TREND 3: PLATFORM (R)EVOLUTION

Digital Business Era: Stretch Your Boundaries
The Platform (R)evolution: Defining ecosystems, redefining industries

Among the Global 2000, digital industry platforms and ecosystems are fueling the next wave of breakthrough innovation and disruptive growth. Increasingly, platform-based companies are capturing more of the digital economy's opportunities for strong growth and profitability. Rapid advances in cloud and mobility not only are eliminating the technology and cost barriers associated with such platforms, but also are opening up this new playing field to enterprises across industries and geographies. In short: platform-based ecosystems are the new plane of competition.
Ask a class full of children to draw "John Deere," and they will crayon big green tractors and diggers with yellow wheels. Ask the proverbial man on the street to describe the John Deere company, and he will probably talk about the company’s farming equipment and mention their signature green-and-yellow tractors. But ask the company’s leaders how they view Deere, and you will hear another answer, and language, entirely. They will speak not of products or brands, but of platforms for meeting the current and future needs of all those who are linked to the land...from farmers and ranchers to landowners and bankers to retail grocers and government workers...to that class full of children and the average citizen-consumer. We’re not referring to conventional equipment platforms—this harvester, that tractor—but to an industry technology platform that will increasingly create new kinds of products, value, and differentiation for buyers and sellers across the entire supply chain. In 2012, the MyJohnDeere platform was launched to start a wholesale push toward precision agriculture that would improve productivity, efficiency, and yield. Through this digital industry platform, John Deere helps agricultural producers consolidate the management of equipment information, production data, and farm operations—and ultimately improve the bottom line.¹
Digital outpacing GNP: The growth of the digital economy is outpacing GNP, and the disparity of those capturing the growth and profitability continues to widen.

Rise of platform-based companies: According to Massachusetts Institute of Technology, in 2013, 14 of the top 30 global brands by market capitalization were platform-oriented companies.²

Digital disruption: Since 2000, 52 percent of the companies in the Fortune 500 have gone bankrupt, have been acquired, or have ceased to exist, due in large part to the disruption of traditional industry models by digital models.³

Cloud economics: Advances in cloud, mobile platforms, and application development are eliminating the technological and cost barriers associated with digital industry platforms.

Everyone’s playing field: There will be more than 100 new digital industry platforms from non-tech companies as early as 2016, according to IDC.⁴

Power of APIs: The technologies of application programming interfaces (APIs)—the secret sauce of the digital economy—are allowing companies to open up their data and platforms for others to develop applications on and to create value.
John Deere is just one of the many companies that are beginning to deploy a new weapon to grow their business: the digital industry platform. Thirty-nine percent of the executives we surveyed are using industry platforms to integrate data and applications with digital business partners and collaborate, while 35 percent are experimenting with industry platforms. Underpinned by the latest wave of digital technologies—social, mobile, analytics, cloud, and the Internet of Things (IoT)—this platform is essentially a well-defined technical architecture, firm governance, and set of technology services all focused on enabling the creation of new industry-specific applications. Like MyJohnDeere, it’s designed to be the blueprint for how companies will build, connect, and deliver applications specific to industry problems. The platforms serve as a pool of reusable functionality and capabilities to make building and evolving these applications fast and easy—and to help companies ultimately achieve better business outcomes.

In the digital economy, these platforms also serve as business model strategies that create competitive differentiation. The key characteristic of a platform-based business is that others outside the company are creating value for the enterprise—in many cases enabling entirely new digital models for the company. It’s true that over the last decade, technology and Internet-born companies like Apple, Facebook, and Salesforce.com have dominated the headlines with their platform-based businesses. But now, established non-tech industry enterprises are moving quickly with major strategic initiatives to become platform-based businesses.

