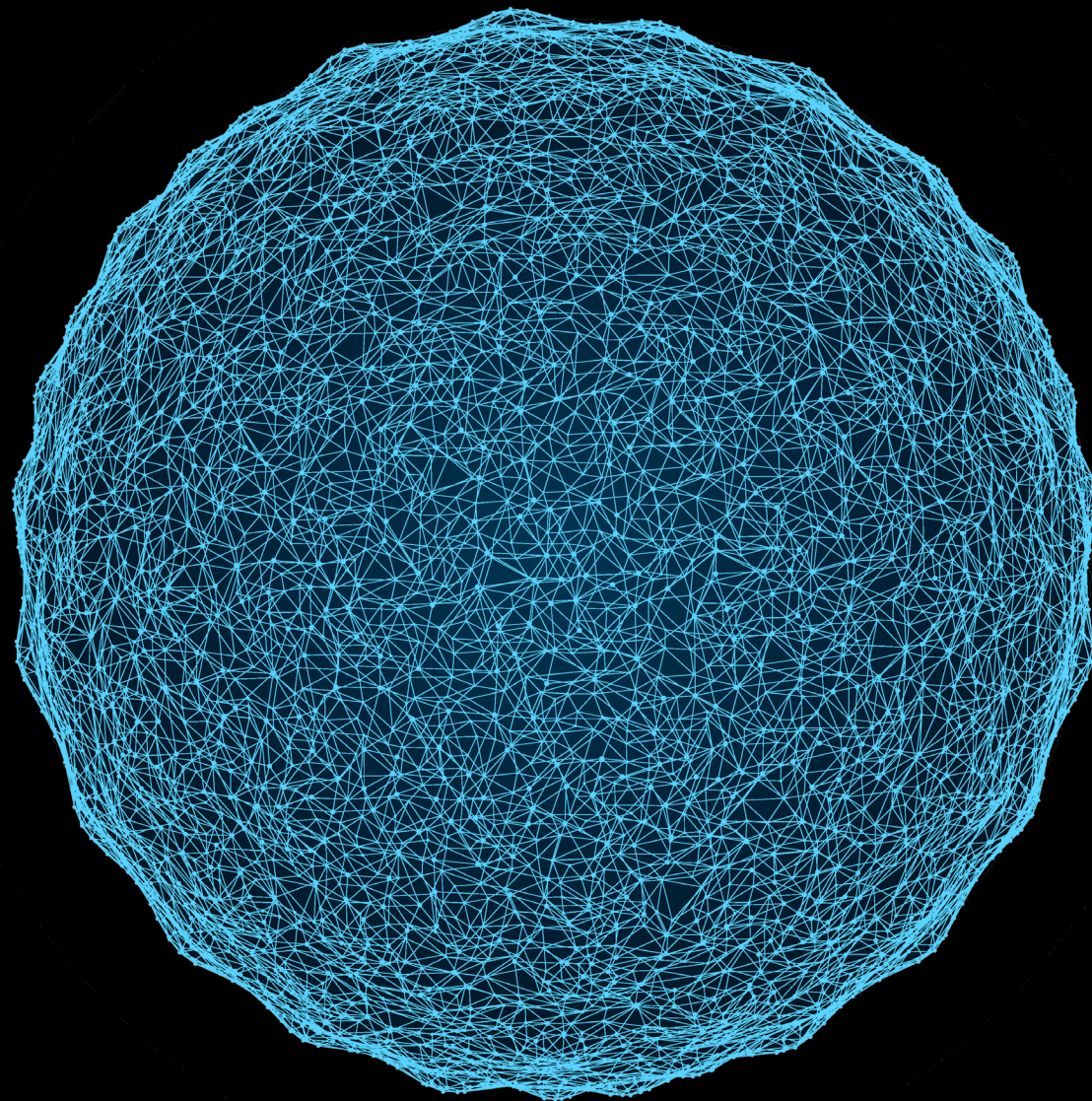# Deloitte.

