CLOUD VALUE AND OPTIMIZATION

AUDIO TRANSCRIPT

By maintaining a cloud forward position and constantly optimizing how we live in the cloud and how we use the cloud, we can set the market example for how it's done and share all the lessons that we learn along the way. Hello and welcome to our Accenture podcast on optimization and value.

I'm Elise Cornille and I lead marketing and communications for Accenture Technology, which includes our cloud first business. Now here at Accenture, we've been in the cloud for more than a decade and we continue to not only help shape the future of cloud through our own research and development, cloud services and solutions and the value we create with our clients, but also through Accenture's own journey to cloud. And that's going to be the focus of what we will talk about today.

I'm thrilled to be here with Penelope Prett, Accenture CIO, to dive into Accenture's cloud journey. Hey, Penelope, welcome. Hi, Elise. Great to be with you. And there's lots to talk about when it comes to the cloud. So true. I thought before we got into the journey with Accenture, I just set some quick context on our cloud first business and strategy at Accenture. So we believe Cloud is the most powerful tool organizations have today to really embrace exponential change in this era of unprecedented, compressed transformation. And that's all being powered by clouds, elasticity and this accelerated rate and need for business innovation. So for Accenture cloud

first, we help companies implement these strategies that accelerate value-driven change across all dimensions of their enterprise simultaneously from human technology and business dimensions. And so we enable our clients and Accenture to quickly realize value throughout all the elements of the cloud journey, including migration to growth and innovation.

And so today, Penelope, I thought we'd dive in and you share a little bit more about the value Accenture has seen in being in the cloud, especially during a really unusual year. Well, thanks, Elise. I think the pandemic proved very viscerally to many companies the value of being in the cloud. That was true for Accenture as well. We were very fortunate at Accenture to previously have a very strong cloud based position. Ninety five percent operationally in the public cloud and so enabling our people for a remote work footing, at the time, the pandemic was enabled by the cloud in a way that I think on premise businesses simply didn't enjoy. It gave us optionality at a time when we really needed it. The other thing about Cloud that I think is very unique for Accenture right now is you have to remember, Accenture is a professional services organization. So part of our reason for being is to be able to show the world what's going to happen on the technology front in 18 to 36 months. So by maintaining a cloud forward position and constantly optimizing how we live in the cloud and how we use the cloud, we can set the market example for how it's done and share all the lessons that we learn

along the way. This is a great opportunity to really be at the forefront of emerging technology and to test what works and what doesn't and to share that knowledge with our clients. I love your point about the optionality in the cloud forward and this idea of being able to kind of leap forward, right, and achieve value like you've never been able to before with the cloud really powering that. What are some examples of this kind of value, this cloud forward innovation element you're talking about?

Let me give a couple of different examples. And they're very, very different. But they both show the power that can be brought to your organization through employing the cloud. The first and the largest example is that we got a new CEO about a year and a half ago and part of Julie Sweet's activities, her first few months in office, was to take us through an internal Accenture transformation, to a growth focused model that put power in the hands of our markets. It required changes across the entire I.T. landscape. And remarkably, because we are in the cloud and we have flexibility and adaptability in many of our SaaS platforms, we were able to enable that massive operational change in just six months. That's unheard of, but it demonstrates the power you can bring on a flexible footprint in the cloud. And the other, much smaller but no less impactful example that I would cite is when we were deep in the heart of the pandemic and it became obvious that connecting industries so that people who were impacted by unemployment might find new avenues of employment in completely unrelated industries, we were able to pair our CHRO, Ellyn Shook, with CHROs from other large companies in North America and to in just two weeks, ideate, construct and launch a platform that connected industries around what was happening on an employment footing in that industry. By doing this, we were able to shine a light on places where there were similarities or synergies between industries that previously had not connected and show avenues for employment through that, that could change the position for an entire market. It was super impactful. It was done in two weeks and it wouldn't have been possible without a cloud footing. Incredible. When we think about that, that speed and agility, that cloud enabled and was so important over this last year. And, you know, as we start to move into the next phase, you know, post pandemic world, how are you planning for Accenture's own technology future?

And and when you're talking to clients, how are you advising them as they look at Cloud to enable that that next phase, right, that that next era that we'll see when we're emerging from the pandemic? Well, it's interesting, Elise, when I talk to other CIOs, there's a lot of focus right now on for companies who had been in an on premise position, migration to the cloud for the first time. And the most important thing that I can tell them at that point is that it's not really about the shift; getting there is only half the journey. Once you're in the cloud, you have to learn to live there, to optimize how you utilize the cloud to power your business, support transformation and to constantly look at your cost efficient position to figure out how to lower spend consumption overall. You have to remember the cloud is basically consumption. You are no longer an owner. You are a consumer. They're very different patterns of behavior and being a smart owner versus being a smart consumer. In addition, Elise, the cloud is a constantly changing place. There are always new emerging options, opportunities and technologies. And what we want to do at Accenture is to capitalize on the best in-class cloud services and show our clients how those can be employed to transform your business.

