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Utility-like computing is one of the key technology resources that help businesses to develop Business On Demand capabilities. However, Business On Demand is not just about utility computing, as it has a much broader set of ideas about the transformation of business practices, process transformation, and technology implementations. Companies striving to achieve the Business On Demand operational models will have the capacity to sense and respond to fluctuating market conditions in real time, while providing products and services to customers in a Business On Demand operational model.

In general, on-demand business has four essential characteristics (<u>Figure 2.3</u>):[Responsive. Business On Demand has to be responsive to dynamic, unpredictable changes in demand, supply, pricing, labor, and competition.

1. Variable. Business On Demand has to be flexible in adapting to variable cost structure and processes associated with productivity, capital, and finance.
2. Focused. Business On Demand has to focus on their core competency, its differentiating tasks and assets along with closer integration with its partners.
3. Resilient. A Business On Demand company has to be capable of managing changes and competitive threats with consistent availability and security.
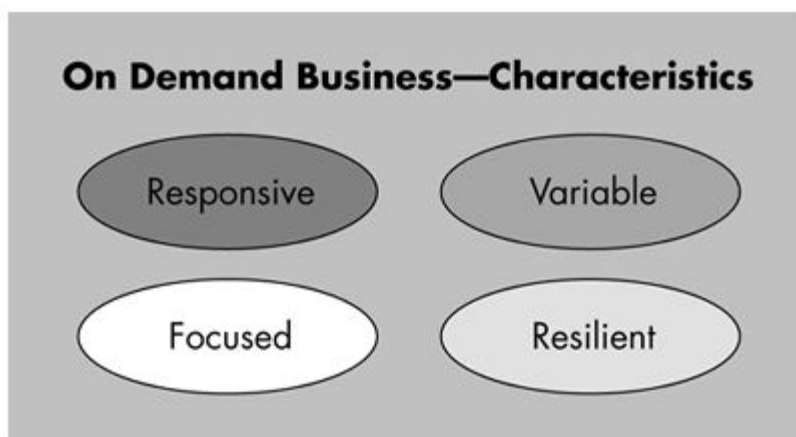

Figure 2.3 Business on Demand characteristics are shared across 4 distinct areas

4. In order to achieve the above core capabilities, a Business On Demand operating environment, as shown in <u>Figure 2.4</u>, must possess the following essential capabilities:

- Integrate. Integrated systems enable seamless linkage across the enterprise and across its entire range of customers, partners, and suppliers.
- Virtualization. Resource virtualization enables the best use of resources and minimizes complexity for users. We can achieve the virtualization of resources through the use of a number of existing and emerging technologies including clusters, LPARs, server blades, and grid. Based on our earlier discussions, we know that grids provide the best use of the virtualized resources for its virtually organized customers within the constraints of service-level agreements and policies.
- Automation. As we discussed in the last section, the autonomic capabilities provides a dependable technology framework for an on-demand operating environment.
- Open standards. An open, integrateable technology allows resource sharing to be more modular. Some of the most notable open standards are XML, Web services, and OGSA standards.
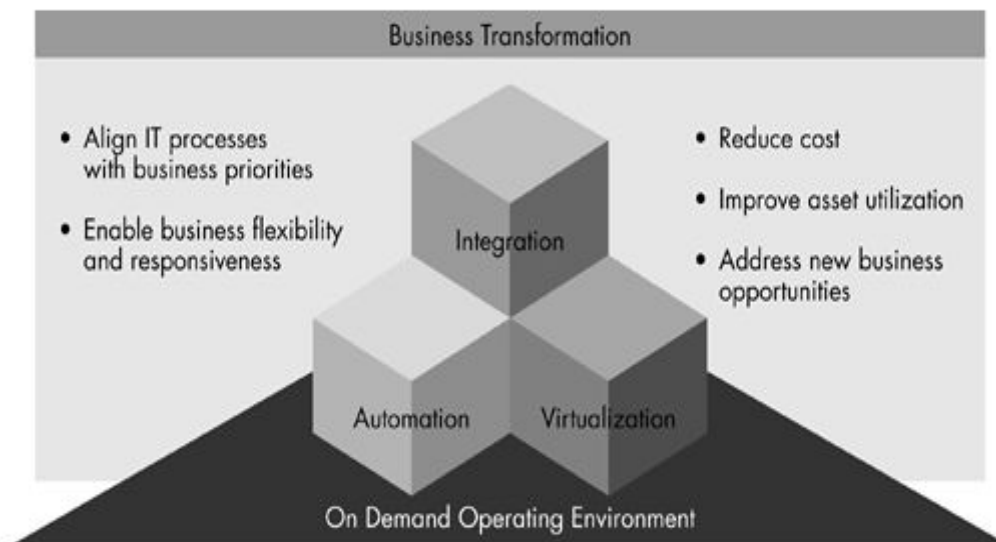

Figure 2.4