



The Deloitte On Cloud Podcast

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Title: Deloitte IndustryAdvantage Leader, Brian Campbell goes deep on industry clouds

Description: In this Knowledge Short, the Deloitte IndustryAdvantage Leader, Brian Campbell takes a deep dive into industry clouds. He gives a short definition of what they are, who they're for, and how they work, and he takes a high-level look at the significant market and vendor trends. Next, Brian discusses how organizations can be successful in deploying industry clouds and the challenges and benefits they should expect. Finally, he looks forward to predicting where the industry cloud movement is headed.

Duration: 00:13:05

Brian Campbell:

Welcome back to the On Cloud Podcast. I'm Brian Campbell, IndustryAdvantage leader and strategy partner at Deloitte. I lead our industry cloud business and I'm your host for today's Knowledge Short episode. Today we'll be diving into the world of industry clouds.

What are industry clouds? The easiest way to think about it is these are industry solutions, which tend to often be the word used across the industry. When you think about the history of technology over the last 20 years, in particular cloud platforms, they've gone through an evolution from infrastructure-as-a-service to platforms-as-a-service and ultimately to business-outcomes-as-a-service. And, really, the way that that last piece of the puzzle is being accomplished is by defining specific business problems, which when you think about the product, the commercial, the operational sides of many businesses they're so unique to the industries they operate in, whether it be health care, banking, software development, oil and gas, that each of those different value chains needs to be addressed in a way that the business outcomes of that industry are solved and supported. So, the portfolio of these industry cloud solutions that are evolving and being served up across the market is expanding exponentially, particularly given today's environment and technologies like GenAI that are increasing the pace at which these are developed.

Some of what makes them unique versus historical solutions is they're business-oriented but industry-specific. So, again, the needs of a health care provider are very different than the needs of a commercial bank. And the different business processes across the value chain that are solved, automated, and increased efficiency by applying technology to those different areas of the business are oriented towards those specific outcomes that that enterprise and that industry are looking for. So, that's first and foremost.

But more than that, they're modular in the sense that you can combine several of these together with some interplay between them to allow a greater degree of outcome and flexibility over time to continue to evolve on them. And then, lastly, there's the ability to increase customization, to drive differentiation for a different organization. So, not just taking the industry standard but customizing that in a way to create a unique set of differentiation or unique experience for your customers, your suppliers, your employees, or other stakeholders that you are trying to serve. So, that's industry clouds in a nutshell.

What's currently going on in the market? So, there are a lot of things that enterprises are getting right in this space. The leaders are really taking a holistic approach and strategy looking across their business to the areas that industry clouds can be applied and are going to have the greatest degree of return within those businesses, versus getting stuck in the tens or even hundreds of proofs of concept which certain organizations have struggled with. So, that holistic strategy is a starting point that we see the organizations that are getting the most value out of those technologies really started with.

And then, within that, really defining where they want to differentiate across their business and making choices to spend their limited resources, both from a financial and from a human capital perspective in terms of creating that differentiation on top of those industry clouds to be able to really serve up in a unique and compelling way to their customers, their suppliers, their various stakeholders. And then, looking at the rest of the business, where they can adopt what exists out in the market that's going to allow them to create a greater degree of efficiency and a more compelling and scalable core is the remainder of that strategy and where they want to leave things as is.

So, again, leaders there are getting that right. And they're also bringing together business and technology to have this conversation and to implement on those strategies holistically. This isn't one side of the organization or the other. It's both. And both building knowing that things will continue to evolve and thus building for that flexibility and creating guardrails so that not just a small group within an organization, but the broader organization can continue to adopt and innovate on that base that's built using these industry clouds.

Some of the things that aren't always going right for certain organizations are looking at the world through the light of a single vendor. So, when you think about the different players in this space that are serving up industry cloud solutions, it's the hyperscalers, software companies, global systems integrators, and a whole host of others that are bringing a lot of these industry clouds to bear across the market. And to get the most value out of a full portfolio you do really need to look across that market to understand which are going to serve your needs best, which are going to build on the base that you currently have and are considering expanding over time, as opposed to just through a single player.