So if it's possible for me to do it first, I'm going to do it first and then I'm going to share those lessons with my fellow CIOs. There are really six dimensions that we talk about. The most important ones right now, speed and agility and cost. But soon the dialog is going to turn to some deeper value in the cloud, things like sustainability, things like talent management and how all of those things come to bear around the cloud so that you are future proofing your organization to live in the era of the cloud. Love the idea of future proofing and the point that you made about it's not just about, you know, shifting, it's about living in the cloud. Let's get into some some numbers and understand what has been the impact of cloud for Accenture. You know, you've mentioned speed and agility, but what are the other things that we've we've achieved through this? So just some very basic stats. And I think these show how powerful the cloud impact on any given company can be. But for Accenture, we are operating at a faster pace. We have more efficiency in our IT operations and increased ability to meet our business customers demands which are changing all the time based on how rapidly markets are shifting right now. In addition to serving all those needs

we've also significantly reduced our carbon footprint and we anticipate about a 25 percent increase in savings over the next three years and the same as we continue to make smarter operating and consumption decisions. Let me just give you a couple, three points, right, that I would cite if I was talking to the board of directors or to the leadership about the power of the cloud in this area. Number one, 35 percent cumulative savings in operational infrastructure costs over three years, 35 percent. Through automation programs and other capabilities, we can continually drive down the cost of consumption and get smarter on how we spend that part of our investment. The second one that I use a lot, 99 percent decrease in environment provisioning time. Think about that for a second, Elise, right, if you're trying to develop small, quick, agile apps to support your business customers and help you penetrate new markets, being able to stand up environments in a day instead of a month so that those teams can actually get to work and create productive capabilities like the people plus work connect platform that I talk to you about just a minute ago. That is an incredible game changers for company and their companies and their development arenas. And in the final one that I would mention, as we discuss sustainability is going to become increasingly more important as we go forward, we have reduced more than 220 metric tons of carbon emissions and more than 900000 kilowatts of power consumption in just nine months, by examining our consumption patterns and getting smarter about how we build our software and how we consume cloud capabilities. That's awesome. You know, I think that people are just starting to realize this massive contribution cloud can make to carbon footprint, as you pointed out.

And those those stats are really impressive. And so I think it's increasingly important as we look for technology to really help drive sustainability and new ways going forward. You also touched on change, right. And and the change, the fast moving business changes as well as cloud changing a lot. I know we hear from our clients that a big part of their journey to cloud is change management, as part of that, thinking about their people. In a way I kind of like to think about it as Cloud has enabled us to not only do different things, but also do things differently,

which means people are going to change the way they work. So how are you looking at that from an Accenture perspective and enabling people to work in different ways? Elise, if you talk to any CIO today, talent is top of mind. And the reason is, while we talk a lot about attracting, retaining new talent, you have an entire pool of talent that probably grew up in different generational technologies. And so in addition to providing for the new, you need to enable your current workforce on a completely different skilling path. We use various different capabilities within Accenture, including cloud based learning and TQ, technology quotient, which you know about, to help our people understand and master the cloud. We want them to be flexible, agile and knowledgeable, so we also enable them to do self study and pursue different paths that will help them get their skills base up in what's relevant in their market pertaining specifically to the cloud. There's one important thing that I would note here if I was sharing how to do it with another CIO, it's just this: the most important part of driving change around the mindset and culture of cloud is leadership buy in.

If your leadership team fully embraces the cloud and that message cascades down over time through use of cloud based capabilities and constant reinforcement, it makes a real difference in the cultural acceptance that your population will go through when it comes to learning to live in the cloud in an intelligent fashion. And we Accenture have been incredibly fortunate with our leadership in how they have embraced the cloud and talked about it up to and including the creation of the cloud first agenda, right, which helps our clients make that transition as well. I think great point and one element, too, we haven't talked about yet, Penelope, that that really you can't talk about the cloud without security.

Comes up in so many conversations. We know how important this has been, especially as we've seen, you know, a tax increase, I think 600 fold over the last year or so. How are you thinking about security in the cloud? And what are most what are the most critical elements from your perspective? As you think about our own organization and you talk with CIOs? My past experience with security when we were

doing on prem construction work primarily would be what I would class as reactive, right. Before we would go live, we would think about security and make sure that everything was as secure as you can make it. Because things in the cloud are born, live and die so quickly. It's an ephemeral place. You have to think about security completely differently, Elise, and by that I mean you have to be secure from the start. The patterns of construction you use, they must be secure. The way you transmit data has to be secure.

