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Market Roundup

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EMC Announces Symmetrix DMX Upgrades

By Charles king

EMC has announced several upgrades to its flagship Symmetrix DMX systems introduced earlier this year. The company introduced the DMX 3000, a new top-end system that supports up to 576 drives for a maximum raw storage capacity of more than 84TB. According to EMC, the DMX 3000 delivers twice the capacity and up to twice the performance for certain applications compared with the DMX 2000. EMC also introduced a new entry-level configuration for its DMX 800, which provides all the attributes of a full DMX system with a starting price 30% lower than the original DMX800. The company announced new advanced replication software including SRDF/A, EMC Snap, and Native GbE SRDF connectivity for Symmetrix DMX, as well as native iSCSI connectivity for DMX systems. iSCSI is implemented through a new Multi-Protocol Channel Director, which allows users to mix and match iSCSI, FICON and GbE SRDF connectivity ports. EMC also announced a Symmetrix DMX-based implementation of IBM's XRC Version 3 replication software for mainframe environments, as well as support for IBM's Geographically Dispersed Parallel Sysplex solution and 2Gb FICON connectivity. Finally, DMX systems now support Fibre Channel connectivity to IBM's iSeries servers. EMC Snap is available immediately and all other announced products will be available in September 2003. List price for the new Symmetrix DMX800 starts at $284,000, while the starting list price for the Symmetrix DMX 3000 is $1.7 million. Software list prices are based on capacity tiers, with SRDF/A beginning at $20,000 and EMC Snap beginning at $33,000.

While the sheer number of enhancements EMC announced for its Symmetrix DMX line is impressive, we believe some of the smaller additions may have more lasting repercussions than the larger. Sure, doubling the capacity and performance of the DMX 3000 is a showstopper, but the fact is that these changes will affect a comparatively small number of enterprises with major storage requirements. More interesting to us are the performance enhancements and price reductions for the entry-level DMX800, a system that provides full Symmetrix performance, yet does not require installation in raised floor datacenter environments. This, combined with the addition of native iSCSI (currently missing from the company's CLARiiON product line) suggests that EMC is positioning Symmetrix as a powerful, affordable storage consolidation option for mid-market companies. The new Multi-Protocol Channel Director and Fibre Channel support for IBM's iSeries servers reinforces this notion, as does EMC's recent extension of its partnership with Dell.

However, EMC is not dropping its focus on the high end, as is evidenced by the DMX family's new mainframe enhancements. Most reviews of the original DMX systems remarked on the absence of FICON support, which was especially notable given the traditional popularity of Symmetrix among mainframe customers and IBM's interest in selling its own Shark storage solutions to these true blue customers. These latest improvements appear to have plugged those original, obvious holes and made Symmetrix seaworthy for a host of new and interesting waters.

IBM Puts Its Money Where SMBs Are

By Jim Balderston

IBM briefed analysts this week concerning a number of third-quarter initiatives being pursued by the company's Global Financing unit. Among the efforts is low interest financing for hardware and software sold in the U.S., including 2.75% interest rates for non-PC hardware, 2.15% for software and 3.35% for PCs. These offers are for

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purchases between $25,000 and $1 million and cover everything but the zSeries servers. The company also offered a deferred payment option, in which customers would not have to make payments until January on purchases covering the same offerings. The promotional financing offer is good through the end of September. The company also discussed its ongoing computer hardware reclamation efforts, noting that 315 million PCs will reach obsolescence in 2004. Finally, the IGF also noted that its ongoing financing efforts are also focused on help SMBs, by offering a streamlined credit approval process, competitive financing rates, and financing for solution packages as part of the larger, company-wide IBM SMB initiative.

While IBM's Global Finance unit may not be the most glamorous element of the high-tech world of IBM, its role in the company's future is clearly integral. Not only does the unit help IBM and business partners move more product into the market, it is also, we believe, helping facilitate that movement by offering comprehensive ways by which to dispose of obsolescent equipment in an environmentally safe and data-sensitive fashion. IBM officials described situations where companies were warehousing old PCs or hard drives in prime real estate because they had concerns about how to unload the boxes in ways that would be environmentally safe and not allow potentially sensitive data to slip into the wrong hands. In short, IGF is offering a final migration path for hardware that otherwise would remain expensive dust collection devices with the potential to leave their owners exposed to legal action. In our minds, the idea of helping customers rid themselves of IT clutter is an interesting way to seed the market for new purchases. If nothing else, relieving the clutter of stored junk psychologically opens the door to new purchases. Out with the old, in with the new.

Perhaps most notable among the elements of these announcements were the obvious and pointed references to the SMB market, specifically the medium-sized enterprise. As we have noted when analyzing past IBM announcements such as the Express portfolio rollout, IBM seems to have made a company-wide commitment to the SMB space that goes far beyond marketing jabber and obligatory slide insertions. IGF personnel are clearly well entrenched in the IBM SMB internal loop, and are putting their money where their business partners and ISVs are, which in our mind is the soundest way to reach down to the mid-tier market. While we are sure IBM will continue to ardently pursue the high end of the market, its ability to create a company-wide strategy for the pursuit of SMB market share not only provides a market for lower-end “entry point” products but also a migration path for maturing technologies that have largely been targeted to date at the high end of the market.

