



ACCENTURE'S YAARIT SILVERSTONE ON UNLOCKING HUMAN POTENTIAL AND CLOUD VALUE

VIDEO TRANSCRIPT

SEPTEMBER 17, 2021

Todd Pruzan, HBR

Welcome to the HBR Video Quick Take. I'm Todd Pruzan, Senior Editor for Research and Special Projects at Harvard Business Review. And today, I'm with Yaarit Silverstone, Senior Managing Director of Strategy, Talent, and Organization at Accenture. Yaarit, thank you much for joining us.

Yaarit Silverstone, Accenture

Thank you, Todd. Great to be here.

Todd Pruzan, HBR

Let's jump right in. We know that companies today need to master the cloud to compete. So, what are some of the biggest benefits of getting the switch to the cloud right?

Yaarit Silverstone, Accenture

So we witnessed a rapid and profound change impacting how we do business with customers and engage across our ecosystem. And the need to ensure business continuity in the midst of change allowed us to reimagine new ways of working that actually unlocked enormous value. And so, the need for virtual and digital solutions fast tracked by the pandemic accelerated the adoption of cloud technology. And it's not a secret that cloud technologies are critical for the enabling of a digital workforce and business. But we know from previous research that over 60% of companies are not realizing expected value from their cloud investments, and many of the barriers to realizing their cloud value are actually related to the people in the change dimensions.

And so, addressing the human side along with leveraging the continuum of cloud capabilities will be critical for this next wave of cloud adoption. And in our upcoming research, we uncover actually what happens when companies prioritize the people as much as their technology.

Todd Pruzan, HBR

In Accenture's research, you found a group of companies that's extracting the most value from the cloud. The report calls them champions. What are these cloud champions doing differently?

Yaarit Silverstone, Accenture

So we surveyed a 1,100 CXOs, and we found that a subset of them have radically outperformed their peers in realizing cloud values. And this elite group represents only 18% of cloud leaders. And they achieved 60% greater cloud value on average across financial, business, and workforce dimensions. The other striking similarity across these modern cloud champions is that they unlock value by continuously investing in their people and aligning the cloud strategy to business growth. So, these cloud leaders who prioritize people transformation as highly as they did technology transformations are winning the value game. And that's how we decided to label them cloud champions.



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OK. So that makes a very strong case. How do the efforts of cloud champions translate into outcomes?

Yaarit Silverstone, Accenture

Well, cloud overall is a powerful enabler of human potential and ingenuity. And cloud technology allows us to work remotely, to collaborate seamlessly, to make decisions with real time data, to experiment with new products, to personalize experiences with AI, and to deliver value to our customers faster. Those modern cloud champions that recognize that none of these cloud benefits could be possible without leadership, talent, cultural practices to work effectively in a new digital environment. And what we saw is that these champions were over four times more likely to develop future-ready digital talent at scale, meaning that they prioritized and invested in cloud digital skilling, not just in IT but across the entire company, to actually gain the benefits and stay ahead of the competitors. They also told us that cloud skilling is not a one-time event but rather a continuous part of what you do to build a culture to stay primed for future waves of technology. We also found that these champions have more than two times stronger alignment among the C-suite leaders on what they define as their cloud ambition, their strategy, and the allowable tradeoffs. Significantly they also reported 2 times stronger partnerships between IT and the business, and almost five times more organizational maturity and cross-functional collaboration.

Our research indicated that champions embrace cloud-native practices at scale, which is super powerful. For example, they foster cultures of empowerment, experimentation, and innovation. And they're more likely to create an environment where people are encouraged to take risks and to learn from them, and actually to develop experiments and ideas that drive innovation. And that actually strengthens the learning muscle. And champions are more likely by two times to do this.

And they democratize access to data and technology. And that allows all the way into the edges of the organization, individuals and teams to make more of their own decisions with data without explicit leadership reviews and approvals. And what that allows is a speed, agility, accountability, and decision making.

Todd Pruzan, HBR

Thanks. Can you explain why it's so crucial to invest in people on the journey to the cloud?

Yaarit Silverstone, Accenture

So I would say because we believe in what we've seen through the research that while cloud creates enormous value for organizations, people are what liberate the power in cloud. The skilling, the capabilities, cloud skilling can feel really like an infinity loop for transformation leaders. It means that this is a continuous cycle that organizations have to get into.



