Beyond Uptime

Fueling business innovation with modern infrastructure managed services

accenture

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Introduction

The role of infrastructure managed services (IMS) in facilitating business reinvention

In today's hyper-competitive landscape, businesses need to be dynamic to thrive.

It is an era of technology-led transformation, and companies across industries need to build a digital core based on a foundation of modern cloud-based infrastructure that helps them accelerate their IT agendas and unlock new sources of business value.

A sophisticated approach to managing infrastructure is necessary to accomplish this comprehensive IT modernization. In fact, IT leaders can use Infrastructure Managed Services (IMS) strategically to embed continous reinvention into their infrastructure—from on-premises and cloud to edge and the network.

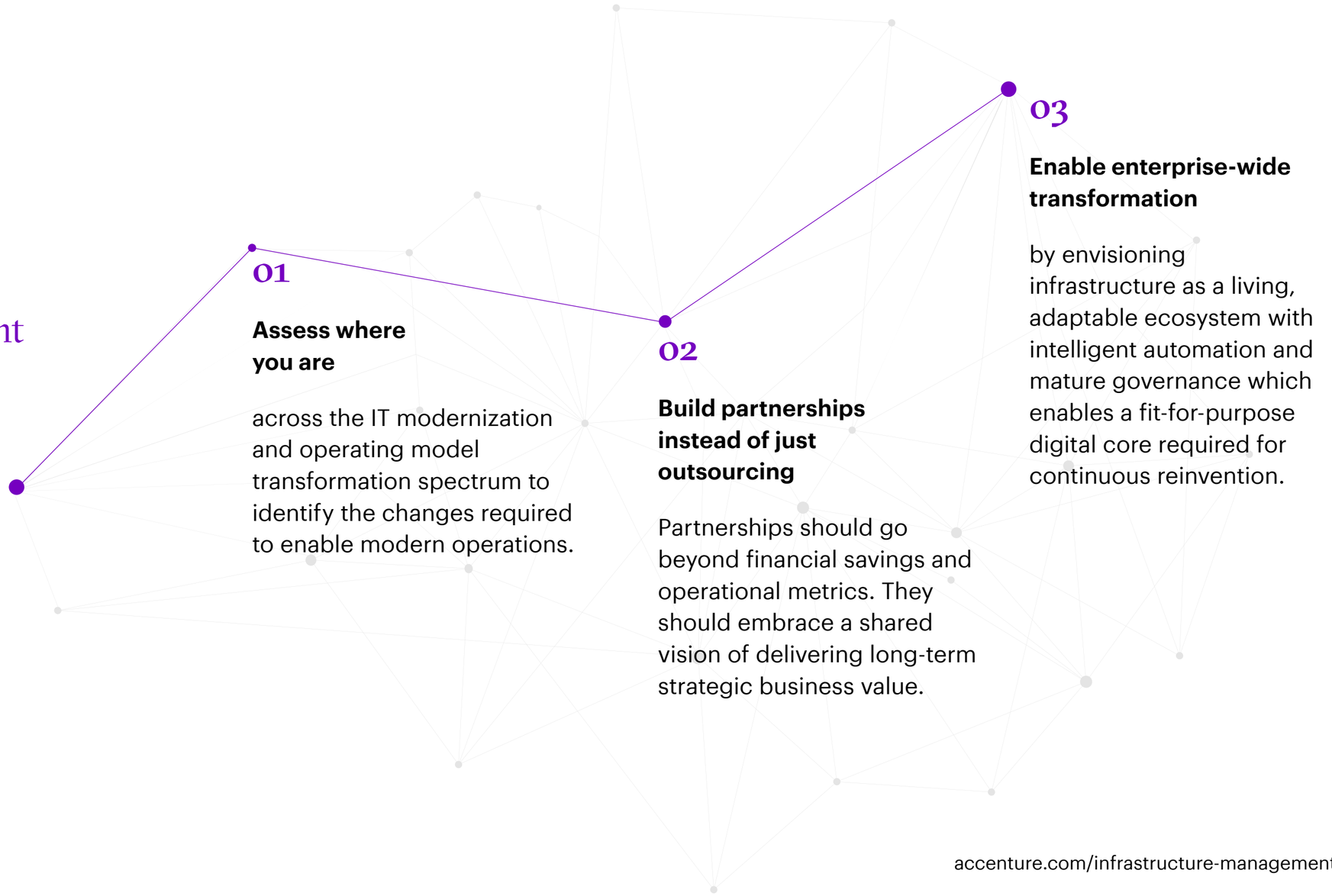
Conventional IMS models, while offering economies of scale, lower staffing costs and improved uptime, are often bogged down by manual processes, inflexible pricing and a lack of integrated observability solutions and responsiveness. Furthermore, they often lack industry and business value awareness. This makes addressing technical debt and integrating technologies expensive and time-consuming. Most existing delivery models lack the proper framework for business alignment as they operate in silos and focus on infrastructure services metrics.

