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Conference Call Transcript

ACN - Accenture Announces Senior-Leadership Succession

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PRESENTATION

Operator

Welcome to Accenture's conference call. At this time all participants will be in a listen-only mode. Later we will conduct a question-and-answer session. (Operator Instructions). And as a reminder, the conference is being recorded. I would now like to turn the conference over to our host, Chairman and CEO Mr. Bill Green. Please go ahead.

Bill Green - Accenture – Chairman & CEO

Hello everyone and thanks for joining us today. It's been a terrific week in Ireland here with our Board of Directors, and I am absolutely delighted to be here with Pierre Nanterme, who the Board selected to be Accenture's next Chief Executive Officer. We're both going to say a few words and then we'll take your questions. Of course I know you won't be able to resist asking some financial questions, but that's not the purpose of the call. We're going to focus today on succession. So before we dive in, let me ask Richard Clark, our Managing Director of Investor Relations, to provide the Safe Harbor information.



Richard Clark - Accenture - Managing Director, Investor Relations

Thanks, Bill. Let me remind you that some of the comments and responses to your questions may include forward-looking statements. These forward-looking statements are based on certain assumptions and are subject to a number of risks and uncertainties, and actual future results may vary materially. I encourage you to read the risk factors described in Accenture's periodic filings. Now back to Bill.

Bill Green - Accenture - Chairman & CEO

Thank you, Richard.

I am so pleased and excited that the board has selected Pierre to be our next CEO. Pierre is an outstanding choice to lead Accenture. I have worked side by side with him for many years and I know he has not only the experience and qualifications, but also the passion and commitment to guide Accenture through the next phase of growth and market leadership. Speaking on behalf of the Board, we are very confident that Pierre will serve Accenture and our shareholder in an exceptional way.

Pierre has devoted 27 years to Accenture. He has seen our business from all sides. I like to say that Pierre has Accenture in his veins. Throughout his career has distinguished himself as a true leader, not only with Accenture but also in the broader business community, where he is involved at the highest levels advising on economic and public-policy issues.

For the past three years Pierre has led our Financial Services operating group. He's navigated that business through an incredibly challenging time and ultimately transformed our Financial Services business, establishing our leadership position. We are stronger and better positioned as a result of Pierre's vision and leadership.

Pierre is absolutely the right person at the right time to take the wheel of Accenture. He's distinguished himself not only in Financial Services but also in his role as our Chief Leadership Officer, where he led our human capital strategy, which is all about our talent and how we develop the leadership we need to drive our business for the future. Pierre also led the design and implementation of our global operating model, which gives him a unique perspective on how Accenture brings all the parts of its business together to execute our strategy on the ground each day.

When I look at Pierre I see a leader with incredible business instincts who leads from the front. In both good and challenging times he does that with discipline and with clarity and with focus. But most important, what makes Pierre especially well-suited to lead Accenture is his commitment to and passion for our clients and our people, as well as his commitment to our shareholders. He has the highest integrity and lives our core values each day.

We're going to have Pierre say a few words in a minute, but let me first tell you what I'm going to be doing. I have spent 33 years here, I love this company and I'm incredibly excited about continuing to play a key role as an active chairman. I'll chair the Board of Directors and be a close advisor to Pierre. As many of you know, I'm a client guy at heart, so in this role I'm going to focus even more on deepening our existing client relationships and on building new relationships with our clients around the world. I am passionate about our people and will work with Pierre to ensure that we continue to have the very best people on the planet for Accenture.

This is an exciting time for our company. Accenture is on a positive growth trajectory and better positioned than at any time in our history. We have the best clients, the best people, a leading brand, global reach and extraordinary depth and breadth of service. We have an incredibly talented leadership team of senior leaders, all with significant experience successfully managing major areas of our business. And together we will provide seamless continuity during the transition. This is a demonstration of stewardship and creating an even stronger company for the next generation.

With that, it is my pleasure to introduce Pierre, who will share a few thoughts with you before we take your questions.

