

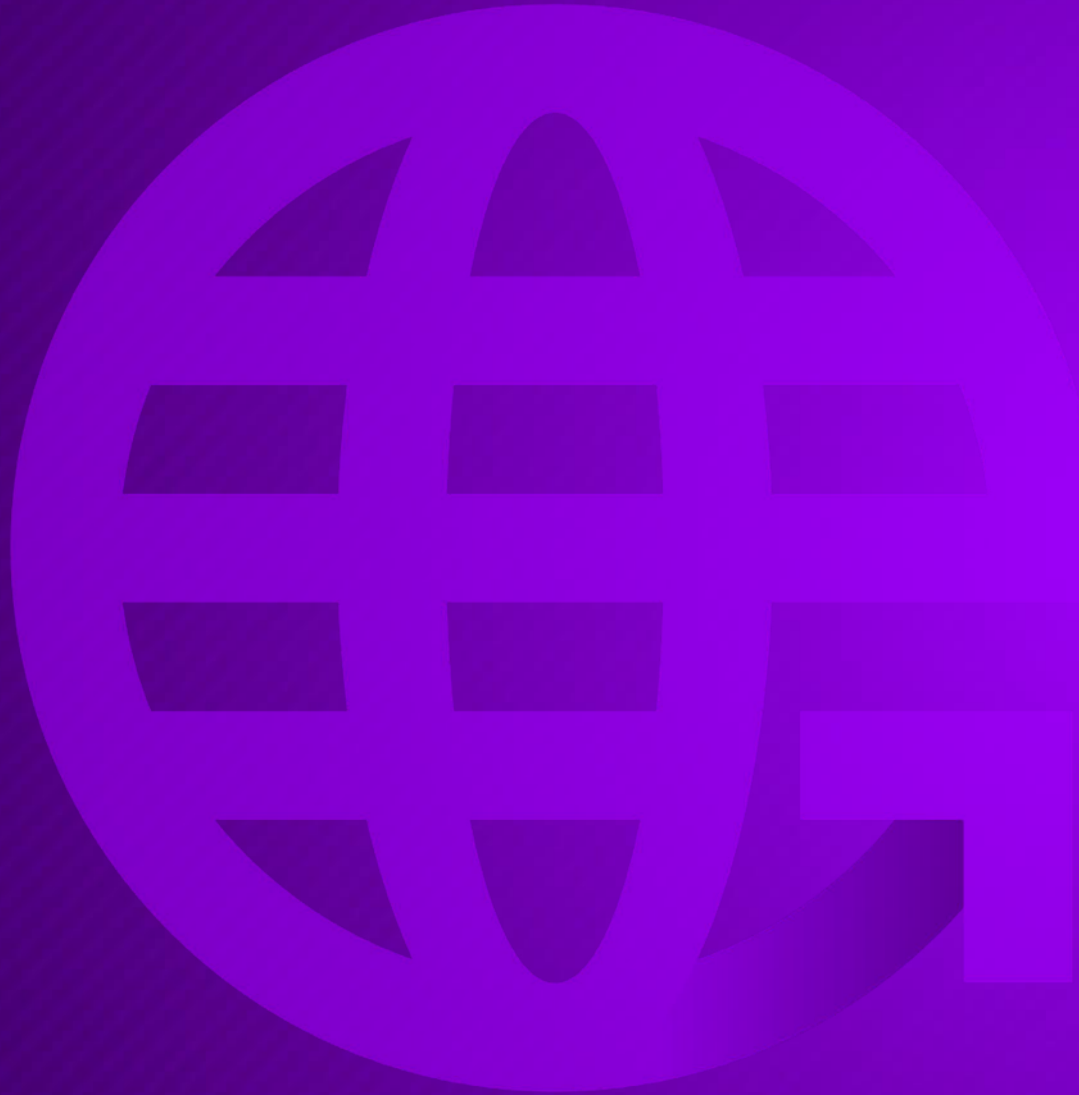


# Building the Intelligent Enterprise

Learning from COVID-19 to create  
lasting agility and resiliency

April 2020





## **We're all in this together**

**COVID-19 has turned into a global crisis, evolving at unprecedented speed and scale. It is creating a universal imperative for governments and organizations to take immediate action to protect their people.**

