



Volume 3, Issue 6 • Winter 2009

▶ EXECUTIVE | BRIEF

2010 TRENDS

Chris Howard, VP and Director,
Executive Advisory Program

As we head into the last months of 2009, indications are that the worst of the economic crisis is behind us. Employment figures have yet to recover, but the markets are achieving highs not seen since 2008. Much work remains, but optimism is spreading. As a result, plans for 2010 investment and projects are coming into focus: IT is coming out of hibernation. The landscape, however, is irrevocably changed.

In preparation for economic recovery, many organizations have been analyzing their management practices and honing their business models. It is clear that successful companies will emerge from the crisis looking differently than they did going in. Budgets will be leaner, management discipline tighter, and business models more focused. The practice of culling extra expense from the portfolio and determining areas of strategic investment is essential in a constricted economy. Strong leaders will ensure that this practice persists in the post-recession period.

As our collective focus shifts from extreme tactical to strategic, we should be aware of larger shaping forces that are affecting businesses worldwide. Externalization, consumerization, and democratization act upon all aspects of a business model. These forces influence how organizations interact with the market and their own workers, and they have significant ramifications for enterprise IT. Furthermore, all of this is happening against the backdrop of new economic realities.

In this Executive Brief, we summarize technology trends for 2010 within the context of post-crisis dynamics. "2010 Technology Trends" summarizes trends identified by (and specific to) our various research teams. In "Field Notes," I describe the strong forces of externalization, consumerization, and democratization.

*Chris Howard can be reached at
choward@burtongroup.com.*

In This Issue:

2010 Trends	cover page
One of Us	cover page
2010 Technology Trends Chris Howard, VP and Service Director, <i>Executive Advisory Program</i> , Burton Group	page 2
Off the Shelf	page 2
FieldNotes Strong Forces	page 3
Go Ahead, Ask!	page 3
Next Steps Related Burton Group Research	page 4
Time Out Expert Voices	page 4

ONE OF US: NOREEN KENDLE



Noreen Kendle is an analyst for Burton Group's *Data Management Strategies* service. She covers enterprise data strategies, data architecture, business data frameworks, information integration and quality, business and operational intelligence, and enterprise data asset management. Prior to joining Burton Group, Noreen held several data management leadership positions for large organizations including The Home Depot, Delta Air Lines, and AT&T. She also provided data architecture consulting for organizations in a variety of industries. Noreen has over 25 years of data architecture experience including: business data blueprinting, enterprise data management, data integration, data quality, master data management, business intelligence, metadata, data governance, and data design. She has been instrumental in the development of data management frameworks, aligned with business objectives and their implementation across the enterprise in support of data and information as a corporate asset. As a recognized leader within the data management profession, she holds a patent, is a respected speaker and writer, and has presented at data architecture conferences both in the U.S. and internationally.

2010 TECHNOLOGY TRENDS

Chris Howard, VP and Director, *Executive Advisory Program*

The following summaries are extracted from Burton Group's 2010 Planning Guides.

Application Platforms

Numerous forces are fundamentally changing application development: the recession, the flat world, Gen-Y, mobility, service oriented architecture, new client technologies, mashups, language innovations, cloud computing, and more. These forces demand a new approach to application architecture that shifts the focus from single-purpose systems to one that leverages shared components from numerous domains. This metamorphosis demands an evolution of the thing people think of as the "application platform." The new model undermines the value proposition of the homogenous superplatform model, and instead embraces cooperation and composition of complementary platform components.

Collaboration and Content

In some ways, the communication, collaboration, and content space hasn't changed much in the past year. The information flood continues, enterprises continue to grapple with increased mobility, and so on. However, in other ways, things have changed. New 3C trends for 2010 include borderless collaboration, social computing becoming mainstream, two tiers of content management systems, and the rethinking of content creation costs and tools. To be successful in 2010, companies will need to set priorities among and within the 3Cs, segment users and systems, and calibrate the corporate propensity for open source and software as a service.

Data Center

The slow economy has forced enterprises to scrutinize all aspects of their operations to squeeze out maximum efficiency. Coupled with the growth of data center virtualization, these two trends are the force behind data center transformation from IT as a cost center to IT as a core business service offering efficacious solutions that are a hybrid of services provided from internal and external sources. Data center planning for 2010 includes a keen focus on entire data center virtualization as the foundation for the dynamic, hybrid data center of the future. However, IT governance and organization change must also occur to enable maximum IT efficacy

Data Management

During 2010, regulatory and profitability demands will force business and IT leadership to institute data governance and to fund and carefully implement the following:

- Their own data management organization, because data management is no longer optional
- Enterprise data modeling, which is de rigeur for accurate and reliable data
- Data quality measurement, because you cannot manage what you do not measure
- Master data management, because all regulatory reporting requires it; information lifecycle management to reduce the data footprint
- Metadata management, because the auditors will demand to see the metadata
- Better business intelligence, to know how the business can improve



Things
have
changed

Identity and Privacy

Identity is changing: A new generation of workers is bringing different ideas about relationships between people and about relationships between people and employers into the enterprise. Applications are moving out of the enterprise, and people (i.e., partners, contractors, customers, and the public) are moving in. The economy is forcing mergers, acquisitions, and layoffs—all of which strain the enterprises' existing identity management infrastructure. Governments are paying attention; they are passing privacy laws and compliance regulations requiring oversight of individuals and their actions.

