



Market Roundup

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Sharpening the Ever Thinner Blade: IBM Announces eServer BladeCenter

By Clay Ryder

IBM has announced its thinnest server to date, the IBM eServer BladeCenter based on Intel's Xeon processor. Its intent is to help large businesses reduce their TCO by allowing deployment of individual blades as capacity demands warrant. The blade server is a server on a removable card that plugs into a chassis, which is installed in a rack (BladeCenter). IBM indicates that its eServer BladeCenter offers superior performance at twice the density of most of today's 1U Intel Xeon processor-based servers and can hold up to eighty-four blades per rack, providing the ability to purchase redundant hot-swap cooling, power, and management modules as well as other automatic failover components, so there is no single point of failure. The BladeCenter supports integrated features including optional fibre switches to support IBM TotalStorage SAN infrastructures as well as Gigabit Ethernet connectivity to support IBM TotalStorage NAS. In the future IBM plans to support InfiniBand and other networking upgrades. In conjunction with this announcement, IBM is also delivering IBM Director 4.1 systems management software that provides autonomic blade management including a single point of deployment and management for blade server architectures, automated set-up and configuration wizards, and support for mass configuration of chassis and blades. The IBM BladeServer will support Linux, Microsoft Windows, and Novell Netware and will be available in volume worldwide in November at the base price of \$1,879.

One of the hot — or cool depending on your point of view — technologies of the past year has been the continued development of blade servers. IT managers that have found themselves amid a sea of cabling, heat dissipation, power consumption, and footprint issues may find solace in the relative sanity of the blade infrastructure and its implications. The current economic climate has stretched IT as its managers deal with the high costs of administration and management while simultaneously facing static or shrinking budgets and ever-rising user needs. A solution to this quandary is simplifying and improving the computing environment without significantly increasing costs. If the number of servers can be consolidated from hundreds down to tens, then significant savings could be realized in administration, management, and the physical environment. Thus server consolidation is a phrase that resonates with many IT managers today.

While server consolidation is possible with traditional solutions where faster higher capacity systems replace multiple older systems, achieving consolidation through blade servers addresses many of the management and physical infrastructure issues that traditional systems introduce. Since blades are designed for dense environments, share subsystems such as storage and networking, and seek to minimize cabling issues they are well suited to meet this IT challenge. We believe that IBM, by focusing on increased performance, density,

environmental controls, and system manageability while providing next generation Xeon based solutions, has raised the bar for blade servers so that the historic tradeoff of blade efficiencies versus processor performance has been effectively muted. The combination of the integrated Systems Management Processor for integrated systems management, the IBM Director product for rapid deployment, Xeon processors, and server density of 7U (14 blades per BladeCenter) positions IBM well to address the market demand for server consolidation, blade infrastructures, and high performance Intel-based solutions. A warning to system vendors like Sun and HP: the cuts from this blade might hurt.

EMC Acquires Prisa Networks

By Clay Ryder

EMC has announced the acquisition of Prisa Networks, a SAN management software vendor that is focused on SMB SAN environments. The acquisition, which is EMC's eighth software acquisition in three years, was completed through a cash transaction valued at approximately \$20 million. Prisa's suite of products include: VisualSAN Network Manager, which discovers, manages, and monitors multi-vendor SAN devices including storage systems, switches, hubs, routers, and HBAs; VisualSAN Configuration Manager, which enables rapid visual identification and isolation of issues within a SAN; VisualSAN Performance Manager, which provides real-time performance monitoring and tracking; and VisualSAN Remote Support Suite, which provides remote support tools for SAN installations. Prisa software will initially be sold through existing OEM agreements with plans for the software to be offered through additional channel partners and EMC's sales organization. Prisa's management team and more than sixty employees will continue to operate in San Diego as part of EMC's Open Software organization.

Storage is more than blinking lights, rotating spindles, and rolls of rust-coated plastic. While for some storage may be seen as the last frontier of geekdom (and boredom) in the IT environment, the reality is that storage is shaping up to be one of the most important and interesting aspects of IT. As the demand for information continues to grow and the distributed nature of computing, grids, and other initiatives continue to make their influence felt, the notion of a single datastore supporting a single application on a single server is as archaic as the horse-drawn cart. While larger enterprises have been to take advantage of SANs, NAS, and other storage solutions, the limited availability of moderate- to low-cost solutions for smaller organizations have effectively kept much of this powerful technology out of reach of many businesses today. At the same time, commodity hardware, including disk drives, continues its downward trajectory on price, or alternatively its price/performance ratio continues to rise. Thus, the value proposition for vendors is increasingly highly differentiated hardware implementations, services, and the all-important product called software.

