Market Roundup

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IBM Announces New System i and ERP Solution Bundle

By Clay Ryder

IBM has announced a new solution designed for SMBs with 100 or fewer customers who are adopting Oracle's JD Edwards EnterpriseOne applications. The System i 520 Solution Edition for Oracle's JD Edwards EnterpriseOne is an integrated hardware and software solution with the storage necessary to provide 100 users access to this application suite, which includes asset lifecycle, customer relationship, financial, human capital, project, supplier, and supply chain management. Working with the IBM/Oracle International Competency Center, IBM System i developers tested and sized the solution specifically for SMBs while also seeking to create a solution that is comparably priced with a equivalent configuration on Windows-based servers. The new Solution Edition will also give SMB customers a simpler, low-priced option to comply with RFID mandates. The company stated that testing of JD Edwards EnterpriseOne on the IBM System i portfolio demonstrated strong price/performance for companies with up to 1,200 users, illustrating the platform's scalability for SMB customers of all sizes. The IBM System i 520 Solution Edition for Oracle's JD Edwards EnterpriseOne applications will be available from IBM and IBM Business Partners on August 11, with hardware configurations starting at $21,921, for customers who commit to a minimum Oracle software purchase of $25,000.

This announcement is interesting as it addresses several issues in the marketplace that for some had become a concern. Firstly, Oracle support for the JD Edwards software it acquired has been articulated, and this latest solution bundle illustrates that the product line is far from dead. Secondly, the support of and for this software on the latest System i platform is an important notice that System i's role in the SMB ERP marketplace is assured. Third, the price performance of this solution nixes the notion that the System i platform is not cost-competitive with x86-based solutions for the lower end of the market. We believe this announcement will address some of the concern in the marketplace with respect to JD Edwards, System i, and technology acquisition cost for the less-than-100-user organization. While we have seen the System i platform scale considerably upward with the 595, we are heartened to see that the small business is not being overlooked. The 520 is a well scaled offering for the small business and its emphasis on price competitiveness with x86 based servers may give some small organizations another reason to consider the value proposition of the System i. Further, long-time JD Edwards users on earlier System i models will likely find this offering to be a compelling upgrade path when their need for technology refresh is reached. Overall, we see this bundled solution as another example of how the small business marketplace need not be ceded strictly to x86-based solutions: a little creativity and partner support can lead to considerable customer value.

Sun Unveils Its Latest X64-Based Servers

By Clay Ryder

Sun Microsystems made three announcements at its most recent NC event in San Francisco this week. Sun announced the Sun Fire X4600 server, the first 16-way x64 server in a single 4U chassis; the Sun Fire X4500 data server, a hybrid data server; and the Sun Blade 8000 modular system, Sun's entry into the blade server

marketplace. The new x64 servers are all powered by AMD Opteron processors with Direct Connect Architecture and are designed for datacenter applications including high-performance computing (HPC), virtualization, and web-tier applications. In addition to supporting Solaris 10, the new systems support running standard distributions of Linux as well as Windows. The new servers feature an Integrated Lights Out Manager Service Processor that handles all management, monitoring, and control functions. The Sun Fire X4600 server enables organizations to consolidate more than fifty x86 servers onto a single server and the company also stated that its new Opteron-based server delivers twice the performance of Intel Xeon MP-based systems such as the HP ProLiant DL580G4 server, and also offers twice the density of an HP ProLiant DL585 server. The Sun Fire X4500 server is positioned as the world's first hybrid data server combining a 4-way Opteron-based server with high throughput and storage density. The X4500 offers up to 24TB of storage with costs as low as $2 per gigabyte, and is targeted at organizations that have demanding, high-bandwidth applications such as HPC, data warehousing/business intelligence, digital media streaming, digital surveillance, and data analysis. The Sun Blade 8000 modular system is designed for high-end x86 solutions such as server consolidation and virtualization, business applications, large-scale HPC deployments, and high-requirement databases in Solaris, Linux, or Windows environments. The company stated that the Sun Blade 8000 modular system can provide up to double the system longevity and I/O throughput of leading blade servers on the market, in 25% less space; outperform rack mounted servers with up to double the I/O throughput, 50% less space, and up to 40% lower power requirements; and deliver a 49% reduction in ongoing environmental costs at an acquisition price that is up to 60% lower than comparably configured rack mount and blade servers. Information on pricing and availability will be disclosed on Sun's web site.

