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Applications on Demand – Evolution of an IT Utility

Applications on Demand is a utility computing service delivery model that allows customers to subscribe to application management services on a 'pay-as-you-go' model. The key word is utility rather than computing. The genesis of utility computing lies in the tussle between core and context of every mature industry. Such a tussle is also confronting the IT industry.

During the Industrial Age, large companies in industries such as mining, built, owned and operated power plants to ensure a reliable source of electricity. The economic and competitive evolution of such industries forced such companies to focus on their core business - i.e. excavation and delivery of minerals, and not contextual tasks of power generation. This led to the evolution of power utility companies that delivered the highest quality power in a most economical manner via a network of distribution grids.

IT is as central and implicit to the DNA of modern business as electricity. However, IT is increasingly in the context of modern business as opposed to the core. In the last five years, increased focus on outsourcing has led to a new class of utilities emerging that deliver IT on-the-tap – referred to as ASPs, MSPs, xSPs and so on. In order to deliver on the promise of outsourced managed services, such utilities are evolving on a maturity curve of:

- Service Productization
- Process Repeatability

- Infrastructure Optimization
- Self-Service Enablement.

The latest push on this maturity curve involves increased utilization of infrastructure assets and automated provisioning of such assets by applying layered virtualization to existing and new data center stacks. Central to successful implementation of virtualized resources (storage, network, servers, operating systems) is a dynamic monitoring of resource utilization, resource configurations, and resource capacity, in a common data model vested in a federated database.

As applications themselves get componentized, it is realistic to expect that in the not too distant future, application transaction capabilities will be provisioned, used and disposed as discrete (web) services, riding on self-healing and highly virtualized infrastructure for a fixed, published price, and with a guaranteed service level agreement. The interesting challenge then will be to define the “kWh of computing”.

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