



DRIVING **SUSTAINABLE** **GROWTH**

Beyond the hype of digital transformation

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Innovation Consulting
Africa, Middle East, & Asia Pacific



AGENDA

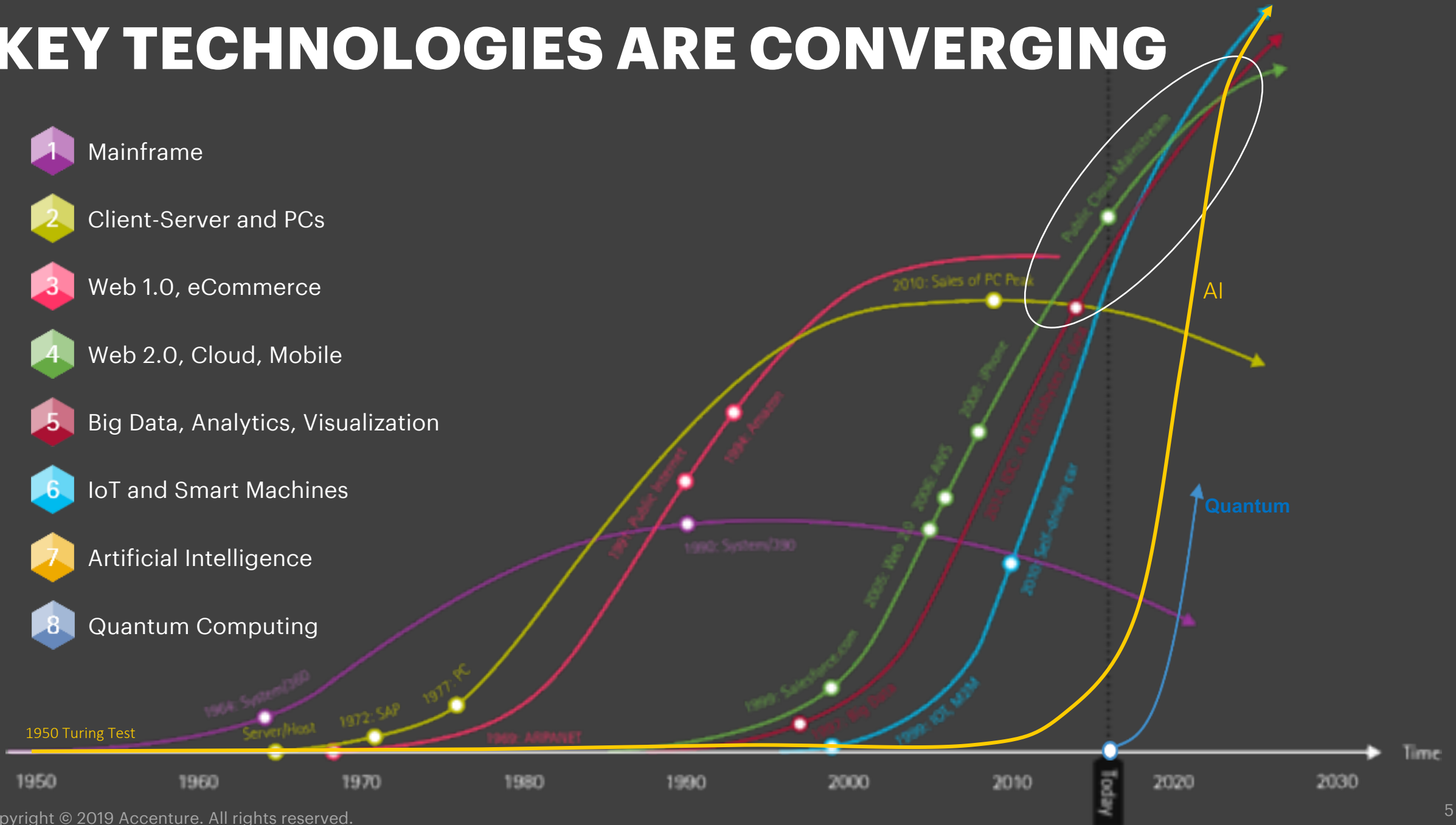
- **THE STATE OF DISRUPTION TODAY**
- **WHY DIGITAL TRANSFORMATIONS FAIL**
- **HOW CAN YOU RESPOND**
 - **THE FOUR IMPERATIVES**
 - **WISE PIVOT**
 - **HORIZONS FOR GROWTH**



WELCOME
TO THE
NEW

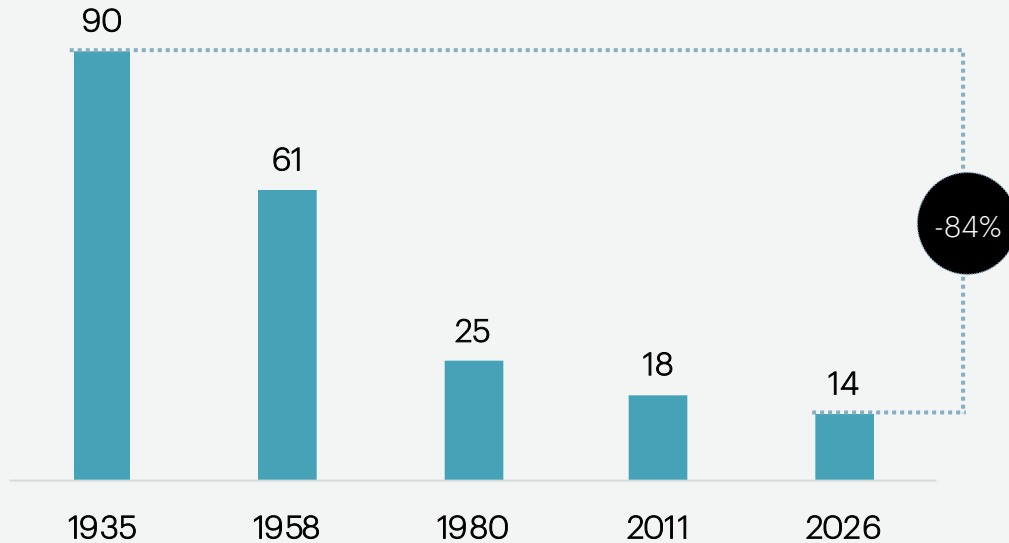
KEY TECHNOLOGIES ARE CONVERGING

- 1 Mainframe
- 2 Client-Server and PCs
- 3 Web 1.0, eCommerce
- 4 Web 2.0, Cloud, Mobile
- 5 Big Data, Analytics, Visualization
- 6 IoT and Smart Machines
- 7 Artificial Intelligence
- 8 Quantum Computing



