



*What will the software industry look like in 3, 5, even 10 years from now?*

I think the current trend, everything as a service, will continue to gain momentum. The services offered will range from basic infrastructure stacks to full blown applications with public API's and the possibility to publish and run third party applications on top of those API's. We will probably also see new kinds of players offering specialized stacks of information and functionality to develop applications on. Government could be such a player, giving third parties the possibility to create services on top of their databases.

The demography of the industry will probably not change as dramatically as one could imagine. There will still be a couple of giants dominating the infrastructure stack, as well as a few providers of generic programming stacks. Then there will be more specialized stacks for certain industries or functions. Some of these stacks will be offered as services by the vendors themselves, others will be sold as products to companies building service based on them. The need for services will still be there as well, but we will probably see much less building of tailor-made solutions from scratch, as there is a lot of existing functionality easily accessible out there.

Some of the biggest changes in the demography of the industry will probably result from the fact that software delivery becomes much easier and cheaper. As a result, it will become much more difficult to make a living purely from distribution. On the other hand, the distribution power of the cloud platforms creates huge possibilities for innovative companies and startups, as the human

and financial resources required to access global markets are significantly lower. We are already seeing the beginning of this trend with Force.com, App Store and a few other ones, and the opportunities are definitely huge.

*And what customer demands and business trends will drive changes in software products, how they're developed, and the industry that provides them?*

Social media have taught people the concept of following things of interest, instead of having to browse their way through lots of information on several different sites. Business applications have to adapt to this concept, letting users define what information they want to follow, and providing that information to the dashboards users are using.

Integration has always been important, but the importance continues to grow. Everything 2.0 has shown the importance of letting everything connect with everything else to create new and better services as well as a better user experience. Every application has to be built to publish its capabilities for others to benefit from, and it has to be able to utilize functionality and information from external sources as well. As an example, the value of a CRM application would increase a lot from showing customer employees from LinkedIn, news headlines from the customer's web site or relevant information from the archive of a business newspaper.

Everything is becoming more and more networked - business, people and applications - and that puts new requirements on how access to information and functionality should be managed. It can no longer be managed on a per-application or per-company basis by somebody in the IT department. Instead, application vendors need to offer users the possibility to use their existing credentials and identities to sign on. Access rights should be based on automation and delegation, otherwise lead times will be too long and user experience will suffer badly.

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