NEXT MAJOR CLOUD MARKETS COULD BE LEAST EXPECTED

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As organizations in developing countries leapfrog to advanced technologies, conditions are ripening for nascent markets to surge ahead with the cloud.

Today's developing countries might surprise outsiders. Swiftly modernizing under the radar, developing countries do not look so technologically different from their more developed neighbors. These areas are a greenfield, allowing businesses I work with there to hop straight into cloud environments. Faced with sudden, heightened connectivity, many developing countries readily challenge the status quo with more advanced digital technologies and behaviors. This is not unlike the trajectory of more mature markets, except for the rapid rate at which this digital transformation occurs.

Untapped Markets Tap into Cloud Computing

Developing countries are untapped markets and opportunities for businesses to be among the first to meet the burgeoning demands of a rising economic class. To fulfill a developing country's unique needs, though, businesses must be able to deliver new, tailored solutions on largely untested grounds.

Cloud technologies are ideal for these businesses. It includes all the ingredients needed to accelerate innovation in volatile markets: agility, flexibility, reliability, scalability, and affordability. With multiple clouds, in particular, companies can choose the best combination of cloud technologies to scale at low costs, while complying with data privacy and government regulations. With little or no legacy systems, businesses can skip the complicated migration process and smoothly transition to manage multi-cloud environments.

Though developing countries still lack some resources to support cloud infrastructures, like expansive networks and effective power grids, I see it coming. Consider Bangladesh and Pakistan (two emerging markets in Asia my team and I know well).

Construction on a Tier 4 data center in Bangladesh, projected to be one of the largest in the world, is already underway to support cloud computing in the region. Pakistan established its first cloud-based data center in 2016, no more than a month after the country's largest telecommunications provider partnered with IBM on a public cloud. Today, Pakistan is setting up a government public cloud (G-cloud) thanks to the ongoing partnership between the country's National Telecommunications Corporation (NTC) and VMware.

Digital Transformation Is Faster and Further Than Expected

Organizations in nascent markets may be playing catchup to what those in more developed markets have already done, but less-developed markets have the luxury of skipping ahead instead of repeating the same evolutionary process. Many of the companies I work with in these countries plan to go full steam ahead with advanced technologies from day one—solutions that many well-established companies in more developed markets still lack.

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That means business leaders can leapfrog traditional data centers and start from the ground up in the cloud—or often in multiple clouds.

"Late nineteenth-century innovations such as telephones and electricity took decades to disseminate from western to non-western countries. By contrast, more recent technologies such as cell phones and the Internet spread to these economies at a far higher rate." – International Finance Corporation

Government support is further ushering along digital transformation in developing countries. Working toward Pakistan's Vision 2025 priorities (which include modernizing infrastructure and strengthening regional connectivity), NTC initially partnered with VMware last year to modernize the organization's IT infrastructure and accelerate network expansion.

Sudden Connectivity Challenges the Status Quo

Mobile devices and the Internet are still new technologies in developing countries, but that all changes when income levels rise, the cost of the technologies fall, and networks expand. It would not surprise me to see highways of connectivity arrive in the world's most remote regions before roads or railways.

The economies of Bangladesh and Pakistan grew 7.1 percent and 5.3 percent, respectively, in 2017, surpassing worldwide economic growth at less than 4 percent. The countries' populations—among the 10 largest in the world—are expected to drive notable growth of the world's total mobile subscribers in the next seven years, with their own mobile penetration (unique mobile subscribers as a percentage of the population) jumping to 60 percent and 50 percent, respectively, by 2025.

Because of this heightened mobile connectivity, residents in these remote areas can open a bank account in areas where physical branches do not exist or connect with doctors where healthcare systems do not reach. People there grow accustomed to using mobile devices and the Internet in their daily lives, and eventually, they expect the same mobile connectivity in their professional lives.

On the ground, I'm seeing similar expectations forming in developing countries for fast, reliable, highly available cloud connectivity.

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