Organizations are transforming faster and more than ever, and they need their IMS solutions to meet new expectations. They are looking for IT to be agile and aligned with business priorities. They want cost transparency and the ability to consume new technologies at scale while maintaining security and service quality.

Delivering on these demands requires a modern IMS approach incorporating capabilities such as Site Reliability Engineering (SRE)-based delivery, full-stack observability enabling focus on business Key Performance Indicators (KPIs) and Experience Level Agreements (XLAs), platform-based automation, which incorporates AI, policy- and security-as-code and full-stack change to Financial Operations (FinOps).

A modern IMS approach enables business reinvention—fostering growth, enhancing customer service and boosting efficiency—without being concerned about complexity, skills and costs. It also aids businesses in navigating regulations, economic uncertainty and sustainability requirements.

While most enterprises recognize the importance of comprehensive IT modernization, realizing its value requires CIOs to take a strategic approach to IMS that aligns with their current stage in the modernization journey. To maximize the benefits, companies should:



01

Assess where you are

across the IT modernization and operating model transformation spectrum to identify the changes required to enable modern operations.

02

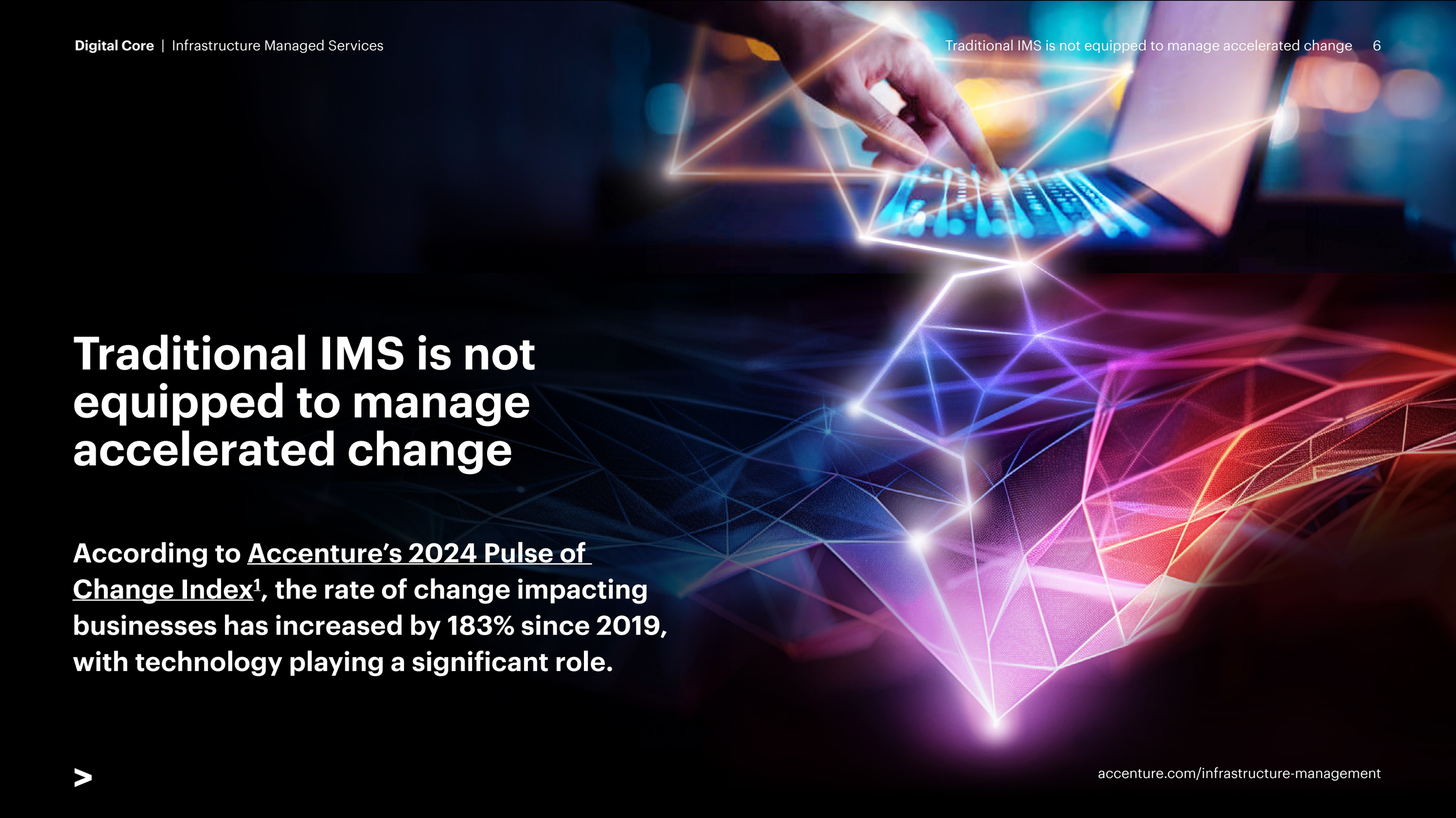
Build partnerships instead of just outsourcing

