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## OPINION

### Software Forecast for 2006

Analysts and experts provide their predictions about the trends and technologies that will shape the year.

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### Technology Predictions for 2006

Mitchell Levy

Jan. 09, 2006

Almost all of the trends I see for the technology industry in 2006 this year relate to one catalyst: the Internet. As we continue to move into the 21st century, the democratization effects of the Internet will continue to dramatically change the world. Times of shifting power structures present opportunities. Keep your eyes open and you might be one of the next big winners. Best of luck using these trends to your advantage.

#### TREND #1: Energy issues take a front burner on the world stage

"Oil prices will top \$100 / barrel and average over \$80 / barrel and Oil prices will drive at least one country to effectively declare bankruptcy and call in the World Bank / IMF"

- Rohit Talwar, CEO, Fast Future

"Investment in alternative energy sources and services will skyrocket. Publicly traded companies in the sector will see significant bump-ups in valuation."

- Peter Ostrow, President & CEO, Technical Communities/TestMart

#### TREND #2: The Internet's democratization effect expands to traditional media

"We the public can all become journalists and will have in our pockets the capacity to contribute content into mainstream media, we will be able to submit our media content to news channels: news media houses will encourage submission of public generated content particularly video generated by mobile phones."

- Karl Shaikh, Co-founder, Virtual Directors, London, England

"Blogs, podcasts, and videoblogs are not a fad. They're here to stay. With the continued democratization of traditional media, new high-end but user-friendly tools will continue to be built. As a result, younger and younger users will create increasingly more complex content with higher production value. Heck, who doesn't know a 4th grader whose made a movie?"

- Karen Howe, VP, AOL

"...Businesses who want to be recognized, who want to be heard, will have to begin to rely on Social Media methodologies."

- Ann Revell-Pechar, President, Revell-Pechar, Inc.

#### TREND #3: Marketing expenditures and activities continue to shift to the Internet

"2006 will be the first year that major marketers will truly consider Internet advertising part of the media plan. The shift of media consumption away from newspapers, TV and radio to the Internet is irrefutable. This shift will spur significant M&A activity."

- Kevin Lee, Executive Chairman, Didit.com LLC

"Search Engine Marketing (SEM) continues its scorching pace in 2006 as marketers push more and more of their ad dollars online. Religiously reading

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marketers push more and more of their ad dollars online. Religiously reading Search Engine Watch (<http://searchenginewatch.com/>) and ClickZ (<http://www.clickz.com/>) will remain the best strategy for keeping pace as Google and the rest of the search universe evolve at breakneck speed. Regarding search, the WSJ recently noted that, "The best way to find new customers is to make sure they find you". Hard to argue with that bit of logic given that "search is the door to the store".

- Stewart Quealy, Sr. Conference Program Director, Incisive Media

#### **TREND#4: China's continued growth significantly affects world commerce**

"At least five Chinese corporations will list on international markets. China's growth rate will defy all the analyst's predictions and top 10% and at least 2 fortune 500 companies will receive takeover bids from Chinese corporations."

- Rohit Talwar, CEO, Fast Future

"In 2003, I predicted the tremendous opportunities in China and in the e-business arena. Expect this trend to continue, with 115 million Internet users in 2005, 180 million in 2007, and more than 210 million in 2008 making it the largest center for Internet usage in the world. However, with market Internet penetration still under 20%, this also represents a long-term growth market; with usage now exceeding 50% in key cities as an indicator of things to come."

- Stephen Ibaraki, Chairman / Board Director, iGEN.ca / CIPS / NPA / ChinaValue.NET

#### **TREND #5: Outsourcing continues to expand to other sectors of the economy**

"Globalization in product development. More companies will have distributed development taking advantage of the global talents and cost structures."

- "AGK" Karunakaran, President, GDA Technologies Inc.

