end solutions (from raw data to customer experience) will need to be tested to ensure teams are producing business-relevant insights that are attractive in the market.

#### Prepare to lose (in order to win)

As a company's Insights Factory matures, B2B customers will flock to—and pay for—the insights now available to them. Delivering enhanced experiences for these customers, even at a loss on traditional services, will be key to ensuring the larger, more profitable data and insights business thrives.

**FIGURE 5.** Accenture Strategy research found that B2B CX leaders get four things right.<sup>8</sup>



#### MONETIZE CX

Relentlessly focus on extracting value from differentiated CX



#### RETHINK ECOSYSTEM STRATEGIES

Innovate and orchestrate ecosystem connections to continually improve CX



#### ALIGN PEOPLE TO A CX MINDSET

Augment digital improvements with human skills, organizational agility and culture to adapt to changing customer needs



#### STRENGTHEN DIGITAL TRUST AND SECURITY

Collaborate with partners and suppliers to strengthen data security and ensure their customers' data is safe

# **FIGHT FIRE WITH FIRE**

Technology and communications companies have an unprecedented opportunity to revitalize their B2B growth prospects with insight services. This new growth area is driven by the same digital advances causing the downturn in their core business. By taking advantage of new IoT technologies, connected-device data and advanced analytics, winning companies will use the disruption that is rocking their business models to spark a bit of disruption of their own.

## Join the conversation



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## Notes

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## About Accenture

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions—underpinned by the world’s largest delivery network—Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With approximately 442,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives. Visit us at [www.accenture.com](http://www.accenture.com).

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Accenture Strategy operates at the intersection of business and technology. We bring together our capabilities in business, technology, operations and function strategy to help our clients envision and execute industry-specific strategies that support enterprise-wide transformation. Our focus on issues related to digital disruption, competitiveness, global operating models, talent and leadership helps drive both efficiencies and growth.

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