Connectors
The "human cloud" in
global business services

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After years of seeking creative new solutions to getting more work done more efficiently (shared services, global services, outsourcing, "silent offshoring," and so on), some companies see the possibility for an entirely new opportunity: the so-called "human cloud." In the human cloud, jobs are broken down into smaller components and assigned to freelance workers as a regular, manageable part of the company's workforces. It's an approach that many are already putting to work.

Cost structure is one factor driving this trend, with some companies opting to pay purchase orders rather than salaries. The availability of talent plays into this development as well – for example, data scientists may not be willing to move to a

company's remote headquarters, but could be engaged remotely and temporarily. The list of reasons to consider such an approach is practically limitless, in fact. Some companies want greater flexibility to pay when they're satisfied with the work. Others are looking for ways to significantly reduce overhead costs associated with employees. For some, it's about giving valuable employees the flexibility to work whenever, wherever.

For many, though, this is uncharted territory. How can the people who make up the "human cloud" fit as part of a fully conceived service delivery strategy? What type of infrastructure and operational foundations need to be in place in order to support a "human cloud" approach to

accomplishing work across the enterprise? What type and level of governance needs to be in place? How will your people maintain valuable cultural elements in the face of such a different approach to management? Similarly, how will they ensure a consistently high level of quality and service? It will be important to make smart, informed decisions about issues like these from the start – before you wake up one day and realize you have an ill-conceived human cloud "strategy" by default rather than by design.

For leaders considering putting the human cloud to work as part of their global business services mix, here are a few getting-started considerations: ⊙

Find the "safe" gaps

Where to look

It's unlikely that you'll start your experiment in the human cloud with a large-scale initiative, with good reason. Instead, look for a handful of skills gaps that have proven difficult to fill in the past, or those that are noncritical and used only infrequently—a certain type of programming skill, for example. Look for anomalies—skills gaps that stick out time after time. Geography also plays a role—a company located in Silicon Valley may have very different gaps than one located in the Midwest.

"Safe," as in...

It may also be helpful to start with rote tasks—those that you may have been tempted to automate in the past, but didn't or couldn't do so for some reason. Data entry, writing code, answering calls, etc.— all could present a good starting point for testing the waters.

Above all, start with noncritical skills gaps or projects. If you're relying on those skills for a critical new product launch, don't plan on plugging into the human cloud—at least not at the beginning.

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Start building the guiderails

Make room for the boom

Remember when mobile phones first became widely available in the consumer marketplace? At that same moment, mobile phones experienced near-instant, widespread adoption within businesses—many of which had no formal adoption plans, infrastructure, or governance in place. While the lure of the technology was unavoidable, the real impact was hardly planned for. As a result, many organizations had to reverse engineer policies and procedures to account for the mobile "booms" that had taken place.

A plan to guide the way

While it's not a perfect comparison, there are clear parallels to the potential explosion in human cloud arrangements. The corporate strategy for widespread human cloud adoption should be considered from the very beginning, led by HR leaders. What are the legal ramifications? Governance? Tax? IT? Public relations? The real opportunities afforded by this approach must be guided by a sensible, practical, strategic plan.

The corporate strategy for widespread human cloud adoption should be considered from the very beginning...

Manage perceptions

Clear benefits...

It's easy to see why a "human cloud" approach can potentially benefit both employers and workers looking for greater flexibility and the opportunity to be rewarded for excellent work. Overall, it has the potential to balance pay with performance on a global stage, regardless of demographics or location.

But like nearly any potentially disruptive development, detractors will likely see plenty of drawbacks—both inside and outside your organization. This is a topic that is just starting to receive attention from the media. And your own employees are bound to wonder about the implications for their own jobs. A limited, pilot-based approach could help you understand the issues and response better, and plan for the implications of a larger-scale rollout.

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Let's talk

To transform your business, transform your service delivery model

Will the human cloud join outsourcing, shared services, and global business services as the next frontier in service delivery? It's entirely possible—and some would say it's likely. And just as with those developments, those who are the first to understand and realize its potential in their businesses have the potential to gain a significant advantage over the competition. If you want to know more about how to put the human cloud to work as part of a comprehensive service delivery strategy, we can help.

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