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Business and IT Analysis

Impact of trends in IT
Changes in users’ and the channel’s IT habits

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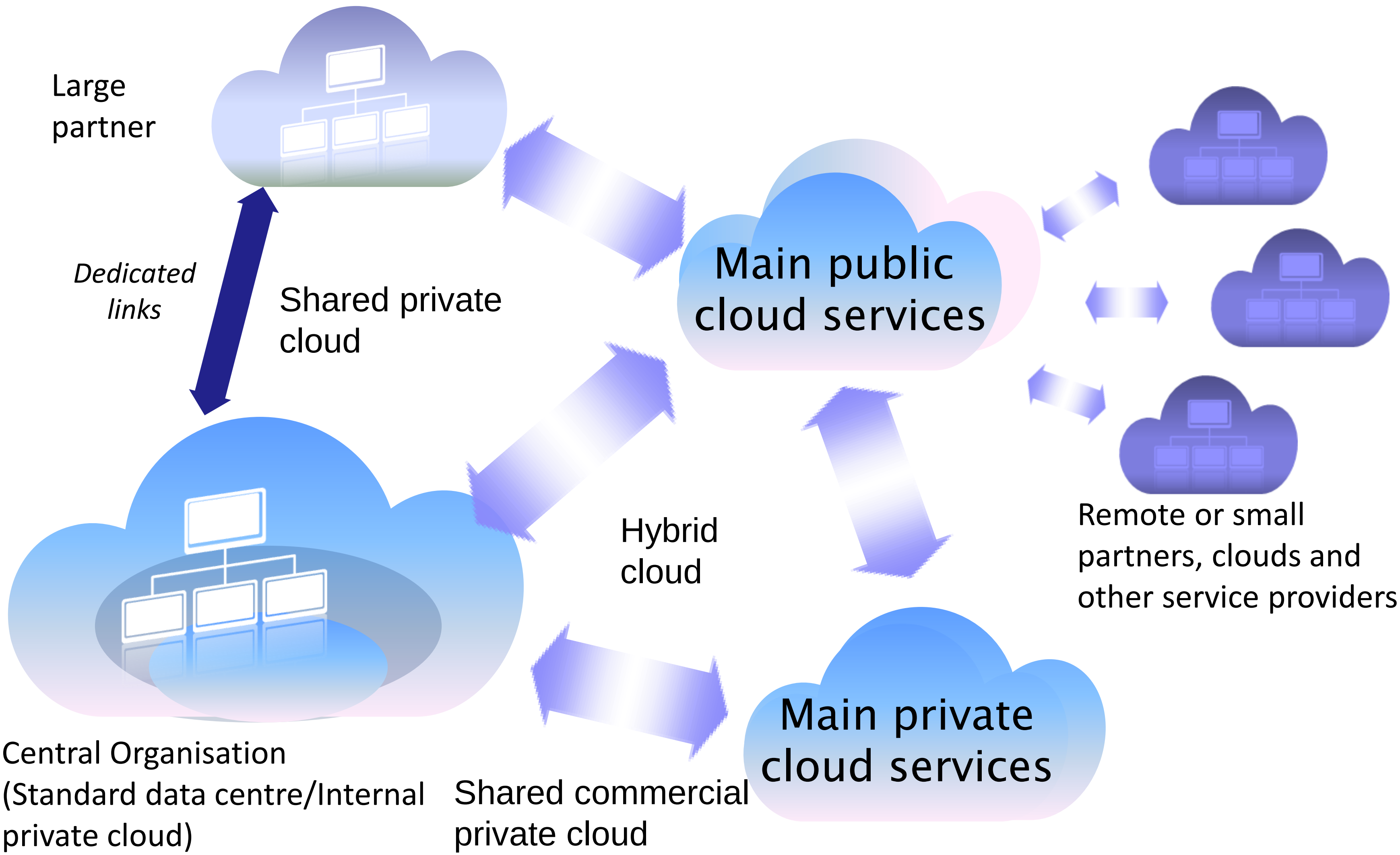
The BIG trend…

It's no surprise…

It's cloud…

But – what is cloud?



What does this mean when it comes to usage?

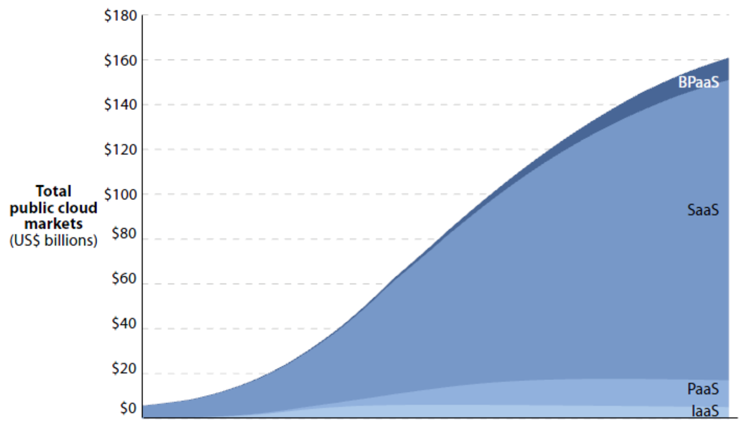
- Impact on:
  - IT facilities
  - Data centre impact
  - Server purchasing
  - Storage purchasing
  - Network purchasing
  - Software purchasing
  - Access device purchasing
  - Services purchasing
  - Systems management
  - Sales commissioning

  - It changes everything

"This is the year of cloud…"

Figure 3 Forecast: Global Public Cloud Market Size, 2011 To 2020

The spreadsheet detailing this forecast is available online.

