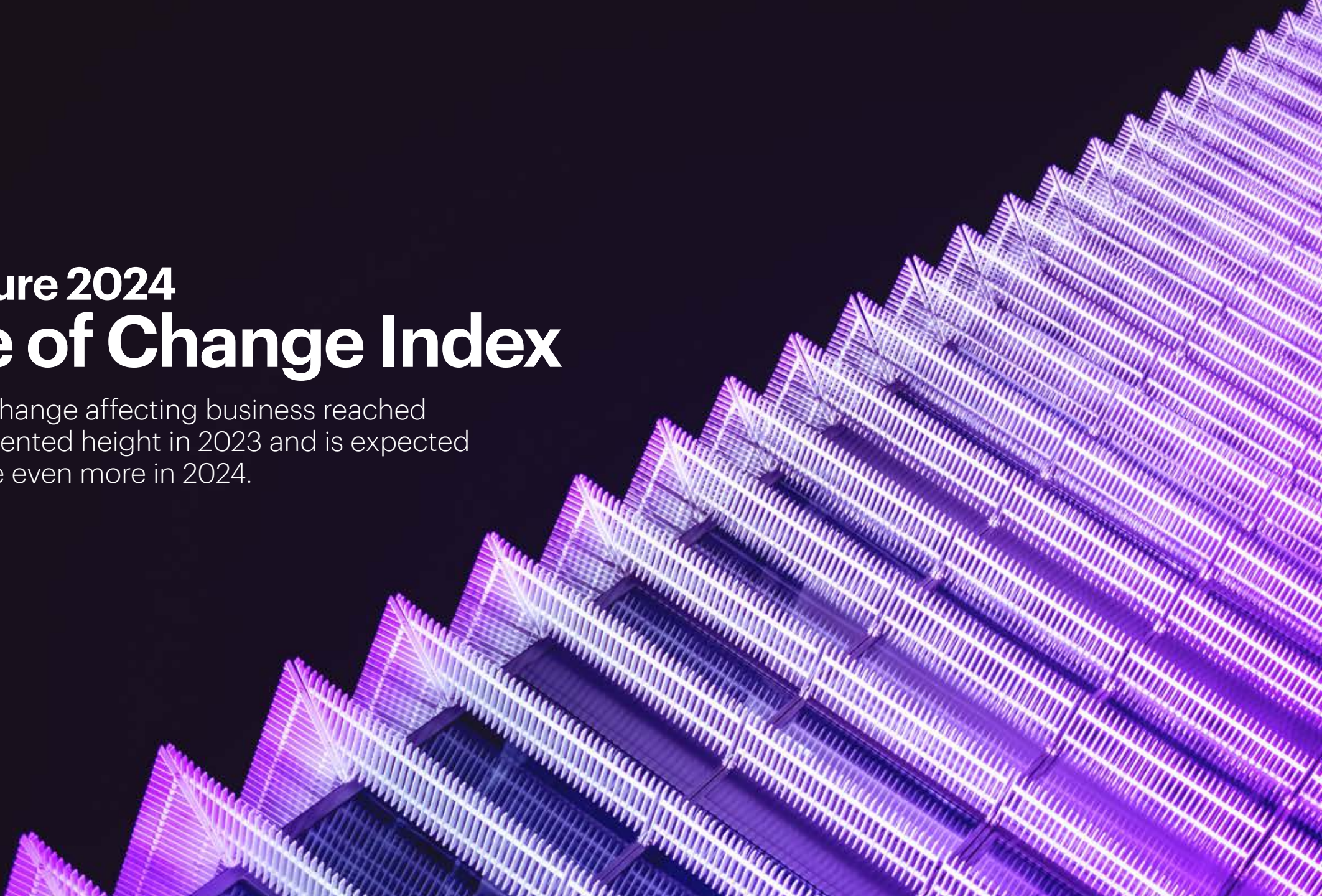
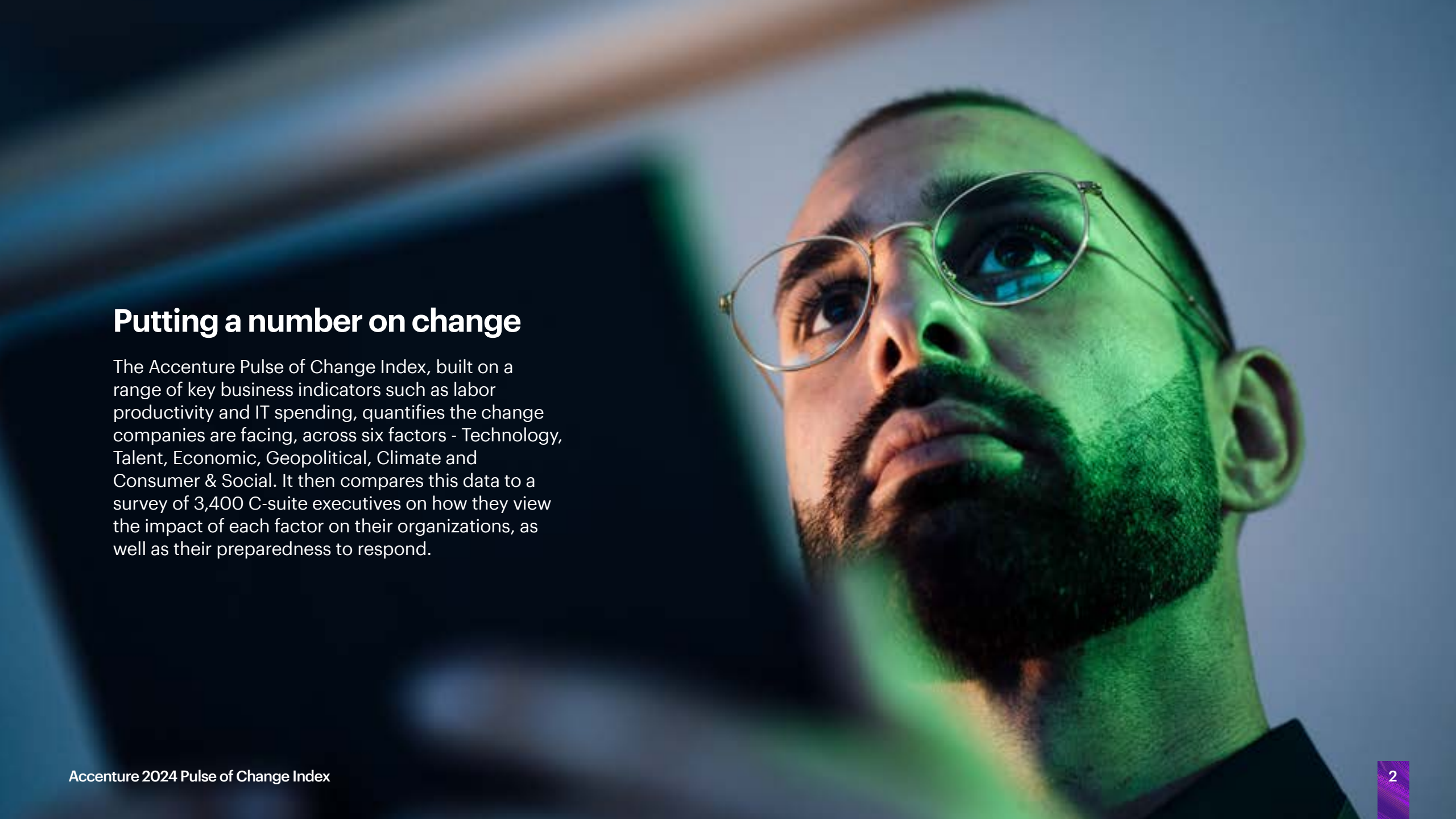




