

BriefingsDirect Analysts Take Pulse of New Enterprise IT Era: Flat Line Stasis or Next Renaissance?

Edited transcript of BriefingsDirect Analyst Insights Edition podcast, Vol. 41 on the current state of information technology and defining the best description of the next era of computing.

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Dana Gardner: Hello, and welcome to the latest BriefingsDirect Analyst Insights Edition, Volume 41. I'm your host and moderator, Dana Gardner, principal analyst at Interarbor Solutions.

This periodic discussion and dissection of IT infrastructure related news and events, with a panel of industry analysts and guests, comes to you with the help of our charter sponsor, Active Endpoints, maker of the ActiveVOS visual orchestration system, and also through the support of TIBCO Software.

Our topic this week on BriefingsDirect Analyst Insights Edition, and it is the week of April 27, 2009, centers on the next era of information technology (IT). We seem to be in it but we don't have a name for it yet.

Suddenly, cloud computing is the dominant buzzword of the day, but the current confluence of trends includes much more. There is business process modeling (BPM), business intelligence (BI), complex event processing (CEP), service-oriented architecture (SOA), software as a service (SaaS), Web-oriented architecture (WOA), and even Enterprise 2.0.

How do all of these relate? Or if they don't relate, is there a common theme? Is there an overriding über direction for IT that we need to consider?

For me, the cloud computing moniker just doesn't include enough and doesn't bring us to the next stage. In the words of Huey Lewis, we "need a new drug." So what is the next über IT phase for next generation enterprise technology?

Here to help us understand what the new IT drug is, join me in welcoming our analysts panel this week. We are joined by Jim Kobielus, senior analyst at Forrester Research. Hey, Jim?

Jim Kobielus: Hey, Dana. Hi, everybody.

Gardner: Brad Shimmin, senior analyst, Current Analysis.

Brad Shimmin: Greetings, Dana.

Gardner: Joe McKendrick, independent analyst and prolific blogger. Welcome back, Joe.

Joe McKendrick: Hi, Dana, glad to be back.

Gardner: We also welcome Ron Schmelzer, senior analyst at ZapThink. Hey, Ron.

Ron Schmelzer: Hey, there. Glad to be here. Thanks for having me on your drug trip.

Gardner: And we're also joined by Tony Baer, senior analyst at Ovum.

But let's start out with our über definition. Jim Kobielus, do you agree with me that we're oversimplifying what's going on in IT by just calling everything that's going on cloud computing?

Kobielus: Of course, we're oversimplifying, but that's what we, as analysts, need to do now and then. There is just too much stuff, too much complexity, too many themes, and too many paths for evolution and innovation.

I agree with you, Dana, we all get worn out by these themes, trying to jam too much into them. Half the time I'm thinking we need to move to a post-theme era in IT and have a themeless architecture.

Half the time, with all these themes, I feel like I'm in Disneyland. I'm walking in Adventureland, Tomorrowland, Fantasyland, and, after a while, I sort of lose sight of the overall big park through which I'm roaming. I want an über Walt Disney to stand above it and say, "Here is my vision for the great magical journey we're on."

I don't think that Great Uncle Walt will emerge from the sky, but I do think we need to ask ourselves what value these themes add. These are all valuable frameworks -- SOA, cloud, virtualization, Enterprise 2.0, SaaS, and so forth, but they're valid and valuable for particular uses and for particular ways of approaching and managing the technology. None of them is superfluous, but none of them will become the über theme for everything we might ever want to do with technology.

Gardner: Well, Brad Shimmin, it seems though that something has shifted in the last six months. Perhaps, it's because of the recession, the contracting economy, but it certainly feels different than it did six months ago. Do you agree?

Shimmin: It does. Even in the last few days, now that we have the Swine Flu economy upon us. It seems that so many of us are in the midst of knee-jerk reactions to things within the industry and within our little sphere that we live on, but something more profound has changed over the last couple of years.

Going back to what Jim was talking about, it's so hard to put a finger on it and describe it. It's almost like the art scene at the turn of the century. They really didn't know what the hell to call what people were making. Sp, they just said, "Oh, it's postmodern." So, the postmodern IT world is perhaps what we're living in. Maybe that's okay, where there is no really overriding sort of thematic vision to IT, but I'm an analyst so I always try to like put labels on things.

My attempt with this is to describe just the zeitgeist I've seen over the last year or so, and that is just to call things -- with a double entendre totally intended here, and it's not sexual by the way or drug related -- "transparent computing." That's is what I'd look at this as.

The double part of this is IT resources and business solutions are becoming more visible to us. We're able to better measure them. We're able to better assess their cost-to-value ratio. At the same time, the physicality of those resources and the things that we call a business are becoming much more transparent to us and much more ethereal, in terms of being sucked into Amazon EC2, for example.

Gardner: What's transparent now that wasn't before?

