PUBLIC SECTOR ANALYTICS
Delivering Value For Money
INTRODUCTION

5 Concepts to help guide your thinking as you define how you will deliver value for money:

1. Disruption & Reinvention
2. Department or Capability
3. Experiences V Commodity
4. Mindset V Seniority
5. Evolution Or Revolution
DISRUPTION & REINVENTION

The Impacts of Technology.
Technological innovation is the vehicle, the driver & the navigator of disruption.

Industries:
- Music
- Film Dist.
- Logistics
- Mining
- Automotive
- Banking
- Hospitality

Pace Is Accelerating
- Gramophone 1900
- Walkman 1960
- Discman 1980
- iPod 2001
- Nano 2005
- Online STREAMING 2008+
TECHNOLOGY IS DECIDING THE WINNERS AND LOSERS

Organizations:
• Blockbuster
• HMV
• Kodak
• iTunes
• De Beers

The death of Blockbuster and the rise of Netflix happened in a matter of 2-3 years...at a time when blockbusters revenue growth was accelerating.
Individually:
• U2
• Madonna
• D. Trump
• Bloggers
• Social media personalities

With the zoo TV tour U2 not only changed their look and sound they reinvented the concept of a music concert as an Immersive Experience.
Professions:
• Photographer
• Postal worker
• Librarian
• Travel agent
• Teachers
• Taxi drivers
• Accounting

Evolution of the photography profession from optimization of each shot to curation of a mass abundance of material
CHANGE WILL NEVER BE THIS SLOW AGAIN..

And the Pace of change is ever increasing, take the GP process in Healthcare..
GLOBAL HOSPITALITY COMPANY

- $110m direct incremental revenue opportunity
- 15 Self-Service Dashboards replaced 500+ manual reports; saving 60% (24k hours)
- Central Data Lake created from 25+ disparate financial & operational sources
- 185+ Member Enterprise Data & Analytics Organisation stood up
- Data Governance & Quality Teams stood up to drive data quality
- Central CoE Portal replaced 10 previous delivery methods

CFO Sought to position Himself as the “Chief Analytic Strategist” In the face of Shrinking Market Share

Source: Accenture Analysis
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DEPARTMENT OR CAPABILITY?

The Expanding Remit of the Finance Professional..
A Harvard-based team of pathologists recently created an AI-based technique to identify cancer cells with greater precision. Pathologists beat the machines with 96% accuracy versus 92%. But together they accurately identified 99.5% of cancerous biopsies. With c. 1.7m new cases of breast cancer diagnosed globally each year, this translates to 68,000-130,000 more women recovering accurate diagnoses than if we relied on humans or machines alone.
76% of CFO’s say automation will allow their teams to provide more and better insight to the rest of the business while at the same time liberating them.

78% of CFOs believe that digitalization will facilitate a rise in self-service reporting – and that this will eliminate the need for traditional finance stewardship.

78% of CFO’s are heading up efforts to improve efficiency through adoption of digital technology.

84% of CFO’s expect to be providing real-time or near-real-time insight within three years.

85% of CFOs believe finding talent that can derive insights from data and partner with the business will be a major concern.

3x Digital process automation triples the value Finance delivers, at 40 percent lower cost.
APPLIED INTELLIGENCE IS HERE NOW

New Roles Are Emerging Where Human And Machine Work Together

- **Natural Language Generation** is writing reports with limited human interaction (#Reuters)
- **Virtual Agents** voice recognition technology is putting the Finance Partner in workers pockets (#Google)
- **AI and Robotics** predicting Payables and Receivables flows (#Accenture)

Significant increase in demand for Data Scientists

- 63% of business leaders expect a net gain in jobs from using AI in the next 3 years
- 54% of executives say human-machine collaboration is important to their strategic goals
THE FUTURE PILLARS OF FINANCE

Experiences
Keeping The End Customer Of Insight At The Center Of Everything Finance Does

Analytics
Machine Learning Techniques & Visualization Tools To Enhance Certainty Of Insight

Platform
Optimizing Usage Of Your Core ERP Toolkit To Form Your Technological Foundation

Data
Powerful Technologies Enable The Collection And Curation Of Vast Data-sets

Make | Buy | Rent | Partner

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Background: Statistics suggested that the number of people whose lives are damaged by gambling, had risen by more than 53 percent, from 280,000 to 430,000.

Local council needed to identify areas where individuals are more likely to be at risk, previous data belief was an ‘area-wide’ problem.

Approach: Took a ‘whole council’ approach – bringing together multiple viewpoints and datasets.

Result: – Concentration in one area, allowed the council to effectively target interventions – rather than blanket policy.

So what? This is increasingly the role of finance – identifying where the value is, bringing together operations through a central view of the data.

Source: Accenture Analysis

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EXPERIENCES VS. COMMODITY

Expectations of “Service Quality” Is Shifting..
TECHNOLOGY SHOULD BE CONSIDERED FOR HOW IT “AMPLIFIES” HUMANS

Creativity, complex reasoning and socio-emotional intelligence have sharply increased in importance

# Accenture Research 2019

HEAT – Humanities, Engineering, Arts, Technology
THE EXPERIENCE: FINANCE IS EMBRACING THE ROLE OF ECONOMIC GUARDIAN

Remit of CFO is expanding
Finance leader
Business partner
Value architect

72% agree that adopting intelligent technologies will be critical to their organization’s ability to differentiate in the market.