Accenture 2024 Pulse of Change Index

The rate of change affecting business reached an unprecedented height in 2023 and is expected to accelerate even more in 2024.





Putting a number on change

The Accenture Pulse of Change Index, built on a range of key business indicators such as labor productivity and IT spending, quantifies the change companies are facing, across six factors - Technology, Talent, Economic, Geopolitical, Climate and Consumer & Social. It then compares this data to a survey of 3,400 C-suite executives on how they view the impact of each factor on their organizations, as well as their preparedness to respond.

Key Findings

The rate of change affecting businesses has risen steadily since 2019, by 183% over the past four years and by 33% in the past year alone.

Most C-suite executives anticipate an even faster rate of change in 2024, but more than half say they are not fully prepared to respond.

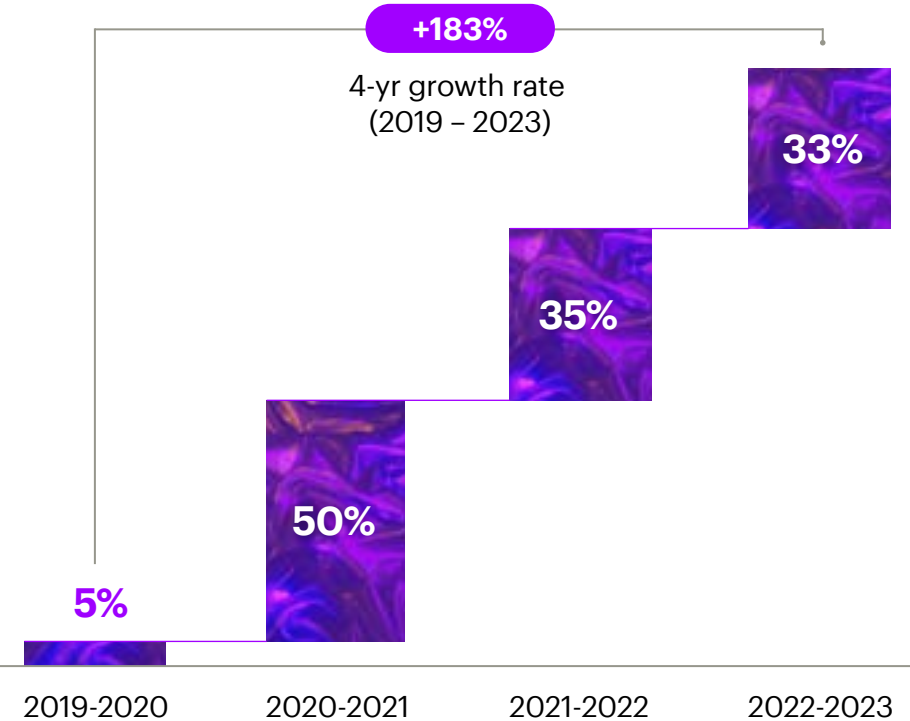
Catapulted by advances in generative AI, Technology change increased the most in 2023, rising to the No. 1 cause of change from No.6 in 2022.

Talent, the No. 2 cause of business change, is ranked No. 4 by C-suite leaders – a perception gap

