



INDUSTRY TRENDS

Maturing software technologies will take off in 2009 but resellers must be circumspect, writes Billy MacInnes

A year of virtual promise

In much the same way as most people believe Chelsea, Manchester United, Arsenal and Liverpool will be in the top four of the Premier League next May (although not necessarily in that order), there appears to be a consensus in the software world that cloud computing and software-as-a-service and virtualisation will be the big trends in 2009.

Martin Painter, EMEA channel director at NetSuite, predicts cloud computing will become "an increasingly disruptive force within the channel over the next 12 months, as resellers offer it as a complement to their on-premise application sales".

Malcolm Rowe, regional manager for Northern Europe at Akamai Technologies, agrees cloud computing has gained traction as a concept but not a reality in the enterprise. "Cloud computing has turned into a land grab for technology vendors. But as the great land race for cloud computing gets underway, buyers need to be mindful of who is minding the cloud and ensuring it is optimised to support their business," he says.

Chris Mayers, chief security architect at Citrix, claims organisations are already seeing the benefits of cloud computing, but warns they need to plan carefully. "With cloud computing, data is deposited with the provider, just like depositing money with a bank. You need to be able to get that data back when you need it and be confident the provider is safeguarding your data."

Martin Schneider, director of product marketing at SugarCRM, says that cloud applications offering customisation capabilities, users will have a lot more choice and control. "There is room or many clouds in the sky and many IT departments will draw on cloud computing platforms from a number of providers."

Challenging 2009

Jon Ashley, European director for marketing and communications at Infortrend, predicts a challenging 2009 for the IT industry. Software vendors will try to adapt existing business models of perpetual licensing to embrace cloud computing, but it could

make or break some, he says.

While clients will be attracted by a reduction in infrastructure, a standard uptime service level agreement may not be good enough for a business totally dependent on internet connectivity. "I suspect some service providers will just not be willing or able to guarantee five 9s, 24/7 availability, and those that do will need to have a healthy bank balance and a good lawyer," he warns.

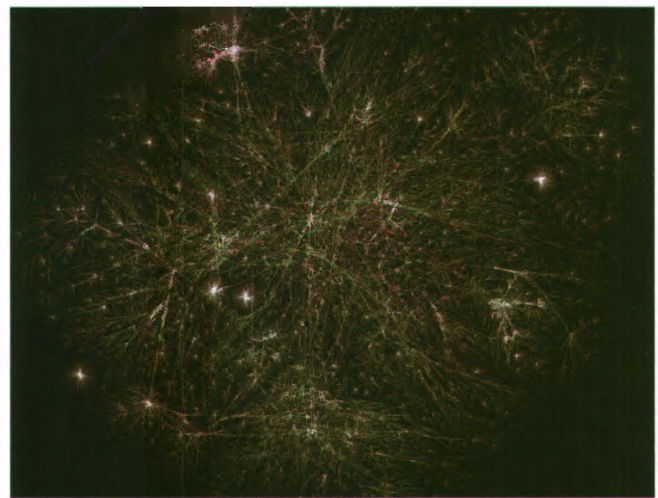
Adrian Burholt, CEO at The Key Revolution, sees a role for resellers and distributors in making cloud computing work. Businesses seeking to fit cloud computing around existing infrastructures will try to achieve significant benefits previously unrealised from the infrastructure in place. "For the reseller, this means a significant profit opportunity without a complex sales cycle. For example, the cloud can allow easy-to-use collaborative working environments for project teams, partners and boards, without huge, complex and costly development."

Dan Germain, CTO at Cobweb Solutions, says that, although the global SaaS market is predicted to grow to \$19.3bn by next year, it may not be beneficial the channel. "For years the channel has been battered by falling prices for hardware and plummeting margins for low-end services. But enterprise software sales, support and integration has always been a reliable source of value-add. Now this profitable revenue stream looks set to be sucked into the cloud," he states.

Mass migration

Many suggest virtualisation is going to be big, but caution against the hype. Kevin Moreau, general manager at Acronis UK and Ireland, says businesses have purchased virtual platforms without reading the small print: "It is true virtualisation increases hardware utilisation and cuts administration costs, but only after migration from a physical to virtual environment," he says.

Moreau advises resellers to provide systems that allow customers to migrate from a physical to a virtual environment and vice versa. Dom Monkhouse, managing director of IT



The internet: firms could be using applications on a rather larger network in 2009

Lab, says an influx of virtualisation service providers is leading to confusion for many companies: "Too many believe they are getting brilliant, cost-saving advantages, but the reality is most providers are still using dedicated physical hardware that ends up costing the customer far more."

David Caughtry, director of e-business at ComputerLinks, is adamant that 2009 and 2010 will witness a broader adoption of virtualisation. "Any reseller not currently involved in virtualisation has not, by any stretch of the imagination, missed the boat," he says. "The market opportunity for virtualisation is enormous and we are only at the start. What better time to get involved?"

Simon Aldous, partner group manager at Microsoft, argues that although virtualisation is a relatively new technology, now is the "absolute optimum time" to be able to offer the technology. "It is a change from the traditional server model, and it will be a challenge for the channel to adapt to selling the new technology, but the rewards are there for partners who do take the plunge," he says. ●

KEY POINTS

- Cloud computing to be offered as complementary to existing technologies
- Opportunity for resellers to show benefits for customers during transitional phase
- Resellers need to explain exactly how customers can benefit from virtualisation

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