NEAT EVALUATION FOR ACCENTURE:

Supply Chain Transformation for Sustainability

Market Segment: Overall

Introduction

This is a custom report for Accenture presenting the findings of the 2024 NelsonHall NEAT vendor evaluation for *Supply Chain Transformation for Sustainability* in the *Overall* market segment. It contains the NEAT graph of vendor performance, a summary vendor analysis of Accenture for supply chain transformation services, and the latest market analysis summary.

This NelsonHall Vendor Evaluation & Assessment Tool (NEAT) analyzes the performance of vendors offering supply chain transformation services. The NEAT tool allows strategic sourcing managers to assess the capability of vendors across a range of criteria and business situations and identify the best performing vendors overall, and with specific capability in consulting & transformation, Supply Chain-as-a-Service, and sustainability services.

Evaluating vendors on both their 'ability to deliver immediate benefit' and their 'ability to meet client future requirements', vendors are identified in one of four categories: Leaders, High Achievers, Innovators, and Major Players.

Vendors evaluated for this NEAT are: Accenture, Capgemini, Genpact, GEP, IBM, Infosys, TCS, Tech Mahindra, Wipro, and WNS.

Further explanation of the NEAT methodology is included at the end of the report.

NEAT Evaluation: Supply Chain Transformation for Sustainability (Overall)

Supply Chain Transformation for Sustainability 2024
Overall
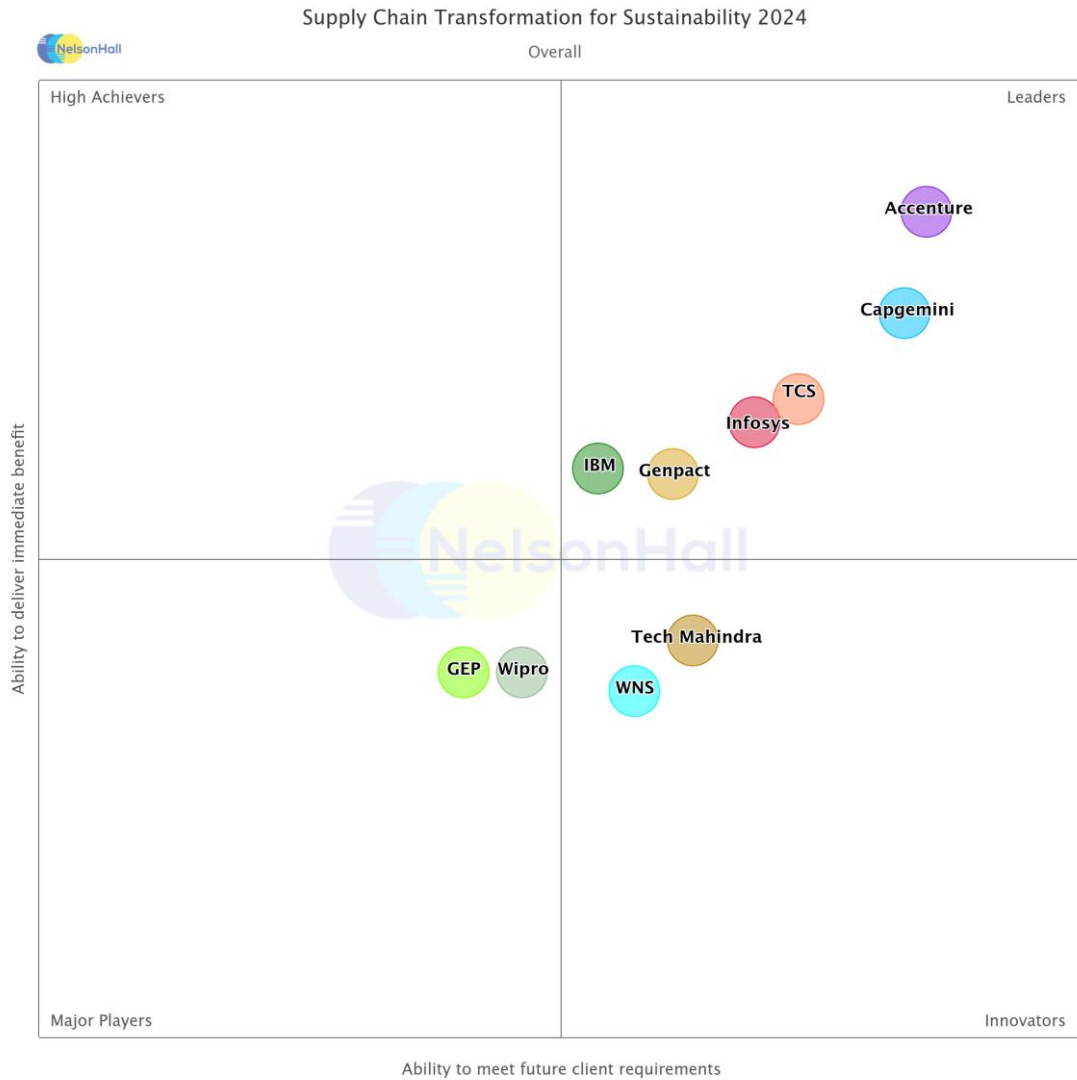
NelsonHall has identified Accenture as a Leader in the *Overall* market segment, as shown in the NEAT graph. This market segment reflects Accenture's overall ability to meet future client requirements as well as delivering immediate benefits to its supply chain management clients.