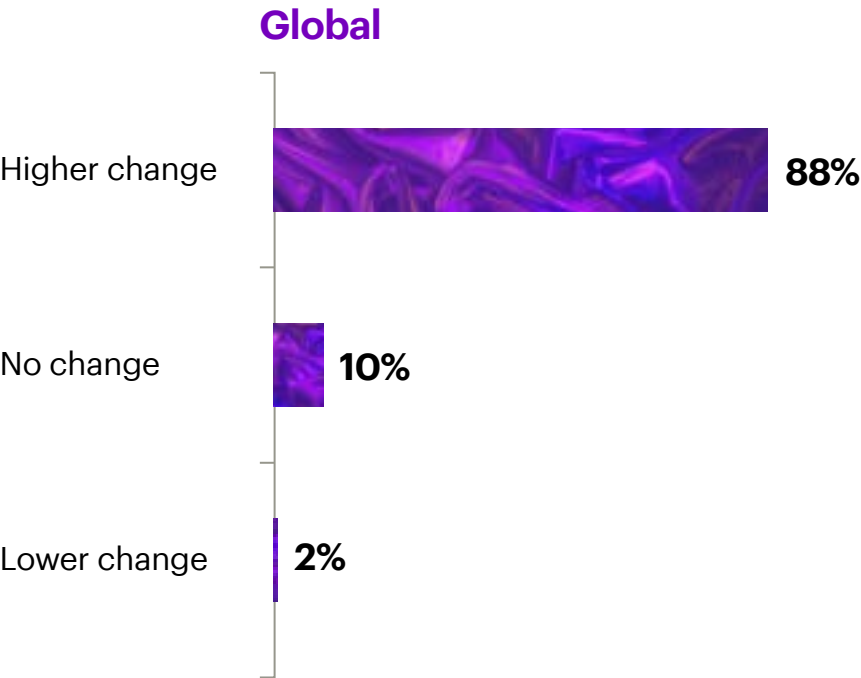


The Index indicator analysis reveals that the rate of change affecting businesses has risen steadily since 2019—rising 183% over the past four years and 33% in the past year alone. In the survey, most (88%) of C-suite executives expect this change to accelerate even more; 60% see it as an opportunity, and 68% expect revenue growth to accelerate in 2024.

Annual growth rate of disruption between 2019 and 2023 (in %)