Pierre Nanterme - Accenture - Chief Executive Officer Designate

Thanks, Bill and hello everyone. As you might imagine, it has been an incredible 24 hours for me, and I am extremely proud and fully honored to have the opportunity to lead such a great company, and I want to thank Bill and the Board of Directors for their confidence in me. Under Bill's leadership, Accenture achieved high-performance results, and it is my commitment to continue on this path to make Accenture an even stronger company for the coming years.

Over the last 27 years, I have had an incredible career at Accenture. And I have been extremely fortunate to touch almost every aspect of our business. I have seen the industry dimension through my many years in Financial Services. I was chief leadership officer and I have enormous appreciation for our human capital strategy and talent management. Having been the country managing director for France, I know what it's like



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on the ground serving clients in a geography. And I spent time earlier in my career in a leadership role in our strategy consulting business and understand the service-line dimension of our company.

These past few years I had the opportunity to travel all over the world, driving our business and growing new markets. In fact, when I look back I don't know of anything more rewarding than engaging with our clients to help share their strategies and meeting with our people to feel that incredible energy and enthusiasm.

Now, let me say a few words about our strategy and our future. As a member of our Executive Leadership Team I was closely involved in developing Accenture's growth strategy and in successfully executing in the marketplace. I was also closely involved in leading Accenture's global operating model implementation, which brings together our unique combination of deep industry specialization with global delivery at scale. I can say without a doubt that Accenture has built a strong and durable foundation for growth. We are on a positive trajectory and are so fortunate to have an exceptional team of senior leaders to help me build the momentum within our business. Going forward, as a first priority, I am committed to working closely with our CFO, Pam Craig, and our Leadership Team to deliver our business outlook for fiscal year 2011. And of course, I am extremely pleased to have the opportunity to continue to work with Bill.

In closing, it's truly a privilege to be asked to lead Accenture, and I am ready to make a positive and lasting impact as CEO. With that, let me turn back to Bill.

Bill Green - Accenture - Chairman, CEO

Okay. Thank you, Pierre, and thanks again everyone who joined us. Operator if you can open it up for questions, please.

QUESTION AND ANSWER

Operator

Yes. (Operator Instructions). And our first question from the line of Adam Frisch with Morgan Stanley. Please go ahead.

Adam Frisch - Morgan Stanley - Analyst

Thanks, good morning and congratulations to both of you.

Bill Green - Accenture - Chairman, CEO

Thanks, Adam.

Adam Frisch - Morgan Stanley

I guess I'm going to have to get up on my French sports now because no more titles with the Red Sox in them.

Bill Green - Accenture - Chairman, CEO

No, no. I've been working on the Red Sox with Pierre. I think he's almost there.

Adam Frisch - Morgan Stanley

All right. Sounds good.

Pierre Nanterme - Accenture - Chief Executive Officer Designate

I know all of them name by name.

Adam Frisch - Morgan Stanley

Okay, okay. So that sounds good. I just want to ask you, Pierre, any time you know we've had a CEO change in the past, whether it was from Joe to Bill, there's been a couple tweaks at the senior team level. I don't expect there to be much more than what would be considered normal at this point, but if you could just give maybe a little bit of color on how you expect your team to get tweaked if at all.

Pierre Nanterme - Accenture - Chief Executive Officer Designate

Yes. As you know, not only are we on a positive momentum for growth, but we have an excellent team of people currently leading Accenture, starting with our CFO Pam Craig. So my intent is to continue just working with the team we have and just looking forward to accelerate on the execution of our strategy.

Adam Frisch - Morgan Stanley

Okay. Great. And then if I could just follow up with a quick one. Obviously this has been a team effort all along, always has been, and everyone is on board with the plan and so forth. So I don't expect any major changes to the strategy or growth plan or anything that you've already outlined but obviously, Pierre, you're different from Bill, and what do you think we'll see as the most significant change in this transition of leadership now over to you?

Pierre Nanterme - Accenture - Chief Executive Officer Designate

As I mentioned before, I have been personally involved in participating in developing our current strategy. So I'm fully on board and there's going to be a lot of continuity on that. My intent is more around executing on that strategy to make sure we are moving to the next level. Regarding the rest, as you know, Pam provided [on] September 30th our business outlook for fiscal year 2011, and there is no change.