Partnerships should go beyond financial savings and operational metrics. They should embrace a shared vision of delivering long-term strategic business value.

03

Enable enterprise-wide transformation

by envisioning infrastructure as a living, adaptable ecosystem with intelligent automation and mature governance which enables a fit-for-purpose digital core required for continuous reinvention.



Traditional IMS is not equipped to manage accelerated change

According to Accenture's 2024 Pulse of Change Index[1], the rate of change impacting businesses has increased by 183% since 2019, with technology playing a significant role.

As technology adoption rises, a modern, cloud-based infrastructure becomes crucial for business success. This infrastructure is a foundational component of the digital core, which is necessary for companies to thrive though constant change.

What is a digital core?

A digital core is a new way to think about and work with technology.

Accenture defines a digital core as the critical technological capability that can create and empower an organization's unique reinvention ambitions. Building this tailored digital core requires integrating advanced digital platforms, a seamless data and AI backbone and a secure foundation using radical new engineering principles.

This fit-for-purpose digital core enables an organization to accelerate ahead of competition and achieve its ambitions in the most efficient fashion—using the right mix of cloud practices for agility and innovation; data and AI for differentiation; applications and platforms to accelerate growth, next-generation experiences and optimized operations—with security by design at every level.

34%

of C-suite executives consider "legacy infrastructure is a bottleneck" as one of the top barriers to fully realizing value from the cloud

For a modern enterprise, infrastructure is more than a back-end service—it is a key differentiator and strategic asset. However, our research indicates that only 42% of companies are fully achieving the expected business outcomes from cloud infrastructure adoption (cost savings, faster time to market, business enablement, improved service levels and resilience). Thirty-four percent of C-suite executives also stated that IT and business are misaligned, while 41% find defining and implementing a new operating model too complex[2].

Companies are increasingly turning to IMS providers to address these complexities. However, traditional IMS models, built for an era of on-premises infrastructure, are struggling to keep pace with today's evolved IT landscape that expands across on-premises systems and data centers to include hybrid and multi-cloud, edge computing, digital workplace and network. Here's why:

Generative AI is setting the pace

In 2023, this technology was rarely discussed among business leaders. Now, it's at the top of every C-suite agenda. Yet, according to our Digital Core research report, only 13% are "extremely confident" that they have the right data strategies and core digital capabilities in place to leverage Generative AI effectively[3].

Traditional IMS models would struggle to manage the complexity, governance, integration, and cost associated with Generative AI environments as organizations increase their adoption of Generative AI use cases.

Hybrid cloud adoption is leading to increased complexity

Rapid adoption of hybrid cloud is adding to the complexity of managing an already sprawling IT landscape spanning on-premises, workplace, network, private and public cloud, edge deployments and containerized applications with legacy tools and methods. Furthermore, managing these environments requires proficiency across various cloud, infrastructure, automation and sometimes even application technologies. Some organizations increase their public cloud footprint without setting up the required foundation and operating methods, especially FinOps practices, and incur higher-than-expected cloud spend.

The IT landscape is shifting to the edge

The increased adoption of edge and Generative AI is putting enterprise networks under unprecedented strain. The presence of numerous geographically dispersed edge devices calls for robust remote management capabilities. Our research indicates that 64% of companies are at risk due to outdated network systems and require scaling and modernization to handle increased workloads[4]. It's also essential to have an integrated architecture across data and infrastructure (hybrid cloud, network and edge) to enable superior user experience and optimal performance.

