Good morning. Thanks to OAGi and its CEO David Connelly for inviting me to address the Keynote at today’s plenary. First I’d like to share a bigger picture of the Consumerization of IT than commonly spoken of since at Microsoft, we view it more than the devices invading the enterprise, which only represent the top of the iceberg.

Then we’ll look at how this will impact B2B going forward.

Consumerization of IT: Let’s start with the Consumer!

We have embarked in an era where consumers are both consuming and contributing to information. How we work and live is changing, and changing fast. It’s no longer a matter of work life balance but a matter of work life integration as consumers are using many devices & services to collaborate and participate. Some of the most evident changes have been how we manage and potentially share our personal and professional information such as calendar, activities, digital identities, blogs, as well as the impact of working from home offices and with our own devices.

This life/work style transformation we are going through is having profound impacts on how companies must manage these collaboration services both from an IT and Company culture standpoint; and as consumers should not be ignorant of our liabilities and accountabilities since we ultimately expect to use devices that we own and be free to publish and share from using publicly available software services such as Hotmail and Facebook to name a few.

These have been factors that Enterprise’s had to deal with in the recent years and put pressure on those that do not allow these new methods of communications internally.

The devices we are using to interact with information are changing.

Humans are interacting with information with more and more different type of devices. Virtually every type of product is becoming part of the computing ecosystem—from cars, phones, houses, cameras, appliances and televisions. We have entered the era of an “Internet of things” fueled by low power, semiconductor Systems On Chip (SOC) advances where a full PC function is now available on a single chip.

Going forward, almost any objects can be connected to the Internet and collect data will expand the global web of knowledge. Many of the computers we’ll interact with in the future will be in devices that we don’t think of as computers today. In effect, computing is becoming increasingly invisible.

About the speaker: Jean-Claude Monney is Microsoft Chief Technology Strategist for the US Discrete Industries. In this capacity, he is a strategic adviser to large corporations on key technology trends that can allow them to accelerate innovation and increase business value. Jean-Claude leads Microsoft’s technical strategy in the High Tech & Electronics, Automotive, Industrial Equipment’s & Aerospace industries, chairs the Microsoft High Tech Customer Advisory Board and on the board of OAGi, a global B2B standards organization where he also chair their High Tech Council. Monney co-authored compelling thought-leadership papers, served on a number of high tech boards, and held executive-level positions at STMicroelectronics, Digital Equipment Corporation, and Motorola Semiconductor. In 2001, he was named e-Pioneer by Electronics Business News magazine for his leadership in B2B implementation at STMicroelectronics. Monney has an Engineering degree from the “Ecole Technique Supérieure” of Geneva, Switzerland. He served as a member of the board at STMicroelectronics S.A Switzerland, member and chairman of the RosettaNet Electronics Components Board and co-chair of the RosettaNet Architecture Advisory Committee.
What is also changing is HOW consumers interact with devices.
Consumers prefer the more natural physical ways to interact with technology and these are rapidly emerging. From multi touch, voice, vision, gestures, and many more physical interaction is evolving to the point that for the first time, computing will adapt to us and demonstrate some degree of “intelligence” understanding the context we are using them.

We will see computers shift from being tools to being helpers, performing tasks on our behalf based on an awareness of the environments we are in and the context of our actions. Ultimately, this will enable computing interfaces that are far more natural and increasingly simple to use, helping eliminate the learning curve of today’s technology.

An example of how these natural ways to interact are extending to enterprise systems is with a device like the Microsoft Kinect. Initially developed as a game interface, Microsoft has released a Software Development Kit (SDK) for Windows and we are seeing the Kinect being used in all kind of professional and educational scenario. I recommend you watch the Kinect effect video to see that the only limit is our imagination!

Complementing the natural physical interaction is the software interaction with Consumer Services and the use of search paradigm for both structured and less structured data has become the norm. Search is by far the preferred way to navigate the web but also to find information in the enterprise. This paradigm is evolving to become an alternative way to interact with business applications also.

At Microsoft, we have pioneered such type of interaction by developing a role based Search interface to the Enterprise Product Life Cycle (PLM) applications used in our Interactive and Entertainment Division (see video here). Initially developed to manage engineering projects, PLM has become the single source of the truth for companies and become the foundation for information needed by many non-engineering roles, such as Marketing, Purchasing, Compliance, etc... Like any complex applications, PLM users’ needs a frequent usage to be effective in interacting with the applications and thus a compliance manager who is a casual user is often less effective in its interaction. We now can provide role based Search interface with the ability to store searches for future use and to request regular automatic publication of search results.

For any company developing internal enterprise applications, this must be taken into account in future development plans to ensure more consumer-like search interactions are available.

How devices interact with the Internet and the Cloud?
The next key change factor is how ubiquitous connecting to the Internet has become. The ease of access in public places, enterprises, trains, boats, and airplanes allows us to be (almost) connected at all times to people, information, services and applications without requiring any specific action on our part.

This will liberate the information that we have created ourselves and unlock any information from any source that might be relevant to where we are and what we are trying to accomplish, bringing everything we need together seamlessly in the form that is most useful.
This ubiquitous access to the internet is now combined with the explosion of Cloud Services is accelerating the demand for simpler to use information services that can be available anywhere and on any devices. With its massive data centers, cloud computing delivers virtually infinite resources, providing the storage capacity and processing allowing all power to tackle some of the world’s toughest problems in healthcare, the environment, energy, scientific discovery, and many other fields.

Simply put, the Cloud is about providing Continuous Services to Connected Devices and that’s the vision we have at Microsoft.

