




Top Trends for 2010

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The shape of 'the new normal' – some statements CEOs agree with



The correction will impact advanced economy consumer spending for several years to come (5.34)

IT-enabled changes will be a key element in our post-recession strategy (5.13)

Emerging economies are poised for a multiyear period of rapid growth and a rising standard of living (4.99)

The next decade will be far more volatile and unpredictable than the last (4.96)

There will be a major wave of merger-and-acquisition (M&A) activity in 2010/2011 (4.95)

Many companies and industries will have to redesign their business models (4.90)

“In a few hundred years, when the history of our time is written from a long-term perspective, it is likely the most important event historians will see is not technology, but the unprecedented change in the human condition. For the first time, people have choices.”

Peter F. Drucker

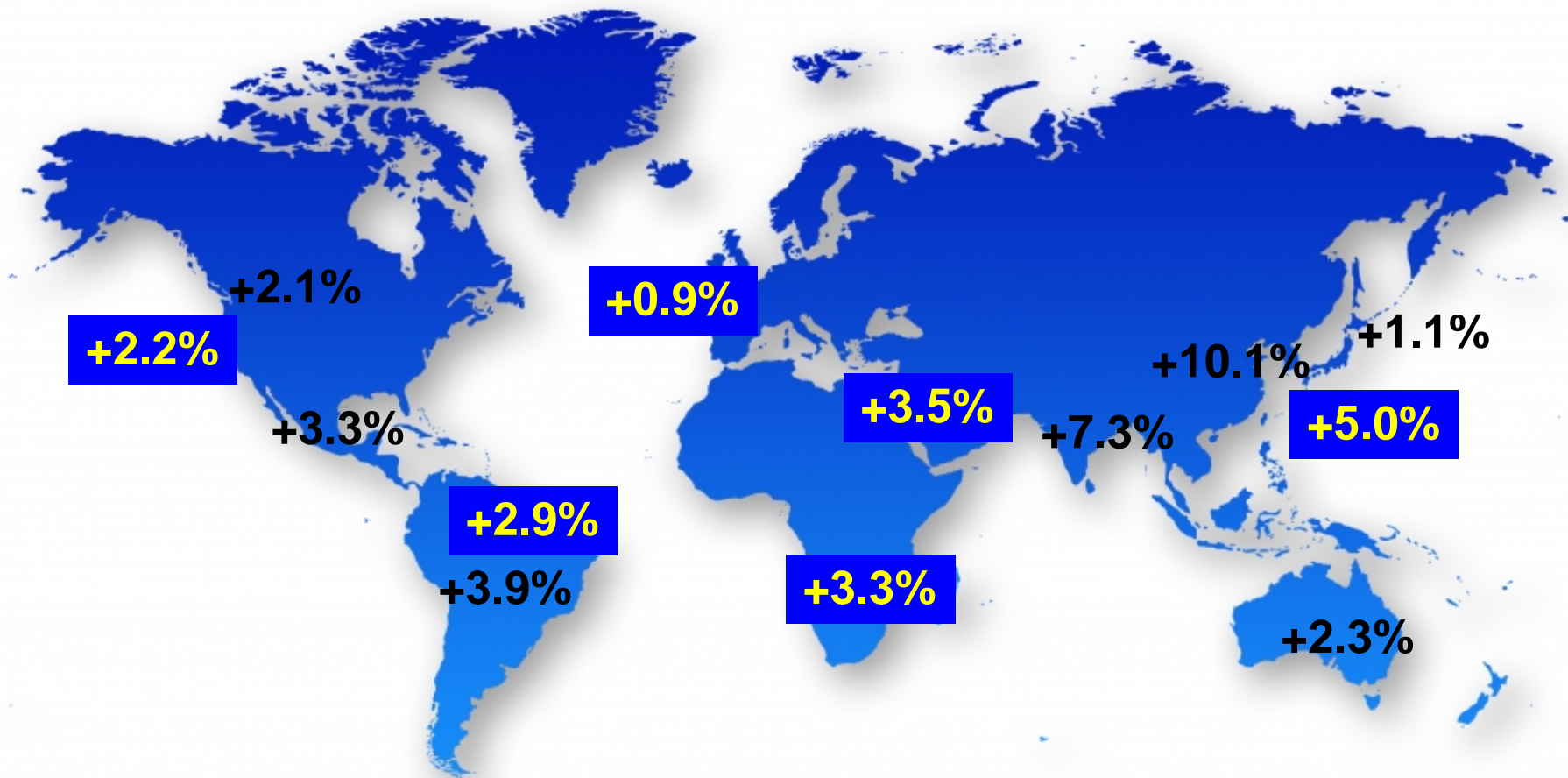


- ◆ **Things you CANNOT do anything about**
- ◆ **Things you CAN make choices about**
- ◆ **Possible strategies for 2010/2011**

Three things you cannot control....