**It is now one of the biggest global events—and challenges—of our lifetime. As such, it is changing human attitudes and behaviors today and forcing organizations to respond.**

**However, the need to respond won't end when the virus's immediate threat eventually recedes.**



The COVID-19 crisis has created an imperative to accelerate corporations' adoption of **agile ways of working, and value chain transformation.**

These new ways of working and transformations offer a chance to fundamentally reimagine the nature of work, workforce and workplace.

The Intelligent Enterprise has never been more critical and meaningful than it is today.



# What is an Intelligent Enterprise?

The Intelligent Enterprise is an organization designed to maximize value under the most dynamic and demanding market circumstances.

It is flexible, able to anticipate and adapt to shifting business conditions, customer expectations, stakeholder demands and ecosystem potential. Digital at its core, underpinned by technology and analytics, and centered around transformative purpose, the Intelligent Enterprise is capable of dynamic self-management and continual adaptation.

BROADER ECOSYSTEM

The intelligent enterprise integrates:

## PURPOSE, CULTURE, GOVERNANCE

### BUSINESS MODEL

*(Products & Services, Pricing, Customer, Channel)*

### OPERATING MODEL

*(People, Process & Policy, Metrics & Incentives)*

## TECHNOLOGY & PLATFORMS

## DATA & ANALYTICS

## PHYSICAL ASSETS

# What are the attributes of an Intelligent Enterprise?

**01** **Data-driven** in a differentiated way, Intelligent Enterprises adjust go-to-market strategy, product mix, and ecosystem partnerships based on leading indicators.

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**02** **They are integrated**, where beneficial, to optimize for scale and efficiency. They are modular, where necessary, to simplify decision rights, increase speed to market, and adapt to customer and market demands. They are powered by cloud technologies to enable agility and faster speed to market.

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**03** **Intelligent Enterprises collaborate** with a broad range of ecosystem partners, including academic institutions, start-ups, alliances, and even competitors to meet talent needs and acquire new capabilities. They share assets and analytics to define new markets that cross industries.

**The Intelligent Enterprise is human-centered**, liquid in the way the company gains access to capabilities and assets, enhanced by human + machine collaborative intelligence, living in terms of how capabilities flow to work, and modular to allow for the different needs of business units, employees, clients, customers, and suppliers.



# Accelerating the rotation to an **Intelligent Enterprise**

**Organizations that were already Intelligent Enterprises are better positioned to more easily pivot their businesses in response to COVID-19 more effectively than those that were not.**

Some fast responders rapidly switched out manufacturing lines for in-demand and purposeful products, doubled production output, or stood up new remote in-home services in a matter of days.

Some built new, innovative partnerships, like a household goods company partnering with doctors and universities to build ventilators. Others, however, may be struggling with the foundations of business continuity.





# Learning from fast responders

## **What can we learn from the fast responders about the agility and resiliency choices they made over the past years that enabled them to respond so quickly in this time of crisis?**

Although each industry is impacted differently, leaders in each differentiate through:

- Robust and tested business continuity plans for end-to-end value chains, including crisis command centers
- Expansive scenario planning and response
- Well-structured ecosystems and networks with partners, competitors, and academic institutions
- Advanced technologies, cloud-based systems and collaboration tools to enable an elastic digital workplace
- Empowered business leaders and simplified governance structures that enable speed and agility

These leaders didn't develop critical capabilities in the past weeks and months; they are flexing intelligent characteristics they built over the past two to three years, built in response to the increasing pace of change. Accenture research shows 75% of businesses feel the pace of disruption has increased over the past three years,<sup>1</sup> 93% of companies say their very existence is jeopardized by operating models that can't keep pace<sup>2</sup>, and 63% of executives cite slow decision-making as a barrier to agility.<sup>3</sup>