52% OF FORTUNE 500 OUT OF BUSINESS SINCE 2000

Average company life span on S&P Index in Years

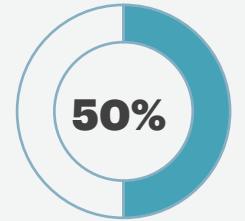


2
weeks

Replacement rate for S&P 500 companies

12
years

Estimated lifespan of an S&P 500 company in 2027



Share of S&P 500 expected to be replaced over the next 10 years

AND DISRUPTION IS ACCELERATING...

ACCENTURE DISRUPTABILITY INDEX

15

Factors of disruption
across 5 dimensions

98

Industry segments,
across 20 sectors

80

Countries hosting
3,600+ large companies

CURRENT LEVEL OF DISRUPTION

To what extent is disruption occurring?

SUSCEPTIBILITY TO FUTURE DISRUPTION

To what extent are industries exposed to disruption?



PRESENCE & PENETRATION OF DISRUPTORS

- Tech-led disruptors
- Billion-dollar startups
- Venture capital-funding



PERFORMANCE OF INCUMBENTS

- Revenue Growth
- Profitability Growth
- Corporate Bankruptcies



ABILITY TO OPERATE EFFICIENTLY

- Transaction Intensity
- Asset Intensity
- Labor Intensity



INNOVATION ACTIVITIES AND INVESTMENT

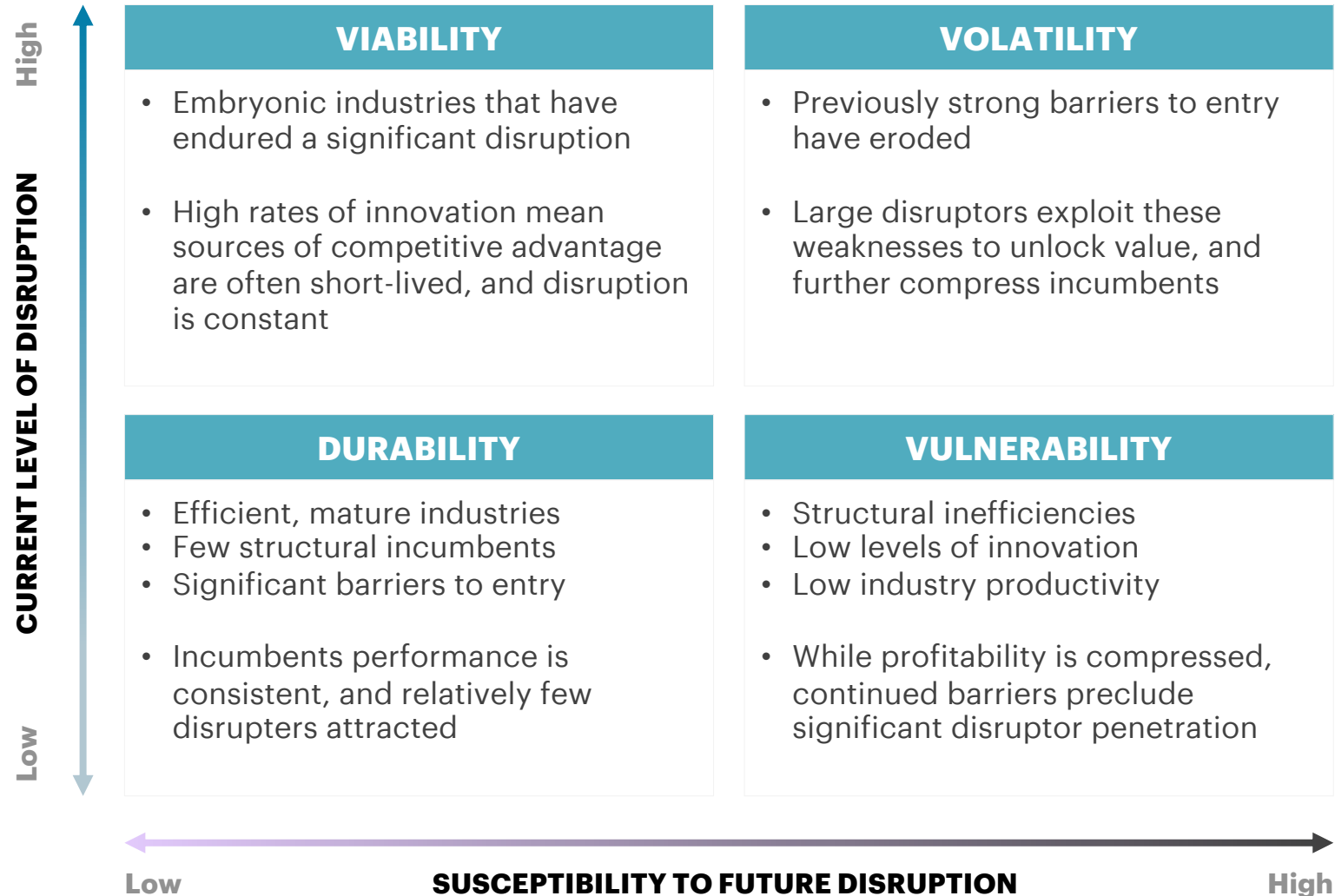
- Investment in R&D
- Investment in digital
- Future positioning