2010 Regional Annual Real GDP Growth Forecasts



2010 World GDP Growth Rate = +2.6%

Source: IHS Global Insight, October 2009

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A Matter of Trust

“Business must make fundamental changes if it is to regain the license to operate.”

*Richard Edelman
President & CEO, Edelman*

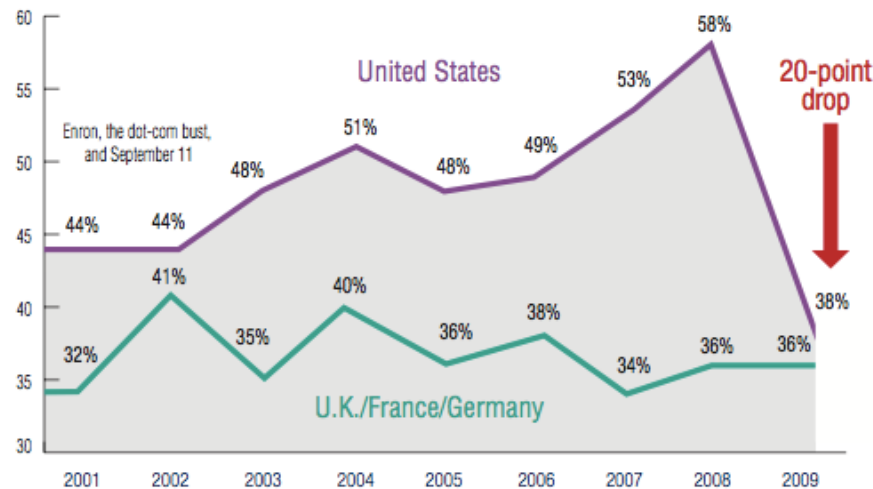
The Trust Divide

- Trust in business <50% among 25-to-64-year-olds
- Trust in business >50% among 25-to-64-year-olds



Figure 4: In U.S., trust in business at lowest level, including post-Enron; Now on par with U.K./France/Germany

How much do you trust business to do what is right?



Informed publics ages 35 to 64 in the U.S. and U.K./France/Germany
Responses 6-9 only on 1-9 scale; 9 = highest

- ✓ Transparency
- ✓ Honesty
- ✓ Responsibility
- ✓ Engagement

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Environmental Issues

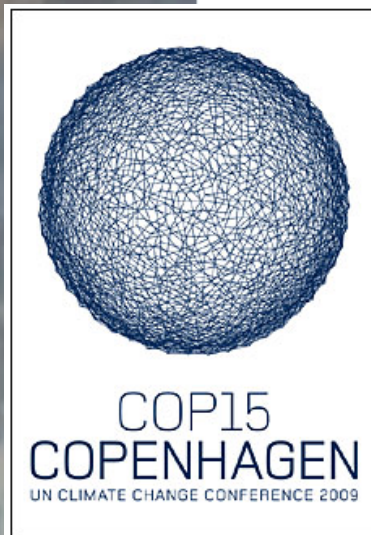
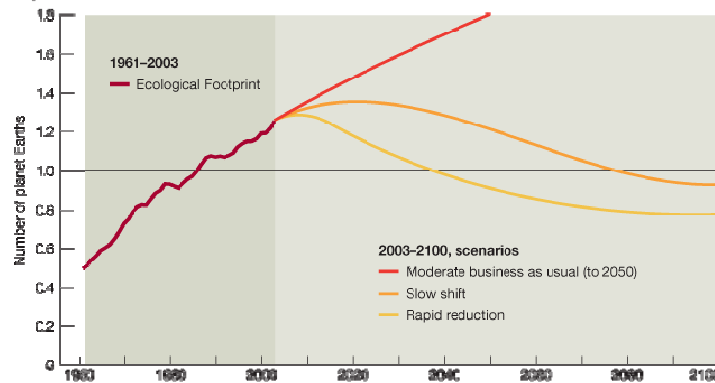


Fig. 3: THREE ECOLOGICAL FOOTPRINT SCENARIOS, 1961-2100



Source: World Wildlife Fund — Living Planet Report,
http://assets.panda.org/downloads/living_planet_report.pdf

"As human numbers continue to increase, casting an evermore unsustainable ecological footprint, it is hugely important that business and industry engages with the problem."

