accenture

Reinvention in the age of generative AI

South Africa's formula for success amid change

South African businesses are operating in an era of constant disruption, where reinvention is the norm

183%
The increase in the level of change affecting businesses between 2019 and 2023.

#1
Technology disruption increased the most in 2023, rising from #6 in 2022 to become the #1 cause of business change.

98%
of executives say their reinvention strategy has accelerated over the past year in response to external disruption.

Source: 2023 Accenture Pulse of Change Index

C-suite executives view generative AI as a catalyst for reinvention

95% see generative AI as a key lever in their reinvention strategy.

58% of executives anticipate generative AI to boost productivity gains by over 20% in the next 3 years

38% of working hours are likely to be automated or augmented by generative AI.

Barriers to reinvention

Legacy system hinders business agility and accumulates technical debt.

89% of executives believe current legacy systems hinder business agility.

91% of executives acknowledge technical debt has a detrimental effect on their competitiveness, yet only 24% are tackling it.

Fragmented implementations and misalignment between business and IT.

1 in 2 of the South African reinvention programs are being implemented in only some parts of the organisation .

Less then ½ of executives see a clear connection between business and IT goals.

A lack of foundational skills and capabilities.

1 in 2 executives do not have a sound understanding of digital core essentials.

Only 36% believe they apply a flexible talent sourcing strategy to meet the needs of transformation efforts

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Reinventors outperform their peers on financial and non-financial metrics by 2026:

2.4x expected increase in the gap in revenue growth versus other respondents (relative to 2022).

37% anticipated outperformance in sustainability versus industry peers.

Reinventors take a distinctive approach to applying generative AI.

Like their peers, Reinventors invest in "no-regret" areas like IT and marketing.

Reinventors go further. They prioritize "strategic bets" that cut across the value chain and drive competitive differentiation.

Strategic bets include sustainability, strategy and M&A, R&D, engineering & manufacturing and supply chain.

Source: Accenture Reinvention Survey, Oct-Nov 2023

To capitalize on reinvention in the age of generative AI, the C-suite must address five imperatives.

01/
Lead with value
Shift away from siloed generative AI use-cases. Instead, deploy generative AI to redesign business capabilities across the value chain based on an objective assessment of the business case.

02/
### Understand and develop an AI-enabled, secure digital core
Elevate IT for the age of generative AI, connecting what was a disparate collection of data sets and technologies via an AI-enabled digital core that is secure by design.


03/
Reinvent talent and ways of working
Set and guide a vision for how to reinvent work, reshape the workforce and prepare workers for a generative AI world with continuous learning initiatives at all levels. Put people at the heart of change.
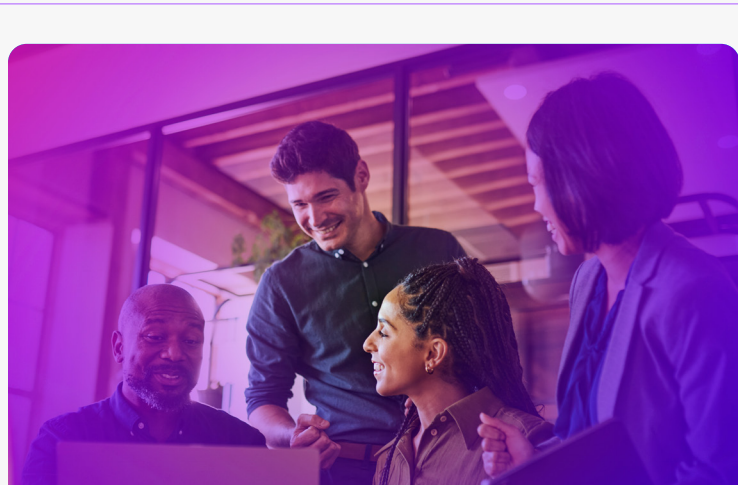
04/
Close the gap on responsible AI
Commit to maintaining high standards of trust, transparency and sustainability in generative AI-driven initiatives. Move from commitment and frameworks to action on the ground.
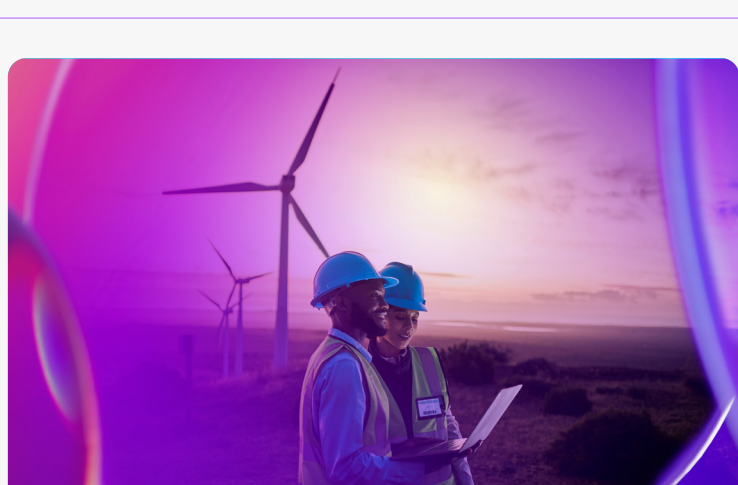
05/
Drive continuous reinvention
Change is constant. The path to reinvention never ends. Build the capability to continuously reinvent with generative AI and make the ability to change part of the organizational DNA.

Read our report

To learn more about reinvention in the age of generative AI.

DOWNLOAD THE FULL REPORT