

Oracle@Oracle Industry Cloud

Infrastructure Story

3.3 / Driving Organizational Change

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INTRODUCTION

Cloud enhances resilience, scale, and scope of infrastructure services. A successful transformation requires enterprises to re-examine and adapt their technology, organizational structure, and business practices, impacting everything from long-term product roadmaps to planned technology investments. This series explores Oracle's experiences consolidating its Global Business Units (GBUs), a set of eight industry-focused software groups that serve over 199,000 customers with 60+ products running in 80 colocation data centers, onto Oracle Gen 2 Cloud. This paper concludes our discussion of the business planning by examining the methods used by the Oracle GBUs to implement and manage the organizational change required by the cloud transformation.

No aspect of the cloud transition comes without a corresponding change in the expectations and demands put upon the people that make up the organization. As discussed in [Oracle@Oracle Industry Cloud Infrastructure Story 3.1 Transitioning to a Cloud Service Model](#), changes in the organization's delivery model and customer relationships can require new skills, knowledge, business processes, and mindsets.

These changes can have a sweeping impact across the organization, which is why culture change is frequently said to be the most difficult aspect of the cloud transition.

The sheer scope of these changes can create the impression that a cloud transition requires largescale reorganization and workforce replacements to bring in contributors with cloud experience and expertise. While changes in internal functional specialization and new hiring focus on cloud skillsets are major components of the cloud transition, the organization cannot afford the loss of the established processes, dynamics, and contributors that have been key to its success. It is essential for organizations to balance the speed of organizational change against potential disruptions to ongoing business and customer experience. Maintaining this balance involves a re-alignment of structural changes to the career development capabilities that will allow existing employees to transition to the new operating model.

HOW DOES AN ORGANIZATION CHANGE IN THE CLOUD?

The cloud transition affects all components of service delivery, from development to operations to customer lifecycle management. These changes affect back-office business functions that are often overlooked in cloud migration planning. Key changes across major functional areas include:

- **Development:** New architecture patterns, priorities, and delivery requirements must be considered that were not necessarily considered for legacy models. At the same time, the delivery and release models will require changes in day-to-day responsibilities, encouraging the adoption of agile, DevOps, DevSecOps, or similar models that require substantial change in assumed roles and responsibilities for development teams.
- **Cloud Operations:** The same factors that impact Development have their analogs in operations, as teams must adapt to cloud service boundaries, technical capabilities, and other factors. High volume, but low value activities, like basic OS patching, will fall outside of the scope of responsibility, while these teams fall under increasing pressure to drive strategic delivery improvements or perceived customer experience. Shifting roles and responsibilities may be seen here as well, as these teams evolve.
- **Security and Compliance:** Must respond to new infrastructure and platform components, as well as shifting delivery processes and standards resulting from changes in Development and Cloud Operations. At the same time, these teams must also contend with evolving threat volume and sophistication. Often these factors can require changes in organizational engagement and delivery models, as well as new functional areas that carried less weight in legacy delivery models.
- **Customer Lifecycle Management:** Changes in the customer relationship dynamic and basic service delivery components affect sales, marketing, service, and support roles. However, unlike other areas of the organization, these changes affect background knowledge, engagement playbooks, and service boundaries more than they change day-to-day activities, which remain largely unchanged.
- **Business Process Management:** largely remains unchanged in its core functions, but must adapt to new assumptions, models, and data inputs and outputs. These changes affect procurement, capacity planning, and expense and margin analysis, for example, where business priorities, information sources, and analysis models shift more than operations or functionality responsibilities.

The shifts in knowledge, skillsets, and process and cultural change required by the cloud transition do not affect these areas equally. Needs vary due to a team's area of functional responsibility as well as the scope of technical, product change that will be involved in the transition. For example, a product organization moving from on premises development to cloud native architecture must deal with a steeper learning curve than a financial planning team considering the ramifications of lifting and shifting an application hosted on company-owned hardware to an IaaS service.

Whatever the scope of change confronting a team, the cloud transition will require some level of adjustment in the knowledge sets, business processes and practices, and cultural assumptions that are familiar to an organization. Navigating this change is a tremendous source of difficulty in the cloud transition, especially as organizations seek methods that enable new models while simultaneously maintaining existing resources and skill sets that have always guided its business.

ORACLE GBU STORY: BECOMING A CLOUD DELIVERY ORGANIZATION

Focus on Cross-Functional Organization Change

The Oracle GBUs consist of multiple, industry-dedicated business units, supported by common cloud delivery teams. Each set of products provided by these business units addresses varying industry-specific use cases, business requirements, and compliance standards. A wide range of dedicated product development, operations, security, and business management teams support these products. While the level of cloud experience varied between these teams, each possessed hard-won and specialized expertise relating to their key areas of responsibility and the business dynamics related to their industry.