And the other that some struggle with is you don't have to do all of this at once at the end of the day. Some organizations will go sort of area by area. And when I say "area," it can be business functions, it can be business units. There's a couple of different ways to look at it but splitting it up into bite-sized chunks for you organization and systematically working across and showing the value and showing the ROI over time is a pretty compelling way to create the type of transformation that this enables. But trying to do it all at once is often where a lot of organizations struggle.

We've done some surveying in this space, and in terms of where organizations are seeing the most amount of benefit as well, it is the increased innovation time. Over 60 percent of respondents to some of our surveying in this space placed that as the top item where they're seeing the greatest degree of benefit. The ability to really apply technologies in a more compelling and drive a greater degree of return was that second area. Over 45 percent of respondents said that was the number one benefit that they saw. And then, to a lesser degree but still important, it was a way to take advantage of cloud investments that many had made. And then, looking at the way to connect in a more compelling way with both customers and suppliers and then ultimately accelerating the capacity to change were some of the other top areas that organizations were seeing value from industry clouds.

From a challenge perspective, fear of control over data and insights was number one. Second was a fear of lock-in on certain vendors which, to the point I made earlier, is why it's so important to look holistically across the landscape as to what's available and what's going to best serve your business needs. And then, a couple of other areas were lack of visibility into regulatory and legal risks, the potential for some of the vendors that you choose to actually be competitors in certain spaces over time, and then ultimately confidence in the ability to protect data across some of these solutions were all listed as some of the concerns in this space. So, those continue to be things that unique to every organization need to be worked through.

In terms of what's hot in the marketplace, the marketplaces themselves have actually really increased the pace at which adoption is taking place. So, whether it be the hyperscalers or some of the ISB marketplaces that have been established and being able to serve those up and in certain cases even utilize contracts that you already have open with some of those players and even utilize some of the financial commitments you've made to them to purchase and ultimately deploy some of these industry cloud solutions has become a real focus, particularly in the last 12 to 18 months of a lot of organizations as those have proliferated.

And then, I'd be remiss to not mention GenAI in this space. So, many of these solutions are already taking advantage at scale of GenAI technologies in applying to the various different business problems that they're trying to solve, so more and more tends to be at the heart of many of the technologies that are being stitched together to ultimately solve the business problem that this solution has been created to do.

From a sector perspective, within the consumer industry customer retention has been a huge area of focus and innovation. So, loyalty solutions, customer experience solutions, both in physical spaces, retail stores, as well as online and the advent of next best action, some of the different solution areas in that space have been a huge area of both spend as well as innovation. As you sort of work across other industries, within the energy resources and consumer industries a huge focus on sustainability and a number of different solutions there that are looking at all different types of sustainability, whether that be waste reduction, whether that be scope emission, observation, and optimization, there's a whole host of different innovations that have been coming out there and a pretty high degree of spend as well.

And then, one or two others from the life sciences and health care industry, particularly on the life sciences perspective, the R&D side of things, looking at clinical trials and the automation of data collection, the automation of some of the analysis, and even accelerating the speed to which clinical trials are done, and on the health care side in particular the patient experience and different aspects of how patients engage within and outside of a hospital are just a couple of different examples of areas where there's a huge degree of innovation and proliferation of industry cloud solutions.

Where things are headed, a lot of technology companies are actually restructuring their businesses with an orientation around industry. This just sort of foreshadows the expansion and almost explosion in this space of what you're likely to see over the coming years. And then, the decrease in friction through which these are served up to other different enterprises will continue to go down. These marketplaces will improve, the automation of deployment and implementation will continue to increase, and the modularity and the ability to do that with fewer resources and less technical depth, especially with many of the different sort of technical GenAI solutions that are helping to increase that pace – low-code, no-code kind of deployments – are going to continue to be a real focus on the market.

So, a fantastic space to be looking at, especially at the intersection of business leadership and technology leadership, a huge way to think about really amplifying and maximizing the return on your technology investments, and ultimately a place to take advantage of these technologies in the heart of your business. So, thanks for listening to this week's Knowledge Short on industry clouds. If you enjoyed this podcase, please make sure to like us, rate us, and subscribe. You can check out our past episodes at DeloitteCloudPodcasts.com – all one word. Feel free to also follow me on LinkedIn if you're looking to learn more about industry clouds or more broadly how technology is accelerating the pace of industries. And until next time, thanks for having me. And stay safe, everyone.

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