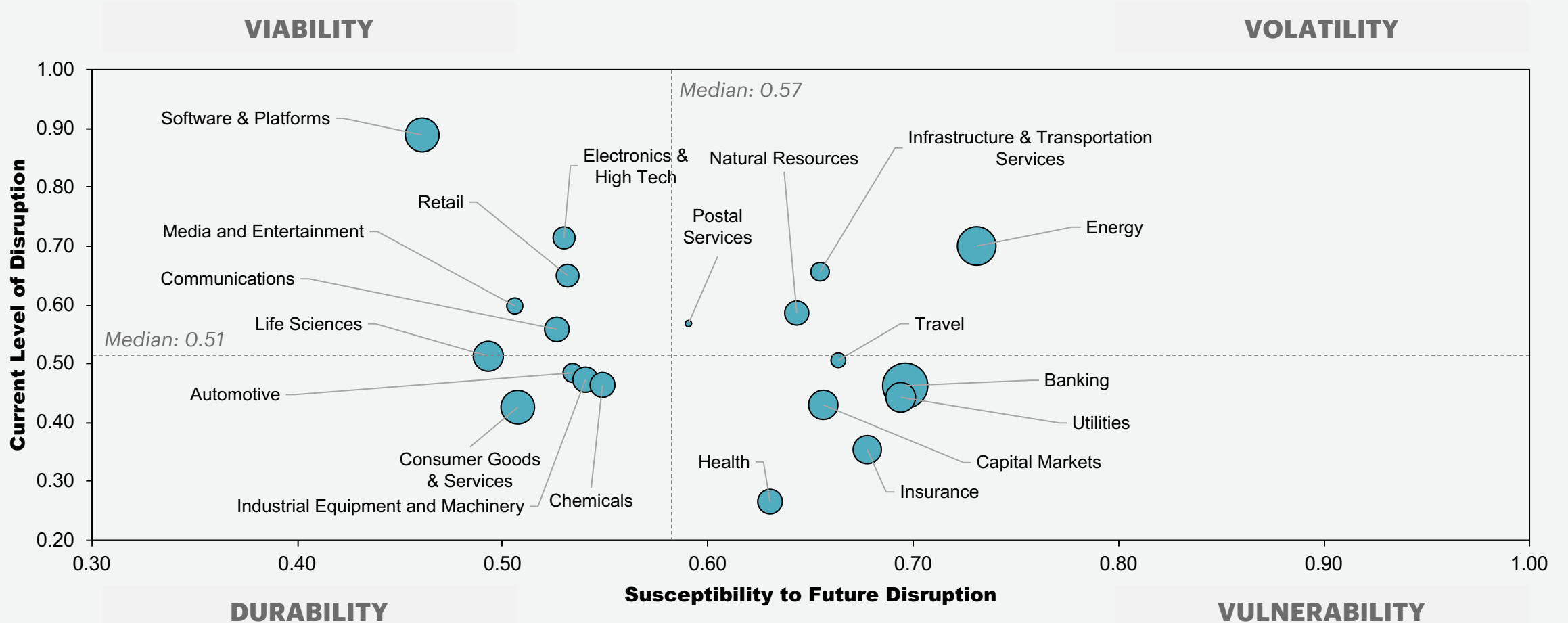
DEFENSES

- Brand Dominance
- Market Openness
- Value Potential

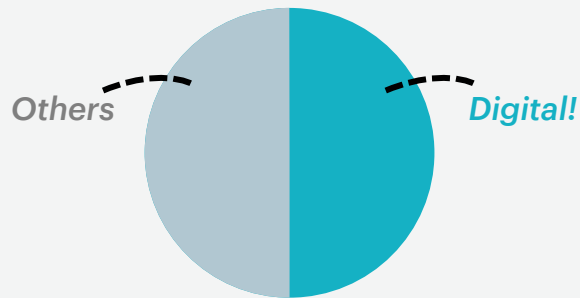
FOUR PERIODS OF DISRUPTION



EACH SECTOR EXPERIENCES DISRUPTION DIFFERENTLY



DIGITAL TRANSFORMATION IS THE STRATEGIC PRIORITY FOR MANY COMPANIES



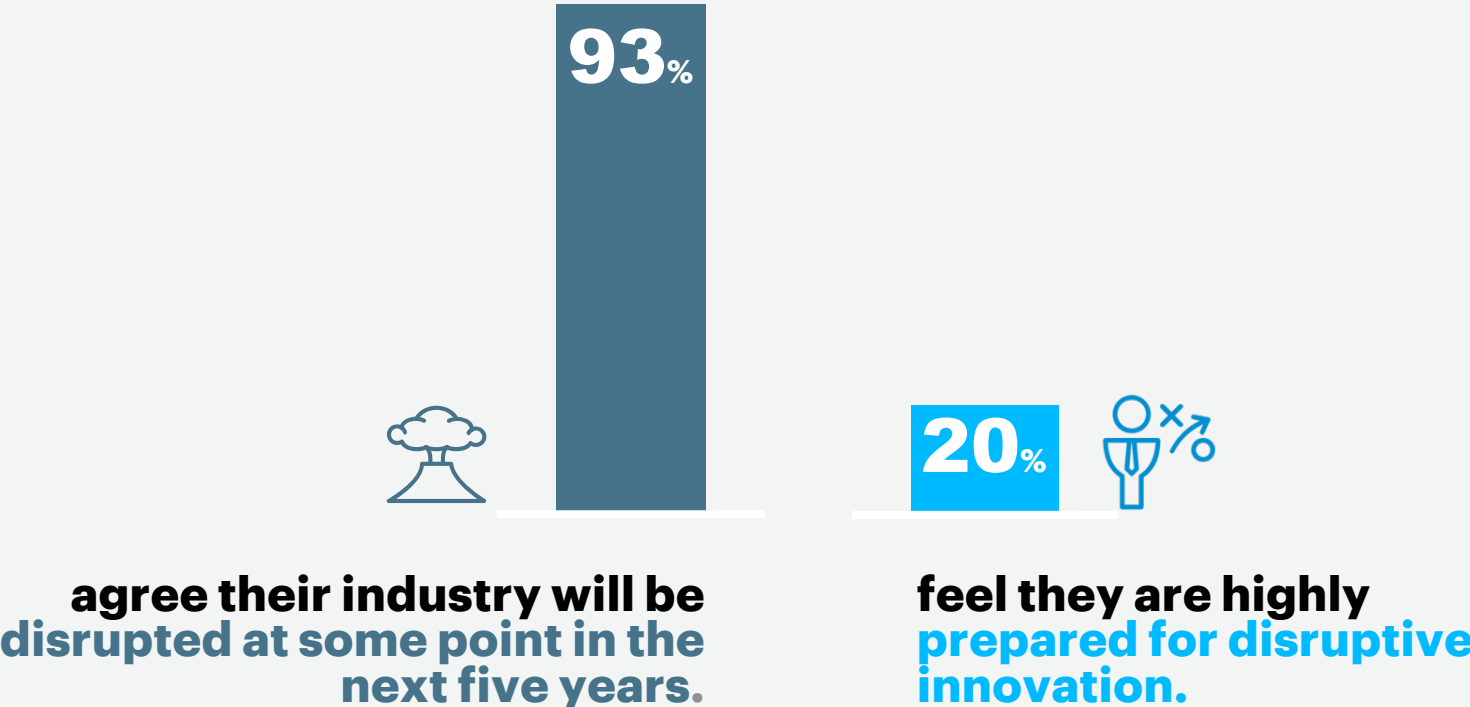
On average, most organizations believe that **half of their revenue will come from digital channels** by 2020

\$100 trillion

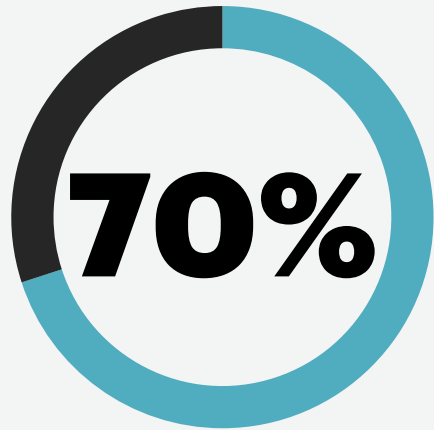
Overall economic value of digital transformation to business and society by 2025 according to World Economic Forum

YET, EXECUTIVES ARE NOT PREPARED TO FACE THE FUTURE

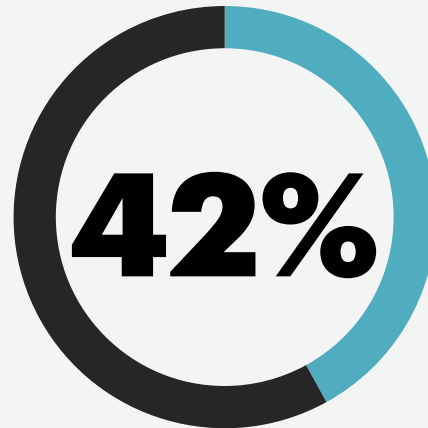
In a survey of CSOs, the majority agreed they would be disrupted at some point in the next 5 years; but only 20% felt they were highly prepared



FOR MANY, DIGITAL HASN'T DELIVERED...YET



Of all digital transformation initiatives did not reach their goals. Of the \$1.3 trillion spent, \$900 billion was estimated to go to waste



Executives rated their transition from ideation/R&D to business unit as “needs serious work” or “is terrible”.

WHY?

BUSINESSES DON'T LACK IDEAS ...

... THEY LACK EXECUTION.

COMPANIES ARE STRUGGLING TO DRIVE DIGITAL TRANSFORMATION AT SCALE.

“We don't have a ‘lack of ideas problem,’ we have a ‘**can’t prioritize and execute quickly** problem!’”

CEO – Leading Home Improvement Retailer