The rise of decentralized digital enterprises

Decentralization is being driven by the transition to hybrid cloud environments, the growth of innovative AI and blockchain tools, remote and hybrid work and the geographical spread of modern businesses. This trend involves distributing databases, services and computing power across nodes in the network rather than centralizing them within a single entity or location. In this new paradigm, traditional security strategies focusing on perimeter-based network access are no longer effective, as most data, applications and devices exist outside the enterprise's boundaries.

Organizations that have not yet engaged a service provider to manage their IT infrastructure should consider those that can provide modern IMS services. These services can accelerate transformation, deliver greater business value at a lower cost and put enterprises on the path to reinvention. For enterprises already using service providers, IT leaders should reevaluate their approach to align with modern IMS methods and use managed services more strategically to meet business and IT demands.

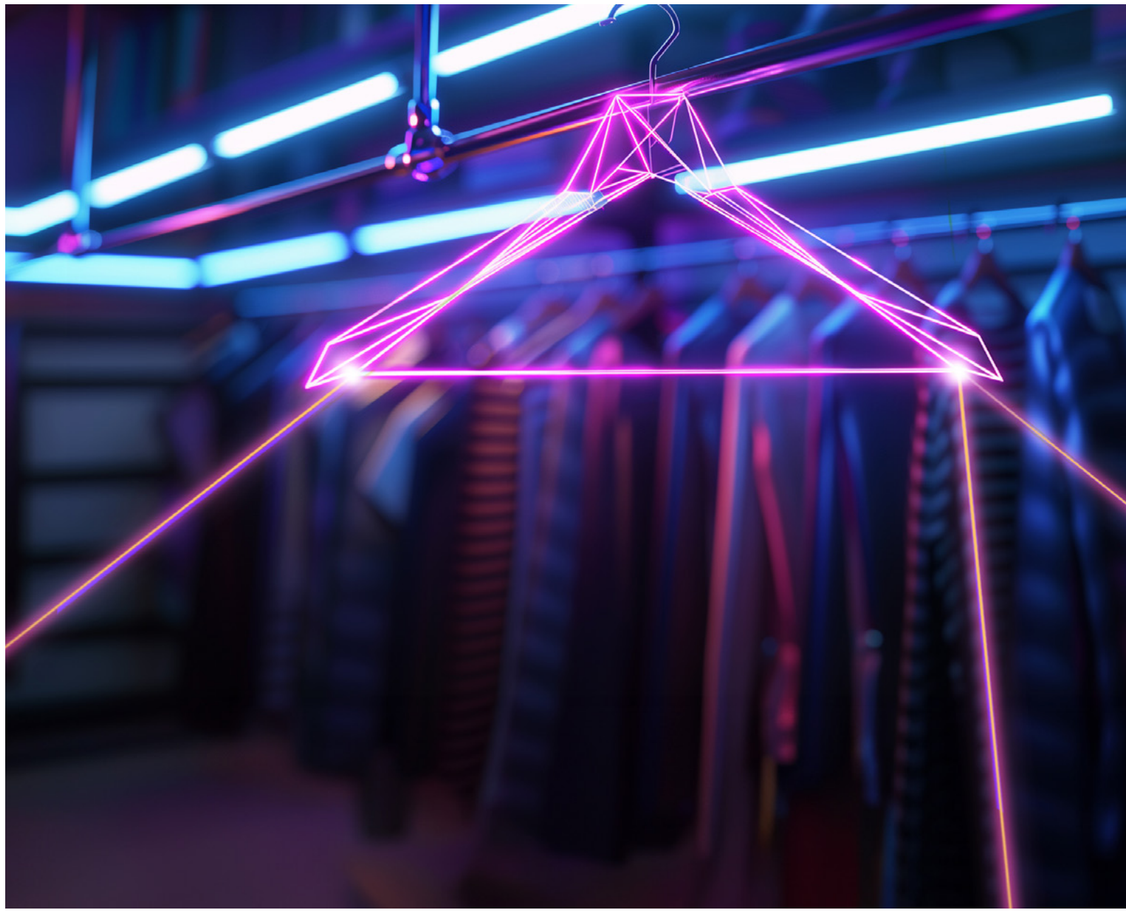
What should modern IMS look like?

It should include full-stack observability to facilitate measurement of business KPIs and XLAs and full-stack FinOps to effectively manage IT services spend across the technology continuum and enable prioritization of investments.

A comprehensive approach to managing an organization's IT landscape should also include a Cloud Control Plane (CCP)—a unified command, control and decision support center that provides visibility into critical aspects of the entire business.