Adam Frisch - Morgan Stanley

Great. Okay. Thanks, guys.

Bill Green - Accenture - Chairman & CEO

I'm lateralling to Pierre, and then I'm going to block down field and then I'm going to let him run past me.

Adam Frisch - Morgan Stanley - Analyst

Sounds good. Thanks, guys. Again, congratulations.

Bill Green - Accenture - Chairman & CEO

Thank you.

Operator

And Rod Bourgeois with Bernstein, please go ahead.

Rod Bourgeois - Bernstein - Analyst

Okay. Great. And, Bill, congratulations to you for leading Accenture to a pretty impressive list of accomplishments over the last few years and that you're making the transition at a time of clear strength. I would also say Pierre congrats to you for being chosen from a bench with a lot of talent and experience on it.

Now, in terms of the pertinent question, I got a lot of messages from investors last night along the following lines -- So why is Accenture's new CEO someone that hasn't spent much time with investors? So can you talk about that choice and whether there is a way to rectify that time-with-investors question soon?



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Pierre Nanterme - Accenture - Chief Executive Officer Designate

First, I have had the opportunity to meet with investors, probably not to the extent you might expect moving forward. But I have a lot of dialogue in Europe, not only in France, but in other parts of Europe -- a lot of one-on-one over the phone as well as participating [in] our Investor Day, where you've been able to see me.

On the other hand I have been in the US all the time these last years, visiting many clients of course, most in financial services and banking, insurance and capital markets. And so moving forward, first, I will continue to spend a lot of time in the US and continue visiting clients, but probably as well devoting more time to the analyst and investors in that part of the world.

Rod Bourgeois - Bernstein

All right. And I guess you will be transitioning out of your current role in Financial Services into January. And if that's true will there be time for investors between now and January?

Pierre Nanterme - Accenture - Chief Executive Officer Designate

I'm indeed preparing in a very orderly fashion. My transition in Financial Services — and this is a very important part of our business, you know, in excess of 20% of Accenture — so that's my first priority. But, indeed, I will continue visiting the world, see a couple of clients, meet with our people and listening around what's happening in our business to get prepared for that January 1st and indeed, add the opportunity, in due course, to meet with our investors and analysts in the coming two months.

Rod Bourgeois - Bernstein

Got it. And then one big-picture question. So if you're Accenture's CEO over the next three or so years, when you look back on what you're going to do over the next three years, what would you like your main accomplishments to be? You know, Bill built out the global delivery model, you know, that's clearly a big accomplishment. But there's also some accomplishments in terms of discipline on the cash flow front and avoiding problem contracts and improving margins and outsourcing. Are there any specific accomplishments you aspire to achieve that would be really relevant to investors and to the financials of the company?

Pierre Nanterme - Accenture - Chief Executive Officer Designate

You know, I understand Bill set high standards in terms of delivering performance, and the benchmark is extremely high. Now, however, my intent would be, first, to drive and execute our strategy, and it's all about driving growth from our core, accelerate innovation in new businesses and as well expanding on new markets, especially in the emerging markets. For me, the other points I mentioned in Financial Services we developed quite a robust asset strategy to further differentiate our services to the competition and probably an angle of our strategy I will definitely pursue in the coming years.

Bill Green - Accenture - Chairman & CEO

Yes. I would just add, if I could, because I think it's a fair question and a good one. We have been here in Ireland all week. We had a day and a half or so of board meeting. Other than that, Pam, Pierre and I spent time in how do we raise our game. You know, we have always said that in order to be a company that serves other companies and helps them achieve high performance, we have to be one ourselves. And all those stakes we put in the ground and executed to, we have to continue to keep, and we have to get better on them. But then there are some other things we need to do. And I think we're just excited about having more power at the top to be able to do that, both how we operate inside and maybe most importantly how we continue to capture and bring new clients into the firm.

Rod Bourgeois - Bernstein

Great. Thanks, guys.

Bill Green - Accenture - Chairman & CEO

Thanks.



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Operator

And Julio Quinteros with Goldman Sachs, please go ahead.

