

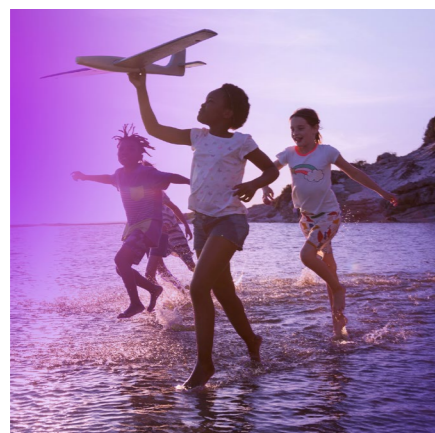
accenture

Reinvention in the age of generative AI

South Africa's formula for
success amid change

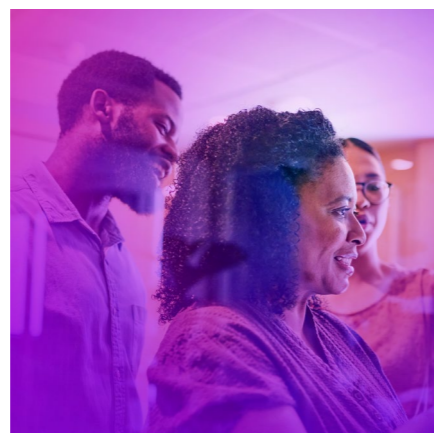


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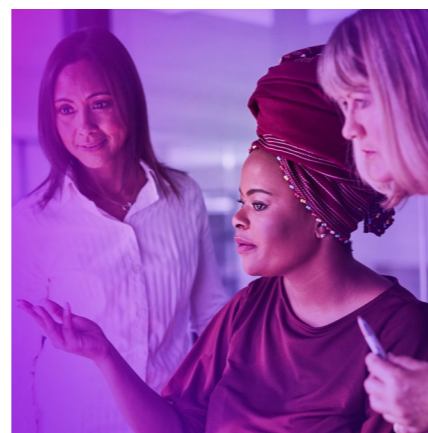
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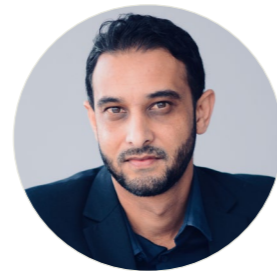
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EXECUTIVE SUMMARY

South African businesses stand at a defining point. Over the next 12 to 24 months, generative AI will either unlock new pathways to growth or widen the gap between those that adapt and those left behind. The stakes are enormous.

Imagine boosting productivity threefold, cutting product development timelines in half or doubling revenue through hyper-personalized customer experiences. These aren't distant possibilities—they are within reach for companies that act now. Our estimates show that the responsible, people-centric adoption of generative AI in South Africa has the potential to unlock additional growth by up to \$82 billion over 15 years. By embracing generative AI, South African businesses can revolutionize their operations, drive exponential growth, reduce costs and create entirely new revenue streams.

However, the cost of inaction will be steep. Companies that hesitate and remain on the sidelines will find themselves stuck, saddled with legacy systems and buried under technical debt. They will lose market share to nimbler competitors who have seized the AI advantage to innovate and reshape market and industry standards.

South Africa's business environment is a mix of old challenges and new opportunities. On the one hand, industries—from mining and telecom to financial services—have deeply ingrained legacy systems that resist transformation and change. On the other hand, the country's young, tech-savvy population presents a massive opportunity to create a skilled, future-ready workforce that can fuel AI-driven innovation.

But the window for action won't be open for long. South African businesses must urgently decide whether they will take proactive steps to reinvent themselves or risk being left behind. Generative AI offers a rare chance to leapfrog global competitors by reimagining how work gets done, how products and services are delivered and how businesses connect with their customers.

In 2022, we predicted that companies that embrace reinvention would dominate the coming decade. Today, we see that prediction coming to life. Globally, forward-thinking organizations are pulling ahead, leaving competitors behind. Now in 2024, we have more recent evidence that reinvention, enabled by generative AI, will become the default strategy for those determined to shape the future.

Our research on reinvention reveals that a digital core is essential for companies on the path of continuous reinvention. Such a digital core has three groups of distinct but constantly interacting technologies: digital platforms, a data and AI backbone, and the digital foundation, which includes composable integration, cloud-first infrastructure, a continuum control plane and security.

It enables organizations to accelerate ahead of the competition and achieve their ambitions—using the right mix of tools and practices for agility and innovation.

However, in South Africa, many businesses are still struggling to translate technology investments into meaningful returns. Technical debt is piling up, digital cores are underdeveloped and there is a critical misalignment between IT and business objectives. The gap between investment and outcomes is widening—and time is running out for South African companies to get it right.

To seize the opportunity to reinvent with generative AI, South African companies must take immediate and decisive steps. Our research identifies five key imperatives for success.

1/

Lead with value

2/

Understand and develop an AI-enabled, secure digital core

3/

Reinvent talent and ways of working

4/

Close the gap on responsible AI

5/

Drive continuous reinvention

About the research

We took a multi-method approach again this year to research the topic of Total Enterprise Reinvention.

This report is based on

A multi-year survey of over 3,000 executives across 19 industries and 10 countries. Respondents were asked about their organization's approach to business transformation and reinvention strategy, as well as about their specific programs and success factors. The surveys were conducted in November 2022 and from October to November 2023, and replicated for 100 South African companies from March to May 2024. In this report, we provide comparisons between the two, focusing on new insights gained from the most recent fieldwork.

Financial and non-financial analyses and econometric modeling to assess the performance impact of adopting a reinvention strategy. The analysis combines data from publicly available achieved results, analyst expectations and survey data to create a robust view of both historic and future performance.