“We really don’t have a structured way to **test new ideas and get them to market.**”

CEO – Multinational Electric Utility Company

“We struggle with the **scope and governance** of our incubation effort. We need a better way to do it to have **scaled impact** on the business.”

Innovation Lead – Food Manufacturing Company

WHY A TYPICAL BUSINESS FAILS AT DIGITAL TRANSFORMATION?



*“ ... **Digital is not just a thing that you can buy and plug into the organization.** It is multi-faceted and diffuse, and doesn't just involve technology. **Digital transformation is an ongoing process of changing the way you do business.** It requires foundational investments in skills, projects, infrastructure ... ”*

TALENT

- Lack the right skills / talent to fill the right roles
- Slow pace of delivery

CULTURE

- Lack of leadership champion the transformation
- Lack of buy-in from organization and culture misalignment

GOVERNANCE

- Lack appropriate governance & success metrics
- Lack of integration across departments

PORTFOLIO

- Run out of commitment after initial prototyping
- Linear approach to innovation and digital investments

4 KEY IMPERATIVES

DIGITAL TRANSFORMATION



TALENT



CULTURE



GOVERNANCE



PORTFOLIO



EMPOWERING PEOPLE FOR DIGITAL

Organisations with clear communication and empowerment on digital transformation are eight times more likely to run successful transformation projects than those that do not.