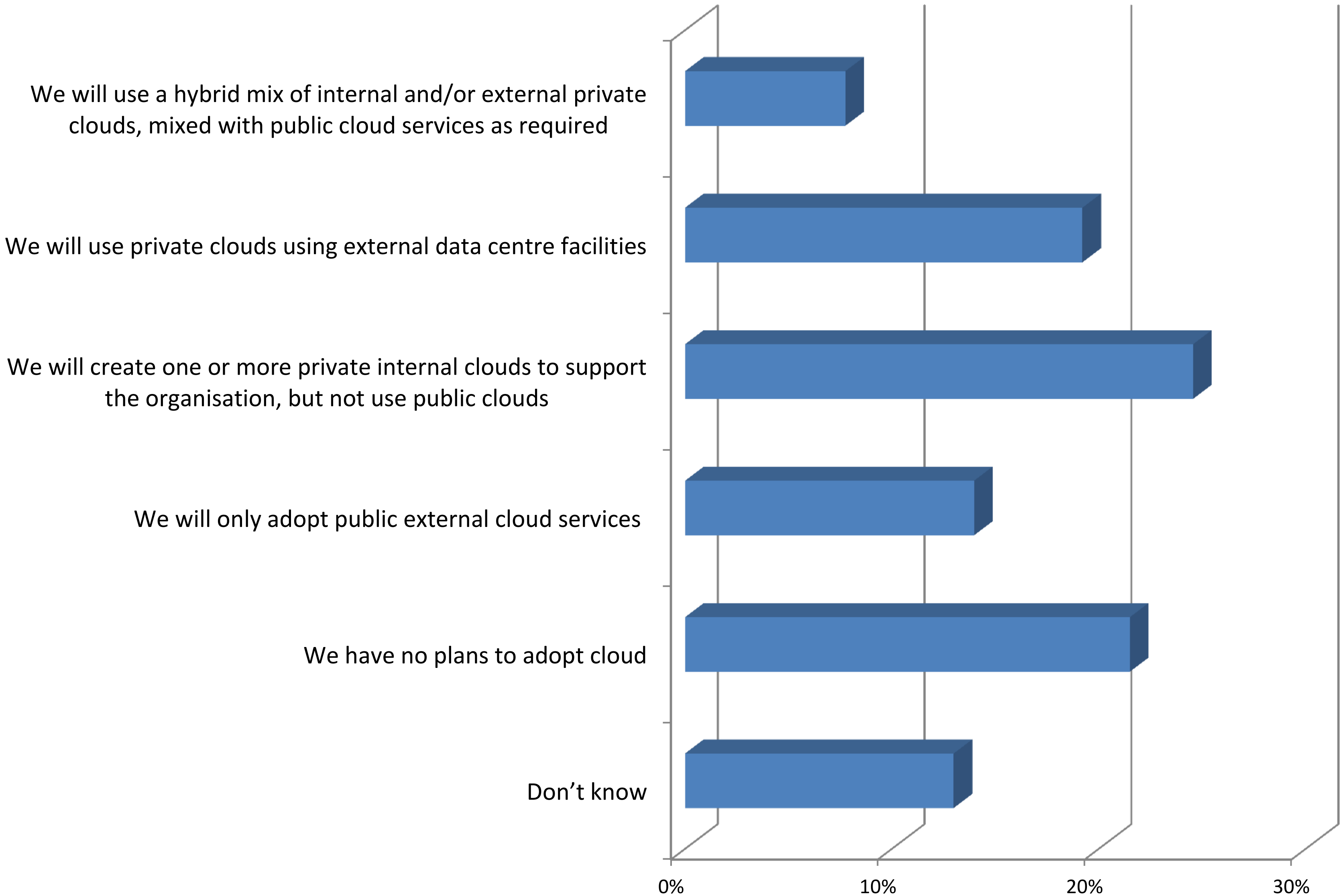


	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
BPaaS ($)	0.15	0.23	0.35	0.53	0.80	1.26	1.95	2.93	4.28	6.00	7.66	9.08	10.02
SaaS ($)	5.56	8.09	13.40	21.21	33.09	47.22	63.19	78.43	92.75	105.49	116.39	125.52	132.57
PaaS ($)	0.05	0.12	0.31	0.82	2.08	4.38	7.39	9.80	11.26	11.94	12.15	12.10	11.91
IaaS ($)	0.06	0.24	1.02	2.94	4.99	5.75	5.89	5.82	5.65	5.45	5.23	5.01	4.78

