THE future of IT services will depend on how swiftly business moves to a real-time computing environment that gives managers instant snapshots of inventory, supply chains and the markets they are chasing, according to analyst Gartner.

Speaking at the Gartner Sourcing and IT Services Summit in Sydney last week, Asia-Pacific IT services vice-president Rolf Jester said a lot of "discontinuities" would occur in IT services over the next 10 years.

Right now, a real-time computing environment, with critical information available instantly to business, is just a "vision", Jester says.

If the rate of adoption is swift, it could shake up the market, he says.

"We will be seeing new types of players entering the IT services market and see failures and shake-ups," he says.

"Telecommunications carriers will enter the market."

Jester says businesses will tend to buy either IT-oriented services or business process services, with whole business processes outsourced to a third party.

Gartner says there are four likely scenarios for how IT will operate in most businesses.

Jester says most businesses are at a stage dubbed "IT inertia".

The business value of IT is under question: chief executives are techno-sceptics, infrastructure and applications are mostly customised, and chief information officers and chief technology officers have the buying power, he says.

"This IT inertia reduces the ability of businesses to make quick decisions, but IT is also seen as a differentiator."

In the next scenario, CIOs will become "chief services providers" as organisations invest heavily in business process outsourcing, but ignore the benefits of a real-time environment.

"This will be a nightmare for CIOs, as they will have a minimal role, the information services function will be weak and the business unit will be quite powerful," Jester says.

The next scenario will be an "IT-centric real-time environment".

"Here the problem of the business value of IT has been resolved. CIOs become important people," he says.

In the final possible scenario, the "virtual enterprise", real-time information and business process outsourcing will be pervasive, Jester says.

"Service level agreements are at the level of business process, rather than the IT level."

Companies will buy entire business services and security and privacy will become bigger issues.
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