For those who have studied the Copernican Company for a long time, these latest offerings from Sun are interesting in how at one level they position the company in a direction that is seemingly divergent from its past trajectory while at the same time illustrating that the basic tenets of the company are remarkably unchanged. True to form, Sun has invested considerable resources in developing leading-edge technology, especially with respect to energy efficiency, systems management, and performance, but it is remarkable that this was accomplished absent SPARC and a lesser supporting role afforded Solaris 10. It would have been difficult to imagine such a collection of servers being unveiled by the company a scant few years ago.

These offerings are a good lesson in the economics of standard components and volume of scale. The price points of these servers are competitive or even better than other offerings in the market today and the support of operating system such as Linux and Windows Server substantially broadens the potential market for Sun's latest. Green is a color to wear and envy this year if one is an IT vendor, and the emphasis on resource efficiency will likely resonate with datacenter managers who are trying desperately to cope with electrical, cooling, and physical resource limitations. All said, these are admirable accomplishments and ones that Sun will doubt find no trouble in telling the market all about.

The launch of the SunFire X4500 as a data server is a product whose time we believe is overdue. We have for some time posited that the storage solutions from IBM such as the DS8000 and HP's ProLiant Storage Server were laying the groundwork for a future solution where the delineation between a server and storage subsystem would be blurred beyond recognition. It appears that Sun was thinking about this too and took the opportunity to bring such a complete solution to market. For certain workloads, e.g., databases, HPC, etc., having storage electrically as close as possible to RAM and CPU caches can make a substantial improvement in overall performance. Supercharged applications and database can take advantage of the information and processing proximity while the remainder of the network can still access the information stores residing within. It will prove interesting to see whether the competition responds with similar offerings, especially since they laid much of the initial groundwork for this some time ago.

While the high-end positioning of these products is not totally unexpected, it does raise an ongoing issue for Sun. With so much of the market, especially in SMB, being served by patch quilts of x86 machines, or more recently some of the first- and second-generation blade systems, the emphasis on highly scalable, high-throughput, high-end positioning would seem to leave out a market segment with less than stratospheric computing needs. Smaller scale organizations tend to be more focused on achieving operational sanity than being able to scale to moon.

Granted Sun's latest offerings address this need, but with the current positioning, a smaller-scale business might find itself wondering if said solutions would simply be overkill. Sun would be wise to carefully segment these offerings' positioning to emphasize their substantial value afforded organizations aside from the high performance for which Sun is often associated.

CA Enhances Business Recovery Capabilities

By Tony Lock

The big IT suppliers continued to spend money this week as CA announced that it has acquired the privately held XOsoft Inc. As is now customary, financial details of the deal were not revealed. XOsoft specializes in supplying software tools for managing data replication, Continuous Data Protection (CDP), and automatic failover. The company has acquired patents for its technologies in areas such as Application Awareness, Assured Recovery, and Soft Installation with more pending. As an organization XOsoft has attracted over 1,000 customers around the world, ranging from Fortune 1000 organizations to Small businesses, and has achieved growth rates of around 25-30% sequential quarterly for over three years in succession. The company's products deliver uninterrupted access to a wide range of data commonly utilized by organizations including those found in Microsoft Windows Servers, Microsoft Exchange, Microsoft SQL, Microsoft IIS, and Oracle platforms. Of more importance to customers is the capability of the various tools to provide near-instantaneous recovery of information where business requirements so demand. CA has stated that not only is it committed to retaining all 100 XOsoft staff but that the company will increase investment in product development. CA has also stated that it will continue to market and sell the entire range of XOsoft products. In addition CA has plans to integrate XOsoft's technologies with existing BrightStor ARCserve tools to expand its business information and critical application protection capabilities. XOsoft's patented technologies will be used to develop CA's next-generation information protection platform and to simplify recovery operations.

XOsoft brings a wide range of highly desirable capabilities to CA's already broad portfolio of data and application protection systems. These include facilities in the WANSync,WANSyncHA and WANSyncCD tools to replicate data held on Microsoft Windows File and Exchange Servers, Microsoft SQL Servers, and IIS systems along with Oracle systems over Wide Area Network (WANs) thereby providing organizations with the ability to meet offsite recovery requirements, storage consolidation, or branch-office IT consolidation projects. In addition the CDP capabilities of XOsoft Enterprise Rewinder allow organizations to better protect information that changes frequently over the course of time and that would be vulnerable if protected only with traditional scheduled backup and restore systems. XOsoft's Assured Recovery software helps to assure that backups are in a state to permit information held on them to be recovered. Too many organizations today work on the assumption that information once backed up can be retrieved, without actually testing the ability so to do, and frequently with catastrophic consequences.

