



LIVING SYSTEMS – CLOUD ACCELERATION AND OPTIMIZATION

AUDIO TRANSCRIPT

Introduction [00:00:00] Once you get to the cloud, you're not done. It is a constant optimization and transformation opportunity.

Penelope Prett [00:00:10] Hi, everyone, this is Penelope Prett and I'm Accenture's Chief Information Officer. I'm really glad to be here today with Merim Becirovic, who is Accenture's director of Global IT and Cloud Computing. Our global IT team is driving technology powered business transformation in support of all of Accenture's many businesses. And today we'll be looking at how our cloud journey is integral to that process. The four key things we'll discuss today are how you can accelerate your journey to the cloud, the foundational steps of technology you need to get right to start, the power of operating in a multi cloud universe and finally, what's next in the cloud for Accenture's global IT. So Merim, let's talk about cloud acceleration and optimization.

Merim Becirovic [00:00:59] Hi, Penelope. I'm very excited to talk about all that we have done with the cloud and everything we are planning to do along all facets of that journey. Let me start in just where we were as an organization a couple of years ago, because things have moved very rapidly.

Merim Becirovic [00:01:16] We started this project a little over three years ago with the focus of moving out of any type of data center capability and having Accenture be fully

powered by the cloud. And our goal was always to operate faster, better, more cost effectively.

And even though we were as capable of that as any other organization running a data center, we knew we were missing the scale of the cloud. So in the early days of the journey, I think it was a very difficult time to get our people aligned to it in the beginning. But as we progressed on the journey and we started to accelerate, we got to a place where we could truly drive the value of the cloud much faster, such to the point that our team started to accelerate the adoption themselves. So, you know, we're not just in this conversation today going to talk about just, you know, going to the cloud, how great it is. We've actually done it. We have moved our entire organization to the public cloud. We are over 95 percent powered by the public cloud today. And I think the key thing that's come back from all this is that the art of the possible. What we're discovering is just so vast and so incredible in terms of using cloud capabilities to enable our business faster. So and on top of it, having that consumption-like construct really, truly helps us drive how our business can leverage the cloud more. So those are at least the key opening aspects. Penelope, what do you think?

Penelope Prett [00:02:54] Well, Merim when I came in in November and started learning about what you had done over the past few years, it's obvious it's an incredible journey. Right. And the progress is staggering. But, Merim, what's next?



What's the focus when you start to talk about living in the cloud as the next phase?

Merim Becirovic [00:03:13] Yes, living in the cloud is truly where we're headed, because if you think of the journey to the cloud and getting there, that's one leg of the conversation most of our clients face. But now that we're there, we're truly taking advantage and capitalizing on what the cloud really has to offer us in our organization in the future. And I think there's a couple of lenses there that are worthy of conversation and mainly this. Once you get to the cloud, you're not done. It is a constant I would say optimization and transformation opportunity. And frankly, primarily driven by the cloud providers themselves, providing new capabilities, faster compute, faster storage, faster memory and different types of skews for offering. Such that we can actually take existing workloads, fine tune them and actually continue to drive savings on our landscape that's working in the cloud. So, if you think about it, we went to the cloud and we ran a whole bunch of workloads and today, three years later, it's vastly different than anything we could have ever done in data center. For example, we spin up almost one million workloads yearly now just to run our organization and just this speaks a lot to the power of the cloud and what it can do for us. And then I would say that the other thing that we did as an organization is we focused on a multi cloud approach and a lot of times in talking to our clients, there's always angst about which cloud provider to choose. Should we bet all on one or the others? We really made a decision to say from a concentration risk perspective, we wanted to be in multiple clouds. And I would say that decision for us was great because what we have seen now is just a tremendous; get to take advantage of all the innovation that's happening in the cloud. So, it's not just about trying to work your, move your workloads to optimize them, cloud to cloud. But it's also how do we truly leverage the best of each of the providers and which one of them is driving more innovation one

space or another? So, it's just a fantastic place to be. The other things I'll say, Penelope, as you know, we are always focused on security. Being secure from the start. The best of the cloud is you really can do anything. But the key for us is to enable the things that our business needs, securely. So, we don't enable everything. We enable the core competencies that truly help our business and once we do that securely, then we can make it part of our regular processes and procedures so that we can accelerate deployment of those capabilities. And I know you and I have talked about how do we move our organization faster to DevSecOps. Being powered by the cloud is a tremendous enabler for us to get there. So, Penelope, what do you think about that?

