



Reinvent for Growth

Accenture China Digital Transformation Index 2023



Contents

New challenges: Disruption is the new normal	3
New landscape: Reinvention re-writes the rules	10
New journey: Five capabilities for success	19
Charting a path to become a Reinventor	26
Methodology	27
References	28
About the research	29

New challenges: Disruption is the new normal

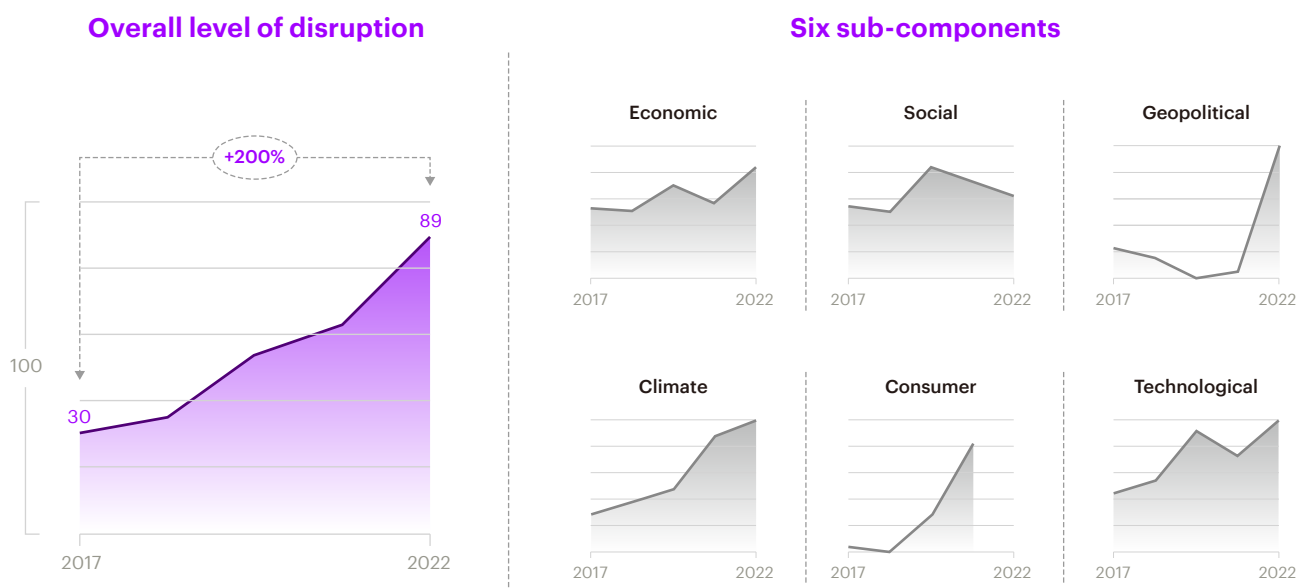
The Macro – Disruption, disruption, disruption

The global macroeconomic environment has become increasingly uncertain and complex, driven by a variety of intertwined forces including political sensitivities, weakened economic growth, and high global inflation in 2023. Between 2017 and 2022, Accenture's Global Disruption Index (GDI) score tripled over the previous five years, rising from 30 to 89 out of 100

(see Figure 1). This increase is especially significant when compared to the mere 4% rise seen from 2011 to 2016. Companies now face a permanent state of change at an unprecedented pace. In particular, technology, consumer preferences and climate change are driving massive structural shifts in how the world operates.

Figure 1: A convergence of forces is increasing disruption

Accenture Global Disruption Index



Note: The GDI is calculated by averaging six sub-components, including economic, social, geopolitical, climate, consumer, and technological disruption. Each sub-component is based on a set of indicators, and a higher score reflects a greater degree of change and volatility.

Source: Accenture Global Disruption Index (GDI)

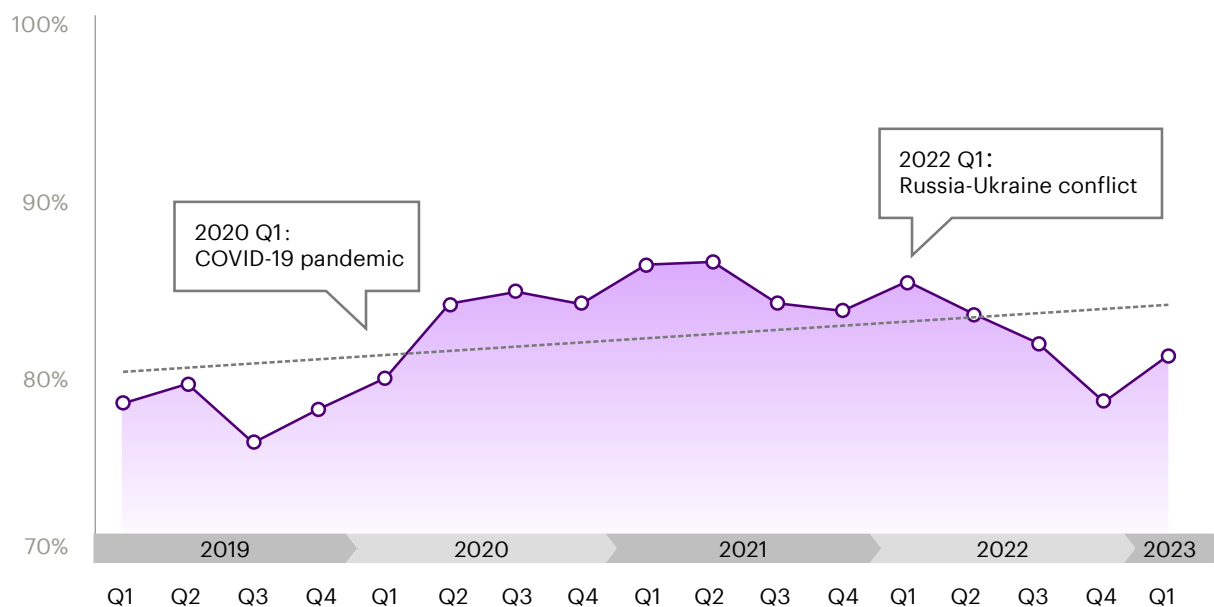
As the speed, breadth and scale of change rapidly increases, companies' transformation is being accelerated globally

The increasing uncertainty of the global business landscape presents new challenges to companies worldwide. In recent years, the speed of transformation has rapidly increased, frequently appearing in discussions within the global business community. Based on a natural language processing (NLP) analysis of the earnings conference calls of nearly 2,000 of the world's largest companies by market capitalization, Accenture found that approximately 80% of these companies

consistently mentioned acceleration-related terms between the first quarter of 2019 to that of 2023. This trend becomes even more prominent during times of external uncertainties. For example, there was a noticeable increase in the percentage of companies mentioning acceleration-related terms in their earnings meetings during Q1 2020, when the global spread of the COVID-19 pandemic began, and in Q1 2022, when the Russia-Ukraine conflict broke out (see Figure 2).

Figure 2: Accelerated transformation is already underway in leading companies worldwide

Percentage of companies mentioning acceleration-related terms in global earnings calls (%; Q1 2019–Q1 2023)



Note: NLP analysis was used to count the number of mentions of acceleration-related terms in the earnings calls of nearly 2,000 of the world's largest companies by market capitalization for the period from Q1 2019 to Q1 2023, as well as the number of companies mentioned in the calls. Related terms include Accelerate, Fast, Agile and Speed.

