
Market Roundup

May 19, 2006

Managing More Kinds of Paper: EMC
Document Archive Services for Imaging
Acquisition of DiskSites Expands Expand
Networks

Sony Makes AAC the Apple of its Eye



Managing More Kinds of Paper: EMC Document Archive Services for Imaging

By Clay Ryder

EMC has announced the EMC Documentum Archive Services (DAS) for Imaging software, the latest addition to its family of enterprise archiving software products. The offering provides a single, unified archiving platform for customers whose needs include collecting, retaining, securing, and retrieving all types of document images for compliance and legal discovery, content re-use, improved decision-making, and operational efficiency. DAS for Imaging combines EMC Captiva InputAccel document capture software with EMC Documentum technology and is designed for customers who manage large volumes of paper documents. It converts paper documents to electronic images and enables secure electronic access to stored information while facilitating enterprise-wide search and discovery to eliminate unmanaged archives and minimize document loss. Like other EMC DAS software, this offering employs a holistic set of retention, storage and security policies and access tools for archiving not just document images, but also enterprise reports, email, and SAP content. EMC's unified archiving software platform is supported by EMC Centera, EMC CLARiiON, and EMC Symmetrix as well as non-EMC storage platforms. EMC Documentum Archive Services for Imaging is available immediately with pricing determined by configuration. Separately, the company also announced an enhanced version of its backup solution for the EMC Documentum platform, the EMC NetWorker Module for Documentum. This module provides synchronized tape or disk-based backup and recovery of all EMC Documentum enterprise content management repository elements including full-text indexes containing index information for documents in the repository, databases containing document information and relationships, storage areas containing content files and information, and configuration files containing Documentum software and configuration files. EMC NetWorker Module for Documentum will be available in June 2006.

Much ink has been spilled over the years about the Paperless Office. While some may foresee a day where the only paper in the office is that which constitutes the holding tank of a Starbucks Grande White Chocolate Mocha Decaf, the reality for most is that the office is dependent upon paper-based information for much of its daily operation. The creation of electronic forms has been a step in the right direction, but there are limitations about where and how these forms can be accessed and the limited support offered for truly free-form information capture. Thus, the demise of paper remains a far-flung notion for most organizations. With this latest offering from EMC we see a compelling approach to managing information that may have started on paper, but still can be of considerable value within the broader enterprise and IT context.

Through its unified archiving platform and related document management software, EMC has created a solution that is well positioned to help reduce the risk of poor information management of paper-based records, but perhaps more importantly, help capture and assimilate valuable information that does not always make it into more centralized electronic information stores. In theory, this should allow organizations to capture and manage information, such as paper logs of offsite or field employees, or even less structured information such as that of informal information capture executed on a restaurant napkin, alongside existing digitally created information assets. It is also worthy of note that this combination of Documentum and Captive software EMC acquired is another illustration of the grander vision of EMC, to manage not just storage, but rather information, and in this case, information that did not even start out in a digital form. Given increased concerns about information

management, whether they be for regulatory/governance reasons, or just an example of good business acumen, this latest offering from EMC offers food for thought for organizations as they continue their journey on the information management trail.

Acquisition of DiskSites Expands Expand Networks

By *Tony Lock*

Expand Networks has announced it has signed an agreement to acquire privately held DiskSites, Inc., of Potomac, Maryland, a provider of wide-area file services (WAFS) software that optimizes the delivery of applications to distributed organizations. The DiskSites technology allows organizations to seamlessly manage and deliver both applications and data throughout the extended enterprise, while also lowering the total cost of IT. DiskSites VBranch solutions ensure the availability of applications and data—as well as branch-level services—across the enterprise. Expand Compass is the first WAN application acceleration platform that tightly integrates multiple technologies and maps them to the corresponding business mandates. DiskSites' technology has been integrated into the Expand Compass Platform through an OEM agreement announced in August 2005. Under the terms of the deal, DiskSites shareholders will receive a 13.5% share of Expand Networks when the deal closes, which is expected within sixty days.