EVANGELIZING DIGITAL FLUENCY

NATIONAL OIL & GAS COMPANY

FORTUNE
500
2018

22 years

>60bn USD
2018 Revenue

>50k
Employees

COMMITMENT TO CHANGE THE WAY THEY WORK FOR THE NEW DIGITAL ERA

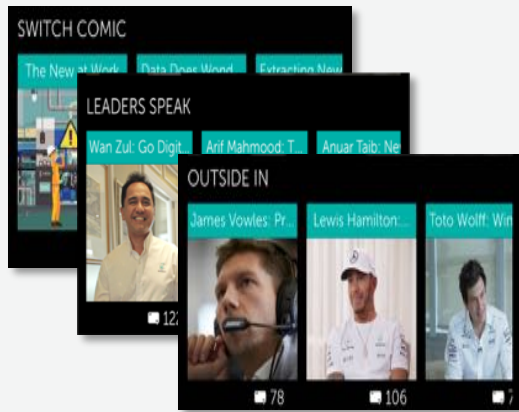
“

We are on a journey to orchestrate digital transformation across the organisation. Our ultimate aim is to make digital entrenched in the way we work. We aim to be a data-driven organisation, fundamentally changing the way we work to deliver new value. Our digital projects span across the value chain, from wells to plants, to customer-facing businesses. ”

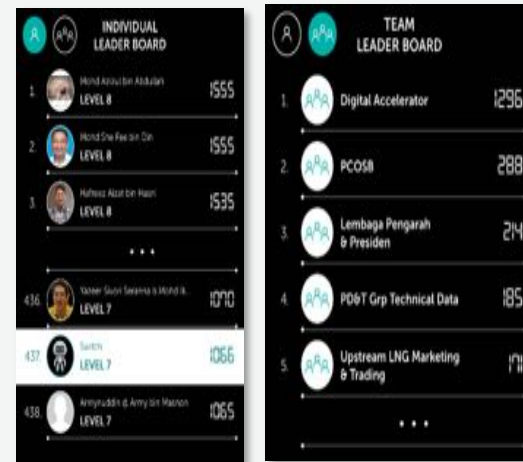
Chief Digital Officer of Oil & Gas Company

EDUCATING 51,000 EMPLOYEES IN FUN, FRESH & ENGAGING WAYS

The company faced capability gaps across different Business Units and wanted to create a seamless learning platform for all employees



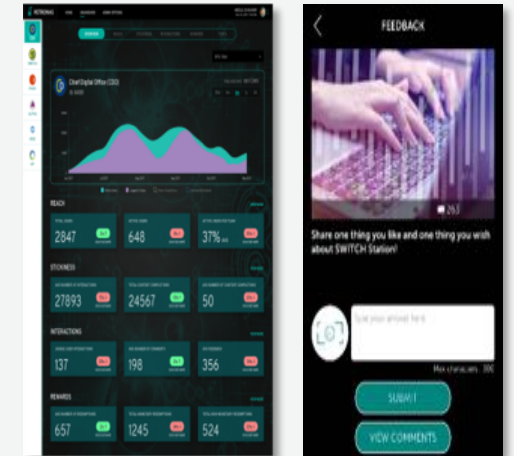
Bite-sized daily releases
to engage users in a fun, fresh
and engaging way



**Gamification with
leaderboard**
by individual and teams



**Dedicated
digital channels**
to target different personas



**Insights from
analytics engine**
to drive curation of content

ENGAGING EMPLOYEES WITH THE NEW DIGITAL IMMERSION PROGRAM

“The program made strange digital lingo become a **common dialect.”**

CEO of subsidiary

“I will wait for new material daily because I like the **informative and educational sharing. I wish for the program to continue for as long as it can.”**

Executive

“It is a very **modern way of learning and makes understanding technical concepts very simple.”**

Instrument Engineer



EVOLVING YOUR CULTURE

A set of shared values and beliefs that drive change in behaviors across the organization, beyond digital initiatives.

TRAGICALLY ...

70%
**OF DIGITAL
INITIATIVES
WILL FAIL**

because business leaders underestimate and underinvest in leadership and culture interventions.



TACKLING DISRUPTION AT WORLD'S BEST AIRPORT

62m

Passengers passing through in 2017

7.2k

Departing every week to 400 cities around the globe

5

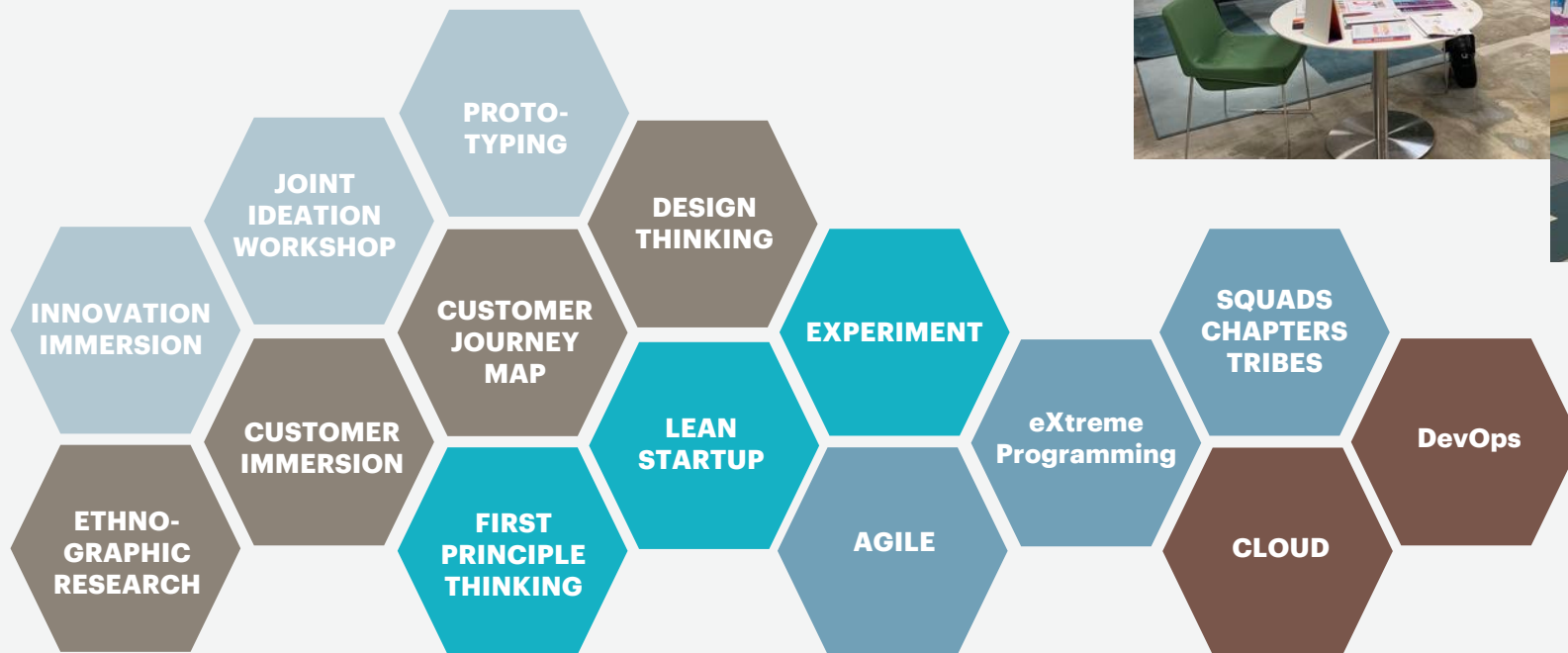
terminals by 2029, doubling capacity to 135 million in next 10 years