In fact, the platform leaders of tomorrow will go beyond the technology titans of today. By combining the power of technology platforms with their industry expertise, companies are developing new business models and capabilities crucial to create disruptive innovation, lead in key markets, and drive growth. Inherent in these platform models is the ecosystem they create and harness to deliver value.
John Deere’s platform, for example, supports an ecosystem strategy that has enabled the company to establish new digital partnerships with bio-chemistry and agricultural hybridization leaders and to expand its role in the digitally driven precision agriculture market.

Building digital industry platforms and developing an ecosystem strategy is a multiyear process. It’s not a matter of “if,” but of “when” and “how.” Companies large and small now see the digital industry platform and the ecosystems that flow from them as the new competitive mandate, whether they face established players or digital newcomers.

Early movers like Philips, Home Depot, Kaiser Permanente, Fiat, and John Deere are placing big bets today. They understand that surviving and excelling in the future depends not only on creating a digital industry platform, but also on revolutionizing their markets through platform-based ecosystems.

Welcome to the platform age

Digital business platforms mark the beginning of the platform age. According to Massachusetts Institute of Technology, “In 2013, 14 of the top 30 global brands by market capitalization were platform-oriented companies—companies that created and now dominate arenas in which buyers, sellers, and a variety of third parties are connected in real time.” While many businesses are using digital initiatives to harness social, mobile, analytics, and cloud technologies for competitive advantage and disruption, far-sighted leaders are bringing together their digital initiatives under platform umbrellas.

Today, it’s not enough to simply develop and deploy digital tools. Companies must apply their industry knowledge to build platforms that allow them to rapidly innovate, develop, and deploy the products and solutions needed to drive their digital business strategies. This foundation will enable better ways of operating, as well as create new kinds of revenue streams.
Looking back, this is not the first time we’ve seen platforms preempt waves of change. Platforms involving new technologies, new processes, and new relationships have historically driven major disruption. Factories were the platforms that drove the industrial revolution. Trains were the platforms that revolutionized the transportation of goods and people, enabling new ecosystems of communities and commerce. And computer and communication platforms have driven the information and connectivity disruptions of the past 30 years.

Today, digital industry platforms are driving the next major wave of technology and business change. But why now? The elimination of barriers—in terms of the technology, cost, and time associated with traditional IT infrastructure and application development—is the primary force driving and enabling this change. According to Gartner, “the cost for service providers to deliver infrastructure will plunge almost 40 percent by 2017.” Rapid advances in digital technologies and the economic leveling that they create are the major reasons why traditional companies can now develop their own digital industry platforms. These enabling technologies include continuing developments in cloud services, mobile platforms as front ends, rapid application development, application programming interfaces (APIs), and other advances.

While these digital technologies have disrupted numerous established companies during the past 10 years, digital industry platforms will fuel the acceleration of disruption during the next three to five years, leaving less and less time for established companies to react to change. In case there’s any doubt about the impermanence of the modern enterprise, since 2000, 52 percent of the companies in the Fortune 500 have gone bankrupt, been acquired, or ceased to exist. This is due in large part to the disruption of traditional industry models by digital models.
Digital technologies are coalescing into even more powerful platforms, accelerating the pace of change, and becoming the core foundation for the next major wave of digital disruption across all industries. According to research firm IDC, one-third of leaders in virtually every industry will be disrupted by competitors by 2018—newcomers and established—that leverage platforms to innovate new offerings, reach new customers, radically expand supply and go-to-market networks, and disrupt their industries’ cost and profit models. In addition, four out of five respondents (81 percent) in our survey believe that in the future, industry boundaries will dramatically blur as platforms reshape industries into interconnected ecosystems.

Industry leaders with staying power are already moving in this direction. GE, for example, has formed a number of strategic relationships with Amazon Web Services, Pivotal, Softbank, and Cisco to accelerate the adoption of its GE PredixTM software platform, which serves as the foundation for connecting machines, people and analytics to the Industrial Internet. Meanwhile, working with Salesforce.com, Philips has launched HealthSuite Digital Platform, an aggressive hospital-to-home connected-care platform. On another front, home improvement retailers are battling it out for the do-it-yourself home automation market with a variety of products and partnerships. Like many large retailers, Home Depot and others are also looking to engage with in-store customers through platforms that are supporting apps, do-it-yourself project help, and digitized product catalogs. These examples show how platform leaders are redefining the ways that products and services are created, sold, delivered, and serviced.
The technology ingredients needed for digital industry platforms

If the digital industry platform is the pressing strategic technology investment requirement for how companies determine their future, then how does an enterprise start building its own digital industry platform?