There is a well established pattern of business development that applies to almost all sectors of the economy. In IT terms this model frequently takes the shape of: new technology is invented; technology is developed by several vendors, each specializing in niche areas; some vendors grow more successfully than others, enlarge their portfolio of offerings, acquire additional technologies from smaller suppliers; eventually a few, multi-functional vendors come to dominate the market. The Wide Area Optimization market is currently undergoing the consolidation/acquisition phase of this model above. With this in mind, we see this acquisition as a very significant move by Expand Networks and one that could have far-reaching effects in the areas of Wide Area Management, WAN optimization, and the use of WAFS. Expand Networks, through its Expand Compass platform, is now firmly established as a provider of a range of WAN optimization and integrated network management solutions. WANs were never designed to run effectively network protocols created for the much faster, very high-capacity and low-latency LANs that form the backbone of IT environments. When organizations were comfortable hosting IT systems around their many, often geographically dispersed locations this was not a major obstacle. However, the consolidation of servers back into a relatively small number of data centers has left organizations with the need to provide business services to remote locations over WAN communications. WAN optimization and application acceleration systems are taking on an increasingly important role in everyday IT service delivery.

The addition of the DiskSites' VBranch technologies will add significant capabilities to the solutions offered by Expand Networks. The integration of the solutions should not prove to be an issue as Expand has for some time enjoyed an OEM relationship with DiskSites. It is clear that this development will enable DiskSites to offer the full spectrum of WAN acceleration platforms both in its own appliances and through OEM relationships, both those it already enjoys and those previously established by DiskSites. Perhaps the most interesting effects will become evident as Expand Networks looks not simply to build offerings that meet the requirements of large, global organizations but to also supply mid-tier companies that are geographically dispersed. It will not be a surprise if we see Expand Networks and its OEM partners build new solutions designed for the mid-market, perhaps bringing low cost WAFS solutions to many new customers around the globe.

Sony Makes AAC the Apple of its Eye

By *Joyce Tompsett Becknell*

The battle for the ears of music lovers is fierce, made more so by the accompanying battle against digital pirates. The current winner seems to be Apple, whose iPod has reinvigorated the business, become a fashion icon, and made legal downloading of music fun. This week, in an apparent bow to Apple's strength, Sony has decided to make its music management software compatible with Apple's audio file format. In fact, Sony has announced that its data compression technology would be compatible with a number of formats, although the inclusion of Apple is regarded as the most significant. The new policy means that customers who rip their CDs and save it in Apple's

AAC format will be able to play them on Sony devices. However, songs purchased from iTunes use Apple's proprietary FairPlay digital rights management (DRM) technology and will only work on an iPod. Sony had held on to its own ATRAC technology for as long as possible, but had recently begun to accept other formats, and the move is widely regarded as recognition that other technologies were predominant. Sony has released Sonic Stage CP free of charge via the Internet, for use with its hard-disk-based Walkman A series products.

For the vendors, the war for market share has been largely dominated by Apple. Although there are those who have religious sentiments either for or against the iPod, the truth is that they dominate the market, and it would be better to join them than to struggle against them. In the past, Sony has owned the market, but has struggled to get its DRM right. Sony recently angered many users with the root kit issues on selected CDs, requiring the company to post fixes on the Internet, and the Walkman has not been able to recapture its past glory. This is not, however, a big surprise, as both Sony Ericsson mobile phones and the Sony PlayStation Portable support the AAC format. Additionally, while there are as many opinions on the quality of the various formats as there are audiophiles, many do believe that AAC is superior to MP3 and prefer that format. In this Sony may also be bowing to the better set of Codecs as well as recognizing competitive tactics.

At this point, Apple has a vested interest in making sure that songs downloaded from iTunes must be played on iPods. It is a convenience to be able to purchase a single for a reasonable price (in comparison to a CD single) of any piece one wants. The drawback is that one is now required not only to choose a format but then choose a player. CDs in Europe and other parts of the world continue to be ridiculously overpriced, so many will turn to the most cost-effective choice. However, the price for this choice is limitation. With a CD, an owner can play that music on any CD player in any automobile, mobile CD player, or stereo. With iTunes one can only play music on an iPod or on the computer on which iTunes resides. Not the optimal choice in the long term and likely to lead to consumer issues. We believe this announcement is indeed a tactical maneuver for Sony and that the war is far from over.