JOURNEY TO NEW IT

Reimagine IT as a Transformation Engine for Your Business
Digital leaders of today know—

BUSINESS IS AT A TURNING POINT

Digital-native companies are fundamentally transforming every major industry—from retail and energy to media, healthcare and travel. Confronted by large-scale digital disruption, enterprises must adapt quickly and lead in the “New” by reimagining and elevating IT as a strategic core business function.
DIGITAL-FIRST COMPANIES ARE STEALING THE SHOW

Until recently, organizations could achieve competitive advantage through scale, cost structures, brand power and customer relationships.

Today, as digital technologies mature and transform the core of every industry, large organizations struggle to compete with digital-from-the-start companies because their complex, tightly coupled IT landscape is based on aging technologies. Digital-first companies have invested heavily in technology platforms to create a data-driven enterprise that provides business insights that enhance the customer experience. Nimble new entrants are leveraging new channels, scaling at an unprecedented pace, stealing market share and rewriting the rules of the game.

Digital players are also changing how companies interact with consumers, who increasingly expect a best-of-breed, personalized and branded experience 24/7. Digital leaders are looking across industries and geographies to find possibilities that digital transformation can offer. They’re also looking for new best practices: retailers look to financial services for security protocols and how to manage customers’ personally identifiable information (PII), while bankers look to retailers for their e-commerce and customer experience expertise. It’s a brave new world where the best organizations continually strive for transformative improvement.
ARE YOU READY TO COMPETE?

To ensure market relevance, every company needs to reassess the strategic role of technology.

Many companies with rigid legacy systems, siloed data, old economy workforce skills and outdated operating models can’t compete with digital-first companies with emerging technologies that scale quickly, can be consumed on demand and enable data-driven business decisions. If companies want to keep up with digital disruptors, they must redefine IT and its partnership with the business.

It’s up to corporate leaders to create competitive muscle for their organizations by delivering new forms of business value from legacy assets while also taking advantage of emerging technologies and best practices. AT&T, for example, partnered with Accenture to turn their legacy systems into atomic microservices that will significantly shorten time to market for new customer-facing services and save hundreds of hours per year through re-usability.

To reposition IT as a transformation engine, leaders should strive to change how IT engages with the business. Accenture is calling this foundational state of readiness “New IT.”
What is new IT?

New IT is a different way of conceiving, designing and deploying technology across an enterprise (see Figure 1). New IT helps unlock unrealized streams of business value by optimizing a company’s current IT estate while simultaneously innovating with a set of new technologies such as hyperconvergence, automation, cloud, artificial intelligence (AI), advanced algorithmic analytics, Augmented and Virtual Reality, Internet of Things (IoT), 3D printing or blockchain.

FIGURE 1
New IT Defined
Boost your business value and purpose with New IT

When you approach technology strategically, its core objective becomes creating business value from the boardroom to the back-office, and from the employee to the customer experience.

To show how New IT can transform your business, Accenture has calculated the projected value across digital levers. We project that New IT can have the potential to lift revenue for leading companies between 5-10 percent, with estimated cost savings ranging from 20-40 percent, within three to five years (see Figure 2).

FIGURE 2
Estimated Range of Revenue Increases and Cost Savings from New IT

1 Based on Accenture experience Potential EBITDA improvement through Digital.
Digital Value Lab: Identified means to improve client’s performance by 20%
2 Accenture Internal Benchmarking
When you simplify your IT organization using tools such as AI, automation and workflow orchestration, you can better optimize your legacy systems and redirect investment to new technologies that unlock business value and drive revenue growth. You can also more easily readjust budgets when business conditions and priorities change.

Technology leaders who embrace the New IT philosophy will gain new metrics that tie technology directly to business objectives; that measure the real business impact on revenue, value delivered and end-user satisfaction; and when successful, that re-position IT as a strategic asset to the enterprise.

“Accenture recently partnered with Loblaw, a North American food and pharmacy leader to redefine its IT organization. To achieve its vision, the company’s IT function needed to become a strategic asset by improving business and technology collaboration that would enable new business capabilities. The transformation required teams to be structured around platforms and products, a strong focus on business outcomes, a clear plan for the execution of DevSecOps, and dependable environments with lightweight, highly automated architectures. This New IT for the company improves run cost efficiencies by 80%, which are delivered through intelligent automation and rapid recovery.”

