

## Low-Cost IT Services: IT Services Market Changer?

Written by Marco Attard  
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Gartner suggests CIOs should reduce their business costs while retaining control of risk, integration and customisation issues by adopting industrialised low-cost IT services (ILCS)-- increasing IT business value and improving its perception by business.



After all, CIOs tell Gartner their 2011 business and IT priorities include "delivering differentiation and additional business value, while reducing the cost of IT."

The analyst forecasts the industrialised services sector will make more than 30% of the IT services market by 2015-- while by 2015 the cloud market will be worth \$177 billion (with \$77Bn based on advertising business models).

ILCS are managed, ready-to-use IT services (infrastructure, applications or business processes) combining industrialisation with cloud computing-- delivering no-frills services with optional add-ons, implementable as standardised, automated, configurable and scalable services.

Low entry-level prices make ILCS attractive-- with either price per user per month or price per unit per month (PUPM) pricing models.

Gartner mentions EasyJet as an example of a company using cloud computing (extending its reservation and departure control system via Microsoft Azure) to both minimise costs and extend and complement its internal systems.

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The analyst concludes “not all corporate IT will be delivered through ILCS and many “good-enough” services will remain in-house,” even if industrialised services are the "destiny" for the IT services industry, spanning all layers of the IT services chain.

Go [Gartner Says Industrialised Low-Cost IT Services to Transform IT Services Market](#)