Most digital industry platforms will emerge on leading public and hybrid cloud foundations: Microsoft’s Azure, Amazon Web Services, Force.com, and many others. Coupled with the maturity and economics of these cloud services, APIs will become the secret sauce for the rapid development of creative and innovative apps and services that help form these platforms. Put simply, APIs allow applications within a company—and between a number of companies—to share data and communicate. One-third of organizations in our survey (35 percent) report they are already using partner APIs, and an additional 38 percent are experimenting with them.

Seventy-one percent expect partner APIs to be broadly adopted across their industries within the next two years. Often described as “the API Economy,” the rapid uptake of APIs has become the glue behind the digital economy—and proficiency with APIs is a core capability for a successful digital business. Enterprises will also need competencies in mobile platforms, open-source development, and real-time computing environments. [See sidebar Building Blocks of the Digital Industry Platform to read more about the technology ingredients.]

Shifting the mindset from “me” to “we”

As enterprises move to platform-based models, their technology capabilities are rapidly changing—and so are their ambitions. Innovative companies now view platforms as a way to increase their capabilities to attack bigger opportunities and to solve bigger problems.
While a comprehensive technology blueprint for platform building is beyond the scope of Tech Vision, it’s useful to examine some of the key technology building blocks.

Cloud services—the foundation

The majority of digital industry platforms will run on leading software-as-a-service (SaaS) and platform-as-a-service (PaaS) technology foundations, such as Amazon AWS, Microsoft Azure, and Salesforce.com Saleforce1. In the last few years, SaaS/PaaS providers have matured very rapidly and can now support market-level digital business initiatives, including digital industry platforms. That’s good news for non-tech companies that may not be poised to develop their own technology platforms from scratch.

API strategy and architecture—the digital glue

Familiarity with and proficiency in APIs are now core capabilities for any successful digital business. While some non-tech executives may be familiar with APIs, many are only just now starting to grasp their significance. Once just a part of the developer's toolkit, APIs are now vital for digital industry platforms. Specialists leading many of the API success stories include Apigee and Intel’s Mashery.

There are, in fact, different types of APIs and API business cases. For example, private APIs expose data and functionality from legacy systems and hybrid platforms for internal use only to create ecosystems of internal developers and business users. Although private APIs are a good first step for focusing expertise and operational efficiencies, they have limited strategic impact. Thus, some enterprises will move to partner API programs to deploy the multi-stakeholder digital business initiatives in digital industry platforms. Partner APIs are partially open but still partner-controlled environments, involving named and dedicated players.

Still other organizations will launch more open and unrestricted public API programs to attract the broadest range of digital business partners, developers, and co-innovators for the greatest potential returns. However, public API programs require that enterprises have a platform, architecture, and governance model that not only can scale with unlimited API use, but also can support a broad range of developers and use cases.
Open-source and reusable software—the accelerator

Open-source development and reusable software has typically driven innovation and agility for application and product development among large tech players and startups. Now, large global enterprises are getting in on the game as well. Open-source code and software components are also key to digital industry platforms, enabling platform owners and ecosystem partners (developers, customers, and alliance partners) to create and share apps to deliver the greatest innovation, quickly and cost-effectively.

Mobile development platforms—the digital treasure chest

Mobile development platforms will be significant to digital industry platforms for many types of enterprises. Today, iOS and Android are the dominant mobile development platforms for low-cost, rapid application development and rich user experiences. Companies will use public cloud services, open-source software, and mobile development platforms to unlock the treasure chest of ready-to-assemble components and modules that help create innovative apps and business models. Critical to that effort, companies must architect their technology stack and software as modules and easy-to-use components to attract developers. Thus, driving innovation means truly eliminating complexity in the platform to enable faster prototyping, testing, and deployment of new apps.