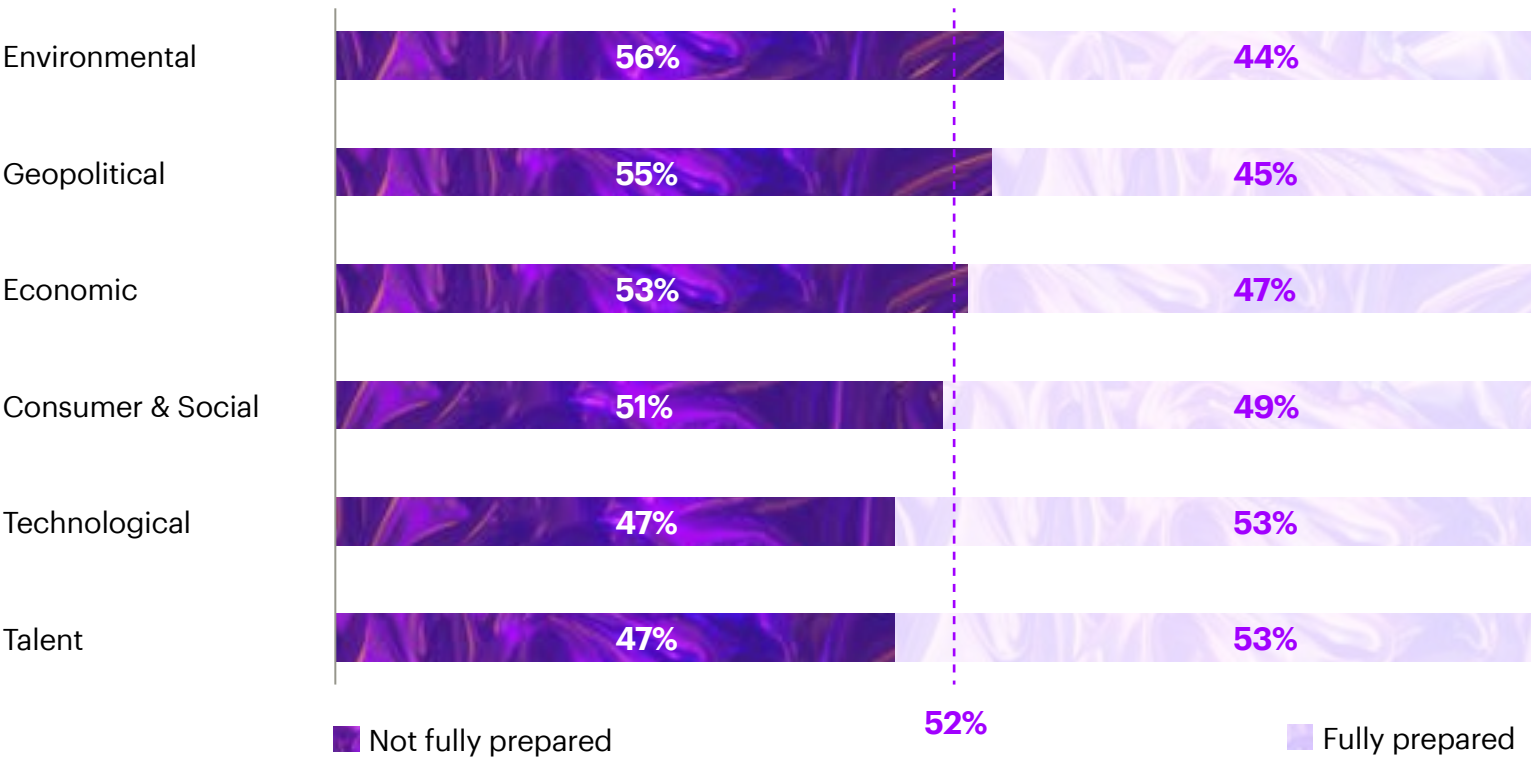


What level of change do you expect in 2024 relative to today?



The C-suite survey reveals that more than half (52%) of them don't feel fully prepared to respond to the change they will face in the 2024 business environment.

To what extent is your organization prepared to respond to any changes in your business environment heading into 2024?



Technology was the top cause of change in 2023, driven primarily by advances in AI

Among the six factors, the Index indicator analysis reveals that Technology change increased the most, catapulted by advances in generative AI. It was the top cause of change in 2023, up from No. 6 in 2022.

