



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

Fundamental change usually comes slowly. There's inertia in existing practices, infrastructure, and ways of doing business. As a result, industries--such as the software industry--don't generally look a lot different over the course of just a few years. That said, cloud computing is going to have a huge impact. Smaller organizations with relatively generic IT needs may well get out of owning and operating computer systems and software.

However, cloud computing is a much broader story than Software-as-a-Service or outsourced IT more broadly. It's a change in the way we think about IT resources from physical servers hardwired to software to a more fluid catalog of IT services that can be running in a variety of places. These changes will have to occur in an evolutionary way over a number of years because they have major implications--which are probably not as widely appreciated as they should be--for the way IT infrastructures are operated and governed.

However, as these changes become pervasive over the next decade, the impact on both the software industry and the consumers of that software will be profound. Because, if we often overestimate the short-term impact of new technologies, we also tend to underestimate the long-term effects.

We're at a crossroads with cloud computing and should take some lessons learned from the past. The 1980s were a decade that brought many things that shouldn't be repeated - not just

bad fashions and questionable hairstyles - but also the emergence of mega IT vendors that forced lock-in. As the industry marches toward cloud computing and vertical stacks, the need is great for open choice, and not a repeat of the vendor lock in prevalent in past decades.

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

One big change that we're seeing is that enterprise users and buyers are increasingly bringing their expectations as consumers to the workplace. They expect software that's easy to use, easy to acquire, and that can be consumed on a variety of devices, including personal ones. This is happening at the same time that mobile devices and the growth of data are stressing the scalability of enterprise IT infrastructures. Public cloud services and infrastructure are by no means magic bullets for these challenges, but can be leveraged as at least partial answers.

Another big trend is integration. Users have diverse environments and they expect software that interoperates. If you consider just how stovepiped vendors were historically, you'll see that we've actually made a lot of progress--in large part because of open source and open standards. Although there are a few companies seemingly trying to turn back the clock, interoperability and openness are such compelling user demands that they are the future.

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