EMC has clearly understood that hardware alone will not allow it to thrive in, let alone drive this market. The company's investment in intelligent storage software is a clear reflection of this reality and the acquisition of Prisa bolsters the company's position into the lower end of the SAN marketplace. At the same time, the audience for Prisa software is one ripe for continued building of channel partnerships, which not so coincidentally is the way for enterprise vendors to gain traction in the SMB marketplace. Add to this the established OEM distribution agreement with Dell and one can see that this acquisition provides EMC's ability to deliver automated networked storage capabilities to the broader market. The decision to build or buy is an ongoing one, and with Prisa it seems EMC is betting that these additions to its family of Intelligent Supervision products will provide a significant time-to-market advantage in the entry-level SAN management market. As such, we expect to witness renewed vigor in EMC's SMB initiatives as the company continues to broaden the opportunity for its products to play in all sectors and sizes of the marketplace.

Chaos on the Privacy Front?

By Jim Balderston

Stakeholders in the information privacy debate gathered this week in Cleveland at the Privacy 2002 Conference in the latest installment of activities designed to bring forth compromises concerning information

privacy. A key issue of discussion at the conference is the 2004 expiration date of a provision in the Fair Credit Reporting Act that prohibits states from enacting tighter privacy guidelines than federal statutes. In early 2004, states will have the power to write privacy regulations that are stricter than existing nationwide laws. The U.S. Congress is considering new privacy standards as well, and may attempt to limit how much leeway the states will have in going past federal guidelines.

If Congress does not pass legislation limiting individual states' abilities to pass more stringent privacy regulations, we see an increasingly chaotic landscape unfolding. Different states will pass different levels of privacy legislation: what may be legal in Texas could then become very, very illegal in California, for example. Furthermore, we would expect to see not only states taking action to appease increasingly alarmed consumers (and voters) but counties, cities, and towns getting into the act.

In this mish-mash of competing and often contradictory regulation, managing what can and cannot be collected or disseminated would become a near-impossible task, as banks and financial companies rarely operate in a town, county, city, or state. At the same time, it is very clear that both the gathering and dispersing of personal financial data have become much more sophisticated operations in the past decade. Consumers have reasonable concerns about who has access to records that offer a detailed diary of a practically every action a person takes. While Congress is unlikely to act this year on the issue, it appears that it will move next year to head off the problems created by giving the states the ability to set privacy standards above and beyond federal controls. If they don't, they will certainly have to a few years down the line, when privacy regulations are being written and amended on a nearly quarterly basis. A growing consumer concern and awareness will drive vote-hungry politicians to actually try and accomplish something before their next election cycle.

Is BT Getting the Internet?

By Jim Balderston

BT has announced that it is launching a Web Services offering that it hopes will provide a computing environment allowing any computer running any application to communicate with any other computer, regardless of software, operating system, or platform. The company said it has revealed a five-step methodology for approaching Web Services to assist customers in meeting present and future computing needs. The company also announced that it has named Microsoft as its first alliance partner to provide these services. Finally, the company announced that it will offer business-class environments using Web services that address security, performance, and control.

BT has been mucking around with the Internet for some years now. It was one of the earliest of the big national telco carriers to show interest in finding ways to leverage its position to be a dominant force in Internet services as well. Yet BT has always struggled a bit to get the bloody thing right. Consumer bandwidth rollouts have gone less than smashingly; market penetration lags as a result. Does anyone remember Concert?

Under pressure to find new revenue streams, BT has a window of opportunity to get to the rather unfamiliar position of being ahead of the curve with Web Services, as the market for such offerings is only beginning to mature. Bringing aboard Microsoft — with its laser focus on Web Services — can't hurt a bit and may well provide the spark BT needs to establish a solid position in this emerging marketplace. BT needs to make this gambit work, and make it work in the next few years, as its once dominant position for all things involving communication in the UK is being aggressively eroded by more savvy and nimble competitors. Despite new challenges, BT does offer the ability to propagate Web services more widely than anyone else in the UK, a significant value proposition for both BT and the adoption of Web Services themselves. Yet we still have to take a wait-and-see approach here. BT offered little or no information about its Web Services offering beyond what is described above, and its Web site offers zero documents when searched against the phrase 'Web services'. All of which leads us to wonder if there is any more substance to this announcement than the press release itself, which would be a shame as BT's window of opportunity in Web services will close in the relatively near future, possibly never to be opened again.