
Market Roundup

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IBM Offers Control through Public Image Monitoring Solution

By Joyce Tompsett Becknell

IBM's latest offering is a new software solution that enables businesses to monitor the deluge of information lurking on the Web. IBM believes this will allow new insight into traditional marketing domains of brand reputation, as well as customer, competitor, and public opinion. The product is called the Public Image Monitoring Solution, a software offering designed with Nstein Technologies and Factiva.

The product is designed to allow organizations to analyze information from blogs, newsfeeds, consumer review sites, newsgroups, and articles published on the Web. The Public Image Monitoring Solution is based on IBM WebSphere Information Integrator OmniFind Edition for deploying UIMA-based text analytics solutions, and relies on IBM's expertise in text analytics and semantic search technology. The solution also leverages multilingual text analytics from Nstein Technologies which enables the extraction of metadata. In addition, the solution enables organizations to incorporate content from Factiva, such as newsfeeds and published articles. The Public Image Monitoring Solution is built upon the Unstructured Information Management Architecture (UIMA), an open framework for building analytic applications that provide domain-specific applications, analytics, taxonomies, and ontologies that can uncover latent meaning, relationships, and facts buried in information sources.

The art of marketing is about constructing the right message for the right customer base, getting that message out with the right medium, and then measuring and analyzing customer response and feeding it back to the company. The traditional media were designed to target broad messages to large customer segments. With the Internet, a million sub-segments have emerged and begun to create communities that transcend or obliterate traditional customer segmentations. Trying to market to all those communities would have been an expensive proposition once upon a time – with the Internet, it is easier to reach these communities – but one has to know that they exist and where they are. Additionally, with traditional marketing the marketing department had relative control over the message. For the most part, the message presented to the public was the message the company wanted the public to have. Customer service issues remained a private conversation between a customer and the company unless tremendous work was done to build a grassroots campaign to get a company's attention. With the internet, one well-read blog or news site can have tremendous impact on a company or product's image. Again, knowing what's out there is half the battle. The sheer volume of traffic requires advanced technology for identifying, tracking, and managing information. This product could have a significant impact on an organization's marketing knowledge and ability to respond. Smart companies will learn how to use micro-communities to build better campaigns or how to ride the crests of new trends quickly. In some ways, viral marketing is an early example of using the Internet to drive marketing.

It's a bit of a truism that American companies are better at customer service than European companies. It's also said that American consumers are more demanding than European ones. (No causal analysis implied here.) With the Internet, however, national boundaries begin to melt, and problems and opportunities can cross borders and languages more easily. One can only hope that perhaps some of this desire to analyze and respond to customer

sentiment will be found in European companies as well as in their American counterparts. We'd be happy to provide a list of our favorite candidates for improved marketing over a glass of fine Barolo any day.

HP Announces bc1500 Blade PC

By Clay Ryder

Hewlett Packard has introduced the HP bc1500 blade PC, which is the latest addition to the HP Consolidated Client Infrastructure (CCI) solution. The CCI solution is targeted at those seeking to limit traditional desktop computing risks such as theft, viruses, and lost data, while maintaining a high-quality, personalized desktop experience for end users. CCI consists of access devices at the user site, such as HP Compaq Thin Clients, that connect to dedicated HP blade PCs. Users are dynamically allocated one-to-one connections through Microsoft Remote Desktop Connection software to an available blade PC, which retrieves user profiles from centralized networked storage located in a data center. The HP bc1500 blade PC features a low-power AMD Athlon 64 processor that delivers enhanced performance and the flexibility of 32-bit and 64-bit computing. The company states that the HP CCI delivers the most blade PCs per square foot with one of the lowest power and cooling requirements in the industry: the blade PC consumes only a fraction of the power of a traditional PC. In addition, HP CCI supports more advanced versions of HP Systems Insight Manager and HP Rapid Deployment Pack. The HP CCI solution is available immediately in the United States and Australia with pricing to vary by region. Configured and tested HP CCI solutions based on customer specifications are available through HP's Factory Express facilities. The HP bc1500 blade PC has a three-year "Advanced Exchange" warranty and is compliant with EU Reduction of Hazardous Substances codes.

