

Innovate and Integrate: Open World, San Francisco

November 2007

Hello World



Mike is just back from this year's Open World in San Francisco, and, no surprise, the biggest themes are integration and innovation. But there is some uncertainty as to what both terms will actually mean in practice. Is innovation IT- or business-led? At AMC we suspect that after a generation which has got used to the idea that innovation means newer faster IT solutions, it is now the smarter business model - of course still using IT - where true innovation is to be found. The result is that success in the IT sector in the future will depend more and more on showing real return on investment to the business owner and the business customer.



The End of the One-Stop Shop?

Large established software companies will probably continue to try to provide a one-stop shop both to keep customers happy, and to lock out their competitors. But is such a "one-stop" solution really feasible, even for the biggest companies? Even the most innovative large companies are constrained by their own histories and their existing customer commitments. Small companies, especially start ups, willing to seek innovative ways of increasing the business competitiveness of their customers will have significant space to work in and develop as the business world itself adapts to a new landscape.

The Zero History Company?

Amazon, Google, MySpace, YouTube, Facebook are just the first of a new type of "zero history" companies who develop quickly from an R+D culture into a completely new business model. The most successful ones will experience extraordinary growth, and the next tier will be bought out, also for large sums. Large companies will need to develop a much more conscious and continuous partnership or acquisition strategy if the very thing that made them so successful is to continue to work for them – innovation. So at AMC we expect that the true future for integration will be the integration of the established company with the innovative start up, focused less on IT than the business model and offering.

Knowledge Management

And therein lies a paradox: established cyclical business sectors, such as public utilities, need on the one hand to be highly innovative in how they recruit and retain their customers, but at the same time not put at risk the knowledge and experience of their existing workforce, on whom the current generation of customer heavily depends. This puts knowledge management at the center of the "integration and innovation" agenda, since finding transparent, efficient and value-adding ways of managing the knowledge of the organization is the key to future success.

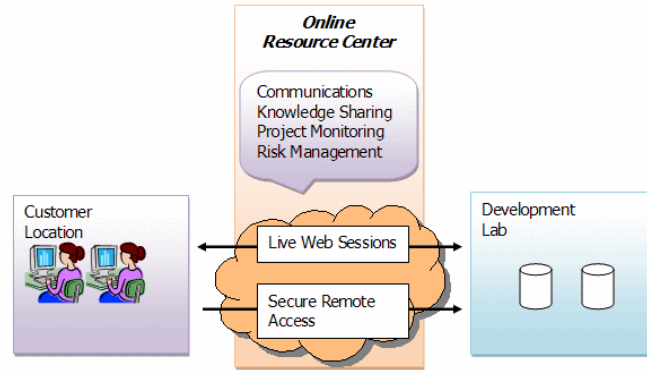


Business Intelligence

Business Intelligence (BI) software helps companies understand what is going on with their business. Almost all the biggest BI companies have recently been bought out - IBM acquiring Cognos, SAP, Business Objects, and Oracle, Hyperion. Perhaps a new round of specialized BI companies will emerge, or maybe the BI agenda itself will change? This leads us to...

The OnDemand market, Software as a Service (SaaS), and web services continue to promise increased integration, reduced cost, and business agility.

This model appeals to businesses that are tightening cost controls as the strategic value of IT shifts, regulatory pressures increase, and global competition continues. Managers are looking closely at the customer, business, and IT solutions, and will pick best of breed solutions that provide the greatest return on investment (ROI). Business customers are also becoming savvier, and expect a higher level of service and quality from vendors.



Customers should look at such opportunities where they provide a strategic advantage. But even tactical advantages should have a clear customer ROI. Business users will always look for solutions that put them in the driver's seat.

The End of Outsourcing as We Know It?

This is now causing something of a reversal in the pendular swing of outsourcing. For most of the '00s the global business landscape has seen outsourcing as synonymous with cost reduction (lower labor costs, lower overheads); but business leaders are starting to realize that security, service levels, rising overseas labor costs, soaring energy prices and smarter resource utilization are important factors to consider, qualifying the appeal of outsourcing.

At AMC..

At AMC, we are building out our on-line resource center, with its specialist diagnostics and solutions lab. We are also developing targeted partnerships to support our Expertise on Demand offering, and so we will continue to help our customers connect the dots, and navigate successfully the ever-changing business and IT landscapes.

Let's talk about how we can best assist your business.

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