Behavior Matters

Secrets of managing your cloud service provider —
How workforce enablement leads to successful
cloud capabilities

High performance. Delivered.

Cloud computing changes the way IT organizations work. Programming and administration are no longer the primary focus of the work. Instead, IT employees must act as IT brokers who orchestrate multiple service providers and serve as the link to the business. This change in focus means IT employees who manage cloud deployments need to move away from methodical competence towards industry competence and communication competence.

Helping people learn new behavior is more effective than simply introducing employees to new roles.

When a company announces a move to cloud computing, vendors pitching their services are full of good advice for business and IT executives who want to learn the ropes. The vendors talk about the various changes needed to transition to cloud services, such as processes that must be adapted for security and legal reasons, or hardware changes needed for computing systems.

Few vendors talk about the "soft adjustments" companies need to make the most out of their cloud investments. This leads many business executives to believe that cloud solutions can be deployed instantly and work perfectly on demand. Indeed, they have been inundated with marketing messages that say a cloud deployment will quickly and easily "Increase your return on investment by 50%! Reduce your carbon footprint by 90%! or Push server utilization to 99%!"

Yet it's not so easy to reap the full benefits of a cloud deployment. To do so, IT specialists must think and behave in ways that maintain the cost savings of moving to the cloud. They must stop seeing themselves as operators of the network and begin acting as IT brokers who steer a range of external cloud service providers.

Even though cloud services are now prevalent and constitute a new standard for running businesses, few companies have adapted the IT organization and developed the IT workforce in this way. Ideally, IT managers who have a deep understanding of how the cloud works – and how it can best serve the business – should be the ones to oversee cloud service providers.

If these managers are not hired externally, internal IT managers who are moved into the job of overseeing cloud providers must be trained to do so. Without a shift in thinking and behavior to make sure the business is consuming cloud services in the most efficient way possible, companies put at risk the cost savings that were surely part of the initial rationale for moving to scalable, high-performance cloud computing.

Accenture has observed that three organizational shortfalls keep companies from getting the most out of their cloud computing services: unclear responsibilities for employees overseeing cloud services, missing skills, and poor decision making on cloud consumption, due to a lack of coordination between the IT department and the business. These shortfalls can all be linked back to a failure to educate IT workers. Too often we see that it's the people dimension that keeps companies from reaching the goals set, even after several years of using cloud services.

This raises the question of how IT organizations must change to consume cloud services in a cost-effective and, more importantly, a sustainable way? Companies that recognize the need to help employees adapt their skills for the new cloud computing environment frequently start with redefining roles. Often, this means going through an exercise of scoping activities by defining roles and responsibilities and discussing the new skill sets that are needed.

The problem is that executives simply try to match new roles with similar existing ones and call it a day.

When doing this, managers skip over the critical step of analyzing and adjusting the behavior necessary for cost-effective and targeted consumption of cloud services. Sometimes, an IT executive will use role descriptions to brief personnel about their duties, and occasionally, a manager will derive training requirements from the descriptions. But a real analysis and appropriate adjustment is seldom done.

Three Elements of Behavior

Our experience has shown that in a cloud service environment, employees need three behavioral competencies to manage the use of cloud services in a sustainable way:

Industry competence, Methodological competence and Communication competence. Each competence makes up a critical part of what we describe as behavior. That means that altering behavior patterns requires a person to change the mix of which competences are used.

We define **Industry competence** as deep knowledge about the cloud services industry, such as an understanding of trends and innovations, as well as the strengths and weaknesses of cloud service providers. **Communication competence** is the ability to convey ideas clearly and succinctly and know how to do so in a way that makes other people comfortable. Finally, **methodological competence** is behavior that shows a person is capable of executing on activities in a well-structured and efficient manner.

