

Gearing Up for Growth Using Multi-speed IT

By Nicholas Bayley and John Shacklady



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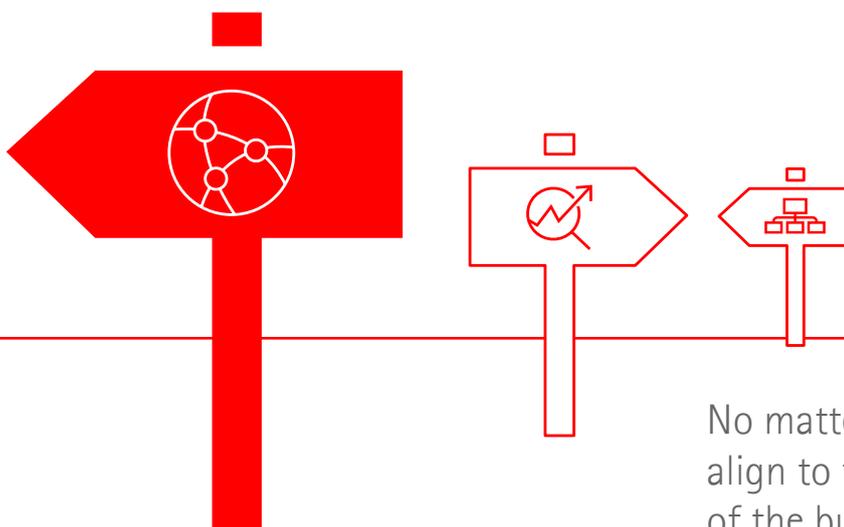
Introduction

Digital disruption and shifting business operating models are changing the role of IT in today's fast-paced environment. CIOs are balancing demands—keeping the lights on while being pulled by digital's fast-moving influence to establish new market and revenue streams as well as enhance customer experiences. How to choose between keeping everything running, adjusting to changing business needs and pursuing new opportunities? The answer is not choosing. Not moving fast or slow, but shifting to the right gear at the right time to achieve the right outcome.

Among people who study how people live and work, multi-tasking is becoming a bad word.¹ As it turns out, no one can really take on multiple tasks and give each one in front of them the full attention it deserves. Many believe they can, but few actually succeed.

Yet multi-tasking is exactly what today's CIO is expected to do. Digital disruption has leaders from all areas of the business clamoring for quick, breakthrough innovation. Some ready to pursue it themselves rather than wait for IT. At the same time, CIOs are on point for keeping systems up and running, managing risk, saving money and increasing efficiencies, even as all aspects of the operating model are shifting. Somewhere in between the fast innovation and the day-to-day steady state of systems maintenance, there are multitudes of other projects and priorities, all moving at their own speeds. Yet most IT organizations are not built with the ability to respond flexibly.

Mastering multi-speed IT is essential for CIOs looking to drive business innovations that can fuel growth and high performance. CIOs who can build this capability into the DNA of their organizations have the opportunity to place IT—and themselves—at the epi-center of the digital business revolution. Those who cannot risk creating a two-speed IT organization, where the CIO is left navigating the day to day while watching the rest of the company accelerate to create a competitive position for future growth.



No matter what, CIOs need to align to the strategic imperatives of the business.

¹ www.forbes.com/sites/travisbradberry/2014/10/08/multitasking-damages-your-brain-and-career-new-studies-suggest.

Operating in a multi-dimensional world

Enterprises across every industry are facing several external challenges such as keeping pace with innovation to differentiate, introducing faster product launches and enhanced customer experiences and managing ever increasing risk and regulatory pressures. And they face many internal challenges ranging from optimizing sourcing of services, balancing agility and resiliency and addressing complex, legacy architecture.

How does a CIO decide where to focus a finite amount of time, talent and investment?