Network and Telecom

Enterprise networks in 2010 will be shaped primarily by video, wireless, and consumer/residential trends. New technologies, products and services, customers, and user behaviors will continue to drive significant changes to enterprise network infrastructures and their management.

Security and Risk Management

Recession, disruptive innovation, generational change, social networking, mobility, virtualization, consumerization, and cloud computing are among the many issues impacting IT and security organizations. At the same time, these organizations have the old problems—classification of data and resources is still demanding, criminals still follow the money, and security segmentation hinders the flexibility of the business. Everywhere we look, there are tradeoffs among security, flexibility, performance, and cost. At the end of the day, security departments should help organizations maintain a reasonable and prudent protection posture while taking aggressive risks as necessary to succeed.

Chris Howard is the VP and Director of with Burton Group's Executive Advisory Program coverage area. He can be reached at choward@burtongroup.com.

OFF THE SHELF

Chris Howard, VP and Director, *Executive Advisory Program*

How do you unlock a human's capacity to change? Part of the answer is to examine how humans develop fixed ideas, disable assumptions, accept new ideas, and connect ideas through association. *Virus of the Mind*¹ by Richard Brodie is about memes. A meme is a complex idea that forms itself into a distinct memorable unit and spreads like a virus to influence the perspective of you and others. As a building block of your mind, memes elicit automatic and sometimes unwanted behavioral responses. Don't let doubt prevent you from reading this book.

¹ Richard Brodie. *Virus of the Mind*. New York, NY: Hay House, Inc., 2009.

FIELDNOTES: STRONG FORCES

Chris Howard, VP and Director, *Executive Advisory Program*

Burton Group writes extensively about top-level trends in enterprise IT. For 2010, these trends group into three related concepts: externalization, consumerization, and democratization.

The Externalization of IT

As described in the Burton Group Perspective “[Moving Out: The Externalization of IT](#),” the benefits of IT externalization include the potential of reduced cost, renewed focus on the core, and strategic partnership with the business. Risks include the relative immaturity of external solutions for true enterprise-scale support and a myriad of unsolved security and privacy issues. In addition, advanced external scenarios will require significant refactoring of most enterprise IT environments. That refactoring has the long-term benefit of clearly decoupling core and context functions so that they can be more effectively redistributed.

Wise allocation of resources is good practice at any time. In the current economic climate, it is essential. Companies should reduce the amount of effort they spend on context (i.e., commodity IT) while refocusing on the core (i.e., their competitive differentiators). A growing number of options for externalizing IT, including the cloud, holds the promise of streamlined operations and reduced overhead. Companies that take advantage of externalized

IT will find themselves in a stronger position as the economy improves.

The Consumerization of IT

The average person has become a sophisticated consumer of technology. This has led to an explosion of devices and personal choice; devices have become commodity, but most enterprise infrastructures are not prepared for the identity, security, and application architectures that allow for open-ended consumer choice.

Consumerization of IT imposes significant burdens on the enterprise; it's hard to secure equipment you don't own, and it's hard to manage and support a very diverse hardware and software base. Enterprises are already starting to respond to these pressures by moving more functionality off clients and onto enterprise-owned servers via browser-based, service-oriented applications and by making increased use of virtualization to reduce the complexity associated with supporting multiple platforms. Emerging cloud-based identity services are likely to accelerate this trend.

The Democratization of IT

Due in part to the rise of social computing and resultant flattening of traditional hierarchies, complex decisions and decisions affecting

productivity are often made by groups and individuals rather than as a result of top-down mandates.

In “[Enterprise 2.0: Collaboration and Knowledge Management Renaissance](#),” Burton Group Senior Analyst Mike Gotta notes that groups enable employees to form their own associations and relationships in order to self-synchronize individual work with a team or community effort. Groups also ensure that everyone in the self-directed collective is situationally aware of each other's activities. This allows workers to gain a degree of shared decision rights by providing a means to jointly own and contribute to an objective, obtain group consensus, and establish varied levels of trust. In many ways, Groups are about flattening hierarchies, avoiding dependencies on “push” information, and prioritizing community participation that democratizes the workplace.