APIs and transparency

Shimmin: For one, application programming interfaces (APIs) have made things much more transparent than they were. We all had a great discussion a little while back about WOA. That's a great example of what that means. As an enterprise owner or an ISV creating software, you have the ability to see into software with much more active and quicker response time than you could back in the days of SQL or an API in a 400-page book that you had to memorize.

Gardner: Is that a function of open source or just that Web services need to be fully understood in order to be shared and have interoperability work?

Shimmin: Open source to me is really the cultural vision of what you're talking about. Technologically, it really was what SOA engendered in its approach with opening up a layer of abstraction. So, it's like open-source sociology, SOA technology.

Gardner: What do you think, Joe McKendrick, is it the "open the kimono" technology era?

McKendrick: I think so. I don't think there's a name we can give it. Perhaps computing has become so ubiquitous to our everyday lives and our everyday work that it no longer needs to carry a name. We don't call this era the "telephone era" or the "television era." For that matter, we don't call it the "space age" anymore. The novelty and the newness of all this is worn off.

Looking back over at the past six months or even five or six years, a big thing that's

been happening is that business users really understand computing. Computing is such an everyday thing that folks understand. At the same time, the IT folks are beginning to understand the business a little bit better and we're seeing those two worlds being brought together and blending.

Gardner: This is a George Costanza moment: worlds are colliding.

McKendrick: Worlds are colliding.

Kobielus: Dana, I just noticed something. This decade that we're currently ending has no name. Last decade it was the '90s, the one before that was the '80s, we've never given this decade a real name that's stuck chronologically. Likewise, this era that we are now entering doesn't have a name and maybe it shouldn't have a name, it's the "double-0 era."

McKendrick: Or the white album, the "white era."

Kobielus: Yeah, the "white era," right. Well, that's racist, I take that back.

McKendrick: Well, I'm talking Beatles.

Kobielus: I know, but the "white era?"

Gardner: Ron Schmelzer, do you think we need a name for this. It seems that now we're talking about a post-IT era, because IT is so pervasive that we don't even need to break it out anymore, that it's just part of everything?

Schmelzer: We could say that we're still floating through the information era, but I like what Jim was talking about, the floating from one theme park to the other theme park in Disneyland, as we've been doing here in IT, to a certain extent.

I'm going to bring back the drug theme here. I might as well. We like to self-medicate in IT. We have these chronic problems that we seem to be continuously trying to solve. They're the same problems: getting systems to talk to each other, to extract information, and to make it all work. We try one drug after the other and they provide these short-term fixes. Then, there's the inevitable crash afterwards, and we just never seem to solve the underlying problem.

If we had to get back to that Disney theme, there actually was one that tied them all together. What was the theme at Disneyland? "It's a small world after all." Isn't it? I like to bring it all back to IT. All these things we do, they're all looking very similar. Tying in the recent presidential campaign, maybe we are the change we are looking for. So maybe it's not really about the technology. Maybe it's the way that we're sitting here using the stuff, and it's more a change to process than it is to technology.

Kobielus: And, taking that theme just a little further, it's amazing what you can do with a mouse.

Psychological shift

Gardner: Well, in an era when we're always on, where there is ubiquity of at least network reach, now we all have smartphones and we can sync the phone to our PCs and into the cloud. We're all carrying our same configuration, private and public, as well as personal and work, all around with us. We never seem to break free of our IT identities. Our IT identity, our personal identity, and our work identity are the same.

Is this really a psychological shift then? Do we need to stop thinking about how technology is shifting and think about how people are shifting? I think that people are acting differently than they used to.

Schmelzer: I found out one thing though. From our personal life, our IT experience is becoming very rich. It's not just the Web and the phone experience or the television experience. Everything, the whole IT experience, is becoming remarkable. But, there is a digital divide, and I'm not talking about the parts of the country that have more IT than the other. I'm talking about the experience at home and the experience at work.

When I step into work, I'm turning the clock back ten years. I have this wonderful, rich IT environment on my own at home and on my phone. Then, I see these enterprise IT systems that had very little in the way of influence from any of these movements from the last 10 years. It's like the enterprise IT environment is starting to stagnate quite a bit from the personal IT environment.

McKendrick: You aren't talking about the ZapThink workplace, are you?

Schmelzer: I work at home, so I've got the best of both worlds, but I'm talking about walking into some of customer environments.

McKendrick: Some companies have stepped back 20-30 years in time.

Gardner: Hold on that thought. Ron, it sounds to me like a generation gap. We're back to 1972. Our dads are still locked into the World War II generation, and we're already well into the "Me Generation." Is that what's going on in technology now between business and consumer technologies?

Schmelzer: Yeah. Look at the IT environment. The question is, if we had to do it all over again, would we really be building enterprise IT systems or would we be doing it the way Google is doing it? Google would just be laughing at us and saying, "What are you doing putting in these mainframes and these large enterprise applications that take X millions of dollars and multiple years and you only achieve 10 percent of your goals and only use 5 percent of the system you just built? That's just hilarious."

Gardner: Jim Kobiellus, is this whole cloud thing, in fact, forcing businesses and enterprise to catch up with what's been going on in the consumer circles?

