

Change Management/Service-Oriented Architecture

Embedding change management into your service-oriented architecture development strategy

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A major shift in information systems and business solutions development is now under way: a move from application-centric to services-centric computing, also known as service-oriented architecture. Today's technology environment is one generally oriented toward the applications that support the services of an organization—that is, its business and technology capabilities. Tomorrow's environment, by contrast, will be one where the dominant technology architecture enables organizations to orient themselves directly to the services, assembling and integrating them as reusable building blocks.

The potential benefits of service-oriented architecture, or SOA, are very real: a more agile business, faster time to market for differentiated products and services, and more effective collaboration with suppliers and customers. But actually realizing those benefits depends, in large measure, on whether executive leadership can effectively manage the long-term journey toward an SOA-based organization.

The effects of SOA on the ways in which organizations structure themselves, and on the ways people work, will be profound. During previous periods of major computing paradigm shifts—the evolution from mainframe to client/server computing, for example—too many organizations underspent on the vital dimension of helping their workforces and customers deal with the ramifications of new technologies. Consequently, the return on the technology investment was slower to be realized—or, in some instances, never materialized at all.

Enterprises that expect to achieve high performance through SOA must get out ahead of the inherent

organizational change challenges, mitigating risks and embedding advanced change management principles into their SOA design and rollout strategies.

The effects of SOA on organizations and people

Service-oriented architecture changes the way an enterprise is run by making the business processes themselves the focus of technology and business solutions. To date, much of the work managed within organizational workforces has been defined by the structure of business applications, especially commercial software packages such as SAP and Oracle. Thus, roles and responsibilities have been designed around key application functions. The SOA approach, which de-emphasizes the centrality of the applications themselves, will result in reconfiguring people's roles and the work they perform.

In turn, organization design, accountability and governance are affected. With legacy business and technology solutions, applications typically support processes specific to a function or business unit; thus the applications are most often owned and funded by those units. SOA accountability, on the other hand, is more diffuse, which requires new governance structures with respect to services and their underlying applications.

Mitigating SOA risks with an embedded change management strategy

For organizations embarking on an SOA journey, change management activities should be conceived and executed as an essential part of an overall risk

mitigation strategy. In detailing the possible risks inherent in one's SOA investment, "failure to thrive" will be at or near the top. Therefore, focused and carefully executed change management activities must be seen as essential to the overall success of the SOA development program.

Within some technology areas, a broad body of knowledge exists about how to navigate change; some organizations have such knowledge and are now able to act on it relatively independently. Within the SOA space, however, that universal set of core experiences has not yet been acquired and shared in the marketplace. Such industry-wide lack of experience should be highlighted to executive leadership as a factor that could exacerbate the overall risks of the SOA migration.

Accenture believes that an essential part of a new change management approach that is equal to the new challenges of the SOA environment is what we call "embedded change management." The risks of simply tacking on change management as an afterthought of SOA development are too great. Change management must be part of the entire SOA migration process, from upfront project scoping and planning on through development, testing and delivery.

Specific change management programs

Several specific change management activities and emphases will be particularly important for executing an overall SOA strategy and journey on the path to high performance.

- **Leadership engagement.**

Because of the scope of effort and change required, SOA migrations will need to be led from the top. In addition, they will need to both incorporate and build on the leading change management practices developed over the past decade. These practices encourage leaders to sponsor change and help the workforce to accept and own that change. The highest leadership levels of the organization must be on board and clear about the broad impact SOA will have across the organization. They must also be actively involved in the creation and execution of change management and journey management plans.

- **Organization design, roles and team structures.**

Creating a new blueprint for reporting structures and explicitly specifying new roles is vital. Roles must be aligned to business services and business processes, not around departmental applications. Team structures will also need to be configured on the presumption that cross-functional collaboration will become more the rule than the exception.

- **Governance.**

Defining the ownership of services is more difficult with SOA because services can be enabled by any application and used by any business process. Service-oriented architecture, therefore, requires a whole new set of governance structures with respect to services and their underlying applications. New relations between IT and the business must be forged. Because SOA is not a fundamentally new technology but a fusion of existing technologies supported by common standards, it requires that all of the traditional IT governance still be in place while simultaneously enhancing that governance structure to meet the more fluid manner in which services move among units and functions. Effective SOA governance can help build a solid library of services as well as foster their reuse, which will accelerate business agility and differentiation. Efficient mechanisms will ensure that process and application owners consider the broader implications of changes, or decide on the future ownership of applications.

- **Skills and talent management.**

SOA will intensify the focus on talent management processes such as training and performance management. Because SOA will reconfigure the work people perform, senior executives must determine whether their people have the right skills to operate in the new environment. Skill sets will need to be less functional and siloed; instead they should be more focused on end-to-end processes. Business managers, in particular, need new skills; it is they, not the IT staff, who will be expected to reengineer and execute new and improved work processes. CIOs must be attentive to the hiring, training and performance metrics that can build needed competencies—and also seek the CEO's sponsorship of them.

- **Culture.**

Another primary driver with SOA is the need to move to a more service-oriented culture. Depending on the current culture of the organization, this can be a substantial challenge—one that must be addressed as part of the change management program.

As organizations begin to fully appreciate the effects of SOA migration on organizational structures, roles and workforce performance, executives will be asked to weigh in on how they intend to manage change during the migration.

An adequate answer to that question must reflect the awareness that a broad range of change management activities and capabilities will be needed, and that change programs must be embedded into every step of the SOA migration. Achieving high performance through SOA will depend on proper attention to the effects of change on an organization's people and their work.

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