Industry
Competence

Methodical
Competence

Communication
Competence
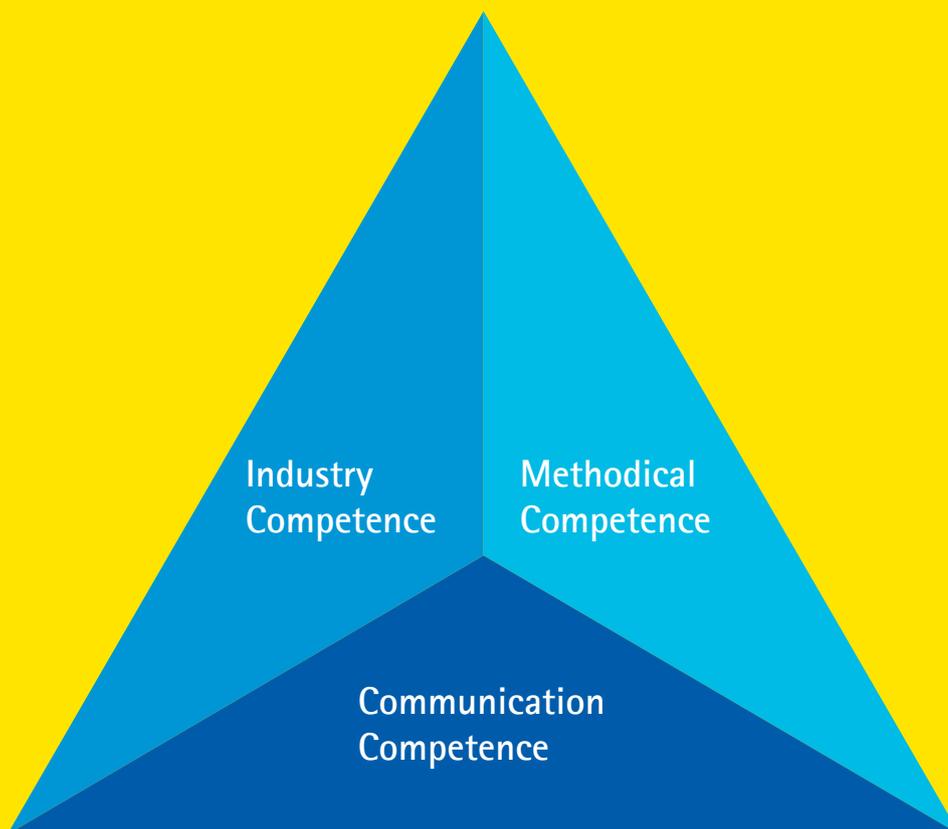
Source: Accenture Research, 2014

Behavior Change in Strategic Areas

We examined 18 distinct organizational areas within a generic IT organization to analyze how behavior should change to effectively consume cloud services. In five critical areas, the results show a general trend away from methodological capabilities, and toward greater industry knowledge as well as communication capabilities.

The five areas are: Business Relationship Management, Architecture & Information Management, Service Integration Management, IT Finance Management & Security & Risk Management.

In the area of Business Relationship Management, for instance, IT managers must understand the business needs and act as IT consultants to the business, which requires industry knowledge and communication skills. Second, in Architecture and Information Management, IT executives need intimate industry experience to direct the IT portfolio of the firm and make sure the right applications are available for the business.

Let's say an IT manager works for a pharmaceuticals company that is interested in cloud services. The company is worried about the security of its data, particularly data about the chemical compounds in its patented drugs. The business doesn't want to take any risk, since data on the cloud may be stored in multiple countries, some without adequate data protection laws.

If an IT manager has the right industry competence, he or she will anticipate this argument and be prepared to show the

Generic IT organization
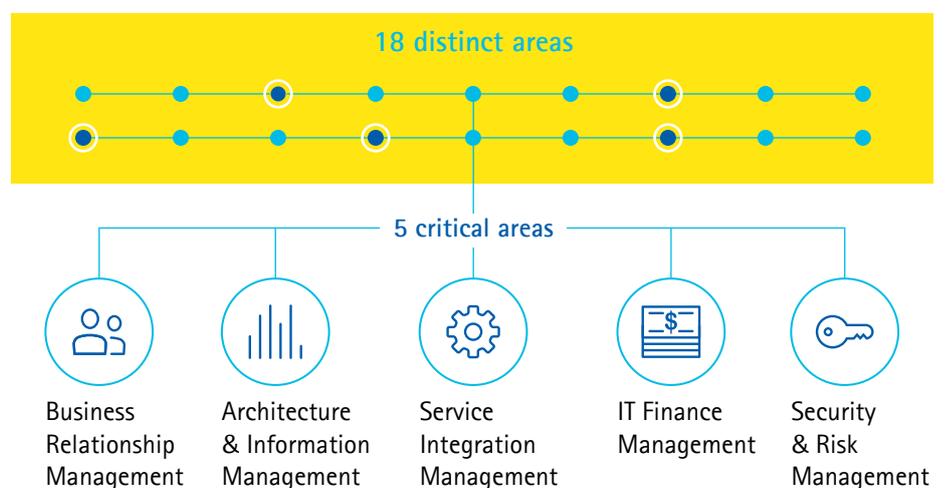
Source: Accenture Research, 2014

business different cloud solutions that are based on geographic boundaries created within the service.

For Service Integration Management, IT managers must also stay abreast of cloud trends, something that requires industry knowledge. At the same time, IT managers are asked to rely on their communication skills to build a relationship between the IT organization and cloud providers. They should have the ability to moderate between two different opinions or make a favorable deal with the cloud services provider by effectively communicating the needs and the restraints of the business. They should do this in a way that doesn't drive up the cost of cloud services due to strings of service requests. At the same time, IT managers should use their communications skills to make sure the scope and scale of cloud services is not ever-expanding.

