Market Roundup

This Week

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Securing Web Services and Content: Notable Steps Forward

By Jim Balderston

Microsoft, IBM, and VeriSign have announced they are joining forces to create a standard for security of Web Services. The new standard, known as WS-Security, is offered as a foundation for a roadmap of Web Service security features based on the Simple Object Access Protocol (SOAP). The security roadmap includes not only standard mechanisms to exchange secure, signed messages in the Web Services environment, but also offers guidelines on policy management, trusted relationships, and privacy. In another announcement, IBM released new software for the management of digital rights, designed to offer need for businesses to protect and deliver digital content. IBM's Electronic Media Management Software (EMMS) digital rights management (DRM) technology is designed to go far beyond music or video, and in fact offers control of text, image, and video, as well as audio. The EMMS is designed to work with IBM's Content Manger and other middleware components, including the DB2 database and the WebSphere line of products. It is also designed to deliver content to PCs, PDAs, CDs, retail kiosks, set-top boxes, mobile devices, and game consoles.

While at first glance these two announcements may appear unrelated, we see both as furthering the cause of Web Services in a significant way. There is no doubt that the issue of security as it relates to Web Services looms large in many enterprise IT shops. We suspect the thinking goes something like this: "It's new, it looks cool; but we still have security issues with technology models that are five years old or older. How can we trust this?" A reasonable question, we believe, and one that will have to be answered in a compelling and authoritative fashion if Web Services are to avoid being relegated to the dustbin of history. We have no illusions that the substance of this first announcement will resolve or ease the fears of enterprise IT, but we think it is a tiny first step in an ongoing sales job that the purveyors of Web Services (IBM, Microsoft, Sun, and a few other biggies come to mind) are going to have to close on if Web Services are ever going to be ubiquitous. IBM's EMMS announcement adds a bit more credibility to this sales pitch. IBM recognizes that information — be it music, video, or internal corporate communications — needs to have safeguards and reasonable security applied in a much more granular form than the old "perimeter-around-the-fort" model. In an age where email and voice mail is the fodder of lawsuits, the

idea that rights and access management can be tied directly to individual documents — like, say, medical records or personnel files —makes a great deal of sense. While we believe that security is not the only issue hindering the adoption of Web Services (new technology adoption fatigue is a more significant culprit) we regard these incremental efforts toward protecting rights, privacy, access, and the documents and data itself as crucial steps forward.

IBM/Sun Introduce Mid-Market Servers

By Charles King

IBM has announced the eServer p670, a new midrange product that includes technologies incorporated in the company's high-end p690 Regatta. According to IBM, the p670 costs 34% less than similarly configured Sun Microsystems Sun Fire 4800 and 6800 servers. The p670 is available in four- to sixteen-way configurations using the same Power4 64-bit microprocessors and building block chip modules utilized in the p690, and offers IBM's software-based virtualization, allowing the p670 to be configured with up to sixteen virtual servers. The p670 includes self-healing technologies derived from IBM's eLiza project, runs AIX 5L, and is ready for 64-bit Linux. The p670 will begin shipping on April 26 with a base price of about $178,000. Sun Microsystems introduced the new Sun Fire 12K (AKA "Regatta-killer"), a four- to fifty-two-way mid-frame server built on technologies utilized in the company's high-end Sun Fire 15K. In fact, the 12K can be upgraded to a Sun Fire 15K. The 12K offers hot CPU upgrades, dynamic reconfiguration, and up to nine system domains. The Sun Fire 12K is currently available, with prices beginning at $599,000. In a separate announcement, Sun stated that it is lowering list prices in its Sun Fire 3800-15K family of mid-frame and high-end servers. Typical configurations of Sun Fire 3800-6800 servers were decreased by 18-36%, and the list price of the Sun Fire 15K by 11-22% in typical configurations.

Setting aside the mutually antagonistic marketing slings and arrows, we believe these announcements suggest that both IBM and Sun are facing similar product strategies and market realities. On the product side, both the eServer p670 and the Sun Fire 12K reflect the notion of leveraging technologies whenever and wherever you can. IBM has been especially aggressive in this space over the past year or so with its eLiza program driving mainframe self-managing and self-healing solutions through the company's product chain. The p670 pushes this formula up a notch in leveraging the company's high-end Power4 chip and virtualization features into its mid-range server line. Sun is following a somewhat similar path with the 12K, slicing processors and intelligent circuitry between the backplane and Uniboards from the 15K to allow significant price cuts. That the 12K can be easily upgraded to its larger brother's status supports the notion that this new server is simply a 15K in waiting.