In the survey, C-suite executives agree, saying technology is the No. 1 cause of business change. A significant portion (61%) expect the pace of technology disruption to accelerate even further in 2024. Notably, 76% saw generative AI as more of an opportunity than a threat, and more beneficial to revenue growth than costs reduction.

Accenture Pulse of Change: 2024 Index

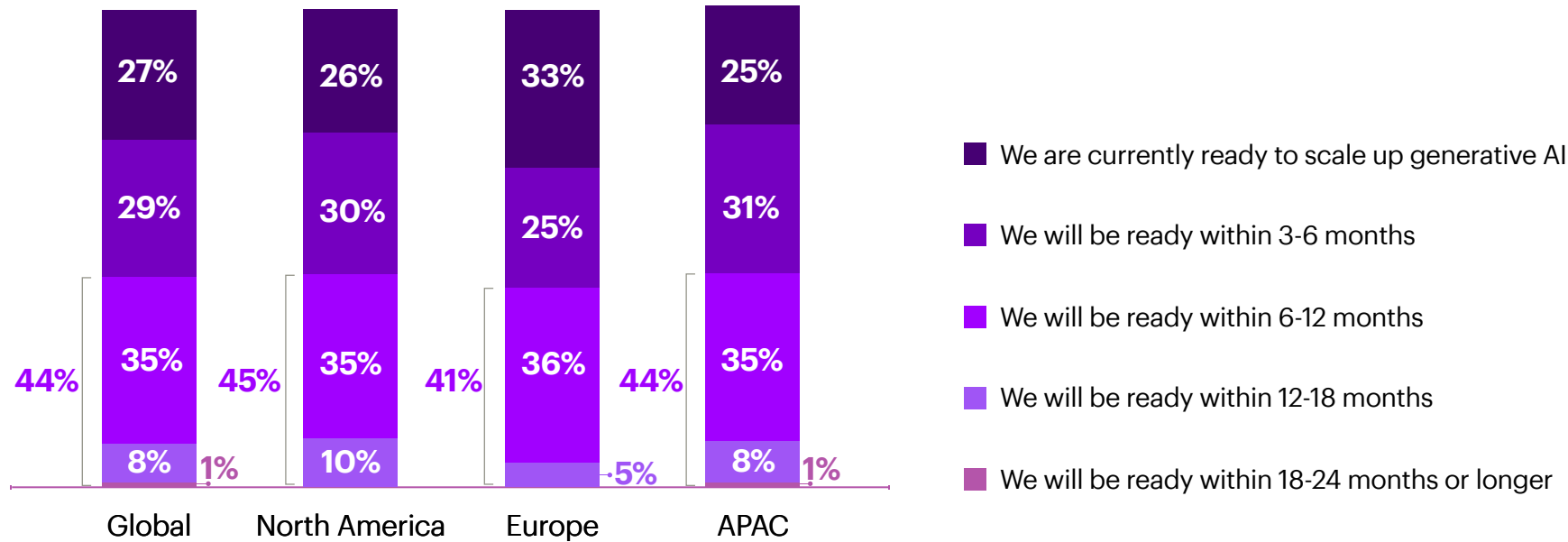
Analysis of business disruption			C-suite leaders' perception	
	2023	2022	2023	
#1	Technology	Talent	#1	Technology
#2	Talent	Economic	#2	Geopolitics
#3	Climate	Geopolitics	#3	Consumer & Social
#4	Economic	Consumer & Social	#4	Talent
#5	Geopolitics	Climate	#5	Economic
#6	Consumer & Social	Technology	#6	Climate