This announcement is interesting for a couple of reasons. The choice to go with AMD as opposed to the original Transmeta offering may be in reaction to a perception that the less-than-overwhelming sales of the original blade PC were impacted by the choice of a tertiary x86 architecture supplier. Likewise, the lack of a 64-bit transition path may be laid to blame, but there are few 64-bit desktop applications on the market today. While we believe that these may have been factors, the basic issue to us is the underlying philosophy behind HP's blade PC. To be clear, we are great fans of blades and blade-based systems as they offer the ability to consolidate unwieldy infrastructure into a tidy footprint, but more importantly provide higher efficiency through the sharing of typically underutilized resources to meet the dynamic needs of organizations. This lack of virtualization is where the blade PC misses the mark in our view.

HP's blade PC approach, while tidying up the footprint in the data center, still maintains a one-to-one correlation between the user and the CPU, disk, RAM, and other system resources. Thus, much of the inefficiency of the desktop PC remains as there is no sharing of inherently underutilized resources. Although there is some macro efficiency gained through pooled access to PC blades, e.g., if only 70% of users are actively using a PC at any given time, an organization can get by with 30% fewer PCs, but this pales from an efficiency standpoint from virtualized solutions. Although HP argues it can pack more blades per square foot, this begs the question: why not reduce the number of blades needed altogether? The strategic and long-term financial advantage of CCI seems to be less than that of a virtualized scheme. Perhaps some enterprising user would think to deploy VMware on an HP blade PC and may be able to make it work as a virtualized resource, but why this is not just part and parcel of data center-focused consolidation offering eludes us. While HP states that the one-to-one relationship addresses porting and performance issues, to us it seems HP's desire to substantially grow its thin client market is coloring its judgment. In some respects this approach sounds so 1996 to us. But then again in 1996 this offering would have bested the NC, NetPC, and other lackluster alternatives to the one-user-on-one-desktop model. The only problem is that today's calendar reads 2005.

ECI Boosts ShadeTree for Service Providers

By Joyce Tompsett Becknell

This week ECI Telecom launched its ShadeTree Management Suite. The product is designed to give broadband service providers the ability to deploy residential and business services with minimal operational overhead. ShadeTree Management Suite is an open service provisioning and policy management system, which includes

automated configuration of network elements along with simplified service definition, which ECI believes will reduce the time and costs related to deploying Layer 2 and Layer 3 VPNs and on-demand triple-play service. ECI claims that ShadeTree Management Suite is designed to integrate non-intrusively with existing services and applications on the network and consolidates across the broadband service platform and the Authentication, Authorization, and Accounting (AAA) system.

Service Providers are seeing drastic and swift changes in their business model, with less reliance on static services and development of dynamic residential services. The rapid rise of VoIP technologies, delivered by companies like Vonage and Skype to business and residential users, means that voice service revenues are diminishing. Competition for broadband in many countries also means that flat-rate data service is also hard to grow once an area reaches saturation. Service Providers increasingly are turning to advanced residential and business services to diversify and expand their revenue base. The goal is to provide new service bundles quickly and to be able to adapt them to customer demand. Without proper management, this is a tricky proposition and difficult to execute upon. At the same time, Service Providers do not want to have to rip and replace existing infrastructure, especially since some of the European SPs are under the burden of debt taken on from next-generation mobile infrastructure; they need to be able to leverage what they have wherever possible. The ShadeTree Management Suite is designed to provide services that are access-agnostic, on-demand, and personalized.

The challenge of course is not with ECI's product but with the market in general. Service Providers need tools like ShadeTree Management Suite to create services, but they also need to identify the appropriate services, and more importantly to improve their service delivery capabilities. In addition, many services currently offered are too expensive, particularly if one is roaming (as happens frequently in Europe), or are too difficult to use. Also, service and support is less than stellar for many services. The market has great potential, but services need to be priced appropriately, and in patchwork-quilt service provision geographies such as Europe, Service Providers are going to have to learn to work together to improve the customer experience and drive more business. One can travel from New York, to Chicago, to Dallas, to San Francisco and have a stable service provider and cost structure. The same can not be said if one travels from London, to Paris, to Milan, to Munich. If ShadeTree Management Suite can lower network management and service provisioning costs, then maybe the Service Providers will be able to give greater thought to customer service and savvy service delivery. That is a monumental good thing.

