This Vendor Spotlight examines how a comprehensive set of end-to-end services, industry clouds, and cloud platforms with new artificial intelligence and analytics tools can help clients manage their journey to the cloud, cloud-native application development, and ongoing operations using a new hybrid cloud delivery model.

**Unleashing Business Value with Cloud Professional Services**

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**Introduction**

Professional services to plan, design, build, and run a hybrid cloud environment (combining elements of public and private cloud services and on-premise solutions) have become an important way to differentiate service providers, as has their ability to help run a cloud environment. Beyond cloud technical skills and competence, service providers are trying to differentiate on complementary professional services (e.g., organizational change management, security services) or industry-specific cloud platforms, combining them with related cloud managed services. Although cloud integration/orchestration services are more common, only some providers have developed professional services offerings and tools to help customers manage their consumption of the underlying cloud services.

This Vendor Spotlight examines how a comprehensive set of end-to-end services, industry clouds, and cloud platforms harnessing innovations like with new artificial intelligence (AI), analytics, microservices, DevOps and cloud-native application development can help clients manage their cloud environment using a hybrid cloud delivery model.

**Benefits**

The consulting and systems integration services to plan, design, build, and implement cloud services benefit buyers by helping to construct a well-architected solution that harnesses cloud scalability and economics. Used correctly, these project-based services help ensure smoother client operations using a cloud delivery model. Likewise, the services to manage a cloud solution help buyers control costs and tap into ongoing innovations. Buyers benefit from a firm that can provide the end-to-end services as they transition to cloud.

**RESEARCH INSIGHT**

Buyers of cloud professional services consistently rank help creating a more effective business above lowering costs.

**KEY TAKEAWAYS**

Leading providers have end-to-end service capabilities, from planning and implementation through operations. And the knowledge gained by delivering each service increases the effectiveness of the other services delivered on behalf of clients.
**Trends**

The following three trends have surfaced as the rate of cloud adoption increases, and leading service providers have adapted their offerings to become more relevant to buyers:

1. **Buyers of discrete cloud professional services consistently rank help creating a more effective business above lowering costs.** Interestingly, the business driver "improve operational efficiency" has grown in importance over the last three IDC MarketScape surveys, as has "comply with new or existing regulations."

Leading service providers recognize that the cloud delivery model is about more than cost takeout and have created a suite of end-to-end services, across both the business and technical domains, that reinforce one another and deliver greater client value. In other words, the planning, designing, building, and implementing of cloud services informs how these same services operate. Likewise, operating cloud services on behalf of clients gives service providers better insights into how to conduct subsequent implementation changes driven by new business requirements, technical updates to cloud services, or external regulations.

Leading service providers can also more fully align their economic interests with a client's desired outcomes as they work together to transform the client's business using hybrid cloud technologies. Time and materials or fixed price contracts are relatively easy to count in terms of the inputs used to deliver services, but these contracts often end with a mismatch of expectations between the value the client received and the fees paid. Not all clients are willing or able to articulate the IT or business outcomes that should form the basis of service contracts. However, all customers and prospects appreciate negotiating with service providers who are knowledgeable about controllable risks and a prospect's cost and business drivers and are willing to contract for services rendered based on achieving specific outcomes. This type of client alignment is at the heart of helping customers create a more effective business.

2. **Customer acceptance of a hybrid cloud approach for IT operations is increasing.** Service providers are creating increasingly sophisticated offers to integrate or orchestrate the use of multiple cloud services for their clients. This is true not only for cloud migrations but also for cloud-native application development. IDC sees some service providers creating offers to help clients manage their consumption of cloud services. There is also growing complexity in the cloud ecosystem, both in the numbers and types of players. Beyond using standard APIs for cloud service interconnectivity, service providers are either using their innovation/R&D function, a venture capital business unit, or both to expand the options for sensing and responding to clients about how new players in the cloud ecosystem can benefit them.

Leading service providers create cloud platforms to integrate the use of multiple cloud services to simplify implementation as well as ongoing operations, although the components of these platforms vary according to each provider's strategy. Platform benefits include better orchestration of multiple cloud services through standardization and creation of meta-data about the operation of these services. This meta-data can be used to manage consumption of the cloud services and to plan for the implementation of subsequent improvements. For example, AI and analytics tools can be developed to differentiate how service providers plan and implement a cloud solution, and then manage their ongoing cloud operations.
Ecosystems are becoming increasingly complex in two separate ways. First, there has been an increase in the types of providers based on specialization/atomization of functionality, and the appearance of new players using new technologies. The number of providers also continues to grow, which creates more possible integration pairs and partners. Second, strengthening external networks across partners, customers, academia, and start-ups is a strategic priority for leading service providers. Clients demand innovation as well as continuous performance improvements, and that will be difficult to deliver without ecosystem partners.

3. Providing an appropriate and high-quality team for a client’s project has become a crucial factor for a successful cloud professional services project. This trend is based on numerous customer interviews and surveys which investigated what characteristics buyers of cloud professional services deem most important for a successful engagement. In addition, technical insights and competence beat out functional insights and competence as more important to project success, while industry insights and competence have grown in importance over the last six years of IDC’s research.