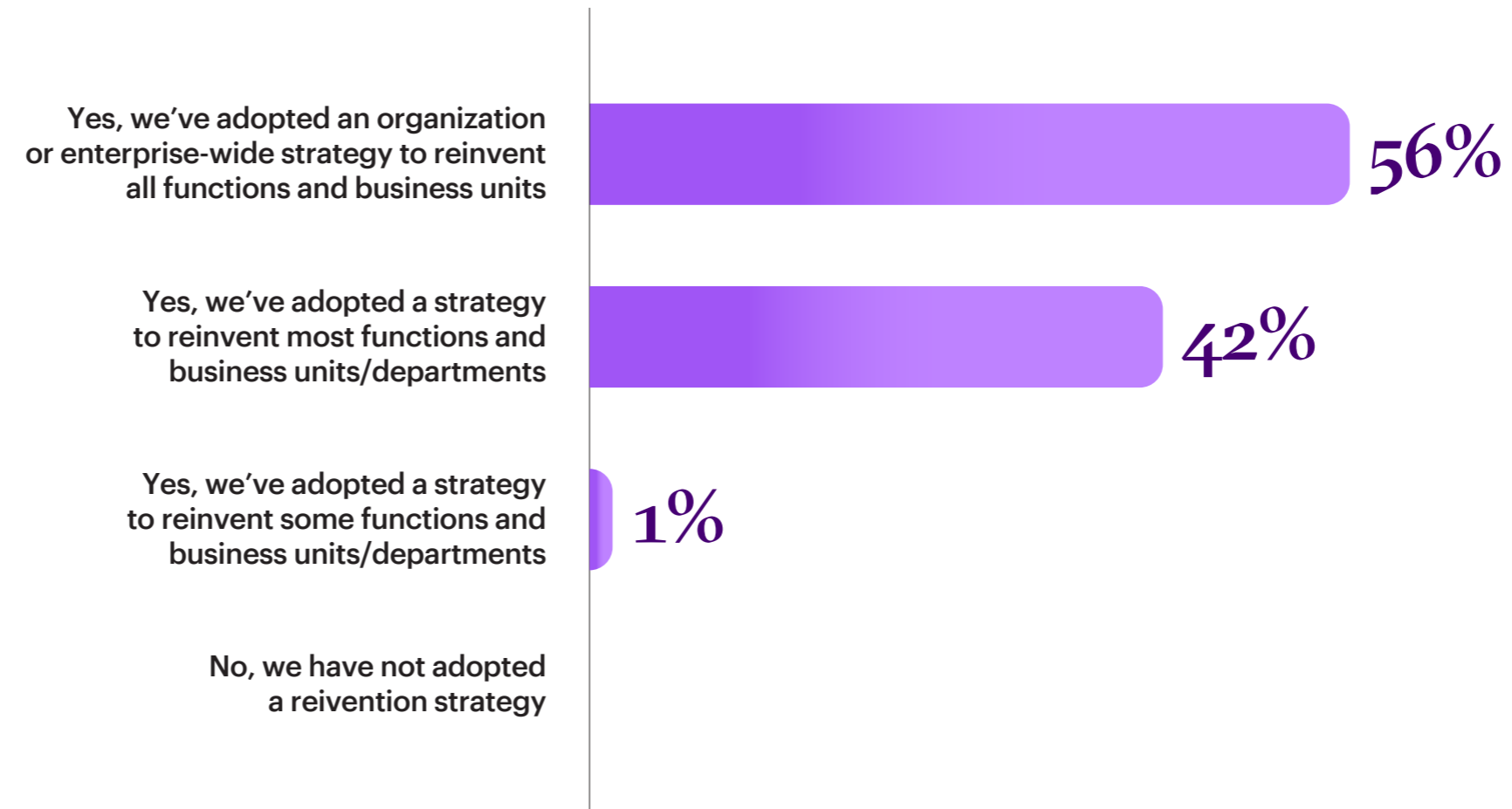
The annual Pulse of Change Index, which quantifies the level of change affecting businesses globally, caused by six major factors: technology, talent, economic, geopolitical, climate, and consumer and social. The index provides context to the need for reinvention.

Economic modelling to forecast the potential impact of generative AI on productivity and growth for the economy, organisations and people. We mapped out the future growth trajectories under three different AI deployment scenarios: aggressive, cautious and our proposed people-centric approach.

Reinvention in the face of radical disruption

Figure 1

Has your organization adopted a deliberate strategy to reinvent the way it operates across the enterprise in the past 3 years?



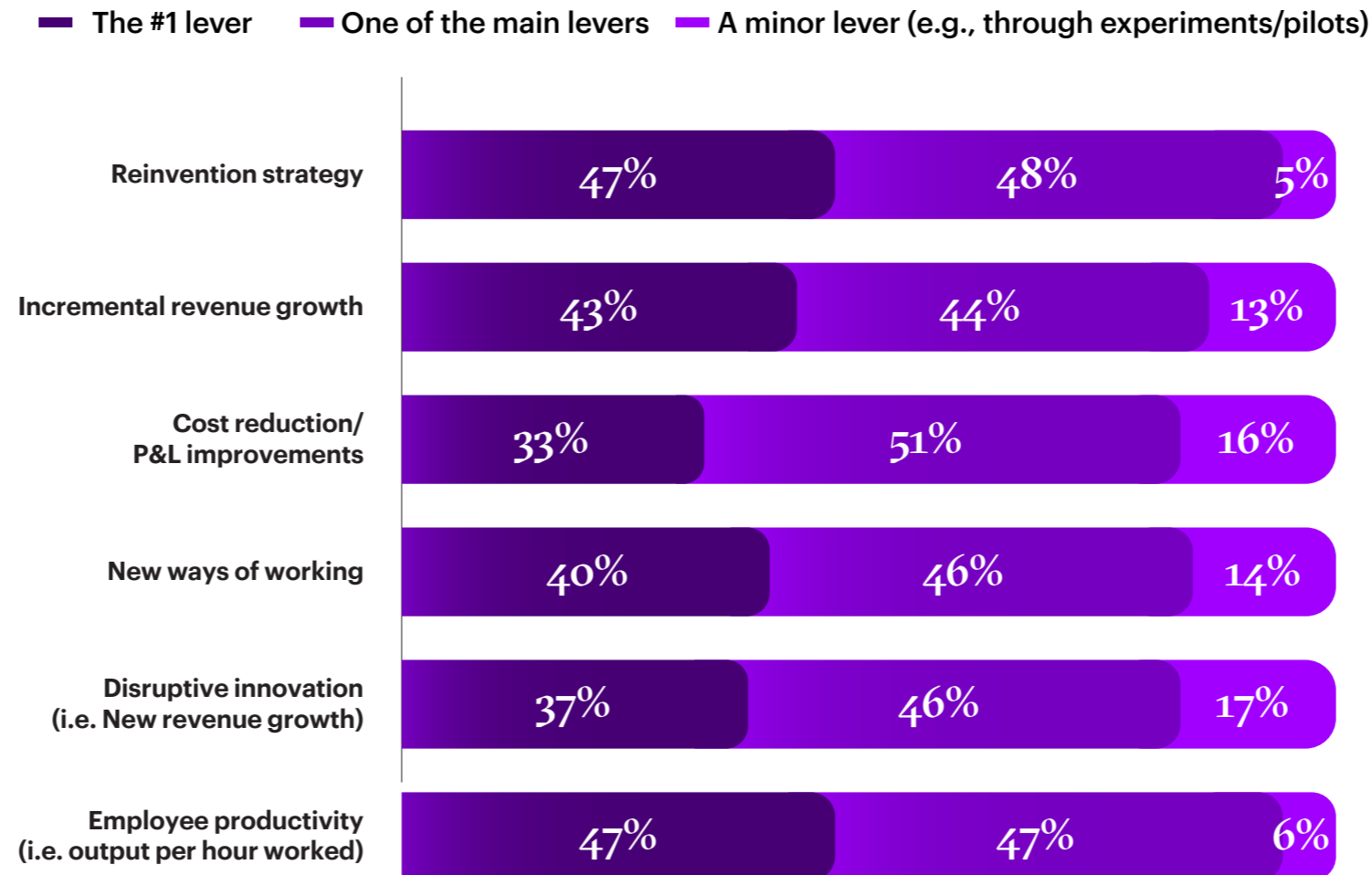
We are living through an era of radical disruption, where continuous reinvention—driven by rapid technological advancements and accelerated by generative AI—is the cornerstone of success.

