



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

For one thing, we probably won't call it the "software industry" anymore!

When the vast majority of enterprise software is delivered as a "service" over the Internet, the software industry as we know it today will look very different. There will likely be a small number of at-scale infrastructure providers powering a rich variety of cloud solutions, which can then be connected and extended by a new breed of "cloud service brokers."

Just as the average person turns to an insurance broker for advice, guidance and help managing various policies, a growing number of corporations will rely on cloud service brokers to make it easier, safer, and more productive to use multiple cloud services. Gartner predicts cloud service brokerage will be the single largest revenue growth opportunity in cloud computing through 2015.

In the long run, we believe these customer-focused intermediaries can improve today's often tenuous relationship between IT consumers and IT providers. With a brokerage, cloud providers can focus on innovating and scaling their offerings to the masses, and customers can focus on building and running their business - allowing both entities to do what they do best.

The cloud is a huge paradigm shift and not every company will be able to embrace it - especially those that have huge on-premise install bases to protect. This means over the next 3, 5, 10 years, we'll likely see the role of established incumbent players like Oracle, SAP and HP change dramatically, and previously unknown companies that grew up in the cloud era take on even more market share.

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

Customers are demanding that their business solutions be social, mobile, and delivered on the cloud -- all trends that we're already seeing transform how consumers interact with technology. The line between business processes and collaboration will blur, as will the line between enterprise and consumer applications. It's already happening with services like Facebook and Twitter gaining greater hold in companies, and solutions like Salesforce Chatter moving down market. These, and the majority of future applications, will also be consumed primarily through a variety of mobile devices, not just through the PC. In fact, future "software" companies will likely develop first for mobile devices, and secondarily for a desktop or PC.

Another trend that has and will continue to influence how software is developed is crowdsourcing. Open source is just one aspect of this. Soon a greater number of commercial enterprises will start to crowdsource their IP, turning over pieces of projects or tough technology challenges to a growing body of independent experts outside their company walls. It's happened in almost every other industry from gold mining to pharmaceutical research, and it's going to happen to an even greater degree in this industry.

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