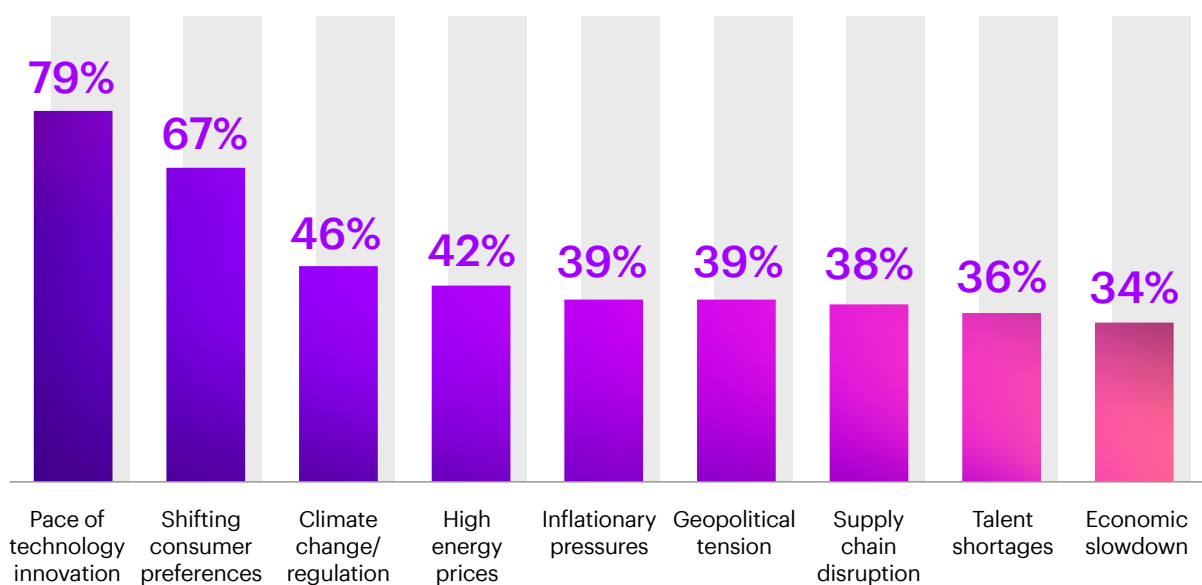
Source: S&P earnings conference call database (N=1,968), Accenture Research

Various external factors are driving businesses to accelerate their transformation. According to Accenture's Total Enterprise Reinvention CxO survey, these factors include the pace of technology innovation, shifting consumer preferences, climate change, supply chain disruption and talent shortages. These factors are pushing

companies to reinvent themselves faster than before (see Figure 3). The ability to quickly respond to challenges and convert them into opportunities has become a crucial competitive imperative for global companies.

Figure 3: Acceleration is driven by various external forces

% of respondents saying the force has accelerated their transformation



Source: Accenture Total Enterprise Reinvention CxO survey (N=1516, November 2022)

A closer look at China: Chinese enterprises are faced with multiple external pressures at once

Chinese companies are also experiencing accelerated transformation arising from factors such as a slowdown in economic growth, escalated geopolitical tensions, sustainability becoming the new normal, breakthrough technological innovations and cybersecurity issues.

Economic resilience falls short of expectations

GDP growth rate during the pandemic was lower than the bottom line of China's growth target for 2035 at a CAGR of 4.73%.

Consumption, investment and exports are all under pressure

Repeated pressure on global supply chains

The Global Supply Chain Pressure Index (GSCPI) has experienced unprecedented fluctuations during the pandemic, leading to a gradual strengthening of

Regionalization

Skill stability will decrease

A World Economic Forum report predicts that

42%

of skills required by the workforce in China are expected to change till 2027

Enterprises profitability is declining

From January to June 2023, the total profits of industrial enterprises above designated size went down by

-16.8%

year-on-year

Network security becomes a lifeline

The growth rate of China's cybersecurity market continues to lead globally, with an estimated compound annual growth rate (CAGR) of 18.8% from 2021 to 2026, ranking

First

in the world

Sustainability becomes the new playing field

According to the World Economic Forum, by 2030 the transition to a nature-positive economy in China alone is expected to add

\$1.9 trillion

in annual business opportunities

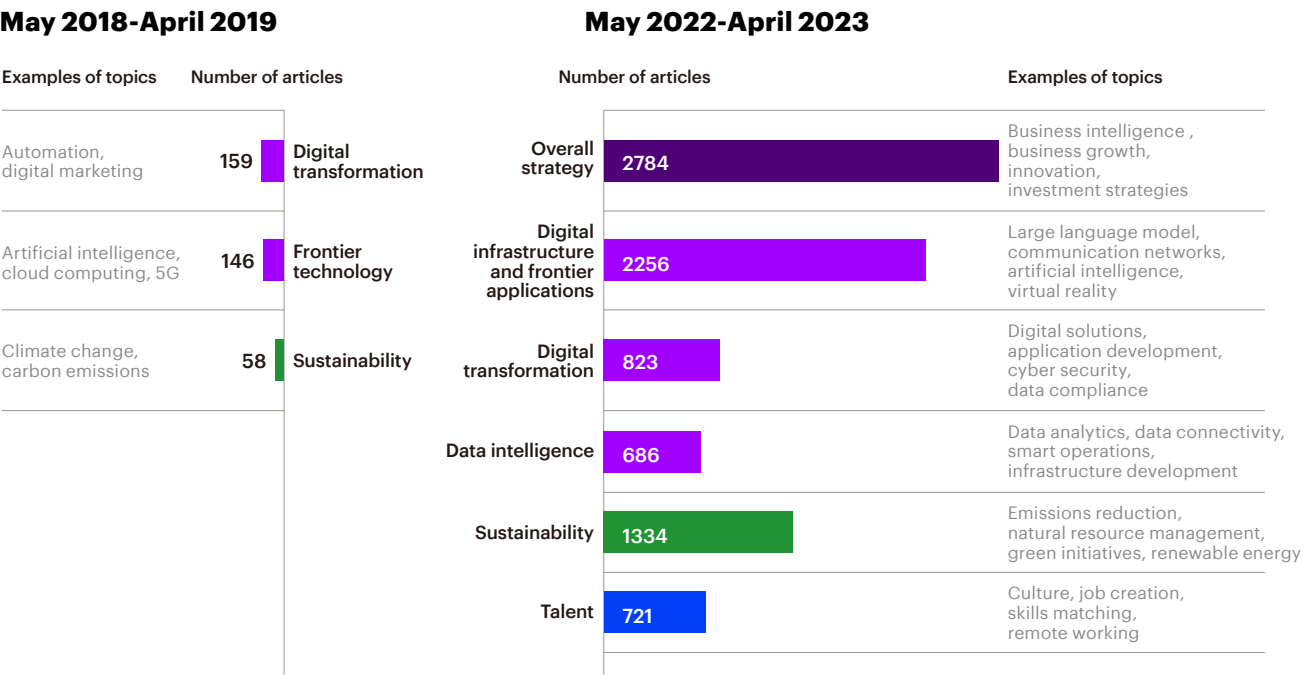
Source: National Bureau of Statistics of China, IDC, Federal Reserve Bank of New York, World Economic Forum

Digital transformation is advancing to the next level: Depth, breadth and integration

Adapting to changes in the external environment, Chinese companies have evolved and deepened their definition of digital transformation. According to Accenture research, in the five-year period between 2019 and 2023, the number of

articles discussing digital transformation in Chinese enterprises has grown by 12 times, a significant surge in the level of interest in this topic. Furthermore, the topics of discussion have expanded in both depth and breadth (see Figure 4).