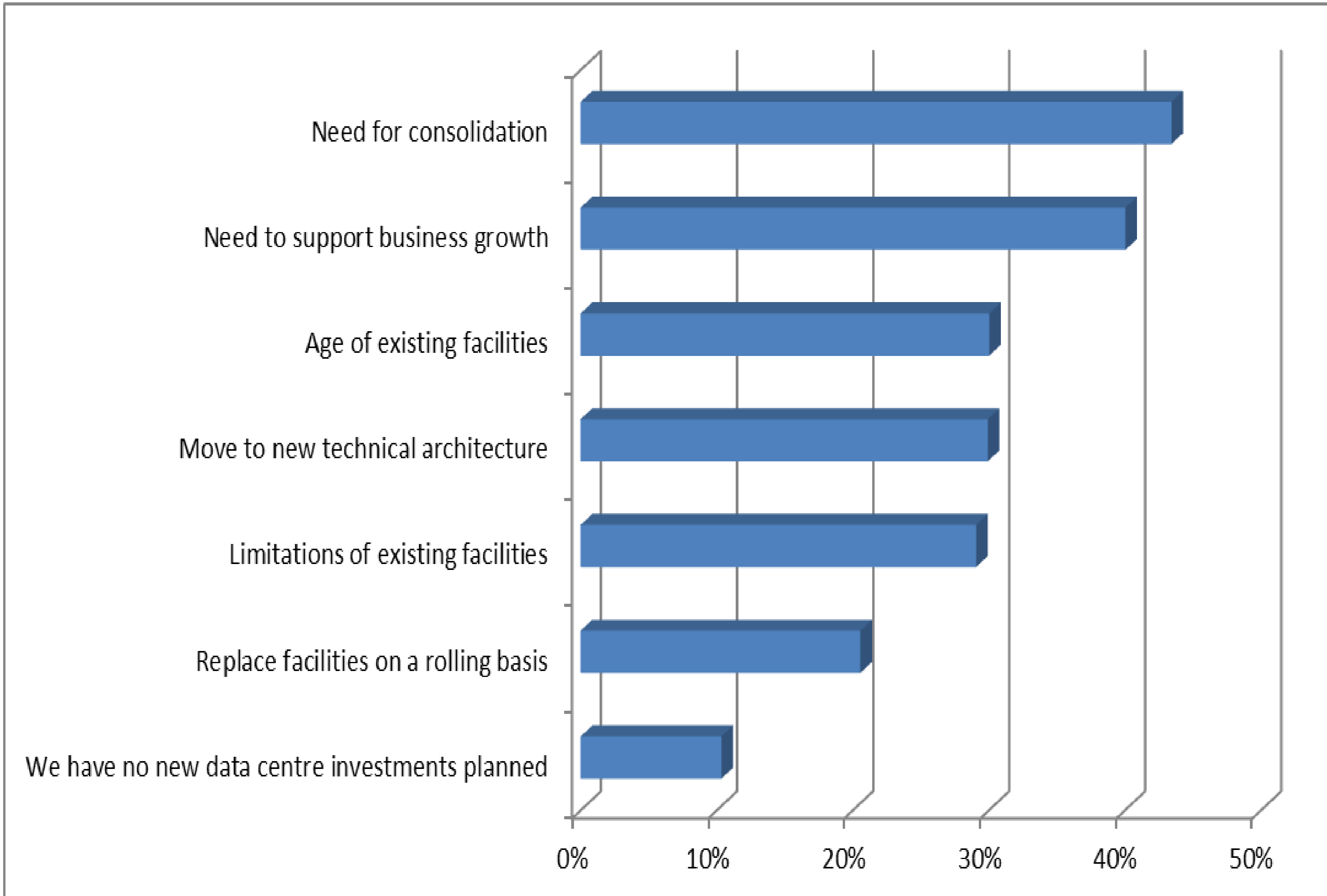
58161 Source: Forrester Research, Inc.

- This is a wrong approach – cloud is a long term change
- Will "private" cloud beat "public"?
  - The end result is hybrid
- How to get from where a customer is to where they need to be

If you are going to adopt cloud, what comment best matches your plans?

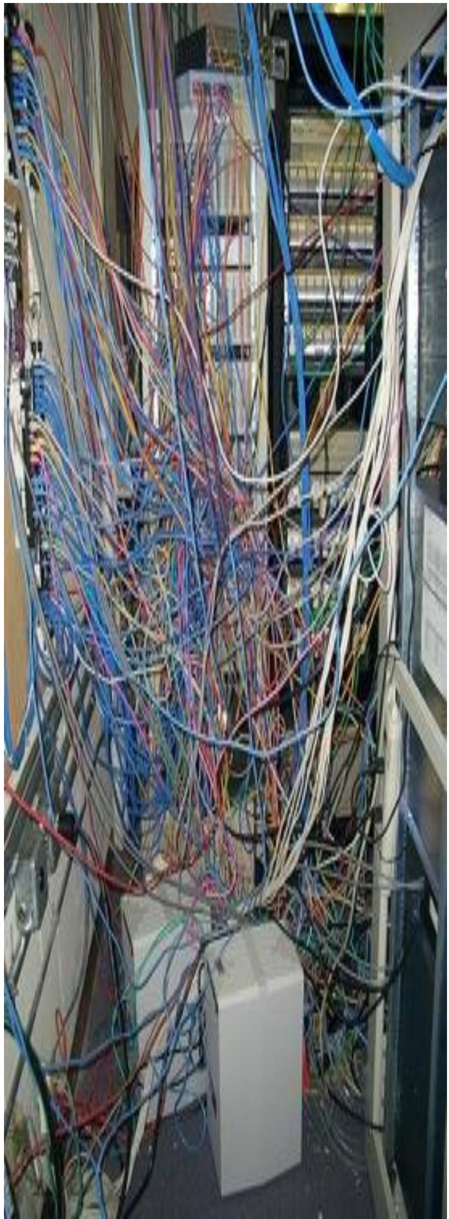


What are the main reasons for data centre investments (if any)?