Leaders are vendors that exhibit both a high capability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet future client requirements.

Buy-side organizations can access the *Supply Chain Transformation for Sustainability* NEAT tool (*Overall*) here.

Vendor Analysis Summary for Accenture

Overview

Accenture offers its supply chain services under the *supply chain network* umbrella as part of consulting and strategic managed services. Accenture's supply chain offerings are broadly categorized into:

- Supply chain consulting and strategy

- Autonomous supply chain networks, including solutions and platforms

- Sustainable value chain, embedding sustainability within supply chain services

- Strategic managed services, managing supply chain operations and innovation.

Accenture has ~1,600 global clients across 19 industries and a network of ~50,000 professionals supporting supply chain offerings, most of these resources being based in India, the Philippines, and the U.S. NelsonHall estimates that ~40,000 FTEs support consulting and operations activities while the are engaged in technology and platform offerings.

It derives ~75-80% of its supply chain and sustainability services revenues from manufacturing, energy and utilities, healthcare and life sciences, and retail clients.

Accenture has ~30 global supply chain innovation centers; major innovation hubs include Chicago, Dublin, Barcelona, and Bangalore. It also has an extensive network of ~30 supply chain technology partners.

The company has made numerous investments to strengthen its supply chain and sustainability offerings; this includes ~30 recent acquisitions across the supply chain, joint innovation centers, and technology partners. Some of the recent acquisitions include OnProcess, Inspirage, MacGregor Partners, and Alfa Consulting. NelsonHall expects similar acquisitions of consulting, sustainability, and technology firms in the coming years.

Financials

Accenture does not report separate revenues for its supply chain services; however, NelsonHall estimates Accenture's stand-alone supply chain services revenues for CY 2023, including consulting, managed services, and sustainability, to be ~$1bn.

Strengths

- Ability to manage engagements at scale by mobilizing teams across consulting, technology, and engineering with a short turnaround

- Scale of supply chain services with a significant base of clients, and digital tools such as Syn-ops for data-driven connected supply chain

- Agility and ability to build an ecosystem through acquisitions across services and technology companies

- A large pool of supply chain and sustainability resources available across technology, consulting, and managed services

- Focus on innovation and extended collaboration with major technology partners such as SAP to provide joint offerings and innovation.

Challenges

- Retaining and leveraging the IP developed through acquisitions, and channeling them in engagements effectively

- With a multitude of activities and priorities across the supply chain, technology, and sustainability, prioritizing the right areas for investment and growth.

Strategic Direction

Accenture is currently focused on offering supply chain and sustainability services at scale while integrating BPS, consulting, and technology across the value chain. Specifically:

- It is looking to grow its partnership with high-visibility organizations and forums to develop or deliver supply chain sustainability offerings

- It continues to seek technology partners that can help deliver accelerated value across supply chain decarbonization, circularity, traceability, and transparency

- It will continue to focus on inorganic growth through acquisitions across the supply chain and sustainability and venture investments across sustainability

- It is currently focused on delivering supply chain and sustainability engagements at scale; expect Accenture to be assertive in winning large-size supply chain and sustainability engagements.

Outlook

The supply chain is one of Accenture's key focus areas across consulting and managed services. The company will continue focusing on organic and inorganic growth and integrate sustainability services with existing and new clients across the supply chain. Expect to see:

- Focus on further acquisitions, including companies across supply chain and consulting offerings

- Improved collaborations with existing as well as new strategic partners to increase the offerings capability and a focus on innovation

- Growth of external partnerships (NGOs, third party technologies, academia etc.) to enhance supply chain sustainability services

- Developing an interplay of 360-degree supply chain offerings that include consulting, managed services, technology, and engineering services across the supply chain

- Focus on growing its supply chain and sustainability services penetration across diamond partnership clients.

Supply Chain Transformation for Sustainability: Market Summary

Overview

Demand for supply chain services is evolving. CSCOs and process owners are moving beyond order management and productivity, and clients and vendors are prioritizing areas such as planning and forecasting, warranty and returns management, and real-time data visibility. Clients' priorities for the next couple of years within the supply chain include ERP transformation and optimization, improving supply chain planning, digitalization and automation, end-to-end supply chain visibility, and sustainability.

