



# Value **untangled**

Accelerating radical  
growth through  
interoperability

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**Executive Summary**

From insights to action, the path to extraordinary value starts here.

**accenture**

## Agility in times of uncertainty

In an unpredictable world, the ability to quickly adapt to new circumstances, adopt new technologies and otherwise remain nimble allows companies to thrive. With the integration of these technologies, people and processes, companies can untangle value from chaos and accelerate growth.

To learn more about the **value of agility**, we surveyed 4,000+ C-suite respondents from midsize to large companies. We found that in the last two years alone, one in two have had to transform multiple parts of their business at the same time or execute a single large transformation much faster than ever before. We call this compressed transformation.

These companies have one thing in common: high interoperability, or the ability to make enterprise applications work in conjunction with each other. In fact, companies with high interoperability are 11% more likely to sustain compressed transformations.

### Interoperability Defined:

Interoperability is when enterprise applications can easily interact with each other and exchange data.

A seamless user experience across applications creates a single source of data truth that aligns everyone to common goals, leading to better decision making, human connections and insight generation.

Integrated enterprise applications enable businesses to move from siloed technology and fragmented data to connected solutions, agility and resiliency.

And then comes growth. **We found that companies with high interoperability grew revenue 6x faster than their peers with low interoperability (Figure 1) and are set to unlock an additional five percentage points in annual revenue growth.**

This is a significant long-term advantage: If two similar companies start with \$10 billion in revenue today, the company with high interoperability would stand to make \$8 billion more than the company with low interoperability over the next five years.

That's not all. We found that companies with high interoperability were also:

**More efficient:** 12 percentage points better at improving their supply chain and operations.

**More successful at CX:** 16 percentage points better at reinventing the customer experience.

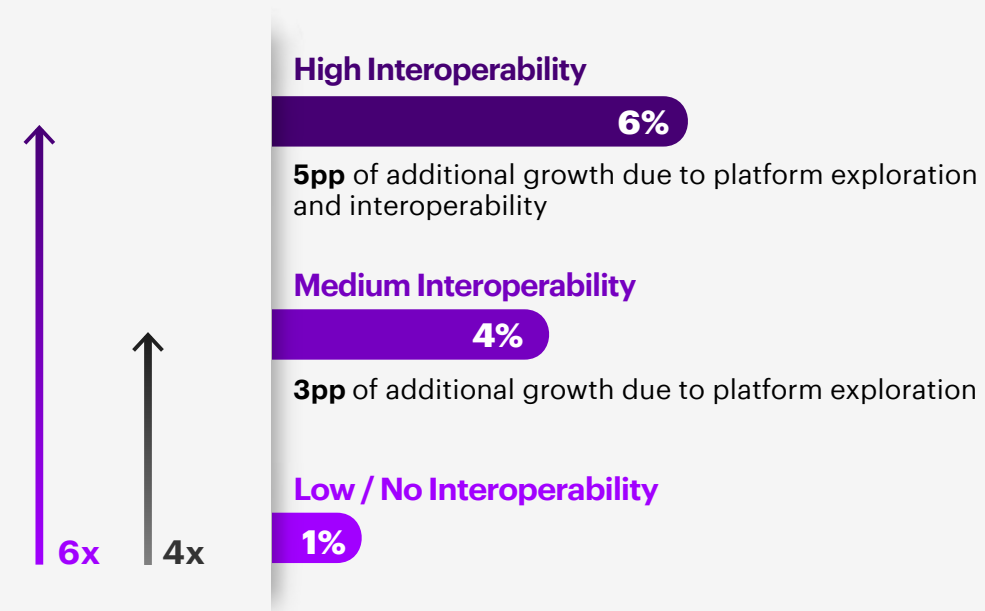
**More productive:** 12 percentage points more likely to be successful when improving employee productivity is a priority.

**More sustainable:** 4 percentage points more likely to be successful at embracing sustainable business practices.

### Figure 1 Interoperability accelerates growth

Companies with high interoperability unlocked up to five additional percentage points of revenue growth than low/no interoperability companies stuck in the technology status quo.

Average revenue growth last FY (in %)



Source: Accenture Research based on Survey data.