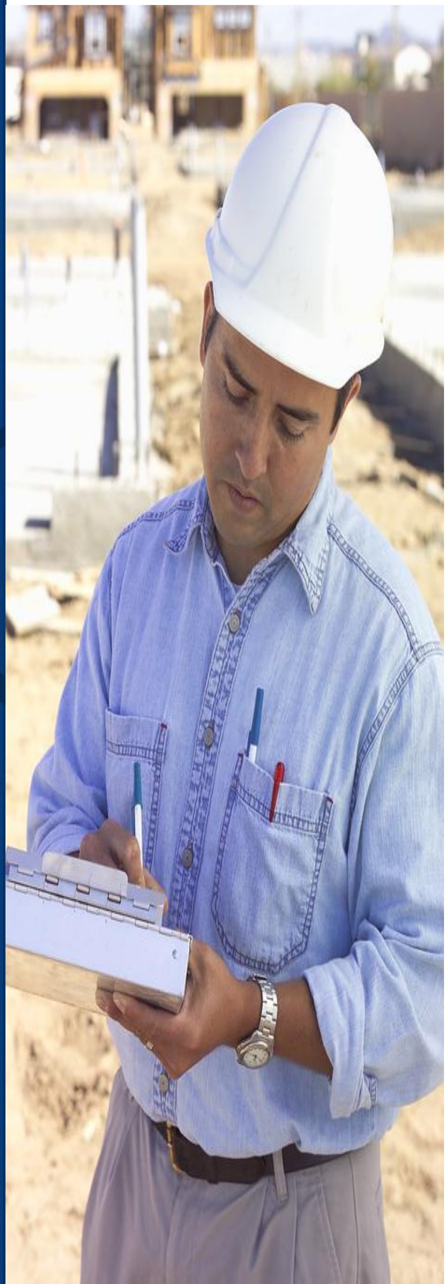


Facilities dynamics

- Hybrid cloud needs a dynamic data centre
  - Where cloud fits in to manage peak loads
  - Advice required for e.g. dynamic cooling, power distribution, CFD
  - Structured cabling
  - Re-deployment of empty facilities space back into the business