*Ranking is based on % of increase measured from 2022 to 2023 for each of the six factors.

*Based on a global survey of 3,450 C-suite executives, accross 20 countries and 19 industries.

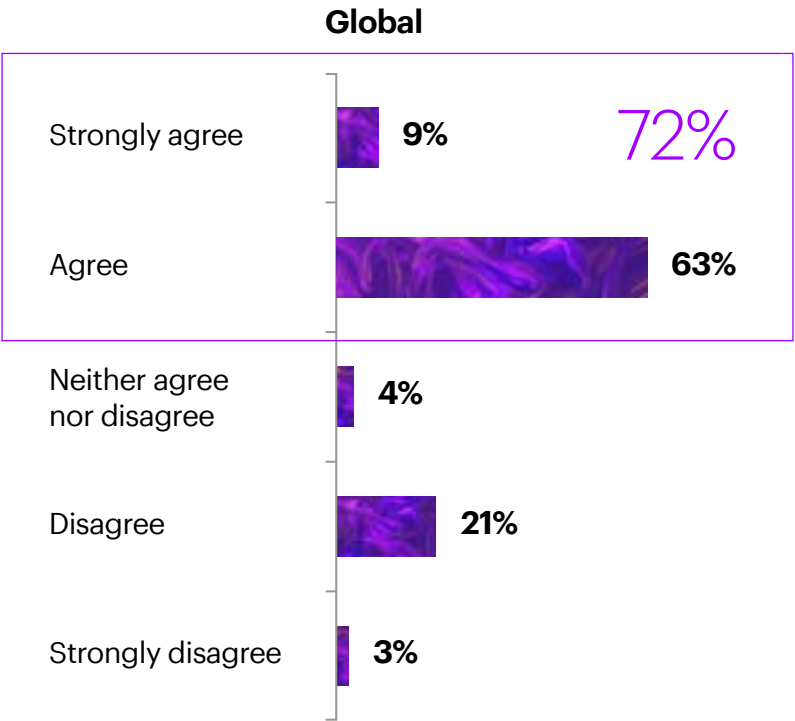
According to the survey, almost half (47%) of C-suite executives don't feel prepared for the accelerating rate of technological change. Further, only 27% claim their organizations are ready to scale up generative AI, and 44% say it will take more than six months to do so and take advantage of the potential benefits.

How soon will your organization be ready to scale up Generative AI technologies and take advantage of the potential benefits?

