

# Accenture Expands their Business Transformation Capabilities with the Acquisition of PRION

## *CIMdata Commentary*

### *Key takeaways:*

- *To maximize effectiveness, PLM must be planned and implemented in a manner that transforms the business.*
- *A business transformation methodology can provide companies a way to address big challenges, where incremental improvements may not be sufficient.*
- *Accenture's acquisition of PRION provides a solid base of additional resources that enable end-to-end, broad and deep implementations of Siemens PLM Software solutions.*

## **Accenture and the Acquisition of the PRION Group**

Accenture, one of the largest global management consulting firms completed the acquisition of the PRION group on October 1, 2013. This is good news for Accenture's customers as it adds end-to-end, broad and deep Siemens PLM Software solutions related capability and capacity to Accenture's global PLM team. CIMdata recognizes Accenture as one of the top tier independent PLM consulting and implementation firms working with some of the largest manufacturing companies in the world. Accenture has supported clients using major PLM solutions across multiple manufacturing industries in both the discrete and process domains for many years. PRION has been a provider of PLM consulting and solution implementation services focused on solutions from Siemens PLM Software. While PRION is considered a niche or boutique firm when compared to Accenture, they are a large provider within the PLM space. An example of the depth PRION brings is their [data migration capabilities](#). The PRIMA solution is a proven tool for bringing legacy data into Teamcenter environments shortening the time to value for implementations. PRION has mainly operated in Europe and North America, and has been focused on the automotive, industrial equipment, energy, and consumer goods industries.

## **PLM Programs are Business Transformations**

### **What is a Business Transformation?**

The environment that businesses operate in constantly changes due to external factors such as the economy and government regulations, and internal factors like breakthrough technology innovations, or merger and acquisition activities. These require businesses to transform how they operate. Companies have many choices when responding to change ranging from doing nothing different to incrementally or tactically addressing issues and strategically re-architecting to adapt to the changing environment. Incremental changes tend to result in incremental improvements, so if the business faces a major challenge, it should consider going beyond tactical initiatives and strategically re-architect itself to stay competitive.

A business transformation is a major reorganization of how a business operates. It could involve a change in products such as Apple transforming from a computer manufacturer into a cell phone manufacturer or change in manufacturing strategy from vertical integration to an

outsourced production model. These transformations are large changes to a business that require significant modifications to the way the business operates.

While a business transformation is easy to understand conceptually, many factors make success difficult, especially in larger, global organizations. Variations in processes and standard practices within and across facilities, global and local culture, as well as technology variations both related to product and process as well as IT can have significant impacts. People, process, and technology issues need to be addressed to ensure success.

### **What Role Can PLM Play During a Business Transformation?**

Leveraging PLM within a business transformation project can enable significant top- and bottom-line business improvements. This is because PLM is a strategic business approach that integrates people, processes, information, and business systems to enable the collaborative creation, use, management, and dissemination of product related intellectual assets. With PLM's focus on the extended enterprise including customers and the supply chain, the full product and plant lifecycle from concept to end of life can be supported in ways that were previously not possible.

PLM enables support for many high-level objectives within a business transformation initiative. It can support cost reduction by consolidating data, standardizing processes, reducing information search effort and distributing information electronically throughout the extended enterprise. Quality can be improved by ensuring processes are followed and appropriate approvals are captured. Capturing and organizing ideas and concepts and making them searchable can improve innovation. Integrating PLM with enterprise systems like ERP can speed processes like Order-To-Cash and also reduce data entry errors improving quality. Reducing cycle times for product development and related processes to add capacity without capital investment can support growth. PLM can enable many aspects of a business transformation, but it is important to remember that PLM is a strategic business approach not a software application. Software is used to enable the approach and each implementation is different because every business has a unique set of people, processes, technologies, and products.

### **What is Special about Accenture's Business Transformation Approach?**

Accenture's business transformation approach aligns with CIMdata's view on how PLM solutions should be implemented. The approach is not an incremental upgrade or re-implementation of the same old processes on new technology. It aligns people, processes, technologies, and products with the organization's strategic goals. PLM-supported business transformations result in dramatic, not incremental, gains in business performance.