In South Africa, 99% of C-suite executives we surveyed have, over the last three years, adopted deliberate strategies to reinvent the way their organizations operate (Figure 1).

Our research shows South African leaders very well understand the crucial role technology, especially generative AI, plays in their reinvention journey—and the urgency to act swiftly. In the last year alone, 98% of executives have fast-tracked their reinvention strategies in response to external pressures like inflation, evolving consumer expectations and the relentless pace of technological change. Furthermore, 95% acknowledge that technology is foundational to every current and future reinvention initiative. Generative AI is emerging as a key driver of reinvention, contributing to incremental revenue growth, cost reduction, new ways of working and overall productivity improvements (Figure 2). Fifty-eight percent of executives expect it to boost productivity by more than 20% within the next three years.

According to Accenture's proprietary analysis, the responsible, people-centric adoption of generative AI can elevate South Africa's overall economic growth by up to \$82 billion, adding an extra 17.5% to the country's forecasted GDP by 2038.

Which of the following best describe the role that you expect generative AI will play in driving each of the following in your organization over the next three years?



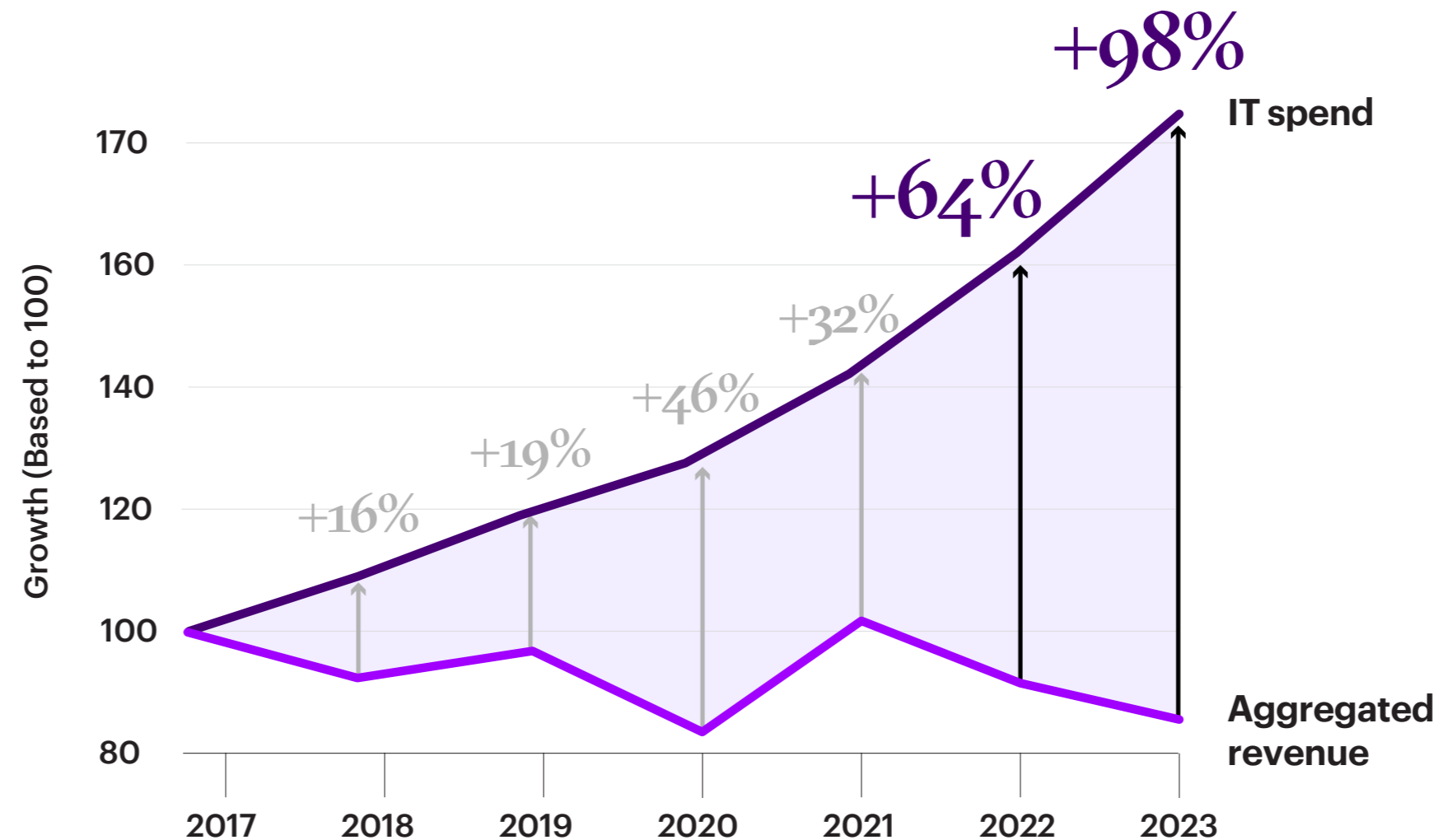
58%
of executives
anticipate that
generative AI will
boost productivity
by over 20% in the
next three years.

Figure 3

The widening value gap

However, despite high expectations—and sizable investments in technology and AI, including generative AI—reinvention efforts are falling short, and most companies are not seeing the returns they anticipated. There is a clear disconnect between technology investments and actual business outcomes (Figure 3). In 2023, our research indicated a 64% gap between technology spend and business growth.¹ In 2024, this value gap has widened to 98%, with aggregate business revenue growth dropping to 2020 levels.²

The upshot: Spending alone will not drive reinvention. Without strategic alignment between technology investments and business objectives, companies risk further disconnect between their aspirations and results.