Penguins Spotted Driving Enterprise Applications

By Joyce Tompsett Becknell

Last week SuSE Linux announced that they had signed a Cooperative Support Agreement with SAP for their joint enterprise customers. The agreement outlines SuSE and SAP's ongoing commitment to customers running SAP on Linux with a range of services that provide support from a single source. The services are as simple as pre-defined response times for problems during normal business hours and as complex as provisioning full-time support engineers trained in a customer's specific application environment on-call 24/7. The agreement is meant to provide customers with the security that running an enterprise level application like SAP on Linux is viable and merits the same levels of service as SAP on other architectures.

The relationship between SuSE and SAP is not new. SAP first certified SuSE for the x86 architecture in April 2001. That was followed by certification for mySAP.com in June of the same year, and certification for the IBM zSeries mainframe in May 2002. In September 2002, SuSE was named an SAP Global Technology Partner, putting it in the same league as Dell, HP, IBM, and Sun. With this latest announcement, SAP and SuSE are like a couple who have been cohabitating for the last few years and have finally decided to tie the knot and make everything official as a public demonstration of their deep commitment to each other. There are currently in the neighborhood of 2,000 SAP installations on Linux, which pales in significance to overall SAP installations, but nonetheless represents a growing interest in the platform. For SuSE, this announcement is clearly a win. It is yet another proof point in a growing list that Linux is ready for prime time. SAP is the ultimate independent software vendor (ISV) with whom to partner and SuSE is the first Linux company to publicly do so. In the polygamous world of software alliances, being first is often the most important step and demonstrates that not only is Linux enterprise-capable, but that SuSE is driving that charge. As a German company, SuSE has frequently lagged behind American RedHat in the marketing wars. It is hoping to snatch some of the spotlight with this alliance. While SuSE is strong in much

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of Europe, it clearly has much ground to gain in other geographies, particularly the U.S. This announcement should help.

For SAP, Linux remains a smaller revenue stream, and therefore more a strategic than a tactical partner. At the same time, the enterprise application space is fraught with strife, consolidation, and a need to win more customers at a time when customers are clutching their purses tightly and are loathe initiating grandiose software projects like ERP, supply chain, or CRM. Linux frequently turns up in enterprise discussions as a low-cost alternative to other platforms, and SAP wants to take advantage of this. In addition, companies such as IBM's mainframe division are using the combination of zSeries with Linux and zOS as an attractive server consolidation story that encourages customers to develop their breadth and depth of SAP while making the underlying infrastructure easier and cheaper to manage and grow. Surely this has appeal to SAP, who continues to modularize their product in an appeal to newer segments such as the mid-market as well as its traditional base who knows them best as an ERP platform. In this announcement, SAP gets to remain platform-neutral as software companies must do, yet still provide a clear signal that Linux is as serious an operating system for them as any other. It remains for savvy salespeople to take advantage of this announcement to soothe cautious enterprise customers and translate this announcement into wins for both companies.

Do Not Call List Sued: Wither Do Not Spam List?

By Jim Balderston

The American Teleservices Association (ATA) filed a second lawsuit this week with the 10th U.S. District Court of Appeals asking that the court to reject new regulations concerning unsolicited phone calls as promulgated by the Federal Communications Commission. This action comes on the heels of a similar suit filed by the telemarketing industry in January, in which the ATA sued the Federal Trade Commission over the newly activated National Do Not Call Registry. Some 28 million phone numbers have been placed by their owners in the national registry, which also included in its database those that signed up for state-sponsored do not call lists. Federal officials expect that number to grow to 60 million phone numbers by the middle of next year, more than a third of the 160 million residential phone lines in operation today. The ATA said that the Do Not Call Registry will cost as many as 2 million jobs nationwide. Other lawsuits from telemarketers are expected to be filed against the Do Not Call Registry regulations in the coming months.

It should come as no surprise that the ATA has decided to take its case to court and hope for a favorable ruling. With millions of people signing up for the right to eat their dinner unmolested, and with millions more apparently about to do so, the telemarketing industry has little choice. Telemarketers see their market opportunity going up in smoke. When one considers that "no soliciting" signs on front doors actually tell most door-to-door salesmen that a pushover lives inside, the 28 million folks who have hung a similar sign on the home phone numbers must be nearly heartbreaking to the ATA. All those easy marks and no way to reach them.

If the ATA is successful in court, those now peaceful dinners (at least as regards the lack of annoying telemarketing calls) will again become a thing of the past, spawning a new round of legislation and the inevitable lawsuits. Also at risk, and of much greater interest to us, is the effect the potential success of the ATA legal actions could have on the nascent movement to create some sort of "Do Not Spam" registry, now making its way through the back corridors of the U.S. Capitol building. A successful attempt to defend the right to make unsolicited phone calls could put the anti-spam efforts on the back burner. As we have noted in earlier discussions of spam, we believe the solution to the problem will a combination of technology and legislation. And even more than in anti-telemarketing efforts, for anti-spam developments, legislation will be crucial. Unlike telemarketing operations, which have sizable physical plants, payrolls, and visibility, spammers remain largely small, hard-to-find operations that can jump from email server to email server with little muss or fuss. Such mobility and obscurity creates an environment that encourages not only annoying behavior, but in many cases criminal actions. Scam artists of all types have flocked to spamming as a relatively safe way to separate some unsuspecting types from their money by means of outright fraud. For this reason more than any other, anti-spam legislation needs to move forward, regardless of the telemarketers' successes in court. With luck and good legislation, the future could be one where you can read your email in peace while you eat dinner without hearing the phone ring. Is it too much to ask?

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