Julio Quinteros - Goldman Sachs

Hey, guys. Congratulations to both of you. Pierre, just on the landscape as you think about the evolution of, you know, Xerox buying ACS, Dell/Perot, HP/EDS, et cetera, you kind of look across the spectrum and you guys kind of stand alone. Help us understand what your view is of the independence of Accenture and whether or not you think partnering with a larger technology vendor down the road makes more sense for you guys? How do you think through that? I know we've talked about this with Bill ad nauseam, but I would love to hear your perspective on the evolving technology landscape, with Oracle and Cisco as big players out there trying to reposition themselves against some of the more diversified vendors there?

Pierre Nanterme - Accenture - Chief Executive Officer Designate

Obviously we are watching extremely carefully what's happening in the marketplace to understand the competition. You mentioned some of the big names in the infrastructure space, but as well we are watching carefully what is happening with the Indian pure players in order to understand what the space we are going to operate in. Our intent, and we strongly believe, that there is a place for us as an unbiased independent organization providing high-quality services with a unique combination of deep industry expertise together with delivering technology at scale. And I think today we are the best company on the planet to serve in that field and I strongly believe that there is a great future if we continue to work on being extraordinarily competitive in everything we do and to be extraordinarily differentiated in the services we provide.

Julio Quinteros - Goldman Sachs

Got it. And then the competition, you know, specifically seems to be shifting a little bit too now with -- we're hearing a lot more of the accounting consultancies making strides, PriceWaterhouse making an acquisition of a consulting company a couple of weeks ago. How do you see those guys stacking up in a competitive landscape? From a public investor perspective, we don't see and hear much about them on a day-to-day basis. But we know they are out there, we know they are big, and they certainly have a lot of overlap with the type of skill sets that you guys have. Is there anything from a competitive landscape versus some of the accounting consultancies that you could elaborate on in terms of how you go to market against those guys?

Pierre Nanterme - Accenture - Chief Executive Officer Designate

We are watching that as well extremely carefully. When we are looking in the market in the search of differentiation, we are always looking for intellectual property, for tangible assets, for a source of differentiation. Many of our competitors are more looking for people and skills. We are probably more looking for IP solutions and tangible assets because this is a game in which we are operating in. We are operating at a very different scale compared to those consulting companies in term of size, in term of footprint but in terms as well of what they are delivering to our clients. So, indeed, we are watching what's happening in the management consulting. We are already one of the largest players on that planet in management consulting. But our game is again to combine in a unique way consulting, technology, BPO, around a single unique point of view in industry, and I strongly believe that in that game we are still second to none.

Julio Quinteros - Goldman Sachs

Okay. Thanks, guys. Congratulations to both of you.

Bill Green - Accenture - Chairman & CEO

Thanks, Julio.

Operator

And Jason Kupferberg with UBS. Please go ahead.



Jason Kupferberg - UBS

Thanks. Congrats, guys. Pierre, I just wanted to start with a question for you, maybe to pick up on the last comment you just made around looking for more IP and tangible assets. That's something we've been talking about for awhile in terms of the prospect for Accenture to move to more asset-based solutions that can actually create some more leverage in the business model, as opposed to just keeping the model very much predominantly headcount-driven, because you had obviously revenue-per-employee decline consistently as you have moved more folks offshore. So with that statement that you just made, kind of a -- a signal of a strategic shift, whether you would do that through acquisition or organic means, to actually push into more asset-based solutions?

Pierre Nanterme - Accenture - Chief Executive Officer Designate

It's not a change. We've been in the IP asset solution software business, whatever the name is, for years. We developed our assets in the banking and insurance over 15 years ago, so it's not new news. We've been developing IP around our alliance partners' solution, I think about the SAP and the Oracle and the others, for many, many years. That being said, indeed, our intent is to continue looking at opportunity, to be in that game and as I mentioned before, potentially to accelerate in executing that strategy. That strategy has been set, it has been set some while ago. We are extraordinarily persistent in everything we do. We try to continue being extraordinarily relevant to our clients, watching the game of our competitors, but we are driving through, probably accelerating, and looking at any opportunity to differentiate our service indeed around asset solution and IP. This is not new news. This is probably, maybe just an acceleration given the fast-changing environment.