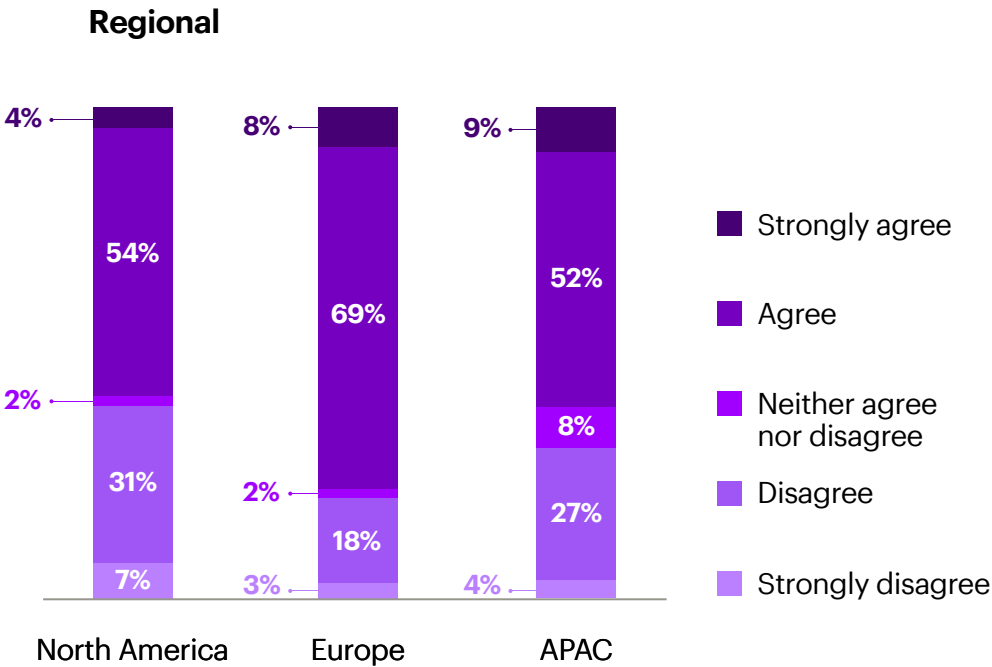


72% of C-suite leaders say they are approaching investments with caution because of societal concerns about the responsible use of AI. Respondents in North America and Asia Pacific were least deterred by backlash against generative AI, while more than three quarters of C-suite leaders in Europe are approaching it with caution.

To what extent do you agree or disagree with the following statement: “The recent backlash on **generative AI** (e.g., policy issues, lack of accuracy, low initial ROI) will cause our organization to slow down planned investment in GenAI in 2024.”



Sample size = 2,091



Talent, the No. 2 cause of business change, is ranked No. 4 by C-suite leaders – a perception gap

The Index indicator analysis places Talent, including issues such as skills shortages and lack of employee engagement, just behind Technology as a top cause of change in 2023. Yet in the survey, C-suite leaders rank it fourth, behind Geopolitical and Consumer & Social. This gap in perception underscores the importance for businesses of making their people a top investment priority as they tap the potential of new technologies such as generative AI.

Accenture Pulse of Change: 2024 Index

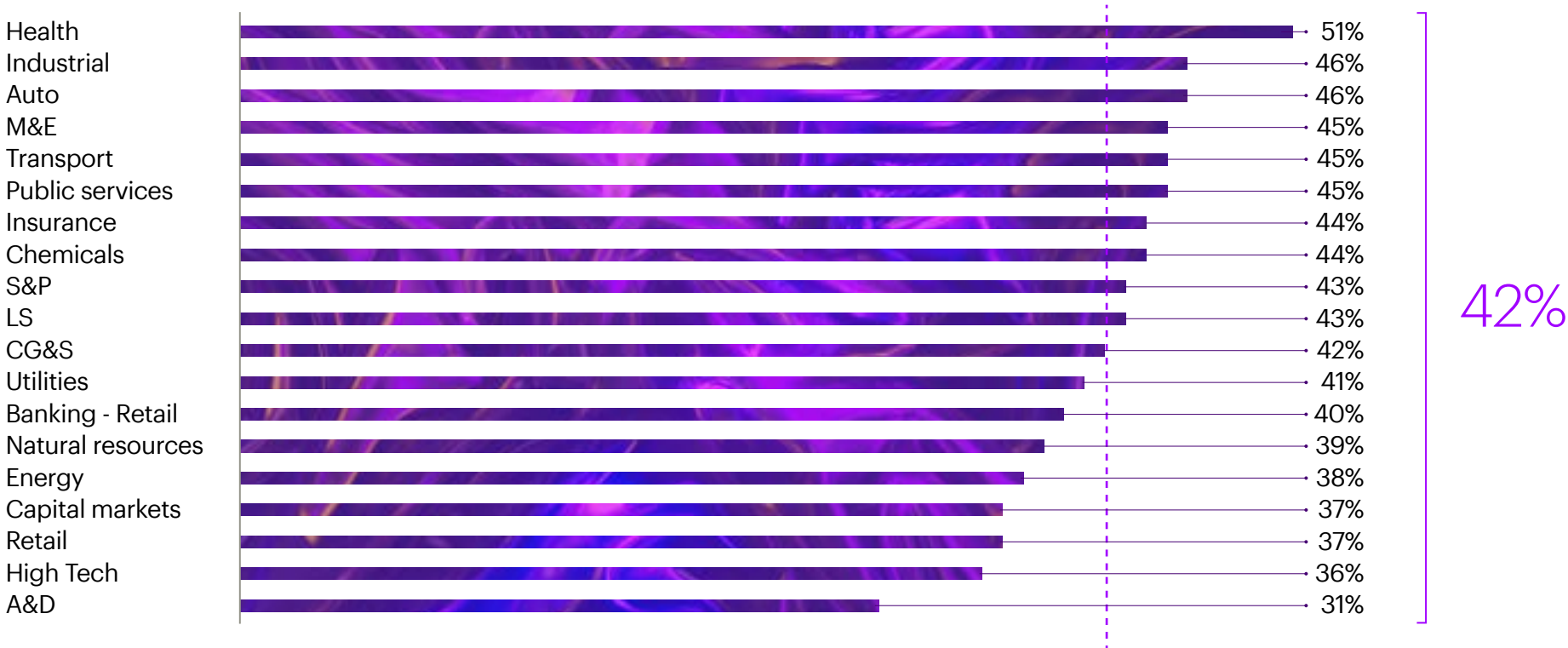
Analysis of business disruption			C-suite leaders' perception	
	2023	2022		2023
#1	Technology	Talent	#1	Technology
#2	Talent	Economic	#2	Geopolitics
#3	Climate	Geopolitics	#3	Consumer & Social
#4	Economic	Consumer & Social	#4	Talent
#5	Geopolitics	Climate	#5	Economic
#6	Consumer & Social	Technology	#6	Climate