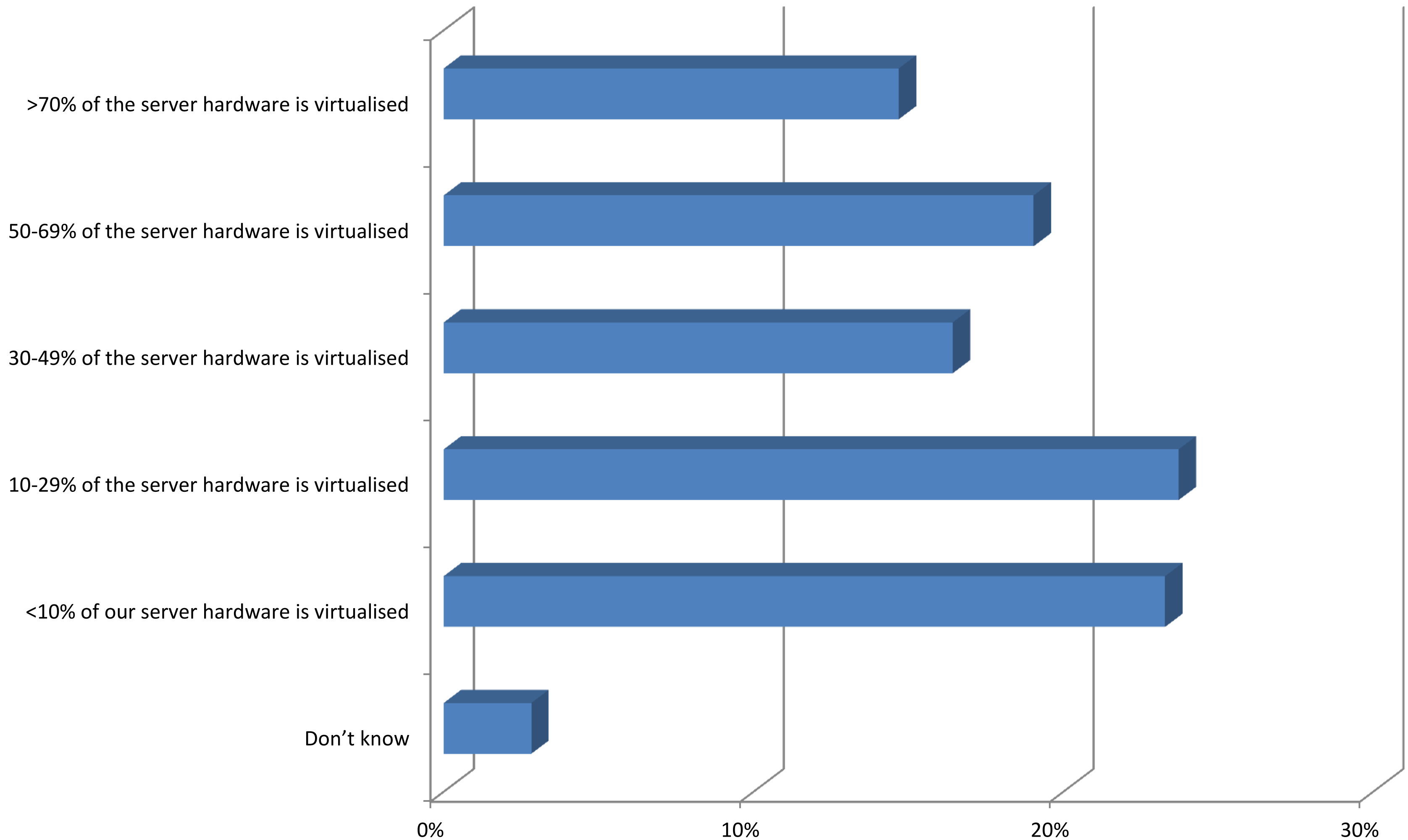
Data centre impact



- Retro-fits will be required – but needs good positioning
  - Hotter running, changes to cooling, hot/cold aisles all help energy savings
  - Scale out flexibility
  - Energy efficiency needs planning – not ad hoc growth/disposal

- Cloud is a choice of what, when, where and how
  - Enabling workloads to be outsourced and insourced depending on need will provide best fit for hybrid cloud

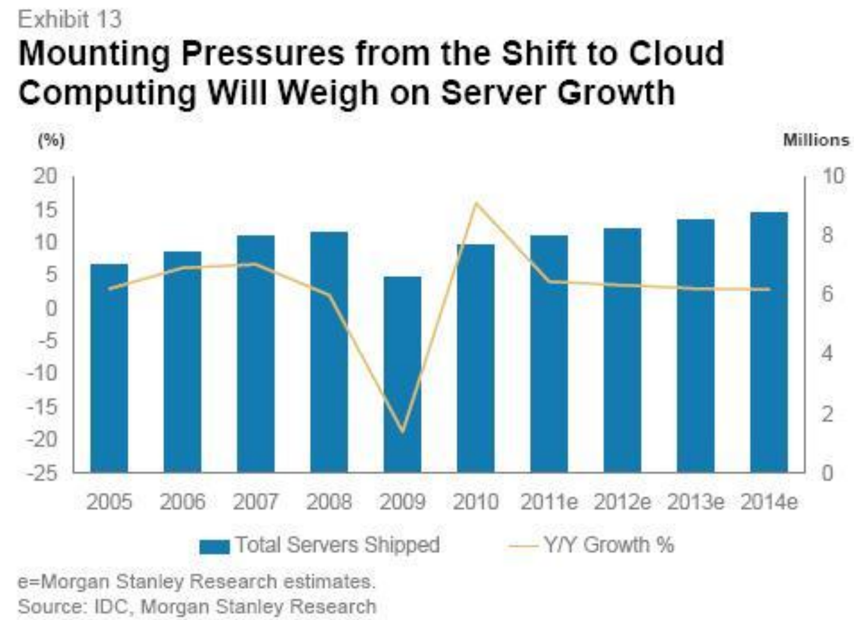
How much virtualisation is there in your run time environment?



Server purchasing

- Virtualise – need fewer servers, lower energy requirements

- Requires better rack design and build
- Needs energy and cooling monitoring



- Asset lifecycle management becomes a major issue
  - Asset tiering
  - Asset disposal
    - Maximising value, security

Storage purchasing

- Move from SAN-based to virtualised pool
  - NAS, SAN and DAS
- Use of SSD within magnetic environment
- Tiering becomes more of an issue
- Advice on thin provisioning
- Use of dedupe
- What to store in the data centre, what in the cloud
- Backup and restore – cloud pros and cons
  - Need for data pigs, fast delivery, fast recovery
  - Need for granularity – single file recovery through self service

Network purchasing

- LAN remains foundation for overall network performance
- WAN grows in importance

- Matching LAN network equipment with compute and storage assets
- WAN acceleration techniques
- Contextuality of network and user access

Software purchasing

- The end of the enterprise application
  - Why do this when I can get domain expertise and better currency of data through the cloud?