Internet of Things—the catalyst for real-time business models

In many cases, digital industry platforms will be the hub for machine-to-machine (M2M) and Internet of Things (IoT) initiatives, which are already transforming how business works, and will ultimately impact all industries. Industry platforms of all kinds, but particularly M2M/IoT-based initiatives, will increasingly require real-time technical architectures to enable their digital relationships. True strategic advantage will come from having real-time capabilities in place, so enterprises can attract and create digital business opportunities and react quickly to competitive threats. The rapid proliferation of M2M/IoT will only increase this need for scalable real-time environments and event-based processing. Eighty percent of organizations surveyed agree that companies will move toward real-time platforms and systems as enterprises adopt mobility and IoT solutions.
Kaiser Permanente, for example, is taking on complex healthcare challenges with a variety of industry partnerships. Recognizing the critical need to embrace collaboration to drive the next wave of healthcare innovation, in 2013 Kaiser launched Interchange, an API program embracing internal and external software developers to build applications. The company has also invested $4 billion (roughly $444 per member) in building its HealthConnect platform. A foundational component of Kaiser's digital initiatives, the platform provides its clinicians and nine million members with real-time access to medical records. It also enables the company to extend its traditional boundaries by engaging with members through mobile applications, self-management services, in-home monitoring, and virtual consultations. Kaiser’s collaborative digital initiatives improve the timeliness and quality of patient care, while reducing operational costs and optimizing clinicians’ time and expertise.

But platform strategies are not just for enterprises. In China, the government is using a platform approach to drive its smart city initiatives. With the population of China swelling by eight million per year, the government is turning to technology for help in solving urgent issues, from traffic flow and public transit to power grid management.

But to achieve these ambitious goals, enterprises and governments both understand that they can’t go it alone. In the digital era, enterprises are seeing that their fortunes depend not only on their own successful efforts, but also on the success of their platform-driven ecosystems. China’s smart city platform approach is enabling major providers like Schneider Electric to address complex urban transportation, building, and energy management challenges in an integrated, scalable, and repeatable platform approach. Running on Microsoft Azure, Schneider’s StruxureWare open-platform approach includes an ecosystem of technology and integration partners. With the “me” to “we” mindset, Schneider is taking on one of the world’s biggest problems.
According to a senior executive, “The energy dilemma facing our world is massive, and our best hope for solving it for future generations is through partnerships with other like-minded, innovative companies.”

The big shift, however, is not about figuring out how to fit into established ecosystems—it’s about recognizing that companies in almost every industry are already beginning the process of creating these new digital ecosystems. Future success will depend on the digital relationships that enterprises are creating today. Sixty percent of the executives we surveyed plan to engage new digital business partners within their respective industries over the next two years, 40 percent plan to leverage digital business partners outside their industry, and 48 percent plan to partner with digital technology and cloud platform leaders. In short, business and technology leaders must master the shift from “me” to “we” in order to bring these emerging digital ecosystems to life.

The ecosystem as an innovation sandbox

These new digital ecosystems revolve around innovation—creating entirely new ways to do business and connect with partners and customers. It has never been easy for large, established companies to continuously innovate. Increasingly, leading companies have begun to drive innovation in an unusual way: letting others innovate for them. A majority of organizations we surveyed (53 percent) indicate they are now using an open innovation program to innovate with customers, suppliers or partners. By opening their platforms to external companies, organizations can expand their open innovation efforts even further by creating innovation sandboxes in which their partners, alliances, startups, and even consumers can experiment creatively and safely.

60% Plan to engage new digital partners within their respective industries over the next two years.

