# The next wave of ICT development in SA - 2017 predictions

The next wave of ICT development in South Africa will see organisations across the country doing more with less while consolidating and outsourcing legacy IT, according to the latest forecasts from International Data Corporation (IDC). Hosting its 'IDC Predictions 2017' event in Johannesburg on Wednesday, the global ICT research and consulting services firm also predicted that innovation will continue to disrupt the traditional ICT mix and that there will be a much stronger focus on ensuring that technology enables business outcomes.



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"This year has undoubtedly been a difficult year for economies around the world," says Mark Walker, IDC's associate vice president for sub-Saharan Africa. "The South African economy has not emerged unscathed. Marginal economic growth and political instability have made the business environment very difficult to navigate, and organisations are looking at technology to drive down their costs while improving the way they operate. Business confidence has also taken a knock because of the economic and political instability."

## Data centre infrastructure and cloud

"We have seen a very strong focus on data centre infrastructure and operations during the past year," continues Walker. "Information security and enterprise software have also been among the top three priorities for CIOs during the same period. Interestingly, cloud computing was only at number seven of the top priorities, which is unexpected considering the global rush to the cloud as a driver of digital transformation and business agility."

Jon Tullett, research manager for IT services at IDC South Africa, says South Africa has lagged in cloud adoption due to the lack of local infrastructure, data protection concerns, and conservative investment strategies. "IDC believes 2017 will see at least one major global cloud provider establishing local data centre infrastructure to service the region," says Tullett. "This will address key concerns and spur competition and adoption while putting pressure on local providers. New public cloud spend will overtake on-premise in areas such as collaborative applications, application development software and platforms, and customer relationship management (CRM)."

Tullett recommends that organisations continue to invest in a private cloud but develop the capabilities to transition workloads into public cloud as circumstances change: "Organisations should reassess their application capabilities with a view to cloud capabilities and invest in cloud skills around critical workloads, as well as integration and management. They

should also reevaluate contracts and relationships with software providers to ensure that they meet their business requirements."

## Information security

IDC pointed out that 2016 was also a tough year for information security, with the prevalence of massive data leaks, ransomware, and IoT internet-of-things (IoT) malware compounded by a shortage of IT security skills. "We believe 2017 will be worse in every aspect of information security," says Tullett.

"We expect continued exposure for South African businesses to major cybercrime syndicates, both directly and indirectly. IDC also believes 2017 will see at least one high-profile public breach in South Africa, which is likely to be a data leak within the public sector, although we cannot rule out a malware or ransomware attack in retail or healthcare. However, IDC expects that South Africa will contribute several new technologies aimed thwarting attacks, particularly in relation to IoT applications."

## IoT deployments

George Kalebaila, senior research manager for telecommunications at IDC South Africa, says until now most of the IoT applications have been cellular based and mainly under the domain of traditional mobile operators. "In 2017, we will start seeing several smaller non-mobile operators deploy low-power WAN (LPWAN) IoT networks to provide low-cost IoT applications," he says. "IDC expects that most of these implementations will be LoRA based rather than SigFox. IoT will remain a preserve of mobile operators.

Post-2017, we expect to see an acceleration of IoT deployments in other African countries using similar business models. LPWAN IoT network implementations will slowly start pushing IoT into the limelight away from traditional M2M applications and lower the barrier to entry in the market, reduce the cost of connectivity, and contribute to the rapid growth of connected devices. We also foresee the developer community taking more interest in developing localised IoT solutions. Once these solutions find their way into the market, this will also drive IoT adoption."

## Mobility solutions

Kalebaila says mobility is becoming one of the key drivers of digital transformation as customer engagements and transactions move to digital platforms.

"Choose your own device (CYOD) has become the de facto device policy for most enterprises to reduce the cost of mobilising the workforce. Financial services will continue to lead the adoption of mobility solutions mainly due to the inherent benefits and cost savings from the reduction in branch footprint and improving customer experience. However, securing data and data recovery have become more important than securing devices as data becomes the new capital in the digital economy."

## Mobile apps

IDC expects the number of mobile enterprise applications to almost double as the shift from devices to mobile apps accelerates. "In 2017, near field communication (NFC) will start pushing mobile payments to the fore, but will still remain on the peripheral and will be niche," says Kalebaila. "5G curiosity and hype from mobile operators and vendors will lead to 5G becoming part of enterprise executive discussions."

Kalebaila also says organisations should plan for mobile apps as a natural part of all workflows in the organisation: "The focus should move to mobile app development platforms as a critical tool and security must be integrated across the mobile app development lifecycle. Organisations should also develop an intermediate understanding of 5G elements and what they mean in a commercial setting."

# Analytics and big data

Tullett believes that South African companies will increase their investment in analytics and big data in 2017. While the primary investment will remain limited to large enterprises, he says South African companies are building foundation technologies for cognitive computing, whether it is part of the long-term strategy or not.

"Behavioral analysis and prediction will become mainstream in 2017, directly driving product development in banking, financial services, and insurance in particular. In 2017, analytics will be the primary resource responsible for thwarting major criminal incidents."

He says that when machine learning does arrive in the country, it will do so rapidly, with mature, proven technologies ready to deploy by then and ready to take advantage of aligning projects towards that future. Tullett's advice to organisations in South Africa is to continue to invest in analytics and data processing capabilities.

"Measure everything, bearing in mind this will require investment in data handling infrastructure and development resources. Ensure your data is robust and accessible to your development, customer experience, business intelligence and data science teams. Finally, workshop strategic projects around current and future analytic capabilities."

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