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As cloud skills evolve, the organization has to enable people in to actually develop to move towards those cloud skills. And we really define those cloud skills in two broad categories. One is around tech skilling. And we learned around that there are only six skill areas that really move the needle. So, there's cloud. There's full stack engineering. There's agile, data and AI. There's DevOps and security. And every cloud program, regardless of the journey are going to need those skills.

But also, I guess an unexpected learning is that the real value is in how we apply these skills across the enterprise. This means we need to expand our definition of cloud skilling to include digital behaviors and practices. And we need to expand the learning audience to include the entire enterprise.

And when we talk about digital fluency skills, we're talking about value optimization, data driven leadership, cross-functional collaboration, continuous innovation, customer centricity, change agility. And all of these allow the organization to kick start a culture that allows the organization or enables the organization to increase speed, agility, and innovation.

Todd Pruzan, HBR

OK. Continuing on to the people theme, did you uncover specific skill gaps that are holding companies back from mastering the cloud?

Yaarit Silverstone, Accenture

We really did. And the skill gaps occurred in both areas that we're speaking to. So, companies that were champions made a decision to build the skills that I just described inside of their organizations.

So, if you think about the build, the buy, the borrowed decisions that all organizations have to make, obviously every organization has an ecosystem. These organizations made commitments inside of their talent to enable people to be cloud capable as well as building the partnerships with the ecosystem. And the skill gaps occurred both from a technology perspective— because legacy technology skills are not the same as the cloud skills that I just described— and around those cultural capabilities to drive innovation, agility, collaboration. And those skill gaps have to be closed through cultural programs and behavioral programs that set expectations and allowed risk taking and experimentation that allowed legacy organizations to behave like cloud native.

Todd Pruzan, HBR

How do you cloud champions effectively address these skill gaps, both quickly and at scale?

Yaarit Silverstone, Accenture

Well, what we found is that there's a tendency for organizations to feel like if you just address skill gaps, you will get all the benefits that these champions have. And as it turns out, that is not true. You have to pull a number of levers. The levers around first alignment and the skill gaps and creating the right kind of culture overall in order to drive the benefits, and also a focus on leadership and enabling people to function in the new. So, all of these capabilities together actually drive the benefits. And each one of them is a cumulative effect of those capabilities that enable organizations to win.

Todd Pruzan, HBR

So what types of operating models do the modern cloud champions have?



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Yaarit Silverstone, Accenture

I think that's a brilliant question because this is, I think, a whole conversation that's in flux. We think that product organization— so organizations that are organized differently where there's a breakdown of the silos, where there's a focus on the customer and consumer are highly impactful.

But cloud itself can be thought of as an operating model as it enables the ease of communication, access to data across the whole organization, the shifting of the role of leadership where leaders just create guidelines and decisions are made in the edges.

And we're seeing a movement of organizations more and more to be externally or customer and consumer focused and building the organization to be aligned to utilize the data that's incoming to make decisions to move faster and to enable people to actually have broader skills.

So, citizen technology, citizen cloud skills are being built into these teams where they have common goals and common aspirations to drive the same kind of metrics and outcomes. And obviously in these operating models, we're shifting the 360 measurement of what value looks like.

Todd Pruzan, HBR

Great. So, what's next for cloud transformation? Do you have any advice on how to unlock the value in the ways that the modern cloud champions are doing it?

Yaarit Silverstone, Accenture

So for us, I think we're feeling that every organization needs to focus on the three A's. And that's alignment, ability, and adoption. Alignment is about a line the C-suite on that ambition, the business ambition, the strategy, and the priorities.

And as organizations mature from migration, excuse me, into cloud to being much more capable of moving into growth and innovation, they need to continuously rethink their North Star and how they can gain greater value. They also need to think about that collaboration continuously between IT and the business.

Ability is around the conversations that we've just had. It's both around creating the culture and those skills in the organization that enable individuals to thrive but the organization and teams to function and an entirely new level. And then adoption is doing the hard work to bring in the behaviors, to use the technology differently, to enable people to function in the new and to let go of what they knew and understood before, and to have everyone in the organization being capable of being innovative to experiment, to collaborate cross-functionally, to be customer consumer centric, and to have data led decision making.

And when we power the organization with human ingenuity, you have a recipe for incredible value. And we're thinking that the future is about every organization looking at where they are and how to apply this in a way that makes them even more capable and drive greater value.



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Todd Pruzan, HBR

Thank you. That sounds like a very helpful checklist. Yaarit, thank you so much for joining us today. This was an incredibly enlightening discussion. We appreciate your time and insights.

Yaarit Silverstone, Accenture

Thank you so much. I appreciated the time being here.

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