Accenture Technology Vision 2015 Survey
The results can be impressive. Facebook has unleashed unprecedented growth and creative output—not to mention competitive advantage—by allowing both consumers and companies to innovate on the Facebook platform. Initially, Facebook’s core business did not include game development. So, in 2009 the company engaged with Zynga to build an integrated gaming experience on the Facebook platform. Zynga’s FarmVille and CityVille games rapidly went viral. By 2011, 12 percent of Facebook’s revenue came from Zynga.13 Looking to follow a similar path to drive innovation and positive outcomes for its customers, Philips HealthSuite and GE are intending to open their platform to companies in 2015.

But using an ecosystem sandbox approach does more than boost innovation. It also helps to reduce the risks of moving into uncharted territory by externally shifting the risk to other enterprises and third-party developers. Those companies that succeed will drive further end-user adoption of the platform, capturing their share of the business and economic benefits. Take Apple’s app store, for example—its top-grossing mobile game Clash of Clans is generating well over $1 million a day.14 Apple gets 30 percent of the overall net sales.15 Of course, not every Apple app will be a huge win. But rarely, if ever, is the company criticized for the hundreds of thousands of iPhone apps that didn’t succeed. Apple is not going to complain, because it never bore the risk of developing those apps in the first place.

Leveraging the network multiplier effect

Beyond innovation and new ideas, the ecosystem is also becoming a key way for companies to grow faster. By understanding the network multiplier effect of platform-driven ecosystems, companies can digitally tap into the many networks of people who are working toward the same goals. Then they can leverage these networks to drive sustainable growth in faster and economically smarter ways.
In business, the network multiplier effect is about a product or service becoming more valuable as its adoption increases. Think telephones. With only a handful of users to call, the product was interesting, but not particularly valuable. But being able to call billions of households all over the world has revolutionized how people communicate and do business. With platforms, the network effect really starts with a company’s internal teams of IT stakeholders—business units, operations, marketing/sales, and R&D. Simply put, to get value out of a platform, it has to be used. But unlike applications of the past, it’s not just about getting one group to use it. It’s about enabling and encouraging every group in the company to adopt it as the best way forward. Adoption by more users and different groups of users will make the platform more valuable to all.

With ecosystems, enterprises are looking to use their platforms as a base to create a multi-sided network effect that generates value for many stakeholders in a given market—with increased adoption, the rewards are shared among various platform owners and stakeholders. Digitally driven companies such as Salesforce.com have been successfully leveraging the multi-sided network effect for years. During the past 10 years, more than 100,000 companies have adopted the Salesforce1 platform, sparking development of 220,000-plus apps. In short, Salesforce has leveraged its platform-driven ecosystem to drive exponential value creation and shared rewards for the company, its customers, and its end users.16

Apple, Google, and Amazon have long understood and mastered the network multiplier effect of ecosystems. The rapid adoption of their platforms by very broad communities of developers and users has spurred astonishing value creation and very high profit margins. The economics of the network multiplier effect have supported double-digit growth and staggering market caps; rapid adoption and huge scale have driven profitability without diminishing returns. Leveraging its know-how and capabilities as the largest online retailer, Amazon pioneered public cloud services, one of the most transformational technologies of the past decade. It now serves hundreds of thousands of business customers.17
While Amazon is a dominant force in online consumer retail, others are leading in enterprise e-commerce—namely SAP’s Ariba Business Network and China-based Alibaba. SAP’s Ariba is considered the world’s largest business network with 1.6 million connected companies and $600 billion in transactions flowing through the exchange annually—outpacing the likes of Amazon and eBay combined on a transactional basis. In fast pursuit, fueled by a $25 billion initial public offering—the largest IPO ever—Alibaba’s marketplaces are generating $248 billion on an annual transactional basis. In a business-to-business (B2B) procurement world, cloud-based Ariba and Alibaba are leading examples of the network multiplier effect that allows trading partners to connect and collaborate on a common open platform for products and an expanding range of services—all to the benefit of SAP and Alibaba as their networks expand.