A core part of the CCP is a persona-based service catalog enabled via an automation platform that can orchestrate activities across various cloud platforms and tools.

Modern IMS incorporates SRE principles, which help improve service delivery by applying software engineering practices, proactive problem-solving, automation and data-driven decision-making. This approach breaks down silos between engineering and operations teams, ensuring the dependability, resilience and scalability of the modern hybrid cloud stack.



Three strategic steps to unleash the potential of modern IMS

Recognizing the need for change, we will explore three strategic steps CIOs can take to maximize the potential of modern IMS. These steps will transform their infrastructure from a cost center to a strategic asset, driving business innovation and bringing the organization closer to its goals.

01

Assess where you are

Organizations at various stages of their transformation journeys encounter distinct challenges and aim for different outcomes from their managed services. Some prioritize stability and cost, while others focus on transformation and optimizing their post-transformation efforts. Objectives also change over time. Drawing from our client experience, it's beneficial to assess the journey across two interconnected spectrums: IT modernization and operating model transformation.

Key parameters used to assess IT modernization should include:

Automation maturity. Check whether it is platform-based and implemented across processes, not just for repetitive tasks.

Maturity of the hybrid cloud foundation across security, resilience, operational processes and tools and cost management.

Adoption of new technologies with a modern architecture - including AI, cloud, microservices architecture, edge computing, 5G/ORAN, software-defined infrastructure and APIs.

User satisfaction with the experience of using a service with clear XLAs.

Ability to rapidly pilot and deploy new technologies in line with organizational compliance and security requirements.

Measures for evaluating the transformation of the operating model include:

Ability and agility to modernize the tech stack and integrate new technologies.

Business-IT Alignment—Adoption of a product-based delivery model that prioritizes customer benefits and sustainable business value, combined with SRE-led modern operations.

As organizations enhance their maturity across these two dimensions, they typically go through various phases. Organizations in the early stages of transformation may start by adopting a lift-and-shift approach to the cloud and initiating key automation projects to modernize their infrastructure. Pressure to reduce costs and address availability issues may lead to an increased need for automation and service improvement. By establishing a hybrid cloud foundation with integrated automation, managing asset lifecycle and consolidating across the IT infrastructure, organizations can reduce costs and improve agility.

Organizations further along their IT modernization or operating model transformation journey will need to align the two areas. Significant IT modernization without a meaningful evolution of the operating model could stifle returns on investment due to talent issues, decentralized tooling, lack of value transparency or misaligned automation teams.

Some organizations have advanced further by addressing technical debt and modernizing applications in line with business priorities: in the Accenture Digital Core survey, 38% of respondents said they consistently apply cloud-first processes and have achieved significant reduction in technical debt.

They may also seek to optimize resource utilization, foster a FinOps-based culture and invest in upskilling and reskilling of IT staff to handle modern infrastructure technologies.

Companies that have largely modernized their IT systems, or were established in the cloud, are now looking to use their infrastructure to generate new revenue streams and added value. The key to achieving this is to develop an AI strategy that focuses on automating managed services and implementing a comprehensive AI platform that can be used throughout the organization with proper governance. Assessing and optimizing IT sustainability and emissions is essential, particularly in data management and upcoming AI environments. Some organizations may choose to adopt a service delivery model that uses SRE capabilities.

This transformation journey is not linear. Companies may need to revisit earlier stages or simultaneously implement elements from different stages, depending on their specific needs, budget and risk tolerance. Different parts of their IT portfolio may evolve differently.

Maintaining a strategic roadmap and constantly evaluating and adjusting infrastructure modernization in response to evolving business needs is essential. They could benefit from partnering with a strategic IMS partner to guide and manage their transformation.

Case study

Carving out a modern IT infrastructure

Take the example of a large insurance company that wanted to restructure its IT infrastructure following a spin-off. The goal was to move from a single public cloud provider to multi-cloud to increase agility for future acquisitions and reduce costs sustainably. The company also wanted to address challenges around its operating model—network on-prem—as network cloud and network security were under separate leaders, hampering 360-degree observability. As their managed services partner responsible for infrastructure operations, application management, FinOps and network build and operations, Accenture stepped in to help with this strategic program.

First, they assessed current and future infrastructure needs and developed a network and infrastructure vision. Armed with a long-term cloud infrastructure strategy and roadmap, the company shut down their private data centers and moved them to co-locations with AWS. This also involved migrating more than 40,000 knowledge workers and contact center agents' voices to cloud infrastructure, leading to significant productivity, efficiency and cost improvements. To simplify operations further, the company set up a separate network for the spun-off businesses and executed logical network separation for scores of regional branches. A new operating model has helped improve observability and tool rationalization.