Kobielus: Is the cloud phenomenon causing businesses to catch up with what's going on the consumer circles? Can you give me an example, Dana, so I know where you're coming from with that one?

Gardner: It's sort of playing off of what Ron was talking about. If I go to Gmail, I can get a free account. Suddenly, I can do chat and coordinate with my mobile phone. Google knows my identity a little bit and offers me the ability to do word processing, and on top of that I can do better searches. Then, in addition to that, I've got my own profile now at the bottom, when people search on my name. Now, I have an AdWords account. I can coordinate and integrate into cloud, but I can't in my own business.

Highly empowered

Kobielus: Exactly. Most of us, as Ron indicated, in our personal lives are highly empowered now with all sorts of media, gadgets, and services that it's just amazing what we have already integrated into our "life" lives.

When we go out to the workplace, assuming that we work somewhere other than our home and we're not self-employed, we see what our employer provides for us. What the employer provides may be technology, services, or capabilities that are 10 years behind the times.

We get frustrated. We think, first of all, "I'm spending eight or more hours of my day here with less capability, less connectivity, and less ability to be productive than if I simply stayed at home. Well, why don't I simply telecommute? More to the point, why don't I move to another company that provides me with better tools that are up-to-date, up to 2009?"

What you're hitting on is that there is this disconnect between what we can get on our own for ourselves and what our employer provisions for us. That causes frustration. That causes us to want to bolt, defect from an employer who doesn't empower us up to the level that we absolutely demand and expect.

Who has the highest expectations? It's the younger generation. It's my kids' generation, who are in college. When they go out to the working world, they're going to think, "Oh, look at this. I'm not going to work for these people whose heads are stuck in the '70s or '80s."

Gardner: I don't know about the young people thing. I think the gap isn't really based on age. I think it's a gap based on people who see IT as empowering versus those that see IT as debilitating.

I was at the ballet last night in Boston, and during intermission, between some great ballets, people were breaking out their smartphones, and these weren't young people. Here's a whole group of folks that you really wouldn't have expected to be doing that.

Brad Shimmin, what's going on?

Shimmin: I've got a great example of that from a vendor. I don't think I can name them, because they haven't made it live yet, but this is representative of what I'm seeing in my area of research, which is in collaboration, social computing, that stuff.

Most of the vendors have got the traditional, on-premise software, and they're all putting it in the cloud. They're also saying to me, in their go-to market schemes, "We're trying to take IT out of the picture, at least at the outset." They're seeing IT as a roadblock to getting these technologies -- like the ones you're talking about with Google Apps -- into the enterprise.

The people in the enterprise realize they want it. The workabees in IT realize it, but IT's hands are strapped. They can't do anything about it, like Jim said. So, these companies are literally working around IT in some ways to bring these technologies into the enterprise.

Half empty - half full

Gardner: I'd like to get more into this psychology of what makes people rabid IT consumers versus somebody who avoids it. I think it has to do with the glass being either half empty or half full. Some people see IT as actually benefiting them across the board -- personal lives, communications, applications and services.

You go into a lot of cities now and there are people driving Zipcars, ordering groceries over the Internet, and finding their directions on their iPhones or a smartphone. It's really embedded deeply into their lives. There are other people who just don't see IT as helping them, but it actually frustrates or inhibits them.

Does anybody else have some thoughts as to whether we're crossing a cultural gap here or a threshold? Should we call it the "age of always on or always off," and how do we decide who gets to do what?

McKendrick: Dana, even those folks who think they're avoiding IT, actually do deal with it. Anytime they go to an ATM, they're using the client, the front-end of a network of an IT system. If they go to a phone and use phone mail, or rather voicemail or a voice prompt, they're accessing an IT system. It's unavoidable now.

I'm going to bring up Google up here. Even 10 or 20 years ago in any science fiction movie, nobody could have imagined that we'd have a resource where we could ask any question and get an answer back from any point in the globe. Nobody ever thought that, that would be possible.

Gardner: It really strikes me that between Wikipedia and Google, I can find just about anything I want, and I do. It's very enriching.

McKendrick: Anything, all the information in the world, everything is available.

Shimmin: Excuse me guys. With Wolfram Alpha, if any of you have heard of that, that's coming out, it's going to be not just content, but also the data itself. You can get answers to questions like, "What's the statistical probability that I'm going to get in a car accident next year?" It's amazing. For me, it's not so much even a cultural shift or a threshold. It's a functional threshold.

Back to just talking about Google and how pervasive it is, and the ATM example. If you're a two-year old baby and you're picking up an iPhone -- which I think I saw on YouTube at some point -- and you're able to actually make the damn thing work, that says to me that we've crossed the functional threshold. We have the technology in a form factor that people can understand and make use of, without it being a barrier to their adoption, regardless of age or any of those other factors.

Schmelzer: This wonderful idea of technology and technologists and IT and stuff -- we've been trying to figure out what is the real issue with business and IT. Is it just that there are people who don't like technology and people who do? It's more than just a cultural thing? It's personal preference. What we found is that most people, if not almost everybody, actually loved technology. So it's not an anti-technology thing.