Today, the multi-sided network effect takes on greater economic significance for all kinds of companies as digital industry platforms proliferate and interconnect as ecosystems. As more companies interconnect, more revenue will flow through these ecosystems, providing new growth and more opportunities for productive and profitable partnerships. The starting point for leveraging the network multiplier effect, then, is to explore ecosystem options in the digital economy.

Exploring the enterprise’s role in the digital economy—ecosystem choices

Once an enterprise sees itself as part of the digital ecosystem, the next step is to determine its unique value and role within it. Is it the primary ecosystem leader and digital industry platform owner? Does it play more of a secondary or shared role? Does it connect to another organization’s ecosystem?
Where and how does it connect its own ecosystem with other platforms? What are the cross-industry opportunities? What are the competing ecosystems?

First and foremost, every company will need to decide whether to create its own platform ecosystems, partner in the development of platform ecosystems, or join one or more established ecosystems. Accordingly, each company will need to map out its environment, identify relationships and interconnections to digital partners and developers, and assess how the digital ecosystem competition is emerging and evolving.

Platform ecosystems often start with a foundation of traditional industry partners. Participating enterprises begin to identify new digital relationships within their markets—opening up their platforms to third parties, for instance. That’s the path that drugstore chain Walgreens chose for launching its QuickPrints photo-processing API program in 2012, while seeking to leverage its 8,200 locations and photo-processing capabilities. Although the program began with a traditional supplier—Hallmark Cards—the QuickPrints initiative soon expanded to include new digital partners and eventually became open to any developer looking to integrate online photo services into an app. Learning from its QuickPrints pilot, Walgreens subsequently expanded its platform business into a larger ecosystem with its Pharmacy API program in 2013. The results are impressive: customers who engage with Walgreens in the store, online, and using their mobile phones spend six times more than do store-only customers. This approach allowed Walgreens to learn through the lower-risk QuickPrints program with established partner Hallmark, and then expand to their more complex Pharmacy API program.

Alternatively, an enterprise can leverage its platform to engage with new digital partners and developer communities within its own industry and across other industries, creating entirely new business models and forms of value for all ecosystem participants.
For example, General Motors (GM) is making a broad cross-industry ecosystem play with its "connected car" platform. The company has evolved its OnStar system from a standalone safety and concierge service to a connected-car platform that includes multiple partners and a wide range of innovators. Its emerging connected car platform features real-time diagnostics, safety/emergency, infotainment, navigation, insurance modules, multiple third-party apps, mobile connectivity, and so on. Recently, GM teamed with AT&T to offer drivers and passengers access to 4G LTE network capabilities as part of AT&T’s next-generation connected-car platform. All the established automakers are following GM’s lead with connected car platforms that cross traditional industry boundaries. Only newcomer Tesla Motors originated as a platform business, with its software-defined premium electric cars.

As if transcending industry boundaries weren’t interesting enough, platform-based ecosystems can have a truly universal impact. They give global conglomerates the power to establish dominant digital business positions—sometimes called over-the-top (OTT) ecosystems. For example, GE has outlined its vision for the "Industrial Internet" where intelligent networks of machines operate through multiple forms of software, sensors, data, and analytics. To fulfill this vision, GE launched its Predix software platform, with very ambitious goals to provide a common platform across GE businesses. Employing more than 1,000 developers, designers and engineers at its software headquarters in the greater Silicon Valley, GE aims to "software-define" everything it makes, from trains and planes to wind turbines and power plants. Its clear objective is to extend the reach of the company’s vision and ecosystem well beyond GE itself. Although GE launched 40 Predictivity solutions internally and developed offerings powered by Predix, the company is opening up the platform externally to all companies. A dominant force in many of its markets, GE truly understands the value of opening up its Predix platform and creating innovation with an ecosystem.
Conclusion

Digital business platforms are the new blueprint for how companies will build, connect, and deliver applications specific to industry problems and opportunities. But platforms themselves are simply the building blocks of a new concept for creating value. Their development is evolutionary. Over time, leading organizations will experiment with many kinds of platform-centered initiatives, gradually converging on the platforms that best fit their needs.