In IT Finance Management, the fourth critical area, managers must oversee how the cloud provider bills the business. Methodological capabilities become less important for this role as the focus shifts to communication skills. Finally, in the area of Security and Risk Management, industry knowledge and methodological competence become key again, as IT managers define formal sets of processes for identifying security gaps, and they develop process steps for ensuring security.

For example, if the business asks IT to open a security port, the manager knows how the security port can be implemented even if there are constraints. Since the manager has respect for process and knows what's possible within cloud services, he is focused on solving the needs of the business, even if creative workarounds are required.

More than just Training

To achieve new ways of thinking and behaving in these critical areas, companies need to take a different approach than to hire a trainer who conducts workshops and presents case studies in a classroom setting. Instead, IT managers should offer dynamic and exciting ways to rethink the job. They can engage coaches on a one-to-one basis, or develop plans for "work-shadowing," a way to show employees what to do instead of just tell them.

To customize and adapt coaching to individuals' needs, Accenture recommends a structured approach in four steps:

1. **Understand required behavior –** What behaviors are necessary for the organization to perform properly?

2. **Conduct behavior gap analysis** – What gaps exist in required behaviors?

3. **Develop individual coaching plans** – Which coaching approach is necessary for behavioral change?

4. **Execute individual coaching plans** – Conduct coaching according to derived training plans.

For many IT executives, changing an employees' behavior is considered a big challenge and slightly unethical.

However, we believe that helping someone adapt his or her behavior to new requirements is a contribution to that person's overall professional development, as opposed to a violation of integrity.

The idea is not to change a person's world view but to train someone to adjust his behavior based on a new set of circumstances.

In this context, a detailed development plan, what we call a "workforce enablement plan," makes the job of changing behavior easier. This means, training must take a new approach as well. One-off training sessions will not bring behavior change, but coaching can make a difference as a key workforce enablement tool. We recommend external coaching, which is focused on practical advice from coaches, for instance through the introduction of new toolkits, as well as work-shadowing by matching less experienced employees with more experienced ones for observing a job on a task-by-task basis.

Workforce Enablement Tools

External coaching involves external trainers who are hired to analyze an employee's current behavior and determine training objectives. The objectives become part of a personalized coaching plan that is shared with the trainee and helps him develop the right behavior for new responsibilities.

Work-shadowing is used for employees who are accustomed to working with those who are already confident with industry-specific concepts. Selected employees quickly adjust their behavior and thinking and become "role models" for others.

Pitfalls in Workforce Enablement Plans

However, even the best workforce enablement plans have pitfalls to watch out for that can result in "value leakage" – e.g. misunderstanding of required behaviors that can keep companies from consuming cloud services efficiently.

These include: an insufficient understanding of the target cloud computing strategy, poorly defined training baselines, generic (rather than individualized) training content and failed handovers from planning to execution stages.

The following table illustrates these sources of "leakage" and matches them with recommended preventative actions that can be taken at each step in the process of designing a workforce enablement plan.

By using a clear roadmap for cloud services, baseline behavior data from various analyses, and by involving individuals in developing their own coaching plans, companies can support the behavior changes effectively.

Steps	Sources of Diminished Development Value	Prevention
Understand required behavior	• Insufficient understanding of target cloud computing strategy • Poorly-defined responsibilities	• Clear scoping of future cloud services • Understand cloud computing vendor's responsibilities
Conduct behavior gap analysis	• Inexplicit baselines • Misinterpreted individual capabilities	• Supervisory-led baseline data collection • Validate existing capabilities with leadership
Develop individual coaching plans	• Generic (rather than individualized) training content • Constraint budget	• Ensure individual involvement • Develop plans first (define budget later)
Execute individual coaching plans	• No handover from planning to execution stage • Lack of ownership	• Establish transition roles between planning and execution • Clear role assignments

Source: Accenture Research, 2014

Conclusion

In small and big ways, the behavior of existing IT employees must adjust to meet the new challenge of managing cloud vendors. If executives move too fast toward consuming cloud services and neglect to enable their workforce in a structured and mindful way, they may not gain the benefits expected from cloud computing, including cost reduction, elasticity/scalability, speed to market and increased agility. Executives should also keep in mind that people outside the IT department will need support as they adjust to a business environment in which consuming cloud services is the standard way of doing business.

To work better in the cloud environment, IT managers need a stronger focus on industry knowledge and communication skills. This is best achieved with a series of coaching sessions with external coaches, as well as with work-shadowing.

About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with more than 305,000 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.

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About Accenture Strategy

Accenture Strategy helps leading organizations shape and drive their plans for growth and innovation, competitiveness, new operating models, talent and leadership, and digital transformation. Accenture Strategy integrates business, technology and function strategies to improve agility and deliver tangible outcomes.

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