Figure 4: Digital transformation is progressing
Evolution of the subject of digital transformation in media



Period: May 2018-April 2019 (12 months) v.s. May 2022-April 2023 (12 months)

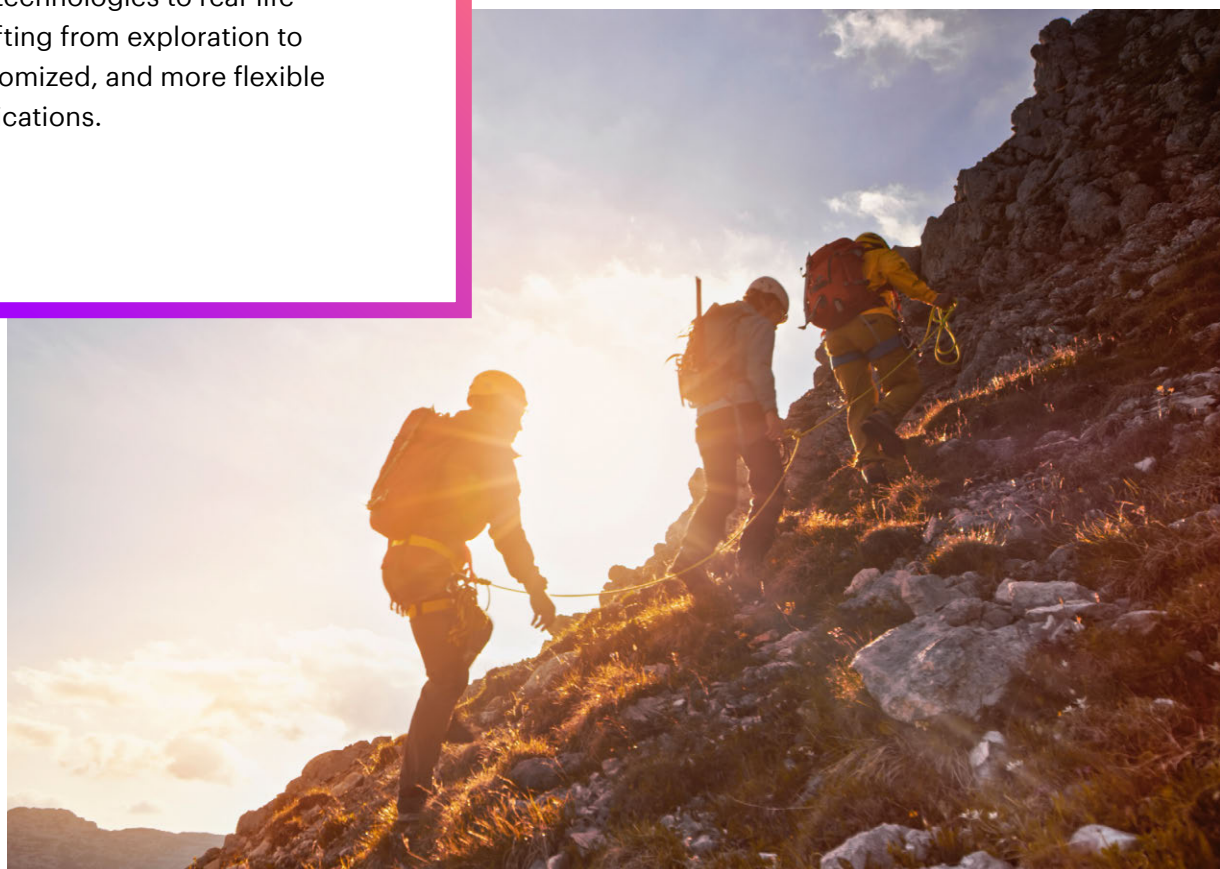
Note: Generative AI extracts topics from Chinese and English articles on China’s “Digitalization” from 752 DJ mainstream media outlets, clusters them by a clustering algorithm, and names the clusters according to the content of the topics they contain.

Source: DJ Factiva, Accenture Research

Most importantly, Chinese companies recognize that digitization is not just a simple technological concept or choice, but rather a life-or-death strategy.

Over the past five years, the discussion around digital transformation has shifted from localized single-point applications to a more systematic approach of construction and upgrading. Technology topics have continuously extended and deepened: on the one hand, Chinese companies are now placing great emphasis on data mining, digital security, and data compliance; on the other, as they continue to advance and accumulate experience in technologies like artificial intelligence, 5G and cloud computing, they are beginning to apply cutting-edge technologies to real-life scenarios, shifting from exploration to in-depth, customized, and more flexible business applications.

Moreover, the topic of sustainability in digital transformation has become much more prominent. Compared to five years ago when discussions mainly centered on unresolved environmental issues and compliance requirements for resource-based enterprises, the focus of discussions has shifted to sustainability as a new source of growth that enterprises are actively exploring. Managing and cultivating talent, as well as fostering a culture of change have also emerged as new topics under digitalization.

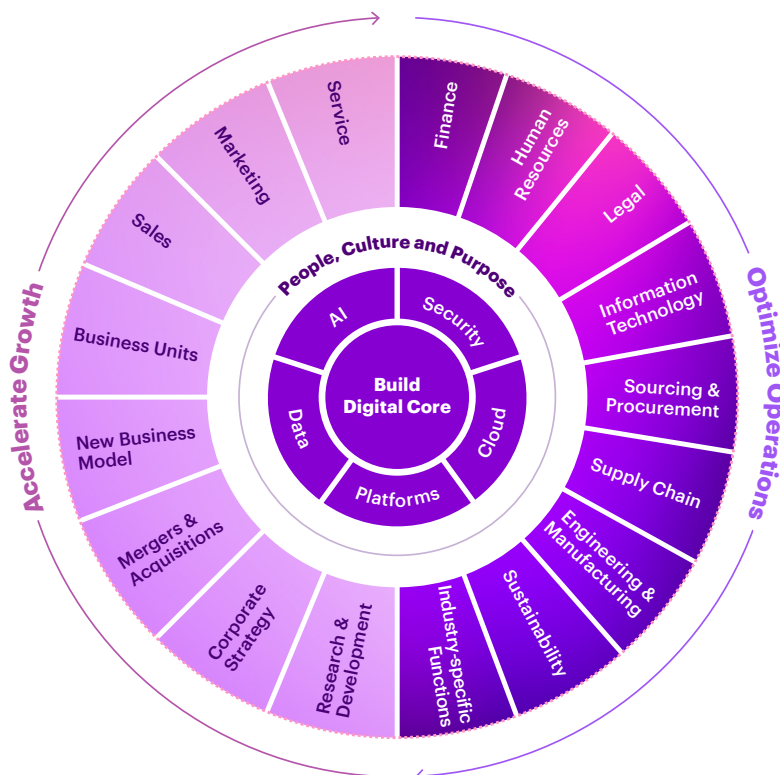


New landscape: Reinvention re-writes the rules

While uncertainty and change pose considerable challenges, they also present opportunities. Many enterprises are seizing the opportunity to step up their transformation efforts and extend technology to a wider range of processes; over half (53%) of the Chinese enterprises we surveyed plan to double down on digitalization in 2023.

Companies are starting to understand that the current state of uncertainty has led them to a critical point where they need to embark on a new journey of digital transformation, with fresh challenges in the form of Total Enterprise Reinvention. Companies must re-evaluate their transformation strategies, take a holistic view to maximize the benefits of technology, and transform diversified challenges into multiple forms of value, reinventing the organization from a broader and deeper perspective.

Total Enterprise Reinvention is a deliberate strategy that aims to set a new performance frontier for companies and in most cases, the industries in which they operate. Centered around a strong digital core, it helps drive growth and optimize operations.



Source: Accenture

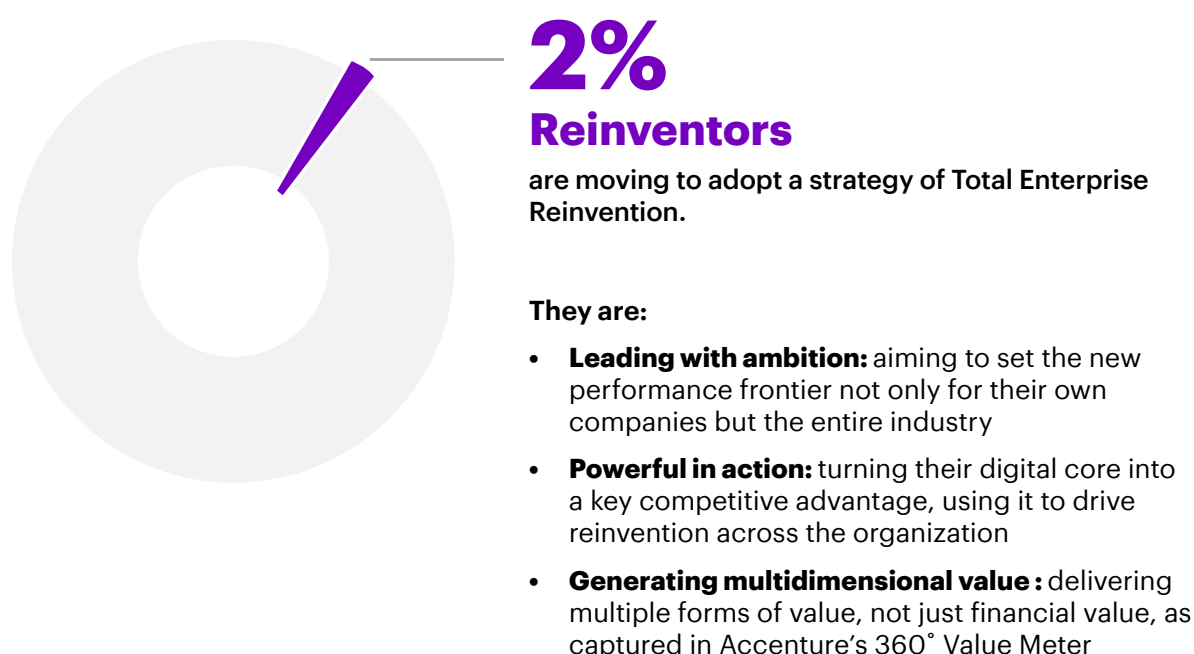
Only 2% of Chinese companies have begun their journey of reinvention