[Oracle@Oracle Industry Cloud Infrastructure Story 1.3 Assessing the Portfolio](#) addressed the portfolio planning aspect of the cloud transition, including the assessment of each product's cloud readiness and requisite investment to drive the technical changes required. The Oracle GBUs took a similar approach to organizational change, providing for independent evaluation and change programs across the various teams supporting each product. A common objective behind all of these change plans was adaptation of existing teams. The Oracle GBUs sought largely to minimize turnover due to the cloud transition, hiring outside cloud expertise to enhance, rather than to replace existing resource. Instead, the GBU organizational change strategy emphasized increasing organizational knowledge and the redesign of business processes to support cloud delivery. Common approaches included:

- **Workforce Expansion:** Selective hiring of external talent to fill new functional responsibilities or create new areas of expertise within the team
- **Workforce Realignment:** Revise organizational structure map to cloud delivery functional needs and map existing staff to roles where they can be the most effective
- **Education:** Develop channels for formal training to support large-scale education and informal knowledge share for on-going development and growth
- **Collaboration:** Adopt techniques to break down historical silos and establish common goals and means to share solutions to business problems

Due to the degree of diversity in products and business expectations across product portfolios, a global change program was not appropriate. Rather, the Oracle GBUs determined which mix of methods was best suited to the needs of different product sets and functional groups. Business and product strategy assessments play a role in this process, largely as a factor determining the relative priority and level of investment needed to align to the larger product strategy and roadmap.

Workforce Assessment and Change Alignment

In order to understand the most effective methods for delivering change, the Oracle GBUs conducted workforce assessments against its major functional areas and product groups. Each team started by identifying the skills, knowledge, and capabilities it will need to support cloud delivery. Next, the team would map these requirements against each current staff to understand how these requirements mapped to both (1) the core competencies and (2) current job functions of each staff member. Analysis of these three sets of values permitted teams to identify required knowledge and skills that were lacking, potential realignment of responsibilities needed, as well as the type and scope of investment to address major gaps.

Across these assessments, the Oracle GBU teams identified similar requirements profiles across similar functional areas (Table 1). Strategies developed in response to these profiles also split into several common patterns, related to the extent of change needed by each team. Business operations and customer relationship management (including sales, support or customer success) roles most often identified demand for new knowledge bases and adjustments to existing processes and priorities; needs that were primarily addressed through education programs. Product development and operations teams were more likely to require new skillsets, processes, and responsibilities, involving change strategies based on iterative and progressive workforce re-alignment. Teams involving major expansions in responsibility or oversight, architecture and security teams, became the primary areas where workforce expansion became required.

Table 1: Aligning Organizational Change Strategies to Requirements

		NEW FUNCTION	NEW SKILLSET S	NEW KNOWLEDGE	NEW PROCESS	CHANGE TO PROCESS	CHANGE TO PRIORITIES
Training & Education	Business Operations			●		●	●
	Customer Lifecycle Management			●		●	●
Operational Re-alignment	Cloud Operations		●	●	●	●	●
	Development		●	●	●	●	●
Expand & Enhance	Security & Compliance	●	●	●	●	●	●

Training & Education Strategies

Core business management, financial operations, and customer engagement and management activities (such as sales, marketing, and support) required few operational changes. Rather, the GBU organization found that these teams largely required changes to priorities, relationship dynamics, and analysis frameworks. While these teams adapted to new concepts or sources of information, they encountered relatively minimal process change.

The cloud transformation largely presented these teams with a knowledge gap problem, resulting in a focus on education through both formal and informal channels (Table 2).

Table 2: Training and Education Strategies

	BUSINESS OPERATIONS / FINANCE	MARKETING, SALES, & SUPPORT
Objective	Ensure existing processes are calibrated to new business dynamics & data inputs	Reorient to new customer relationships, value propositions, motions, & delivery
Workforce Realignment	Assess & revise processes in alignment with product strategy & delivery	Develop new frameworks, templates, playbooks, incentives, & support actions
Education	Informal education & process change across affected staff	Formal training programs providing clear guidelines & standards for engagement

Workforce Re-alignment and Progressive Change Strategies

Cloud operations, platform, and development teams also encounter new concepts, but the transition for these teams involves steeper learning curves related to new architectures, requirements, technical components, and development priorities. Transition to SaaS delivery often brings with it new working models, as well, particularly where traditional silos of development and operation are blending in DevOps, DevSecOps, and similar approaches.

