



***What's the future for hybrid cloud strategies?***

The future of IT and business - and we must consider the two together - is one of varying levels of hybridization.

Back in 2007, before the current Cloud boom, we suggested to our research clients that most user IT organizations would be migrating to hybrid IT infrastructures over the next five to seven years, keyed in large part by aggressive adoption and expansion of server virtualization. "Hybrid" IT environments combine in-house and outsourced technologies, systems, and services to enable more flexible business environments - and, just as importantly, enable the reduction of IT management costs.

As part of this evolution in IT management and sourcing, our research indicates that a growing number of user enterprises are learning that simply trading an infrastructure of real servers for one consisting of virtual servers (i.e., implementation of server virtualization) also requires important changes to their existing IT management processes and skills.

And it may be somewhat of a temporary thing. Our February 2012 global survey and interview program indicates that *most IT and business executives expect that their hybridized environments will peak within the next two to four years*, and then shift more and more toward a Cloud-dominated model thereafter.

Such significant changes, whether real or expected, bring massive management challenges - and create fertile opportunities for vendor-supplied tools and services, Cloud-based or otherwise. Enterprises' hybridized IT+business management needs are going to drive more aggressive growth of enhanced, hybridized IT management offerings, including SaaS-based management offerings that are enhanced to enable management of a virtualized IT infrastructure.

***Given that the economic outlook in many parts of the world seems uncertain: What's your philosophy on maintaining a focus on innovation?***

The pace of IT and business change, driven in large part by the changes in what Cloud is and does and how it is used, means that **innovation**, especially in developing new ways of doing business, and in developing new businesses themselves, is the only way that any type or size of business will sustain itself competitively. We're seeing niche operations, devices, technologies and applications infiltrate and revolutionize all types and forms of business faster and more deeply than ever before - and then sometimes being supplanted within months by even newer, more varied technologies, devices, services, operations, you name it. It makes managing a business, and managing IT for that business, increasingly challenging and costly. That in turn drives new and more innovative ways of managing business and IT.

Saugatuck's position is that *innovation is not only key to any and all aspects of business and IT today - it is core to being able to sustain, let alone grow, any business, and therefore to managing any form of IT*.

***With various forces combining to transform the IT landscape, how do you see the role of the IT department evolving?***

As enterprises look to the Cloud to provide IT services that have been traditionally managed internally, they must also deal with new dimensions of risk. Managing Cloud partners and the quality and evolution of their business solutions will soon become a high priority in IT organizations, according to our February 2012 global Cloud survey, as more and more of the business applications portfolio shifts toward the Cloud. Managing integration between and among Cloud business solutions and on-premise applications will be for the next several years, through 2014, a key priority, but soon after 2014 the hybrid solution will begin to decline in influence as the Cloud assumes the primary role in support of enterprise business functions. The quality of data used in both Cloud business solutions and on-premise systems assumes the highest priority of all. The increasing complexity of data usage in support of on-premise systems, Cloud business solutions, mobile and social business solutions will soon demand attention, as it has at various nexus points in our technology platform evolution, e.g., from mainframe to PC, to Client/server, to the Web and to Cloud, mobile and social.

IT departments are evolving and will have to continue to evolve in support of these new priorities: managing Cloud partners, managing integration among Cloud and on-premise

hybrids, and managing data quality and accessibility. IT will still be playing an important role, even as more and more resource utilization shifts toward the Cloud. However, in many cases, the *new roles* will demand *new skills* - and many of today's IT leaders are not all that well prepared.

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