Note: Additional growth rates due to increased platform exploration and seamless interoperability are estimates based on an econometric model such as  $\text{Revenue Growth}_i = A \times \text{medium interoperability} + B \times \text{high interoperability} + C \text{ controls} + \text{error}$ , in which the baseline is the low/no interoperability group. Estimates include a variety of firm-specific controls including industry, country, size, technology spending and an interaction term between industry and country. A variety of robustness checks have been performed (i.e., scaling revenue growth by industry averages, by previous growth rates and the results holds. Survey sample= 4,053 firms in 19 industries and 23 countries. Revenue growth percentages have been rounded off to the nearest whole number.

Last FY implies the latest annual company financials reported before February 2022.

## Interoperability creates far-reaching value

Interoperability creates a common language across critical applications and systems. This data synergy reduces duplicative efforts, reveals hidden bottlenecks and builds better human connections, improving value drivers across industries and economic cycles. (Figure 2).

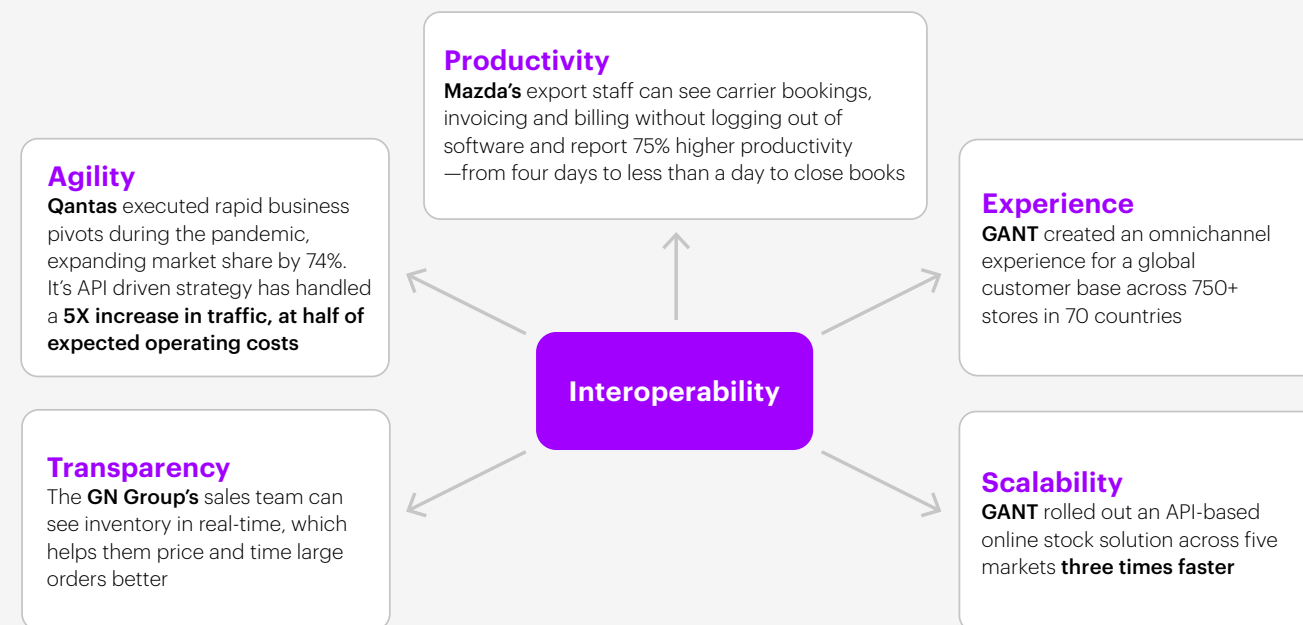
## Interoperability is now within reach

Achieving lasting value with interoperability is possible due to three technology changes that make it simpler for organizations to configure and reconfigure applications as needed—without overhauling their digital core:

- 1. Ubiquity of cloud:** Many organizations have already moved to the cloud, giving them a common data layer that provides a single source of truth.
- 2. Improved application design:** Modern applications are designed to share data, and they have simplified interfaces and support additional capabilities.
- 3. Low-cost applications:** The large number of specialized applications on the market has reduced the cost.

