

Winning in the Tech Revolution

A new generation of technology is set to radically change what it means to build a successful enterprise. **Rachel Barton**, Managing Director at Accenture Strategy, talks to **Marc Barber** about how senior leaders and boards need to respond



The days of badly-dressed, self-proclaimed “Search Engine Optimisation Experts” who waxed lyrical about the need for keywords and hyperlinks on business websites, seem positively quaint when compared to the dataism breaking out around us.

People are suddenly aware that Facebook and Snapchat aren't simply “tech” companies, but advertising giants with cutting-edge tools to collect and analyse our personal data. There is also a growing existential dread about a world of robots replacing humans in the workplace, a future of drones and driverless cars, a place where your smart fridge informs your “AI doctor” – and health insurance provider – when you're eating too much brie again.

Chief executives and boards must reflect on what this landscape means for their existing operating models as the countdown to obsolescence has already begun. According to research by Accenture, 41 percent of the S&P's consumer-centric companies have either been acquired or gone out of business since the turn of the century. Over the next decade, half of the current S&P are expected to suffer the same fate.

Here, **Rachel Barton**, Managing Director of Accenture Strategy, shares her thoughts on what board-level executives need to focus on – and the questions they must ask – if they are going to win through the next stage of the tech revolution.

This new wave of technology can seem overwhelming. How can chief executives start to make sense of it?

There is certainly an ever-increasing list of new buzzword technology out there,

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which promises to solve every problem – whether that's artificial intelligence, bio-technology, genomics, cloud, blockchain, robotics, advanced analytics – the list gets longer.

A lot of boards and organisations look at technology and try and work out what problem it will help them solve rather than stepping back to think through their longer-term strategy and then use technology in a joined up way to help them get there faster.

How do you move beyond this?

You have to understand your growth strategy, so you are asking questions like: ‘What is it we want to become?’; ‘What are we going to turn into?’; ‘How are we joining the dots, using deeply disruptive technologies, so we can genuinely help to move our business forward?’

Whereas what happens at the moment is that these bigger questions become too difficult to solve. Therefore, everybody reverts to using technology to solve a pointed problem, such as: ‘Let's put in a chatbot because that will reduce our

customer complaints’, or: ‘Let's bring in an AI capability to create a dynamic offer development.’

It may be solving a pointed problem, but it's scratching the surface of the actual capability of joining up new and disruptive technologies. The question that needs to be asked is: ‘How do we become a completely different, reinvented business that is fit for purpose during the next wave of growth?’

As a CEO, how important is it to think about the ecosystem you operate in?

Extremely. If you go back even five years, you could use disruptive technology to gain a competitive advantage in your marketplace. We are now at a stage where you can only be the best at what you do if you look outside of your own organisation.

Let's take an insurance business as an example. Five years ago, to be the best insurance business in the world, it would focus purely on calculating the right premium – that's what would make it a fully optimised business. Whereas now, arguably, it would need to understand the wider ecosystem it operated in, so it may partner with a pharmaceutical company, and a health service, and a series of other players, to establish itself as a patient-centric insurance business underpinned by new technologies that stretch beyond its company walls.

Is the difference here that in order to be the best, a business has to think about its societal impact, not just hitting numbers?

If you want to elevate your business, you need to evaluate the wider aspects. In the example I gave, that would also >



mean thinking through what would happen if something went wrong in the patient-centric care you were involved in. Who's accountable if delivering that service relies on decisions made by artificial intelligence that may sit between your organisation and another?

In your mind, does that immaturity stem from not fully understanding who your external stakeholders are and, in many instances, the technology which underpins those relationships?

It comes back to senior executives and boards realising that they can no longer run their businesses 'in a box'. It's a little like being at school, it's great being top of your class but it doesn't count for much when you are out in the big wide world. In fact, it can become completely irrelevant as the competitive landscape broadens and there are a whole range of other people you are going to have to network with and impress.

So, for businesses, yes of course, optimise within, but there is a need to reach out beyond your company walls and think about what you want to be when you grow up.

Take data for example, yes, use customer data to improve business performance, but what potential does it have if you can elevate the journey beyond your organisation and connect it with others? This becomes a much more powerful and convergent way of delivering a proposition, but it also comes with a different level of risk around data security and trust – how do we use this mindset to deliver something that is completely game-changing to society?

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So, when thinking about these changes, does trust have to be front of mind?

Trust has to be part of a corporate strategy. This isn't just about digital either as it applies equally, if not more so, to other technologies, such as driverless cars. We can't buy into them if we can't trust a car will swerve in the right direction when a child runs across the road.

If you can't get the right level of trust when thinking through some of the amazing propositions and devices out there, then no one is going to engage with them.

What kind of leadership team thrives in the environment you describe?

An in-built ability to galvanise multidisciplinary teams towards a common goal, and to respond to

shifting market dynamics. Being comfortable with ambiguity, and collaborating will be key.

Once you create that kind of intelligent enterprise, you are able to take on what is thrown at you. ■

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Working with the UK's largest companies, Rachel advises business leaders on how they can drive a growth agenda through competitive agility, use of disruptive technologies and changing customer needs.

With a passion for social responsibility, Rachel sits on Accenture's global Corporate Citizenship Council and is the Client Account Lead for the Cherie Blair Foundation for Women. She is a Trustee for UnLtd, an organisation that funds social entrepreneurs and is a mentor to SAFE, a social enterprise which aims to eradicate human trafficking.

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