## In a nutshell

The measures companies are putting in place to respond to the COVID-19 pandemic **are forcing the adoption of Intelligent Enterprise trends.**

Companies should consider more than just the urgent needs of the NOW—they should accelerate the build of an Intelligent Enterprise for the NEXT and to outmaneuver uncertainty in the new normal or, more accurately, the **NEVER NORMAL.**





# Building an Intelligent Enterprise to withstand the test of time



# CEOs should focus on **three foundational elements** to build an Intelligent Enterprise

## 01

### ENTERPRISE AGILITY AND RESILIENCE

**Agile operating models that help enable rapid responsiveness and ensure their people feel safe, connected, and seen.**

Many companies are quickly standing up crisis command centers to enable the virtual, digital workforce and agile, multi-disciplinary teams to focus on critical business issues. Many capabilities built now will endure to be scaled in the future.

**How can I make my enterprise agile and resilient?**

## 02

### RETHINK END-TO-END VALUE CHAINS

**End-to-end value chains to ensure continuity now and to structure for greater resiliency.**

Short-term, customer and supply channels are being shored up and ecosystem partners are rapidly being called upon for surge capacity or business survival. As business leaders take the lessons from NOW to prepare for NEXT, they are refreshing their ecosystems and alliances, distribution channels and integrated planning, and forecasting capabilities to de-risk, diversify, and localize in the interest of more resilient value chains. They are also evaluating and increasing their technology systems resilience.

**How can I rethink my end-to-end value chains?**

## 03

### REIMAGINE THE WAYS WE WORK AND PARTNER

**The 'white space' that now exists for the reimagination of work and business processes.**

The crisis is challenging our assumptions of what work is critical, what work requires proximity to products, customers and/or business leaders, and who of our ecosystem and alliance partners are resilient and prepared for crises. Companies' responses during the crisis will redefine the speed at which organizations can move to innovate, pivot, invest, decide, and reorganize. All of these learnings will form the foundations for the future of work in the NEVER NORMAL.

**If CEOs are playing it right, their companies can emerge stronger.**

**How can I reimagine the way we work and partner?**

# 01 Enterprise Agility and Resilience

**Create an environment where people feel safe, connected, and seen**

**Equip and enable safe and secure workers and teams Now (physical distancing, NOT social distancing).**

The immediate reaction to ensure enterprise resiliency should be establishing adequate tooling, network bandwidth, and cyber-security to enable remote working for close to 100 percent of the organization. The ability of organizations to put this in place quickly, or leverage existing technology and cloud-based systems, especially in the services industries, can create a large chasm between winners and losers.

**Sustain a culture of empathy and collaboration in the Next and Never Normal.**

Leaders should be empathetic. Connected. Actively supporting and encouraging new ways of working. New cultures of collaboration are forming, leveraging the best thinking and skills regardless of where they reside, in a more inclusive way than ever before. This will likely force a shift in leadership behaviors, yielding positive long-term results for cultures of innovation and collaboration.

**Scale flexible working in the Next and Never Normal to become a more human, liquid enterprise.**

Today people are balancing working remotely with schooling their children, preparing food for their families, and taking care of relatives. All intertwined in the workday. Some people will perform work outside the standard business day. Carrying forward this culture of flexible, personalized working can empower people and build trust and agility.