This is not to say that traditional hierarchies are going to disappear. They are a necessary communication structure within a large organization. The challenge to the organization is to facilitate the coexistence of hierarchical and democratic styles of communication and decision-making. This applies to information workers, architects, developers, managers, executives, and buyers.

Chris Howard is the VP and Director of Burton Group's Executive Advisory Program. He can be reached at choward@burtongroup.com.

GO AHEAD, ASK!

Q: Beyond purely operational efficiency gains, what other innovations will the cloud enable?

A: An interesting question is what management innovation does the cloud enable and what does it cause? One enabler example might be the allocation of time within a lattice-style organization for innovation, self-directed research and idea generation. If everyone has the ability to use information environments and micro-budgets for the use of pay-as-you-go resources, then they could potentially create new things without IT overhead and increase the speed of innovation. It does not cause the management innovation but it further strengthens something that cannot be easily replicated by competitors (e.g., Whole Foods non-hierarchical management model, W.L. Gore's innovation model). As for the cause of management innovation, it may one day allow a broker/builder model of IT where so much service variety exists that IT doesn't build anything and instead brokers solutions and integrates them. This is one way in which the externalization/consumerization/democratization forces come together.

Q: What are some of the Security and Privacy concerns for 2010?

A: Increased globalization introduces a handful of security concerns. Although many of these concerns are with us at all times, some are firmly rooted in the public consciousness in 2009–10:

- **Health:** There is a risk to global business and at-risk populations with the spread of virulent diseases such as the H1N1 Virus. In addition, the mandate to digitize health records introduces risks to that data, patients, health providers, insurers, and financial services companies.
- **Identity and Privacy:** From Secure Flight databases to health records and credit card info, personal information is spread across the digital landscape. This is further exacerbated with personal information exposed on social networking sites. Sometimes the fate of data is unknown as companies go out of business (e.g., the Clear program).

- **War and Politics:** Ongoing wars continue to strain budgets and relationships around the world. In the midst of this, outliers like North Korea are making threats on the global stage.
- **Economic Disruption:** Manmade or natural events can easily disrupt the economic upturn. Consider the theory popularized by Nassim Nicholas Taleb in *The Black Swan: The Impact of the Highly Improbable*.
- **Cyber Disruption:** Distributed Denial of Service (DDoS) attacks on financial, enterprise, and government computers have economic and human consequences.
- **Threats in the Social/Partner Network:** Information naively exposed on social networking sites may inadvertently place sensitive data in the wrong hands.

Please send your questions to choward@burtongroup.com or open a dialogue with Burton Group Client Services by visiting <http://www.burtongroup.com/Client/Contact/DialogueRequest.aspx>



NEXT STEPS

Burton Group produces in-depth research that covers many aspects of enterprise IT. Use the list of related content below to explore further.

2010 Executive Planning Guide: The Difficult Path to Recovery

In this Executive Planning Guide, VP and Director Chris Howard lays out macro trends affecting enterprise IT in 2010. The economy pervades the discussion, especially as it relates to the dynamics of globalization, corporate reinvention, and the crisis of confidence. The trio of externalization, consumerization, and democratization of IT rounds out the discussion and poses a challenge to the future of IT.

In addition, the Burton Group technical coverage areas published 2010 Planning Guides identifying trends and recommendations:

- **2010 Planning Guide: Application Platform Strategies**
- **2010 Planning Guide: Collaboration and Content Strategies**
- **2010 Planning Guide: Data Center Strategies**
- **2010 Planning Guide: Data Management Strategies**
- **2010 Identity and Privacy Strategies Planning Guide: A Market in Transformation**
- **2010 Planning Guide: Network and Telecom Strategies**
- **2010 Planning Guide: Security and Risk Management Strategies**

TIME OUT

Expert Voices

Visit www.burtongroup.tv for a new collection of short videos featuring Burton Group analysts, including:

Jack Santos on IT Effectiveness
<http://burtongroup.tv/?bcpid=46021237001&bclid=45928013001&bctid=49765341001>

Ian Glazer on Personal and Workplace Tools
<http://burtongroup.tv/?bcpid=46021237001&bclid=24485116001&bctid=45357683001>

Bob Blakley on IT: The Bacteria
<http://burtongroup.tv/?bcpid=46021237001&bclid=24485116001&bctid=45378887001>

December 2, 2009
Guy Creese
Gilbane Conference
Boston, MA
www.gilbaneboston.com

Corporate Office
Burton Group
7090 Union Park Center
Suite 200
Midvale, UT
84047-4169
P 800.824.9924 (USA)
P +1.801.566.2880

www.burtongroup.com