

# THE SMART GRID

## A Major Opportunity For The IT Industry

*The emerging smart grid presents a huge global opportunity for traditional enterprise IT providers – principally hardware, software and networking companies, as well as systems integrators.*

## EcoIT | ECO-EFFICIENT INFORMATION TECHNOLOGY

### 4 FINDINGS

- IT will form a big part of the smart-grid market. By 2015 up to \$300bn will likely be committed globally to hardware, software and communications for smart grids. **PAGE 1**
- All of the drivers for smart-grid investment are likely to strengthen. But the current ROI is not clear, which will delay take-up. **PAGE 3**
- A number of tentative smart-grid supplier groups have emerged around pilot projects and standards. **PAGE 7**
- Senior management with little understanding of advanced IT populates many major utilities. This may delay development of the smart grid. **PAGE 20**

### 5 IMPLICATIONS

- IT hardware vendors will benefit from volume, but innovators and systems integrators will enjoy the highest margins. **PAGE 5**
- A whole new tier of economic activity – slightly removed from the smart grid proper – will develop, stimulating enterprise IT demand. **PAGE 27**
- With utilities dominating the capex decisions, buyer numbers are limited. But supplier groups, standards and architectures remain fluid, and a vendor unsuccessful in one region might have success in another. **PAGE 5**
- Businesses likely to be most successful in smart grids are those combining IT expertise with energy-industry/engineering expertise. **PAGE 6**
- Most big IT suppliers are already active and making investments. All medium-sized or large IT vendors should be eyeing the opportunity. **PAGE 33**

### 1 BOTTOM LINE

- The smart grid will become a huge and important market for IT suppliers – likely larger than the most optimistic forecasts currently envisage. But the rollout may take longer than most analysts expect because of an array of technical and economic barriers.

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# REPORT SNAPSHOT

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## ABOUT THIS REPORT

The emerging 'smart grid' presents a huge global opportunity for traditional enterprise IT providers – principally hardware, software and networking companies, as well as systems integrators. The smart-grid market may well be larger than the most optimistic forecasts currently envisage. But the rollout may take longer than many analysts expect because of an array of technical and economic barriers.

There is an immense amount of literature surrounding the smart grid, but its terms of reference tend to be broad. This report focuses on the associated opportunity for traditional enterprise IT vendors, and assesses the nature and scale of the market, now and in the future. It examines the various smart-grid domains, and provides detailed profiles of vendors targeting this space.

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