

Accenture Leadership Changes Show Integrated Delivery Focus

Cathy Tornbohm

Accenture's reorganization primarily affects its design of service delivery units. It appears to accentuate end-to-end delivery of services and business processes.

NEWS ANALYSIS

Event

On 11 August 2009, Accenture announced organizational changes to take effect 1 September:

- **Jo Deblaere** has been named chief operating officer; he will focus on operational efficiencies and enhancing the company's agility.
- **Kevin Campbell** has been named group chief executive of Accenture's new Technology "growth platform" (Accenture's term for its delivery teams). It brings together Accenture's Systems Integration & Technology growth platform — comprising all areas of system integration (SI) and technology consulting — with the application outsourcing and infrastructure outsourcing areas of its Outsourcing growth platform.
- **Michael J. Salvino** has been named group chief executive of Accenture's new Business Process Outsourcing (BPO) growth platform.
- **Robert N. Frerichs** has been appointed group chief executive, United States.

Analysis

These executives have held senior positions at Accenture for some time. The move of Kevin Campbell from CEO of the Outsourcing growth platform to the Technology growth platform should enable him to bring his industrialization and globalization expertise to Accenture's delivery of SI. Gartner believes these changes reflect Accenture's need to maximize the synergies between SI and outsourcing by embracing global delivery models and streamlining services around business solutions.

The new senior management will face challenges. The consulting, SI and outsourcing markets will likely not return to business-as-usual after the economic slump, especially because of price pressures and the potential of cloud services. Accenture's success will hinge on creating a competitive cost structure and process efficiencies. Accenture must also meet its aggressive growth targets through mostly organic growth.

The changes do not affect the organizational design of Accenture's go-to-market strategy, which is primarily through the industry groups. We do not expect Accenture clients to experience short-term effects from these management changes. However, long-term implications may include increased access to global delivery models, an increased sales focus on life cycle services for applications and IT outsourcing services, and enhanced BPO offerings. This reorganization of delivery services may help Accenture weather the turbulent evolution of the IT services market. However, it is a long overdue overhaul of delivery services, which other leading competitors have already addressed.

RECOMMENDATIONS

- **Prospective and current Accenture clients:** Be prepared for a greater sales emphasis on combined "design, build and run" service offerings.
- **Accenture competitors:** Consider this leadership change as an indicator of increasing future competitiveness in Accenture's pursuit of business growth. Accenture is fine-tuning its organization to reflect the current business environment, which demands new focus on cost, agility and business value from IT.

RECOMMENDED READING

- "Vendor Rating; Accenture" — Accenture achieved double-digit revenue growth in all of its geographies and operating units in 2008, but 2009 is proving more challenging. **By Cathy Tornbohm and others**
- "Accenture Results Show Downturn Is Hitting IT Services Hard" — Accenture's latest financial results show that its outlook for 2009 has weakened because of a steep drop in demand. **By Cathy Tornbohm and Sandra Notardonato**

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