

ZAPTHINK ZAPNOTE™

ACCENTURE *SOA AS STRATEGIC ARCHITECTURE FOR IMPROVING BUSINESS PERFORMANCE*

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Abstract

Professional services firm Accenture's core mission is to improve the business performance of its clients. Accenture accomplishes this mission through a combination of business process expertise and technical consulting. Accenture's technology roadmap offers their clients an approach to building information technology solutions and approaches that will meet the goal of business performance improvement.

Accenture believes that Service-Oriented Architecture (SOA) will underpin this technology roadmap. They believe SOA will be the single dominant technical architecture in the future, driven primarily by the need for interoperability. As a result, they are recommending and implementing SOA-based approaches for improving the business of clients worldwide.

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Architecture Expertise for Five Operating Groups

Accenture is a management consulting, technology services and outsourcing organization with over 110 offices in 48 countries, and over 95,000 employees worldwide. The Company's business consists of using industry and business process knowledge, service offering expertise, and insight into existing and emerging technologies to identify new business and technology trends. Accenture's core mission is to focus on improvements to their clients' business performance.

Accenture has five global operating groups, which together contain 18 industry groups serving clients in every major industry. The operating groups include Government, Resources (including chemicals, energy, forest products, utilities, and metals and mining), Products (including transportation and travel services, retail and consumer, automotive, health services, industrial equipment and pharmaceuticals and medical products), Financial Services, and Communications and High Technology (including communications, electronics and high technology, and media and entertainment). Each group offers consulting (including system integration) and outsourcing capabilities to its clients.

Accenture also has a number of horizontal *capability groups* that span their five operating groups. Accenture's capability groups are responsible for developing the knowledge capital, skills and capabilities that enable them to create their consulting and technology services and solutions. Business Consulting capability groups include Customer Relationship Management, Finance and Performance Management, Human Performance, Strategy and Business Architecture, and Supply Chain Management. The Technology Capability Group includes the following divisions:

- *Global Business Solutions (GBS)* – Leads packaged software development efforts around application suites such as SAP, PeopleSoft, Siebel and Oracle; provides capabilities such as enterprise planning, enterprise integration, data warehousing and prepackaged business solution delivery.
- *Global Delivery Network* – Builds, deploys and maintains solutions focused on application development, systems administration and software maintenance. Includes Avanade, an Accenture/Microsoft joint venture that builds eBusiness and enterprise infrastructure solutions on the Microsoft .NET platform.
- *Technology, Alliances and Solutions (TAS)* – Designs, builds and deploys complex technology solutions. Accenture's research function, including the Accenture Technology Labs, is a key part of their technology innovation agenda.

Accenture's core expertise with SOA, Web services and enterprise integration spans both the TAS and GBS groups. Professionals in TAS can be thought of as "industrial engineers," responsible for scaling the new technology, building client solutions with that technology, and delivering those solutions in a predictable fashion, in addition to developing training, tools and methodologies in conjunction with the operating groups to expand the offerings

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Accenture can provide to its clients. In the past, the emphasis was on proprietary tools, but Accenture is now phasing out such tools in favor of standards-based toolsets.

The Accenture Technology Labs within TAS are Accenture's research and development group, responsible for researching technologies that may lead to client solutions three to five years in the future. Once an emerging technology is ready for market, the labs and TAS works with the five operating groups to take the technology to market. Accenture doesn't have a "toss the technology over the wall" problem, because the expertise they build within the labs often accompanies the technologies as Accenture rounds out solutions and takes them to market. In addition, the lead technologists in each of the operating groups are matrixed into the TAS group.

Accenture's Approach to SOA

Accenture's SOA initiatives fall within the overall context of Accenture's core business performance improvement mission. While Accenture has no SOA group *per se*, they are aggressive about its long-term adoption, and in the short-term, see the use of Web Services across a range of different IT environments. They have institutionalized the concept of a high-performance business, based on the five concepts of integration, industrialization, infrastructure, innovation, and information. *Integration* includes connecting systems and streamlining business processes; *industrialization* connotes institutionalizing processes to improve quality, and approaching IT from a manufacturing perspective; *infrastructure* involves transforming existing, aging systems into a streamlined, consolidated, optimized, and secure set of standards-based Services; *innovation* implies a systematic investment for both tactical and strategic improvements; and *information* deals with the quantity of data that companies deal with.