According to Accenture's China Digital Transformation Index 2023, 2% of Chinese companies are moving to adopt a strategy of Total Enterprise Reinvention. These forward-thinking companies, or "Reinventors", are ambitious in that they refuse to rest on their laurels but aim at setting new performance frontiers; they are powerful in action, reinventing businesses and functions with a strong digital core; and they champion multidimensional performance, working

hard to generate 360° value (see Figure 5).

However, Chinese companies are falling behind in the global race to reinvention. At the global level, 8% of companies are Reinventors. In comparison, the percentage of Reinventors in North American and European companies is 8% and 6%, respectively.¹

Figure 5: 2% of Chinese companies have begun their journey of reinvention



Source: Accenture China Digital Transformation CxO survey 2023, N =553

Total Enterprise Reinvention drives clear and significant outcomes for Reinventors

By embracing Total Enterprise Reinvention strategy, companies will become more cohesive and robust, outperforming their peers in both financial and 360° value.

Global research has demonstrated that businesses that embrace Total Enterprise Reinvention have stronger financial performance. In fact, Reinventors report generating 10% higher incremental revenue growth and 13% higher cost-reduction improvements compared with the rest. Additionally, Reinventors report delivering 1.3 times financial value in the first six months than other companies—a reflection of the speed at which such companies execute and deliver increased value. Specifically, Reinventors achieved 11.4% of their target value, while others have achieved 8.9% in the same period.

The value Reinventors generate is far more than financial, however, they are actively managing and achieving non-financial outcomes to create 360° value. Accenture's global research indicates that 76% of organizations that pursue Total Enterprise Reinvention say setting non-financial targets is very important, compared with 30% of the others.² Beyond the survey, Accenture's analysis reveals that compared with industry peers, Reinventors perform 32% better on sustainability and 11% better on "net better off" outcomes for talent.³



Reinvention opens up a new competitive landscape—and gives companies the opportunity to overtake their peers

Over the past five years, Accenture has emphasized Chinese companies must rotate to the new and make a wise pivot to the second growth curve. In 2018, only 7% of companies surveyed were Champions. The past five years saw a ten-percentage point increase in the digitalization of Chinese enterprises, indicating substantial progress.

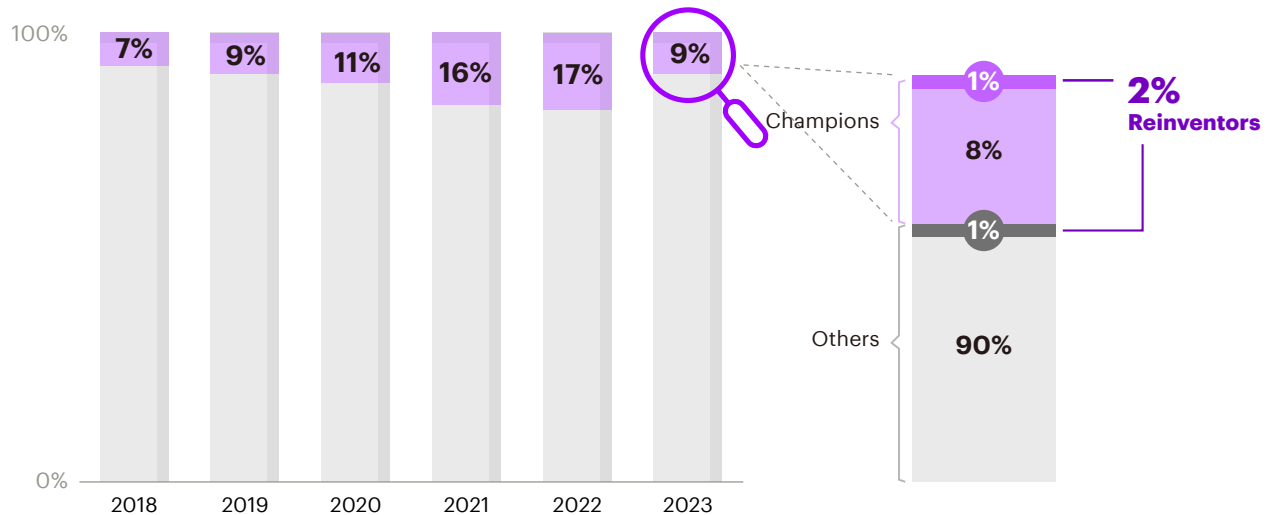
However, due to uncertainties in the macroeconomic environment, Chinese companies shifted their focus to operations and cost optimization in 2022. Innovation efforts were significantly dented, as reflected by a mere 1% increase in the percentage of Champions compared to 2021. It is projected that the share of Champions will further decrease to 9% in 2023.

Among the 9% of companies that qualify as Champions, only 1% have successfully evolved into Reinventors. Interestingly, half of the Reinventors are companies that are not even Champions, suggesting that Total Enterprise Reinvention is giving companies the opportunity to overtake their peers. Reinventors actively embrace the idea of Total Enterprise Reinvention, understanding the need to fully transform not only their business but also the management of various functions within their organizations. They approach reinvention from a 360° value perspective, recognizing the importance in taking a long-term view (see Figure 6).



Figure 6: From Champions to Reinventors

% of companies (2018-2023)



Note: Champions are those companies that derived over 50% of their current revenues from business activities begun in the past three years.

Source: Accenture China Digital Transformation CxO survey 2023, N=553

In the process of Total Enterprise Reinvention, digital transformation is confronted with new, demanding, and diversified challenges. The path to transformation is no longer a gradual smooth curve, and the rules of the game are also constantly evolving. Digital transformation is neither a once-and-for-all project, nor a

routine incremental upgrade. Companies that change their mindset early and prioritize Total Enterprise Reinvention will have the opportunity to leapfrog the competition, surpass their industry benchmarks and become the future winners.

Accenture's updated Digital Transformation Index defines five key capabilities for business reinvention

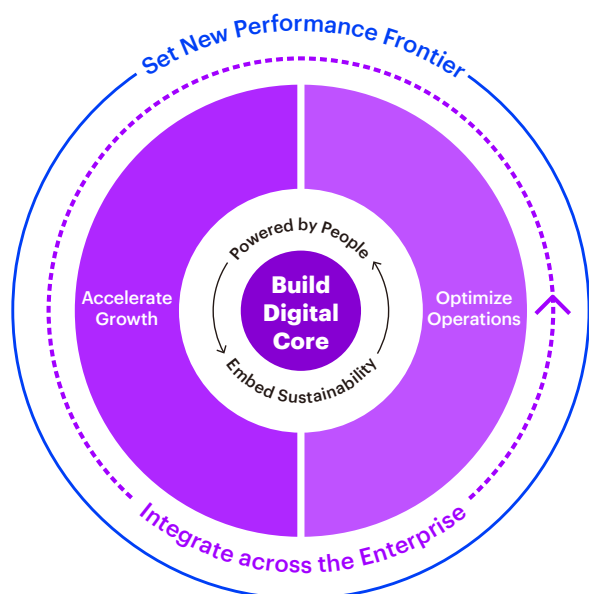
Since 2018, Accenture has been tracking the digital transformation journeys of Chinese companies through Digital Transformation Index Research. Over the last five years, Chinese enterprises have made impressive advancements, with digital transformation initiatives that have grown in terms of both maturity and scale. Given the breadth and depth of digital transformation as it is now practiced in China, as well as emerging global trends, we enhanced this sixth consecutive edition of the Digital Transformation Index.

