



Pierre Nanterme

EDITORS' NOTE *In his 32-year career with Accenture, Pierre Nanterme has held a wide variety of leadership positions across key parts of Accenture's business, including Group Chief Executive of Accenture's Financial Services operating group, Chief Leadership Officer, and Accenture's Country Managing Director for France. Since 2011, he has served on various task forces for the B20 Summit, and he is a member of the World Economic Forum's International Business Council and its IT Governors Steering Committee, as well as executive sponsor of the Forum's Digital Transformation of Industries research project. He also serves on the steering board of the European Commission's European Cloud Partnership and is a member of The Wall Street Journal CEO Council. He holds a master of science degree in management from ESSEC Business School (École Supérieure des Sciences Économiques et Commerciales) in Paris. He was awarded the insignia of Chevalier (Knight) of the Legion of Honour in France in 2010.*

COMPANY BRIEF *Accenture (accenture.com) is a global management consulting, technology services, and outsourcing company with more than 336,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments.*

You frequently speak about digital. Why is it so important?

To say that the digital revolution is redefining the world is a vast understatement. I strongly believe that something unprecedented is taking place and, collectively, we may be underestimating how profound the disruption will be and how fast it will unfold. Digital is redefining the way we consume products and services, and the way we work and collaborate. It is also redefining our business models,

Digital Transformation

An Interview with Pierre Nanterme,
Chairman and Chief Executive Officer, Accenture

the boundaries between industries, and even our economic models. The potential payoff is enormous.

What specifically is digital, and how is this "revolution" affecting organizations around the globe?

"Digital" is a wide-ranging term covering technologies that include what we call SMAC – social, mobile, analytics, and cloud – plus cognitive computing and artificial intelligence. These technologies combine to provide connectivity, reach, and business intelligence at relatively low costs and investment. They allow for an increasingly connected world in which everything that can be connected digitally will be connected; in which data becomes the currency of the new economy; and where businesses and IT will be intelligent with highly automated processes, robotics, and artificial intelligence. The power and low cost of digital technologies will allow businesses and governments to do more with less.

Specifically, what will be disrupted?

The simple answer is, everything. The good news is that, going forward, digital will allow businesses and governments to tackle

societal challenges, such as affordable health-care and sustainability issues, that have been well beyond our scope. But the speed of transition also creates substantial challenges, including shifts in the value chain, jobs displacement, and new cyber risks, which we must address.

Who will be the winners in the digital economy?

The winners will be those who can redefine their management disciplines in a more open world. This means redefining almost everything – purpose, strategy, corporate governance, innovation, marketing, supply chains, HR, IT, and cybersecurity. Becoming digital requires a massive transformation.

It's not enough to just think about and plan for change. The challenge for companies is in the execution – moving from experimenting in parts of the organization to having a digital road map. They need to lead or be fast followers and understand if they are disruptors or whom they can disrupt.

You have predicted that a digital revolution is coming in three waves. What are those waves and how will they create opportunity?

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All organizations should look at the opportunity arising from three digital waves because these waves are disrupting both economies and societies, and will allow organizations to increase revenue. The first wave – digital customers, channels, and markets – should lead organizations to reinvent their consumer connections, e.g. through multichannel customer experiences, digital customer interactions, digital sales, and digital channel distribution capabilities. In the second wave – the digital enterprise – leaders need to reinvent their organizations to better serve customers, e.g. through more efficient business processes, business intelligence, and collaboration. The third wave, which we are just beginning to see, is about digital operations, or what we call the Industrial Internet of Things – connected product platforms and analytics. This is about reinventing the way organizations deliver their solutions – through smart electricity grids, intelligent cities, intelligent pipelines, and digital plants – and is by far the most disruptive in terms of productivity and innovation.

What does a digital enterprise look like today?