You ask people, "Well, do you want a 42-inch Plasma television in your house? Do you want TiVo? Do you want the latest MacBook and the latest iPhone?" Something like 90 percent of the people are going to say yes. They want the GPS. They want all that stuff.

So what is it about enterprise IT? It's not the technology that they're blocking. It's this complexity. And it's not just the complexity. It's this perception that enterprise IT is nonconstructive hassle. So they look at Google and they think, "Ah, constructive, productive." They look at enterprise IT, and they think, "Barrier, bottleneck."

Shimmin: You're absolutely right. Any of us here -- because most of us work remotely -- who has to get on a VPN before we're allowed access into the corporate facilities that we connect with knows that hassle and knows just what you're talking about.

Resisting bottlenecks

Kobielus: We on this call are atypical, because we're highly autonomous analysts who are quite used to self-provisioning. We're either running our own business or, if we're employed by a larger company, have a remote, completely self-contained office where we basically have to do everything. We're chief cook and bottle washer and we fix our own systems issues. We resist these IT bottlenecks, because bottlenecks just keep us from continuing to self-service and self-provision, as we've always preferred to do and as we want to keep on doing.

Really, this is an age of self-service, mashups, fending for ourselves, and resisting bottlenecks, or organizations, such as corporate IT, that essentially are bottlenecks, keeping us from getting the resources and services that we need right now.

Gardner: We're also in the era of mass bankruptcies, with Chrysler now declaring bankruptcy. We're looking at large banks, some of which may have not passed the stress test. We're looking at, in some senses, an implosion of a financial order, at least on Wall Street.

Is there any connection? Is there any connection between a big car company that can't seem to change itself over a 30 year period and individuals, enabled with technology as it is today, can change their career, change their direction, and get virtually any information instantly. Is there something going on here between the fact that a big company can't shift and move and change, but individuals can? Any comments?

McKendrick: A few months ago, when it first became apparent that GM and Chrysler were on the skids, Andrew McAfee of Harvard posted this proposal to help these companies. If he were given the option to rebuild one of these companies from the ground-up, he would go in with a very strong social networking system, enabling the folks that are working on the front lines, assembly, production, sales, marketing, and so forth to communicate with each other real time, on a regular basis, to find out what everybody is doing, and to build the base of knowledge to move the company forward.

Gardner: So, we don't have a generation gap. We have a corporation gap. The corporations have a huge burden of trying to move and do anything, whereas individuals or small companies or people that are aligned by their social network can move swiftly. Perhaps we need to destroy the dinosaurs and become small furry mammals in the undergrowth. Is that it?

Kobielus: Yeah, take the auto analogy. I'm from Detroit originally and I know that culture. Auto companies of necessity are chained to platforms. It's the basic chassis and design and the internal guts in terms of the transmission and engines and so forth for a wide range of models. When they make a commitment to a given platform, they're stuck with it. They put up millions upon millions of dollars.

Gardner: Well, the same can be said for your enterprise IT department, right?

Chained to a platform

Kobielus: Exactly. Being chained to a fixed and fairly static platform, there are great scale economies. That's how the GMs got to be GMs, but it really limits your ability to turn on a dime. In other words, when some hotshot auto company from -- let's just name a country we don't even think has an auto industry -- Zimbabwe comes along and gives the customer something that they like more, they just build fairly quickly and get out to market.

I don't know of any Zimbabwean automaker, but regardless, if you think about corporate IT, they're chained to these huge platforms that they've made a significant investment in. So, when some cheaper, more lightweight solution, maybe in the cloud, comes along, the users can get it quickly and more cheaply. It's essentially mocking the investments that this company has made. You spent millions of dollars on something that you could have gotten in the cloud for pennies per hour. That's a disruptive force in IT.

Gardner: Let's hold that thought for Tony Baer who just joined us.

Tony Bear: Yes, I am here.

Gardner: We've been talking about needing a "new drug" in IT. I think we've stumbled into something interesting. Individuals in their lives, corporations, governments, maybe even entire industries, some of which are encumbered by technology or held back if it's a platform based technology, can't move with the times.

Other organizations, individuals, or networks of people embracing what we now are calling loosely "cloud computing" are able to be fleet agile, move on a dime, change their business, and not be encumbered by their own data centers or their own platforms. There seems to be a gulf between the two.

One group is able to be productive and perhaps redefine business and even culture and society relationships. The other is suffering terribly with massive layoffs, restructuring, mergers and acquisitions, in a sense a meltdown, even bankruptcies at a scale never expected.

How do you see it, Tony? Is the gap here between technologies? Is it between platforms? How can we reconcile these two?

Baer: Well, there are a couple of things. There is always the advantage of the late starter, and there is always a disadvantage of the first starter. One of the things that came to my mind this week is the imminent demise of Cassatt, which was onto the idea of private clouds before its time.