Based on our enhanced definition of digital transformation, we have expanded the

original list of digital capabilities, identified five key dimensions of business reinvention: namely, set the new performance frontier, integrate across the enterprise, build digital core, embed sustainability, and powered by people.

China Digital Transformation Index (Reinvented version) assesses where each company is on its total enterprise reinvention journey. The Index has three levels, spanning five dimensions, 18 business activities and 48 detailed metrics. The highest score attainable is "100" and the lowest score is "0".

Accenture China Digital Transformation Index (Reinvented version)



01 Set the New Performance Frontier

Set the new performance frontier, and develop your reinvention strategy

02 Integrate across the Enterprise

02-a Accelerate growth

- Refine business portfolio continuously through incubation, partnerships, and M&A
- Prioritize customer-centric experiences and interaction
- Foster agile product & service innovation

02-b Optimize operations

- Orchestrate a boundaryless and ecological organization
- Leverage intelligent manufacturing and flexible supply chain
- Harness enterprise-level data to enable autonomous decision-making and response

03 Build Digital Core

- Establish a cloud-first infrastructure and optimize the relevant cloud platforms with a Continuum Control Plane
- Build a strong data foundation and harness AI/GenAI tools for large language models
- Create composable integration seamlessly across platforms and architectures
- Embed security disciplines that address the ever-increasing range of risks and threats

04 Embed Sustainability

- Establish sustainability goals
- Promote sustainable business & products
- Achieve sustainable operations

05 Powered by People

- Build new leadership capabilities
- Empower your workforce through technology and upskilling
- Nurture a culture that embraces change and change management

Continuous iteration of Digital Transformation Index

There are four major changes in the new framework (see Figure 7):

1. The role of digital core has been highlighted and elevated to a top-level indicator in the framework

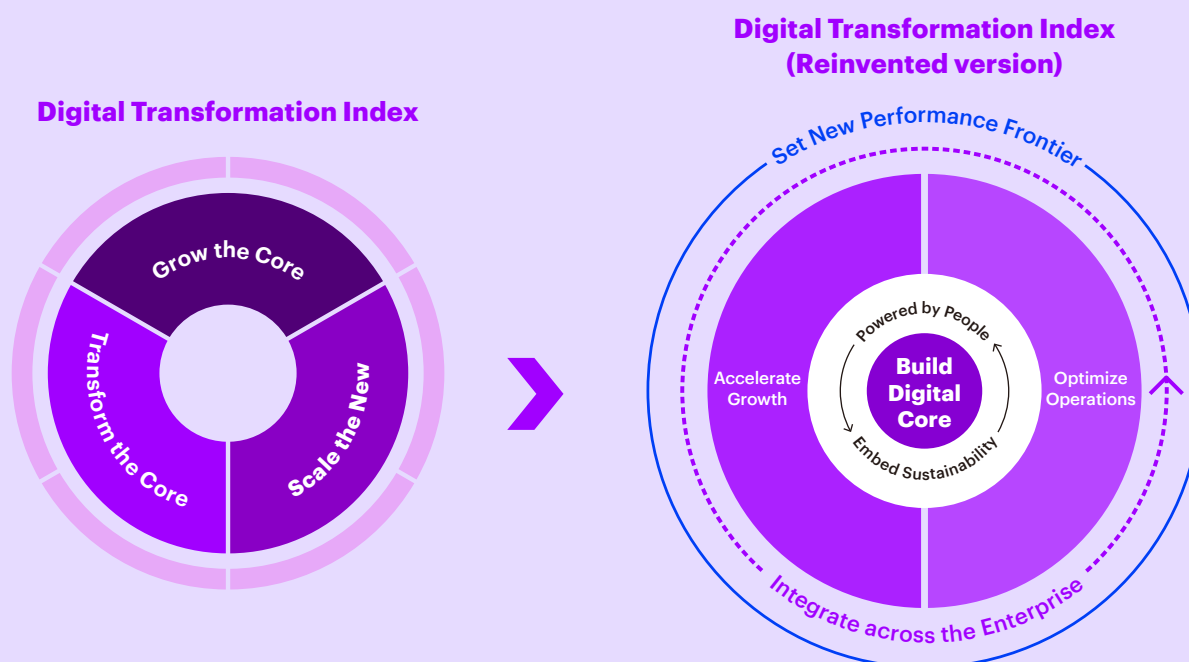
2. Talent and sustainability are becoming clear sources of competitive advantage

3. The scope of digital transformation is now broader and more exhaustive: reinvention must not only focus on new

business creation but also expand into multi-dimensional change across the entire enterprise

4. Pursuing the leading edge of current best practices yields diminishing returns; enterprise reinvention need to be recalibrated to create a new performance frontier

Figure 7: China Digital Transformation Index continues to evolve



Notes:

1) The previous Index was structured across four levels, covering three dimensions, six components, 18 business activities, 52 detailed metrics. A company's overall, and dimension-level scores are an average of scores from next logical level down (e.g., Dimension-level score is the average of the two components scores within it). A score of 100 represents the most advanced digital enterprise that can be foreseen in current.

2) The Index (reinvented version) is structured across three levels, covering five dimensions, 18 business activities and 48 detailed metrics. The Digital Transformation Index (Reinvented version) retains 26 metrics from the original Index, accounting for 54% of the number of metrics in the new framework.

Chinese companies outperform on operations but have room to build their digital core and develop their talent

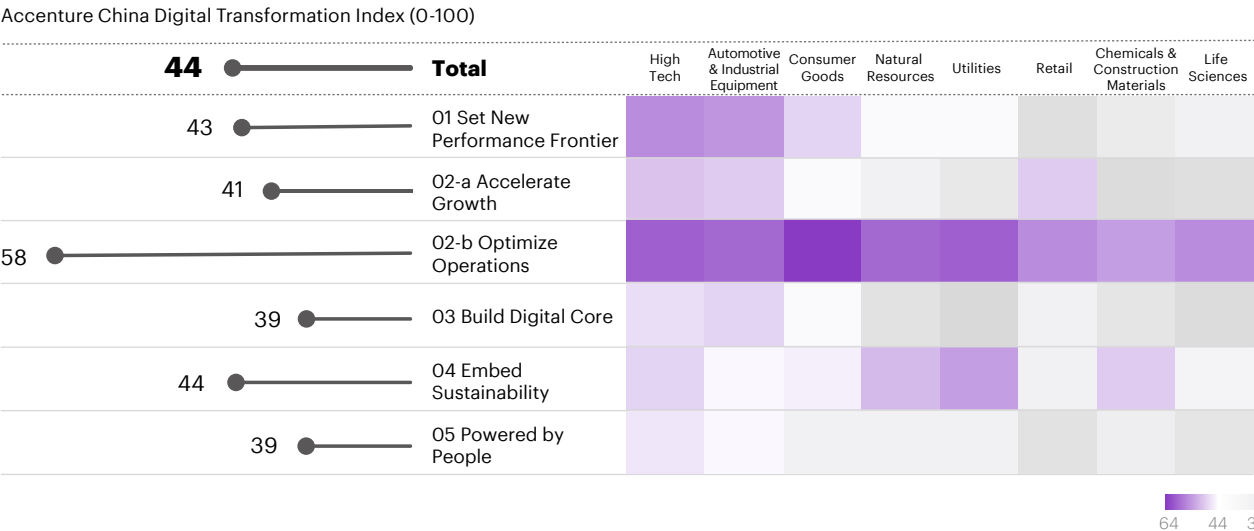
Accenture’s China Digital Transformation Index evaluates the performance of Chinese companies. This year, the average score across all companies was 44. However, upon a closer look, it becomes apparent that the reinvention capabilities are imbalanced, with an overemphasis on optimizing operations at the expense of other capabilities.