Accenture is a great example of a digitally advanced company. With no physical headquarters, our more than 336,000 employees use the latest collaborative tools on PCs and mobile devices to work seamlessly across our offices and operations around the world in a secure environment. Additionally, 60,000 of our people routinely use our enterprise social network to share knowledge or crowdsource new ideas. The latest virtual learning technologies allow us to bring the best experts to our distributed teams through virtual classrooms, and we use analytics to predict which of our valuable people might move to another wave of digital transformation, with intelligent tools to automate routine IT and operational tasks.

But not every company will look like Accenture, so what do CEOs need to focus on?

The CEO agenda is becoming polarized around two themes: digitization – to drive unique competitive advantage and new sources of value; and rationalization – to create productivity and efficiency gains. CEOs must understand the disruption coming from digital and strive to be disruptive, not disrupted. They must move fast and understand what is happening in their industries. What are the key trends? Who could be the disrupter or the disrupted? More importantly, they must work with their teams, be creative, look around every corner, and be open to innovation.

Has Accenture taken its own advice about digital transformation?

Yes, we have. For example, to better serve our clients, we created Accenture Digital, which combines our capabilities in digital marketing, analytics, and mobility to help clients unleash the power of digital to transform their businesses. More broadly, Accenture has approximately 28,000 professionals in the digital space, including approximately 1,000 Ph.D.s working in 23 analytics centers around the world, developing big data algorithms for our clients. Accenture's digital-related services represent more than 20 percent of our total revenue. In the third quarter of fiscal 2015, which ended May 31, our digital-related services grew more than 30 percent in local currency. We invested early in this space, and we have also bought adjacent capabilities where needed, including companies that specialize in creative design, digital content, and e-commerce platform design.

There is a great deal of focus today on companies with a purpose. How does Accenture give back?

At Accenture, being a good corporate citizen is central to our vision to improve the way the world works and lives, and it reflects our

core values. Our global corporate citizenship initiative, Skills to Succeed, helps address the global need for skills that open doors to employment and economic opportunity. It is a key aspect of how we embed corporate social responsibility into our business. We launched the initiative in 2009, and our progress continues to exceed our expectations. Together with our strategic partners, we have equipped more than 800,000 people with these skills, and we are setting our sights even higher: by the end of fiscal 2020, we are committed to equipping three million people globally with the skills to get a job or build a business.

Is there a role for your employees in this area?

Absolutely. Our people are the driving force behind our Skills to Succeed initiative, and it is an enormous source of pride for them. They share their time, skills, and counsel by volunteering and providing pro bono services, conducting soft skills workshops for job seekers, creating new technology solutions for skills training, implementing new technology platforms for our nonprofit partners, and providing long-term mentoring support for entrepreneurs. Their enthusiasm for collaborating with clients, nonprofits, and one another helps make a tremendous impact in our communities worldwide.

On a related note, Accenture is known as a leading company for inclusion and diversity, particularly for women. Please tell us a little about this.

Inclusion and diversity are fundamental to Accenture's culture and embedded in our core values, and our focus on attracting, inspiring, and advancing women is critical to our future. Our commitment starts at the top: our board includes 10 independent directors, four of whom are women, and women hold many key leadership positions in the company, including leading some of our largest client accounts. By 2017, we will grow the percentage of new hires who are women to at least 40 percent – from 36 percent – worldwide. And we work to ensure our employees are compensated fairly. We have rigorous processes to identify potential discrepancies that may arise across similar roles, including continual monitoring of compensation through a gender-neutral lens. If we find issues, we take appropriate steps to address them.

How difficult is it for you to be an effective CEO when you lead more than 336,000 people serving clients in more than 120 countries?

The key is creating the right environment. At Accenture, innovation and creativity are critical. Our message to our people is, "Try it." We want them to experiment, and to be nimble and flexible, and I believe the CEO must reflect that. Maintaining the status quo and leading in a conservative way are outdated. A CEO can no longer simply be a strong operator with a solid vision. He or she must bring curiosity to the role and be willing to embrace "the new." CEOs must also understand their people. For example, millennials at Accenture – who comprise two-thirds of our workforce – like collaborative, digital technology, so we invest in it. It's a new era in global leadership. ●