Source: IDC, S&P Capital IQ (Data shown for South Africa)

A photograph of three women in a meeting. The woman in the center is wearing a traditional African headwrap (netela) and is gesturing with her hand. The woman on the left is wearing a white shirt and looking towards the center. The woman on the right is wearing a dark top and holding a pen, looking towards the center. The background is blurred, suggesting an office or meeting room setting. The image has a purple and blue color overlay.

Barriers to reinvention in South Africa

The reasons for these diminishing returns on reinvention efforts are clear: legacy systems; fragmented implementations with misalignment between business and IT objectives, leading to ineffective change management; and a lack of necessary skills and capabilities to strengthen the digital core.

Legacy systems limit agility, driving up technical debt

Legacy systems weigh heavily on many South African companies, creating barriers to progress by limiting agility and stifling innovation. This isn't just a theoretical issue—industries like mining and telecom are already facing the consequences in the form of job cuts and closures as they struggle to modernize quickly enough.

In fact, 89% of South African C-suite executives acknowledge that legacy infrastructure hinders their business agility and contributes to accumulating technical debt.³ Furthermore, 91% of organizations report that technical debt undermines their competitiveness, yet only 24% are actively addressing the issue. This impact is particularly pronounced in sectors like banking and telecom, where outdated systems continue to obstruct innovation and growth.

Fragmented implementations, misaligned goals hinder transformation

Our research shows that half of reinvention programs in South Africa are confined to specific departments or functions, missing the opportunity to drive enterprise-wide impact. This lack of cohesion prevents organizations from realizing the full benefits of their investments. Moreover, only 42% of leaders report a clear alignment between business and IT goals, causing change management to falter and diluting the effectiveness of transformation initiatives. Without this alignment, even the most ambitious programs struggle to deliver lasting value.

89%
of South African C-suite executives acknowledge that legacy infrastructure hinders their business agility and contributes to accumulating technical debt.

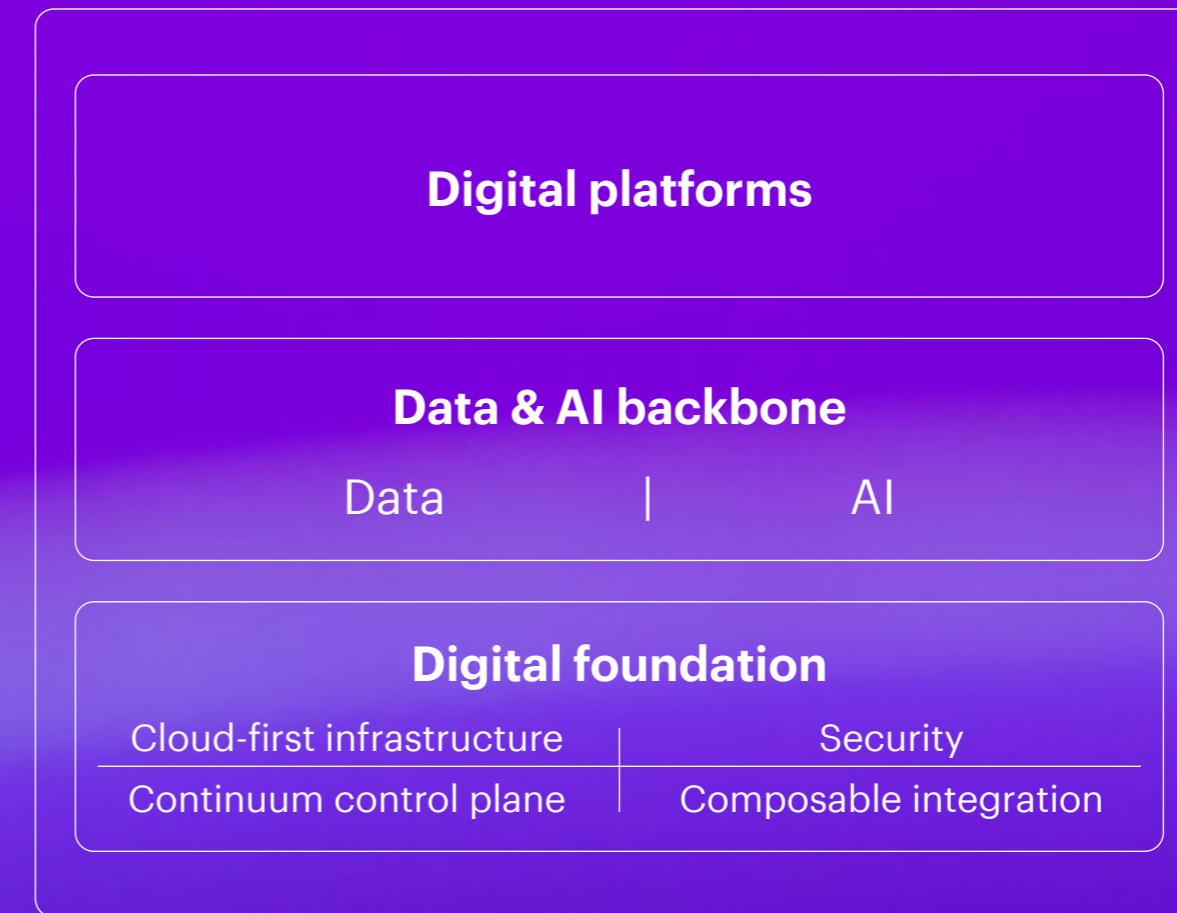
Skills gap limits digital core growth, development and generative AI adoption

In our *Reinventing with a Digital Core* report, we found that a digital core is a prerequisite for companies to continuously reinvent themselves as they navigate the radical disruption fueled by generative AI.⁴ Accenture defines a digital core as the critical technological capability that can create and empower an organization's unique reinvention ambitions. Such a digital core has three groups of distinct but constantly interacting technologies: digital platforms, a data and AI backbone and the digital foundation—which includes composable integration, cloud-first infrastructure, a continuum control plane and security (Figure 4). Together, these elements provide the agility and innovation needed to accelerate ahead of the competition and achieve strategic objectives.

Figure 4

Demystifying the digital core

A digital core fit for continuous reinvention includes three distinct groups of technologies that constantly interact with each other.



A considerable gap in foundational skills and capabilities—ranging from data foundation and cloud to AI and cybersecurity—is undermining companies' ability to build and maintain a robust digital core. It is the combined strength of these foundational capabilities that enables businesses to unlock new opportunities across the value chain.

