



Race to Reinvent for Multiplied Innovation

Anchalee Sudechawongsakul – Software Market Analyst
asudechawongsakul@idc.com

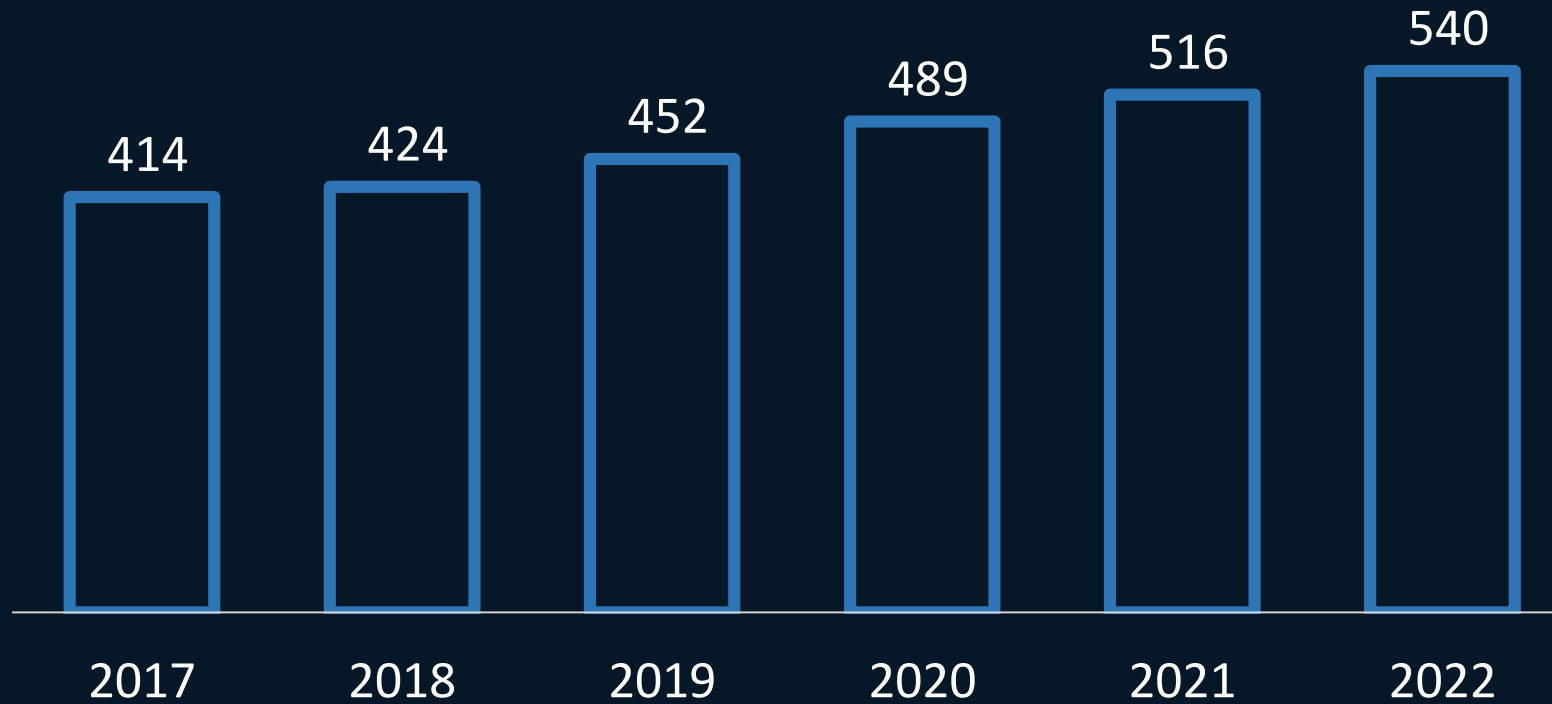
Prapussorn Pechkaew – Senior Market Analyst, IT Services
ppeachkaew@idc.com

