The Accenture Cloud Platform is the integration giant's single largest investment. Now as much focused on service integration as systems integration, Accenture is leveraging partners, including Amazon Web Services, Microsoft, NTT Communications and Verizon Terremark, to deliver outsourced cloud applications and development environments both internally and to its global clients. Rather than being in the datacenter real estate and operations business and tying up capital to build hardware-vendor-specific cloud environments in anticipation of customers, it says it prefers to focus on helping enterprises choose the right products and services for their needs.

**The 451 Take**

Many systems integrators view themselves as natural heirs to the future market demand for service-integration services, as well as the development and management of enterprise app stores and associated orchestration services. That future is not yet assured, but by providing Accenture Cloud Platform and enabling enterprises to develop 'best execution venue' strategies, Accenture has foregrounded its intent. Is there more to this than straight up conventional systems integration work on a large scale? A large service catalog is a function of a large IT staff and third-party technology – an organized effort at automation or software IP is a whole other domain of expertise.

**Context**

Accenture is a global management, consulting, technology services and outsourcing company, with
roughly 266,000 people serving clients in more than 120 countries. It has years of experience handling complex environments, providing service operations and supplier management across a number of vertical markets and geographies.

The company designs, develops, provisions and manages a broad spectrum of cloud products, and per the company, has worked on more than 6,000 cloud computing projects for clients, including more than 60% of the Fortune Global 100, across 50 countries. It claims to be the top implementer of salesforce.com, the largest Microsoft Office 365 channel partner and the first service provider to deliver end-to-end cloud offerings on Windows Azure.

Rather than build its own datacenters or create and operate its own public IaaS and hosting environments, Accenture chose an 'asset light' approach by leveraging a network of partners to deliver services when and where needed based on client requirements. For a simpler customer experience, the SI is still the 'one throat to choke' for its customers. It must be noted that Accenture's asset-light approach is not a departure, but an extension of its core business model, which it has held for years - a model also popularized by Indian-heritage integrators.

As far as its partners, both Amazon Web Services and Microsoft Azure's IaaS environments provide a venue for Accenture to rapidly deploy customer applications and development products across North America, Europe and Asia. Verizon Terremark provides virtual private cloud services and datacenter colocation, including in Latin America. Finally, NTT Communications offers private and public enterprise clouds and colocation in Asia, as well as application-deployment expertise. Cincinnati Bell provides datacenter services in North America for Accenture's private cloud offer.

Other systems integrators are refocusing efforts on their core competencies and leaving the complications of local pricing, taxing and logistics to partners. CSC announced a similar partnership strategy with AT&T – the network service provider will supply CSC with datacenter space for its cloud offerings.

**Accenture Cloud Platform**

IBM alum Michael Liebow is the recently appointed managing director and global lead for Accenture Cloud Platform, which isn't a discreet business unit in its own right, but supports each of Accenture's operating groups. Accenture is creating a service catalog that enables users to select services and developers to write to it. It pre-buys capacity from all of its cloud-provider partners and uses Zenoss for monitoring, as well as JBoss and other Red Hat open source tools.
Accenture Cloud Platform provides a single procurement portal, a single pane of management and a single bill for all of a customer's cloud accounts. It's built partly from experience, and partly of necessity, with Accenture having found that some 1,000-plus Amazon accounts were being operated by Accenture itself after reviewing its IT manifest. The company is well aligned with BEV strategies, developing a control panel that will enable users to target the most appropriate venues for workloads and service procurement. Accenture says it is still collecting data that it hopes will enable it to turn customer-decision processes into a tool that, in real time, can provide the telemetry for the control pane. It's effectively going to create digital playbooks that can be industrialized and reused, similar in concept to 451 Research's own Digital Enterprise playbooks. Accenture will create a range of value-added services on ACP, and currently offers Big Data Recommender as a Service, data decommissioning (storage for retired data), testing as a service, and environment provisioning and cloud management services.

**Business model**

The public company recently disclosed record revenue and margins with its most recent fiscal year performance. Year-over-year revenue increased 3% to $28.6bn and free cash flow of $2.9bn. Consulting net revenue was $15.4bn, a decrease of 1% in US dollars and an increase of 1% in local currency, compared with fiscal 2012. Outsourcing net revenue was $13.2bn, an increase of 7% in US dollars and 9% in local currency, compared with fiscal 2012. It tracks revenue across five business units: communications, media and technology, financial services, health and public service, and products and resources. For the year, the health and public service group grew the most (12%) in comparison to 2012. ACP revenue is not disclosed, but is part of the strategic technical growth platform group. In terms of geography, the majority of revenue unsurprisingly comes from the Americas ($13.52bn), followed by EMEA ($11.05bn) and Asia-Pacific ($4.04bn). For fiscal 2014, the company expects net revenue growth to be in the range of 2-6% in local currency.

**Competition**

Among the rival systems integrators and global companies with competing ICT portfolios are Capgemini, CSC, Cognizant, Dell, Fujitsu, IBM, Infosys, HP and Wipro. Infosys' Cloud Ecosystem Hub has around 10 customers, and HCL's MyCloud MTaaS has around 15-20 customers. Telcos such as BT, CenturyLink-Savvis, Deutsche Telekom, NTT (also a partner), Orange and Verizon Terremark (also a partner) have deep pockets, and are increasingly moving into cloud services with in-house offerings. Most in this bunch have a holistic network visibility and application delivery product story that many in the cloud space aren't able to tell. While also partners, Amazon Web Services and Microsoft Azure compete directly for enterprise wallet share.
**SWOT Analysis**

**Strengths**
The partner model enables service providers to focus on core competencies and value-added capabilities while conserving capital.

**Weaknesses**
Accenture’s asset-light method to cloud services delivery is an extension of its long-held core business model, and a paradigm also popularized by other systems integrators. However, one challenge for this approach is that as outsourcing buyers opt for multi-sourcing its technology towers, the model limits the total contract value that Accenture can target. This, for example, is why Capgemini still bothers to invest in datacenters.

**Opportunities**
Outsourcing has run its course as a labor arbitrage model – cloud is the new way, which means industrializing services that can be rendered to 10, 100 or 1,000 customers. Many companies are actively seeking ways to get out of long-term, fixed-term contracts, and cloud is being used as a device for this.

**Threats**
As trusted advisors, intermediaries and brokers to the demand side, systems integrators have a ‘get out of jail free’ card to a future that looked like it was being marginalized (literally) by cloud’s price point.