*Ranking is based on % of increase measured from 2022 to 2023 for each of the six factors.

*Based on a global survey of 3,450 C-suite executives, accross 20 countries and 19 industries.

42% of C-suite leaders say skills shortage is one of the top 3 challenges that would hold back their organizations' ability to respond to change. It is particularly a major concern in the healthcare industry.

Which of the following challenges do you think your organization will encounter that will impact your organization's ability to respond to change?
Shortage of people with skills to manage transformations (% who ranked it top 3), by industry



Research Methodology

Accenture's Pulse of Change Index compares findings from two major inputs:

1. An analysis of change affecting businesses globally, caused by six major factors:

- **Technology**, which is based on indicators such as IT spending and VC funding on emerging technologies, reflects the pace and scale at which technologies, such as generative artificial intelligence, are adopted and implemented;
- **Talent**, which includes indicators measuring the risk of labor shortages, level of employee engagement, wage costs and labor productivity, reflects the overall talent environment from a quantitative and qualitative perspective;
- **Economic**, which includes macroeconomic, financial and business indicators, reflects the overall economic disruption, financial volatility and business outlook;
- **Geopolitical**, which includes indicators measuring geopolitical risk, number of economic sanctions and number of cyberattacks, reflects changes in war and conflicts, trade tensions and cybersecurity;

- **Climate**, which is based on indicators such as climate-related disasters and direct economic loss attributed to natural disasters, looks at the risks related to environmental issues, as well as the financial cost implications of climate-related regulations for businesses;
- **Consumer & Social**, which includes indicators assessing social unrest and household savings, reflects the overall social climate as well as consumers' confidence in the future.

To evaluate both the rate and nature of change, the Index computes, through AI led data modeling, 40 proprietary and public data series covering 2019 to November 2023 from leading institutions such as the Organization for Economic Cooperation and Development (OECD), International Monetary Fund (IMF) or the United Nations Sustainable Development Goals (UN SDG), . It quantifies the change businesses are facing and determines the rankings of the top six causes of change by comparing their respective increases from 2022 to 2023. This approach identifies the specific change factors that had the most substantial impact on the overall rate of change in 2023.

2. A global survey of more than 3,400 C-suite executives, conducted from October 10 to November 14, 2023 across 20 countries, 19 industries and a full range of corporate functions, captured their perceptions of change, which then were compared with the analysis of business disruption.

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