Lord Bob May, former Chief Scientific Advisor to the UK Government and past President of the Royal Society

By 2012 60% of a PC's total CO₂ emissions will have happened before the user turns it on

By 2014 most IT business cases will include carbon remediation costs

Proliferation – Devices and Data

- ◆ There are 1 billion transistors for every human on the planet, TODAY!
- ◆ By 2010 more than 30 Billion RFID tags will be embedded into products
- ◆ By 2015 more than 15 Billion devices will be connected to the Internet
- ◆ Every day more than 15 Petabytes** of new information is being generated, and the rate doubles every 18 months
(** equivalent to 300 million four drawer filing cabinets)

We are drowning in a sea of data, but we lack information, insight and understanding

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“Technology succeeds when it meets a need that people care about!”

Genevieve Bell, Intel Research Fellow

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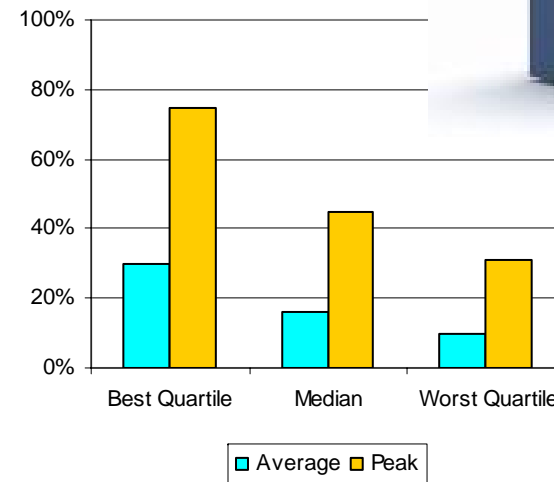
Relentless Progress....

....of predictable evolution.

Ride the cost, efficiency, power curves for:

- ✓ Virtualisation
- ✓ Storage
- ✓ Bandwidth
- ✓ Servers
- ✓ etc.

Midrange Server Utilization



But ONLY where it does not result in disruptive change

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Trend #1: Social Computing:

The image displays three overlapping web pages. The top-left page is the Martha Stewart Living website, featuring a search bar, navigation tabs for 'FOOD', 'ENTERTAINING', and 'HOLIDAYS', and a 'Community' section. The top-right page is the Sony Style website, showing a navigation menu with categories like 'Computers', 'Cameras & Camcorders', and 'TV & Home Entertainment'. The bottom page is the Cisco Learning Network, which includes a search bar, navigation tabs for 'Careers', 'Connections', and 'Certifications', and a main banner for 'Cisco Learning Network Reach For The Stars' with a 'Register Now!' button. Below the banner are sections for 'CERTIFICATIONS SPOTLIGHT' and 'TECHNOLOGY SPOTLIGHT', along with a 'Recent Discussions' list.

By 2012: Facebook will become the hub for social network integration and web socialization

Trend #1: Social Computing = Device Proliferation

- ◆ Consumerisation of IT, SSD/Flash
- ◆ Form Factors (Surface, tablets, mobile)
- ◆ Entertainment, “always on”
- ◆ Future of the PC/HCI
- ◆ Expectations of Participation
- ◆ Behavioural changes in society

You must look towards social and behavioural sciences to better understand the impacts and predict future changes

By 2013 mobile phones will overtake PCs as the most common web access device worldwide

Trend #2: Contextual Computing

- ◆ Who you are, Where you are, What you are doing
- ◆ What you want next
- ◆ Location is the key to context, time the trigger

By 2012:

- ◆ More than 7.3 billion networked devices worldwide
- ◆ 298 million subscribers of location-based services

By 2014, over 3 billion adults will be able to transact electronically via mobile or internet technology.

By 2015 context will be as influential to mobile services as search is to the web



MVE algorithm plot on citywide activity

Source: Sense Networks

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Linking the Real and Digital Worlds



- Wearable or "glanceable" interface
- Context-based information at point of decision/action
- Contextual information includes location, orientation, time, proximity to other people or objects, history, emotional state
- Digital "personae" – Who is the REAL you?



Source: Sensor Wireless

By 2015 Internet marketing will be regulated, covering more than \$250 billion in internet marketing spend

China: Nike's Running Campaign

- Objectives:
 - Increase Brand Awareness
 - Promote "Zoom" Product Line



- How:
 - Run from the billboard ads to the nearest retail store.
 - The fastest runner of the day wins a free pair of shoes.
 - Bluetooth used to send instructions and to time the run.
- Results:
 - 250K Bluetooth messages sent, 15K runners, 7.8K completed the run.