**Accenture research shows that only**

**45%**

of U.S. employees strongly agree that their organization cares about their overall well-being

**39%**

strongly agree that their employer has communicated a clear plan of action in response to COVID-19<sup>4</sup>

Our research shows that workers share two overarching needs that take precedence over all else:

- A leadership team that is focused on compassion and the care of its people
- Confidence in their company's capabilities to navigate the future<sup>5</sup>

Leaders being compassionate, visible, and transparent is critical not only to keeping the business going during the crisis, but to full recovery after things stabilize.<sup>6</sup>

# 01 Enterprise Agility and Resilience

## Convert your crisis command center to a productivity analytics center in the Next and Never Normal

- The focus for Intelligent Enterprises Now is the mobilization of command centers to manage the impact of COVID-19 on the business including safe and secure people, movement of goods and services and management of liquidity
- These capabilities assembled with urgency should evolve into a productivity analytics center capable of using leading indicators to predict and react to future crises that may come with greater frequency

## Post-COVID productivity analytics center capabilities include:

- Monitoring productivity by running process mining and other business process management tools as employees perform daily work tasks
- Providing digital tools and training to improve employee experiences, promote collaboration, and enable rapid reskilling
- Redistributing workload across the ecosystem based on better matching work volumes with the competencies and capacity across the global network
- Identifying tasks that can be eliminated/automated
- Using organizational analytics to establish continuous org hacking-as-a-service, using an analytics partner like Microsoft's Workplace Analytics

To keep customers connected, a large telecommunications company launched **six new Command Centers leveraging collaboration tools and automation**. These centers met new demand for the fast delivery of increased bandwidth, new circuits, and unified communication services.

**Technology-enabled productivity command centers**, used by organizations like Accenture to manage their global delivery network, will become more commonplace as Intelligent Enterprises manage the performance of work across all offices and ensure resilient performance in times of crisis.



# 01 Enterprise Agility and Resilience

## Build agile, issue-based teams, then scale to focus on business outcomes

**Focus Now on establishing issue-based pods: multi-disciplinary, agile teams focused on addressing specific and timely business issues.**

- Launch pods on topics like liquidity management, supply chain fulfillment, working capital, cash conversion, and demand surge capacity
- A large Multiple System Operator pulled together cross-functional teams to focus on building and managing chatbots to address increased demand and answer basic questions

**In the Next and Never Normal, scale teams into ongoing agile pods focused on business outcomes and organized by market or product.**

- Scale agile teams and ecosystems enabled by technology to adopt new ways of working, bringing teams together across industries, functions, and domains to focus on the achievement of strategic business outcomes
- Examples could include customer experience redesign, new go-to-market product and channel ideation, customer issue resolution process, policy and technology development
- Working through agile pods helps break down functional silos, organizational hierarchies, and corporate bureaucracies and can drive profitability, innovation and engagement

**Based on Accenture's research with the World Economic Forum, organizations of the future are less hierarchical, more liquid, and increasingly project- or task-based.**

They bring multi-disciplinary teams together in a fluid manner around customer experiences, products, and market growth. This agility has clear benefits: agile organizations have **16% long-term EBITDA** growth compared with 6% for non-agile ones.<sup>7</sup>

Our research showed that operational agility is an outcome when the right combination of intelligent characteristics—**human, living, enhanced, liquid, and modular—is applied to an organization.**<sup>8</sup> The COVID-19 crisis is proving that these organizing constructs can quickly assemble and businesses can move faster than they previously imagined.

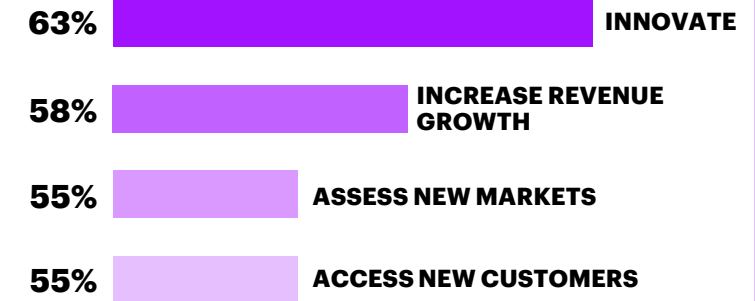
## 02 Rethink End-to-End Value Chains

**Evaluate your partners and lean into your ecosystem for rapid insight and innovation**

**The crisis is proving overall ecosystem strategies should be adjusted Now and Next to better balance risk and drive innovation.**