02

Build partnerships instead of just outsourcing

IMS represents a strategic investment in an organization's growth, extending beyond traditional contracts. A shared vision for developing a customized strategy to unlock the full potential of IT modernization forms the foundation for a future-ready partnership.

With the right partner—one that has transformation in its DNA and brings the right expertise in hybrid infrastructure—IMS can offer the skills, practices and tools needed to harness constantly changing technology and unlock business value. In fact, according to Accenture's recent cloud research, 82% of all companies that achieve their expected cloud outcomes use managed services to a moderate or great degree[5].

The strategic managed services partner must address business and IT demands comprehensively, accelerate transformation, deliver greater business value at a reduced cost and set enterprises on the path to reinvention.

Key criteria for selecting the IMS provider are:

Alignment with your business priorities

Your partner should collaborate with you to jointly identify current and future requirements and understand your goals—not just current ones but also the evolving goals that align with the company's vision. Your partner should then map the direction and tailor its services accordingly.

Industry expertise

Managed services needs differ by industry. Your strategic partner should deeply understand the challenges and opportunities specific to your industry. For instance, retail firms may require support to modernize their applications to handle increased demand during peak periods while ensuring a seamless user experience. Similarly, life sciences organizations might need help automating testing for GxP compliance to achieve agility. This encompasses various "good practice" regulations issued by different government agencies.

Commitment to continuous innovation

Your partner should be committed to staying abreast of the latest technologies and incorporating them into their offerings. Legacy skills can hold your company back, so your managed services partner should be able to update your workforce's skills and abilities.

Case study

Partners in modernization

Infrastructure management is not a one-size-fits-all approach. The role of a strategic IMS partner is to understand each organization's industry nuances, regulatory requirements and business objectives and drive transformation in both IT modernization and operating model transformation.

The transformational impact of this approach is demonstrated by a partnership between a consumer goods company and Accenture. The goal of the collaborative managed services partnership was to deliver cloud-agnostic operations and modernize the company's multi-cloud environment.

The consumer goods company needed a sustainable technical and commercial cloud operating model to meet their business requirements. However, fragmented observability with no end-to-end view of the landscape and business processes, as well as lack of a mature automation framework, hindered speed, agility and standardization. In addition, the company was looking to rein in runaway cloud spend while taking steps to enhance the security framework with standard policies.

Looking for a partner with deep expertise and experience in multi-cloud to set up and scale their cloud operations, they chose Accenture to deliver CloudOps in a multi-cloud environment with a cloud-agnostic approach to bring in standardization and consistency.

What's more, a robust FinOps framework helped reduce cloud spend by 10 percent in addition to providing cost flexibility. Most importantly, the company's security posture improved significantly by adopting SecOps and "policy-as-code."

Adopting an "automate-everything" approach through DevOps and infrastructure-as-code to reduce costs and increase productivity, the company was able to achieve a 20–25 percent annual cost reduction while cutting down B2B/B2C deployment time by 40–50 percent.

For organizations at the foundational stage, the IMS partner's role is to help build a strategic roadmap, align business goals with outcomes and identify opportunities for rapid automation and service improvement. These organizations often face vendor lock-in with fixed-price models, necessitating a reevaluation for transformational impact.

Organizations that have advanced further in their journey need to align their IT investments with business value. Their partner needs to address technical debt and skills shortages, introduce governance and standards and push towards modern operations.

Organizations that have matured across both dimensions are seeking next-level innovation from their IMS partner. This could include integrating cutting-edge technologies, developing new digital products, enhancing security or unlocking real-time decision-making and insights from their data. Business goals may vary, and include expanding into new markets, increasing personalization, targeting marketing, and creating new revenue streams through subscription offerings with data-driven analytics. The partner's role is to meet these needs through strategic growth initiatives and rapid scaling of resources through flexible, everything-as-a-service and data-driven business models.

The IMS partner needs to go beyond traditional IT values like cost and efficiency to embrace business outcomes, including new revenue streams, data monetization and R&D innovation. They should be able to offer flexible commercial arrangements, such as outcome-based pricing models, that can be instrumental in delivering on a shared vision.

The IMS partner needs to go beyond traditional IT values like cost and efficiency to embrace business outcomes, including new revenue streams, data monetization and R&D innovation.

