

Gartner Predicts 2006 and Beyond

Daryl C. Plummer

Our predictions for the next several years will challenge your basic assumptions about technology, your business and the future of IT.

ANALYSIS

Gartner Predicts highlights changes on the IT horizon that will greatly affect technologies, businesses and people during the next several years. This year, more than 160 analysts from 34 market, topic and industry areas converged to identify, debate and develop more than 170 predictions that you can use to support your IT planning and investment decisions.

"Gartner's Top Predictions for 2006 and Beyond" showcases the six trends and events that will change the nature of business and IT. Selected from across our research areas as the most compelling and critical predictions, the trends and topics these top predictions address will have a significant impact on IT users, providers and investors in the near term.

No less important are our research area predictions that highlight important developments in select markets, topics and industries. These predictions challenge our basic assumptions about technology and how it can be used. For example, now more than ever, consumer decisions will profoundly affect public- and private-enterprise technology decisions, blurring the line between personal and enterprise IT use. This concept is threaded through a number of predictions that herald a new relationship between business organizations and employees. This trend drives our top prediction that, by 2008, 10 percent of companies will require employee-purchased PCs. Other predictions that highlight this trend include:

- By 2008, 20 percent of "office" applications will be selected by users themselves — see "Predicts 2006: The HPW Will Influence Users' IT Choices."
- By 2008, search technology will dominate a user-controlled universe — see "Predicts 2006: Media Segments Face Differing, Uneven Futures."
- In 2006, technology and operational limitations will undermine employee satisfaction and product credibility in consumer-directed health plans (CDHPs), and expose health plans to regulatory or legislative intervention — see "Predicts 2006: Healthcare Payers Must Tap IT to Support CDHP Demand."

IT professionals will be forced to develop new areas of expertise outside of IT. The IT workforce is changing rapidly, with our top prediction stating that the job market for pure IT specialists will shrink 40 percent by 2010. How you acquire technologies and how technology providers license their products will be radically modified by a shift toward multisourcing and open source, as these predictions illustrate:

- During 2006, spending on open-source CRM will increase threefold, creating a viable alternative for many organizations — see "Predicts 2006: Market Consolidation Headlines Developments Among Top CRM Software Vendors."
- By 2008, open-source-software solutions will directly compete with closed-source products in all software infrastructure markets (0.8 probability) — see "Predicts 2006: The Effects of Open-Source Software on the IT Software Industry."
- By 2007, at least four global energy utilities will adopt business process outsourcing through an asset transfer model — see "Predicts 2006: Energy and Utilities' Outlook Shaped by Merging Market Forces."

Our top prediction gives fair warning to insurers that business process outsourcers will capture \$11 billion of insurance revenue by 2008. Vendors in other markets will also see revenue shifts, consolidation and rapidly changing competition:

- Of the Big Four vendors in 2005 (BMC Software, Computer Associates, HP's OpenView and IBM/Tivoli), only Computer Associates and IBM/Tivoli will be members of the Big Four in 2008 (0.7 probability) — see "Predicts 2006: Some Top Vendors of IT Operations Management Software Likely to Change."
- By 2008, at least 40 makers will have left the mobile terminals market (0.8 probability) — see "Predicts 2006: Mobile Terminals to Become More Complex, More Competitive."
- There will be a major merger or acquisition of Qwest, BellSouth or Sprint Nextel in the next year — see "Predicts 2006: New Wired and Wireless Enterprise Communications Services Emerging."
- By 2008, stand-alone online banking vendors will disappear — see "Predicts 2006: Banking Services Will Need Greater Agility and Efficiency."

The insights associated with the IT industry are becoming more compelling to the business. Gartner Predicts will push the boundaries of your ability to see into the future. Explore all of our predictions and their related findings and recommendations to prepare for what lies ahead on the IT horizon.