Our research shows that more than half of South African executives lack a strong understanding of these crucial components, and only 35% have the technological expertise to leverage them effectively. Moreover, only 38% of business leaders feel confident that their workforce has the necessary skills to achieve their goals over the next three years.

The talent challenge is compounded by difficulties in sourcing new skills. Only 36% of South African companies believe their talent strategy is flexible enough to support transformation programs. This shortage of digital capabilities is constraining companies' ability to scale operations and maintain their competitive position.

Only
36%
of South African
companies believe
their talent
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programs.



Generative AI enables and accelerates reinvention

Figure 5

Reinventors expect to grow the value gap across financial indicators

In 2022, we predicted that companies that embrace reinvention as a core strategy—using technology, data and AI—would lead in the coming decade. Our 2023 findings confirmed this: Globally, a small group (9%) of companies—we call them Reinventors—is outpacing their peers by embedding reinvention into their DNA.

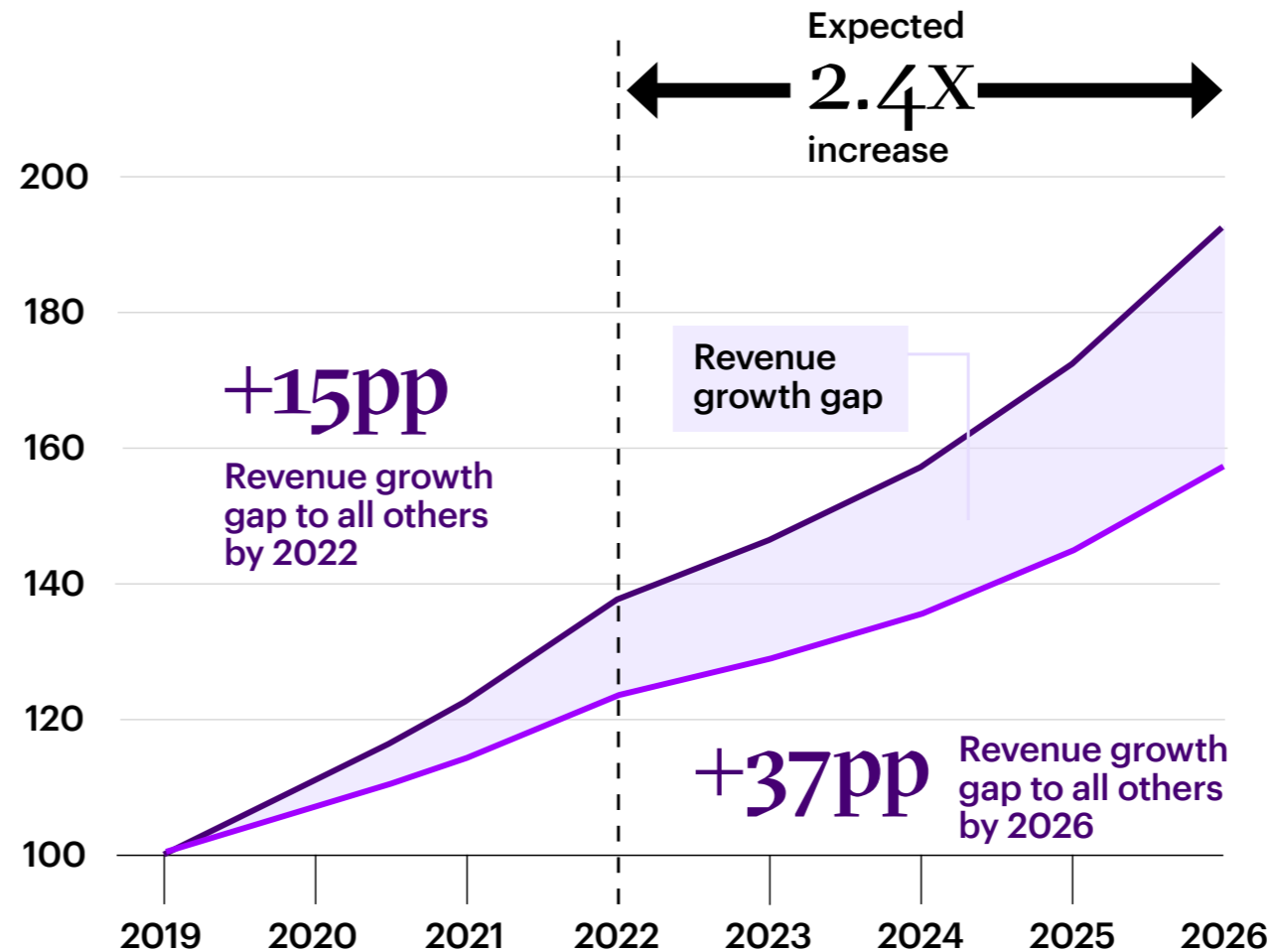
Accenture’s analysis (Figure 5) shows that, globally, Reinventors are outperforming their peers by a wide margin. Between 2019 and 2022, these leading companies saw revenue growth that was 15 percentage points higher than the rest. We expect this gap to grow by 2.4 times to 37 percentage points by 2026.

Reinventors are also more profitable. Their average profit margin (EBITDA/revenue) between 2019 and 2022 was 5.6 percentage points higher than the rest. Our modeling indicates that for every year a company adopts a reinvention strategy, it sees a 2.9 percentage point uplift in margin compared to those that don’t.

Financial value gap

Revenue growth, indexed (2019 = 100)

Reinventors All others (Transformers + Optimizers)



2019-22 = CAGR based on actuals. 2023-26 = self-reported expectations stress-tested vs. analyst expectations. Average EBITDA margin based on actuals for 2019-22. Panel data model tests the relationship between # of years of reinvention (from year respondents report adopting reinvention strategy) and EBITDA margin, controlling for industry, geo and company size. Financial services companies are excluded. Source: Accenture reinvention survey, Oct-Nov 2023. Sample size: Total, 1,500; Reinventors, 136; Transformers, 1,210; Optimizers, 154.

In South Africa, 7% of businesses have reached this high bar of reinvention. The vast majority—around 85%, whom we refer to as Transformers—are making strides but still have room to accelerate their progress. They are not yet building the long-term capabilities necessary for sustained reinvention. The remaining 8%—whom we refer to as Optimizers—are holding back on reinvention altogether, missing critical growth opportunities and exposing themselves to risk in a rapidly shifting market.

Reinventors are fully committed to continuous transformation. They're not settling for incremental changes but using generative AI and other technologies to reshape their business from the ground up. These organizations are setting new performance standards, driving innovation across the board and intensifying their use of generative AI as a core enabler of their strategy.