- Identifying what is best served from the cloud
- Enabling functions to be moved to and from the cloud as the customer sees fit

Table 1. Total Software Revenue Forecast for SaaS Delivery Within Enterprise Application Software Markets by Region, 2008-2015 (Millions of U.S. Dollars)

	2008	2009	2010	2011	2012	2013	2014	2015	CAGR (%) 2010-2015
North America	4,584.2	5,218.5	6,471.6	7,684.2	8,968.0	10,311.0	11,544.9	12,929.0	15
Western Europe	1,394.9	1,675.4	2,159.5	2,662.5	3,190.3	3,775.1	4,290.3	4,813.2	17
Asia/Pacific	321.0	421.1	601.8	768.3	974.8	1,210.9	1,450.8	1,693.9	23
Japan	223.6	268.3	315.3	379.0	434.8	500.8	565.3	629.1	15
Latin America	152.5	193.1	266.0	328.4	415.9	512.5	600.8	694.2	21
Eastern Europe	63.5	78.3	101.2	131.4	161.7	192.4	231.7	270.1	22
MEA	54.8	66.9	86.6	119.5	140.8	179.3	212.4	251.3	24
Total	**6,794.4**	**7,921.4**	**10,001.9**	**12,073.2**	**14,286.3**	**16,681.9**	**18,896.2**	**21,280.7**	**16.3**
MEA = Middle East and Africa									

Source: Gartner (August 2011)

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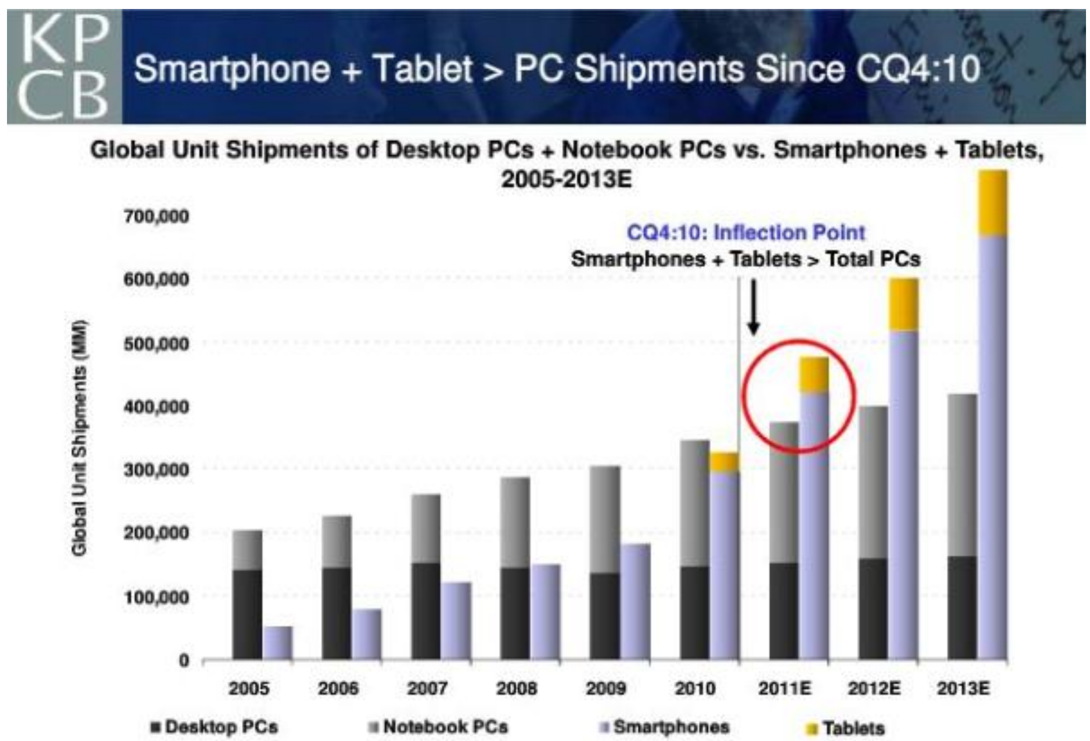
Access device purchasing