On the other hand, if you're a late starter and the technology or the market has already proven itself, you can then start to innovate with the latest methodologies or technologies, whatever, without being burdened by all the baggage.

Gardner: Are we talking about more than just the innovative dilemma here? Aren't we really moving into a new era, because everyone is always an innovator, if you look at the cloud model?

In a new era

Baer: Right. I'm coming a little bit out of context here, but I do think that we're into a new era, where you need to shave your cost structure and all your baggage that keeps you stuck in one place.

On the other hand, what I was about to lead up to is that you can start nice and fast, but then as you start to get into the scale up and scale out, in other words, when you start to become a victim of your own success, there are some lessons that some veterans have learned. Veterans who haven't been bogged down by legacy infrastructure learn that if you've just come into this race, you might think this doesn't apply to you, but it does.

So, on one hand, yes, I do think we are at a point where there are some basic structural changes that are happening, but at the same time, the old rule still applies. Once you get to a certain scale, you need to know how to manage it, whether it be technology, people, communications, process, or whatever.

Gardner: Brad Shimmin, let's take this back to the IT department and the large enterprise. They might be seeing this going on. They might have an inkling. But, they know that they can't do much with their existing culture and their existing organization. Isn't it time for a skunkworks or some sort of a parallel IT department, even if it's not sanctioned? It's going to happen whether you want it to or not, and isn't it time to start looking at that as perhaps the future?

Shimmin: That's already happened, Dana. Otherwise, how can you explain the preponderance of SharePoint servers running around? That stuff is not being bought top-down.

As I was saying a little bit ago with some of the vendors I'm talking to, trying to go around IT, they're realizing that this culture exists within the enterprise of wanting to make use of the self-starting tool that Jim talked about. So that age is already upon us.

IT's challenge is to be able to allow those to happen and to encourage them to happen without locking them down, controlling them, and destroying their ability to make people in the enterprise more productive and flexible. As we've been talking about here, it's really a twofold thing we're after in this age that we're talking about.

One is, the lightweights of the infrastructure, getting rid of the Ford iron underneath the car. The second is to make the people on the line more valuable to us. It's no longer the Nubians pulling stones up to make the pyramids, it's the, Nubians are the stones and the pyramids for our companies. We are the companies.

The people in them are the ones that drive their potentiality. As an IT person, working in IT, you really have to sort of say, "I know that I have people that have the ability to do start their own software. And, I know that top-down I'm really not getting any support for this. So, I've got to find a way to stay relevant to those people, make their lives easier, and allow them to adopt the software and to make a go.

How that happens, I really couldn't tell you. It depends on how the software that the folks are using is built.

Gardner: Ron Schmelzer, is it fair to say that a company that can't transform its IT is doomed to fail?

Dooming the company

Schmelzer: We're not taking from any recent book titles, are we now? Service-oriented IT technology is a core to every company. So, not managing information, which is one of the four primary resources of the company, is effectively dooming the company to fail.

Bringing it back to the automotive and banking industry companies, clearly what brought the automotive companies to the current state is the fact that they just weren't selling a lot of cars. And, the fact that they weren't selling a lot of cars has to do with the economic situations -- if people can't borrow money, they can't buy cars -- and also, they weren't producing cars people wanted. So the question is, how would IT have helped there?

Maybe it was understanding better how to process the information that they had at their fingertips. Maybe some better intelligence on how to spot trends ahead of time might have allowed them a year ago to start paring back production and anticipation of the flattening demand or something like that. But, that's not information technology, that's just information.

Sometimes, we, as technologists, tend to put too much emphasis on the second half of that word information technology and say, "Well, information technology is about the technology."

Gardner: It's also how people use the information, right?

Schmelzer: I would argue that it has very little to do with the technology. Information technology has almost entirely to do with information. If all we're doing is putting more barriers between the business and the information by throwing technology, we're really making the problem worse.

Gardner: Joe McKendrick, what do you think? How do we emphasize process and people, but, at the same time, recognize that the business and the technology are maybe necessary cinder blocks on the feet? How do we get these all to move together in a fleet way or do we wait for the bad ones to go out of business?

McKendrick: Wow! Do I have to answer that?

Gardner: Yeah.

McKendrick: Okay.

Gardner: Well, I have another question for you if you don't want that one.

McKendrick: No, no, I'll take that one. Ron, you just hit the nail right on the head. If we look back at the chain of events that led to the financial meltdown, the problems of the auto industry, the turbulence in the global market that caused the oil prices to go up, it stems back to the real-estate crunch and the mortgage crisis, the tools were there.

Banks had sophisticated analytics to look at the risk, at what they were doing with the mortgages, the subprime, and so forth. But, human factors overrode that technology and those capabilities. I'm going to say it was greed, simple greed.

The market was booming and everybody wanted to pile on, despite what the risk management systems might have been telling them. Therefore, you have a case where the technology is there, the information technology. As Ron was saying, the emphasis on technology is there. We have great tools, but there is the human factor and those business cycles.

