FROST & SULLIVAN

2014

2014 North American IT Professional Services Customer Value Enhancement Award

FROST & SULLIVAN

50 Years of Growth, Innovation & Leadership

Customer Value Enhancement Award
IT Professional Services
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Frost & Sullivan's Global Research Platform

Frost & Sullivan is in its 50th year in business with a global research organization of 1,800 analysts and consultants who monitor more than 300 industries and 250,000 companies. The company's research philosophy originates with the CEO's 360-Degree Perspective™, which serves as the foundation of its TEAM Research™ methodology. This unique approach enables us to determine how best-in-class companies worldwide manage growth, innovation and leadership. Based on the findings of this Best Practices research, Frost & Sullivan is proud to present the 2014 Global Customer Value Enhancement Award in IT Professional Services to HP for its Management of Organizational Change services.

Significance of the Customer Value Enhancement Award

Key Industry Challenges Addressed by Enhancing Customer Value

Change has always been a constant in business technology, as systems, tools, and processes evolve or give way to better ways to get things done. The difference today is in the increased pace, volume, and urgency of changes that the business must adopt to stay competitive. For IT departments charged with implementing critical solutions such as collaboration, analytics, mobility, security and compliance, and self-service cloud portals, change equates to unprecedented pressure. Today's IT departments must manage an increasing number of technology workloads offered by multiple vendors on varying platforms in diverse environments. Furthermore, IT is contending with ever-higher expectations, as business colleagues demand faster deployment times and greater visibility into costs and usage. If IT cannot or will not provide the service levels they need, line-of-business employees are happy to bypass the department and subscribe to cloud services on their own.

For IT leaders, adapting to the onslaught of technology changes means more than just implementing new systems or platforms. In many cases, the new technologies herald the need for new operational processes, governance policies, communications methods, financial systems, even organizational structures. Furthermore, savvy business leaders understand that to survive and thrive, they must develop a culture of agility, responsiveness, and innovation. In other words, the business must continually adapt to change.

But change is easier said than done. And the resource-constrained IT departments that are on the front lines of technology-driven transformation are likely to be ill-prepared to

implement the new environment while still supporting the old environment. Like a racecar driver without a pit crew, the IT department may be required to change the tires even as they are racing around the track—a sure recipe for failure.

For businesses that need help transforming, assistance is available in the form of a relatively new and growing entrant to the IT professional services market: organizational change management services. The best of such services go beyond implementation of a new technology platform and help IT departments learn to manage change.

Best Practice Award Analysis for HP

The Frost & Sullivan Award for Customer Value Enhancement is presented each year to the company that has demonstrated excellence in implementing strategies that proactively create value for its customers with a focus on improving the return on the investment that customers make in its services or products. This award recognizes the company's inordinate focus on enhancing the value that its customers receive, beyond simply good customer service, leading to improved customer retention and ultimately customer base expansion.

HP's Management of Organizational Change Services

HP is a leading global provider of technology solutions, with a broad portfolio of hardware, software, and services. As such, the company has a front-row seat to the increasing complexity of today's IT environments and the resultant challenges facing IT leaders. To help enterprises manage and optimize their IT environments, HP offers a range of IT professional services. HP Software Professional Services utilize expert consultants to assist businesses in assessing, designing, implementing, and managing technology solutions. While the professional services engagement may be part of an HP-led technology implementation, the services themselves are technology- and vendor-agnostic and can stand on their own.

HP Management of Organizational Change (MOC) is a strategic service offering in the portfolio that goes beyond technology implementations and teaches organizations to become "change resilient." Thus, MOC engagements are not about implementing a specific change, but building competencies that help organizations adapt to any change.

Key Performance Drivers for HP MOC

Factor 1: IT and business expertise

Organizational change management is a recognized business discipline, and HP consultants have impressive academic credentials along with consulting experience to rival any large business consultancy. But what allows the company to establish credibility among the IT and business leaders they support is direct experience with IT transformations. Like the

customers they serve, HP consultants often come from the ranks of software engineering and architecture. This unique perspective keeps HP MOC services from becoming academic and theoretical, and instead ensures they remain focused on challenges that real IT departments face as they transform.

Factor 2: Strategic scope

HP's MOC services are often appended to a specific technology implementation—for example, a data center transformation or cloud implementation; however, the focus of MOC is strategic rather than tactical. HP's MOC clients tend to be large enterprises, which are more likely to be encumbered by deeply-engrained processes and culture and therefore are less agile than smaller businesses. Within the client company, HP targets its services toward senior leaders, educating them on the nature and impact of change and helping build a "change-resilient" organization. Leadership development is an important part of the HP MOC process. Because change acceptance must start at the top, HP works with C-suite executives on leading by example, as well as on articulating and communicating their vision. In addition to the leadership team, the HP process also focuses on how change impacts employees.   According to HP consultants, when employees are not fully committed to the change, the project will be slower to succeed – causing time and budget drains – and faces a higher risk of cancellation.