With a focus on automation, future requirements are expected to grow in areas such as logistics management, global trade management, sustainability, consignment tracking, WMS, and TMS. Process areas such as inventory planning and order management will continue to be mainstream, but warranty and returns management, which have a small existing base, will exhibit strong demand.

Vendor offerings will evolve across end-to-end logistics management and execution, end-to-end and real-time touchless data visibility, bolt-on offerings across planning, consignment tracking, and global trade management. Offerings will also reflect growing demand across circularity, sustainable packaging, and scope 3 reductions.

While Global 2,000 and Fortune 500 clients remain a priority, vendors increasingly focus on clients with a turnover of $1bn—$5 bn. NelsonHall expects the share of the business from mid-market clients to grow in the next 3-5 years.

NelsonHall expects strong growth in demand across telecom, retail, energy, and utilities, along with increased penetration in the healthcare and life sciences industry.

There will be a significant increase in nearshore delivery footprints, with major delivery capability developments in Europe and LATAM. Offshore will continue to be mainstream delivery locations, but clients expect a hybrid delivery model.

Buy-Side Dynamics

Buyers frequently seek vendors' support in order management, planning, forecasting, inventory, and logistics management. They also express the need for better processes and operating models in supply chain decarbonization, end-to-end supply chain visibility, and supply chain control towers.

100% of buyers surveyed by NelsonHall have imminent transformation plans, or are undergoing transformation initiatives in areas such as demand planning and forecasting, data visibility & analytics, and ERP implementation and transformation. Key drivers for adopting a transformed supply chain include:

- Demand planning and forecasting enhancements

- Need for improved data visibility and analytics

- Supply chain process improvement, e.g., order management, planning automation

- ERP implementation and transformation

- Manufacturing and distribution planning transformation

- Sustainability within the supply chain

- TMS/WMS platform implementation and transformation.

Market Size & Growth

NelsonHall estimates the global supply chain transformation services market to be worth ~$3.5bn in 2023, and it is expected to grow at a CAGR of 11% through 2028.

Success Factors

Critical success factors for vendors within the supply chain transformation market are:

- A focus on supply chain automation, one of the most important aspects of transformation for clients. Vendors continue to develop their offerings in this area through the use of in-house technology capabilities, partnerships, or acquisitions

- As organizations continue to grapple with real-time supply chain visibility and demand planning challenges, so vendors need planning, forecasting, and tracking capabilities, which can be completely touchless and help drive efficiency and improve revenue relationships

- An integrated capability to deliver ERP transformation and optimization services, an area of key importance to buyers over the next two years

- Leveraging consulting as a gateway to larger engagements, allowing clients to evaluate process areas holistically

- Offering SaaS coupled with BPS and consulting offerings, e.g., through partnerships with firms such as Ariba, Kinaxis, O9, and Celonis

- Delivering a more unified delivery experience, which can be limited due to factors such as internal structural alignments and leadership mandates

- Industry-specific offerings. Clients are seeking industry-specific expertise such as track and trace for the pharma industry, returns management, and other similar offerings

- Focus on sustainability offerings, though many vendors' sustainability practices and capabilities are in nascent stages and lack diversified client examples

- Ability to provide more substantiated, industry-specific benchmark data coupled with offerings to drive significant transformation

- Leveraging AI and other advanced technologies to minimize the workload of daily planners.

Outlook

- Currently, vendors are focused on creating assets and leveraging partnerships to drive sustainability with clients; however, larger tier 1 service providers are more focused on innovation in sustainability services and services such as circularity, sustainable packaging, materiality assessment, and carbon footprinting

- GenAI will impact areas such as contracting, inventory management, customer/vendor helpdesk, spend analytics, and risk management, with GenAI-enabled tools becoming mainstream in the next 12-24 months

- Vendor offerings will evolve across end-to-end logistics management and execution, end-to-end and real-time touchless data visibility, bolt-on offerings across planning, consignment tracking, and global trade management

- There will be increased collaborations and acquisitions with a focus on leveraging automation capabilities, platform and tools capabilities, and sustainability services

- Vendors will be focused on embedding sustainability at scale across the value chain with a focus on cross-selling and up-selling sustainability to the existing SCM clients

- A further focus on building pre-built proprietary tools and capabilities such as Cognix(TM) from TCS, RapidResponse-based proprietary solution for life sciences and consumer packaged goods, Infosys' delay predictor, or Tech Mahindra's Yantr.ai

- Continued targeting of Global 2,000 & Fortune 500 clients across the U.S. and Europe, aiming to increase footprint from mid-market organizations; and targeting other geographies such as Australia and APAC markets.