Penelope Prett [00:06:05] I agree with all your points, Merim there's one specific point of interest for CIO's is that I would add here, when you choose to operate in a multi cloud universe, each cloud provider brings forth tremendous and powerful capabilities. And there's an appetite on the part of your organization that you're serving to take all of those capabilities and use them as fast as possible. And you talked about the judicious use of capabilities, making sure we pick the right ones, which power up our organization. But I would also counsel that you need to think about how you set up your cloud compute intake organization to make sure that you have appropriate bandwidth and skills depth to study each inbound capability and figure out how best to parse it out to your organization rapidly. The flow is such that if you don't have a group of people dedicated to this, you will fall rapidly behind. And it's almost impossible to catch up when each vendor is operating at their current speed that we see in the market. That's how I think about it, Merim and as we went on this journey, as you and I have discussed before, and any change journey, small or big, comes with a set of challenges. When you look back on your time the last couple of years driving the cloud journey, what are some of the biggest challenges that you faced that we can learn from as we look to future phases?



Merim Becirovic [00:07:29] Thanks for that Penelope and I'll be I think it is a lot we learned and I'll start with, if I recall the early conversations, we had to deal with a lot of angst, I would say, within the organization, because we took pride collectively as an organization, like many of our clients in running our infrastructure cost effectively highly efficient. We've been virtual machine enables for many years and we've been highly, highly optimized in how we ran data centers. So, when we started the cloud, we had a lot of angst with the teams because all the teams said, hey, we're already good at this, why do we have to go to the cloud, it will only cost us more money. And I think for us, when we started, I think the biggest lesson learned was we put the governance in place that said, we are going to go the cloud, the cloud is the future. And we did this top down because we didn't want our people to feel that it was something they were being forced to do but at the same time, strategically, we had to bring them along to tell them this is what's going to happen. So, we set the top down priority and I think that was really key. And then I'll say there are many ways to approach the cloud. The key is to really organize from the top, get the organization going, and then come up with a clean plan of how you're going to do it. In our situation, we did it a data center at a time. We didn't do it in an application. We didn't start from just development or test environments. We really went at it from a data center. So, that meant the first real application we took to the cloud literally three months into the program was our market facing Accenture.com. It's been in the public cloud since May of 2015 and I could almost recall that go-no-go discussion to this day. And then I'll say the lesson learned is you can't go into it soft. You really got to go into it all in and give the team the chance of getting their hands on the keyboards. Because the other thing that we saw was our people, once they got to see the cloud and once they could actually start using it, a lot of that angst went away very quickly. And the same folks who told us it was going to be hard and going to be expensive to this day are constantly bringing me ideas, saying, here's another way we can save more money. Here's another thing we can

leverage in the cloud that will let us operate with better scale, better performance, better efficiency. So, I think it's been tremendous from that perspective.

Merim Becirovic [00:09:50] I think the other thing I'll say is as we build new capabilities, this concept of being cloud native and living in a cloud like we talked about, the lesson learned is also can we consume the cloud via code? So let's not spin up infrastructure that we have to patch, that we have to upgrade the OS. Let's actually consume the cloud as a true micro service so that we can build capabilities for the business that let us deploy them faster without the worry of managing all the infrastructure and all the components that come with it.

