

Accenture is the world's largest management and technology consulting firm. It has revenues of more than \$17 billion and net income of \$940.5 million. Its clients include 87 of the Fortune Global 100, more than two-thirds of the Fortune Global 500, and government agencies in 24 countries. Accenture focuses on helping its clients identify and enter new markets, increase revenues in existing markets, improve operational performance, and deliver products and services more efficiently. The firm is organized around 18 industry specialties ranging from utilities, insurance, and technology to e-government, human resources, and learning.

The success of Accenture is remarkable considering its short history as an independent company and the problems it faced in its development. Accenture started as a consulting division of Arthur Andersen, the international accounting firm that failed as a result of its work with Enron. Arthur Andersen was one of the first accounting firms to recognize the need to offer financial consulting services to its clients. Its first major consulting client was General Electric in 1953. It worked with GE to determine the feasibility of an automated manufacturing and financial management system at a time when computers were first being used in business.

Due to concerns about administrative and financial relationships and ethical issues about the relationships between consulting and auditing responsibilities for clients, Andersen Consulting separated from Arthur Andersen in the early 1990s. Financial ties remained and led to infighting and negative relations between the two companies. The problems were resolved in 2000 with a total split and a new name for the consulting firm. Accenture was suggested by an employee in a naming contest and was a word developed from the phrase "accent on the future." It was selected both to reflect the company's commitment to be a global leader in business innovation and also as a word that would not be offensive anywhere in its worldwide market.

Accenture became a publicly traded company in 2001 when its stock IPO (Initial Public Offering) raised \$1.7 billion. Accenture's world headquarters is in New York City but it is officially incorporated in Bermuda. Accenture has been criticized for that decision since Bermuda is known as a "tax haven country" where businesses incorporate to avoid U.S. taxes.

THINK CRITICALLY

Handwrite your responses in the space below; 2 sentences each.

1. How might Accenture have fared if it had remained a consulting division of Arthur Andersen during the Enron scandal?

2. Why do you believe Accenture broadened its consulting focus from financial issues to a broad range of business processes? What positive and negative effects could that have on a business?

