Market Roundup

December 16, 2005

Season's Greetings

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Ajax, Hero of the OC

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Season's Greetings

This is our last Market Roundup of 2005; publication will resume January 6, 2006. We will have limited office hours for the remainder of the month as our staff and analysts enjoy the holiday season. All of us here at Sageza join in wishing you and yours a warm and safe holiday and a prosperous new year.

EMC's VMware Lets Loose the VMware Player

By Joyce Tompsett Becknell

This week, VMware delivered the VMware Player, a free product that lets users run, evaluate, and share software in a virtual machine created by VMware Workstation, GSX Server, or ESX Server on a Windows or Linux PC. The VMware Player installs like a standard desktop application and runs full 32-bit and 64-bit applications and OS environments in a secure, separate environment from the rest of the user's PC. VMware has also partnered with Mozilla for the Browser Appliance, a virtual machine powered by Mozilla Firefox designed to let users browse the Internet securely. The Browser Appliance can be used to protect a system against things like adware and spyware. When browsing is done in a virtual machine, downloaded malware does not propagate to the rest of the desktop. Additionally, if users set the Browser Appliance to reset automatically after each use, then personal information such as passwords, browsing history, and account numbers are never stored permanently. VMWare allows users to do several things, including software distribution without installation or configuration, making desktop environments portable, securely browsing the Internet, running beta software, or running pre-installed, pre-configured applications. VMware plans to use the Player as a way to work with the broader technical community to develop and share novel applications in virtual machines. At the VMware site, VMware Technology Network (VMTN) software and application vendors such as BEA, IBM, Novell, Oracle, and Red Hat have pre-built VMware environments available for download. VMware has announced plans to release a version developers can extend and customize in early 2006.

VMware is the expert in virtual infrastructure software for the data center, but with this move they've taken VMware out of the data center and brought its benefits across the enterprise. Virtualization for servers was the first step, and now virtualization for the desktop or more specifically for instantiations of desktop applications is the next step. The benefit of virtualization at the server level is directly to IT managers and indirectly to users. For managers, it creates a layer of abstraction between the hardware and software layers that makes resource management easier and more available. That increased availability translates as benefit to the users. With the VMware Player and the Browser Appliance, users can more directly experience the benefits of security and manageability with their own applications. For IT managers, the benefits are clear. We suspect that the VMware Player will quickly become a popular application on many corporate desktops as IT managers become familiar with its benefits and take advantage of the VMware environments available.

This of course leads to the discussion of what one can do with the VMware Player. The Browser Appliance is a good general application that most users can try. In addition, VMware has reached out to the developer community, both to the open source communities as well as traditional software developers to get them interested

in the product. The VMware Player has been chosen by some open source communities as a method for distributing solutions to end users. Additionally, as mentioned earlier, many software vendors have already developed environments. When a VMware developer version is released, we expect even more uses to spring up. We would recommend that any organization or group involved in software design or development consider the possibilities afforded by VMware player as a tool in their development arsenal. VMware's decision to focus on the develop community is significant step towards ensuring that users will have reasons to use the VMware Player. Much as the Adobe Reader has become ubiquitous for files, we imagine the VMware Player could well become the same for applications.

Taking Linux Very Seriously: IBM + Novell + Red Hat

By Clay Ryder

IBM has announced that Linux distributors Novell and Red Hat have been elevated to IBM's Strategic Alliance program, the company's highest tier partner status. Presently, customers purchase Linux directly from the distributors; however, as a result of the new partner status, IBM is building a dedicated sales channel for Linux subscription sales from Novell and Red Hat. One- and three-year Linux server subscriptions will be available on IBM server hardware or with IBM middleware and Global Services' SupportLine offerings, providing support for the Linux operating system running on both IBM and non-IBM server hardware. IBM also stated that it is opening new channels and access to IBM Innovation Centers to Novell and Red Hat, including those in emerging countries such as Brazil, Russia, India, China, and Korea to drive more open source deals in these markets. Novell has agreed to distribute the Apache Geronimo open source J2EE application server as part of its SUSE Linux Enterprise Server distribution, which contains more than 1,400 open source software packages along with the Apache Derby database. Red Hat will work with IBM to certify IBM's version of the Geronimo application server — WebSphere Community Edition — for Red Hat offerings and Red Hat will also support IBM's efforts to promote Apache Geronimo. Novell plans to include Apache Geronimo in its next SUSE Linux Enterprise Server distribution to be delivered in 2006. Each company has agreed to help promote Apache Derby, a Java-based relational database that IBM contributed to open source in August, 2004 designed to help developers build and deploy applications requiring an embedded database.

