



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

This is one of the most exciting times to be in IT. The cloud is showing the promise of completely shifting the 80/20 paradox in which IT currently spends 80% of their time and money is spent on maintenance, and only 20% on innovation. The cloud enables a shift into IT being more innovative and agile, resulting in greater productivity and moving IT up the value chain into a much more strategic position. True cloud solutions are also proving that they increase time-to-value as compared to their enterprise equivalents, and are thus empowering IT to achieve their desired service levels while being more innovative.

Secondly, the traditional functions and skill sets of IT professionals will shift over time as well, with business process expertise becoming more of their emphasis. Some of the traditional blocking and tackling functions of IT, such as OS and database work, will shift to cloud services. This represents a significant new set of skills that IT will need to learn, providing them with an even richer skill set.

On the application side, IT will move away from installation and coding and into cloud solutions and vendor management. They are still on the hook for upgrades and change control but this is coordinated with the cloud providers vs. performed internally. The net result is that IT will evolve into an "internal" version what Gartner calls a Cloud Service Broker; aggregating, integrating and customizing will become their focus and imperative as IT moves into the cloud.

What's the future for hybrid cloud strategies?

The hybrid cloud has at least a 10-year horizon. Companies really need to think about their business need and how to move from their current infrastructure to one that's cloud-based.

The adoption of hybrid cloud strategies has a correlation to the size of the company. Small to mid-sized companies tend to have fewer applications that need to be integrated or moved to the cloud, so they can aggressively make the shift. Mid-market to enterprise companies tend to have a large number of applications and systems that are built on a more complex infrastructure; these companies need to move to the cloud in phases, which makes the timeline longer, and necessitates some type of hybrid cloud. For instance, larger companies tend to take their on-premise applications, move them to a private cloud infrastructure, and de-commission some of the old infrastructure as a phase one. This sets the stage for a move to a 100% cloud-based delivery model. The transition may take several years, but the hybrid cloud as transitional for moving to the cloud, as the full transition to the cloud, will yield the greatest ongoing value to the business.

The mega-vendors are buying up pure-play SaaS companies. Will they succeed in using those acquisitions to help change their companies to the SaaS culture and business model?

No one knows the answer to this question for sure, but it seems to be a smart strategy, especially if the acquirers follow some key steps.

First, don't mess with success. The mega-vendor made the acquisition for a reason, and with the assumption that the acquired company has figured out a model that's working. The mega-vendor needs to allow the acquired company to manage itself and thrive as its own autonomous business unit to make this model work. It really comes down to the culture: if the mega-vendor allows its new business unit to continue to operate in a way that's been successful - and if they can align their businesses from revenue recognition, go-to-market, marketing and sales perspectives - it works. If the mega-vendor expects the acquired company to assimilate into their culture, however, this business model is less likely to prove successful.

The mega-vendor also needs to keep the acquired company's leadership team intact as much as possible, and then give them a seat at their table so they can have a high degree of influence over the direction of the company.

Of course all of this assumes that the mega-vendor is factoring in a few important considerations before making the acquisition, such as:

- They're serious about the cloud
- They have a roadmap for success
- They have a strategy around the pure-play SaaS company they acquired, from a technology and platform perspective
- They truly embrace all that the acquired company has to offer

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