- Companies diagnosed why current ecosystem strategies struggled to respond to COVID-19. Too singly dependent? Too diversified? Too global? Too complex?
- Now is the time to reconsider traditional ecosystem partners like supply chain and distribution partners who failed to meet business needs and seek to build new partnerships with those that stepped up to the challenge to minimize disruption (e.g., revising order minimums, reducing SKUs, speeding up delivery)
- The most resilient organizations expanded ecosystem partnerships to provide new value to their customers: leveraging partners to offer curb-side pick-up or expanded delivery platforms, or providing data about consumer spending habits to better meet demand
- Consider more creative partnerships—unexpected partnerships are emerging, such as between manufacturing firms and academia to aid the production of ventilators and other protective equipment, or coopetition relationships used to share talent and capacity

**Executives believe that ecosystem participation allows businesses to<sup>9</sup>:**



**76%**

of business leaders agree that current business models will be unrecognizable in the next 5 years—ecosystems will be the main change agent<sup>10</sup>

**94%**

of Fortune 1000 companies experienced supply chain disruptions<sup>11</sup>

# 02 Rethink End-to-End Value Chains

## Build an agile value chain

- Develop and execute an agile supply chain strategy that uses demand sensing intelligence, localization, and product flow optimization to become more fluid
- Bolster business continuity planning by diversifying across the supply chain and distribution channels, modes of transportation, ecosystem and alliance partners, and becoming increasingly localized
- The holistic value chain (including marketing, sales, and support functions) should embrace new and existing data streams to sense and adapt to changing market dynamics faster (e.g., shifts in buying patterns and channels)

## Sharpen insights by connecting different data across sales and operations for the Never Normal

- Integrating sales and operations will allow demand and supply planning to be powered by predictive and prescriptive analytics, and a team empowered to bring forward critical business insights
- Many organizations are identifying and integrating new data streams (e.g., social media, web posted job boards, application usage and location data) to better sense the market, as traditional demand signals have proven unreliable
- Leveraging enterprise analytics platforms can make insights more readily available. This capability is required for success—we call it “sensors at the edges”

## Many organizations have taken actions to build agility into their value chains:

- A microchip manufacturer introduced new suppliers in January based on early news of COVID-19, to build a surplus inventory that has helped mitigate disruption
- A multi-national fast food company shifted its marketing and promotional strategy a week into the COVID-19 crisis to target delivery services and options to tie better to changing customer demands
- A major benefits and insurance provider is developing a real-time response system, supported by AI, which will continuously scan job boards, credit reporting services and social media for insights on more than 25 million customers

# 03 Reimagine the Ways We Work and Partner

## Re-baseline speed to market

- COVID-19 united organizations around a common purpose that allowed them to move with remarkable speed as they redirected manufacturing capabilities, rerouted distribution networks, leveraged technology and accelerated innovation to produce needed healthcare supplies (sometimes in a matter of days)
- These experiences have shown the creativity and pace that is possible, with large companies behaving more like start-ups (launching first, then perfecting)
- In the future, companies should hold themselves to a new standard for pace, risk tolerance, and experimentation, where agile models with distributed decision making, powered by technology (e.g., cloud, enhanced intelligence, etc.), enable greater nimbleness

## Redefine what work must be done where

- The rapid response to the pandemic has revealed work that is not business critical and could be limited (e.g., processes and red tape built into the entire value chain, duplicative reviews and manual checks, unnecessary reporting)
- Work previously believed to require proximity to customers, products and business leaders has now successfully been completed remotely
- In the Next and Never Normal, organizations should challenge themselves on what work that was paused during COVID-19 really needs to be restarted, and what work completed away from main offices really needs to come back

**AB InBev, Dyson, Ford, General Electric, LVMH, and 3M are among many organizations that pivoted a majority of their capabilities to produce healthcare PPE for hospitals around the globe.**<sup>12, 13, 14, 15</sup>