Accenture's inclusion of PLM within their business transformation methodology enables them to balance the needs of their customers' products, business processes, organization, and IT technology infrastructure. To optimize this balance of needs, the four items need to be considered holistically, iteratively, and not in isolation.

Accenture's management consulting, technology, and outsourcing services allow them to design and implement unique solutions for their customers' business transformation requirements that achieve each customer's vision and high-level objectives. They have the appropriate skills and resources to address business transformation implementation programs for the largest, most complex global companies in the world. Accenture has subject matter experts (SMEs) available across all major industries and business functions. The skill sets of the SMEs allows them to develop a comprehensive plan across organizational

boundaries that meet high-level business goals. Key aspects of Accenture's business transformation methodology include program management, value capturing, and change management.

PLM programs need to be thoroughly governed and their complexity requires a strong program management process. Accenture combines comprehensive program management competencies with its deep and broad knowledge of supply chain functions, finance, and enterprise wide system integration. The understanding of the business functional relationships ensures that PLM is properly incorporated and managed in the transformation program.

Accenture's methodology identifies the benefits from the top-down, aligning them with PLM solution capabilities bottom up. This alignment is used to build the business case identifying the value that can be realized. As the program progresses along the roadmap, measurements are gathered to ensure that benefits and value are captured as planned or an appropriate corrective action is executed.

Change management is a key aspect within a PLM enabled business transformation program. PRION and Accenture share a common view on the impact of change on stakeholders, both recognizing that it must be measured and managed so issues can be addressed. Accenture's Talent and Organization experts develop stakeholder specific change enablement activities that include continuous communication to improve stakeholder acceptance. PRION's Training Academy provides training services ensuring that stakeholders understand how to take advantage of the opportunity provided by PLM solution capabilities and the transformed business processes. At CIMdata, two areas that we commonly see as shortchanged in implementations are cultural change management and training. The combination of Talent and Organization experts to address acceptance with the training services from PRION should provide a noticeable improvement in acceptance of the business transformation and adoption of the new way of doing business.

## **Conclusion**

Accenture is focused on helping their clients improve their businesses by using a well-defined business transformation methodology. The process leverages the management consulting, technology, and outsourcing services and the global scale of Accenture. There are only a few system integration firms with this range and depth of capabilities.

Incremental improvements can solve many business problems, but when a strategic change is necessary, a business transformation program may be the best solution. Business transformation is not conceptually complex, but in larger organizations, the variation in geography, processes, organizations, and products quickly add up to very complicated situations. Designing and implementing a business transformation is best done using experienced people and proven services. Accenture has both and much more including a strong methodology and track record as described in their case studies.

The acquisition of PRION expands the breadth and depth of Accenture's PLM capabilities especially with clients who are implementing solutions from Siemens PLM Software. Accenture now has more than 400 Teamcenter experts. PRION also brings deep domain knowledge of the Engineering, Procurement, and Construction (EPC) industrial segment. CIMdata sees PRION's skills and technology as key differentiators for Accenture's PLM practice that will help customers to more quickly realize more benefits from their PLM implementations.

CIMdata is confident that PRION's deep technical experience with Siemens PLM Software solutions and Accenture's proven business transformation methodology will reduce implementation risks for their customers and ensure long-term PLM success.

### **About CIMdata**

CIMdata, an independent worldwide firm, provides strategic management consulting to maximize an enterprise's ability to design and deliver innovative products and services through the application of Product Lifecycle Management (PLM). CIMdata provides world-class knowledge, expertise, and best-practice methods on PLM. CIMdata also offers research, subscription services, publications, and education through international conferences. To learn more about CIMdata's services, visit our website at <http://www.CIMdata.com> or contact CIMdata at: 3909 Research Park Drive, Ann Arbor, MI 48108, USA. Tel: +1 734.668.9922. Fax: +1 734.668.1957; or at Oogststraat 20, 6004 CV Weert, The Netherlands. Tel: +31 (0) 495.533.666.