

ACCENTURE MAKES A STATEMENT IN IOT



Transaction Summary

On January 9, 2017, Accenture plc (NYSE:ACN) (“Accenture”), a global provider of consulting, technology, and outsourcing services, acquired Altitude Inc. (“Altitude”), a privately held product design and innovation firm, for an undisclosed amount. Altitude will be integrated with Accenture’s Connected Product Lifecycle Services practice in North America, positioning Accenture to help companies rapidly develop Internet of Things (“IoT”) business models and capture new revenue streams.

TARGET Altitude

Altitude is a product design and innovation firm that uses its expertise in consumer insight, design, and product engineering to help companies innovate and develop new physical products and services. The company has filed over 96 patents, and has won more than 100 awards for innovation.

BUYER Accenture

Accenture provides consulting, technology, and outsourcing services worldwide. It delivers its services through six separate segments: Communications, Media & Technology, Financial Services, Health & Public Service, Products, and Resources. The company was founded in 1989 and is based in Dublin, Ireland.



Transaction Information

Announced Date	01/09/2017
Deal Type	Acquisition
Deal Value	Undisclosed
Target HQ	Boston, MA
Year Founded	1992
# of Employees	~30

Representative Clients



Deal Analysis

- “Designing and building connected products requires entirely new competencies to redefine the business or product strategy, customer experience and ecosystem...” said Brian Doyle, Managing Director for Connected Product Innovation in North America. ClearSight has heard similar sentiments from other consultancies as well as Fortune 500 companies rolling out new IoT and connected products.
- IoT is one of the hottest areas in the digital product landscape, and has the potential to have a transformative effect on the way organizations conduct business. However, studies have shown that few businesses have a strategy and the capabilities to successfully harness IoT innovation. As more companies wake up to the promising potential of IoT and connected devices, ClearSight predicts consultancies with end-to-end digital-product lifecycle capabilities will be in high demand.
- There is strong M&A appetite for companies with expertise in IoT and connected devices but there are few targets with scale, a long resume of successful projects, and a complete suite of capabilities. As a result, we expect buyers to be more flexible with pursuing smaller companies with the right strategic profile. The sector is rapidly evolving and acquirers recognize M&A is a more efficient growth strategy than building the capability organically.
- Accenture has been on a digital acquisition spree over the last four years. While a number of other IT and management consulting firms are following Accenture’s path, we expect to see more “unexpected” acquirers announce deals over the next twenty four months.