

Leading Companies That Scaled Technology Innovation During COVID-19 are Growing Revenue Five Times Faster Than Lagging Adopters

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New class of 'Leapfrogger' companies compressed digital transformation and outpaced peers with 4x revenue growth

NEW YORK; April 28, 2021 – Leading companies that amplified their technology investments during the COVID-19 pandemic have significantly extended their growth advantage over competitors, according to new research from Accenture (NYSE: ACN). The research reveals that technology has undeniably become indispensable to business success and directly enables companies to not only survive, but even thrive during one of the most disruptive times in history.

The new report, "**Make the Leap, Take the Lead,**" shows that by stepping up investments in cloud, artificial intelligence (AI) and other technologies, 'Leaders' are now growing revenue at five times the rate of 'Laggards,' exceptionally higher than the doubled growth rate Leaders reported just a few years ago. In sharp contrast, many Laggard companies just recently invested in newer technologies for the first time, largely to maintain business and technology operations during the pandemic. This put Laggards even further behind and in the position of playing catch-up.

A new category of companies has emerged: Leapfroggers (18% of the entire sample). This group stands out in their ability to quickly master the balance between systems strength and increased innovation. Leapfroggers compressed their digital transformations into a shorter time frame through an aggressive and progressive technology strategy that converted the challenges of the past year into business opportunities and advantage.

"Our research scored companies on their 'Systems Strength' — a measure of technology adoption, application of technologies at scale, and organizational and cultural readiness for tech-enabled innovation. Strong Systems Strength, combined with a "Flip Size" that substantially pivots IT budgets towards innovation, enables Leaders to greatly extend their growth over Laggards," said Ramnath Venkataraman, global lead, Integrated Global Services, Accenture Technology. "Meanwhile, Leapfroggers also show tremendous progress by maintaining Systems Strength and infusing innovation across the enterprise. In fact, Leapfroggers are now growing their revenue at four times the rate of Laggards."

The report surveyed 4,300 respondents and assigned a score based on Systems Strength and Flip Size. The study determined which companies were 'Leaders' (top 10% of entire sample), Leapfroggers (18% of sample) and 'Laggards' (bottom 25%) and looked at the financial performance of each group.

Annette Rippert, group chief executive, Strategy & Consulting, Accenture, added, "This report shows that leaders are adopting innovative technology earlier and investing more frequently than their peers. These leaders focus not only on the implementation of new technology, but the critical steps needed to ensure successful scaling across the enterprise, including new agile ways of working, making important changes to reinforce an innovation-led culture and upskilling their workforce. Each of these actions result in creating new sustainable value for their stakeholders."

The report shows that evolving technology strategies deliver greater success when companies master these three imperatives:

- **Replatform** to the cloud to build Systems Strength, reducing redundant technologies and disconnected data across the IT stack, while gaining computing power and flexibility. For instance, 80% of Leapfroggers had adopted some form of cloud technology by 2017, but that figure rose to 98% by 2020.
- **Reframe** to an innovation-first technology strategy. Leapfroggers excel at shifting their mindset and viewing potential downturns as opportunities to innovate with new technology. Scaling new innovations became the top priority for Leapfroggers during the pandemic, and 67% seek to aggressively increase revenue from non-core business lines.
- **Reach** by expanding access to technology across internal business functions and embrace a broader value agenda by addressing personalized employee upskilling, well-being, and mental health. Nearly two-thirds (65%) of Leaders prioritize employee happiness by providing digital-based flexible work arrangements, compared to just 43% of Laggards.

Leaders and Leapfroggers demonstrate how bolder and broader enterprise tech strategies are crucial for success

Replatform

How

Start with cloud to advance your business growth objectives.

Why

Thriving companies harness key cloud technologies including AI to outpace peers.

Where to start

Build Systems Strength

Migrate and modernize your IT landscape with cloud through careful assessment, disposition and prioritization.

Reframe

How

Rethink IT investments to strengthen your innovation muscle

Why

The top technology priority for thriving companies during the pandemic has been scaling innovation. If your IT budget is primarily to 'keep the lights on,' you'll continue falling behind peers.

Where to start

Flip the IT budget allocation

Prioritize freed-up capital to further invest in new technology innovation.

Reach

How

Democratize tech, invest in well-being and equality to turbocharge talent and value delivery.

Why

Thriving companies expand access to innovative technology for twice as many enterprise processes and reskill at almost twice the rate (1.7x) of pre-COVID peers.

Where to start

Reach beyond traditional business priorities

Scale technology and talent based on value to drive exceptional customer experiences and new value propositions.

Source: Accenture Research

Over 70% of Leaders increased investments in cloud security and 68% in hybrid cloud. Leaders also dug deeper into Internet of Things technology (70%) and AI and machine learning (59%). Building a foundational cloud platform delivers the costs savings to help flip IT budgets from maintenance to innovation. Both provide a sound basis for aligning technology strategies with business goals that drive 360-degree value for multiple stakeholders across the enterprise.

Leapfroggers transformed their technology strategies and priorities in a short time frame, using the crisis to increase the use of advanced and emerging technologies by 17% and scaling technology across their enterprises. Leapfroggers also fostered thoughtful organizational change to take further advantage of these technologies and compressed their transformations from years to months.

About the Research

Accenture's "Make the Leap, Take the Lead" research is the third installment in a series that builds on one of the largest enterprise technology surveys ever conducted, "Full Value. Full Stop. How to Scale Innovation and Achieve Full Value with Future Systems," released in October 2019, and "Your Legacy or Your Legend? A CEO's Guide to Getting the Most Out of New Technologies," released in January 2020. "Make the Leap, Take the Lead" is based on survey responses from 4,300 business and IT professionals across 25 countries and 20 industries. More information on Accenture's "Make the Leap, Take the Lead" research, including examples of Leader and Leapfrog companies demonstrating technology investment best practices, can be found [here](#).

About Accenture

Accenture is a global professional services company with leading capabilities in digital, cloud and security. Combining unmatched experience and specialized skills across more than 40 industries, we offer Strategy and Consulting, Interactive, Technology and Operations services — all powered by the world's largest network of Advanced Technology and Intelligent Operations centers. Our 537,000 people deliver on the promise of technology and human ingenuity every day, serving clients in more than 120 countries. We embrace the power of change to create value and shared success for our clients, people, shareholders, partners, and communities. Visit us at www.accenture.com.

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