



Another Year Wiser: Savvy Tech Investments for 2009

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Introduction

Innovation continues in the IT arena, and despite the economic downturn, vendors will continue to deliver new technologies, applications, and services for both consumers and businesses.

While “cool” is always a factor in consumer adoption, businesses will focus in 2009 on winning or surviving in a very difficult economy, and will be very selective when pursuing new directions. For businesses, the directions that are likely to catch on will be those that provide either a major immediate cost-reduction opportunity, or will directly help the business achieve competitive advantage.

Making the Right Choices

With many technology directions available, businesses are looking to wade through the choices with an increased interest in economical and environmental advantages. In the wake of economic recession, companies are focusing on a balance between decreased consumption and multiple feature functionality in order to save on the TCO of new technological investments.

Staffing and budget cuts are forcing IT leaders to look into short-term outsourcing and application solutions for assistance. Many IT departments are currently battling through understaffed projects and perpetual overtime, making labor-saving solutions a top priority. Additionally, many technology ventures are currently being underfunded, bringing cost-savings to the forefront. Therefore, the bulk of IT leaders are presently focusing on bridging the gap between their current requirements and the resources they have available.

Info-Tech's Top Trends to Watch in 2009

1. Hybrid Use of Off-Premise Application Services

A broad range of applications have been available to organizations in the form of hosted services or software-as-a-service (SaaS). The advantage of these is that organizations can add services without purchasing perpetual licenses, without dedicating servers and storage, and with only minimal support staff. While organizations may be unwilling to trust critical functions to these external service providers, they will increasingly use them to augment their primary in-house applications for special purposes.

Need sales-force profitability analysis? Don't bother with another module, just rent some software for a little while. This option facilitates optimal gain with minimal investment – the perfect mix in a time of economic crisis.

Three factors will increase the adoption of these technologies:

- The functional quality and reliability of these services continually improves.
- While application services may cost more over a period of several years, the initial cost is significantly lower than an in-house solution, which is very attractive during a period of financial frugality.
- The faster speed of deployment will suit organizations that need additional functionality to temporarily and quickly augment their current application capability.

2. Short-Term Use of External Service Providers

In addition to external application services, organizations will increasingly look outside their own IT groups to augment their capabilities or capacity quickly without making a long-term staff or equipment commitment. This strategy is especially appropriate in a tight financial situation, *when the need is great but the money ain't*.

The service providers who will succeed are those that:

- Are prepared to support short-term people and equipment needs – not just long-term contracts.
- Make their own facilities and equipment available rather than just managing the customer's own equipment.

3. Integration of the Cloud

Cloud computing services provide enterprises with an economical storage option. A hybrid version of application and service delivery is evolving instead of the anticipated migration from an on-premise-only and/or perpetual licensing-only model to a total SaaS-only and subscription-only model.

Thus, Service Oriented Architecture (SOA) is becoming all the more important, since the future cloud of services will be comprised of the organization's onsite services and those supplied to it by an offsite vendor.

4. Social Computing for Business Collaboration

Yes, everyone else says the same thing, but it's true. Content and collaboration services that are based on the friend-of-a-friend network model are growing fast and are becoming *the* primary point of interaction for younger generations – generations that are eschewing e-mail as an interaction channel and instead opting for real-time and near-real-time (i.e. text messaging) interaction through their personal networks. The good news is that such basic services are inexpensive and easy to deploy.

The downside, of course, is that organizations must get past their concern about staff using these tools for personal use. An alternative method, currently utilized by many companies, is an internal messaging system. This option facilitates quick correspondence among employees and limits the number of redundant e-mails which can be overlooked within the e-mailing system. Less archiving and faster communication – social computing certainly has its benefits.

5. The Netbook

The introduction of very small powerful notebooks at low prices, such as those from Acer and Asus, will provide a practical option for the growing number of individuals who work on the road. These netbooks are especially useful for those who find it difficult to use the very small form-factor of Blackberry or iPhone-type devices.

The battery life and lightweight quality of these tiny machines make them ideal for individuals who travel without access to a power supply, but their networks aren't quite as advanced as that of the Blackberry or iPhone devices. This is the case because cell phone companies are able to provide their clients with constant access to the internet, while laptops must be linked into an available wireless network. However, with companies now introducing internet sticks with the ability to provide access anytime, anywhere, these limitations are quickly lessening. Thus, netbooks will be the ideal choice for on-the-move corporate individuals in 2009.

6. Flywheels

Green initiatives as a driver of cost-savings will continue to grow in importance. One of the least-known but most valuable green products for the data centre is the flywheel, which essentially stores energy for use when power is interrupted. It is a clean and cost-effective alternative to battery-based uninterruptible power supplies (UPS). At present, Flywheels represent 6% of the three-phase UPS market, but the longer lifecycle and lower cost of maintenance is going to trigger increased demand for these in the near future.

Adoption of the Flywheel in Europe is very high, with several large data centers announcing the implementation of Flywheel technology. One of the largest hosting firms in the San Francisco area has adopted the technology as well. The systems currently available are able to handle mid-sized to very large centers and thus can be useful for a variety of business sizes and types.

7. In-Memory Analytics

For companies in search of improving financial consolidation and ad-hoc analysis for little monetary investment, In-Memory Analytics seem to be a feasible solution. As competition for shrinking markets intensifies, organizations will increase their need for analysis of data. Why would they build a data warehouse when they can just load all of their data into a computer with a huge pile of RAM? The market has shifted to allow for RAM to be very economical and an extremely realistic option for companies throughout a period of financial uncertainty.

8. Rich Internet Applications

Rich Internet Applications (RIA) provide the interactivity of a desktop application conveniently delivered in any Web browser. Google Maps is an early example, but many companies are beginning to use RIAs to:

- simplify online shopping.
- provide rich interactive graphics.
- support social networking.

End users are fond of RIAs because they are user-friendly and quickly accessible. They are also proving to be profitable for the companies that provide them, making increasing uptake in 2009 inevitable.

9. Wide Area Network (WAN) Optimization Devices

The demand for increased bandwidth for data communication continues to grow, but the drops in unit cost have not kept in step. WAN optimization devices facilitate more information flow on an existing network connection, which in turn allows organizations to add effective bandwidth without having to invest in more capacity from carriers.

Given the current downturn, many companies that require a capital investment will have to demonstrate a less than one year payback. The savings on WAN connectivity costs will provide payback for many enterprises in only a matter of months, making this option ideal for 2009.

10. Data Loss or Leakage Protection

Security continues to be a main concern for many organizations, especially when it comes to the leaking of corporate information. Of special significance is the inappropriate transmission of this corporate information from within an organization to outsiders (as opposed to external attempts to access information).

Enterprises seeking to improve internal security have been adopting Data Leakage Protection faster than any piece of technology in quite a while. With data breaches caused by employee error occurring as frequently as hacks and malicious actions combined, the value behind this technology is tremendous.

11. The Utility Infrastructure

Virtualization of servers has been extensively adopted by most organizations that operate multiple computer servers. The extension of virtualization from the server to applications will accelerate the adoption of the utility infrastructure. In fact, expect utility infrastructure to become the accepted approach for running business applications.

The organization's view of infrastructure will also continue to morph from a specific configuration of servers, storage, and network components to a flexible service that easily adapts the allocation of resources to changing performance and capacity requirements over time.

Bottom Line

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