Trend #3: Advanced Analytics

If the Data overwhelms:

- ◆ Stream Processing
- ◆ Event Processing
- ◆ Throw it away?
- ◆ Hindsight
- ◆ Insight
- ◆ Foresight
- ◆ Line-of-sight

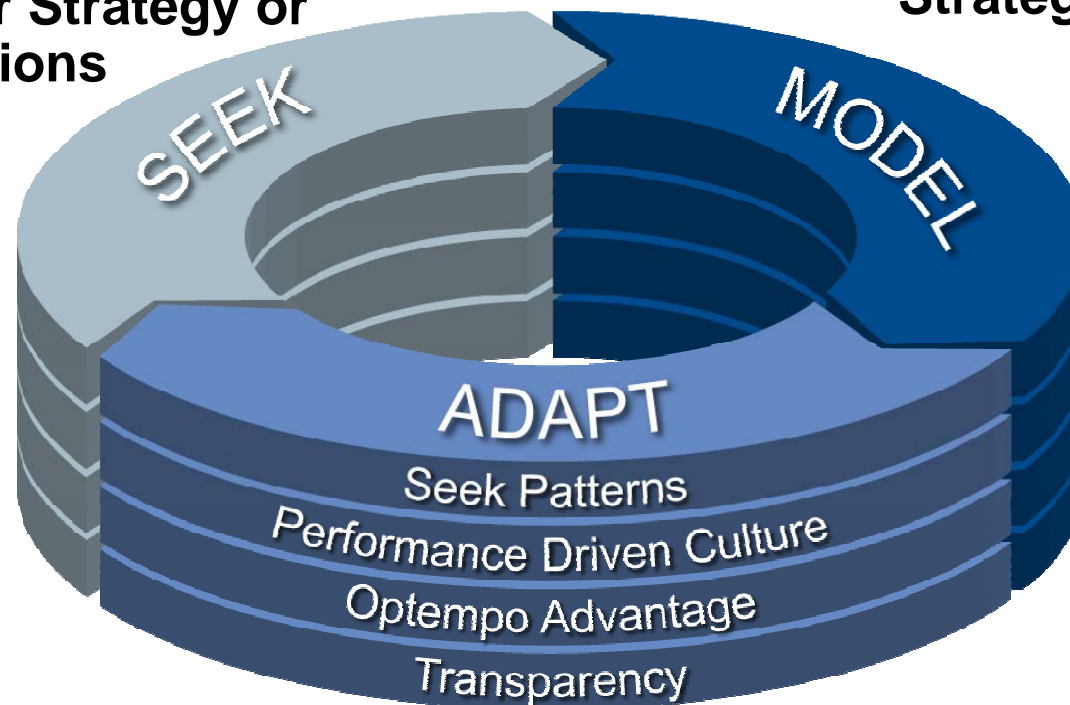


Analytics helps us see more clearly. See what needs to be done, and by when. See what is needed, and where. See what is being wasted, and why. See what could be achieved, and how.

Pattern-Based Strategy Cycle

Seek Patterns That May Have a Positive or Negative Impact on Your Strategy or Operations

Model Pattern Impact on Strategy/Operations



Decide and Execute Change Pursuant With Requirements of the Pattern

Trend #4: Cloud Computing: Evolution



Cloud services today tend to be standardized, elastic but in "chunks," and monolithic in nature.

By 2012:

- ◆ **20% of businesses will own no IT assets**
- ◆ **India-centric companies will represent 20% of the leading cloud aggregators**

In the future, we will see custom service levels, rapid and granular elasticity, and open, federated markets of services.



"We are entering the period of the open-source brand, where in order for people to feel it is relevant to them, they have to have a part in creating it."

Mark Kingdon, former CEO of Ad agency Organic

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Business Leaders Know We Are Entering a New Era, With New Rules and New Opportunities

Image: Walmart press site



"We are not going back. I believe the economic crisis has brought a fundamental shift in consumer attitudes and behavior. There is a 'new normal,' in which people want to save money and are getting smarter about saving money."

Mike Duke, CEO of Walmart Corporate speech, press release quote, June 2009



"Consumers want products that are networked, multi-functional and service-enhanced, and user experiences that are rich, shared and, increasingly, green."