51%

Revenue (S\$1.2 billion) from Rental and Concessions income

BRINGING NEW WAYS OF WORKING

CO-LOCATING, CO-CREATING AND CO-EXPERIMENTING IN A START-UP ENVIRONMENT





ESTABLISHING GOVERNANCE

Align digital transformation priorities and objectives through group-level KPIs and metrics.

COMMITMENT TO DIGITIZE AT LARGE CONGLOMERATE IN ASIA

FORTUNE
500

2018

19 years

>40bn USD

2018 Revenue

>450k

Employees

PROMOTING ENTREPRENEURIAL SPIRIT **ACROSS BUSINESS UNITS**



A new program was launched to challenge all business units to come up with fresh proposals that address disruptive influences and create opportunities for business development

“

Equipping our employees with the right skills, and taking advantage of new technologies are all crucial. This Challenge will be open to **everyone in the Group** as it impacts us all.

”

Executive Chairman & Managing Director
of Asia Conglomerate

A woman with long dark hair, wearing a white shirt, stands in a meeting room pointing at a whiteboard. The whiteboard is covered with numerous colorful sticky notes (pink, yellow, orange) arranged in clusters. In the foreground, several people are seated around a table with laptops, looking towards the whiteboard. The room has large windows on the left side, letting in natural light.

SYNERGIZING THROUGH **PORTFOLIO**

Creating synergies across the businesses to test, iterate,
and scale digital initiatives.