"The advent of virtual teams, with members from widely different geographic locations, cultures and time zones will spark new initiatives in how to get maximum productivity and performance from such groups. The solutions will include innovative uses of communications technology along with some insights from the behavioral sciences about ways to make these teams effective."

- John Zenger, CEO, Zenger|Folkman

"Countries as Brands. In 2006 countries will start overtly branding themselves to increase export visibility. Made in Luxembourg? You bet. We've seen it with wine brand Australia takes over as the number one imported wine in the UK. Yellow Tail has Beringer Blass, Robert Mondavi and others in a catch up position."

- Andrew Greenberg, CEO, Greenberg Brand Strategy

#### **TREND #6: Services continue to play a bigger role in Western economies**

"Amazing acceleration of the economy of services (IBM as a company has more than 50% of its revenue from services - in '93/94 IBM was a computer company, about 2 years ago things accelerated - buying PWC, letting go of the PC division made it happen overnight). For next year, we will see an acceleration of the knowledge workers working in a services economy, where the competitive edge is given by innovation. Expect the services component of US GDP grow from 72% to 80%."

- Jean Paul Jacob, IBM Researcher, Emeritus

#### **TREND #7: Usage and proliferation of mobile commerce expands**

"New mobile browsers such as Bitstream Thunderhawk and Opera Mini will drive the popularity of mobile Web. This in turn will drive the development of new mobile applications and devices."

- Thomas Wong, CEO, Koyale LLC

"This year we will see more products (Cellphones, Smart phones etc.) based on Wi-Fi standards. I would expect an iPod with wi-fi capabilities to download directly!! Also Wi-MAX technology which extends the range of Wi-Fi will be more popular. My guess is that a couple of local network providers will offer this service by the end of 2006."

- Vamsee Tirukkala, Co-founder and EVP, Zinnov

#### **TREND #8: Adoption of VOIP continues**

"Unified telecommunication systems that utilize VOIP, SMS, email, fax, data, and Internet will become business friendly and attractive to use."

- Thomas Wong, CEO, Koyale LLC

"The VoIP explosion is in full swing in Europe but increasing volumes together with increased competition and lower prices and margins at wholesale level will force a re think in Market strategy. Many second level VoIP wholesale operators who previously were acting as bridging gateways between larger Telcos will need to extend their reach into retail market opportunities in order to average margins and consolidate their business. This will be essential to avoid their VoIP business becoming a very volatile commodity trading activity with very high volume

fluctuations."  
- Tony Di Franco, CEO, Mail2Net

#### **TREND #9: Employer/employee relationships strengthen for the first time in years**

"Talent management and retention will become important again."  
- Prasad Kaipa, Ph. D., CEO Advisor and Coach, The Kaipa Group

"Going to be a real strong push to bring things back into this country to help within. To build within. As such, labor is going to rethink its positions. In short, that jobs will be more important than increased pay (greater cooperation between labor and management)."

- Diana Hoffman, Former-CEO, Environsystems

#### **TREND #10: Security and privacy issues raise their heads again**

"Crime on the Internet will be more rampant than ever. Why? Sutton's law. Willy Sutton the bank robber said he robbed banks because, "That's where the money is." As the value of commerce online grows, in all forms, crime will follow. This has nothing to do with technology. It is likely a safer environment than walking around with a bunch of cash."

- Dave Anderson, CEO, Sendmail

"Security is going to continue to be at the top of the list for cost for both individuals and companies. Better approaches are being discovered everyday."

- Jim (J.C.) Carlton, Retired, President and CEO

*Mitchell Levy is Executive Editor and CEO of [Happy About](#) which writes and publishes books for corporations. He is also a partner in CEOnetworking, the Director of the Silicon Valley Executive Business Program and a Board member at Rainmaker Systems (NASDAQ: RMKR). He's authored a number of books including ["Happy About Knowing What to Expect in 2006" where these trends are further explored](#). He can be reached at [mitchell.levy@happyabout.info](mailto:mitchell.levy@happyabout.info)*

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