**Some shifts have the potential to be more permanent.** Pfizer is opening up all of their labs and R&D to the industry to reimagine themselves as an R&D platform company, allowing their broader ecosystem access to their tools and publishing all results publicly.<sup>16</sup>

Ford is looking to bring the same speed and agility they brought to ventilator production into their next-generation automobile production.<sup>17</sup>



# 03 Reimagine the Ways We Work and Partner

## Enhance your teams with greater human + machine partnership

**In the Now, leverage AI and automation to help manage unexpected volume increases and stress across the business, and find ways to scale the use cases in the Next and Never Normal.**

- Many parts of the business are under increased pressure due to COVID-19 (from call centers, to supply chain control towers, to order entry), **forcing the rapid deployment of AI solutions to manage portions of the workload** (chatbots and AI agents to help handle call center volumes, analytics applications to help handle supply chain movements, and better-equipped work from home partners to help handle order entry volume surges)
- These solutions can drive both faster and stronger outcomes. **Tools were often stood up within days using cloud solutions** instead of the weeks and months previously thought to be required, and are enriched with a host of new data and analysis to respond in real-time
- The scaling of these capabilities generally results in **increased organizational capacity and higher effectiveness at processing large data sets and generating insights**. Increasing adoption of technology to enhance human capabilities can drive stronger, more durable outcomes: companies that have implemented automation achieved nearly three times the return on investments and an average 32 percent premium on key financial valuation metrics<sup>18</sup>

A large telecommunications company stood up hundreds of virtual chat agents with new user intents to help manage the influx in customer support requests. The virtual agents answer basic customer inquiries, freeing up representatives to handle more difficult or nuanced questions.

**Similarly, hospitals are using platforms and AI to manage virtual visits and prioritize patients requiring the most urgent care.**

# The right actions **NOW** can position companies to succeed **NEXT** and adapt in the **NEVER NORMAL**

**How can I make my enterprise agile and resilient?**

**How can I rethink my end-to-end value chains?**

**How can I reimagine the way we work and partner?**

## NOW

- Equip and enable safe and secure workers using cloud-based technologies
  - Operationalize crisis command center to monitor business operations
  - Mobilize agile teams to address critical issues
- 
- Establish new partnerships required to meet customer needs and create new growth opportunities
- 
- Deploy virtual work solutions and collaborative, cloud-based tools
  - Implement automation and AI solutions
  - Focus on mission-critical work and eliminate the rest

## NEXT

- Evolve command center to a productivity center to monitor ongoing performance
  - Scale multi-disciplinary, agile teams
- 
- Refresh ecosystem partnerships and alliance strategy to diversify, simplify, localize, and de-risk
  - Increase systems resilience
- 
- Leverage learnings from stress of pandemic to reimagine work
  - Scale automation and AI

## NEVER NORMAL

- Sustain flexible working to become a more human, liquid enterprise
  - Develop dynamic sensing capabilities, combining forecasting, decision support, and analytics
- 
- Build new partnerships to drive innovation
  - Leverage analytics to manage demand, supply and overall productivity in integration
- 
- Challenge myths and ways of working that inhibited speed (including governance, controls, ecosystems, time to market)

# How Accenture can help

These unprecedented times will have a lasting effect on organizations and the world in which they operate.

Businesses are focusing on their primary responsibility: protecting their people. At the same time, they are rapidly developing new agile ways of working that will allow for longer-term changes in how they operate.

By transforming work practices, processes and systems, we can help your organization become more agile and resilient, and better positioned to achieve sustainable growth into the future.