These "five I's" underpin their technology roadmap, which moves from rationalizing existing systems and data structures, through standardization of architectures and tools and enterprise integration, to the standardization of business processes, leading finally to a Service Orientation vision. Accenture then focuses at the highest level, which is process integration. In the past, issues of system integration (SI) have overwhelmed companies' ability to focus on process integration, but with the maturation of SOA, this focus has shifted. SOA will require a continued focus on SI, but Accenture predicts that the distribution of the effort within SI will change, with process integration becoming more significant than technology integration over time.

Accenture approaches SOA either from a top down enterprise architecture direction, where process architecture is the primary driver, or from a bottom-up enterprise integration direction where solving integration problems is the driver and SOA is a part of an overall integration architecture. The architectural approach seeks the right Services and the right processes to deploy on an SOA, while the integration approach focuses on how to implement Services the right way. The business imperatives that the architectural approach address include process architecture, portfolio management, and dealing with mergers and acquisitions. The corresponding business imperatives for the integration approach include interoperability, business-to-business integration, and business Services. Most of Accenture's clients concentrate solely on the bottom-up, integration approach, but an increasing number of companies are also taking the top-down, architectural approach as well. However, at the current time, the bulk of the work is enterprise integration-related.

Accenture's core intellectual property (IP) centers on business process. They want to capture more such IP for deploying on an SOA. Currently, much of this IP is in static ("PowerPoint") format, and they are in the process of moving such business process expertise to descriptive, deployable business processes. Business process standardization is enabling Accenture to better take process IP to their clients in the form of ready-to-use artifacts delivered using

standards such as BPMN and WS-BPEL. This shift to a SO mindset is a large undertaking for Accenture and its clients.

Client Examples

Accenture is seeing more SOA activity in government than in any other vertical industry, primarily because so many governmental organizations consist of diverse agencies with limited budgets. The cost savings benefit of SOAs is a critical criterion for such agencies. The pattern that many such agencies follow is to work first on broad standards compliance, followed by building an acceptance for SO approaches, leading to mass connectivity across agencies and external parties. Accenture also offers an eGovernment accelerator that helps such agencies put paper forms online quickly, taking advantage of an XML infrastructure. This accelerator is now helping government agencies leverage Web Services and SOA as well.

Case Study #1: Foreign Government Tax Authority

This agency was responsible for implementing a major initiative to facilitate tax information exchange between business and government. Through the use of Web Services, Accenture reduced the amount of red tape and administrative effort hampering the business, and helped to develop a single point of contact strategy for businesses across the multitude of agencies that the tax authority interacted with. Accenture then built a self-service portal providing every business in the community with a unique identifier and Services for them to update their information online. This project used Web Services to automate the provisioning of new businesses, enable self-service transactions, and share information across all governmental agencies.

This tax authority took a bottom-up approach to SOA. However, all integration at the organization will be top-down, process-driven Service-Oriented moving forward. Their SOA initiative is now about two years old, and they're building out a rich SOA that covers many departments within the organization, as well as providing for external integration.

Case Study #2: Federal Government Agency

This agency of the US Federal Government provides supply support and technical and logistics services to the US military, managing more than four million consumable items and processes, and up to nine billion data transactions, a year. They sought to overhaul their supply chain and improve their logistics data environment. Their main challenge was to determine a way to enable the easy interchange of data across the supply chain and boost the visibility of assets in each system.

Accenture is creating a shared service center to better manage and route the logistical transactions required to manage inventories, including requisition approvals and updates, inventory searches and allocations, shipments and financial transactions. This solution will enable the integration of logistics business processes internally, as well as for its customers and commercial trading partners.

This agency is using a Web Services/XML backbone to connect several different agencies together. The focus of their efforts are on dealing with the massive quantities of metadata that describe the data and processes they must implement in their SOA.

Case Study #3: Regional European Government Agency

This European agency provides public services to six million citizens and businesses. Like many other regional governments, it struggled with eGovernment inefficiencies that resulted in excessive costs, slow and inconsistent services, and a lack of visibility into the needs of the people and companies it served.

Accenture implemented a Web Services-based SOA to establish a portal that allows citizens and businesses to access government services. Accenture provided a single access point to governmental services and benefits. The portal can provide all citizens with service cards, email accounts, digitized signatures, and a personal identification system that lets users interact with different departments.

Case Study #4: European Airline

This airline sought to improve its labor-intensive and mostly manual employee ticket system which handled 130,000 non-revenue generating tickets annually. It also sought to maximize their existing IT investments and provide a flexible way to use booking and reservation services.