Factor 3: Disciplined, yet flexible approach

HP's methodology relies on a standardized "playbook" which is customized depending on the needs and interests of each organization.   The HP MOC process covers fundamental elements of organizational change, including leadership, vision creation, planning, communication and engagement, and measurement. Customer engagements focus on some or all of the elements depending on the existing competencies of the organization. For each change management element, the HP method leads customers through four "lifecycle stages":

-   Discover and pursue – Includes mobilizing the required stakeholders to make the transformation a success , the discovery of MOC objectives, establishing the high-level current state and target future state competency map, and potential barriers to change
-   Assess and align - Includes assessing the current state and designing the future state, determining the change impact and risks, configuring and designing the MOC strategy and transformation programs.
-   Action and govern - Includes chartering, enforcing, coordinating, and governing a concerted set of individual activities to ensure that stakeholders embrace and adopt the new competencies.
-   Manage and optimize - Includes managing, enforcing, measuring, and monitoring the internalization of new competencies.

In client engagements, HP MOC consultants utilize a variety of activities, workshops, playbooks, and dashboards, all built from the standard methodology but customized for each client's individual needs.

Factor 4: Measurable Results

Many of the components of any organizational change management process are "soft"; for example, they focus on how employees adapt to change. HP's MOC consultants point out that implementing a new technology, process, or rule is not the same as convincing employees to embrace it. In fact, employees who resist the change—even as they perform the new tasks or follow the new rules—can negatively impact the success of any project. Yet the human aspects of change management may not be fully understood or valued by IT leaders who are accustomed to implementing task-based projects. Thus, each step in the HP MOC engagement is tracked and measured. Furthermore, IT leaders learn to "manage, enforce, measure and monitor the internalization of new competencies" so they can ensure the success of future projects.

Conclusion

Faced with the relentless pace of technology innovations and increased urgency to respond quickly to market changes, IT departments are struggling to transform themselves. To do so successfully, IT leaders must consider more than technology; they must be able to assess and revamp their processes, skillsets, and organizational structure. But few have the experience and expertise to do so on their own. In this context, HP's Management of Organizational Change services provide a valuable resource. HP goes beyond the immediate change at hand, and instead provides organizations with the skills and competencies they need to become "change resilient." Using proven methodologies and measureable outcomes, HP helps businesses achieve the agility they need to compete. For this reason, Stratecast awards HP the 2014 Global Customer Value Enhancement Award in IT Professional Services for its Management of Organizational Change services.

Critical Importance of TEAM Research

Frost & Sullivan's TEAM Research methodology represents the analytical rigor of our research process. It offers a 360-degree view of industry challenges, trends, and issues by integrating all seven of Frost & Sullivan's research methodologies. Our experience has shown over the years that companies too often make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Frost & Sullivan contends that successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. In that vein, the letters T, E, A and M reflect our core technical, economic, applied (financial and best practices) and market analyses. The integration of these research disciplines into the TEAM Research methodology provides an evaluation platform for benchmarking industry players and for creating high-potential growth strategies for our clients.

Chart 3: Benchmarking Performance with TEAM Research
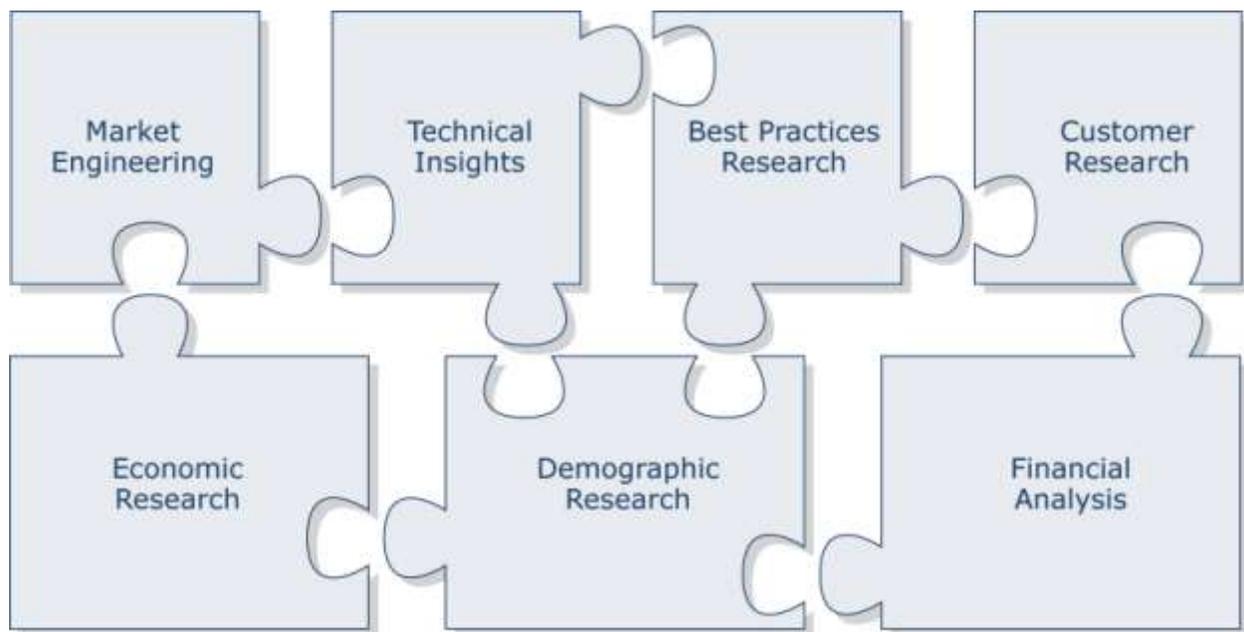
About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best-in-class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best-practice models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from more than 40 offices on six continents. To join our Growth Partnership, please visit http://www.frost.com.