Gardner: Clearly, the technology needs to be there, but perhaps doesn't need to be visible. The transparent notion that Brad has makes sense, or maybe we need to be the "post-IT era." The IT has to be there, but under the covers, convenience and information become essential, along with the ability of people to act on it.

New tools and information

McKendrick: There's a lot of talk about this being Great Depression 2.0. Fortunately, that talk subsided, but we have a lot of tools and information. We were able to sidestep a major disaster, such as we saw on the 1930s, because we had more information. We're able to act on the information. We have the technology.

Gardner: I think that's true.

Schmelzer: It's very interesting. Tony, maybe you could piggyback off of this. You live in an art capital there -- New York. After the Realism movement in art, we got to the phases of the Modernism movement. We moved from over-complexity to over-simplicity. It's quite possible that we might be doing that here in IT. Our next big movement in IT might be to shed all this complexity and perhaps oversimplify for the sake of trying to solve some of the problems of our over-complex Baroque history here.

Baer: I'm almost tempted to say that we're going to go into a postmodernist era. Joe was talking just now talking about how we used information fairly effectively to, at least for now, forestall a Depression 2.0, but it also brings me back to one of the things that Dana mentioned in the invites to this podcast, talking about some of the

technologies that were out there -- and one of them being CEP.

Who were the folks who were using it all these years? It was a lot of the financial services, the Wall Street houses, all the folks who were doing derivatives. Did that prevent a crash, when essentially human behavior, human greed, let us down? We had all this technology to analyze all these risks, but we didn't use common-sense risk management.

Gardner: That's right. They had their emphasis on the complex events, but they couldn't step back and see the less complex events, which is, you've got too much leverage pal.

Baer: Exactly, exactly. In that sense, we became a slave to the technology we had.

Kobielus: Yeah, that defines the era. I'm glad you brought CEP back into this. The era that we're living in now is an era of wild volatility. Everything is crashing around us. It feels like it. If it isn't crashing around us, we hype it in our own culture. This morning I Twittered on the Swine Flu so-called pandemic. When did they stop being epidemics and become pandemics. And, when does a disease that's only killed a little over 100 people suddenly become equivalent to an outbreak 90 years ago that killed, was it 15 million people worldwide?

Gardner: About 30-40 million.

Shimmin: More than World War I.

Kobielus: The financial industry has for a long time been used to volatility. That's what they're about. That's the stock market. It's a volatile bouncing of prices, trades, and whatever. That sector has been built on volatility and on volume -- just increasing volumes of transactions, data, and a broader variety of transactions. It's The Big Vs: Volatility, Velocity, and Variety of events, flowing in to the financial institutions, all the time, continuously. In many ways that volatility now affects every aspect of our lives, likewise the sheer volume of stuff we all have to deal with in our personal and professional capacities, and the sheer variety of stuff too. What we live in right now is an era where everything conspires to give you a massive headache, a massive migraine all the time, because of the 3 Vs coming together.

Gardner: We should call it "the complex generation."

Kobielus: Call it "the migraine era."

Gardner: Let's come up with some other names for what we're trying to describe here. We've really done a nice job at defining what it is, but, just because we're analysts, we need to put some labels on this stuff.

Jim has got complex and migraine era. Brad Shimmin, any ideas? You said "transparency." That works, but I think it takes an explanation in addition to the word

"transparent" in order for people to understand. Is there a word that we can come up with that people instantly get?

Flat-earth IT

Shimmin: Wow, small task. I guess I would say that everything we're talking about is horizontal economy, horizontal IT. IT is no longer tipped on its side, with everything falling off the slope. It's distributed out amongst the constituency that make up the business, which is both IT and the users, and the flat earth sort of thing, which, I guess, is another popular book that's out right now. So, I guess I'd call it the "flat earth IT era."

Gardner: Okay. Joe McKendrick, any buzzwords or über terms? What are we doing? What's going on around us?

McKendrick: A few years back, an author said the corporations are breaking down -- I think I talked about this on this podcast -- into confederations of entrepreneurs. The company of the future will be a confederation of entrepreneurs.

I'd like to call it "entrepreneurship," "Entrepreneur 2.0." How's that? IT is breaking down these large structures, these large institutions, into bite size pieces. Technology is making information accessible to all, for all to leverage. As I say with SOA, we're becoming both consumers and producers of services.

Gardner: The power of one.

McKendrick: The power of one. I like that.

Gardner: Ron Schmelzer, any ideas on the terms here?.

Schmelzer: I think we're moving in the right direction. I don't know if I'd use the term "entrepreneurial," but it sounds to me more like a populist movement. Really what we're doing is empowering individuals within the organization to have greater control over their use and provisioning of IT capabilities. They're shifting it away from these central oligarchies of enterprise systems that have had way too much control and way too little flexibility, that have not prevented any of the major economic problems we've had, and to some extent maybe even contributed by shifting our focus away from the information and too much toward the technology.

I like these populist movements in IT. Once again, just remember your IT experience at home and how much you would wish it would be in your work environment.