03

Enable enterprise-wide transformation

Today's dynamic business landscape calls for a more holistic approach, with infrastructure envisioned not as a rigid structure with defined stages, but as a living, adaptable ecosystem. This ecosystem incorporates various components—such as core infrastructure, including hybrid cloud, network and edge, intelligent automation engine and data—that interact seamlessly to achieve optimal performance, security and agility. The ecosystem continuously learns and adapts through real-time data and performance metrics and robust governance and collaboration. Open architecture and standards help seamlessly integrate existing systems and future technologies.

Strategically deployed, modern IMS can accelerate enterprise-wide transformation using this ecosystem lens, enhancing business value at less cost and setting the stage for reinvention.

Case study

Transformation without disruption

For example, Siltronic, one of the technology leaders in hyperpure silicon wafers, faced a massive challenge in establishing a standalone IT environment and operating model after a carve-out from its parent business, Wacker Chemie. It needed an advanced and highly optimized setup to support future growth, including state-of-the-art security to protect its valuable IP. And it needed it quickly—with as little disruption as possible to critical manufacturing processes.

Siltronic approached Accenture to help with this massive IT transformation. Having analyzed the existing setup and developed a roadmap to the end-state vision, Accenture achieved the IT and cloud management services transition in just six months. With this underway, Accenture also began a series of parallel IT transformation workstreams, including a new hybrid cloud environment and associated services on Azure, migrating over 1,000 servers and 4,000 items of production equipment. All migrations were executed within the planned system downtimes and without any rollbacks.

Siltronic now has an optimized, resilient, flexible and future-ready hybrid-cloud infrastructure supported by transparent, outcome-based services from Accenture, which gives it the resilience needed to ensure business continuity and growth during uncertain times.

Its IT platform is primed to increase automation, enhance efficiency, reduce time to market and support future innovation. What's more, the new hybrid cloud environment gives Siltronic the best of both worlds—speed, scalability and innovation in the cloud, plus security and minimized latency in the data center. It's a huge step forward to a high-tech IT environment befitting a high-tech business[6]. You can read about the transformation in greater detail here.

Based on our experience helping drive enterprise-wide transformation irrespective of an organization's IT modernization and operating model maturity, we suggest a three-pronged approach:

Operationalize

Lay the foundation for a multi-speed operating model to support a hybrid landscape using automation to enhance quality and reduce technical debt and costs. A stable operational environment free from critical system "fire drills" is table stakes—even if the organization is not ready to transform further. For some companies, rationalizing and automating operations requires so much effort that little is left for modernization. As noted by one executive, "We don't have enough people to do the regular work, let alone dedicate them to a transformation."