Bill Green - Accenture - Chairman & CEO

Jason, I think it is important to note that you know Pierre has probably got the most seasoning in the asset side of our business in Accenture today, because our Financial Services has more of a stable of leverageable assets than anywhere else. So we do hope to bring some of that thinking to the table here, and I think that's where the acceleration can come from, because he just has a frame of reference of having driven the business that has the benefit of leveraging assets and getting better-than-average results based on those.

Jason Kupferberg - UBS

Okay. So we'll keep an eye on that. And Pierre, any initial broad thoughts on what you think Accenture's biggest challenges are over the next few years?

Pierre Nanterme - Accenture - Chief Executive Officer Designate

Probably, if I look at my personal challenge, it's to be as good as Bill. No, I think seriously, we see the momentum in the marketplace, we see the trajectory for growth. We are uniquely positioned. We are building on amazing strengths, many you mention our financial strength and our cash position. I couldn't be more pleased starting with that position to take advantage of this to fast forward in the marketplace and continue to be the leading company in our field.

Jason Kupferberg - UBS

Okay. And just last one for me, Bill, if you can comment. Were there any outside candidates considered for the CEO role once you decided it was time to give up the post?

Bill Green - Accenture - Chairman & CEO

No. You know, if you just think about succession here, it's kind of an ongoing process, and there's always the right person at the right time, and looking for opportunities to do that. We're incredibly lucky to have a very deep bench that our Board came to that conclusion very quickly. And then our Board has had great exposure to really all of our leaders. At every Board meeting we have our leaders come in, talk about what they're doing, they've sat through strategy sessions. So it's just kind of an evolution, that somebody will lead. But we did talk about it at the Board just yesterday, because we look at some successions going on around the industry, and around the world, and these people have huge learning curves to climb, and Accenture just sort of over an afternoon you know we must make a few adjustments and we just move right out and I think it gives us a tremendous advantage. So there was never any consideration of anyone outside the company.



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Jason Kupferberg - UBS

Okay. Well, good luck, guys.

Bill Green - Accenture – Chairman & CEO

Thank you.

Operator

And Tim Fox with Deutsche Bank. Please go ahead.

Tim Fox - Deutsche Bank

Hi. Thanks. Let me add my congrats to both of you also. Pierre, I guess if we could just take a step back and think about framing the recovery globally. Obviously your focus has predominantly been on financial services. Could you help characterize where you think we are from a recovery perspective? I guess first in Financial Services, and really specifically for Accenture -- what are your clients telling you today? And if you have a view, how does that recovery feel relative to some of the other verticals at Accenture?

Pierre Nanterme - Accenture - Chief Executive Officer Designate

When you look at the overall economy, we probably -- I mean we always need to be prudent, but the worst seems to be behind us. And, indeed, we are probably going to see some overall slow and bumpy recovery. But on the recovery side now we all know that there are probably going to be two very different worlds getting out of the crisis, the mature markets probably having some tough rides moving forward when the more emerging markets — Latin America, APAC — enjoying big growths, and it's going to be our intent as well to capture this opportunity on the planet where the growth is going to be while continuing investing in the mature markets, because there are still great opportunities for us.

Now if you are looking from an industry perspective, indeed, the first industry to get into the crisis, that industry was financial services. For me I was delighted to lead during that period of time. Bill appointed me in December 2007 at the time of the subprime crash, and I learned a lot. And indeed it's clear that financial services now has probably a rebound, which is happening sooner than other industries. And so we are watching that extremely carefully; it seems that F[inancial] S[ervices] is leading the pack, but other industries are coming almost every quarter, and we have almost good prospect in every industry we're operating in. We will need to be a little bit more patient with some, while others will drive more growth. But this is the nature and the beauty of having a balanced portfolio.

Tim Fox - Deutsche Bank

And just secondly, you mentioned emerging markets. I was just wondering if you could give us your perspective on your investments in emerging markets. How does that change the way you go to market — maybe the margin structure, the business there? Just give us some high-level thoughts around your opportunities to invest and grow in some of the new emerging markets.

