Market Roundup

December 15, 2006

HDS and BlueArc Expand HPC Storage

By Joyce Tompsett Becknell

Hitachi Data Systems has announced a strategic expansion into the high-performance storage market in conjunction with an investment in BlueArc Corporation. The move includes a five-year worldwide OEM agreement and the immediate availability of the Hitachi High-performance NAS Platform. BlueArc's solution provides HDS with file-based virtualization technology (aka network attached storage, or NAS) to augment HDS's traditional focus on storage area networks (SANs). The Hitachi High-performance NAS Platform has a single logical storage pool of up to 512TB and eliminates the need to break up large data sets. It also has virtualization capabilities that enable automatic growth of file systems. The platform also supports HDS's other products including the Universal Storage Platform and Network Storage Controller, the Adaptable Modular Storage Models WMS100, AMS200, AMS500, and the AMS1000. The platform will also be integrated with Hitachi's storage management software, the HiCommand suite, and will be integrated into Hitachi's data protection and replication suite.

Partnering with BlueArc enables HDS to reach more credibly into the high end of the market by providing a greater array of products. The BlueArc products have been designed for performance and throughput rather than for simple storage of files that are seldom accessed, as frequently happens in the traditional use of NAS products. If HDS is targeting vertical industries such as Internet services applications, life sciences, utility, and multimedia applications, this will truly require a NAS system that focuses on performance and scalability. These industries are focused on file processing rather than on file storage. Companies who use HDS's products or who have been considering them should find that they have a greater selection of high-end products from one vendor, particularly once HDS has successfully integrated the platform into its software offerings.

This deal is also beneficial for BlueArc, providing greater presence on a global scale than it would have been able to achieve organically. BlueArc previously was focused on several niches that could take advantage of its technology, but it had not been able to translate its advantages to a greater market as fast as it wanted. The partnership with HDS means that BlueArc products will reach a greater audience. In addition, once integrated with HDS' software, these products will have greater capabilities, as management, data protection, and replication are even more important for high-end storage than they are for traditional NAS. While EMC and NetApp will continue to battle it out for the mainstream NAS, HDS and BlueArc have clearly staked their claim for ownership of the high-end market. We believe they have the best head start and should be well-positioned to dominate.

AppStore: Designed to Make Buying Applications as Simple as Using iTunes

By Tony Lock

This week Salesforce.com released details of its AppStore vision and "monetization" strategy for the Apex platform, formerly known as AppExchange. At the core of the vision Salesforce.com sees AppStore as the single source at which customers can sample, purchase, and deploy applications available on the Apex platform. In addition, AppStore will supply a wide range of commercial services and revenue-sharing options for developers and partners looking to utilize AppStore as a vehicle by which to market and sell applications built using the Apex programming language for the Apex platform. Further, AppStore will provide developers with capabilities to

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handle billing, invoicing, and renewals across multiple currencies and languages. In return for these AppStore services Salesforce.com will charge a percentage of the revenue derived from closed deals. Lastly, AppStore will provide partners with the option for marketing services via the AppStore Referral Program. It is currently envisioned that AppStore services will become available in phases starting in Q1 2007 and stretching through to Q4 2007. End customers buying applications through AppStore will not be charged additional fees for using AppStore services.

We believe that the Apex platform has enormous potential to attract a wide range of customers looking to buy applications using the software as a service model. The continuing development of the Apex/AppExchange platform along with its soon-to-be-available programming language should also prove to be attractive to software developers, established ISVs looking to deploy their offerings in on-demand software as a service model. It is also now clear that with the capabilities to be made available in AppStore, new application startups could also find the platform to be an attractive method to deploy and monetize their offerings rapidly with minimum risk and cost. It will be interesting to see the reaction of potential software partners to the scale of charges that Salesforce.com is placing for the use of the AppStore services.

We believe that there is now little doubt that the ability for organizations to access and utilize key business applications on a subscription basis is attracting attention and customers. The introduction of “full service” marketing, billing, and renewal services could well attract new application developers looking to launch new offerings in a software-as-a-service environment. The rounding out of the Apex environment demonstrates the long-term importance that Salesforce.com places on the Apex/AppExchange platform that has already attracted over 430 applications from 230 ISVs.