On average, Chinese companies scored the highest on optimizing their operations, which received a score of 58 out of 100 (see Figure 8). In particular, Chinese companies have emphasized the digital integration of business and financial systems as well as tracking information throughout the product life cycle. However, Chinese companies have

not yet established a significant advantage in building a digital core and being powered by people, as their scores in these dimensions are below 40.

At the industry level, companies performed broadly in alignment with the overall sample. All industries excelled at optimizing their operations. However, each industry had unique strengths and weaknesses across the five key capabilities required for reinvention. Currently, high-tech, automotive and industrial equipment industries lead the pack with the highest overall scores. These industries also stand out in terms of setting a new performance frontier.

Figure 8: Chinese companies have imbalanced capabilities and diverged industry journey



Note: Darker purple fills represent higher scores, while darker grey fills represent lower scores.

Source: Accenture China Digital Transformation CxO survey 2023, N =553

New journey: Five capabilities for success

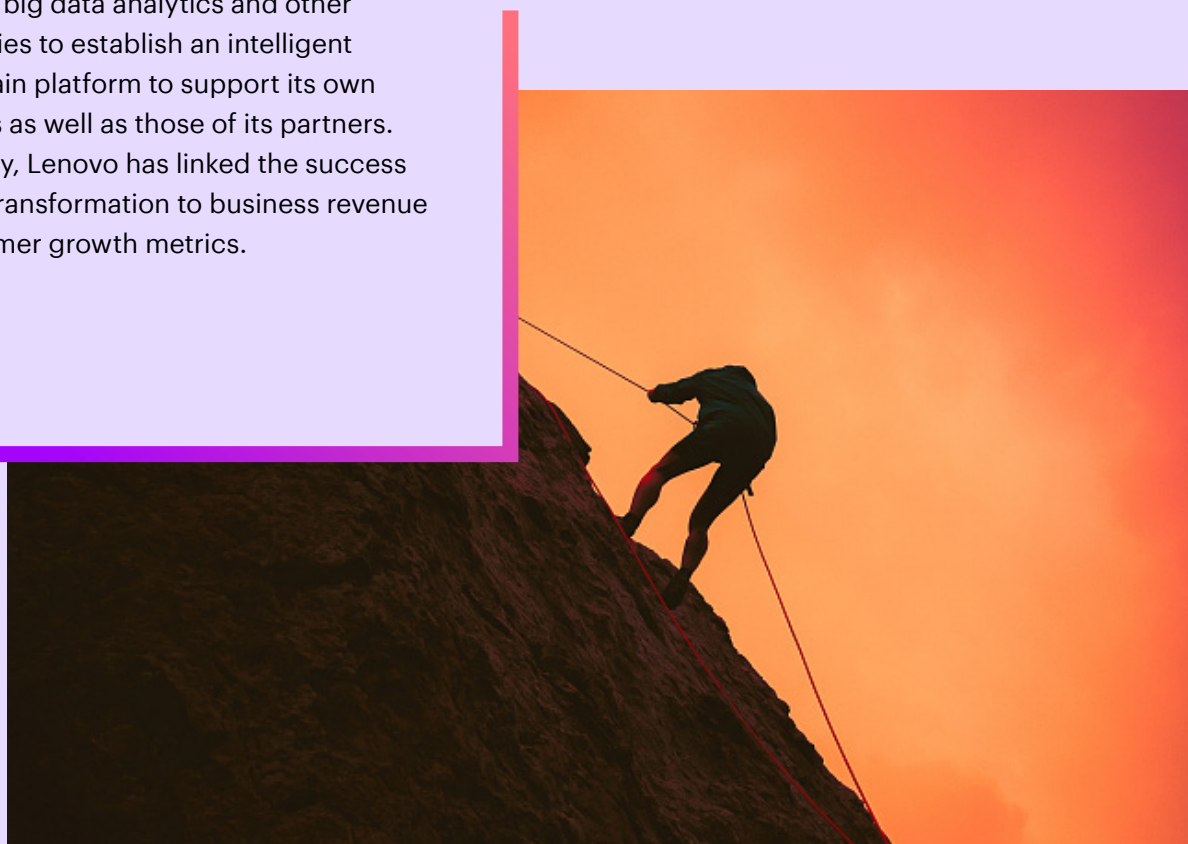
In today's competitive landscape, companies must proactively confront challenges, establish the new performance frontier and embrace a culture of continuous reinvention. Through an in-depth analysis of Reinventors and interviews with industry experts, we have identified five initiatives for achieving successful reinvention.



Lenovo: **Focusing on technology, business and talent, embracing total reinvention**

Lenovo has integrated technology, business, and talent to embrace Total Enterprises Reinvention. Their Magellan platform provides accurate and timely data support for global management decisions. The global upgrade of the ERP system, along with the construction of a cloud platform, has served as pivotal factors in their reevaluation of global business processes and top-level architecture. The Group has innovatively adopted a “Global Resources + Local Delivery” model, leveraging AI, cloud platforms, big data analytics and other technologies to establish an intelligent supply chain platform to support its own operations as well as those of its partners. Importantly, Lenovo has linked the success of digital transformation to business revenue and customer growth metrics.

Furthermore, Lenovo Group employs scientific calculation, continuous validation, iterative adjustments, and increased application of low-carbon technology to design a roadmap for achieving net-zero emissions. The Group promotes the development of a green global supply chain through consensus-building, rigorous management control, and training empowerment.



01

Set the new performance frontier

Why is it necessary to set a new performance frontier? Simply put, the landscape for business innovation has undergone a profound shift. Digitalization has created new avenues for competition and ultimately changes the rules of the game. To remain competitive, companies must act quickly to respond with the right strategic choices that align with the new reality.

Although current best practices have long been used to assess performance and guide digital transformation, they are likely to become outdated as the pace of innovation continues to accelerate. In contrast, Reinventors have set their sights on achieving even greater success, striving not only to become global leaders, but also to push their industries to new heights: they aim to define the new performance frontier.

However, 20% of Chinese companies have yet to set clear capability goals, and 66% limit their plans to their current market and competitors, benchmarking against the best practices in their industry rather than seeking to overtake them altogether. Only 14% Chinese companies set a new level of performance in their industries.

Reinventors, on the other hand, are guided by a long-term approach, with a strategy that covers the entire business and considers all aspects of performance. 69% of Chinese companies utilize cost reduction as the primary criterion to assess the impact of

reinvention. But reinventors also prioritize innovation and change, placing a strong emphasis on outcomes and the returns on innovation. They aim for enhanced industry leadership and resilience, in addition to improved market share and optimized costs.

Even in difficult times, Reinventors maintain their original intent, adjusting the tempo and pace of reinvention without losing sight of continuous evolution. In contrast, only 22% of Chinese enterprises implement an all-round reinvention and less than 28% of them recognize the ongoing nature of digital transformation.

As a leading Chinese automaker, SAIC aims to go beyond the confines of its industry and reinvent itself as an integrated provider of mobility products and services. SAIC is committed to developing its business in smart electric vehicles, with particular emphasis on software development, big data, artificial intelligence, cloud computing and cyber security. To attain this goal, it has mobilized over ten thousand developers, and has gradually evolved into an “all-rounder” in the new energy industry, with capabilities spanning the entire process from research and design to engineering, manufacturing and supply chains.⁴

02

Integrate for enterprise-level change

Achieving the comprehensive scale of Total Enterprise Reinvention requires companies to break down the silos between people, processes, and data. But Reinventors are not necessarily tearing everything down to start from zero. Instead, they strike a balance between change and continuity by leaning on synergistic integration.

In contrast, many Chinese companies still have a linear mindset, according to the year's survey, with 37% choosing to digitize one function at a time. 43% of Chinese companies are just beginning to think about building cross-business and cross-functional connectivity, with manufacturing and IT leading the way.

