Market Roundup

November 3, 2006

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RedHat Grows Telco ISVs

By Joyce Tompsett Becknell

This week Red Hat announced that it has twenty-nine new strategic telecommunications ISV partners, as part of its Telecommunications Partner Program. Red Hat believes the announcement is a milestone for its success in targeting ISVs in vertical sectors where open source and Linux adoption are occurring more rapidly. Red Hat believes that the solutions it provides are more cost-effective and flexible than proprietary alternatives, and can be deployed more quickly and provide greater levels of performance. Red Hat offers a service-oriented architecture solution that includes Red Hat Enterprise Linux and JBoss Enterprise Middleware Suite (JEMS). Partners for Red Hat include the MATERNA Group, a German company; MobileAware, a provider of mobile data solutions; and RADVISION Technology Business Unit (TBU), a provider of telecommunications software developer tools. The Telecommunications partner program is designed to drive awareness and adoption of carrier-grade server platforms and solutions. Red Hat works with network equipment providers (NEPs), ISVs and operators to define requirements and ensure that Red Hat Linux can be deployed in carrier-grade settings.

The telecommunications space is one of the first industries that embraced Linux and that has participated in the open source software model. Long-time users of industry-specific software and black boxes, the telecommunications industry has found itself turning to general purpose computing and software to help reduce costs, particularly as the levels of reliability and availability of general-purpose computing equipment have risen to the levels required by the industry. Red Hat knows that an operating system's long-term success is dependent on the number of ISVs that write software that runs on it, and it has combined a growing industry with ISVs to position itself as the preferred distribution for the space. In addition to its involvement with partner programs, Red Hat is also participating in OPUCE, a European Community Framework Program's Sixth Framework Program (FP6) project designed to deliver the next-generation telecommunication service delivery platform (SDP) for the EU. Red Hat is not only working with ISVs but it is also taking an active role in making sure the telecommunications industry is equipped to utilize and take advantage of the open source model.

Customers have generally accepted Linux as a platform for appliances or network functionality, but acceptance as a platform for business applications has been slower in the making. In part this has been due to a paucity of ISVs. It has also been due to a lack of solutions: in the sense of a solution providing a somewhat integrated software stack that was relatively easy to deploy. Red Hat's combination of focused programs for telecommunications ISVs combined with active participation in the development of future platforms for telecommunications are the steps necessary to lay out the future of Linux in this industry. Red Hat's investment now bodes well for the future of open source within the telecommunications sector. This sector is also important for vendors such as HP and IBM who are also both strong supporters of Linux. ISVs in this industry will likely feel more secure working with Red Hat, knowing it has multiple investments in the industry. We look forward to seeing which other industries Red Hat will target. Where there is focus, there will be growth and thriving ecosystems.

EMC Acquires Avamar

By Tony Lock

This week witnessed the latest round of storage management acquisitions as EMC Corporation announced that it had signed a definitive agreement to acquire Avamar Technologies Inc. The deal, an all-cash transaction, will cost EMC approximately $165 million and is expected to close within thirty days. Avamar, which was founded in 1999,

is a rapidly growing organization that currently boasts around 100 employees with offices around the U.S. and in London. Avamar's core offering is the Axion software that assists organizations in their Data Protection efforts. Key to this software is patented data de-duplication technology that helps reduce, often significantly, the size of backup operations. Avamar Axion software is used to reduce the size of backup data at source before it is transferred across the network. Axion's data de-duplication and global single-instance technologies can often reduce required network bandwidth and backup storage by a factor of 50 to 300 times. In addition the company also offers Axion Replicator software that supplies encrypted and asynchronous replication of heterogeneous data stored in an Axion Server to another Axion Server, usually deployed in an off-site location for disaster recovery purposes. At the formal close of the deal Avamar will be integrated into EMC's Storage Product Operations (SPO) group and current Avamar CEO Ed Walsh will report directly to Mark Sorenson of EMC's SVP Information Management Group.

This acquisition is entirely logical as the addition of the Avamar technology to EMC's expanding portfolio will allow the company to further strengthen its drive to encourage organizations to make disk rather than tape the primary backup medium for many, if not all, business-critical usage. In addition, the data de-duplication software should help EMC's customers to extend data protection capabilities over WANs, an important consideration for organizations that are widely distributed. Indeed, this capability makes a sound offering for managed service providers to take to the huge SMB market where many potential customers still today struggle to effectively protect much key business information.

We believe that if EMC can put together a carefully designed managed services offering, there exists great potential to take backup and recovery to many organizations in the Mid- and SMB markets in the Software as a Service format. This is an area of interest to many of the major storage management vendors and one that we expect to become very lively over the course of the next year; to us SaaS generally has great potential to attract many customers across all areas of IT service. The introduction, or perhaps more correctly re-introduction, of backup and protection offerings is today far more credible than those of the recent past as they can now utilize recently developed technologies such as data de-duplication and WAN acceleration.

EMC has a major opportunity here but it will need to market the Avamar technologies as part of its broad storage management offerings. However, it must educate potential customers and prospective partners on its wide range of solutions. The acquisition of Avamar makes sense but there are many vendors battling in this space. The software solutions of EMC are growing all the time; all the company needs to do now is position and market them as effectively as it has traditionally done for its hardware platforms.