This tweaking of tried and true solutions is not a bad thing for either IBM or Sun, and points to the simple market reality confronting both companies (as well as their competitors). Despite continuing platitudes by politicos and economists, the recession does not appear to be dispersing as quickly as anyone might hope. In fact, it is not entirely clear to us if or when apparently growing consumer confidence (suggested by the public's willingness to spend more money and/or acquire more debt) will translate into meaningful business technology sales. As a result, the times have been very tough for IBM, Sun and the rest of the IT vendor community, as evidenced by this week's IBM earnings warning and Sun's slashing of server prices. In such a market, wise vendors leverage value every way they can and deliver goods with price/performance ratios so dramatic that customers will be inspired to loosen their well-knotted purse

strings. To our way of thinking, both IBM's eServer p670 and Sun's Sun Fire 12K reflect a necessary response to a difficult reality.

EMC Announces New CLARiiON Disk Drive Products

By Charles King

EMC has introduced two new disk drive products to complement the company's CLARiiON line of enterprise storage systems. The company's 181GB 7,200 RPM disk drive and the 36GB 15,000 RPM disk drive both complement EMC's existing 73GB drives and offer customers wider capacity and performance options. The 181GB drives more than double the maximum CLARiiON capacity from 9TB to 22TB per system, and are intended for use in volume- and bandwidth- intensive applications such as imaging, streaming video, and data warehousing. According to EMC, the 181GB drives will allow users of typical CLARiiON FC4700 configurations to purchase the same hardware capacity for 30% less, with savings growing to over 45% in larger configurations. The high-speed 36GB drives provide maximized value in high-performance I/O applications such as online transaction processing (OLTP), and offer enhanced performance over existing 36GB 10K drives in such applications. The new drives are optimized for use with EMC Control Center Navisphere, the company's Web-based storage management solution for CLARiiON. Both drives are available immediately through EMC and the company's channel partners. Pricing details were not included in the announcement.

While parsing out disk drive specs usually makes us a bit dizzy, EMC's additions to the CLARiiON family offer some interesting food for thought. By allowing overall capacity of CLARiiON storage arrays to more than double, the new 181GB drives are likely to tempt space conscious data center managers and enterprises that are pushing increasing amounts of data onto their SANs. Additionally, the 181GB drives offer slightly higher per-disk capacity and a notable increase in overall system capacity than competing products such as HDS's Thunder systems. The new high-speed 36GB drives are also intriguing, especially when they are compared to the far more common (and slower) 10K drives used in similar situations. Until the competition catches up, we expect the new 36GB drive could give EMC an edge in selling to companies looking to improve performance of ecommerce business processes like OTLP. Finally, EMC's Control Center provides a thick layer of frosting over an already tasty cake. As enterprises have continued to aggressively expand their data storage environments, we believe effective storage management solutions have grown in importance to the point of indispensability, and EMC's ongoing efforts in storage management have served both its customers and the company well. Overall, we see these new drives as evidence that even during difficult economic and troubling political times, vendors with an eye to the future will continue to explore and produce solutions that offer themselves and their clients an edge.

Microsoft Dumps Hailstorm

By Jim Balderston

Published news reports describe Microsoft's decision to end its Hailstorm or "My Services" initiative after running into less than enthusiastic support from potential partners. The My Services initiative was designed to give the consumer a single repository in which personal, financial, and demographic data would be stored and accessed by a wide range of online service offerings. By doing so, Microsoft hoped to expand and lubricate online commerce opportunities for Microsoft software customers by making

identification and commerce a largely invisible process for the end user. According to the news reports, Microsoft was unable to convince potential partners — like major credit card companies or financial institutions — to sign up for the program. Microsoft indicated it would end the consumer My Services initiative but would press forward with an enterprise version that would allow companies to create their own databases internally using the My Services technology.

We always wondered how exactly Microsoft was going to sell this concept to potential partners without offering some significant value-add to the equation for major aggregators of customer behavior and demographic information. In this instance, clearly Microsoft was unable to do so in any meaningful way. Customer data — like buying habit information — is gold to credit card companies and sellers themselves; offering to be the keeper of the information as a third party offers nothing but a downside to these potential partners, who would be one step removed from their most valuable asset: their customers. Given the perception that Microsoft is less than appropriately diligent in the security arena also raises red flags for many potential partners, we suspect. The public relations nightmare that would follow a wholesale exposure of customer buying behavior presents a downside risk of significant brand erosion that few major financial institutions or vendors would want to take. That being said, we do believe that the idea of a single point of storage for an individual's network persona is still a valuable idea and offers significant rewards within an increasingly complex computing environment. Microsoft may find it easier going by offering the My Services technology to enterprises in a fashion that the enterprises themselves manage and control. We expect there would be substantial resistance to allowing Microsoft to have access to employee-specific data, just as there has been with consumer data. On the other hand, allowing users to have a stored repository of the privileges, their access permissions, and identity provides a significant value-add to enterprise IT staff, who can own and manage these profiles in a much more streamlined fashion. As the computing environments of the enterprise become more complex, we suspect offerings like My Services will gain traction and acceptance far earlier than those targeted at consumers and their data in the unruly confines of the open Internet.