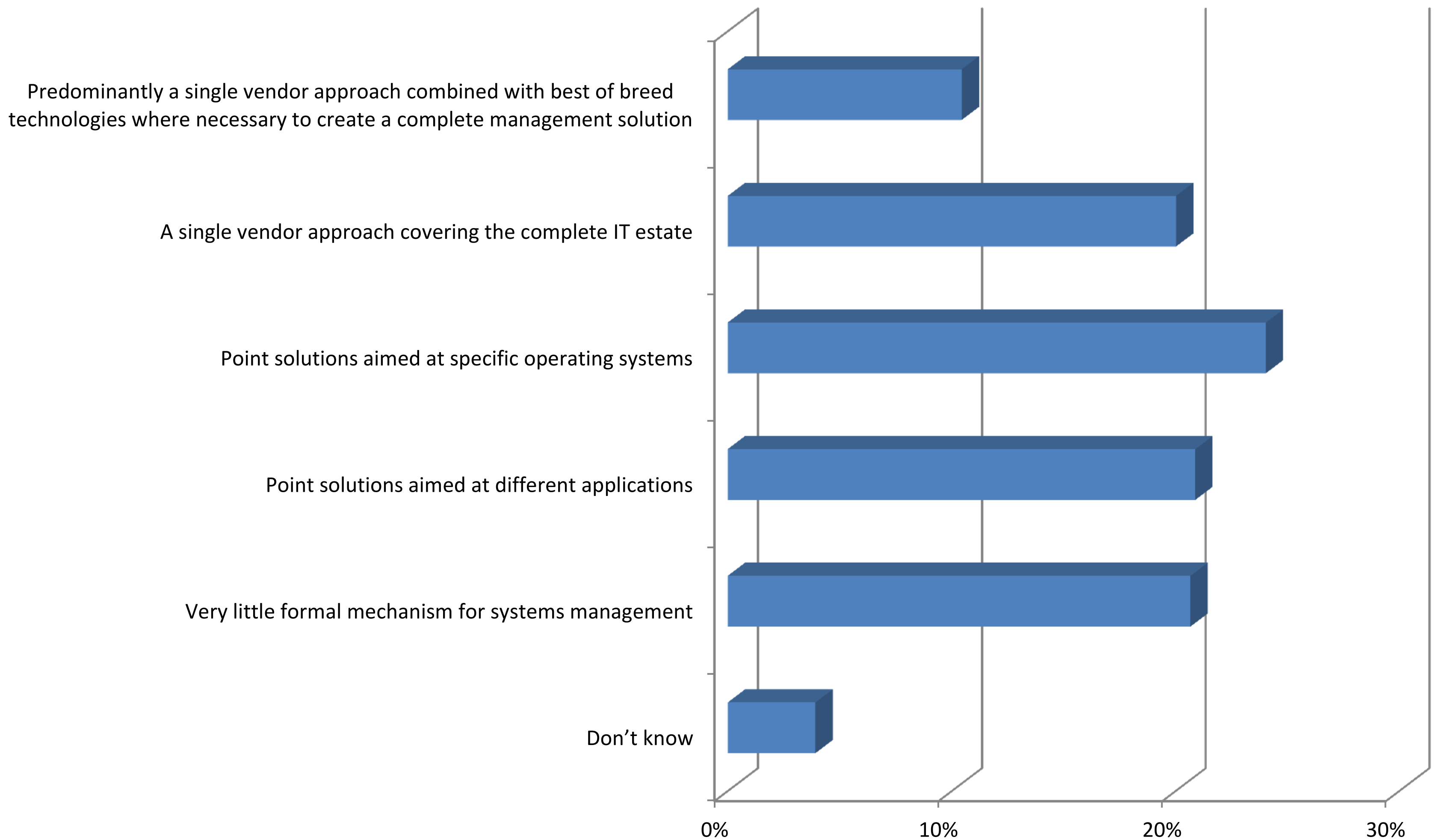
- The rise and rise of tablets and smartphones
- End point management
- Server-based computing
  - Flexibility of use – not just pure VDI
  - Advice needed on architecting and implementing suitable solutions