February 2019

#IDCFutureScapes

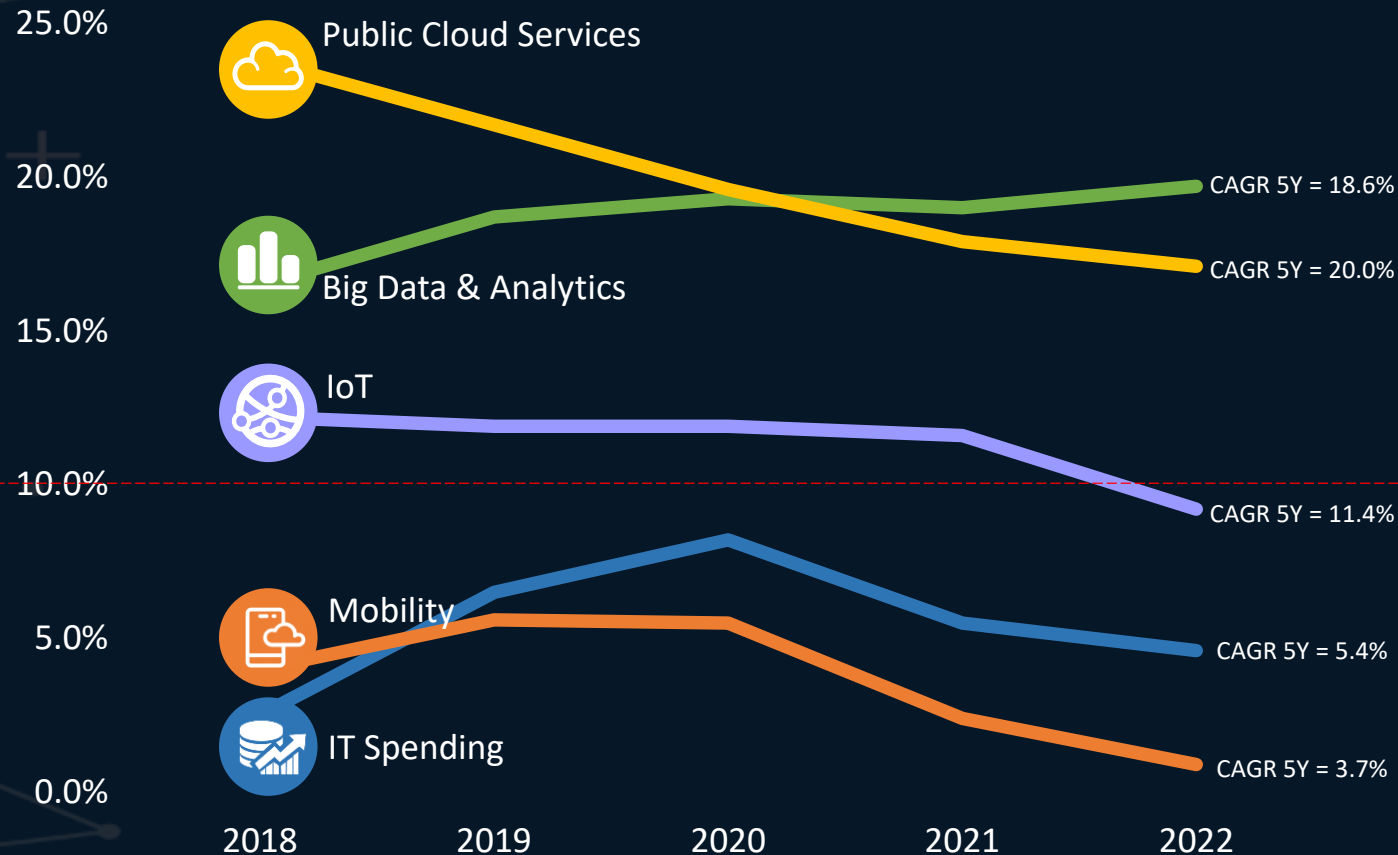
Thailand IT Spending Outlook

Unit: Billion Baht



Thailand IT Spending Outlook

Growth Rate (%)



Traditional IT Spending will **lag** GDP growth, while **Technologies and Services** related to **3rd Platform** (i.e., cloud, mobile, big data analytics and social) and **IAs** (e.g., robotics, cognitive systems, IoT and augmented/virtual reality) will continue **double-digit growth** in the next 3-5 years

Digitally Distraught Versus Digitally Determined Organizations

← Digitally distraught → ← Digitally determined →



DX initiatives are tactical and disconnected from enterprise strategy

10.6%



DX initiatives are initiated at the functional or LOB level with some connection to enterprise strategy

24.9%



DX initiatives are tied to enterprise strategy but with short-term focus

24.9%



Integrated, continuous enterprisewide DX innovation is in place with operations and customer/service experiences

28.3%



The enterprise strategy is to use DX to transform markets and customers by creating new business models and products/services

11.3%

Source: IDC WW DX Executive Sentiment Survey, 2018 (APEJ n=1,011; 776 CIO/CTO/CISO, and 235 CEO/LOB)

Thailand IT Industry 2019 Predictions

Prediction #1: Digitized Economy

By 2022, over 61% of Thailand GDP will be digitalized, with growth in every industry driven by digitally enhanced offerings, operations, and relationships, driving US\$ 72 billion in IT-related spending from 2019 through 2022.