Markets

- "Predicts 2006: Mobile Terminals to Become More Complex, More Competitive"
- "Predicts 2006: New Wired and Wireless Enterprise Communications Services Emerging"
- "Predicts 2006: Print Buyers and Vendors Must Adjust Their Strategies"
- "Predicts 2006: Carrier Network Infrastructure Market Starts Its Transformation"
- "Predicts 2006: Small and Midsize Businesses Are Faced With Important IT Investment Decisions"
- "Predicts 2006: Storage Technology Evolves Along With Demand"

Topics

- "Predicts 2006: Reacting to Application Development Challenges With Management and Automation"
- "Predicts 2006: The Strategic Impact of SOA Broadens"
- "Predicts 2006: The Evolution of Integration Products Will Continue to Affect How Integration Is Pursued"
- "Predicts 2006: Collaboration Comes of Age"
- "Predicts 2006: CRM Marketing Strategies and Technologies Mature"
- "Predicts 2006: Interest in Selling Technology Is Growing"
- "Predicts 2006: CSS Will Require Increasingly Close Coordination With IT"
- "Predicts 2006: Market Consolidation Headlines Developments Among Top CRM Software Vendors"
- "Predicts 2006: Organizations Are Beginning to Think About Big CRM Again"

- "Predicts 2006: Emerging Data Management Drivers and Strategic Imperatives"
- "Predicts 2006: Navigating the Data Management Market and Usage Trends"
- "Predicts 2006: E-Learning Will Become Intrinsic to Your Business Process"
- "Predicts 2006: Emerging Trends Drive New Opportunities"
- "Predicts 2006: Enterprise Content Management Is Strategic, Yet Tactical"
- "Predicts 2006: The HPW Will Influence Users' IT Choices"
- "IT Management Scenario for 2015: IT Investment Drivers Change in Four Possible Futures"
- "Predicts 2006: Some Top Vendors of IT Operations Management Software Likely to Change"
- "Predicts 2006: IT Operations and Infrastructure Management Continues to Mature"
- "Predicts 2006: The Effects of Open-Source Software on the IT Software Industry"
- "Predicts 2006: Server Market Braces for Change"
- "Predicts 2006: Web Services Continue to Mature"

Industries

Some Gartner Predicts research is premium content available only to subscribers of Gartner Industry Advisory Services. For more information on Gartner Industry Advisory Services, see www.gartner.com/it/products/research/ias.jsp.

- "Predicts 2006: The Automotive Industry Lays the Foundation for Major Transformation"
- "Predicts 2006: Banking Services Will Need Greater Agility and Efficiency"
- "Predicts 2006: Banks and Card Issuers Will Pursue New Payment Schemes"
- "Predicts 2006: Consumer Goods Companies Will Use Innovative Strategies to Increase Competitive Advantage"
- "Predicts 2006: Cross-Industry Research Sees Growth in Business Systems Engineering"
- "Predicts 2006: Energy and Utilities' Outlook Shaped by Merging Market Forces"
- "Predicts 2006: Healthcare Provider Collaboration Will Emerge, Despite Challenges"
- "Predicts 2006: Healthcare Provider IT Groups Face Reorganization"
- "Predicts 2006: Predictive Modeling Will Bridge Healthcare Management and Underwriting"
- "Predicts 2006: Healthcare Payers Must Tap IT to Support CDHP Demand"
- "Predicts 2006: P&C Insurers Will Increase Claims Investment"
- "Predicts 2006: Life Insurers Shift the Role of Policy Administration to Growth Driver"

- "Predicts 2006: Investment Services Develop Strategic Infrastructure by Stealth"
- "Predicts 2006: Life Science Manufacturers Adapt to Industry Transitions"
- "Predicts 2006: IT Transitions to Value-Based Manufacturing"
- "Predicts 2006: Media Segments Face Differing, Uneven Futures"
- "Predicts 2006: The Retail Industry Faces a Pivotal Year"

REGIONAL HEADQUARTERS

Corporate Headquarters

56 Top Gallant Road
Stamford, CT 06902-7700
U.S.A.
+1 203 964 0096

European Headquarters

Tamesis
The Glanty
Egham
Surrey, TW20 9AW
UNITED KINGDOM
+44 1784 431611

Asia/Pacific Headquarters

Gartner Australasia Pty. Ltd.
Level 9, 141 Walker Street
North Sydney
New South Wales 2060
AUSTRALIA
+61 2 9459 4600

Japan Headquarters

Gartner Japan Ltd.
Aobadai Hills, 6F
7-7, Aobadai, 4-chome
Meguro-ku, Tokyo 153-0042
JAPAN
+81 3 3481 3670

Latin America Headquarters

Gartner do Brazil
Av. das Nações Unidas, 12551
9º andar—World Trade Center
04578-903—São Paulo SP
BRAZIL
+55 11 3443 1509