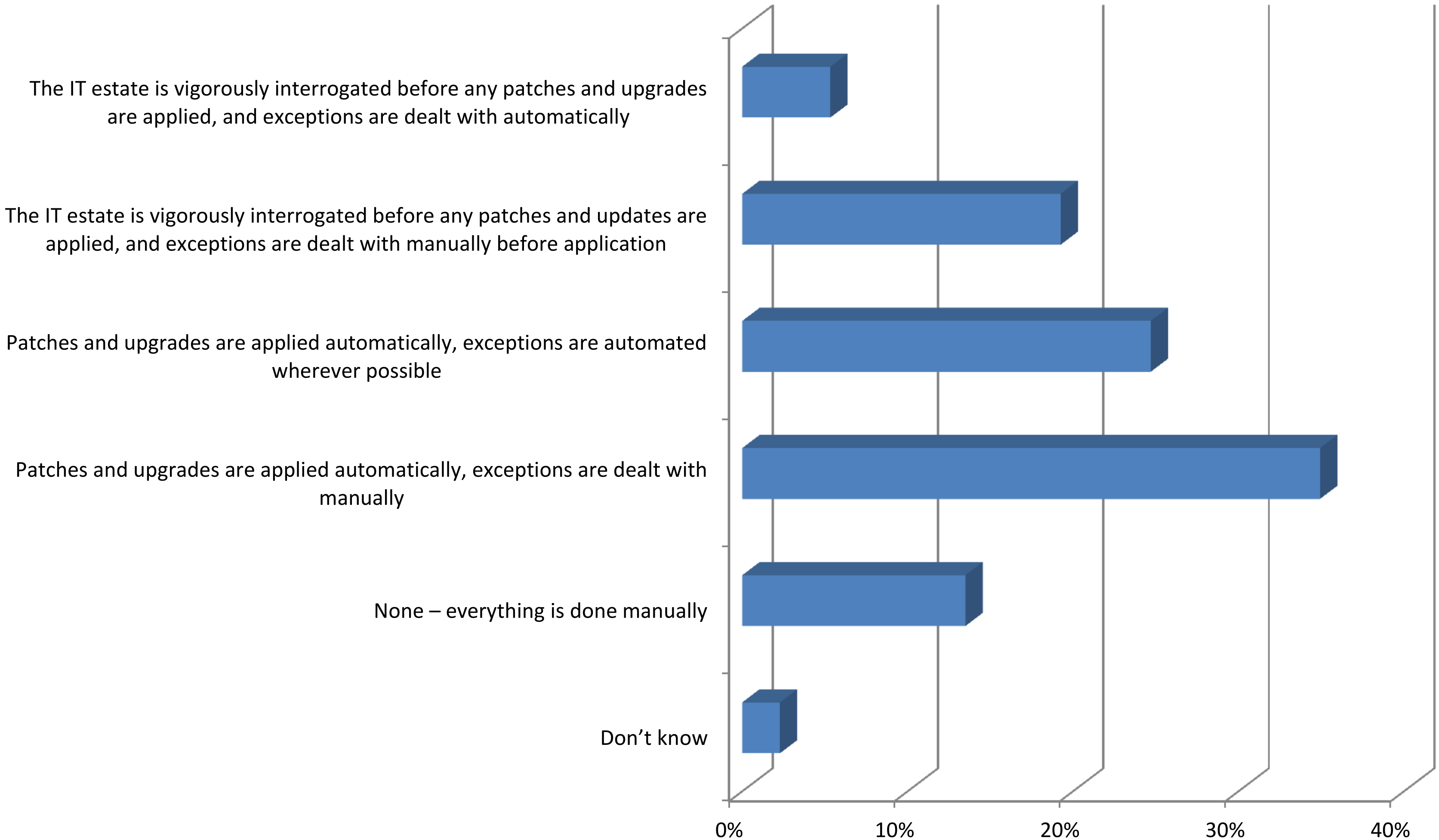
Systems management

- The IT platform becomes a value network
  - Mix of private, semi-private and public environments
  - Need for monitoring and measurement across the whole network
  - Root cause analysis, remediation and failover become service opportunities for the channel

What level of systems management do you have in place?

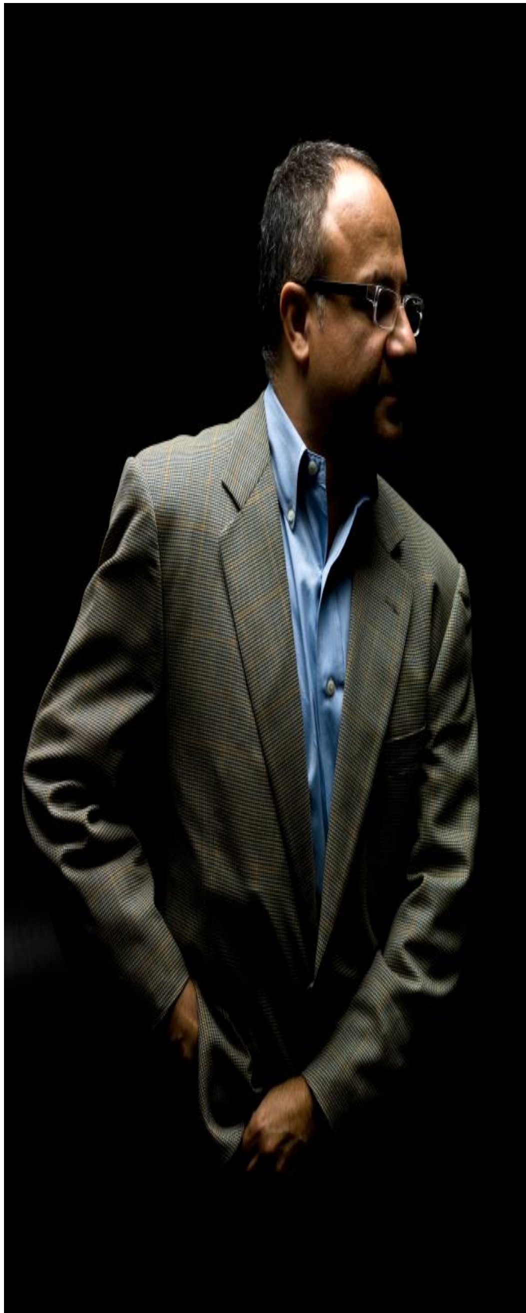


What level of automation is in place to manage patching and upgrades?



Service purchasing

- Integration is still needed
- Service level management needs external help
  - Systems management across a broader network needs smart channel with trusted relationships
  - Who owns the service – and who has the contractual relationship with the customer?



Sales commissioning

- License plus maintenance becomes the exception rather than the norm
  - % of big deal in pay packet no longer there
  - % per month of long term deal has to be aimed for
  - Help required to bridge gap to long-term subscriptions
  - Need for account management at sales person level – how others can buy accounts from sales people leaving

Top Tips for channel (1)

- Begin to introduce new compensation models
  - Figure out how to bridge gap between capital models and subscription models
- Harden up strategic vendor relationships
  - "Best of breed" will increasingly not be the solution
- Understand hybrid cloud
  - What should reside where – and when?
  - Who to partner with for public cloud services?
- Enhance account management
  - Do you really understand your customers?
  - A strategic partner is not just a supplier

Top tips (2)

- Create a maturity model – and place your customers/prospects on it
  - Do gap analysis to identify low-hanging fruit
- Look to where the real money lies – long term, it will not be in hard product
  - Look to (value add) services, lifecycle management, advisory services
- Look to low-cost, high value offerings
  - Hosted systems management
  - Hosted back-up/restore systems

Conclusions

- Cloud will be a slow burn – one-app-per-physical-server, clustering and standard virtualisation do not go away quickly
- Cloud will, however, impact everything – even standard platform purchases will be influenced by cloud subscription, pay-per-use and other models
- The channel cannot hide its head in the sand – cloud is coming, and will force the need for change of approach
- The biggest issue is in sales commissioning – plans need to be put in place now and introduced over a 12-36 month period