Software + Services
Towards a model of Differentiated IT

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The model of “one size fits all” is now seen by most IT organizations as being flawed as they become ever more global, transparent and partner / supplier network based.
Outline

• What is the opportunity?
• What does the model look like?
• What are the Real-world implications?
• What specifically are the implications for Enterprise Architecture?
Historically

70’s
Centralised, Managed

80’s

90’s

00’s
Democratised, Adaptable
Drivers

Business
- Monetisation
- Ad Based Longtail
- Enterprise 2.0
- Viral systems
- Innovation
- Cost

Social
- Web 2.0
- Gaming
- Creativity
- Communication and collaboration
- Social Relationships (trust / rating)
- Power of numbers

Technical
- Bandwidth
- Power at the Edge
- Devices
- Instant deployment
- SaaS
- SOA

Technology
- REST
- AJAX
- Dynamic Languages
- RSS / ATOM / SSE
- Blogs and Wiki’s
- WS*
Catalysts for Change in the Enterprise

- Consumer-grade capabilities becoming good-enough
- Extended IT Infrastructure becoming viable i.e. Externalization of IT
- Sheer cost and complexity of “old ways”
  – Business applications
Software, Services

Software
- Control
- Flexibility
- Pricing
- Trial
- Instrumentation
- Operations
- Customization
- Extensibility
- Integration
- Richness
...
Software + Services

- Hybrid model
- More intentional partitioning
  - Centralized vs. decentralized
  - Client richness
  - Internal server vs. external service
  - Control
  - User population
- Impacts all markets
- Exploits economic tailwinds
## Software + Services: Sourcing Capabilities

<table>
<thead>
<tr>
<th>Licensing</th>
<th>Perpetual</th>
<th>Subscription</th>
<th>Transaction</th>
<th>Ad-Funded</th>
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<tbody>
<tr>
<td>Location</td>
<td>On-Premise</td>
<td>Appliance</td>
<td>Third-Party Hosted</td>
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<tr>
<td>Life Cycle Management</td>
<td>IT</td>
<td>ASP</td>
<td>Black Box</td>
<td></td>
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</tbody>
</table>
Software + Services: Heterogeneous User communities

- Wide and diverse set of users
  - Full-time employees
  - Vendors and Contractors
    - Self-employed free agents
The Software + Services Model
Delivery

- Software, services & support offerings specifically designed for one-to-many delivery over the Internet
- Packaged software customized, deployed & managed by provider
- Today’s packaged software deployed on-premise

Application Management
Who manages the app software experience, SLA?
How is the end-to-end experience delivered?

Today’s In-House IT

Co-Location Services

Hosted Infra & Applications

Outsourced IT, On-site Contractors, Asset Transfer, etc

“Building Block Services”

“Attached Services”

“Finished Services”

Application Management

Who manages the app software experience, SLA?
Delivery Implications

- **Business**
  - New economic model
  - New sales model

- **Architecture**
  - New vs. existing codebase
  - Multi-tenancy
  - Cloud scale
  - Self-service, provisioning and management
  - Customization

- **Operations**
  - 24 x 7 mindset
  - Continuous release cycles
Federation

- Cross organization, virtual-enterprise
- Federated identity, data, logic, services
- Assume server-service continuum
- Syndication
  - Feeds, business process metadata
  - Micro formats
- Service level agreements
**Composition**

- Dominant development activity
  - Composition of services, data, UX
  - Lightweight to heavyweight
  - New tooling, new roles
Composition

- Service
- SOA
- Office Business Applications
Monetization

- New Models
- Subscriptions
- Transactions
- Advertising
Experience

Web  PC Client  Mobile  Office  TV-Connected
Experience

● Three patterns
  – Reach and simplicity: browser
  – Experience-focused: rich client/RIA
  – Information work: Microsoft Office

● Work with multiple back-ends, internal or external services
S+S Architecture

- Business Patterns
- Architectural Patterns
- Technology Patterns

S+S Platform

Federated Platform Capabilities

- Device
- Client
- Server
- SOA
- Hosted Service
- SaaS
- Mega Service
Real-world Implications for Software + Services
Real World Implications of Software + Services

Organization

Facade

Select

Composite

Mashup

Live Hotmail

Live Local

MLS

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Real World Implications of Software + Services (2)
Implications for Enterprise Architecture
Implications for Enterprise Architecture

- Governance
  - Security, Identity Management & Audit
  - Trust, Reputation & IP
  - Data ownership/migration

- Management
  - SLA’s and contracts
  - Alerting and Monitoring
  - Provisioning and de-provisioning
  - Backup and DR
Implications for Enterprise Architecture

- Portfolio Management
  - Sourcing
- Interoperability and Integration
  - Emerging standards, micro formats
- Monetization
  - Metering & Usage tracking
  - Advertising support
  - Billing
Implications for Enterprise Architecture

- Strategy is not sequential
  - Need to keep pace with innovation

- Partitioned iteration
  - Speed of iteration trumps quality of iteration

- Economy of small-scale
  - Agile processes

- Centralize interoperability, Decentralize implementation
  - Federation as the underlying meme

- ROI versus time-to-value
John Hagel’s FAST Approach

- Long term: High-level direction
- Medium term: (Blank)
- Short term: Rapid prototyping
- Effort: Focus, Accelerate, Strengthen, Tie-it-all together
In Closing
(Embarrassingly Simple) Conclusion
The New Architecture Model
A Platform of AND

- Software and service
- Hosted and on-premise
- Managed and un-managed
- RIA and Web and smart clients
- Clients and cloud and peer-to-peer
- Transactions and advertising and subscriptions
- Software + Services
  - Subsumes SOA, SaaS and Web 2.0
A Model of Differentiated IT

- There is an emerging mindset
  - Differentiated IT
    - Not ‘One-size-fits-all IT’
    - Choice
    - Control
    - Portfolio of capabilities
    - ‘right’ IT

**Enterprise Architecture more critical than ever.**
Thank you.

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