Gardner: So, perhaps technology, habits, and the cloud are shifting sovereignty away from countries, companies, and even groups based on geography, like villages or towns or cities, being sovereign. Having power is now shifting down to amorphous groups and even individuals.

Shimmin: It's a meritocracy, Dana. That's exactly what we're talking about.

Confederated self-determination

Kobielus: This reminds me of a project I was involved with in, of all places, the auto industry several years ago. I was writing with a guy who was a real futurist. He was talking about future virtual product coalitions. The idea is that there are too many plants located in the wrong places. We have different skill sets and different centers of demand and they need to be rationalized with it. You need to provide the flexibility, the information, and the resources in order to act, as well as the ability to enter into trading partnerships.

This employs the principles of loosely coupled. I'd look at this as confederated local self-determination.

Gardner: Individualism. They theorized about individualism back in the late 1800s -- guys like Kierkegaard, Nietzsche, and some of the other philosophers. They were called "existentialist," after a while, but they were basically focused on saying, "You are a universe of one."

Kobielus: But we're in a world where we work with other people and other entities. In other words, you don't make your own car. You don't grow your own food. You depend on other sources for that -- for sustenance. So, yes, we have more self-determination, but yes, but we are also confederated because we rely on other services, other people, and other entities.

Gardner: We only rely on other entities that are on the network though.

Kobielus: Yeah, we are interdependent.

Schmelzer: It's the information economy that we're talking about here specifically. The other thing that's pushing us here is that if you've been observing the trends in the IT industry moving towards massive consolidation, while there's always going to be new venture creation, that's just part of the engine that is venture capital and the capital system. The bulk of IT spending is becoming increasingly concentrated with a smaller and smaller set of companies.

So, from an enterprise IT experience, we're starting to drive the wedge between buying technology from an increasingly shorter list of vendors who are becoming über suppliers. This set of freely available technology just doesn't compete with that enterprise consolidation purchasing cycle. As this consolidation happens, it's going to exercise even more of the ability to say, "If we're not going to go the route of 'pick your handful of vendors here,' then you can go this plethora of other technologies that are really up to you as the individual to choose." That's what's happening in this economy.

Gardner: It's interesting. Just as we're embracing cloud, we're also seeing that, if you have a couple of mainframes, you can create a cloud. You could provide services out to a public constituency, or you could take your old mainframe inside the enterprise and put some new hubcaps on it. Then, you're able to do all sorts of application hosting and co-location services and act like an IT shared-services organization. So, it's back to the future in terms of both the ends and the means, right?

Schmelzer: Actually, both of those visions are not inconsistent with each other. That's the irony of it. In order to get reuse, which is what people talk about all the time, you have to have legacy. Just think, if you're never keeping anything around long enough, you're never going to get reuse.

The irony of it is that you have to have legacy to have reuse. But, having legacy doesn't necessarily mean also not spending a lot on new things, which is the weirdness of it. Why is it that we're soaking up so much of the IT budget on legacy, if we're not creating anything new?

There's something malfunctional in the way that we're procuring IT that's preventing us from getting the primary benefit of legacy, which is extracting additional value from an existing investment, so that we can make the old dog get new tricks and get new capabilities provisioned on a cloud, without having to invest a huge amount in infrastructure.

The biggest behavior that has to change is IT procurement. It has to fundamentally change, move away from these multi-million dollar software-provisioning cycles, and really think much more about the existing IT environment and enabling the populist economy.

Gardner: Brad Shimmin, is it possible that the cloud makes a lot of sense and even the mainframe and centralized models make a lot of sense, but client-server and distributed computing got in the middle to become the complexity roadblock?

What really matters

Shimmin: Certainly it is, but let's just go back to what we were talking about. To me, whether it's mainframe or a bunch of PCs on Google's data center doesn't matter. What matters is what it does. If we're able to make our existing mainframes do new tricks, that's really great, because it allows us to make use of investments we've already made.

That's why, when I look at things like SaaS, I see it being more beneficial to the vendors who are providing those services than to the customers using them. Instead of having something they can depreciate over time, they just have to pay it out every month like a telephone bill. You don't ever own your services -- you're just paying for them, like leasing a car versus owning a car.

Kobielus: I have a new theme. It's not the "migraine era," but rather it's the "era of seamless scavenging." All this legacy, all this functionality, on-demand access through clouds, mashups, and so forth, means each of us can immediately self-provision by scavenging all the rich functionality, all the data that's out there to be gotten in this environment for seamless scavenging.

Shimmin: Dana, back to your question to me, that's exactly what client-server does. I don't see it as a roadblock. I saw it as basically breaking down those assumptions of what the system should do. PC had to do this. The mainframe had to do that. And, client-server came along and said, Screw that. You can create your own multi-tiered environments that do different things. You can put application resources, not just in one box, but across a number of boxes."

Gardner: So that was a necessary threshold to cross?

Shimmin: Yeah.

Gardner: Okay. Tony Baer, do you think cloud computing is a response to the limitations of distributed computing?

