

# Accenture case studies example

[Business](#), [Company](#)



## **Strategic Management**

### Introduction to Accenture

Accenture is one of the leading organizations around the world, which deals with providing management consulting, technology and outsourcing services to their clients. The company currently has more than 30500 employees and handles operations and offices in more than 200 cities in 56 different countries. According to the financial reports, the company has already made \$ 30 million in net revenues until now in 2014 (Accenture, 2014). According to the official website of the company, they work on four growth platforms namely

- Accenture Strategy
- Accenture Digital
- Accenture Technology
- Accenture Operations

These platforms are considered as the innovation engine, which enables them to develop excellent capabilities and skills, build their knowledge bank, and the strong mantra of creating, acquiring, and managing all the key assets, which are vital for the development of the integrated solutions and services offered to their clients. The company has been known to organize their services into three functional groups namely:

- Workforce: These workforces focus on the areas like outsourcing, technology, consulting, and the organization. All the employees at Accenture are expected to focus on management consulting, outsourcing services, Accenture Technology Solutions, and management of all the supporting activities all the business operations of Accenture.

- Operating Groups: A Matrix structure has adopted by Accenture for their operations. There are five operating groups, which includes Communications, Media & Technology, Products, Resources, Financial Services, and Health & Public Services.
- Growth Platforms: This has already discussed above

**The client of Accenture includes 96 companies from the fortune global and ¾ companies from the Fortune Global 500 (Accenture Overview, 2014).**

Accenture Balance Score Card

According to Kaplan and Norton (1996), Balance scorecard is not a simple operation management system, but it is being used as a strategic management system by many companies. They have stated, “ Balance scorecard provides an organization with a framework which helps them to translate their strategy into their operational terms”. This framework was developed in the year 1992.

[Source: Lawson et al., (2008), Scorecard Best Practices: Design, Implementation, and Evaluation (Google eBook)]

(Source: Developed by author).

### **Significant Costs**

In Accenture, some of the significant costs come from the following areas:

- Operations and Production
- Information technology
- General management
- Marketing and Sales
- Human resources

- Finance and Accounting
- Procurement
- Research and Development
- Customer service
- Legal
- Strategy and Business development

Looking at the areas concerned with the significant costs, every cost from these areas is linked with quality but not with the environmental concerns.

These quality based costs are mainly towards reduce of prevent costs.

Operations and Production are a mix of internal failure costs and external failure costs as well. This is because it deals with internal business as well as external clients. Legal is one such areas which is pertaining to the external failure costs. If the company has not been able to provide service as promised to the customer or client, it can get into legal issues causing costs to the company. Research and development are prevention costs and internal failure costs. These are meant for developing products and services, which meets all the external requirements, if it does not then it, raises questions on the internal work. Finance, Accounting, and human resources are prevention costs and appraisal costs, which aims at identifying the costs affecting the overall financial outcome of the service.

## **Strategy Map**

A strategy map always focuses on the vital areas of business important for accomplishing the company's strategy. This is always linked with the balance scorecard of the company. In simple, a strategy map is a diagram, which

highlights the primary goals that will be required to achieve by the organization's management (Kaplan, 1996).

## **Strategy Map for Accenture**

The above strategic map highlights some of most important primary objectives or areas that which should be accomplished. Being a consulting and outsourcing firm, Accenture should be having high quality and the best customer service; hence, improvement in terms of quality and customer service is an important part. Constantly check on the financial aspect of the business and considering the value for money becomes the next vital part.

## **Accenture Sustainability**

“ Accenture is committed to helping forward-thinking organizations position sustainability as a key lever to long-term success and, ultimately, high performance. We help organizations leverage their assets and capabilities to drive innovation and profitable growth while striving for a positive economic, environmental, and social impact” (Accenture, 2014). Accenture follows what they claim, “ improving overall business performance all the way through sustainability excellence. In today's competitive environment, companies will have to switch from their traditional systems and adopt more sustainable models. It is important to manage the social and environmental success factors for sustainability.

## **Environmental performance indicators are:**

- Operational indicators
- Management indicators
- Environmental indicators

## **Social Performance Indicators**

- Working condition indicators
- Community involvement indicators
- Philanthropy indicators

Accenture has always been working on improving their infrastructure and they led help to their client to use information technology to reduce the carbon footprint while ensuring high productivity and efficiency. There energy and resource optimization is another aspect of sustainability. They always encourage their clients to improve the resource utilization and thereby reducing the emissions, water, and waste and higher energy consumption. Environment, Health, and safety are another Sustainability operational aspect. Accenture always works on encouraging their client to align their sustainability goal with the safety of their employees. They always encourage their client to understand the importance of energy efficiency and proper management of the emissions. Accenture helps their clients and work along with them to provide citizen services, which includes a reduction in travelling to the office, home. Accenture Sustainability Services mainly focus on the cities as they contribute and are the major source of carbon emissions (Accenture, 2013).

## **Cost-Volume-Profit Analysis**

Cost-Volume-Profit Analysis (CVP analysis) is a very powerful tool, which is used for in planning and decision making process. This analysis combines all the financial information of an organization as it includes and focuses on the interrelationship between costs, quantity of products and price. This tool can

be easily used for analyzing the amount of economical trouble an organization is going through (Hansen, 2007).

## **Conclusion**

According to the financial report released in the fourth quarter of 2014, there were new bookings and new records made for the annual revenues.

-- Fourth-quarter revenues increase 10% in U. S. dollars and 8% in local currency, to \$7. 8 billion; quarterly EPS increase 7%, to \$1. 08; free cash flow is \$1. 5 billion--

-- For the full fiscal year, revenues increase 5% in both U. S. dollars and local currency, to \$30. 0 billion; EPS is \$4. 52; free cash flow is \$3. 2 billion--

-- New bookings are \$8. 3 billion for the fourth quarter and \$35. 9 billion for the full year--

-- Company increases semi-annual cash dividend 10%, to \$1. 02 per share--

-- For fiscal year 2015, Accenture expects net revenue growth of 4% to 7% in local currency and EPS of \$4. 74 to \$4. 88" (Accenture Q4, 2014).

## **SWOT analysis of Accenture**

Recommendations to the current organizational strategy

Although the organization has been performing exceptionally well, but there is always scope for improvement.

" Companies today face an ever-changing landscape of macroeconomic realities, industry trends, and internal challenges. Accenture's business & operating model services help you anticipate industry trends & create resilient and flexible business models to deliver the best strategic outcomes" (Accenture, 2014).

The company should keep on focusing on their process improvements plan to keep on maximizing their business impact. Employee retention and satisfaction is another area that will have to be kept in radar. Being one of the important component of the company's balance scorecard and an important element of their strategy map, employee satisfaction is vital for maintain their competitive advantage.

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