Pierre Nanterme - Accenture - Chief Executive Officer Designate

Growing in the emerging markets is currently part of our strategy. It has been very well communicated. It's one of our three pillars, so we will continue — we will continue and with acceleration probably — to take all the opportunity we might have. Now when we come with investments we are always very thoughtful. I think we have a reputation of driving very well our business and operational excellence in generating cash. Definitely, we will never do anything stupid. We have a fabulous CFO in the company, Pam Craig, keeping us extraordinarily honest and rigorous in everything we do, and we will invest extremely wisely in a very focused way to take advantage of the emerging-market growth.

Tim Fox - Deutsche Bank

Thank you both and best of luck.

Bill Green - Accenture – Chairman & CEO

Thank you.



Operator

And Darrin Peller with Barclays Capital. Please go ahead.

Darrin Peller - Barclays Capital

Thanks. Congratulations to you both. You know, first, Pierre, when we last spoke I think you mentioned that the financial services pickup was providing some good opportunities for pent-up demand, regulatory shifts. You know, I would just love to hear if there are any examples from your leadership roles in the past, whether it's covering Financial Services or in your leadership management role around human capital, that you can convey from the leadership rolls there to the overall company?

Pierre Nanterme - Accenture - Chief Executive Officer Designate

I have been extraordinarily fortunate or lucky, or both, over my 27 years in Accenture to cover many very different leadership roles. And I learned a lot from this Chief Leadership Officer role as well as the Global Industrial Lead. I've been driving the P&L, I've been driving a country, I've been driving a service line. And at the end of the day there is something I learned, is that you need an extremely strong leadership team around you. You need to have great people. And this is what we have. You need to have an extremely clear and focused strategy. And I think this is what we have. And you need, on top of that, disciplined execution and rigor in everything we do. And at the same time, you need to work extremely hard on remaining competitive. And at the same time, you need to work extremely hard on searching for differentiation to put distance between yourself and your competitors. So I think I learned all of that during all of these 27 years. I have been all over the world as well and tried to be an American in the U.S. and a Japanese in Japan. I'm not sure I even am a French in France now anymore, especially with what's happening over there. So I had great learning, great coach, especially with Bill, and all of this which is coming together now, and I hope I will be able to deliver it as the new CEO.

Darrin Peller - Barclays Capital - Analyst

That's very helpful. And Bill, obviously everyone acknowledges the great job you've done, but is there anything — I mean this question kind of came up before — Is this anything that specifically you would see yourself doing somewhat differently, you know, maybe the first year or two out?

Bill Green - Accenture - Chairman & CEO

Well, I -- you know, I hope so, but I mean -- you guys know me. I'm a client guy at heart, and I love the clients and I love the market. This March to the Diamond clients thing has just been huge for us. Next stop, 200 Diamonds. And I think the thing that I want to do is give Pierre the benefit of my advice from time to time. But most importantly, we got a great team doing that. The action at Accenture is in the market. And I expect to spend a lot more time with our major clients around the world, and particularly opening up new client opportunities, and also devoting some of my time to the emerging markets, where you can really make a difference. And so I'm just incredibly excited about being able to do more of what I love about Accenture.

Darrin Peller - Barclays Capital

All right. Thanks, guys.

Operator

And Bryan Keane with Credit Suisse. Please go ahead.

Bryan Keane - Credit Suisse - Analyst

Yes. Hi, good morning. Pierre, are you going to be headquartered, in Paris and if that's the case, are there any challenges you see foresee being in France?



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Pierre Nanterme - Accenture - Chief Executive Officer Designate

As you know, there is one specificity with Accenture is that we do not have any headquarters, which I think is just brilliant and cost effective at the same time. And so, the game is just to be where I need to be and what is relevant to operate the right way. So my family will stay in Paris, indeed, but my intent is to continue traveling the world to be in any relevant location. I mentioned that I will be in the US because it's a big part of our business and indeed, it's going to be the opportunity to devote more time with all you guys — analysts and investors. But I continue traveling the world because all sorts of things are happening in the emerging markets that are going to require a lot of attention. And so this is what it is going to be. So there is no such thing as being in a place or being in a headquarters. We are just global leaders, with aspirations to serve clients in the best possible way, wherever they are.