Accenture research has found that high-performing CIOs have different priorities than the rest of the field. While many IT organizations are focused on cutting costs, increasing productivity and automating processes, top CIOs are striving to provide the right information to the right person, finding better ways to interact with customers and delivering new services or products.²

Are these high-performing CIOs focused on market opportunities because they work for a digitally-driven business, or are their priorities helping to drive the business into the digital world? Or are these CIOs part of the few among us who actually can multi-task well? Perhaps they simply recognize that differing

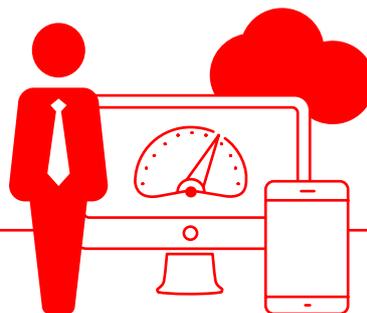
requirements call for different gears to power the evolving needs of the business? We have yet to pin-point causation vs. correlation. What we do know is that an effective multi-speed IT organization requires different modes operating at the same time to drive the strategic imperatives of the business.

Just like with multi-tasking, executives may over-estimate their organizations ability to work at multiple speeds. Seventy percent of executives surveyed by Accenture Strategy expressed confidence that they or their IT organization could operate and simultaneously support multiple business objectives, or "multi-speed IT." Yet 81 percent of executives stated that most IT organizations do not know how to operate effectively while supporting multiple objectives at the same time.⁴

71%
of executives expressed confidence that they or their IT organization could operate and simultaneously support multiple business objectives, or "multi-speed IT."³

Yet, when asked about organizations in general

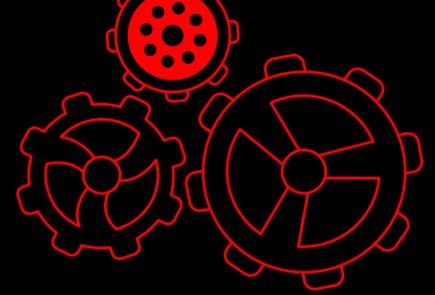
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of executives stated that most IT organizations do not know how to operate effectively while supporting multiple objectives at the same time.⁴



² High IT Performers: Defined by digital and driving growth, 2013. Insights from Accenture's fourth High Performance IT Research.

³ In 2015, Accenture Strategy surveyed more than 900 executives around the world on a variety of topics related to multi-speed business and IT, business resilience, technology led innovation and the digital agenda.

⁴ Accenture Strategy research on the intersection of business and technology, 2015.



One size fits few

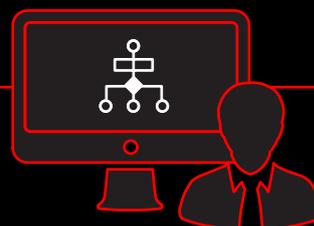
Multi-speed business requires a multi-faceted IT operating model. The one-size-fits-all concept is gone—or at least it should be. For some, two-speed IT is the next logical step, bringing in the ability to pursue opportunities for innovation quickly while maintaining the rhythm of business operations. Yet two-speed IT is not enough. In fact, two-speed IT is what happens when CIOs cannot manage multiple speeds.

The bifurcated approach all too often results in the CIO left in charge of the legacy business, while stakeholders from other parts of the organization gain control of the growth and innovation agenda and investment. Of the executives surveyed, 81 percent indicate that the IT organization has reached a fork in the road, and the choice is whether to accelerate the digital agenda or move out of the passing lane to allow others in the organization to lead. Either way, 88 percent of executives believe that the IT organization needs to broaden its scope and keep pace with evolving needs of the business.⁵

One key to maintaining momentum in the multi-speed world is matching the speed of technology to the speed at which the business needs to consume it. While everyone wants to be moving at full speed, the CIO plays a critical role in matching business velocity to the architectural environment and the reality of the operating model. Once each part of the business is moving at the right gear, then the CIO team can look at renewing the legacy architecture and accelerating innovation across the board.

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of executives believe that the IT organization needs to broaden its scope and keep pace with the evolving IT needs of the business.⁵



⁵ Accenture Strategy research on the intersection of business and technology, 2015.

Calibrating the operating model

Leading CIOs define operating models that bring together the approach, technology, talent, sourcing and governance, to meet—and help shape—the many and varied requirements of the business.

The role of IT today is less about managing programs and developing software and more about creating or enhancing business services by leveraging ecosystem relationships. A successful approach to IT operations brings together legacy, cloud and omnichannel-based components. While most CIOs can resist the temptation of bolting new technology onto already complex systems, the smartest ones will go a step further and tackle legacy system complexity. Legacy simplification offers an architecture to support digital technologies, delivering total cost of ownership benefits. In turn, this allows the organization to invest in new technologies and is critical to delivering digital transformation. Simpler architectures bring faster change and reduce pressure on resources with scarce skills and reduce costs. Further, introducing application programming interface (API) layers to expose the core data sources will enable the new digital channels and the creation of new ecosystems.