Leading service providers always seek to attract and retain professionals who can blend industry expertise with business and IT skills to deliver customer success. Regarding IT skills, IDC has seen an uptick in DevOps and cloud-native application development in the last 18 months as well as more use of containers and microservices. Recently, buyers have signaled that project success increasingly relies on greater industry insights and competence. Beyond hiring experienced industry veterans, some providers have succeeded in creating industry-specific cloud solutions to jump-start what their professionals can build and implement, and to demonstrate their industry relevance and experience.

**Considering Accenture**

Accenture offers end-to-end cloud services for all types of use cases.

Its approach is proven through more than 20,000 cloud projects with over 80% of the Global Fortune 100 in 68 countries around the world.

**Flexibility is at the heart of Accenture cloud services.**

Each client’s cloud journey is unique and may have different entry points such as IT, engineering and business units—each with different business drivers, concerns and change management expectations.

Going beyond common stencils or templates, Accenture tailors’ best practices and proprietary tools and platforms for its clients in all cloud varieties (public, private and hybrid) across different delivery platforms (IaaS, PaaS and SaaS).

As shown in Figure 1, clients are also usually at different stages in their cloud maturity and need combinations of services appropriate to where they are and where they want to go. Work typically includes the definition of the application, infrastructure, and business process architecture. It also includes the operating model transformation, custom application development, application migration roadmap, operations/managed services, and tooling to run IT in the cloud.
The most effective journeys are those where clients apply new architecture, Agile development and DevOps practices as part of their cloud programs.

Success also requires more than just technology and automation. It is important to apply people change management, governance, information management, and service management as essential components of cloud journeys.

Platforms and tools are at the heart of cloud services and Accenture has completed more than 90 percent of migrations through automated toolsets.

Clients cannot scale simply by throwing more people at the challenge. That approach is too costly and difficult to execute, and will not provide a path to agility and operational efficiency. Instead, Accenture recommends tapping into the power of applied intelligence—using analytics, automation and artificial intelligence to improve and optimize how the company operates. Accenture has been investing heavily in platforms and tools to support applied intelligence for more than 20 years. Accenture has large numbers of data scientists and business analysts that are focused on delivering these solutions at Accenture Innovation Centers.

In terms of platforms, the Accenture Cloud Platform (ACP) is at the heart of the company’s solutions for delivering analytics, automation, and AI within cloud services. ACP is the engine for managing and optimizing public cloud, private cloud, and legacy environments, allowing clients to maximize value and minimize costs.

Infrastructure services are another critical component of Accenture’s cloud services.

Accenture helps its clients transform their infrastructure to be more agile, cost-effective, scalable, and operationally efficient by bringing the innovation of public cloud to create an industrialized, managed private cloud. Accenture has also extended beyond data center transformation and outsourcing services, and is integrating network, workplace, service...
management, and security into a holistic set of cloud infrastructure solutions and services. Essentially, Accenture has pivoted its infrastructure services capabilities and solutions to support its cloud services.

**Accenture delivers its cloud services through 17 focused industry groups and has created more than 75 industry cloud solutions.**

This industry focus provides Accenture's professionals with a blended understanding of industry evolution, business issues and applicable technologies. Accenture places considerable emphasis on bringing deep industry knowledge and experience to leverage its base offerings and deliver solutions and processes best tailored to the industry-specific needs of clients.

**Accenture's competitive advantages in cloud are similar to its competitive advantages in general:**

- **End-to-end capabilities focused on business outcomes.** Accenture is prepared to help clients with everything from rapid implementations to large, transformational engagements. The company has capabilities in planning, strategy, vendor selection, implementation, cloud infrastructure and application management, and business process services (BPS). Services are provided by integrated strategy, technology, operations, and industry teams.

- **A strong ecosystem.** Accenture has been expanding the development of its offerings with key ecosystem partners such as SAP, Oracle, Salesforce, Microsoft, Workday, and AWS, Google, ServiceNow, and Pega.

- **Seamless delivery at scale across the globe.** Accenture has more than 40 innovation centers and centers of excellence with cloud specialties.

**Challenges**

Accenture’s strategy is to work primarily with large organizations rather than small or medium-sized businesses. With that said, Accenture must sell more offerings to this same set of clients to continue growing, or generate incremental revenue from other non-labor based solutions, such as industry cloud solutions, rather than expand its business by adapting the same set of traditional offers for smaller clients.

**Conclusion**

End-to-end services for cloud solutions that include innovative strategy and design and enable the underlying cloud technology will grow in importance to meet the need for implementing cloud applications, as well as cloud migration and cloud native development. There will also be demand for service providers with strong industry knowledge, industry-specific cloud offers, and a breadth of technology services from consulting to managed services. Accenture has all these attributes and, in part, this explains why Accenture is an IDC MarketScape Cloud Professional Services Leader worldwide. To the extent that Accenture can address the challenges described in this paper, namely continuing to grow in relevance with its largest clients and generating revenue growth, the company has a significant opportunity for success.
About the analyst:
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Gard Little is Research VP for IDC's Global Services Markets and Trends team, whose programs focus on worldwide services, business and IT consulting and systems integration, and digital strategy and transformation professional services. Mr. Little's core research on digital transformation includes analyzing customer demand and vendor offerings for building new business processes, organizations, and systems using cloud, business analytics, enterprise mobility, and social business technologies.

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