It’s the broader shift toward platform-driven ecosystems that will be revolutionary. More and more leading companies already grasp the potential role that ecosystems will play. They envision entirely new realms of opportunity by leveraging their evolving digital platforms in the context of powerful ecosystems of partners. They know that in the digital era, their fortunes depend not only on their own efforts and successes, but also upon the successes of the ecosystems their platforms can enrich and enable.

Platform-driven ecosystems are not a far-future idea. The tools and techniques are coming together today, and the data and sources of data are readily accessible. What’s needed most is a widespread shift in mindset toward platform-based ecosystems. The leaders are making that shift now. An increasingly urgent challenge for other global players: they must quickly determine which platforms and ecosystems will give their organizations a competitive advantage and define their roles in the digital economy.
YOUR 100-DAY PLAN

In 100 days, begin to develop a comprehensive strategy that will lay out the foundation for your digital industry platform and ecosystem.

- Appoint a champion to build a platform strategy across your enterprise.
- Task business development and alliance organizations to catalogue the digital platforms being offered by existing partners.
- Organize a governance body to be the gatekeepers of digital inputs and outputs with external partners.
- Establish or reconfirm a top-down (Board and C-level), enterprise-wide commitment to your digital business strategy and industry blueprint.
- Based on your digital business strategy, begin the design of your industry platform with three core components: the business model, technical architecture, and governance model.

- As a major foundational component of your platform, create a cross-functional business and technical team to develop your API strategy and management approach.
- Identify potential digital partners and ecosystem scenarios in three categories: existing business partners becoming digital partners, new digital partners within your industry, and new digital partners outside your industry.
- Based on your digital business strategy and potential partner scenarios, consider if you will initially join, partner, or create your own platform ecosystem.
- If you likely will build a platform, start identifying technology partner options for public and hybrid cloud services.
YOUR 1-YEAR PLAN

By this time next year, start the transition from pilot to production phases for internal and external programs.

• Execute a multiphase pilot program to launch your platform and API programs internally and externally.
• Formalize technology partner and cloud services relationships to support your platform environment.
• Extend internal platform and API developer programs into a formal external developer program.
• Create and promote a digital sandbox for developers to design and test apps built on the platform.
• Transition internal API programs into production, while launching external API pilot programs for one of your least complex offerings.
• Measure and report progress of the platform and API programs using a range of business, financial, and technical metrics.

• Evangelize the initial round of apps and digital partner solutions built on the pilot platform.
• Embrace opportunities for industry disruptions by expanding partner strategies to move up the value chain.
• Think big and broadly about the problems you can attack and the opportunities you never thought possible.
Every year, the Technology Vision team collaborates with Accenture Research to pinpoint the emerging IT developments that will have the greatest impact on companies, government agencies, and other organizations in the next three to five years.

The research process this year began with gathering inputs from the Technology Vision External Advisory Board, a group comprising of more than two dozen executives and entrepreneurs from the public and private sectors, academia, venture capital, and startup companies. In addition, the Technology Vision team conducted nearly 100 interviews with technology luminaries, industry experts, and Accenture business leaders.

The team also tapped into the vast pool of knowledge and innovative ideas from professionals across Accenture, using Accenture's collaboration technologies and a crowdsourcing approach to launch and run an online contest to uncover the most interesting emerging technology themes. Over 1,700 participants actively engaged in the contest, contributing valuable ideas and voting on others' inputs.

In parallel, Accenture Research conducted a global survey of 2,000 business and IT executives across nine countries and 10 industries to capture insights into the adoption of emerging technologies. The survey identified key issues and priorities for technology adoption and investment. Respondents include mostly C-level executives and directors. Functional and line of business leads were also included. Respondent company revenues were $500 million and over with the majority of companies over $6 billion.