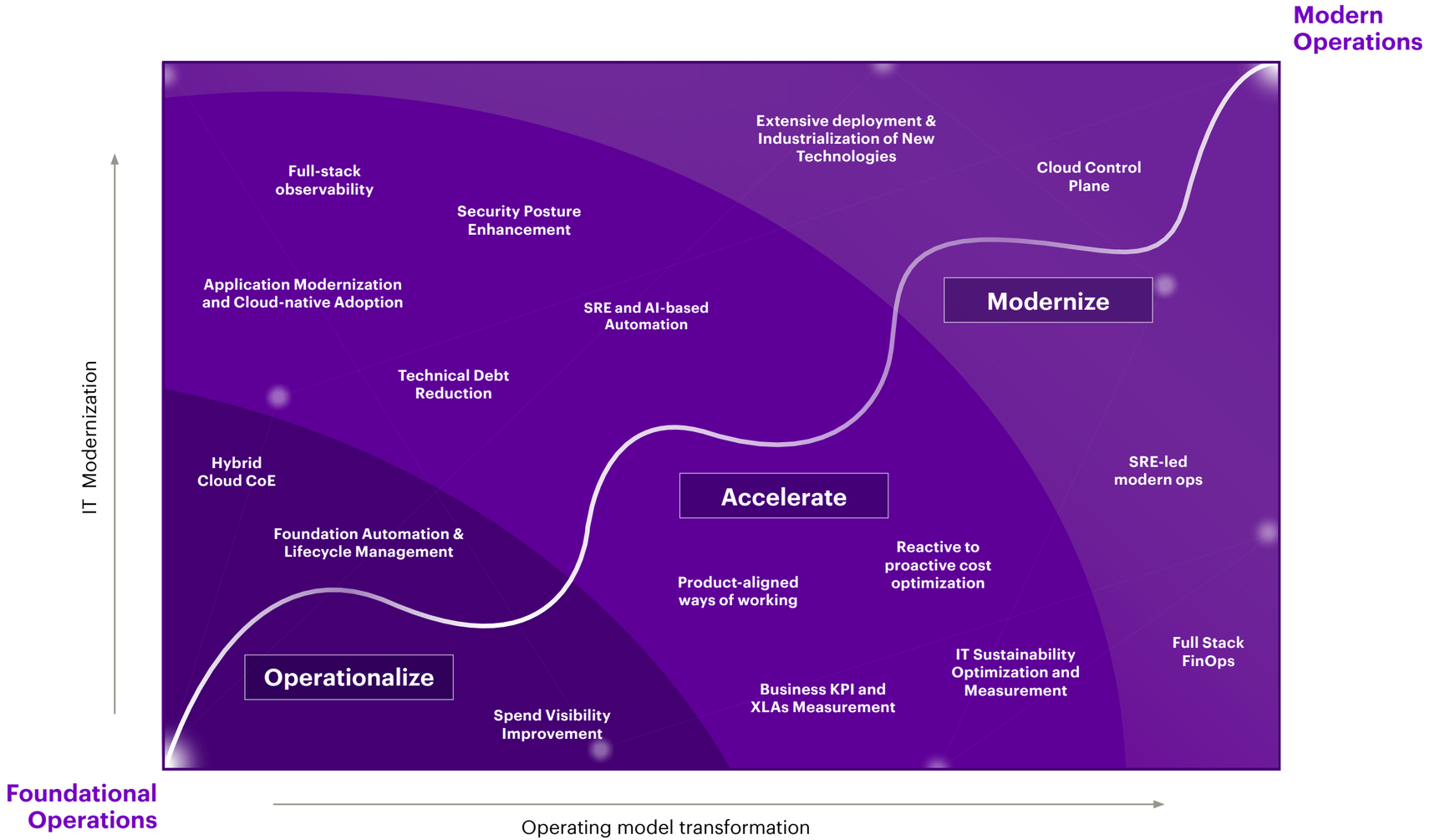
Accelerate

Continually re-engineer infrastructure to align with strategic business goals. Embrace cloud-native practices, building a software-defined infrastructure and getting maximum horsepower out of your IT estate and your people to speed up time-to-market, reduce business risk and support sustainability, while freeing funds for other activities. AI and automation can enable operations to shift from proactive to predictive using infrastructure-as-code, policy-as-code and generative AI-based knowledge management. Move to a proactive and automated FinOps delivery capability, at the center, with FinOps by design embedded into architecture and operations.

Modernize

Transform IT by adopting new technologies such as generative AI, 5G/ORAN, edge and SASE in an agile and value-oriented approach. Evolve the operating model using full-stack FinOps and SRE-led principles. Full-stack FinOps manages spend across multiple technologies (software, network, data and the rest of the continuum of technologies) and their deployment lifecycle. Use a unified control plane (CCP) to orchestrate change and drive innovation (including hybrid, multi-cloud infrastructure, applications, data, network, people and processes). A platform-based approach enhances user experience, reduces costs, drives agility and provides unprecedented visibility across the enterprise.

Figure 1: A three-pronged approach to enterprise-wide transformation



The good news? It doesn't have to happen all at once. Each step toward transformation unlocks more of the innovative power of infrastructure. The strategic IMS partner needs to meet companies where they are to design an actionable plan—from building the foundation to integrating generative AI solutions—and embed continuous reinvention into the infrastructure aligned with their business objectives and aspirations.

Conclusion

Take the fast track to future value

As companies look to reinvent themselves to stay ahead of the competition, yesterday's IT infrastructure is proving to be a rusty wagon. Traditional IMS services offer merely a patch on a fractured system, not the winning toolkit needed to stay ahead of the curve.

Modern infrastructure managed services can be the high-performance engine for the digital transformation journey. It delivers the agility of an SRE-based approach, the clear view of full-stack observability and the efficiency of platform-based AI-powered automation to take advantage of constantly evolving technology, create business value and accelerate transformation.

However, wielding this high-performance engine of modern IMS demands more than just a pit stop. It necessitates a strategic partnership, not just outsourcing. This collaboration with a forward-thinking IMS provider requires a clear assessment of the organization's current IT landscape and the crafting of a long-term vision that seamlessly aligns IT with its strategic business goals. And it envisions IT infrastructure not as a static refueling point, but as a living, adaptable ecosystem—constantly learning, optimizing and intelligently automating its own evolution.

The decision is yours: Stagnant cruise control or continuous reinvention on the fast track. Which lane will you choose?

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