Market Roundup

December 8, 2006

IBM's Risky Business

By Tony Lock

This week IBM announced that it has entered into an agreement to acquire Consul Risk Management Inc., a privately held software company headquartered in the Netherlands and with a U.S. base in Virginia. Consul was founded in 1989 and currently has eighty-nine staff in Europe and the U.S. The company specializes in supplying compliance and audit software that helps organizations track and investigate "non-compliant" behavior such as unauthorized access. Consul's software supplies an "auditor-in-a-box" for compliance programs utilizing a single management technology dashboard. The software's monitoring and auditing capabilities operate over a wide range of systems, applications, and resources, including IBM's System z mainframe platform. The technology provides customers with the ability to actively monitor insider threats and comes complete with dedicated reporting capabilities designed to help ensure that compliance activities related to various regulations can be handled effectively. Consul also provides solutions designed to simplify administration activities on the IBM Mainframe. As is usual in such deals, no financial details were disclosed and it is expected that the acquisition will close in the first quarter of 2007 subject to the usual conditions being met. At the time of writing Consul has over 350 customers. On closure of the deal Consul will become part of IBM's Tivoli software unit headed by Al Zollar.

There is no doubt that almost every organization, large or small, has risk management very high on its current list of priorities. More important, this is an area where it is increasingly that case that not only must organizations manage risk effectively but that they must also be seen so to do. When it comes to the small matter of "inappropriate access" to information and systems it has always been the case that breaches occur more often from internal sources than from external, although most attention has usually been focused on the latter. However, off the record everyone agrees that internal sources, whether from users having the wrong access granted to them or "privileged" users misusing their rights accidentally or by design, are a major concern. The acquisition of Consul by IBM offers significant opportunities for IBM to strengthen even further the depth of its secure platform capabilities.

The integration of Consul with IBM's existing portfolio of security and audit offerings, most notably its Identity Management capabilities, will allow organizations to better police their mission-critical systems and other important line-of-business platforms. With the mainframe still the gold standard of IT systems security against which other platforms measure themselves, the addition of Consul's capabilities illustrate yet again that the mainframe continues to be a major focus of investment for IBM as it remains a mainstay of business systems. Risk management is important; internal risk management is even more so. Who guards the guards? Consul and IBM on the Mainframe may be a very good answer.

EMC Introduces Energy Efficiency Tools and Services

By Clay Ryder

EMC has announced the EMC Energy Efficiency Services, a set of assessment and planning services designed to help customers maximize energy efficiency in their data centers. The company also introduced the EMC Power Calculator, a tool that calculates energy consumption and cooling requirements for EMC Symmetrix DMX-3, EMC CLARiiON CX3 UltraScale, and EMC Celerra networked storage systems. The EMC Energy Efficiency Services

The Sageza Group, Inc.
32108 Alvarado Blvd #354
Union City, CA 94587
510·675·0700 fax 650·649·2302
London +44 (0) 20·7900·2819
Milan +39 02·9544·1646

provide a comprehensive assessment of a customer's data center environment to facilitate plans to design and implement changes to enhance power consumption management and forecasts. As part of the service, EMC Global Services professionals evaluate actual customer workloads and configurations to determine current/projected energy consumption across IT assets including servers and storage, data center capacity and utilization, and power and cooling costs associated with mechanical, structural, and maintenance considerations. The EMC Power Calculator, which is available for customers and prospects, is designed to estimate actual energy consumption and cooling requirements based on customer-tailored specifications and workload forecasts. Additionally, VMware, an EMC subsidiary, has collaborated with Pacific Gas & Electric to launch an incentive program to encourage virtualization and consolidation projects in data centers. This program provides up to $4 million in rebates, based on the amount of energy saved, for data center build-outs and consolidations by VMware customers in northern and central California. The EMC Energy Efficiency Services are available immediately as a standalone offering or as part of a full EMC Data Center Consolidation Services engagement. Assessments using the EMC Power Calculator are available immediately through EMC and its partners.

The issue of energy efficiency remains a hot topic in the marketplace. Most major systems vendors have seized the opportunity to address one of the more pressing issues facing their customers. Operational efficiency, whether it is through server utilization, storage utilization, energy consumption, cooling capacity, or just placating myriad interconnections throughout the data center, remains a top priority for companies looking to streamline their operations. EMC, along with other vendors, has addressed one issue of efficiency through server consolidation but now is increasingly focused on a larger metric of efficiency, overall energy consumption. Historically, IT professionals have had limited guidance to the true nature of energy consumption in the data center, relying on the rating backplate on the server rack or storage system to approximate power consumption and heat yields. In today's competitive marketplace, this is simply not sufficient as data centers are physically pressed to the limits, facing escalating energy costs, and suffering from over-provisioning of power consuming infrastructure in the data center.