Development and operations teams required the largest scope of organizational change. Education initiatives remained crucial here, but required on-going reinforcement through formal and informal knowledge share and collaboration mechanisms (Table 3). As discussed in [Oracle@Oracle Industry Cloud Infrastructure Story 2.1 Technical Planning: Picking Your Pilot](#), the identification of early adopters and “cloud champion” teams with existing cloud experience, played a key role in this effort. These teams became key resources and internal evangelists, establishing key concepts, culture change, and best practices as additional teams began cloud projects and built up core competencies. In some cases, the creation of cloud champions or experts involved hiring external talent, but these efforts focused on inserting expertise that could be spread to existing teams.

Table 3: Workforce Re-alignment Strategies

	DEVELOPMENT	CLOUD OPERATIONS
Objective	<ul style="list-style-type: none"> • Create expertise in cloud architecture standards & principles • Reorient team to prioritize cloud operations alongside feature sets 	<ul style="list-style-type: none"> • Create expertise in cloud operations standards & principles • Re-align culture to focus on strategic contribution to customer experience
Workforce Realignment	Organize a “cloud champion” team to lead cloud projects & provide expert resources for other teams	Redefine metrics to promote visibility to the impact of activities on margin & service-level agreements
Workforce Expansion	Strategic addition of new resources addressing major skill / knowledge gaps	Strategic addition of new resources addressing major skill / knowledge gaps
Education	Define universal education strategy by role to promote new methods & priorities	Define universal education strategy by role to promote new methods & priorities
Collaboration	Provide mechanisms to promote knowledge share across all teams	Emphasize key cloud product priorities & ramp all teams over time

Expansion and Enhancement Strategies

In select cases, the cloud transition involves expansion in responsibilities or domains that are entirely outside of the organization's established functions. Here, larger scale acquisition of external talent and expertise may be justified to build up the organization's competencies.

The Oracle GBUs identified this need within its GBU Security and Compliance Management team. As the cloud transition created a new set of concerns, threat profiles, and changing delivery models, GBU Security and Compliance Management transitioned from a governance organization to an internal services provider. Oracle GBU Director of Security Architecture, Matthew Carlson observed, "Historically, we would provide a standard for how to secure an application. The product teams were left to figure a lot of it out on their own. Now, the goal is to create a security envelope around the cloud so that product teams don't need to develop individual capabilities. They use central services."

This change in mandate caused Security and Compliance Management to become the only functional area within the GBUs to identify a substantial need for external cloud talent, in addition to implementing similar methods to those described above (Table 4).

Table 4: Expansion and Enhancement Strategies

	DEVELOPMENT
Objective	<ul style="list-style-type: none">• Enable response to changing infrastructure, platform, & service delivery dynamics• Enable response to shifting compliance regimens, expanding threat volumes, & expanding threat sources• Adapt internal delivery models for service-based consumption of security capabilities
Workforce Realignment	Remap responsibilities & engagement models to support collaboration & service-based engagement by development & cloud operations stakeholders
Workforce Expansion	Shift new hiring priorities to emphasize acquisition of cloud expertise & experience
Education	Define universal education strategy promoting new responsibilities & priorities by role
Collaboration	Realign engagement models to focus on integrated engagement in development cycle over late stage compliance checks

CONCLUSION: KEY OBSERVATIONS AND TAKEAWAYS

Transitioning a mature software business to cloud delivery models requires a tremendous shift in assumptions, technical knowhow, and standard operating processes across numerous key business areas. While the amount of change required may be daunting, the experiences of the Oracle GBU organization suggest that it is generally better to retain, and invest in, existing teams than attempt a complete overhaul of cloud experts.

Organizations planning similar transitions should look to how the Oracle GBU organization began with a decentralized, bottom-up assessment of change needs, permitting each team to identify the steps needed within their respective areas of control. This approach permitted teams to align their programs to tangible change drivers, while avoiding high-level assumptions about what they might require.

In the majority of scenarios, this process identified actionable change drivers that build on the team's incremental experiences with cloud delivery as well as mechanisms that accelerated the informal spread of this experience through the organization. Formal training programs proved critical as well, providing common baselines, terminology, and assumptions for cloud delivery.

These trends will be informative, but should not proscribe the basis of any organization's strategy. Rather, as organizations review the experience of the Oracle GBU organization to glean recommendations for their own processes, they will find more value in replicating the process of progressive gap assessments and bottom-up planning than making assumptions that the same organizational dynamics apply in their business context.

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