Bill Green - Accenture – Chairman & CEO

We all volunteered to redomicile to Paris. In fact, there is still a small drum beat to do that, but Pierre said no, we just needed to stay where the clients were.

Bryan Keane - Credit Suisse

There would be worse places to be than Paris.

Pierre Nanterme - Accenture - Chief Executive Officer Designate

It depends on the day.

Bryan Keane - Credit Suisse

Yes. And then just turning to the global delivery model. How much more growth is there in that? I know the mix of the pyramid right now is about 57% of your employee base in the global delivery model. I mean, do we see that go up to 60%, 70% in the coming years? Just your thoughts around that, Pierre, would be helpful.

Pierre Nanterme - Accenture - Chief Executive Officer Designate

Moving forward, of course, we will add more people, we will have more our resources, we will have more leverage in our global delivery network, because this is the way it works. Our clients are expecting having the best people at the right cost and at the right place. We have built something which is reasonably unique with our global delivery network, operating in multiple countries -- India, Manila, and many others. We will continue to be extraordinarily effective to work within our pyramid but as well on our productivity as well as on our quality. We will as well put in our delivery network more industry spin on it in order to have a very strong approach, people to sell our clients on the planet. So we will just continue to be as effective as possible, and that is something which is very unique for Accenture.

Bryan Keane - Credit Suisse

Okay. Congratulations to you both.

Bill Green - Accenture – Chairman & CEO

Thanks.

Pierre Nanterme - Accenture - Chief Executive Officer Designate

Thank you.

Operator

And Joseph Foresi with Janney Montgomery Scott. Please go ahead.



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Joseph Foresi - Janney Montgomery Scott

Hi and congratulations. I just wanted to ask if you could just talk about maybe one specific area of focus that you're thinking about, kind of coming into this new role here. And then if you could just kind of elaborate on what you see as sort of some of the strengths of the business, and then any areas of potential improvement?

Pierre Nanterme - Accenture - Chief Executive Officer Designate

Starting with your -- the first part of your question, my important single focus in the coming days and months is going to be deliver against our financial outlook in fiscal year 2011 and working with the team and Pam just to do that, and to work out, second, on a seamless transition with Bill. I think this is what's the most important. I mean for the rest, as I mentioned a bit before, it's just going to be around probably accelerating the execution of our strategy, fast forwarding around differentiations with asset, IP, differentiated industry solutions, moving robustly in the new emerging markets and serving our clients. But priority number one is around delivering our financial outlook.

Joseph Foresi - Janney Montgomery Scott

And maybe you could just comment on some areas where you think maybe there is some potential improvements that could be made.

Pierre Nanterme - Accenture - Chief Executive Officer Designate

If you want to be in a high-performance business, you need every minute of every day to look for improvement, efficiency, productivity. I think the line I will probably carry on for the coming days, weeks, months will be again -- work as hard on competitiveness that you are working as on differentiation. That's going to be the To line, so competitiveness, it's all around having the best people at the right cost, efficiency and productivity in everything we do. And of course, especially our global delivery network, and on the differentiation, it's all our program, it's all our strategy to have the best experts in our industry points of view to be able to integrate our business and to bring the right level of unbeatable intellectual property so we can continue going to be very relevant and different compared to our competitors.

Joseph Foresi - Janney Montgomery Scott

Just one last question. How you think about sort of maybe the structure of the industry going forward given the emergence of cloud and sort of the stack, as people are kind of adding to their stack. Just what are your general sort of 30,000-foot views on sort of the changes in the industry and how Accenture fits into those?

Pierre Nanterme - Accenture - Chief Executive Officer Designate

When you look at a very high level of the industry, you see, indeed, emerging the two or three very large infrastructure providers. I'm thinking of course about the IBM, the Oracle, and the HP. I mentioned already the Indian pure players, they come in with a different model, and probably you have a different grouping with the Google or with the Microsofts, searching for new business models, all of these leveraging technologies, leveraging managed services, leveraging the cloud. We started to work on this years ago. We have a strategy regarding mobility, we have a strategy regarding cloud computing, we have a strategy regarding managed services, and so forth. So again we believe there is definitely leading position for an unbiased and independent technology management consulting system integrator, because our clients will always look for integration not for the biggest but for the best in terms of quantity, in terms of service, in terms of industry point of view. That's why I think we are clearly have a durable and lasting position in the marketplace.