The real challenge is to grow the application developer community building software using the Apex language and to add yet greater diversity to the functional areas supported by Apex applications. Apex/AppExchange will attract customers as they come to understand both the subscription software model and the benefits of hassle-free application deployment and maintenance. The task now for Salesforce.com is one of reaching both potential software partners and customers and then educating them on why Apex makes business sense.

IBM OmniFind Yahoo! Now I Can Search Even More

By Clay Ryder

IBM and Yahoo! have introduced new enterprise search software with web search services powered by Yahoo! that targets businesses seeking to easily find, access, and capitalize on information stored within their organization and across the Internet. IBM OmniFind Yahoo! Edition is a no-cost, entry-level enterprise search product that supports up to 500,000 documents per server, 200+ file types, and documents in more than thirty languages. The companies state that the software offers a unique combination of simplicity, openness, and functionality providing organizations the ability to go from download to live search and information access in minutes. IBM OmniFind Yahoo! Edition also uses the open source Lucene indexing library to provide cross-platform full-text indexing and offers advanced features such as automatic spell correction, support for synonyms and shortcuts, wildcard support to substitute for unknown characters, query reporting, and graphical user interface customization. In addition, it is fully integrated with Yahoo! Search, providing one-click access to send queries to Yahoo! web, image, video, audio, directory, local, and news search services. The new software is part of IBM's Information on Demand strategy that seeks to help organizations remove barriers to using information as a strategic asset to gain new business insight, and create new opportunities for the use of information. The companies positioned the offering for customers who want basic search now but might have future needs for advanced secured search, or capabilities such as business analytics, quality insight reporting, or ecommerce or customer service self-help.

Given the explosion of data and information being stored within and outside of the enterprise, it would seem only reasonable that traversing this mass of potential competitive advantage would require new tools and even methods of sorting the actionable business wheat from the chaff. Since anyone with access to a computer terminal or PC can unintentionally become a knowledge worker simply by synthesizing a few pieces of data into actionable information and leaving it in an email, word processing document, spreadsheet, or database record, it would

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follow that a savvy organization could potentially gain much by effectively sifting through this growing collection of information. Yet, the questionable efficiency at which humans could traverse the file system morass would effectively render the effort moot unless one was extraordinarily lucky. Therefore, it would seem that organizations should be chomping at the bit for a solution such as this one offered by IBM and Yahoo!

While there is no doubt that the amount of data stored and now served via file servers, intranets, the web, podcasts, images, and so forth is tremendous, one does have to stop and consider whether access to all this data would actually aid in the decision making process, or might merely become a potentially expensive diversion from the task at hand. Actionable information is more than just a collection of data points; it has a context, relevant supporting data, timeliness, and a clear business process against which to be applied. When one lacks any information, any nuggets found can have value much greater than their mass; however, adding more nuggets does not in and of itself lead to actionable information, but rather just more mass. In all fairness, this new offering is light years ahead of offerings a decade past, such the Alta Vista Enterprise search and many others that were deployed with great zeal and then suffered a decline in user interest after a relatively short time. But is an enhanced multilingual, wild-card toting, indexing-capable intra- and extra- enterprise search solution itself enough to help users mine the plethora of data residing within organizations and transform it into actionable information? We tend to think not.

It seems to us that the issue is not that workers are unable to find enough data, files, documents, et al, but rather that they are easily overloaded by content without automated tools that can sift the general content to separate out the specifics needed to answer a given query. Anyone who has used Yahoo!, Google, or any other search scheme knows that typing in “Uno” will find myriad results not related to the card game, the Spanish number, the candy bar, or any number of specific contexts of “Uno” being sought. Similarly, inside the enterprise, just finding all information related to “Sales” or product “Bonanza” may in fact generate more work to remove the extraneous from the essential.

Nevertheless, for an organization with no searching or indexing regimen in place, a no-cost tool from a pair of respected corporations that offers an initial foray into realizing the extent of data and information just sitting around, largely unannounced, represents a viable first step. However, unless an organization is strategically ready to make the requisite investment into business analytics or other applied formulae of higher-order information discernment, the potential value derived from searching the organization with a tool such as IBM OmniFind Yahoo! Edition will be limited. All the same, there is some value delivered by this offering, even if it just serves to enlighten an organization on the need for strategic approach to information. At the price point offered, it would be relatively simple for most any organization to achieve a positive ROI by deploying it.

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