



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

The center of gravity is shifting to the cloud. Cloud computing and social CRM will continue to be game changers as the migration to cloud-based technology accelerates. SMEs were early adopters and continue to glean the benefits of agility and scalability. Despite concerns about security and losing control of their data, enterprise companies are now realizing the need for speed and innovation that can be powered by choosing software as a service (SaaS) offerings for business applications.

Emphasizing a key reason that makes SaaS very compelling, Ben Verwaayen, CEO of Alcatel-Lucent, told the Wall Street Journal: *"On the outside we have to look like a sophisticated, long-term company, but inside we need the feel and energy of a start-up."*

In order to develop and maintain that level of creativity and innovation, enterprise companies must identify SaaS investments that can drive profitable growth. The increases in data-much of it siloed-mobile workforces and the demands for instant gratification by an increasingly social workforce mean that the tools and applications enterprises provide must be user friendly, easy to learn and help to guide front-line behavior in the execution of business strategy. Globalization means that the SaaS solutions selected must enable intelligent, virtual "face-to-face" conversations so that enterprises can utilize and retain the best talent available, regardless of

location. In other words, it must enable the improvement of explicit data by combining it with the implicit knowledge of the workforce.

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

**According to CSO Insights, more than half of salespeople are not reaching their quotas. Customers have changed. They've become more knowledgeable and they have less time to devote to solving complex problems. To capitalize on this trend,** enterprises need solutions that provide a balanced, team selling approach-aligning what the customer is looking for with the focus of the organization. Software solutions must help people become smarter at how they do their jobs, not just deliver functionality and a proliferation of siloed "tools".

Consider a complex software solution for sales enablement such as configuration, pricing and quotes (CPQ) across a huge number of SKUs with prices in a constant state of flux. Instead of continuing to maintain and evolve sprawling custom legacy solutions or spreadsheets on steroids that are individually maintained and out of sync, enterprises need solutions that help them more holistically and dynamically drive business, not static systems that fix them in place and time.

With an on-demand CPQ solution, the software will always run on the latest version-without introducing any burden to in-house IT staff. Silos will be eliminated, providing the ability for the enterprise to analyze a defined data set. It will become the norm for salespeople to consistently pull the right product and pricing to bundle tailored solutions that meet customer needs at the moment of proposal creation.

The growth in information is one sure thing not to fade as the software industry moves into the future. The predilection that more information will allow executives and workers to make better/faster decisions comes with the caveat that where there is an abundance of information there is also a deficit of execution. Before companies can realize the value of the vast amount of external data, they need to first address the internal and external data silos.

SaaS offerings will be most successful when they are based on open architectures that allow plug-and-play API integration to help enterprises eliminate those silos-gaining increases in the

value of their corporate information and data and how it's used to drive revenue growth and performance. The ability to collaborate with customers, partners, suppliers and colleagues easily and virtually-with real-time information-will help enterprises set their directional compass for the achievement of strategic objectives in line with market values. In the future, whichever device is at hand will simply become the interface that connects people to the cloud-hosted software and applications they need, removing the limitation that specific hardware dictates how work is completed.

Cloud computing that enables companies to broadly embrace software as a service will become the standard that determines if companies are going to be Leaders vs. Laggards.

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