It’s a hub that will enable us to transact, consume, store, index, and recall as much of our day-to-day lives as we choose to share. It will also provide a platform for orchestrating the flow of information and technology across our lives and across enterprises systems so that we always have instant access to the Services and information that we need.

How Consumers interact with themselves?

The world has embraced Social Networking and has already changed the ways we are creating and maintaining our interactions with others. Initially for personal use, Social Networking is now the catalyst for building the Social Enterprise. In a Social Enterprise, Social Networking paradigms will gradually be enabling each enterprise business processes, from HR to Product Development to Collaborative Supply Networks. This will require a new strategic approach to adapt existing company cultures with the governance and education necessary to embrace that transformation journey.

The resulting effect of all these key trends is driving an explosion in data, often referred to as Big Data.

Much of that data is in traditional databases and data warehouses, and those kinds of data grow at a more linear rate. What’s driving the exponential growth is the less structured data. This is in the form of reviews, images (250 Million/day on Facebook), video, sensors or devices output. Deep analysis of this vast amount of data is enabling computers to begin to analyze the physical world and to behave in a more human way, anticipating our needs and understanding our intentions.

This Big Data brings us back to us, the Consumers, hungry to consume and generously eager to contribute to that explosion.

Consumerization of IT will be is another example of a journey, not a designation, and companies should embark into this like any other company culture change program by having a global approach made of educations, policies, governance and IT support.

Enterprise Consumerization of IT challenges.

The Consumerization of IT challenges faced by Enterprises are to establish the optimum balance between User Empowerment and Enterprise Controls and with the goal to accelerate Innovation and Business Value.

At Microsoft, our IT Group (MSIT) provides IT Services to more than 80,000 employees, has embarked on this Consumerization of IT journey several years ago and developed a strategic
framework to manage its dilemma. MSIT is renowned to share its practices and has just published a Quick reference guide based to manage Consumerization of IT that can be found (here) on the Microsoft web site,

The 4 Pillars of B2B

Now that we have looked at what are the key drivers of Consumerization of IT, let’s have a look at the foundational pillars of B2B. Any Enterprise engaging in B2B Execution needs to harness four B2B foundational Pillars.

1./ Systems to Systems (S2S) – This is the Systems infrastructure foundation made of Enterprise ERP Systems connected to Networks that interact with the various trading partners ERPs and A2A. Note that for some SMEs, an ERP might be an excel spreadsheet or QuickBooks.

2./ Business Process & Standards - These are needed to ensure trading partners efficiency and agility through the use of commonly agreed Business Processes, such as Order entry, order acknowledgement, Work In Process as well as B2B exchange standards such as RosettaNet, EDI and OAGi.

3./ Trading Partner Enablement (TPE) – This is a critical activity that requires that 2 enablement conditions be met. First the Business Process readiness, that is for each trading partner business entities to agree on the process flow and its orchestration. Take a forecast exchange for example; what good will it be if the forecast sent has no purchase commitment... The second is the Systems to Systems readiness that must ensure the connectivity, reliability and compliance of the B2B exchanges. Many enterprises have initiatives in place to reduce the time and an effort it takes to achieve TPE and have a strong desire to TPE becomes ubiquitous.

4./ The fourth pillar is the Industry Adoption. The most successful scenario is when that the large buyers create initial adoption and are joined by industry groups, associations and channel partners. This usually leads the vendors to endorse solution to market. Industry adoption is critical to avoid fragmentation and flourishing of competing B2B standards.

Consumerization of IT impact on B2B

Two Consumerization of IT key factors will fundamentally transform the way we execute B2B. One of them is the shift toward connected “intelligent” devices with phones becoming Point Of Sales terminals, bar code readers and so on. The other one the emergence of Cloud Services Brokering (CSB) fueled by how ubiquitous connectivity has become.

The OAGi Mobile Business Initiative (MBI) announced today could become a catalyst that will drive a global standards solution for connected devices on continuous services, either inside or outside the enterprise.

In the context of B2B, continuous services will be provided by CSBs. Gartner predict that by 2015, the CSB vendor landscape will have grown from dozens to hundreds of providers and that by 2015, 20% of all Cloud Services will be consumed by via CSB. At
Microsoft we enable CSBs with the Azure Cloud Service that supports the OData, the Open Data Protocol and we are witnessing new B2B scenario with the use of the Data Market that allows easy Mashups of paid or publicly available data.

OAGi recently announced the support of JSON, which is used in Odata, and OAGi believes that the future is to deliver Standards as a Service, leveraging the CSBs and the Mobile Business Initiative.

It is clear that Platform as a Service (PaaS) will be the key enablers for Cloud Services Brokering as it provide the optimum economic model to deliver these. Many ISVs like GSX and GCommerce are providing B2B CSBs relaying on Microsoft Windows Azure as PaaS and more recently Microsoft just released a Social Analytics CSB that provides streaming datasets; which include data from top social sources such as Twitter, Facebook, blogs and forums.

How will the B2B landscape evolve?
Let’s look back at our B2B 4 Pillars model and see how Consumerization of IT will impact these.

First the Systems to Systems - Embedded Intelligence are the new Systems! This means that the transport will not only the internet but will also be done “Over The Air”. The number of such new systems connected to CSBs will grow exponentially.

Business Process & Standards – we will see new, lightweight simple processes and a rapid increase on Information-based Business Processes fueled by the demand for information coming from less structured data such Social Networks. We hope to believe that the OAGi MBI will be a key standard driving all mobile type intelligent devices.

Finally, the industry adoption where will see more and more the consumers, not the enterprises, in control and amplified by the social Network effect.

I’d like to close this keynote address by inviting you to visit the Microsoft Consumerization of IT web site that provides information on how Microsoft and its partners support companies with product, services and solutions.

Thank you.