



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

Cloud computing is more than a trend - it is the future of the software industry and represents one of the most important technology shifts of the past 20 years.

As software vendors, we increasingly see the cloud as table stakes with respect to software delivery. And for better or worse, many customers have accepted the theoretical values associated with this significant technology shift. However, when we look closely on delivering on the full promise of the cloud, reality has been a bit underwhelming. The cloud has much promise in fundamentally changing and improving not only how software is delivered and used but how clients engage with vendors, with clear, but unfulfilled potential to deliver:

- The Elimination of "Shelfware"
- Pay for What You Use
- The End of Long-Term Lock In
- Vendor Accountability

It is time for the software industry to take a look in the mirror and ask, "Are we delivering on the entire potential of the cloud?" If we are being honest, the answer is "no." As an industry, we have only delivered on half of its promise. We have mastered using the cloud for software delivery for lower TCO and fast deployment and innovation, but we are far from solving the client engagement challenge.

Cloud vendors are still thinking about their own well-being, instead of understanding their customers' business goals to deliver true business value. This way of thinking has resulted in shelfware and forcing customers to buy more than they need, which effectively negates the "as-a-service" premise. Customers are also locked into long, inflexible contracts so the vendor can gain pricing predictability while those same vendors shy away from accountability to their clients.

So how will the software industry look some years down the line? We anticipate that this

specific issue-delivering on the other half of the cloud's promise-will be soon addressed by the vast majority of software vendors. In the coming five to ten years, the software industry will see vendors change their mindset to think more about the business side of their customer relationships while corporate buyers will stand up and demand their rights for more flexible engagements and putting an end to "shelfware-as-a-service."

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

The rising tide of consumer expectations makes customer experience a pressing business issue for organizations of all sizes and industries. Each year, I meet with hundreds of executives at the world's largest consumer brands and the customer experience imperative is consistently top of mind. The explosion of social networks and the proliferation of mobile devices only intensify the importance of the customer experience, and it is this challenge that RightNow is singularly focused on helping consumer organizations solve.

The mistake we see some organizations making is to treat social or mobile as new, disparate channels. Organizations need to be careful not to just put up a Facebook page or iPhone-optimized support site and create more silos; social networks and mobile devices must be seamlessly incorporated into their overarching customer experience strategies. Consumers who visit an organization's Facebook page or tweet about an experience or access self-support on their BlackBerry are likely to pick up the phone or send an email at some point. Organizations need to ensure a consistent and seamless experience across all of the places where their customers interact with them.

Unfortunately, this silo'd mindset is also finding its way into some of the enabling software tools. For vendors to truly help organizations with the customer experience imperative, they need to provide a unified platform that powers all interaction channels consistently and seamlessly. This requires that the platform is architected in such a way to allow easy incorporation of new channels-such as we are seeing now with various social networks and mobile devices-and integration with existing channels and processes.

While the exploding adoption of social and mobile make them areas that we software vendors must address today, we also need to keep our eyes on the future. We need to constantly stay on top of emerging channels and incorporate important ones into our solutions. Our mission at RightNow is to rid the world of bad experiences, and this starts with our ability to power all the interaction channels that matter to our clients.

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