Grokster is Dead! Long Live Grokster!

By Jim Balderston

Grokster has announced that it is shutting down its present service and has paid \$50 million to settle legal claims with the Recording Industry Association of America (RIAA) which sued Grokster over issues surround peer-to-peer file-sharing of copyrighted content, most notably music. The company's Web site indicated that a new version of the service, which would comply with existing laws, would be coming in the future. The Grokster case made it all the way to the United States Supreme Court and was adjudicated in favor of the RIAA. The remaining sites copying Grokster's business model are expected to follow suit and settle with the RIAA, as other competing sites have done already.

The RIAA may be pounding its chest in wake of its crushing legal victory over Grokster and similar services, but we suspect such gloating will not last for long. Regardless of this legal victory, the way music is selected, obtained, distributed, and promoted has been changed forever. There is no going back to the good old days when the industry distribution and promotion vehicles were firmly in its control to the point that if a consumer wanted to buy a single song, he had to cough up \$15 or so for a CD that might contain no other content of interest to the buyer. Those days are forever gone.

Like many cavalry scouts, leading edge innovators can end up with a chest full of arrows due to the fact they are so far out ahead of the pack. Grokster is the latest example of this ongoing phenomenon, the provider of a truly disruptive technology or service that in the end is overwhelmed by the entrenched forces that it so clearly threatens. Grokster, like many companies before it, may well fade into memory or become a shell of its former self

(see Netscape, et al) but the changes they spawned will live considerably longer. The recording industry is facing a series of challenges on how it can distribute its content in a way that consumers now demand, which is far from the old Top 40 play lists and music store distribution model. iPods and MP3 players allow consumers to pick and choose what they want to listen to when they want to listen to it, undercutting both the concept of CD albums and radio stations or networks themselves. Grokster's role in this revolutionary change in content selection and delivery cannot be overstated, even if the company's original business model and technology are a thing of the past.

Secure that WiFi or Go to Jail!

By *Jim Balderston*

Officials in Westchester County, New York are considering a proposal that would require all businesses and private WiFi networks to secure their wireless connections or face legal ramifications. The proposal would require all commercial operations with open WiFi connectivity to install a network gateway server with a firewall installed. Home offices would also have to comply, even if the network has encryption enabled. All businesses offering WiFi connectivity would have to register with the county and would face fines of \$250-\$500 per infraction. County officials indicated that they detected nearly 250 unsecured WiFi connections in less than thirty minutes of driving around the county.

This story brings to mind that old saw, "Hi, we're from the government and we're here to help you." The local county officials have said that their interest in this matter stems from a concern that open wireless networks pose a threat to confidential information residing on computers owned by businesses or individuals. By hardening these networks, they argue, identity theft or financial information is safeguarded and the types of data losses that have received so much national attention could be averted.

Perhaps so. Or not. We wonder just how much information would be stored on an Internet café's network, or that of a home office. We also wonder where this concern for the security of data will stop. Will cell phone communications need to be encrypted? Will Internet cafés and businesses offering wireless access have to assign usernames and passwords to their patrons? Will Mom and Dad's home network be required to install a gateway server and firewall even if Mom or Dad couldn't pick either out on a shelf at a local computer store, much less install and configure them properly? Is the county going to offer IT support for those poor souls who have not clue as to how to go about complying with the law? Finally, will that notable IT company largely contained in Westchester County find reasons to object to this proposal? Does the county really want to get on the wrong side of Big Blue? We suspect this legislation is going to have to go through a series of revisions that must address these questions or have a significant impact on the WiFi offering businesses involved. As anyone knows, once you get on the network you expose yourself to a certain amount of risk, regardless of whether the connection is made through a line connection or through the ether. What's next, helmets for walking down stairs? Insulated gloves for turning on light switches? Arrgh!