Ugo Orsi, Vice President, IT Operations, Loblaw Companies Limited
Lead with innovative business-aligned IT strategy to LAUNCH YOUR JOURNEY TO NEW IT
Four key components of New IT co-exist to help you launch your journey to New IT (see Figure 3).
Positioning IT as a strategic business asset.

New IT leaders align and prioritize their resources to business objectives, to continuously look for opportunities to create new business models, transform experiences and industrialize operations quickly, efficiently and with agility.

Leadership also looks for ways to grow their core business by getting more from their legacy technology. In parallel, cost savings from efficiencies gained allow reinvestment in technologies that add new capabilities and revenues. They’re positioning themselves to make a wise pivot by optimizing their legacy systems while adopting a digital model that embraces new technologies to drive business value at the timing and pace that makes sense for them (see Figure 4). Only technology leaders who laser focus on increasing their value and relevance to the business will have a seat in the C-Suite.

Figure 4: Making the wise pivot business model shift
With blurring industry boundaries and customer expectations for instant gratification, IT organizations need a digitally decoupled architecture that unlocks legacy data and services in real-time for the consumer and for business leaders.

New IT transformations typically begin by unwrapping the monoliths to expose the functions of business. API and microservices not only provide the scalable real-time interactivity but are at the heart of this architecture to integrate with legacy and emerging technology partner platforms resulting in open business and partner ecosystems. This New IT landscape is powered by cloud and DevOps to deliver tremendous customer value, via new services in weeks versus months. Building on this core, enterprises can be on a path of Exponential IT.
To stay competitive, IT organizations continually need to integrate new technologies into the business and develop centers of excellence in areas that:

- **Deliver new forms of business and customer value** (e.g., automation, advanced analytics, cyber security, cloud services, IoT);
- **Pilot emerging technologies** (e.g., AI, drones, and 3D printing); and
- **Monitor technologies that are still forming** (e.g., blockchain, quantum computing and robotics).

Each of these technologies will reinvent business value chains and customer experiences and unlock new potential streams of revenue to help fund other components of the New IT model (see Figure 5).

**Fighting financial crime**

Accenture recently implemented an intelligent anti-money-laundering and know-your-customer solution for a banking client. The solution leveraged New IT technologies, robotic process automation, AI and analytics as a service (AaaS) to help the bank increase compliance while reducing operating costs. The client saved more than US$230 million over a few years, while reducing human intervention in its processes and scaling them for better reliability.
FIGURE 5
Bringing new, innovative technologies to unlock business and customer value
DEVELOPING A NEW WAY OF WORKING

In the New IT approach, IT organizations need to transform their operating model to allow for more rapid innovation and iterative delivery.

This means:

• Using agile and lean methods to increase speed-to-market
• Bringing business and IT teams together to iterate in rapid development cycles
• Utilizing adaptive, liquid workforce models
• Taking a new approach to talent and investing to reskill workers
• Collaborating with a broad ecosystem of New IT partners.

Leading companies that have scaled agile best practices across their enterprise are now flexible enough to meet the ever-shifting priorities of the business.

Creating airline agility

Accenture partnered with a low-cost European airline to accelerate its digital transformation by introducing agile ways of working and shortening time to market for new developments. The airline drove 22 go-live moments in 18 months, had 25 percent more visitors to its site in the first two months of the platform go-live. They also realized 200 percent growth in online check-ins.
You have a once-in-a-generation opportunity to redefine your industry and business and become a digitally-enabled enterprise with IT as a strategic partner. In an era of disruptive change, organizational agility enabled by IT is your only defense.
To get started on the journey to New IT, ask how Accenture can help:

- **NO. 01** Define a New IT vision and strategy
- **NO. 02** Assess your organization’s capabilities and create a digitally decoupled architecture
- **NO. 03** Analyze opportunities to apply innovation to reduce costs, increase agility and support new business
- **NO. 04** Assess your operating model to identify areas of the organization that need to transform
- **NO. 05** Create a transformation roadmap and details on how to deliver New IT to your organization
- **NO. 06** Ensure security is embedded everywhere along the journey to minimize cyber risk

With New IT, you apply new rules to manage change at a sustainable pace and timing, striking the right balance between growing the core business while building and scaling the New. Let Accenture partner with you.
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 459,000 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