With its ability to impact the entire value chain and drive productivity and growth to unprecedented levels, generative AI can transform every facet of business. It is already revolutionizing the way we work, fostering a new kind of collaboration between people and machines. Our modeling shows that 38% of working hours in South Africa have scope for automation or augmentation through generative AI.⁵

Beyond automation, generative AI can empower leaders to make smarter, faster and more accurate choices by converting vast amounts of data into insights. For both customers and employees, generative AI delivers tailored experiences, deepening engagement and driving better outcomes. Crucially, generative AI can help build “connective tissue” across an organization by unlocking data and breaking down people siloes through its ability to seamlessly process structured, unstructured and even synthetic data.



The Reinventor's playbook

Five key imperatives to drive reinvention with generative AI

Using generative AI to reinvent is no longer optional—it's a prerequisite for success. Companies will compete on how fast they are able to harness and deploy generative AI to create material value. This is a reality that not everyone has yet absorbed.

Success will require every CEO and their team to assess where they are today in their competitive set, and then systematically execute a reinvention strategy with five imperatives that can be broadly applied. Here, we describe these imperatives in the context of generative AI and illustrate with client examples.

1/

Lead with value

2/

Understand and develop an AI-enabled, secure digital core

3/

Reinvent talent and ways of working

4/

Close the gap on responsible AI

5/

Drive continuous reinvention

1/ Lead with value

In the era of generative AI, it's crucial to prioritize value across the business.

Begin by targeting strategic bets—areas where generative AI can create unique sources of value that competitors can't easily replicate. Evaluate whether your organization is truly ready to execute your AI strategy, or if you risk being outpaced by competitors with stronger digital cores or more agile talent. This critical self-assessment will help you prioritize the most impactful opportunities.

Next, shift from fragmented pilots to building end-to-end business capabilities, powered by AI—including generative AI. Be intentional in executing a roadmap that connects AI to your broader operational goals. Rather than getting bogged in proof-of-concept projects, focus on transforming entire workflows to unlock real value.

It's also important to ensure that every AI initiative you pursue is value-led. Too many organizations are still experimenting with AI without a C-suite-approved mechanism to measure success. To bridge the gap between hype and material results, rapid interventions and decisive choices are needed.

Finally, reorient your organization. Move away from siloed functions and enable end-to-end decision-making through a unified data architecture and cross-functional teams. This approach will unlock new opportunities across your value chain and help you tap previously hidden value pools.

2/ Understand and develop an AI-enabled, secure digital core

Building an AI-enabled digital core goes far beyond writing checks for technology upgrades. It needs meticulous development of an infrastructure that can support rapid and continuous reinvention.

Start by assessing your digital core: How does your technology stack up to industry standards, and is it ready for generative AI? Align your strategy with the areas where reinvention offers the greatest value.

Next, develop the core capabilities needed to build a robust data and AI backbone, such as handling unstructured and synthetic data and creating an architecture that integrates multiple AI models. Our research shows that 96% of South African companies foresee significant shifts in their data strategy to fully leverage generative AI, and almost half continuously monitor all aspects of their digital core for AI readiness.

It's equally important to ensure that your Chief Information Officer embeds strong cybersecurity practices early in the technology lifecycle to protect both digital and physical systems. Only 41% of South African companies believe they lead in enterprise systems security, so a strong security culture is essential for long-term resiliency.

With robust cybersecurity practices bolstering your defenses, it's time to take a hard look at your current technology and advisory ecosystems in order to radically compress the reinvention cycle. Reconsider risk-reward relationships, and whether co-creating with partners or industry leaders will fast-track your transformation efforts.

Lastly, rigorously measure your progress with an eye on the future. Direct a substantial share of your technology investments toward building new capabilities, not just maintaining legacy systems. Innovation today sets the foundation for competitiveness tomorrow.



A Southeast Asian national oil company exemplifies this approach.

Like many others in the oil and gas industry, this Southeast Asian national oil company has huge volumes of data in different formats, and generates more daily.

With no efficient way to access and search its data, decision-making was only getting slower, while the risk of accidents due to missing data points kept growing. Staying on top of pipeline maintenance and repairs was time-consuming, as technicians and engineers had to comb through pages and pages of historical documents to predict where issues may come up.

After taking a holistic look at the issues, the company deployed generative AI and cognitive search, and can now realize the true value of its data and drive new growth. Its new knowledge base incorporates more than 250,000 documents with structured and unstructured information, surfaces whatever information the user is looking for and converts it into the desired format.

On the front end, a new search engine simplifies and accelerates the way people find important information, allowing them to “chat” with the company’s data to find what they need in a quick and conversational way, speeding up decision-making and giving people confidence to act.

The speed at which the right information can now be accessed is also helping avoid equipment downtime as historical data can be accessed almost instantly, like finding out how long it’s been since a piece of equipment was serviced or had a fault.

It’s also speeding up onboarding by replacing dense logbooks with a simple search engine to teach complex knowledge. Ultimately, the new, integrated setup makes information discoverable with minimal effort, automates the knowledge-gathering process for different roles across the organization and helps reduce accidents.

3/ Reinvent talent and ways of working

For a digital core to reach its full potential, it has to be backed by a workforce that's equally prepared to evolve. The next challenge is rethinking how talent is managed, reskilled and aligned with the demands of a generative AI-driven world.

Leaders need to look beyond tactical questions like which tasks to automate and consider how AI, including generative AI, can free up human potential—and how to reskill employees to maximize this potential.

Create a talent strategy that maps out how work will change, documents the impact to roles and identifies the skills needed for every generative AI use case. Leaders must make transparent decisions on how to reallocate freed-up talent, so that employees fully understand how their roles will change. As it stands, only 38% of South African businesses have a clear understanding of the workforce skills they'll need in three years.

A transformation of this magnitude also requires people-centric change capabilities across functions to fully grasp generative AI's impact on the workforce—not just operationally, but in the experience of employees themselves. Manage change in a way that actively involves employees, giving them a voice in how AI—including generative AI—is adopted and integrated into their daily tasks.

At the heart of this reinvention is the need for continuous learning capabilities, either organically or with partners. Employees must be equipped with market-relevant skills to thrive in a South Africa where 38% of working hours are likely to be automated or augmented by generative AI.⁵

A forward-thinking talent strategy also calls for a review of human resource (HR) capabilities. HR should not be an afterthought but a core part of the reinvention vision. Invest in the right HR technologies needed to support AI-driven transformation. Revisit your employee value proposition to ensure it reflects an environment where AI empowers employees, making them feel “Net-Better-Off”.