The technology aspect of IT operations remains the sweet spot for most CIOs. Still, evolving user needs and business demands raise new challenges. One emerging trend is the “democratization of technology.” Accenture Technology Vision 2015 explores the opportunities and implications in giving everyday users the ability and access to complete tasks that were once reserved for specialists.⁶ This increasingly self-serve model—which even extends into developing applications and preparing data for analysis—may relieve some of the demands on an IT team, or it could mean added complexity and more moving parts to manage.

Just as self-serve is bringing more employees into the IT realm; cloud-computing makes it easier to expand the team to embrace multiple partners working at multiple speeds. Accenture research notes that one in five high performers in IT has a comprehensive sourcing strategy, aligning key partners with business priorities—and doing so three times more than other organizations.⁷ However it is sourced, the talent pool should be able to deliver new capabilities in areas like innovation, ecosystem partner management and DevOps.

A sophisticated demand management process supported by governance is critical to support the multitude of requirements spanning legacy to the new digital business requirements. Sixty-two percent of executives surveyed by Accenture Strategy confirmed they had different governance models in place for different business operations, with 36 percent adjusting their governance models to fit the immediate need.⁸ The remaining 2 percent operate the same way regardless of the need. Successful CIOs use governance models and processes that allow them to prioritize business demand and allocate the right mode of operations to deliver value at the right time. They also develop different performance metrics to measure the results delivered in a multi-dimensional world.

62%

of executives stated that governance models are in place to support different types of business operations or initiatives, whereas 36 percent adjust governance models to fit the need.⁸

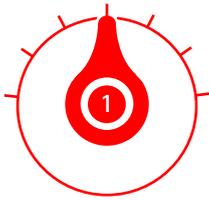
⁶ Accenture Technology Vision: Digital Business Era: Stretch Your Boundaries, 2015.

⁷ High IT Performers: Defined by digital and driving growth, 2013.

⁸ Accenture Strategy research on the intersection of business and technology, 2015.

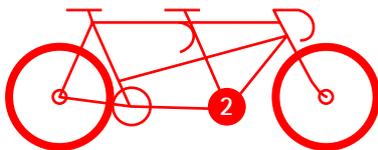
Accelerating to multiple speeds

Enterprises are asking a lot of today's CIO without a doubt. But with great responsibility comes great opportunity. By mastering the art of multi-speed IT, CIOs can become integral to an organization's strategic agenda and high performance potential. Here is a four-point plan CIOs can use to make that happen.



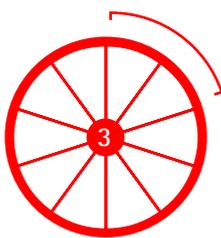
Recognize the business need for IT consumption at different speeds.

IT needs to be multi-speed to be relevant; which means the IT operating model needs to change.



Employ multiple governance and methods.

Governance needs to support multiple ways of operating. Agile and iterative methods can support faster changing user experiences, while traditional waterfall methods are still relevant to core systems of record.



Rethink architecture needs.

Segment the technology landscape into multiple speeds to align to business consumption and pace of change. Simplify the legacy architecture for greater agility and to reduce cost pressures. Build in an API layer to expose core data to faster moving digital channels and ecosystem partners.



Invent the new IT organization.

Take a good look at the IT agenda to determine where new skills are required to support the multi-speed agenda. Teams should be skilled in new methods like iterfall and agile; and new tools and techniques like DevOps, APIs.

Multi-speed, not multi-task

The distinction between multi-tasking and multi-speed lies in the role of the CIO. Rather than trying to ride, drive and fly all at the same time, high performing CIOs take on the role of urban planner and traffic controller.

Understanding which vehicle is required, selecting the right path for each, so they can travel safely to the right destination at a comfortable speed and without collision—this is the new challenge every CIO should be focused on. With the right operating model in place, the business will be powered by capable teams using the right technology and solid governance. In that way, CIOs will be integral to ensuring an organization reaches its many destinations.



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About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with more than 336,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US\$30.0 billion for the fiscal year ended Aug. 31, 2014. Its home page is www.accenture.com.

Accenture Strategy

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