For many organizations, a methodical energy consumption and cooling assessment of the data center is beyond their inhouse expertise. Offerings such as EMC's Energy Efficiency Services provide the expertise and resources often found lacking in organizations. In addition, improved energy efficiency has a multifaceted payback that delivers in the short term. As a result, such engagements are well positioned to provide a low-risk, high-reward scenario for both the vendor and customer. The EMC Power Calculator is a interesting approach to provide customized, actionable information for organizations seeking to improve their energy efficiency. By actively planning and measuring power consumption, organizations can maximize their return on facilities investments such as power, cooling, and floor space with the knowledge that the IT systems in place will never be shortchanged for resources, and hence not likely to go down as a result. Spending an hour or two with a power calculator could prove to be an excellent investment if it helps an organization find ways to avoid having to increase electrical capacity of the facility by simply making better utilization of its existing technology investments.

While we find much to be pleased with in this announcement, there is one area which EMC may want to consider addressing, namely interaction with the HVAC and cooling systems in the datacenter. Planning and forecasting energy consumption for various workloads is an excellent first step, but how does an organization manage the implicitly dynamic level of cooling needs in real time? Simply lowering the overall fixed level of cooling is not enough. Achieving maximum utilization efficiency would imply active systems management with respect to heat generation and cooling load as part of the bigger solution. We saw this being addressed in the recent announcements from HP, and would encourage EMC to consider the potential role it may play as well. Nevertheless, we believe offering a means to enhanced data center efficiency is smart move by EMC's services organization. Enhancing the strategic knowledge base of one's customer is, to us, always wise, as it serves to enlighten the customer as to the competitive advantage afforded; in this case, by one's products with a keen sense of energy efficiency.

Lastly, we are also intrigued to see EMC's VMware subsidiary proactively working with utilities such as PG&E to implement creative programs to help organizations reduce the power consumption in the data center. Beyond reducing an organization's power bill, at the macro level reduced demand for power in the data center forestalls

The Sageza Group, Inc.
32108 Alvarado Blvd #354
Union City, CA 94587
510·675·0700 fax 650·649·2302
London +44 (0) 20·7900·2819
Milan +39 02·9544·1646

the need for additional generation capacity on the power grid. PG&E has a long history of creative power savings programs; however, until recently few have targeted the data center. This year we have seen many new offerings focused on the data center around server efficiency and cooling and believe that EMC with its expertise in system virtualization has a unique opportunity to help drive power efficiency in the data center. On the whole, we are encouraged to see EMC take some well considered steps not only to help its customers improve their operational efficiency, but at the same time further EMC's strategic value as an IT supplier overall.

Azul Systems: The Next Generation Appliance Has Arrived

By Joyce Tompsett Becknell

Azul Systems has announced general availability of the next generation of its appliance product for business-critical Java applications. The new systems, the Vega 2, have up to forty-eight 64-core chips and 768GB of memory in a single system. Azul also announced that it has extended its long-term strategic partnership with BEA to include Azul certification and licensing for all WebLogic Platform products. Azul seeks to be the number one platform for business-critical Java processing and these announcements are helping to move it closer to its goal. Azul also announced results of the SPECjbb2005 benchmark that provided a record single-instance scalability result. The SPECjbb2005 is the Java Server benchmark, used for evaluating the performance of server-side Java by emulating a three-tier client/server system with an emphasis on the middle tier. The benchmark exercises the implementations of the Java Virtual Machine (JVM), Just-in-time (JIT) compiler, garbage collection, threads, and some aspects of the OS. According to SPEC, it also measures the performance of CPUs, caches, memory hierarchy and the scalability of shared memory processors.

The sales of enterprise servers running Java-based workloads continue to grow, as does the use of Java in enterprise applications, and Azul has focused on transaction-intensive applications where large usable memory and management capabilities become bottlenecks in industry standard servers. These applications are frequently found in financial services, telcos, and ecommerce sites. Azul, however, is still a niche provider in a market dominated by the big equipment vendors and has a long way to go to achieve market dominance. Azul has a contentious relationship with Sun who has taken them to court, and neither the Sun software stack nor IBM's Websphere products are supported on Azul systems. BEA is a strong player, but cannot alone give Azul dominance. Additionally, it is difficult to appreciate Azul's approach without first being dragged into a highly technical conversation about the way systems handle Java transactions, which is fine if you're a programmer or systems architect, but a bit confusing if you're a business person looking for the right solution.

To their Azul's credit, its systems are ever more attractive as issues of data center management grow in prominence. Heating and cooling, space, and energy usage are all topics of great interest to CIOs and companies looking to lower costs in the data center, and Azul has respectable results in comparison to rack-based systems. Additionally, for those companies who already use Azul's appliances, the new Vega 2 offers a huge leap in scalability and performance over its earlier sibling. Customers with large amounts of Java transactions should certainly check out Azul's offering. Azul in the meantime should continue to strengthen its partnership with other Java players in the industry to make sure that it can offer the broadest software choice possible.

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32108 Alvarado Blvd #354
Union City, CA 94587
510·675·0700 fax 650·649·2302
London +44 (0) 20·7900·2819
Milan +39 02·9544·1646