Joseph Foresi - Janney Montgomery Scott - Analyst

Thank you.

Richard Clark - Accenture - Managing Director, Investor Relations

Operator we have time for one more question.

Operator

And Moshe Katri with Cowen, please go ahead.



Moshe Katri - Cowen - Analyst

Thanks for taking my question. Pierre, Accenture has done a really good job during the past five, six years in terms of responding to the competitive threats and building a very robust global delivery model, and Karl-Heinz [Floether] has done a good job on that front. And I'm sure that was a pretty difficult transition internally from a cultural perspective. From what you've seen at Accenture, do you think that the organization as a whole has adjusted to this new structure? Do you think that you need to make any tweaks done down the road on that front? And then kind of on -- the other question is, on the outsourcing side, that part of the business has not picked up during the past few years. Are you considering making any adjustments there in terms of Accenture's focus on outsourcing? Thanks.

Pierre Nanterme - Accenture - Chief Executive Officer Designate

Thank you for your question. I probably know our operating model better than anyone else. I know each and every angle. I had the opportunity to design it years ago, and I probably know that better than anyone else where we can extract more efficiency and more productivity. So again, it's not about a revolution; it's about working on how we are going to improve the productivity. We know exactly what to do, and just we're going to do it. I think we have a unique operating model. On one hand, we have superior insight in terms of industries, through our OGs [operating groups], and on the other side, we are at scale and leaders in almost all the business. We are probably the largest management consulting organization on that planet, with more than 15,000 people. We are the leading system integration company in the ERPs, in that marketplace, and we will continue on one hand to have differentiations through an industry point of view and scale in all the business we are doing.

Now, that being said, we need to continue sharpening the pencil in order to extract the productivity out of that model, and I think we have the model to do that and to be effective. Now we believe again that there is a trajectory for growth. Some of the activity has been, I would say, recovering extraordinary fast. I think you have seen our results in management consulting the last quarter, which from my perspective has been reasonably solid in everything we do. And we have good prospects that all our businesses would recover over time, industry by industry, in the coming structure. As we mentioned, we have a path for growth. We can see that happening, and we provided our direction for fiscal year 2011, and as I mentioned before, there is no change.

Moshe Katri - Cowen

Thanks.

Bill Green - Accenture - Chairman & CEO

Okay. Well, I appreciate everybody for tuning in, and we were excited to have a chance to reach out to you and be able to trade some notes. As Pierre mentioned, he'll be spending more time getting a chance to know some of you. He certainly knows your industry, probably frighteningly well. He's very familiar as he navigates the major financial markets of the world, but I think you'll be delighted and pleased as you get to know him and his personality, and I think if anything his credibility means everything to him, as it has to me. I think he's incredibly straight shooter. He's incredibly sensitive to our shareholders and knows how important they are as partners to our business. And I would tell you collectively, we're sitting here with Pierre and Pam, Richard, Julie and others, Roxanne, and we just feel incredibly good about the future of this company and our business, and I think this succession is classic Accenture. You know, we never lose sight of the clients in driving the business, and we just make change happen here in a very seamless and a smooth way, and I think that's what you'll find with this.

So thanks again for your support and confidence. All the best.

Operator

And, ladies and gentlemen, this conference call will be made available for replay starting today, October 21, at 11 a.m. Eastern Time in the United States. The replay of the conference runs for three months, ending January 21 at midnight Eastern. You may access the AT&T teleconference replay system by dialing 1-800-475-6701. Please enter the replay access code 175162. International participants may dial 1-320-365-3844. Those numbers again are 1-800-475-6701. International participants dial 1-320-365-3844. The replay access code is 175162. And that concludes our conference call for today. Thank you for your participation and for using AT&T Executive Teleconference. You may now disconnect.



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