Penelope Prett [00:10:21] Thanks, Merim I agree with everything you said, and there are two additional points that I would layer on here that you and I have talked about. Number one is, as you're talking to your business compatriots about getting them comfortable living in a cloud world the hardest conversation is about the major capability that moves first. You referenced Accenture.com, which we ported over to the cloud in order to kick the tires and the technology and make sure we were properly handling cloud movements. But then you have to go to a business unit and one of your partnerships and convince the business customer to move major business functionality of your company into the cloud world. And for Accenture, that was our SAP suite on finance that reported into the cloud. It was incredibly successful, but there were a lot of hours of dialog that preceded that, getting our finance team comfortable that this was the right move and why. And one of the big things that played into that conversation was the concept of variability. Once you move into a cloud and you can change your consumption patterns, expand your consumption patterns, you can run all kinds of predictive capabilities concurrently that weren't possible in a confined on prem world. And it begins to be a very attractive business proposition for your



business unit customers, because you're talking about the future and the art of the possible that they can't reach from where they're currently standing on prem. So, that was a big point in our journey. And then the other one that I'll mention is when you talk about a multi cloud universe and living successfully in a multi cloud universe, I've attended a lot of the seminars offered by cloud partners, and if you attend just one of their keynotes, they will introduce a couple of dozen capabilities in any given forum in their cloud computing environment. And so we have to be ready as a consumer of their services to intake with the same rapidity at which they create to bring those things into our company and distribute that amount to our user base. We need to focus on the ones that matter as you referenced. But we really also have to keep up with the speed of all those cloud providers because they move fast with really innovative capabilities. And the faster that we can take those and get them out to our population, it creates a market advantage in our technology capabilities. So, you really, as a CIO, have to think about how to size your cloud intake organization properly in order to capitalize on what potentially a big advantage of the multi cloud universe. Let me let me turn it back to you, real quick as we talk about this, our clients are all in different phases of development at different points in their cloud journey. Can you talk a little bit about, I know you spend a lot of time in the field and a lot of time talking clients and QA'ing programs, what are you hearing directly from our clients about their journeys and what seems to be the most buzz in the market right now?

Merim Becirovic [00:13:26] Yes. So, I have the last couple years talk to several hundred of our clients and they're all in different phases of the journey to the cloud. Some are more aggressive than others. Some are testing the waters. Some are well into it and trying to optimize their capabilities. And I think the key that I would say the common core message around being successful in the cloud is really about for all of our clients to go there faster, get there no matter what component you choose, you're not going to choose wrong.

You're going to take a component of your business that makes sense for you and get going on getting to that perspective. I think I hear a lot of clients talk about I want to go to a cloud in some level of the next generation architecture, the next application, the better way of doing things. And I'll say we found savings and opportunity in the cloud by even just picking up our workloads in this construct of lift and shift is I'm not a big fan of that concept itself lift and shift. But really what we did, we lifted a lot of workload and we lifted it for less because we consume the cloud on a much more cost effective play, because the cloud gives you the latest and greatest technology. You can actually run your business more cost effectively on faster CPU, faster memory and faster storage, everything else. Right. So, each of our clients, I think the faster you can get to the cloud, the faster you will see how each organization in each part of your business can benefit from the cloud. And as each of those journeys has evolved, it's the building blocks, like you said, getting that first customer, but also taking that chance and taking that component some hard part of your business, getting it out there and learning and giving your teams that chance because the power is going to come from them, understanding how it actually all comes together, how it works, and that will create the velocity for the rest of your organization.

Penelope Prett [00:15:28] So, we've talked about accelerating the journey into cloud and how we did that for Accenture. We talked about the foundational steps that we had to pay attention to and get correct to make sure that our journey was successful. We talked about living in a multi cloud universe and the things you need to consider if you choose to move in that direction to make sure you're able to take advantage of the power of a multi cloud universe. And we talked a little bit about what's next on the cloud front, both for Accenture and for our clients. Merim, I appreciate the time and there are one hundred more topics under this, such as the ongoing battle between public and private cloud that I'm sure will want to come back to in this podcast series. So, thank you for joining us and we appreciate the comments. Any final closing?



Merim Becirovic [00:16:15] Penelope, thank you for having me on. Always happy to talk about the cloud will love to get into the next conversation as well. So look forward to it.

Closing [00:16:24] Thank you for joining today's podcast. Be sure to subscribe to the Accenture CIO podcast on iTunes for all episodes.

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