4/ Close the gap on responsible AI

As AI adoption grows, so does the responsibility to ensure that it is used ethically and responsibly. Pressure is mounting for organizations to establish governance frameworks that mitigate the risks associated with AI while building trust with customers, employees and regulators.

The first step toward responsible AI use is to establish clear AI governance frameworks that outline principles for the ethical design, deployment and use of AI systems. Without a solid governance structure, companies risk deploying AI in ways that could harm their reputation, their employees and even their customers.

Conduct regular AI risk assessments—both qualitative and quantitative—evaluating AI use cases, applications and systems against a reference architecture to identify risks. Responsible AI cannot be achieved without system enablement for testing and a dedicated AI monitoring and compliance function to evaluate for fairness, explainability, transparency, accuracy and safety. Use best-in-class tools and technologies to ensure compliance with ethical standards and regulations to help mitigate risks that may arise from AI deployment.

However, responsible AI is more than a technology issue—it requires cross-functional collaboration across the organization. Leaders from compliance, HR, sustainability, privacy and security should work together to ensure that AI systems are designed and managed responsibly. This holistic approach will address the wide-ranging impact of AI, from workforce implications to regulatory compliance and data privacy.

Despite the urgency, only 31% of South African executives have established responsible data and AI principles, and even fewer—just 3%—are either drafting or have completed drafting responsible data and AI principles with C-suite support. If businesses don't accelerate their responsible AI efforts, they risk falling behind in the face of growing scrutiny.

Building responsible AI foundations in retail

A global retail and pharmacy giant integrated AI strategically and responsibly across the enterprise. This involved mapping AI development throughout the business, enhancing its Ethical AI governance model, and establishing clear roles and responsibilities for stakeholders using AI.

The client established a methodology to assess risk levels and mitigation strategies during any current or future AI development, with a fairness framework to equip the company's data scientists with tools and guardrails to reduce bias. The project included development of persona-based training materials to highlight the importance of responsible AI and its place in driving business outcomes.

Now, the client has the responsible AI foundations it needs to use and scale AI intelligently and responsibly across the business.

Operationalising a responsible AI program

Take the Monetary Authority of Singapore for example in operationalizing a groundbreaking responsible AI program. In today's financial services industry, companies are increasingly relying on AI to provide exceptional customer service while keeping operations lean and costs low.

The Monetary Authority of Singapore (MAS), the central bank and financial regulatory authority of Singapore, recognized the benefits AI provides to financial services institutions (FSIs). But it was also aware of the potential impact of unintended consequences from AI on the industry. These risks could include AI models incorrectly rejecting proportionally more people of a certain sex, race or religion for credit card applications, or people from a certain neighborhood being charged higher insurance premiums when the claims rates don't justify it.

MAS knew that as FSIs tackled these issues, they would face complex questions around ethics, accountability and transparency.

As one of the first financial regulators to have a dedicated responsible AI program, MAS is enabling FSIs to evaluate their AI and data analytics solutions against the key principles of fairness, ethics, accountability and transparency (FEAT).



Reinvention in the age of generative AI



MAS established and led Veritas, an industry consortium that now has more than 25 members, to increase the adoption of FEAT principles and enable FSIs and tech firms to enhance their governance around them.

To ensure a holistic assessment of FEAT principles throughout the AI and data analytics software development lifecycle, the comprehensive checklist encompassed:

- Defining a new Ethics and Accountability Assessment Methodology to provide a framework for articulating ethical commitments, concepts of justice and principles.
- Extending and refining the Fairness Assessment Methodology, enabling FSIs to define their systems' fairness objectives, identify attributes of individuals and bias and develop mitigation strategies.
- Defining a Transparency Assessment Methodology to help FSIs determine whether and how much transparency is needed to interpret machine learning models' predictions.

The methodology has been tested against several use cases, such as: predictive underwriting, customer marketing or fraud detection. Veritas also introduced the first responsible AI toolkit for the financial industry — an open-source, extensible code with easy-to-use features and user-friendly interface, to support responsible AI assessment and adoption.

MAS has become the first regulator to publish a framework of this depth relating to FEAT, and its guidance gives FSIs the ability to move from principles to practice, helping FSIs gain value from AI responsibility and building a fairer future to benefit billions of consumers worldwide.

5/ Drive continuous reinvention

In today's climate of constant disruption, reinvention is not a one-off project—it's a muscle that must be worked out regularly, a perpetual cycle that's embedded into the organization's DNA. Generative AI is accelerating reinvention, but without the right culture and infrastructure in place, companies will struggle to keep up.

Generative AI is advancing rapidly, with new possibilities emerging every day. To stay ahead, executives need to constantly explore new and more powerful ways to use AI alongside other emerging technologies. Those who successfully blend technology with human ingenuity will create long-term value and build lasting resilience.

But reinvention does not stop at technology—managing the change and talent journey is just as important. Organizations need to foster agility by embedding change into the cultural fabric. This means embracing new ways of thinking and building an operational mindset that welcomes continuous transformation. A flexible digital core will power this reinvention, allowing businesses to pivot and adapt as new challenges arise.

Finally, leadership teams need a holistic view of the leading indicators of progress and the outcomes. When there is effective integration across supporting governance structures and management processes, companies can see the bigger picture—anticipating risks, managing interdependencies and ensuring every piece of the puzzle aligns with the larger reinvention strategy.

Many South African companies are already making strides in this area. Fifty-four percent of organizations have established dedicated units with integrated planning and management tools to drive transparency across their reinvention programs. Furthermore, 51% of these businesses regularly adjust their reinvention strategies based on real-time data, showing a commitment to continuous improvement. But there's a

gap: Only 26% continuously assess the performance of their change initiatives, and 48% are still working to build change management as a core competency. This indicates a need for stronger processes to ensure that transformation efforts stay aligned with organizational goals over the long term.

The message is clear: Reinvention isn't a phase; it's a mindset. As AI and generative AI reshape industries, the companies that thrive will be those that continuously adapt, invest in their people and weave AI into the fabric of their operations. For South African businesses, the path forward is unmistakable—those who embrace AI-driven reinvention today have the potential to lead not just locally, but on a global stage, driving innovation and growth for years to come.