NEAT Methodology: Supply Chain Transformation for Sustainability

NelsonHall's (vendor) Evaluation & Assessment Tool (NEAT) is a method by which strategic sourcing managers can evaluate outsourcing vendors and is part of NelsonHall's *Speed-to-Source* initiative. The NEAT tool sits at the front-end of the vendor screening process and consists of a two-axis model: assessing vendors against their 'ability to deliver immediate benefit' to buy-side organizations and their 'ability to meet future client requirements'. The latter axis is a pragmatic assessment of the vendor's ability to take clients on an innovation journey over the lifetime of their next contract.

The 'ability to deliver immediate benefit' assessment is based on the criteria shown in Exhibit 1, typically reflecting the current maturity of the vendor's offerings, delivery capability, benefits achievement on behalf of clients, and customer presence.

The 'ability to meet future client requirements' assessment is based on the criteria shown in Exhibit 2, and provides a measure of the extent to which the supplier is well-positioned to support the customer journey over the life of a contract. This includes criteria such as the level of partnership established with clients, the mechanisms in place to drive innovation, the level of investment in the service, and the financial stability of the vendor.

The vendors covered in NelsonHall NEAT projects are typically the leaders in their fields. However, within this context, the categorization of vendors within NelsonHall NEAT projects is as follows:

- **Leaders**: vendors that exhibit both a high capability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet future client requirements

- **High Achievers**: vendors that exhibit a high capability relative to their peers to deliver immediate benefit but have scope to enhance their ability to meet future client requirements

- **Innovators**: vendors that exhibit a high capability relative to their peers to meet future client requirements but have scope to enhance their ability to deliver immediate benefit

- **Major Players**: other significant vendors for this service type.

The scoring of the vendors is based on a combination of analyst assessment, principally around measurements of the ability to deliver immediate benefit; and feedback from interviewing of vendor clients, principally in support of measurements of levels of partnership and ability to meet future client requirements.

Note that, to ensure maximum value to buy-side users (typically strategic sourcing managers), vendor participation in NelsonHall NEAT evaluations is free of charge and all key vendors are invited to participate at the outset of the project.

Exhibit 1

'Ability to deliver immediate benefit': Assessment criteria

Assessment Category	Assessment Criteria
Offerings	Supply chain operating model and design
	Planning & forecasting offerings
	Sourcing and procurement offerings
	Production and manufacturing offerings
	Logistics and warehousing offerings
	Order management offerings
	Warranty and returns management
	Supply chain sustainability offerings
	Analytics offerings
	Overall SCM offerings
Delivery Capability	Scale of delivery capability in SCM
	Scale of Supply chain Sustainability services
	Availability of proprietary tools
	Application & availability of SCM tools and technology
	Application & availability of sustainability tools and technology
	Delivery capability in support of the Americas
	Delivery capability in support of EMEA
	Delivery capability in support of APAC
Client Presence	Scale of client base: Consulting/Transformation
	Scale of client base: Managed Services
	Scale of client base: Sustainability services
	Number of clients in the Americas
	Number of clients in EMEA
	Number of clients in APAC
	Number of global/multi-country clients
Benefits Achieved	Level of improvement in visibility of the overall supply chain achieved
	Level of automation in order management achieved
	Level of improved access to real time data
	Cost reduction in supply chain management
	Improved asset utilization
	Improved planning and forecasting accuracy
	Improved process compliance
	GHG assessment and reduction
	Sustainability roadmap and transformation
	Increased customer satisfaction or NPS

Exhibit 2

'Ability to meet client future requirements': Assessment criteria

Assessment Category	Assessment Criteria
Investments	Investment in analytics tools and capabilities
	Investment in Supply chain BPS capabilities
	Investment in Supply chain transformation/consulting capabilities
	Investment in self-service delivery
	Investment in latest technology such as AI/ML/GenAI
	Investment in RPAs and process automations
	Investment in process mining
	Investment in sustainability tools and capabilities
	Investment in building sustainability capability
Ability to Deliver Innovation	Mechanisms in place to deliver client innovation
	Extent to which client perceives outcome and transformation has been delivered
	Suitability of vendor to meet future needs of client
	Innovation in delivery management and engagement commercials
Partners and Technological Advancements	Existing partners and technology alliances
	Agility and investments towards strategic alliances and partnerships
	Ability to evolve services
	Perceived commitment to transformation
Market Momentum	Client wins in the past 12 months

For more information on other NelsonHall NEAT evaluations, please contact the NelsonHall relationship manager listed below.

research.nelson-hall.com

Sales Inquiries

NelsonHall will be pleased to discuss how we can bring benefit to your organization. You can contact us via the following relationship manager:

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