How you teach your people to think about the threat attack surface across the applications and systems that they own. That has to be fundamentally different. At Accenture, we are zero trust and identity centric, right, so we assume nothing and we prove every time a person logs into one of our systems or capabilities who they are and whether or not they have the rights to access that particular technology. This approach has served us well and will be building on it in the future through role based identity and access. It's a very interesting area of development for the cloud and one will be watching. I would make one note here, though, and this comes up in conversations with other CIOs all the time. The question is asked about whether the public cloud is safe. Here is my personal opinion, Elise. There are hundreds of companies spending billions of dollars to make the public cloud safe. No single company can ever spend that kind of R&D to make their own environments or their private cloud safe. It simply isn't feasible. And so the public cloud is receiving more attention on its security posture than any other type of cloud or cloud position out there. And therefore, I place a lot of faith in it, given the amount of scrutiny that's been placed, that has been placed on public cloud security in the last few years. So would you say then, Penelope, given all that you've discussed about security in the cloud, is this the toughest part of the journey to cloud, or are there other elements that that are equally challenging or more challenging? Elise, the toughest thing about living in the cloud is the infinite possibility.

When you unlock that door and walk through, there are thousands of partners that you can rely on for capabilities. There are hundreds of

directions you can take your cloud and take your company, and the transformational possibilities are endless. So the real challenge, the tough thing for me is working with my company to have the right kind of governance and investment strategies so that we get the most out of all that optionality. But if I had to say problem, right, that's a good problem to have. I think that's also, you know, especially it's overwhelmed with the possibilities and the and the the limitless opportunities to create value. I think that's that is a great challenge to have. So when you're talking with clients about, you know, where do they start, how do they get going or or wherever they are in the journey, what are kind of the nuts and bolts advice you give them on cloud and what they should be really focusing in on, in this world of limitless possibility? Well, there are three things at a 50000 foot level that usually come up. The first and most important is in the cloud, everything is exposed, lights are shined everywhere.

And so understanding your data and being data driven as you knit together all of these wonderful cloud capabilities, it becomes increasingly more important. And many companies are just starting on their data architecture journeys, but it's going to become an increasing area of focus for everyone, not just Accenture, but for the world. And I look forward to more dialog with our clients about that. The second thing I would say is you have to learn to live a cloud native lifestyle. Getting there is not enough. You have to learn to live there in an intelligent fashion. And we talked earlier about shifting your mindset from a builder to a buyer, from an owner to a consumer. This is a small thing in concept, but a huge mental barrier for many people moving to the cloud. And then the third thing that we normally talk about is vendor offerings. The cloud is rich space. And I want to purchase everything that I can versus build it myself. The total cost of ownership is lower and my ability to influence the functionality going into those as a service platforms is vast, so I want to be a purchaser of as-a-service capabilities and there are wonderful vendor partners we have in the ecosystem who provide great capabilities so that I can simply leverage what they bring and then I can focus on how the business runs on top of those technical capabilities. But probably

the most important thing is when I talk to other CIOs, I always tell them you've got to move. In the past, as we consider large scale technology change programs across IT landscapes at companies, there was a lot of debate, a lot of board discussion, a lot of consternation about the change. At the end of the day, we need to start thinking about Cloud as a business case.

Cloud is a fundamental technology of the future, like the PC, like the Internet, and you have to think about it in that context and simply move to take advantage of it, because if you don't, others will and you will be left behind. You know, that's that's a great point about just move right in. When we think about moving and we think about Accenture and our history with Cloud and where we're going now, we're really keen to make sure we're leading the way and moving first in so many areas. So when you think about what's next for Accenture in the cloud, what are we looking at here? What's really exciting for me over the next couple of years is that we've reached a place in the cloud where through collaboration platforms and low code or no code technologies, we can put power in the hands of our five hundred and fifty thousand employees to make their workday productive experience exactly what they wish it to be.

We no longer have to direct them to systems in a certain way or have them go certain places for business processes. We can bring it all to them at the seat of their productivity, in their collaboration platform. That's fundamentally different than where we've been before and it's hugely exciting. Think about it as in the future IT will come to you. You do not have to come to us anymore and think about the potential for productivity, daily uplift and user experience that can be unlocked through that simple shift. This has really been a fun conversation, especially as we talk about all of these possibilities and the the great problem of having so many possibilities. I I think you've really shared a lot about what it's like to live in the cloud. As you said, learn to live in the cloud and what's ahead. So thanks for being here today. I really enjoyed the conversation. It's been great to talk to you, Elise, and I'm always up for another one. There are so many exciting areas of the cloud to explore. Thank you for joining today's podcast.

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