**Figure 2** Real-world organizations untangling value via interoperability

*By connecting technology, people and process, interoperability extracts value that's often in sight, but tangled up in the organization.*



**Source:**

**GN Group:** GN Group future-proofs its fast-growing operations with Microsoft Dynamics 365: <https://customers.microsoft.com/en-us/story/1354283595134173825-gn-group-consumer-goods-dynamics-365>

**Qantas:** Qantas APIs take flight with WSO2 technology: <https://wso2.com/about/customers/qantas/>

**GANT:** GANT creates an omnichannel experience for a global customer base <https://www.mulesoft.com/case-studies/api/gant>

**Mazda:** Mazda Motor Logistics speeds visibility across supply chain: <https://www.oracle.com/customers/mazda/>

Plus, we found that leading companies are able to achieve high interoperability with just 2-4% higher IT and functional budgets directed at applications, while handling as many (if not more) diverse applications within their IT stack.

**But currently, only one in three companies is capitalizing on these advances to untangle the value trapped within their organization.** These companies are racing past their competitors because they make high interoperability central to their overall business and technology strategy.

### **GN Group hits play on enterprise interoperability**

Even before The New York Times declared its Jabra headset as the best on the market in spring 2021, GN Group, a global audio solution manufacturer, braced for a demand surge by integrating its business applications under a unified strategy.

Sales had jumped 82% in the first quarter of 2021 on the heels of a 42% rise in 2020, when COVID-19 influenced millions to buy headsets for remote school and work. Company leaders knew this need would only grow with fast-changing consumer behavior—and that GN Group’s people and technology would play a critical role in meeting the demand.<sup>1</sup> Given the urgency, this transformation needed to happen quickly.



Using Microsoft’s cloud-based enterprise solutions, the company connected multiple functional applications to gain additional insights. This enabled parallel, rapid transformation in multiple business areas. Employees across the organization now make decisions based on a single source of trusted data, and in real time.

### Barriers to Interoperability

Today’s business and technology landscape can make reaching high interoperability a challenge.

Most large enterprises have more than 500 applications, and plan to buy more from multiple vendors in the next two years. The longer these organizations wait to make themselves interoperable, the more difficult it becomes to retrofit interoperability on an ever-growing application stack.

Other businesses—60% of respondents in our study—are held back from improving interoperability because they struggle to align their application strategy with overall business goals. Another 57% cite lack of buy-in from senior leadership; 44% lack a clear ROI or business case; and 34% believe interoperability is simply too expensive.

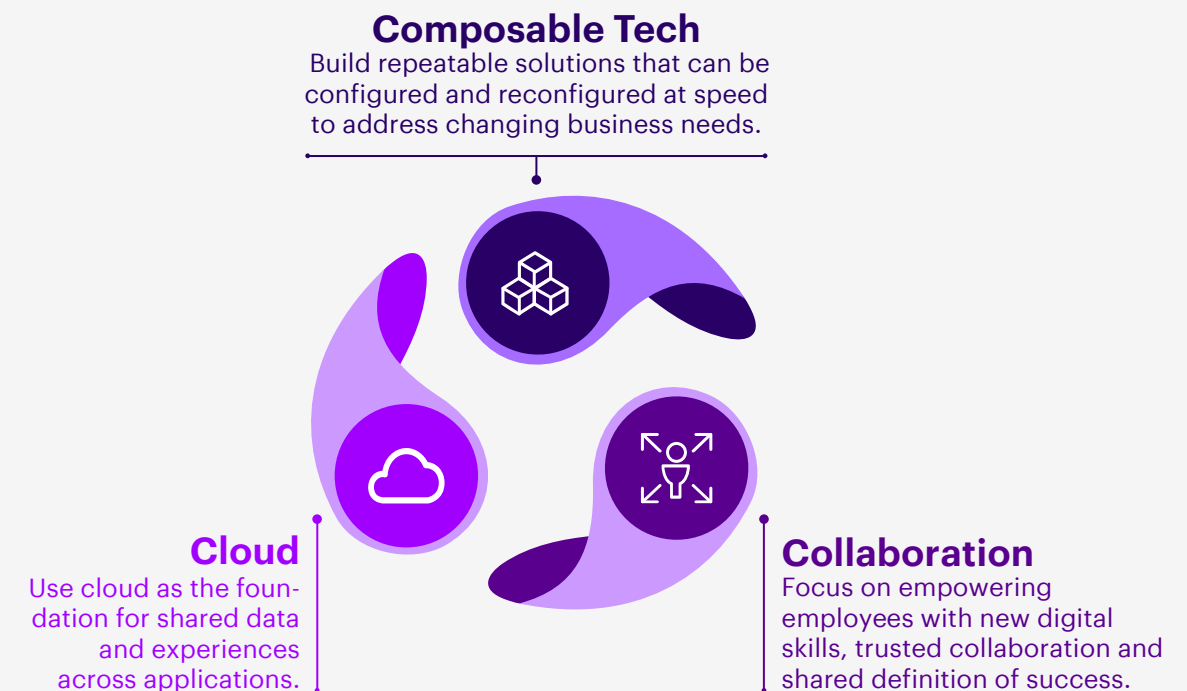
Companies with high interoperability also face these challenges. But they cope with obstacles by finding alignment across the business, acting early and making difficult decisions as needed.