To ensure continuity and optimize operations, Reinventors connect internal and external people, processes, and data to create a boundaryless organization that enables autonomous decision-making and data-driven responses across the business. To embrace change and accelerate growth, Reinventors are building full value chain business planning to support continuous dynamic optimization and create

synergies between front-end marketing, order fulfillment, supply chain, smart manufacturing, and R&D, to better meet customer needs.

An illustration of this can be seen in the innovative operational and business system developed by fashion retailer SHEIN. Their system leverages digital technology to analyze both external data and internal sales data to forecast upcoming fashion trends. The findings are then forwarded to the design team, who then share their insights with the follow-up teams involved in the production process. By capitalizing on the seamless flow of data throughout the company, SHEIN is able to efficiently execute the entire product lifecycle—from design to online sales—within just three days.⁵

03

Strengthen the digital core

According to Accenture's research, nearly 80% of companies believe that the rapid pace of technological innovation has accelerated the need to reshape organizational strategy.⁶ The technology landscape has undergone a transformation, evolving from individual, static components to interoperable modules. Reinventors are particularly adept at using technology as an engine to implement reinvention, moving from a static, isolated technology landscape to a multifaceted platform with high interoperability.

Reinventors have built a cloud-based, high-performance computing environment, modernized their infrastructure, and designed it with automation, agility, and security in mind. Reinventors outperform other organizations in demand-based cloud optimization and flexible cloud resource deployment.

46% of Chinese enterprises said they would invest in AI and automation in the next one to two years. Reinventors are far ahead, using AI to drive data management and rapid decision-making, using technology such as deep learning, knowledge graphs and NLP higher than other enterprises.

At the same time, Reinventors pay attention to accumulating technical and data resources to develop personalized, interoperable, and flexible applications for specific business scenarios. In particular, through a holistic data approach and the use

of technologies such as digital twins, leading enterprises are unlocking business value from data, in turn inspiring them to build data platforms for many other industries.

In the current uncertain environment, it has also become a top priority for enterprises to assess the risks of the markets in which they operate globally, ensuring security compliance and building technological resilience.

Mindray, a leading high-tech medical device developer and manufacturer in China, belongs to a highly regulated industry. To maintain its competitive edge, the company must stay abreast of regulations through digitalization and continuously explore cutting-edge technologies. Furthermore, as Mindray expands its global reach, its digital platform must also evolve to meet changing demands. Therefore, the company has tailored its IT services and management for market differentiation and meet data security regulations in different countries. In order to reduce cost and drive business value, Mindray has harnessed the power of its digital core across the entire organization, leveraging light assets with robust capabilities.

04

Keep sustainability front and center

Sustainability is the new digital.

Sustainability can be both a disruptive force and enabler of innovation and growth. Rather than a cost of business, sustainability is now a driver of business development and is gradually becoming one of the most important sources of competitive advantage. According to a World Economic Forum report, by 2030, China's transition to a "nature-positive economy" will generate \$1.9 trillion in new business value.⁷ At the same time, sustainability also helps employers build their brands and attract talent. 84% of Chinese young people expect to pursue a career in the field related to the sustainable economy in the next decade.⁸

Sustainability is no longer viewed as merely a cost, or a matter of corporate social responsibility, but rather as a fundamental commitment that some Chinese companies are making to integrate into all aspects of their business and operational reinvention. In particular, these companies are leveraging digital technologies for environmental and energy management to achieve their sustainability goals.

For example, Freshippo has embedded digital technology and sustainable development into its primary strategy. Starting from 2019, Freshippo initiated a new model of integrated agriculture, known as the "Freshippo Village" which promote the integrated development of the primary, secondary, and tertiary industries in rural areas. This model cuts across agricultural production, processing, and market service, integrating components along the entire value chain. Data serves as the core production element, guiding the production, processing, distribution, and sales of agricultural products. Employing digital technology, Freshippo maximizes the utilization of agricultural products, significantly enhancing product value and facilitating the transition from primary to secondary production.

As Chinese consumers become more environmentally conscious, companies should must tap into sustainable product and service innovation and leverage digital tools to make their entire product lifecycles more sustainable. Reinventors have a clear advantage in this area. To stay ahead of the competition, companies should also establish an ecosystem of green innovation to secure cutting-edge advantages for the future.

05

Empower tomorrow's workforce

Reinvention initiatives can quickly become empty words without a crucial component: employee engagement. Reinventors know this and recognize that their employees are their greatest asset, making their talent strategy a core driver of reinvention. However, only 33% of Chinese companies agree, compared to the global level of 52%.⁹

Talent reinvention must occur at both the leadership and employee levels. Reinventors build a leadership team capable of steering their reinvention efforts. Leaders foster a culture of change that is embraced throughout the organization, prioritize the employee experience and build a team of technologically empowered employees. Additionally, successful reinvention requires a shared mission that aligns each employees' personal goals with the company's vision. On this front, it is notable that 50% of Chinese companies have not yet reached a broad consensus on reinvention within the organizations.

Valuing employees as a key asset means empowering them with the digital tools and skills to address future needs. Reinventors outperform other enterprises on human-machine collaboration, offering flexible talent mobility mechanisms and time for employees to acquire new skills.

Shanghai Foreign Service (Group), for example, has actively implemented what they call a "Digital Foreign Service". In this reinvention endeavor, senior executives lead the digitalization of the entire organization by establishing three IT pillars—Management, Technology, and Product Solution—to advance digital transformation and unlock the digital potential of its workforce. They place emphasis not only on the role of data in business and management, but also on organizing skill competitions to cultivate digital talent, turning key employees into pioneers of digital transformation. As a leader in China's human resources industry, Shanghai Foreign Service (Group) is committed to continuous innovation in the digital era, constantly improving service quality and customer value.

Charting a path to become a Reinventor

In the next few years, companies will experience a shift in the strategic mindset towards Total Enterprise Reinvention. Here are four categories of questions to help shape a path forward.



Ambition and strategy

- Where are you today: are you a Reinventor? What are the areas that need improvement?
- Have you defined the performance frontier for your company, and how does it measure against the best in your industry and the best in other relevant industries? Are you matching the leaders or setting the new benchmark?
- Who is leading the transformation of your organization? Is your entire C-suite held accountable, as a primary metric, for the success of your current transformation programs, or is the business or function lead primarily accountable?



Digital core

- How would you assess your digital core? What is its level of maturity and what are its known gaps?
- Is the ability to use technology investments to achieve sustainable development and other 360° value objectives and any negative impacts formally included in technology investment decisions?
- Do we have clear qualitative and quantitative metrics to evaluate the return on investment in digitization? Is there a consistent assessment approach for all programs?



Talent

- Do leaders have sufficient technology acumen to understand the art of the possible and what they can do to drive reinvention?
- Do you have existing change management capabilities to support your continuous transformation journey, or are you standing these up for each transformation project?
- Do you have enough skilled talents in the organization? Are the employees' skills aligned with the transformation goals and strategies for the present, next year, and the next three to five years?



Transformation initiatives currently underway

- Are the leaders of your current transformational initiatives able to articulate the changes that will occur across the enterprise, and are they using metrics that take a cross-functional view?
- Are sustainability concepts part of the company's long-term plans? Are they integrated into the business model and innovation process, leaving room for future expansion?
- Is the current rate of transformation sufficient to cope with external changes? Which transformation projects require external resources to speed up their implementation? How do you select partners to deliver outcomes faster and increase certainty of outcomes as well as how the partner fits into your talent strategy?

Methodology

This study is Accenture's sixth consecutive year conducting the China Digital Transformation Index research.