Baer: There's no question about that, and I want to respond to what Brad was saying before about client-server being a distraction. I think it was a necessary stage to go through to get to where we are right now, to understand what we could really get out of a cloud without this being a repeat of timesharing.

So, yes, cloud is a way of papering over all the administrative overhead. On the other hand, this isn't going to be your grandfather's timesharing mainframe.

Gardner: We need the best of centralization, the best of distributed, but not being tied to distributed or client-server. We also need to have the ability for people to act on almost anything they can acquire very cheaply and easily through the Internet.

Baer: Client-server gave us the idea of that this is no longer a one-way conversation, from a host to a dumb slave. I want to have some capability locally.

Gardner: So, empowering was a necessary cultural shift, if not the right technological shift.

Best of both worlds

Baer: Exactly. Theoretically, if the cloud is done right, and if we use all the right enabling underlying architectures and technologies, we should theoretically be able to get the best of both worlds. I say "theoretically," because, of course, no shift to any type of architecture or technology ever goes without its own baggage.

When we thought that outsourcing was the way of dealing with staff complexities several years ago, what we realized was, if you outsource, you have to add an administrative layer. If you're going to acquire cloud or acquire cloud services, you are going to need to manage something new that you didn't have to manage before.

Gardner: I think I've come up with a word for us. If we look at what happened perhaps 500 or 600 years ago, there was a collective word that came to represent it. It was called Renaissance.

Are we perhaps at a point where there is a renaissance in IT. Even though we thought we were enabled or empowered, we really weren't. Even though we thought that centralized and lockdown was best, it wasn't necessarily. But it wasn't until you got the best of all worlds that you were able to create a renaissance, which of course cut across culture and language, individuals, even the self-perception of individuals and collectively. Does anybody like the idea of "renaissance IT" or computing?

Baer: Just as long as we don't have to go through the Black Plague before it.

Gardner: All right, does that make Steve Jobs Michelangelo, what's going on?

Schmelzer: Well, I'm sure he is painting on the Sistine Chapel. We're definitely moving into some new arena. That's not to say that it's a generational thing, but it is true that young generation, and I'm on the cusp here myself, has been raised with information technology. A lot of the perceptions of information technology actually are different, just in general.

For example, 20 years ago, when we first put cameras up in the streets, the biggest concern was privacy, especially in the UK. People said, "Oh, they've got cameras everywhere. It's going to intrude into my privacy." Twenty years later, what do we do? We take pictures of ourselves and we post them on Facebook. So what just happened there?

In one instance, we were concerned about the cameras intruding our privacy. The next thing, we are the greatest cause of our privacy concerns, and nobody cares. What's happening in IT is that we're hung up, to a certain extent, generationally on what we expect the IT department to do and how it works, the whole budgeting process, the IT payment process, and all sorts of stuff.

But, we're raising a generation of people who can go online and within five minutes create a highly interactive website, with video, chat, forums, post documents, and do all the sort of stuff that would have taken probably a team of 20 with a few million dollars and many months to do, probably in a less efficient way. So how is this going to work?

Gardner: That was only five years ago.

Do it yourself

Schmelzer: Right. So how is it going to look when these guys go into the work stream and you tell them that some portal project is going to take six months? It's just laughable. They'll just say, "Forget it. I'm just going to go online to Google and do it myself."

Shimmin: They'll say, "There an app for that."

Gardner: Right. And, that's why it could be a new renaissance of productivity, bottoms-up, grassroots. Eventually, the big institutions of the old order will either adjust or completely crumble.

Schmelzer: Even more, I think we're looking at a renaissance of the organization of IT, of the IT department, if you will. The IT department could potentially become endangered itself, not the organization as a whole. Businesses operate on economic terms, not necessarily on technology terms.

If the IT department continues to increase the digital divide between the home IT experience and the work IT experience, then these people are going to go to work, they're going to watch the thing done, and when the IT department says no, then they're just going to do it themselves.

Gardner: And whoever does it faster, better, cheaper ends up having quite an advantage in the marketplace.

Ron Schmelzer: So, the IT department really is at a risk at this point.

Gardner: Okay, we have to leave it there, I'm afraid. We're out of time. But, we've had an interesting discussion that has led us to perhaps the concept of a new renaissance and how IT is going to adjust, exploit, or perhaps even diminish in its role as a result.

I want to thank our panelists. We've been talking with Jim Kobielus, senior analyst at Forrester Research. Thanks Jim.

Kobielus: Yeah, always a pleasure.

Gardner: Brad Shimmin, senior analyst, Current Analysis. Thank you, Brad.

Shimmin: Thank you, Dana.

Gardner: Joe McKendrick, independent analyst and prolific blogger on software and enterprise subjects. Thank you, Joe.

McKendrick: Thanks, Dana. It was fun.

Gardner: Ron Schmelzer, senior analyst at ZapThink. Thank you, Ron.

Schmelzer: It was a pleasure being on this drug trip with you.

Gardner: And Tony Baer, senior analyst at Ovum. Thank you, Tony.

Baer: Better late than never.

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