### How to improve interoperability and thrive in uncertainty

Our research uncovered the best practices and common pitfalls C-suite respondents faced on their way to high interoperability, as well as what enabled them to compress their transformation. Here’s what we learned. (Figure 3).

**Figure 3** How to improve your interoperability

*To improve interoperability and compress transformation, companies must leverage the cloud, utilize composable tech and focus on meaningful collaboration.*





## Leverage the cloud

Interoperable companies start by moving existing applications to the cloud and investing in new, cloud-based enterprise applications (SaaS). But more importantly, they use the cloud to connect data and experiences across applications, creating one version of truth.

Companies with high interoperability also use the cloud to change the way they work. They standardize and simplify the processes that modern cloud applications manage—enabling real-time insights and creating strategic agility. This breaks down silos and creates a common thread so that change initiatives can flow to different parts of the organization in parallel, and at speed.



## Utilize composable tech

Composable tech builds flexibility into the heart of organizations and requires shifting from a technology architecture of static, standalone parts to one of composable pieces.

In practice, this involves using proven, repeatable solutions that can be configured and reconfigured at speed to address changing business needs without wider disruption. However, the greatest benefit of composable tech may be seamless data analysis and sharing. With data flowing between connected applications, companies can easily share information, create a common purpose and drive better decisions.





## Focus on meaningful collaboration

Interoperable companies build meaningful collaboration using real-time data, analytics and AI, together with new ways of working. They can continuously invest in pervasive training, empowering IT and non-IT decision makers to make sound application choices.

They are also open to sharing data inside and outside the organization. Decentralized data helps companies find harmony and, as mentioned above, it also frees up almost two hours of employees' workdays. For a company that has 10,000 employees, this amounts to a productivity gain of almost 15,000 hours and \$100 million every year.<sup>2</sup>



## Interoperability: Value Untangled

Today's companies must anticipate and respond to uncertainty as it happens, not when the opportunity has passed. This only happens when everything is integrated and interoperable, from the diverse technologies that power the business to the employees on the ground.

One in three companies have the level of agility needed to untangle the value trapped in their organization, and race past their competitors in growth, efficiency and resiliency. Their secret? Using interoperability as the catalyst for total enterprise reinvention.

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## References

<sup>1</sup> GN Group future-proofs its fast-growing operations with Microsoft Dynamics 365:  
<https://customers.microsoft.com/en-us/story/1354283595134173825-gn-group-consumer-goods-dynamics-365>

<sup>2</sup> Based on average wages per hour data from US Bureau of Labor Statistics (<https://www.bls.gov/news.release/empsit.t19.htm>). Calculation: Productivity gain with interoperability x Average hours worked per day per employee (8 hrs) x No. of employees (10,000) x No. of working days in a year (260) x Average wages per hour (\$32 as of June 2022 per US Bureau of Labor Statistics)

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