Accenture helped this airline build an SOA to help them manage a merger with another airline, specifically to combine the two ticketing systems in an agile, low-cost manner. Accenture built a self-service, business-to-employee booking tool that offers 24-hour access and a transparent view of all available flights and ticket costs. Web Services then expose internal business services. The SOA enabled the airline to avoid re-inventing a new access and messaging mechanism each time applications needed to access the legacy reservation system.

The Web Services/SOA approach will enable the airline to maintain channel consistency, maximize IT investment through the reuse of existing business logic components, and will enable multi-channel information distribution.

Accenture Services

Accenture Technology Capability Group

Overview:

Accenture's heritage lies in the integration of systems and business processes. As an outgrowth of this heritage, they offer development of integrated systems using XML with the core Microsoft .NET and J2EE platforms in conjunction with reusable architectures.

Description:

Accenture has approximately 200 people in their global Enterprise Integration practice and an additional 5,500 people within their five Operating Groups, embedded within client teams and delivering integration services to clients. The core Enterprise Integration specialists fulfill leadership and delivery roles and provide consistency across Accenture's Operating Groups. This group of people is increasingly making use of the Web Services capabilities of products from vendors such as Microsoft, BEA, SAP, webMethods, SeeBeyond, TIBCO, Vitria, Ascential Software, and IBM. Accenture employs approximately 600 people with Web Services expertise, including about 160 architects.

Value Proposition:

Accenture is able to bring deep expertise in technologies like Web Services and SOAs to their clients in a repeatable, cost-effective manner.



The ZapThink Take

Accenture is so optimistic about the future prospects of SOA that they believe SOA will be the single dominant architecture moving forward, driven primarily by the need for interoperability. Therefore, while other architectural approaches, including client/server and n-tier will continue to exist, SOA will be the overarching abstraction on top of all other architectures. Accenture is thus indicating that they will be placing a large bet on SOA, and their experience with SOA rollouts provides a measure of comfort that this bet is well-founded.

It is important to highlight that Accenture views SOA as being strategically valuable to their clients, rather than simply being of tactical use. SOA can clearly reduce integration costs and offer increased reuse of existing capabilities, which are tactical advantages of the approach. Accenture's current case studies generally fall within that tactical range. Nevertheless, Accenture's full vision for SOA ties directly to their mission to improve their clients' business performance by laying out a roadmap toward ubiquitous integration in what Accenture calls a fully connected world.

Profile: Accenture	August 2004
Funding:	
NYSE: ACN	
Chairman/CEO: Joe Forehand (until August 31, 2004), to be followed by Bill Green	
Employees: More than 95,000	
Services:	
SOA initiatives within their Technology Capability Group	
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Related Research

- *SOA Consulting* Foundation Report (ZTR-WS109)
- *EDS ZapNote* (ZTZN-1154)
- *MphasiS ZapNote* (ZTZN-1151)



About ZapThink, LLC

ZapThink is an IT market intelligence firm that provides trusted advice and critical insight into XML, Web Services, and Service Orientation. We provide our target audience of IT vendors, service providers and end-users a clear roadmap for standards-based, loosely coupled distributed computing – a vision of IT meeting the needs of the agile business.

ZapThink's role is to help companies understand these IT products and services in the context of SOAs and the vision of Service Orientation. ZapThink provides *market intelligence* to IT vendors who offer XML and Web Services-based products to help them understand their competitive landscape and how to communicate their value proposition to their customers within the context of Service Orientation, and lay out their product roadmaps for the coming wave of Service Orientation. ZapThink also provides *implementation intelligence* to IT users who are seeking guidance and clarity into how to assemble the available products and services into a coherent roadmap to Service Orientation. Finally, ZapThink provides *demand intelligence* to IT vendors and service providers who must understand the needs of IT users as they follow the roadmap to Service Orientation.

ZapThink's senior analysts are widely regarded as the "go to analysts" for XML, Web Services, and SOAs by vendors, end-users, and the press. They are in great demand as speakers, and have presented at conferences and industry events around the world. They are among the most quoted industry analysts in the IT industry.

ZapThink was founded in October 2000 and is headquartered in Waltham, Massachusetts. Its customers include Global 1000 firms, public sector organizations around the world, and many emerging businesses. ZapThink Analysts have years of experience in IT as well as research and analysis. Its analysts have previously been with such firms as IDC and ChannelWave, and have sat on the working group committees for standards bodies such as RosettaNet, UDDI, CPExchange, ebXML, EIDX, and CompTIA.

Call, email, or visit the ZapThink Web site to learn more about how ZapThink can help you to better understand how XML and Web Services impact your business or organization.

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