DEFINING THE FUTURE OF MOBILITY FOR **ASEAN CONGLOMERATE**

>15bn USD
Annual Revenue

>200k
Employees

200+
Subsidiaries

7
Business Segments



Workshops



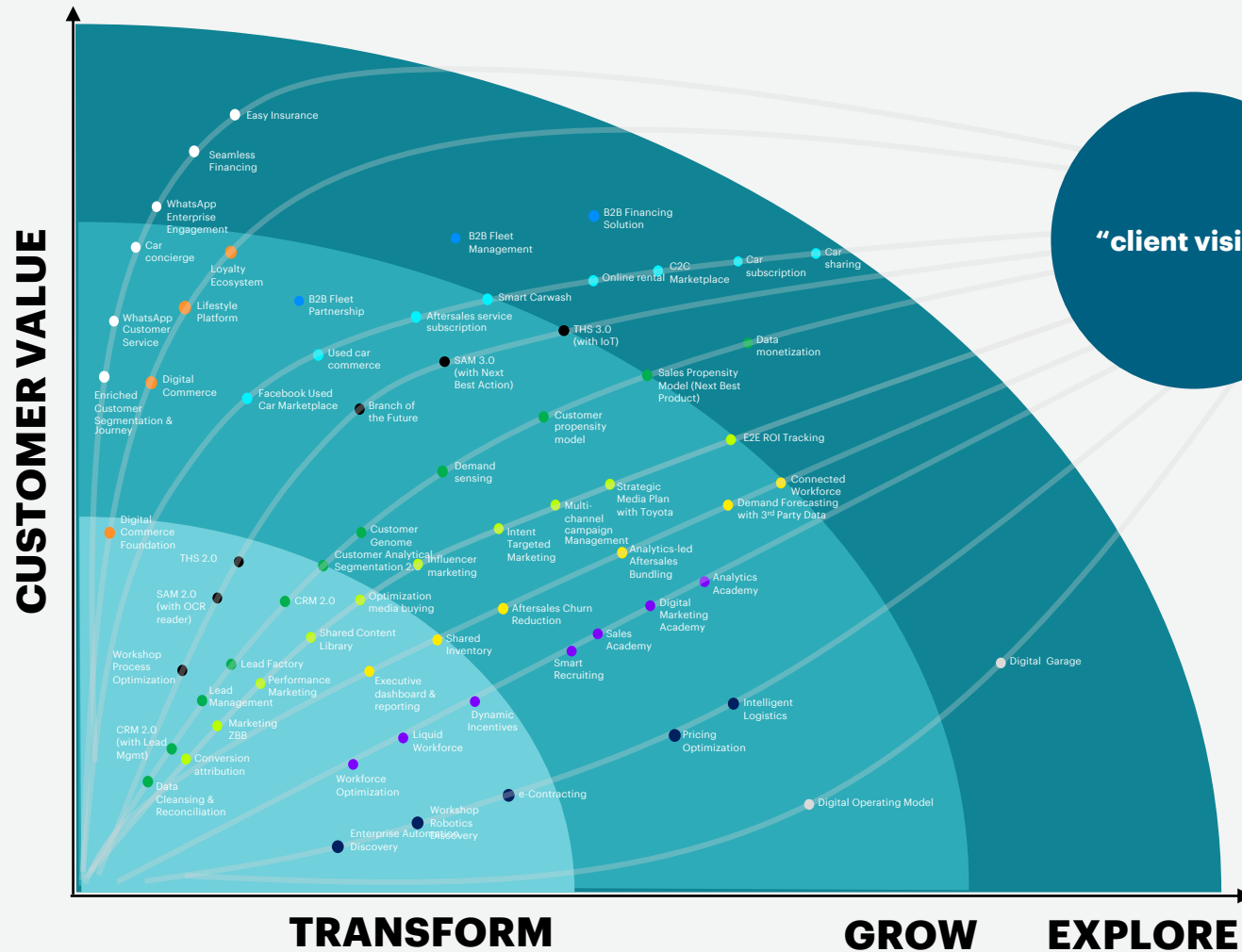
Ideation Sessions

DEVELOP & VALIDATE



Online-to-offline Customer Journey

DEVELOPING THE DIGITAL INITIATIVE PORTFOLIO



65 initiatives:

- **22** –initiatives under **Transform** to build foundation for future initiatives
- **33** initiatives under **Growth** to increment sales, aftersales & productivity
- **10** initiatives under **Explore** for opportunity in new business models & mobility space

LEGEND	
○ Customer Experience	● Marketing Factory
● Living Ecosystem	● Intelligent Operations
● Corporate Partner	● Digital Workforce
● New Business Models	● Commercial Excellence
● Digital Dealership	● Two-speed Organization
● Customer Intelligence	

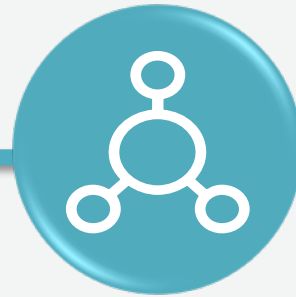
4 KEY IMPERATIVES

DIGITAL TRANSFORMATION



TALENT

- Reskill employees
- Hire the right talents
- Full-time digital transformation team



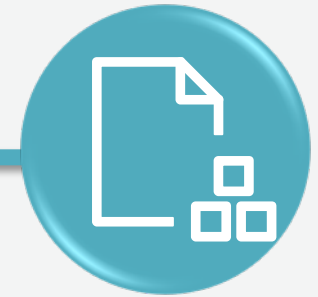
CULTURE

- Foster a digital culture
- Activate leadership
- Align the organization



GOVERNANCE

- Re-organize for the digital era
- Align business & digital strategy
- Clear mandate to drive transformation

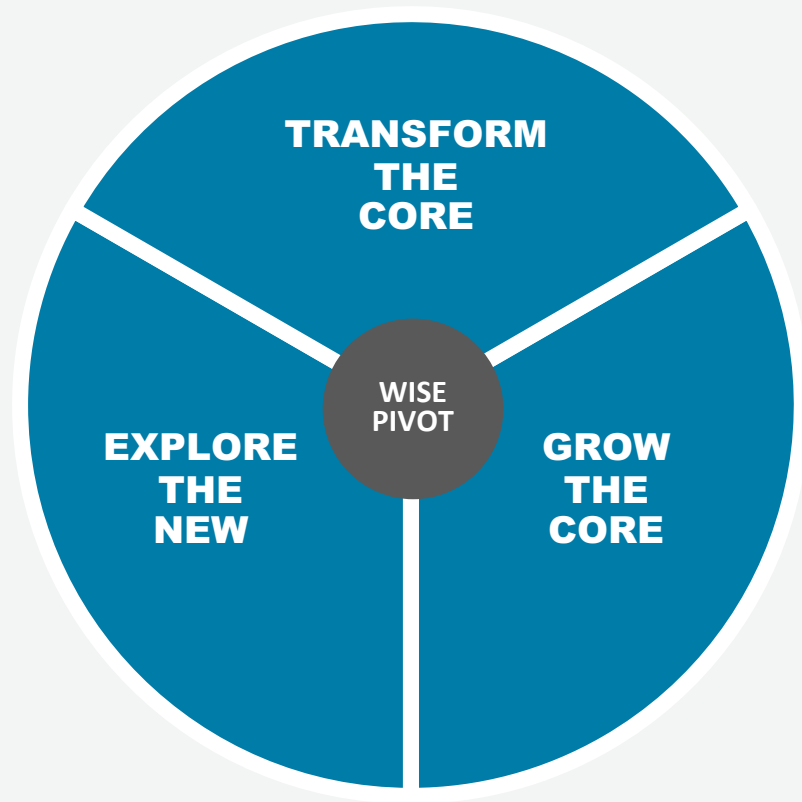


PORTFOLIO

- Leverage ecosystem (build/buy/partner)
- Concurrent rapid experiments across horizons
- Multi-speed portfolio management