69% expect the share of roles requiring collaboration with AI to increase in the next three years.

Only 3% of executives plan to significantly increase investment in skills development programs in the next three years.
GOVERNMENT DEFENCE DEPARTMENT

Moving beyond short-term capital budgeting using advanced scenario analytics

**Background:** Never managed to carry out a full end-to-end capital budgeting and scenario analysis: it was too complex

The scale is huge: 80 installations; 55k buildings; 280k systems and 3.4m components, $2bn of annual funding

**Approach:** Three key things to get right: Provide strategic view; Get it to the field and make it real and Reassure on data quality

**Result:** – could model the optimal investment path – over a 30 year period. This uncovered a new strategy: move to an ROI approach, divest 5% of estates, invest an additional $1bn upfront, by 2029 the deferred cost would fall away

**So what?** For the spending review, being able to plan long-term in a data-driven way will be a key enabler for the finance function

**Source:** Accenture Analysis

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Background: Have between 5-7m passport applications per year, similarly millions of visa applications. Significant planning requirements, need to land an accurate view, lots of variables, multiple teams manipulating data.

Approach: Calculate future volumes on historical data, Machine Learning algorithms, >32m derived drivers and ‘what if’ real-time planning (i.e. channel shift and workforce redeployment).

Result: – Streamline a process from 2+ weeks+ to near instant.

So what? The forecasts don’t have to be perfect but represent pace of change, have a statistical base and grounded in reality. Allowing Finance to focus on “so what” rather than the data quality – as well as removing non-significant forecasting biases.

Source: Accenture Oracle Fusion Proof of Concept
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GROWTH-MINDSET VS. SENIORITY

Neuroscience is Informing How We Learn..
TIME TO “EXPERT” IS DRAMATICALLY FALLING AS THE NEW CONTINUES TO REIMAGE THE OLD

Adaptability: Has emerged as the most-sought-after Trait

# Accenture & Word Development Report 2019

Continual Lifelong Learning is a Must

Traditional Role Titles are becoming Obsolete – “Trainers”, “Explainers” and “Sustainers”

MOOC – Massive Open Online Courses is Supporting Accessibility

We already “Augment” Ourselves – Glasses, Cars, Social Media Prompts...
PRIORITIES FOR LEADERS

**Reimagine Work**
Shift from workforce planning to work planning

**Pivot The Workforce**
To areas that unlock new forms of value

**Scale Up “New Skilling”**
To work with intelligent machines
CFOs must escape the debate about AI’s impact on jobs. The real issue is the need to reconfigure work.

**Assess tasks – not jobs**
Allocate work to machines and people, balancing the need for automation and augmentation.

**Create new job descriptions**
Free people from function roles and build project-based teams.

**Map skills to jobs**
Assess internal capabilities required. Map to existing skills. Then reskill and source new talent.
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<th><strong>PIVOT THE WORKFORCE</strong></th>
<th><strong>Align the workforce to new business models</strong>&lt;br&gt;Orientate it to support new customer experiences.</th>
<th><strong>Make the business case</strong>&lt;br&gt;Use automation to fuel growth by <em>reinvesting savings in the workforce</em>.</th>
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<td><strong>Organize for agility</strong>&lt;br&gt;Create flexible processes; create the structures that support the assembly and disassembly of teams.</td>
<td><strong>Foster new leadership DNA</strong>&lt;br&gt;Create leaders at all levels in more autonomous working environments.</td>
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“Our customers’ expectations are changing. They want simpler, faster, frictionless experiences. We are constantly evolving our use of technology to empower our associates and provide them with new skills at a rapid scale to better serve our customers.”

JACQUI CANNEY, Executive Vice President, Global People Division for Walmart
BY FOCUSING THIS WAY WE ARE CREATING NEW CUSTOMER EXPERIENCES

Marriott International uses robots to welcome guests and deliver items to guests’ rooms. Their AI chatbots service requests and help concierge teams offer new experiences.

Adidas launched SPEEDFACTORY, an initiative to localize manufacturing and meet the demand for more tailored products. Moving from design to production of a customized shoe in mere days; by collaboration of people and robots in a series of overlapping production steps.

Morgan Stanley augmented its 16k financial advisers with AI agents who could proactively recommend options to customers as a result of changing circumstances.

Walmart has rolled out AR to all 200 academies, to enhance the effectiveness of its training by adding “empathy” insights to a set of common situations.

Source: Accenture Analysis
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EVOLUTION OR REVOLUTION?

There may be no “right answer”… meaning there can be no “wrong” answer!!!
ACCENTURE HAS FUNDAMENTALLY REIMAGINED OUR FINANCE CAPABILITY

Accenture has deployed AI, machine learning and robotics with our operations business and reskilled 40k employees

- Beware of antibodies
- Reimagine everything
- Be data driven
- Prove then scale
- Build a capability
- Stay curious
- Be value Led
- Consider the experience
“In order to Succeed you must first Survive.”

- Warren Buffett
“He who dares, wins.”

Evolution

- Winston Churchill
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