



we need it. This is the scenario for work for large enterprises, to deal with the flex that they need. This is another sourcing model to optimize their spend as best they can to deal with their needs.

Will everyone move to the cloud?

They went on talking that US providers and international providers are still running Turks (20-30 years old) and old applications never seem to die. They said that client server would kill the mainframe – client server is still there and will continue. IBM thinks that this is a 7-10 year workload migration. Which workloads will move first? Collaboration, web infrastructure, analytics and development & test environments for enterprises are key areas that could move straightaway, but not ERP or transaction processing or heavy database processing or regulatory work, cloud needs to mature more. These systems are not built to take advantage of the programming model within CC. SAP Release 2 ran well on mainframe. For client server, SAP 3 was better-suited. These workloads will move to the cloud, but it will take more time.

“Standardized services work well in the cloud. At IBM, we use component business processes and have to decide where you wish to invest to differentiate yourself (15% of your application portfolio), versus just be as good as everyone else (about 85% of your workload). You should be able to standardize a lot of your work – potentially 85% of your work could move. More like 30-50% of your work will move in the five-year horizon”, confirmed Mr Hill.

What do you consider the timeframe to be?

The early adopters are moving very fast. The financial crisis has really sped this up. Boards and CEOs started reading about the economic benefits of cloud; this has pushed early adoption ahead. Telecoms are looking at it from a service providing perspective and trying to compete with over-the-top players. Government is also talking about this. Mr Hill put the example of Obama who has installed a CTO in place who already brought cloud to Washington DC government. In Europe, he said we’re seeing a lot of activity around cities and towns. So the