01 Global Disruption Index

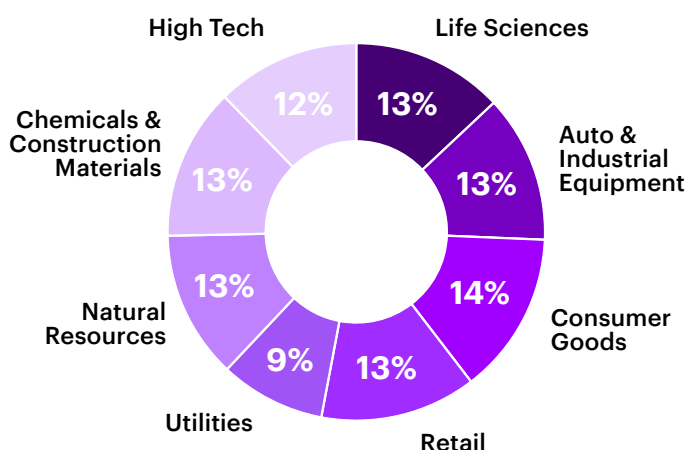
We created an overall measure of disruption to assess the level of volatility and change in the external business environment. The index is based on the average of six sub-components, which cover the economic, social, geopolitical, environmental, consumer and technological spheres. Each of the sub-components is based on a set of indexed scores for a range of indicators.

The economic component is based on economic risk ratings, Volatility Index (VIX), Gross Domestic Product (GDP) volatility and inflation volatility. Geopolitics is based on the risk of geopolitical instability. The social component reflects social unrest and non-participation in the labor market. The environmental component reflects the frequency of climate-related disasters and climate-driven risk. The consumer component reflects pessimism at a global level, based on the inverse of the OECD's Consumer Confidence Index. Finally, the technological component is based on an index comprised of 24 indicators, which use the presence of disruptors and performance of incumbents as proxies for the level of disruptive innovation in industries.

02 Survey

Through survey and executive interviews, as well as financial and text analysis on publicly available data, a comprehensive evaluation was conducted on the digital transformation of Chinese enterprises. Survey data were collected from April 2023 to June 2023.

Here is a sample by industry:



References

1. Accenture Total Enterprise Reinvention CxO Survey, Accenture Research, November 2022
2. Accenture Total Enterprise Reinvention CxO Survey, Accenture Research, November 2022
3. Capital IQ, Glassdoor, Arabesque, S&P Global Database, Accenture Research Analysis
4. SAIC Builds Strong Technological Base to Lead New Competition through New Intelligent Electric Vehicles, Jie Fang Daily, March 2022
5. Learning Management from Midea and SHEIN, ThePaper.cn, December 2021
6. Total Enterprise Reinvention, Accenture, January 2023
7. Seizing Business Opportunities in China's Transition Towards a Nature-positive Economy, World Economic Forum, January 2022
8. Youthquake Meets Green Economy, Accenture, May 2022
9. Accenture Total Enterprise Reinvention CxO Survey, Accenture, November 2022

About the research

This research is conducted in cooperation with China Industrial Control Systems Cyber Emergency Response Team (CIC) .

Steering Committee

Samantha Zhu	Senior Managing Director, Chairperson and Market Unit Lead - Greater China, Accenture
Xiaohong He	Deputy director, China Industrial Control Systems Cyber Emergency Response Team (CIC)

Accenture Team

Serena Qiu	Greater China Lead, Accenture Research
Han Song	Specialist, Accenture Research
Shan He	Associate Manager, Accenture Research
Freda Tong	Manager, Accenture Research
Ya Yu	Manager, Accenture Research
Daniel Yang	Senior Principal, Accenture Research
Taylor Guo	Senior Principal, Accenture Research
Jenna Jiang	Specialist, Accenture Research
Alice Zhang	Manager, Marketing + Communications, Accenture Greater China

China Industrial Control Systems Cyber Emergency Response Team (CIC)

Dongyan Ma	Director of Institute of Informatization, CIC
Dan Wang	Engineer of Institute of Informatization, CIC
Yuhan Fu	Senior engineer of Institute of Informatization, CIC
Qingyu Wang	Engineer of Institute of Informatization, CIC

Acknowledgements (in alphabetical order)

Kimi Cao, Catherine Chen, Xuyu Chen, Yaoyu Chen, Jingfang Cui, Allison Fan, Xiaopeng Fan, Xin Fan, Karen Fang Grant, Michal Hadrys, Robert Hah, Philip Han, Francis Hintermann, David Hua, Krish Jhaveri, David Kimble, Herbert Lan, Dong Liang, Liwei Li, Sandy Lu, Yonghong Luo, Luyao Ma, Mofei Ni, Athena Peppes, Yongpan Qiu, Matthew Robinson, Philippe Roussiere, Guillaume Simon, Daisy Song, Rebecca Tan, Janet Tang, Daisy Wang, Gang Wang, Wenjuan Wang, Ling Wei, Felicity Wu, Dawei Yao, Xinran Yao, Teresa Ye, Yi Yu, Xun Zhang, Yixin Zhang

About Accenture

Accenture is a leading global professional services company that helps the world's leading businesses, governments and other organizations build their digital core, optimize their operations, accelerate revenue growth, and enhance citizen services—creating tangible value at speed and scale. We are a talent and innovation led company with 732,000 people serving clients in more than 120 countries. Technology is at the core of change today, and we are one of the world's leaders in helping drive that change, with strong ecosystem relationships. We combine our strength in technology with unmatched industry experience, functional expertise, and global delivery capability. We are uniquely able to deliver tangible outcomes because of our broad range of services, solutions and assets across Strategy & Consulting, Technology, Operations, Industry X and Accenture Song. These capabilities, together with our culture of shared success and commitment to creating 360° value, enable us to help our clients succeed and build trusted, lasting relationships. We measure our success by the 360° value we create for our clients, each other, our shareholders, partners, and communities.

The company has been operating in Greater China for 36 years, servicing clients across the region with offices in the cities including Beijing, Shanghai, Dalian, Chengdu, Guangzhou, Shenzhen, Hangzhou, Hong Kong, and Taipei. As a trusted Partner of Choice for digital transformation, Accenture is bringing more innovation to the business and technology ecosystems and helping Chinese enterprises and the government to embrace digitization and enhance global competitiveness to succeed in the new era.

Visit us at www.accenture.com.

About Accenture Research

Accenture Research creates thought leadership about the most pressing business issues organizations face. Combining innovative research techniques, such as data science led analysis, with a deep understanding of industry and technology, our team of 300 researchers in 20 countries publish hundreds of reports, articles, and points of view every year. Our thought-provoking research developed with world leading organizations helps our clients embrace change, create value, and deliver on the power of technology and human ingenuity. For more information, visit us at www.accenture.com/research.

Interact with us



LinkedIn



Facebook



WeChat



Weibo



WeChat Mini Program

Disclaimer:

This report has been prepared by and is distributed by Accenture. This document is for information purposes. No part of this document may be reproduced in any manner without the written permission of Accenture. While we take precautions to ensure that the source and the information we base our judgments on is reliable, we do not represent that this information is accurate or complete and it should not be relied upon as such. It is provided with the understanding that Accenture is not acting in a fiduciary capacity. Opinions expressed herein are subject to change without notice. The content of the report is not specific advice offered by Accenture out of our special domain, nor as any investment advice. If you require advice or further details on any matters referred to, please contact your Accenture representative.

This report is an abbreviated translation of the Chinese version of Accenture China Digital Transformation Index 2023. The Chinese version shall prevail in case of any discrepancy.

About China Industrial Control Systems Cyber Emergency Response Team

The China Industrial Control Systems Cyber Emergency Response Team (CIC), operating under the Ministry of Industry and Information Technology, is dedicated to strategic research, industry development research, cyber security emergency monitoring, cyber security assessment, emergency response, and industrial development in the field of industry information security. Its primary mission is to promote technologies developing securely.

With the vision of becoming China's premier research institute in industry information security and the integration of informatization and industrialization (II), CIC aligns with the national strategy of promoting manufacturing and informatization. In order to support the government decision and to serve the industry development, CIC focuses on the convergence of manufacturing and the Internet, as well as industry information security.

CIC strives to become a trusted think tank for government policymaking and an authoritative voice in guiding industry development. It provides policy support and security assessments to accelerate the high-quality development of manufacturing. Additionally, CIC actively participates in the construction of industry information systems, the protection of critical information infrastructure, and the development of the information industry.