Market Roundup

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HP Adds to the Company ILM Offering from Inside Out

By Rob Kidd

This week HP StorageWorks announced a series of new products and services designed to help build out ILM solutions, assist customers in reducing IT operating costs, and protect existing infrastructure investments. HP introduced Reference Information Storage System (RISS) version 1.1, increasing smart cell capacity from 400GB to 850GB for the active archiving system. The company also introduced Reference Information Manager for Messaging (RIM) version 1.1 for active archiving, with Lotus Domino support. Complementing these products HP also introduced the RISS API and SDK to help drive HP ISV ILM applications development, and thirteen ISVs that are porting applications to the RISS API. HP also introduced File System Extender (FSE) version 3.1, which automates data movement for allocation and tiered storage alignment with business needs. FSE is available now, with a single server license starting at $15,000 for 1 Terabyte and the client license priced at $4,000. RIM is available now starting at $30 per seat. RISS version 1.1 is available now starting at $125,000.

Current RISS customers, particularly those with active archive expansion plans, will likely find this a positive announcement, based on new performance capabilities and pricing. We believe that this is intended to stimulate RISS demand, which is critical to achieving broader HP ILM goals. In addition, the RISS API, SDK, and initial ISV showcase is targeted at attracting third-party RISS and ILM component vendors, whose support will be essential to HP in order to garner the broadest marketplace acceptance. Given HP's less-than-leadership position with respect to ILM compared to IBM and EMC , the company is probably seeking to leverage third parties to rapidly expand its ILM efforts beyond the current collection of point products. Recent events seem to demonstrate this approach may be working: HP announced that twenty-two ISVs have recently joined the HP ILM partner program.

A predominate HP ILM customer value proposition is enabling customization based on customer business needs. The company's publication of the RISS API and support for emerging open ILM standards help reinforce this value proposition. Customers that are actively pursuing ILM want to avoid any lock-in to a particular vendor's ILM implementation or technology. The RIM offering nicely supports this open thrust by stating that HP is customer system agonistic with respect to application selection. To this end, HP's goal seems to be established as the base infrastructure vendor with the customers plugging in the applications that best fit their needs. In this respect, the FSE product works very nicely, in that it provides a basic application tool for automated ILM policy management. Another potential source of ILM-linked revenue for HP is in the services arena. HP's services organization is nicely positioned to help customers address ILM issues. In summary, we believe that the announced products and services will help HP address gaps in its ILM technology, but there is still additional work that needs to be done if the company is serious about moving into a leading market position with respect to ILM.

Novell: Linux for the Masses (or at least SMBs)

By Jim Balderston

Novell has announced the upcoming availability of Linux Small Business Suite 9, a server-to-desktop Linux offering that will be priced at $475 per five-user license or $252 per five-user license for customers upgrading from certain Novell products or competitive products. Linux Small Business Suite 9 will support up to three servers and one hundred users. The new offering is scheduled to be available at the end of March and will be sold and supported by vendors such as HP and Dell. Both companies will ship hardware with the product installed.

In our mind, Novell can do very little wrong in pursuing the SMB market, which continues to grow as a revenue source for IT vendors as these companies become more and more sophisticated in their IT deployment decisions. The price points of these products will certainly turn more than a few heads, as $50-100 per seat for both server and desktop deployment is going to be hard to beat for many competing vendors. Microsoft is clearly the target in this Novell initiative, and if the company follows through on creating a vibrant ISV and partner ecosystem, then Novell will have an opportunity to make real headway in the SMB space.

Novell, like other enterprise call vendors, also has the ability to bring its enterprise-class product experience and pedigree to the SMB market. As we have noted many times before, this experience gives enterprise-class vendors a real advantage going into the SMB market, which looks less different from that of their larger cousins with each passing day. As more and more SMBs become integrated into their larger customers' supply chains, they are going to have to provide enterprise-class reliability and interoperability or lose business opportunities. The SMB is now being forced to find cost-effective ways by which it can play within the large elephant enterprise IT framework in a fashion that will allow it to grow and scale as needed in the future. Novell seems to offer a very reasonable solution to this SMB quandary. Power to the people!

Novell Reorganizes around Core Strategic Businesses

By Rob Kidd

This weeks Novell's BrainShare event was the occasion for announcements spanning products, acquisitions, alliances, and a company reorganization. The company indicated that will align product development with its strategic businesses based upon two initiatives: Linux, open-source platforms, and related services; and strategic customer solutions based on identity management. Currently there are four product business units: Nterprise, Secure iServices, Resource Management, and SuSE. Under the new regimen, Identity Services will combine the Resource Management and Secure iServices units, and Platforms and Application Services will combine the Nterprise and SuSE units. Complementing the reorganization Novell kicked off its Identity-Driven Computing (IDC) initiative with the announcement of two integrated architectural platforms, Application Services Foundation (ASF) and Identity Services Foundation (ISF), designed to secure and manage enterprise IT. The architectures will be made available as a set of SDKs providing partners integrated security and application services stacks.