That IBM is heavily involved with Linux is no secret; however, for many the degree of IBM's success in this space may prove surprising and the elevation of Red Hat's and Novell's partner status is proof of this strategic partnership. In a sea of 90,000+ IBM business partners, the two Linux distributors' combined contribution to IBM's revenue places them in the top ten of business partners, a highly select echelon shared by the likes of SAP and Cisco. Overall, IBM partners contribute more than one third of IBM's Linux revenue: an integral part of IBM's Linux growth to a base of 12,000+ enterprise deployments worldwide. Given these realities, this announcement is far from surprising. For the distributors this is a win in that it gives them enhanced reach in key growth markets through IBM's Innovation Centers as well as an additional dedicated IBM sales channel with worldwide reach. For IBM, this enhanced relationship offers a greater emphasis on open source technologies by three of its largest proponents as well as simplifying the technology acquisition experience by supplying the hardware, software, and services directly under an IBM engagement. For customers and end users, this offers easy access to open source-based technologies as part of the purchase experience as well as providing the commonly needed networking infrastructure applications and a development platform for Java applications at minimal incremental cost.

Overall, we see this as a strong endorsement of the Linux ecosystem. This far-reaching ecosystem is one of the key factors that have propelled Linux from a geek's playtoy to enterprise platform in an incredibly short time. While Linux and other open source initiatives may be misguidedly viewed as "free software" the reality is that these have spawned a market whereby a tremendous amount of added value has been created and delivered. The ecosystem would not exist without commercial viability, and this comes from money being spent, which in turn grows the market opportunity. So while IBM, Novell, and Red Hat are seeking to enrich their coffers, by expanding their commitments to Open Source they are in actuality driving the market for Linux and Open Source, which implies opportunities for others in the ecosystem. Who said that there was no money to be made in Open Source?

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Ajax, Hero of the OC

By *Susan Dietz*

Microsoft has announced the release to manufacturing of Microsoft Office Communicator Web Access, a Web-based enterprise communications client based on Asynchronous JavaScript and XML, or Ajax, technologies for Microsoft Office Live Communications Server 2005. Office Communicator Web Access offers a new option for accessing corporate instant messaging system and presence capabilities. The new solution, with Live Communications Server 2005, is designed for those working remotely, from locked-down computers, or on non-Windows operating systems to stay in touch with colleagues, partners and customers to handle time-sensitive requests and make business decisions more quickly. In addition, Communicator Web Access, with the Live Communications Server 2005 Public IM Connectivity offering enables enterprise-grade connectivity to the MSN, AOL, and Yahoo! public IM services. Communicator Web Access has a familiar interface that is based on the desktop version of the client, Microsoft Office Communicator 2005, and can be deployed into existing infrastructures with minimal support from IT administrators. Communicator Web Access can be downloaded at no additional charge to customers who have licensed Live Communications Server 2005.

Anything that makes the work day go a little more smoothly is OK by us. Employee portals in the past have been stand-alone applications, providing only the bare minimum and often requiring users to run multiple applications on a single PC, which sometimes led to older computers freezing or running more slowly. The less "stuff" that people have to deal with, the more they can focus on their work and clients, and the more productive a company can be. That alone might make the Office Communicator Web Access worth the price. The OC has the capability to become a part of an employee's corporate portal through a lower-impact web-based approach but with a level of richness approaching of desktop applications. For some more universal and power-hungry applications, access through a portal is more efficient and makes fewer demands on local resources and can be less hassle for a company's IT department. Additionally, in an era of increased governance and regulatory requirements (Big Brother rears his ugly head), it is much easier to monitor employees' computer activities. Good for the employer, great for the overworked IT staff, iffy for the individual employee. While we do not expect to see all desktop applications vanish overnight, the flexibility afforded by Office Communicator Web Access might just entice more than a few to give it a try, if not make it a standard part of their corporate IT environment.

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