However, it is perhaps in the areas of automatic, scheduled testing of recovery compliance, without the need for service interruption, that organizations might find most interest. Organizations, large and small, are now frequently faced with a barrage of requirements, frequently of a legislative nature, to demonstrate that they can continue to function in the face of system interruption and if challenged by any form of disaster. Moreover, it is now the case that even those businesses that do not have direct legal obligations to show their ability to function when facing disaster scenarios are often under shareholder or customer pressure to work with perceived IT best practice. These pressures should ensure a healthy market for recovery compliance tools and testing capabilities, preferably those that do not impose a need to suspend service or to build mirror image production/testing environments.

This acquisition by CA is but the latest in an impressive chain that the company has undertaken in the last few years. Staring with the well regarded BrightStor ARCserve platform CA has added ILumin (email archiving) and more recently MDY (records management) to its expanding storage and information management capabilities. It is very clear that CA has a well thought out strategy to develop its storage management platform and to acquire complementary solutions to ensure that it can bring business-focused storage solutions to the market as quickly as possible. However, with its rapidly expanding portfolio CA is now faced with the linked challenges to bring on

board the new staff and to educate its existing workforce. The company must also address the need to inform its potential customers, who span the Globe geographically and range in size from the largest enterprise to almost the smallest business, of how they can utilize these new capabilities. It will be interesting to see how CA tackles these matters.

Opsware Gets Creekpath

By *Joyce Tompsett Becknell*

Opsware, an IT automation software provider, has announced that it has signed an agreement to acquire Creekpath, a developer of storage management software. Opsware intends to use Creekpath's technology as the foundation on which it will build its upcoming application storage automation solution, which is scheduled for launch in the first half of 2007. This storage automation will join the company's server automation and network automation systems to become one of the most comprehensive platforms for data center automation, and will focus on the application perspective rather than on the underlying infrastructure. Opsware will pay about $10 million in cash with a maximum potential earnout of an additional $5 million in cash. Creekpath's traditional strength includes storage resource management (SRM) which discovers and maps an organization's storage infrastructure, from database to file systems, volume managers, servers, fabric switches, array controllers, and disk drives. Opsware plans to add full auditing, compliance, and change impact analysis capabilities and will integrate these capabilities with those of its other products. Opsware plans to close Creekpath's offices in Colorado and relocate personnel to Opsware's offices in Washington. Additionally, Opsware does not expect to see the current Acuity product from Creekpath.

Most of the management players have been focused on infrastructure, particularly those in the storage management arena. Most of these companies have software, but they come from a hardware background. Symantec's Veritas is one exception to this, but Symantec does not have the extensive range of hardware infrastructure capabilities that EMC has, for example. IBM offers many capabilities, but it is next to impossible to find them in one group of products from one part of IBM. The company more closely resembles a collection of companies than a single entity. Opsware intends to arrive with a solution that has an application focus and distinguish itself from the competitors this way. Opsware believes it will be able to provide storage allocation by application as well as application change management. It will map dependencies from application to server to storage; it will manage server utilization by server and application, and identify the impact on applications and servers of changes to storage elements. If nothing else, this suggests a more holistic view of the infrastructure as opposed to than treating the elements as different separate systems.

We believe mid-market companies or larger companies with limited specialization of IT staff will benefit most from this approach. In the largest organizations, there are too many specialists managing, although this may become a way to break down stovepipes and bring greater efficiencies to the data center. Mid-market companies have fewer specialized IT staff—if any at all—and they need solutions that can help them manage their environments in ways that make things less complicated rather than more complicated. Customers with key applications that require preferential treatment for IT resources will also benefit from this approach as it will allow them to tie the importance of the application to changes in the infrastructure. Too many companies are just now beginning to make the distinction between data as an amorphous blob to be managed and as a group of separate data sets with various levels of performance and security requirements. We look forward to seeing what Opsware will create out of the Creekpath technology.