Howard Stringer, Chairman, CEO & President, Sony

Image: Edelman press site



"Business must make fundamental changes if it is to regain the license to operate"

Richard Edelman, President & CEO Edelman

Three Conundrums for the CEO

Simplicity



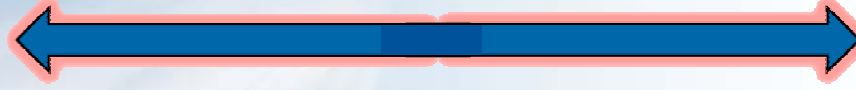
Complexity

Transparency



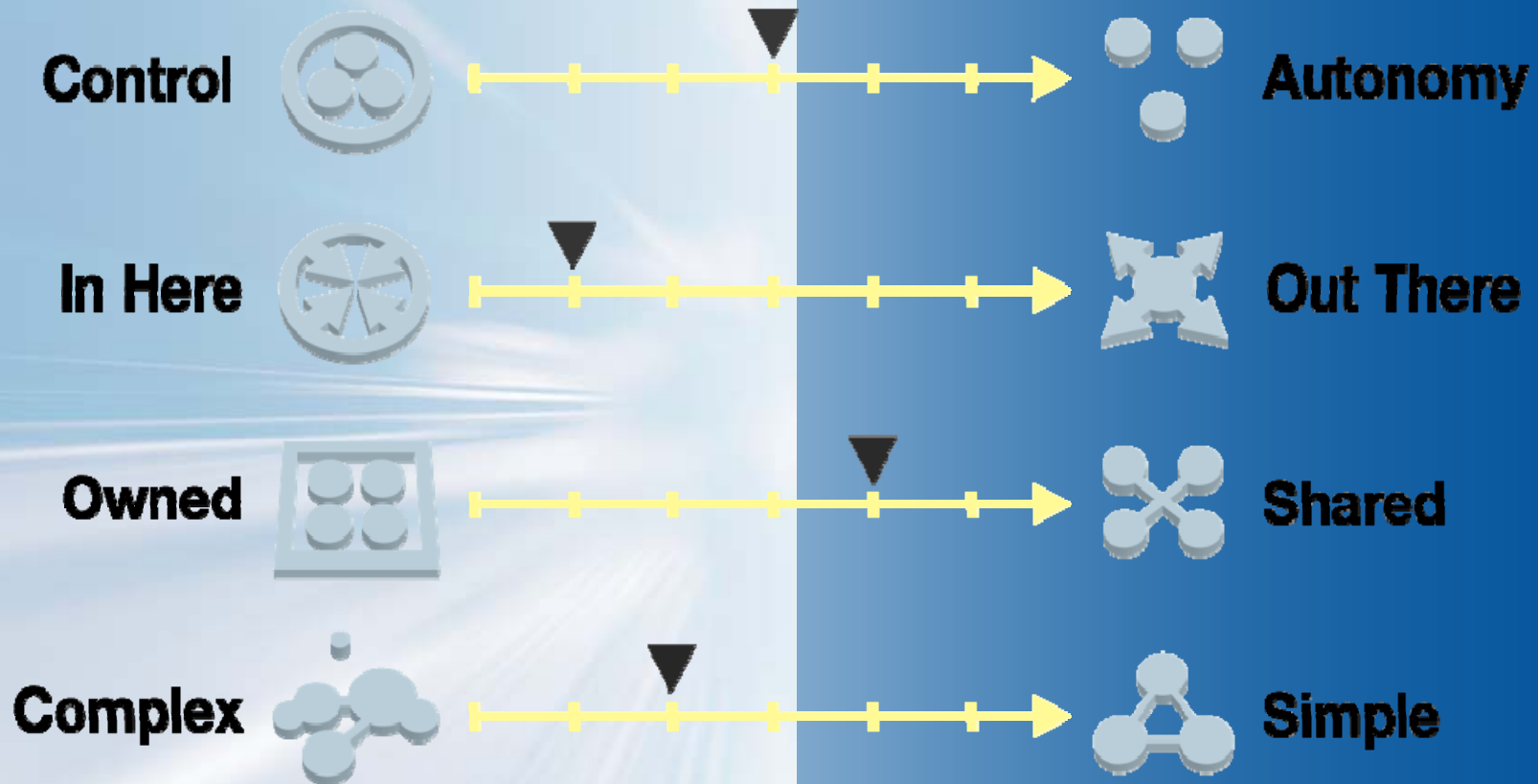
Opacity

Participation



Exclusion

Four “Decision Spectrums” for the CIO





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