FCC Delivers a Swift Kick in the Mass(port)

By Clay Ryder

In a decision with significant ramifications for the traveling public, the FCC has ruled that the Massachusetts Port Authority (Massport) cannot block a WiFi access point in the Continental Airlines lounge at Boston's Logan International Airport. In its ruling, the FCC stated that the rules governing Over The Air Reception Devices (OTARD) stated that Continental Airlines was within its rights to provide free WiFi services in its President's Club lounge located at Logan Airport. The larger effect of the ruling was to reaffirm that consumers and businesses are free to install WiFi antennas without seeking approval from landlords just as they can install antennas for video and other fixed wireless applications. The issue arose last summer when Massport decided that for safety reasons, its competing $7.95/day WiFi service would be the only one permitted at Logan Airport under the reasoning that competitive WiFi services system posed a risk of interference with equipment used by state police and Transportation Security Administration officers. The FCC restated that unlicensed spectrum, such as the 2.4GHz on which WiFi operates, has different standards interference protection than those used for public safety purposes. Massport officials have not ruled out further legal action.

With all the fees, legitimately applied, that the agency has including landing fees, retail space rentals, gate fees, concession recovery fees, tourism fees, passenger facility fees, and many more buried within its operating agreements, why does Massport feel it is entitled to coerce the business traveler to fork over another $8 for the

privilege of using the Internet while waiting for a flight? With its captive market, Massport is trying to insert itself again into the pockets of the traveler. It is amazing that Massport has not tried to confiscate mobile phones or force users onto a specific cell network as well. Clearly, this is a case of simple greed and arrogance.

We think the FCC is right on this one: airlines should have the ability to offer WiFi access to their customers, for fee or for free, without heavy-handed interference from the airport. Continental has paid the rent for the lounge space, and is not engaged in illegal activity, so that should, and hopefully will now be, the end of it. The value of WiFi to the business traveler is substantial: it is an innovation that pays dividends for users, their businesses, and the economy as a whole in regained productivity previously lost to the opportunity cost of air travel. This reality is reflected in the numbers of access spots throughout the country, and the interest of some large cities to build out no-cost WiFi networks that reach all incorporated limits. While some might believe that Massport misses the obvious value of ubiquitous WiFi access, we reason that Massport very much understands the value of WiFi service and its shameless attempt to corner the market is petty, very petty indeed. Nevertheless, some enterprising folk, including at one least Sageza analyst, have long circumvented the powers that be through the simple use of a GPRS-enabled mobile phone. GPRS, along with EDGE, EVO, and WiMax, are all competitive solutions to WiFi, and unless Massport was planning to build the RF equivalent of the Berlin wall around Logan, these solutions would have easily encroached on Massport's shortsighted WiFi policy anyway, thus reducing the value of its money-grabbing monopoly in the long term. Despite the best efforts of some to constrain or profit unfairly from the freedom of communication, in this case we believe the FCC has ruled in the best interest of users and the marketplace overall.

IBM's Lotus Expediter

By Susan Dietz

IBM has announced Lotus Expeditor, a development platform for creating Eclipse-based and Web 2.0 applications that enables enterprises to integrate existing and new applications and deliver them to a variety of connected and disconnected devices. Lotus Expeditor provides the underlying programming model for a universal, end-user experience across the entire Lotus product portfolio including Lotus Sametime 7.5, Websphere Portal 6.0, and the upcoming release of Lotus Notes, code-named Hanover. There are three different aspects to the Expeditor suite. The first is the composite applications, i.e., applications created by combining existing and new software within a service-oriented architecture (SOA). Developer Toolkit, the second aspect, uses Eclipse or Web 2.0 technology to create an instant messaging environment using a Voice over Internet Protocol (VoIP). Finally, there is a mobile technology aspect of Explorer, developed with the mobile employee in mind, which can add extensions to existing databases to allow any mobile device to access financial or sales information.

Frustration for a worker arises when data isn't transportable from one application or platform to another; however, transferring data takes special programming. This is where reuse of data and intra application communications comes in. Web services and SOA allow this intra application communication via an automated and therefore understood way – which of course translates into less training time. Many companies lately have been worried about storage and security to the extent that they are perhaps forgetting other areas of improvement. And while storage and security are important, especially in view of recent legislation, they can't be pursued to the exclusion of other considerations. IBM is perhaps positioning itself to take advantage of the marketplace's current love affair with storage and security by jumping into another area. The goal of Expeditor is to bridge a gap for mobile workers, especially, so as to decrease downtime and increase productivity, which seems to be something that other software developers have temporarily overlooked.

The mobile aspects of Expediter are, perhaps, the heroes of the development. Mobility is a key consideration for application deployment, and the seamless data transfer from a PC to a handheld device would be a boon to many mobile employees. The ability of the application to present a continuous user session even in the presence of spotty connections will most likely lower the blood pressure of even the most A-Type individual. A seamless reconnect-without-login feature may make for a session that is almost hassle-free, even when enduring a commute.

Although Expediter is currently only for deployed Lotus product portfolios, such as Domino or Notes, for example, we think that the success of the application will perhaps convince .NET developers to consider supporting Lotus and Eclipse platforms. Most likely targeted at enterprise organizations that have a plethora of mobile workers, Expediter is a dark horse that may take some IBM competitors by surprise as it seeks to add value to existing Lotus environments, which may not always make the headlines, but are nevertheless numerous.