Business & IT Impact

- Digital transformation is the #1 business priority
- Digital thinking is becoming a part of all business leaders skill set
- Digitalization changes all main parts of an enterprise so everyone has to oversee digital transformation

Guidance

- Build a single enterprise-wide business DX strategy
- Create a long term road map with important use cases
- Introduce new digital KPIs

Prediction #2: Digital-Native IT

By 2022, 60% of Thailand's IT spending will be on 3rd Platform technologies, as over 30% of all enterprises build "digital-native" IT environments to thrive in the digital economy.

Business & IT Impact

- Cloud now is the main strategy for most enterprises so that they can improve customer experience
- Trusted IT suppliers may not be suitable anymore

Guidance

- Develop a fully integrated increasingly digital native enterprise wide technology architecture
- Rethink "build vs buy" – Big sourcing shifts are underway

Prediction #3: Expand to the Edge

By 2022, over 20% of Thailand's organizations' cloud deployments will include edge computing, and 25% of endpoint devices and systems will execute AI algorithms.

Business & IT Impact

- Enterprises with customer-proximate facilities will lead distributed cloud deployments
- Business will need to become more data driven and customer centric
- AI at the edge will lead to competitive advantage and change IT architecture

Guidance

- Choose a cloud service provider that will support a "distributed cloud" vision
- Organize an intelligent edge "audit" – to see which endpoint should be AI-enabled

Prediction #4: AppDev Revolution

By 2022, 70% of Thailand's new apps will feature microservices architectures that improve the ability to design, debug, update and leverage third-party code; 25% of all production apps will be cloud-native.

Business & IT Impact

- The more modular app world is fast paced but new problems arises
- Traditional IT and digital development teams will gradually unify to build and deploy apps faster

Guidance

- Select monitoring and management systems build to support microservices
- Develop alignment between Development and Operations KPIs

Prediction #5: New Developer Class

By 2024, a new class of professional developers producing code without custom scripting, will expand the developer population by 20% in Thailand- accelerating digital transformation.

Business & IT Impact

- Competing in the digital economy will demand expanding digital innovators
- New class of developer will need new policies

Guidance

- Give emphasis to development aptitude when recruiting and training as everyone can become a developer
- Start changing procedures and protocols around data access, app monitoring, automated deployment and security – to fit this new class



Prediction #6: Digital Innovation Explosion

By 2024, a new class of professional developers producing code without custom scripting, will expand the developer population by 20% in Thailand- accelerating digital transformation.

Business & IT Impact

- Competing in the digital economy will demand expanding digital innovators
- New class of developer will need new policies

Guidance

- Give emphasis to development aptitude when recruiting and training as everyone can become a developer
- Start changing procedures and protocols around data access, app monitoring, automated deployment and security – to fit this new class

Prediction #7: Growth Through Specialization

By 2022, 15% of public cloud computing will be based on non-x86 processors (including quantum) in Thailand; by 2022, organizations will spend more on vertical SaaS apps than horizontal apps.

Business & IT Impact

- By 2019, ASICs for AI will become more available from Intel and start ups
- Vertical solutions speed up DX use case implementations

Guidance

- Use vertical apps from vendors with deep domain expertise
- Obtain the significant benefits of specialized/optimized infrastructure

Prediction #8: AI is the new UI

By 2024, AI-enabled user interfaces and process automation will replace one-third of today's screen-based apps in Thailand. By 2022, 20% of enterprises will use conversational speech tech for customer engagement.

Business & IT Impact

- Customer service and marketing departments are pushing IT towards conversational AI
- Robotic process automation and voice UI linked will aim at business task automation

Guidance

- Start developing a strategic plan for conversational AI once introduced
- Become familiar with robotic and intelligent process automation vendor capabilities

Prediction #9: Expanding/Scaling Trust

By 2023, 25% of servers will encrypt data at rest and in motion in Thailand; over 20% of security alerts will be handled by AI-powered automation; and 3.5 million people will have blockchain-based digital identities.

Business & IT Impact

- Pervasive encryption will be implemented by system
- Blockchain identify rollouts are complex
- Automated incident response will be accelerated by expanding attack surface

Guidance

- Work with blockchain communities to build verified ID projects
- Develop more holistic risk and ROI models for deploying automated responses
- Ask your vendors for their encryption platform timeline

Prediction #10: Consolidation vs Multicloud

By 2022, the top four cloud "megaplatforms" will host 80% of IaaS/PaaS deployments in Thailand, but by 2023 70% of Thailand 100 (T100) organizations will mitigate lock-in through multicloud/hybrid technologies and tools.

Business & IT Impact

- Integrated multicloud management strategy will become a core capability over the upcoming 3 years
- Hybrid applications will require app architects to develop new topologies and frameworks to manage distributed systems

Guidance

- Create an integrated hybrid/multicloud management strategy
- Look for management products that offer AI-enabled automation so that it can improve productivity and supportable full life cycle as hybrid/multicloud environments will be complex