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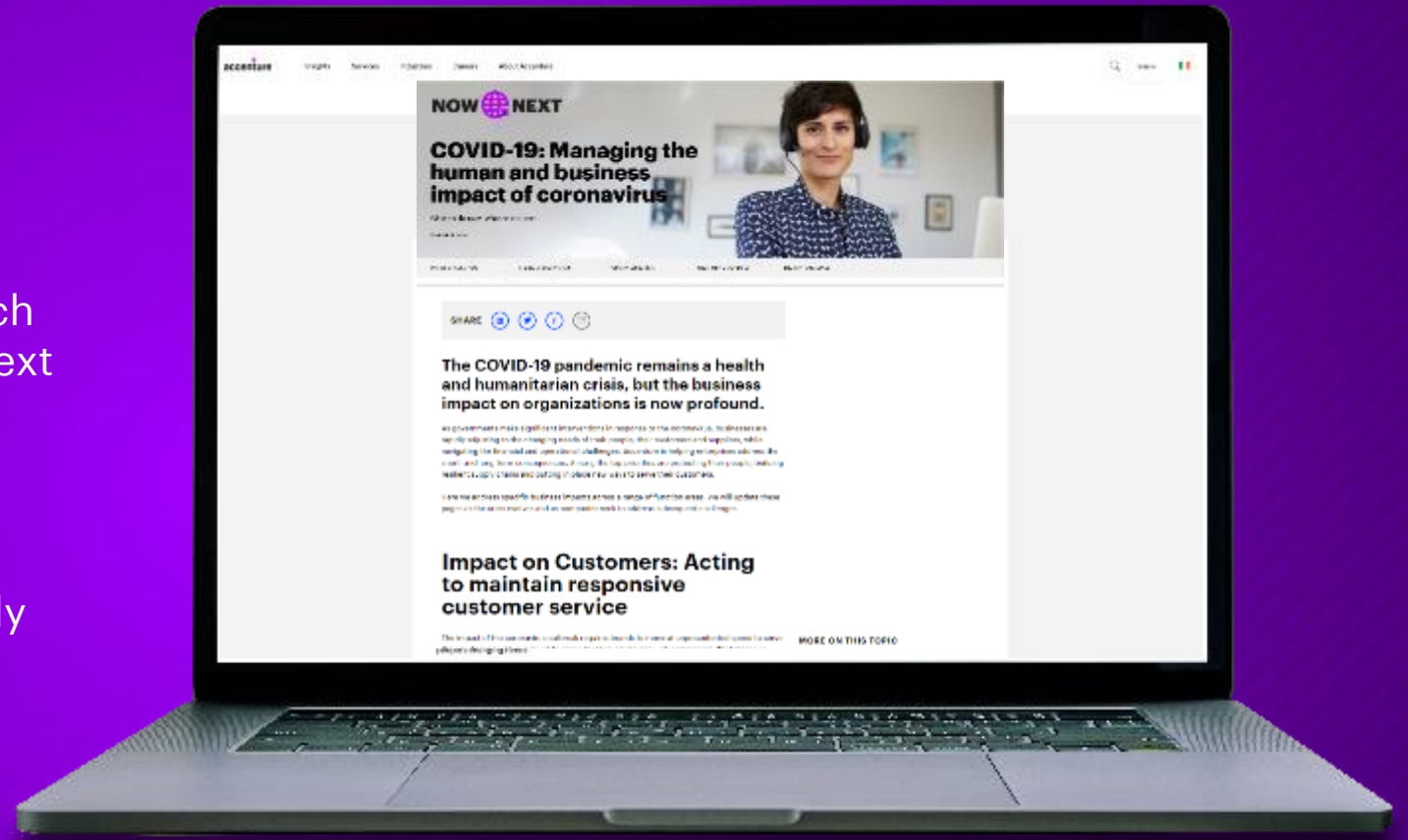


To help our clients navigate both the human and business impact of COVID-19, we've created a hub of all of our latest thinking on a variety of topics.

Each topic highlights specific actions which can be taken now, and what to consider next as industries move towards a new normal.

From leadership essentials to ensuring productivity for your employees and customer service groups to building supply chain resilience and much more, our hub will be constantly updated. Check back regularly for more insights.

[VISIT OUR HUB HERE](#)



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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 509,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives.

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