Charting your path to reinvention

- Do you have a clearly defined vision for reinvention—a north star—to achieve a new performance frontier? How are technology and AI—including generative AI—underpinning your reinvention strategy and where are they expected to unlock the largest pool of value?
- How do you intend to scale AI and generative AI across your enterprise?
- How will you use these technologies in a boundaryless manner to drive enterprise reinvention?
- Do you have an assessment of your digital core strength? How are you going to enhance that strength across the seven elements of the digital core? Do you have the technology acumen at all levels to do so?
- Are you radically rethinking your work, workforce and workers to complement the technology? Do you have a talent roadmap that will help you deliver on reinvention and make your employees feel Net Better Off—today and tomorrow?
- Do you understand where AI is—and will be—used in your organization and what the potential risks may be? Do you have a roadmap and ongoing resources for proactively building systemic, responsible AI capabilities to ensure that the reinvention of your enterprise through AI is human by design, fair, transparent, safe, accountable, secure and sustainable?
- How do you plan to enhance your change management capabilities to drive continuous reinvention?

Generative AI has democratized artificial intelligence and made technology much more human-like. This means the pathway to reinvention is much faster than we envisaged even a year ago, as this technology has the potential to redefine entire value chains. Organizations that make bold bets to reinvent while recognizing the importance of blending technology with people's ingenuity will capture long-term value and build lasting resilience.

Where could reinvention take your business?

How Accenture can help

We help companies transform and reinvent every aspect of their enterprise with generative AI services. Our services span strategy and roadmap, design and build, operationalize and run.

Companies can visit our network of generative AI studios around the world to explore ways to reinvent their business through the responsible use of generative AI applications. These studios have a range of areas of specialization, enabling companies to explore industry use cases, co-innovate, conduct AI pilots and rapidly initiate and scale programs.

Our industry-specific diagnostics help organizations shape a blueprint for successful reinvention and define how best to use generative AI across the enterprise.

We have developed a detailed set of new performance frontiers for businesses in 19 sectors—integrated with sustainability, talent and the digital core—alongside the key business capabilities for realizing them.

Our AI Navigator for Enterprise is a generative AI-based platform that can then help clients define business cases, choose architectures, and understand algorithms and models to drive value responsibly. With a strategy in place, our proprietary “switchboard” allows clients to select a combination of generative AI models to address the business context or based on factors such as cost or accuracy.

About the research

Accenture Reinvention Survey

Accenture Research conducted a survey of 1,516 C-suite executives in November 2022 and of 1,500 C-suite executives in October-November 2023. The survey was replicated for 100 South Africa companies in March 2024. Respondents were asked about their organization's approach to business transformation and reinvention strategy, as well as about their specific programs and success factors.

Country coverage: Australia, Canada, China, France, Germany, India, Italy, Japan, South Africa, United Kingdom and the United States.

Industry Coverage - 19 industries:

Aerospace and Defense; Automotive; Banking; Capital Markets; Chemicals; Communications, Media and Entertainment; Consumer Goods and Services; Energy; Health; High Tech; Industrial Goods and Equipment; Insurance; Natural Resources; Life Sciences; Public Service; Retail; Software and Platforms; Travel; and Utilities.

Financial and non-financial analyses and econometric modelling

We compared the financial and non-financial performance of companies we identified as Reinventors in our 2023 survey.

For financial performance, we analyzed the revenue growth and profitability for the three groups of companies (Reinventors, Transformers and Optimizers). For the historical period 2019-22, we used actual revenue growth (CAGR) and average profit margin (EBITDA/revenue) from S&P Global. We further used a panel data model to test the relationship between the number of years of reinvention (starting from the year in which respondents report adopting their reinvention strategy) and EBITDA margin, controlling for industry, geography and company size. Financial services companies are not included in the panel data model.

For the analysis of expected revenue growth for the 2023-2026 period, we applied the self-reported expectations in respective time horizons from the Accenture reinvention survey and used trend data extrapolation for missing values. We reviewed the self-reported expectations of respondents against analyst forecasts to test for consistency.

For the non-financial performance elements, we used our 360° Value framework for the analysis: sustainability, experience, innovation, talent, and inclusion and diversity (I&D). Each sub-component is based on a set of indexed scores.

Sustainability is based on ESG data from S&P Global. Experience is based on measures of customer relationship management and supplier churn from S&P Global and FactSet Supply Chain. Talent and I&D is based on Net Better Off indicators from Glassdoor, ESG Book and S&P Global. Innovation is based on the efficiency of tangible and intangible expenditure from S&P Global data.

We compared Reinventors to their industry peers. 2021 data is based on last year's analysis reported in our "Total Enterprise Reinvention" report. For the 2023-2026 period, we applied the self-reported expectations in respective time horizons from the Accenture Reinvention survey and used trend data extrapolation for missing values.

We also identified a group of companies within the Transformers group as "Accelerated Transformers." These companies are expecting to consistently outperform their industry peers on revenue growth between 2023 and 2026. We assessed the financial value gap between this group and Reinventors.

For the historical period 2019-22, we used actual revenue growth (CAGR) from S&P Global. And for the 2023-2026 period, we applied the self-reported expectations in respective time horizons from the Accenture Reinvention survey and used trend data extrapolation for missing values. We reviewed the self-reported expectations of respondents against analyst forecasts to test for consistency.

This analysis also uses a measure of the expected intensity of applying generative AI to fundamentally reinvent how companies operate. This metric was created based on data from the Accenture Reinvention survey looking at the number of functions / business areas expected to be fundamentally reinvented using generative AI and the extent of performance impact of generative AI in those areas.

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References & Methodology

We leveraged IT Spend data for South Africa from IDC Worldwide Black Book Live Edition (April Forecast V1 2024) as well as company financials from S&P Capital IQ. The data was extracted, and the actual values were rebased to 100. Aggregate revenue was calculated based on a sample of 10,000 South African companies ranked by size.

Client experience

We draw on our client experience from across thousands of transformational engagements and more than 700 generative AI projects in 2023 in which companies had applied the technology to reinvent how they operate. All company examples referenced in the report are based on Accenture client engagements unless sourced (or cited).

Work, workforce and workers analysis

We leverage the research conducted for our recent publication, [Work, workforce, workers: Reinvented in the age of generative AI](#). This includes a survey of 5,000 workers conducted in October-November 2023 and an analysis of the total working hours that could be impacted by generative AI across occupations and industries in 22 countries.

This included economic modeling to forecast the potential impact of generative AI on productivity and growth for the economy, organisations and people. We mapped out the future growth trajectories under three different AI deployment scenarios: aggressive, cautious and our proposed people-centric approach.

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All other data is from our Total Enterprise Reinvention research and from the fieldwork conducted for 'Reinvention in the age of generative AI' in October-November 2024 as well as an extension to the fieldwork for South Africa conducted in March-May 2024.

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