ISF and ASF deliver an integrated application and identity platform based on standards and open source. Using IDC components developers can build and deploy solutions that leverage open source to provide a custom, aggregated identity view from different sources for applications. IT continues to face the burden of managing regulatory requirements, consolidation, and a global workforce. IDC takes the approach that this complexity can best be managed by adaptable technologies that leverage business assets. We believe that Novell is positioning IDC as open source, standards-based, demand-driven computing. (The IBM equivalent IDC concept and nomenclature is on demand computing.) Unlike some other vendors' equivalents, IDC is an open standards-based architecture and framework, perhaps the first such attempt. The technology and common services from ISF and ASF will be included in Novell products, as well as partner products.

We believe that Novell's reinvention strategy, culminating with this current reorganization, is good news for Novell and customers, but has still not yet been fully manifested in the company's financial operating results. New additions such as Open Enterprise Server (OES) operating system further serve to strengthen this cause. Further,

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by spanning the hierarchy of the various open services stacks, Novell is in a good position to deliver a strong complement of holistic and value-added services and products to enterprise IT. Novell has a strong historical legacy and expertise to build on. Under the new regimen, the company will have a number of new revenue opportunities to focus on, but would be well advised to continue its building out the IDC offering. The Novell effort will nevertheless be subject to assault from vendors like Citrix and Sun that are deploying identity management strategies and products of their own, and all the other vendors who wish to occupy core architectural space in the enterprise IT environment. Enterprise architectural space and mindshare are a crown jewel and brass ring that all vendors are grabbing for; Novell included.

IBM to Spammers: "We Don't Like Spam!"

By *Jim Balderston*

IBM has rolled out a trial version of a new anti-spam technology that the company asserts will help cut the cost of spam and its related security risks within enterprises. The new technology, dubbed FairUCE (Fair Use of Unsolicited Commercial Email), is built to block spam before it reaches an enterprise network. FairUCE attempts to determine the legitimacy of an email by analyzing its domain identity, and determining if that email is coming from a legitimate domain. IBM asserts that this process will eliminate spam generated by a zombie computer or a bot. IBM claims the value proposition of FairUCE is that it can discriminate between email sent from illegitimate sources and those that are from legitimate and traceable email servers, and says that the FairUCE offering will eliminate emails from spammers who hide behind false email addresses. The FairUCE technology is available through IBM alphaWorks, the company's online community offering technology that leading edge IT companies can access and deploy.

While this offering is only in the pre-product stage, we would posit that it represents yet the latest version of an old truism of computer security: layered security is much better than monolithic security walls or points of entry. What IBM — with all of its market presence — is pushing forward is the idea that security must be much more than a wall around a castle. Any and all military historians would note that hiding behind walls is a loser's game.

To take this point a bit further, it is important to remember that security is not just about securing the origin or destination of an item but also about securing the path between Point A and Point B. IBM's FairUCE experiment recognizes the fact that the network itself is a tool to be used for security purposes and for securing — or validating — that path. Certainly Cisco Systems has been arguing that the network itself must play a greater role in securing the overall footprint of the networks, and in our opinion they are on the right path. As the interconnectivity of all computers continues to grow exponentially the distance between each of the computers on the network grows smaller. Any security strategy that does not recognize this simple fact is doomed to be tragically ineffective. Instead of trying to wall off parts of this ever more concentrated network, the prime effort for IT security should be protecting each and every link of the chain of communication, offering the ultimate in layered, responsive defense.

IBM: Going Virtually Virtual

By *Jim Balderston*

IBM and VMware have announced a three-year extension of the two companies' ongoing relationship while also taking moves to accelerate the adaptation of software virtualization. The two companies announced that they would be offering a suite of VMware products for a six-month free trial with the purchase of IBM BladeCenter products. The VMware offerings included in this special promotion include VMware ESX Server, VMware Virtual SMP, VMware Virtual Center, and VMware VMotion.

VMware was recently purchased by EMC and is a leading vendor of software virtualization products.

As the ongoing urge to consolidate and simplify IT deployments maintains momentum, the opportunity to deploy hardware that reduces physical and computing complexity will be irresistible to many operations. Blade computing may not initially take over large glass-paneled air-conditioned rooms, but we suspect over time blade server value propositions will fuel greater and greater deployments. The ability to hot-swap hardware and reduce

physical complexity with common backplane shared resources just makes too much sense in many IT environments. Adding the ability to virtualize the innards of each blade server makes the granularity of the offering even more dramatic and powerful.

The real question in our mind is this: Is six months a long enough period to let customers play around with VMware products to the point where they will actually purchase and permanently deploy them? We are not sure at this point, since for many customers "virtualization" in any and all forms is white lab coat technology that they can't see the need for deploying anytime soon. While that may indeed be a widespread misperception of the technology and its value proposition, we believe IBM is going to have to make a concerted effort not only to promote the value proposition of both forms of virtualization, but also to provide the lines of distinction between software and hardware virtualization. Forcefully making the case for how virtualization plays up and down the food chain, both technically and financially, could provide a boon to IBM given its relative high-profile in virtualization efforts. For such an effort to be successful, the company needs to generate and disseminate clear, concise benefit opportunities to customers in the next six to twelve months. Not doing so would muddy the waters for some time to come, costing IBM, and VMware, a unique opportunity.