As a shortlist of themes emerged from the research process, the Technology Vision team hosted a series of deep-dive sessions with Accenture leadership and external subject-matter experts, validating and further refining the themes. Once a set of trends emerged that appeared to be complete, the External Advisory Board was reconvened to validate the selection of trends and add insight from their own spheres of influence.

The screens used during these processes weighed the themes for their relevance to "real world" business challenges. Specifically, the Technology Vision team sought ideas that transcend the well-known drivers of technological change, concentrating instead on the themes that will soon start to appear on the C-level agendas of most enterprises. This process resulted in the five overarching themes presented in this year's report.
As a new input into this year’s Technology Vision, we conducted a global survey of 2,000 business and IT executives across nine countries in order to understand their perspectives on key technology challenges they face, and identify their priority investments over the next few years. This survey was fielded from December 2014 through January 2015.

### ACCENTURE TECHNOLOGY VISION 2015 SURVEY DEMOGRAPHICS

<table>
<thead>
<tr>
<th>Country</th>
<th>Locations</th>
<th>Headquarters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>10%</td>
<td>190</td>
</tr>
<tr>
<td>Brazil</td>
<td>10%</td>
<td>184</td>
</tr>
<tr>
<td>China</td>
<td>10%</td>
<td>167</td>
</tr>
<tr>
<td>France</td>
<td>10%</td>
<td>171</td>
</tr>
<tr>
<td>Germany</td>
<td>10%</td>
<td>199</td>
</tr>
<tr>
<td>India</td>
<td>10%</td>
<td>143</td>
</tr>
<tr>
<td>South Africa</td>
<td>10%</td>
<td>185</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>15%</td>
<td>298</td>
</tr>
<tr>
<td>United States</td>
<td>15%</td>
<td>451</td>
</tr>
</tbody>
</table>

### Title Distribution

- **Director, IT**: 24%
- **Function Head**: 15%
- **CIO or Chief Mobility Officer**: 13%
- **CTO or Director of Technology**: 13%
- **CMO**: 9%
- **Line of Business Head**: 9%
- **COO**: 7%
- **CFO**: 6%
- **CSO**: 4%

### Industry Distribution

- **Insurance**: 243
- **Auto**: 234
- **Banking**: 162
- **Communications**: 160
- **Public Service**: 208
- **Life Sciences**: 221
- **Retail**: 230
- **Healthcare**: 221
- **Utilities**: 221
- **Industrial Equipment**: 101
Trend 3: The Platform (R)evolution


10 Worldometers website: http://www.worldometers.info/world-population/china-population/.


12 “Schneider Electric Boosts Partner Programs for EcoStruxure,” Data Center Knowledge, June 7, 2013.


22 GE website: https://www.gesoftware.com/about.

Contact us

Paul Daugherty
Chief Technology Officer
paul.r.daugherty@accenture.com

Prith Banerjee
Managing Director, Accenture Technology R&D
prithviraj.banerjee@accenture.com

Michael J. Biltz
Managing Director, Accenture Technology Vision
michael.j.biltz@accenture.com

Bill Lesieur
Trend Author, Platform (R)evolution
william.lesieur@accenture.com

accenture.com/technologyvision
About the Accenture Technology Labs

The Technology Vision is published each year by the Accenture Technology Labs, the research and development (R&D) organization within Accenture. For more than 20 years, the Technology Labs have helped Accenture and its clients convert technology innovation into business results. Our R&D team explores new and emerging technologies to create a vision of how technology will shape the future and shape the next wave of cutting edge business solutions.

The Accenture Technology Labs offers seminars on the Technology Vision, which provide a forum to discuss the trends in greater depth and explore the implications for your organization’s business.

To learn more about the Accenture Technology Labs, or our seminars, contact a member of the Technology Vision team or visit www.accenture.com/technologylabs.

About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with approximately 319,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world’s most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US$30.0 billion for the fiscal year ended Aug. 31, 2014. Its home page is www.accenture.com.