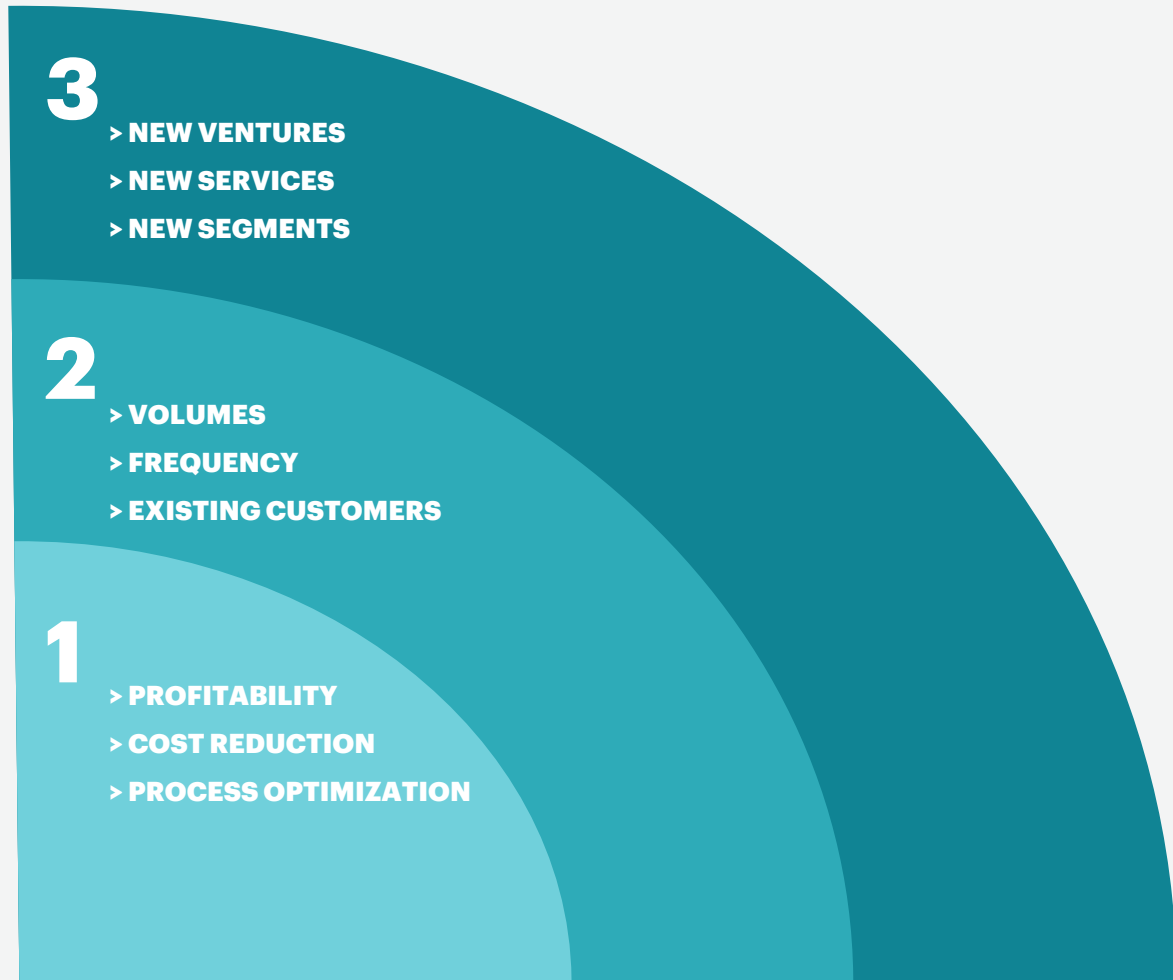
**HOW DO WE MAKE IT
HAPPEN?**

WISE PIVOT - A NEW APPROACH TO ORGANIZATIONAL CHANGE



- 1. TRANSFORM THE CORE**
to drive up investment capacity.
- 2. GROW THE CORE**
to sustain the fuel for growth.
- 3. EXPLORE NEW BUSINESS**
to identify and scale new growth areas at pace.

THREE HORIZONS FOR GROWTH



1 TRANSFORM

Invest into initiatives that impact productivity and profitability of the current business.

2 GROW

Invest into initiatives that expand and grow the current business.

3 EXPLORE

Invest into new products and service offerings, including new channels and partners.

ASKING THE BIGGER QUESTIONS

• How can we ensure that our business remain competitive as new technologies disrupt the industry?

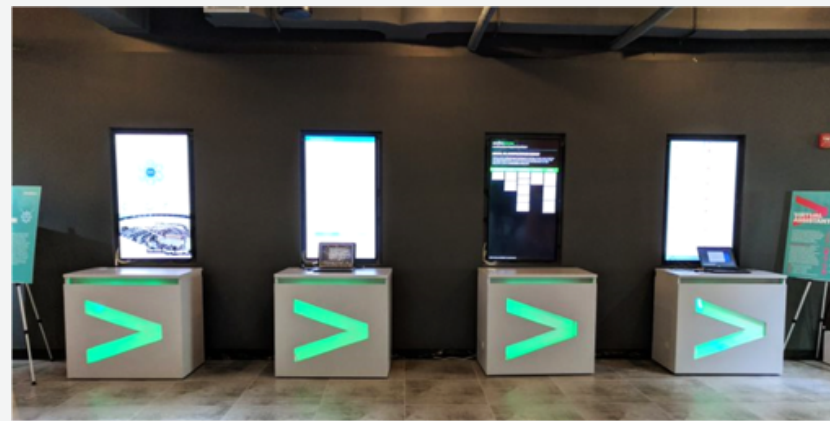
• Are we keeping pace with the changing needs of our customers and the ecosystem of competition?

• Do we have the right capabilities and infrastructure to scale our business?

ACCENTURE LIQUID STUDIO MANILA

Accenture Liquid Studio in Manila is an open, collaborative space designed for **co-innovation** and **rapid application development**.

We help clients address tomorrow's business challenges today by combining industry skills and knowledge with exciting new methods, processes and technologies.



ACCENTURE INNOVATION HUB SINGAPORE

Located in Singapore, the **Innovation Hub** helps our clients address industry challenges and keep pace with rapid change.

Get ready to be immersed in an environment that encourages you to work with our innovation leads, subject matter experts, ecosystem and industry partners to **imagine, ideate and co-create** smart, scalable solutions to support your business transformation.



500+
CLIENT
SESSIONS

40
WORKSHOPS
PER MONTH



THANK YOU.

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Q & A