

Accenture Digital Business Era

Idea In Short

Stop treating technology as a separate discipline. Accenture's Digital Business Era report argues that digital is the underpinning of everything. Understand the five themes, form a point of view and help clients stretch their boundaries before disruption renders them irrelevant.

A Report Worth Reading

Accenture had a good week. Their stock hit a 16-year high as they boosted their forecast for both revenues and profits. While looking for their quarterly investor presentation, I stumbled on something entirely more interesting. The report was titled Digital Business Era: Stretch Your Boundaries, and it was thought-provoking and relevant to all management consultants 1.

Accenture surveyed 2,000 business and technology executives and divided the 120-page report into five major themes. Those themes were Internet of Me, Outcome Economy, Platform Revolution, Intelligent Enterprise and Workforce Reimagined. All of us feel the intellectual curiosity of how the next digital revolution is changing business. Some of it we understand. Most of it we do not. Our clients struggle with these issues daily, especially if they are chief information officers, chief marketing officers or chief technology officers. As consultants, we need to understand the context and preferably have a point of view on it.

This is a time of enormous excitement, speed and disruption. Accenture notes that 52 percent of companies from the Fortune 500 had gone bankrupt or disappeared in large part because of digital disruption. Remember Circuit City and Blockbuster. The message is clear. Adapt or face the same fate.

Beyond the Cloud: Stop Talking About It

The first takeaway is to stop talking about the cloud and focus on using it. This is so true

and sadly most business people refer to the cloud as if it were a mystical place where problems solve themselves. No, it just has enormous computing power and storage in a remote location with real-time connectivity. It is an ultra-powerful utility. The question is no longer what the cloud is. The question is what will you do with it.

Design for Analytics

For all the talk of big data, honestly even small data is difficult to gather and analyze. Most companies have the hardest time getting legacy systems to spit out structured data in usable ways. I spoke with a director who spends two hours every month putting together a single report because the data is not extracted with reporting in mind. The insight is to formulate the questions first, then design systems to deliver the answers.

Relationships at Scale

This touches on customer relationship management. Accenture's argument is simple. All this social, mobile and local data is useful for commerce and marketing, but what is it doing to drive loyalty and lifetime value of customer decisions? Are you gaining real loyalty or just selling better? The distinction matters because loyalty compounds while transactions are one-off. Digital relationships require ongoing value, not just better targeting.

Seamless Collaboration and Cybersecurity

As Peter Drucker said famously over forty years ago, the knowledge worker cannot be supervised. This applies now more than ever as companies rely on employees working in teams to collaborate and create ways of working smarter, harder and closer to the customer. The right channel, the right worker and the right job must align.

Accenture also argues that companies need to start with the basics on cybersecurity and implement best practices immediately. The average company is woefully behind the times in security. The bad guys are getting craftier, and defenses must adapt continuously.

Data Velocity and the Speed of Action

I found the data velocity point to be oddly liberating. There is a flood of data, but in reality the data which will be acted upon is just a fraction of the total. This means the velocity of

data analysis is constrained or filtered by the reaction and implementation time of the client. Put another way, there is no reason to freak out over all data when there is a finite and much smaller set of data that will actually drive management action. Prioritize the data that leads to decisions.

The Digital-Physical Blur

The Internet of Things, where connected devices are everywhere, allows consumers to better shape their experience 2. The report describes Mercedes linking your car to your smart thermostat at home so it warms or cools your house on your way home. A Los Angeles parking app tells you which of 7,000 smart parking spaces are available in real time. Machine-to-machine communications is getting cheaper and communication protocols are maturing.

The boundary between digital and physical is dissolving. Products now ship with embedded connectivity, and services blend software with hardware. Consultants who can bridge this gap for clients will be invaluable 3. The question is not whether to connect products but how to extract value from the connection.

From Workforce to Crowdsource

Extending collaboration beyond the four walls of your company means embracing consumers, suppliers and even competitors. This is not a new idea, but Accenture calls application programming interfaces the secret sauce of the digital economy. The ability to open up platforms and let external developers build on your infrastructure creates network effects that internal teams cannot replicate alone.

The Data Supply Chain

Enterprise data is woefully underutilized because it sits in silos. Accenture describes the need to better coordinate the supply chain of data from one system to another. Frankly, if clients could systematically do this, consulting revenues would drop by a third. The problem is that data ownership is fragmented, systems were built independently and integration was never prioritized. Fixing this is both a technical challenge and an organizational one.

Architecture and Resilience

Accenture notes a sharp shift toward simpler, more modular applications. Software is now a core competency in the digital world, not an afterthought handled by IT. With the need for systems to be on 24 hours a day, there is a level of robustness and redundancy required. They describe it well: systems need to be designed for failure, not designed to spec. Resilience is a feature, not a bug.

Consultants Love Buckets and So Does Accenture

This report shows consultants at their best. Accenture takes a broad topic, distills it into easily understood elements, provides real-life examples and offers multiple ways to interact with the content. It is a complete experience that reinforces the message that technology is ubiquitous and not a separate discipline but the underpinning of everything. For those who work in strategy, IT, marketing, enterprise risk or research and development, this report is essential reading. The themes may evolve, but the imperative to stretch your boundaries remains constant.

- 1Technology Trends, Accenture
- 2Internet of Things, Wikipedia
- 3Building an IoT Strategy, Harvard Business Review

Summary

The Digital Business Era report frames digital transformation as ubiquitous, not separate. Cloud, analytics, relationships, cybersecurity and the Internet of Things are no longer optional. Consultants must understand these themes, form a point of view and help clients act before disruption eliminates them.