



Market Roundup

March 1, 2002

This Week

Intel Introduces Building Blocks for Internet Exchange Architecture

EMC Boosts NAS with New Celerra Offerings

Can New Management Make Novell Nouvelle?

Intel Introduces Building Blocks for Internet Exchange Architecture

By Charles King

During its recent Developer Forum, Intel unveiled a new family of network processors based on the company's XScale. The processors are designed for applications extending from homes and businesses to service providers' COs. According to Intel, the XScale technology combines performance and programming flexibility with reduced power consumption so products will not overheat in densely packed rack environments. Intel described the new processors as part of its Internet Exchange Architecture for creating advanced communications equipment with industry standard building block technologies, which the company believes will eventually supplant traditional proprietary product development methodologies. The new processor family includes the fully programmable IXP2800 for network core applications; the IXP2400 for multi-service switches; the IXP425 supporting voice, video, and data across a variety of transport mediums including DSL, cable Internet and wireless networking; and the IOP321 I/O processor optimized for network storage devices. The IXP2800 and 2400 will be available in production by the end of the year; the IXP 425 will be in production in Q3; and the IOP 321 I/O processor is currently available.

While Intel's new family of XScale network processors offer notable capabilities to hardware vendors, we believe that they provide a glimpse of changes coming in the telecom and service provider space that are far more intriguing. It should be noted that the servers these new chips will power are unlikely to be seen by employees, unless they happen to be telecom IT workers who labor amidst hundreds of rack-mounted "hardened" servers. The long-time leading vendor in the service provider market is Sun Microsystems, which has been particularly adept at developing rugged, dependable Solaris-based machines that are well-adapted to resist the high temperatures and humidity typical in such installations. Great success, however, generally makes one a large target, and Sun's telecom business is feeling significant heat of late from vendors including IBM, who is hitting the space with its own rack-mounted UNIX-flavored boxes. On the hardware side, then, Intel is upping the ante with its new XScale processors, which in using less power than conventional chips should also be cooler and cheaper to run than the competition, potentially dropping TCO and operating expenses for telecom clients. Also stepping into the ring with Intel is MontaVista, whose Linux 2.1 embedded development environment combined with Intel's XScale network building blocks and Internet Exchange Architecture offer ISVs interested in the telecom space an

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interesting set of materials to use in creating alternatives to Sun's market dominance. In our view, Intel's XScale strategy demonstrates that the company is acting more and more like a market and industry standards bearer. Depending on where one is standing, this will qualify as either very good or very bad news.

EMC Boosts NAS with New Celerra Offerings

By Charles King

EMC has announced a new series of hardware, software and service offerings for the EMC Celerra File Server that the company says will significantly boost the performance of network attached storage (NAS) implementations, while improving business continuity and NAS/SAN integration. Included in the announcement were Celerra Data Mover 510, a server clustering solution that allows up to fourteen separate file servers to run within Celerra and enables Celerra to scale up to 52 terabytes of data; Celerra HighRoad enhancements including local file system replication and Fail Safe networking; and native Celerra support for Windows 2000. The company is also offering customers new automation tools including Celerra Configuration Wizard and NAS Migration Services, both of which are designed to streamline installation and consolidation of NAS management solutions. In addition, EMC is providing new business continuity solutions including Celerra Concurrent Back-Up Copy for high-speed NDMP-based tape back-ups; EMC Data Manager for NDMP tape support in NFS, CIS and multi-protocol environments; and TimeFinder/FS, which allows clients to make back-up copies of file systems for disaster recovery, testing and other purposes. All of the products mentioned in the announcement are available immediately with the exception of Celerra Concurrent Copy Backup, which will be available early in Q2 2002. No pricing information was included in the announcement.

EMC's long-time reputation as the main vendor to "get" enterprise data storage has been sullied a bit by a swooning tech market, the rush of competitors into the storage market and the proliferation of lower-end NAS storage devices that seemed, at first anyway, to be flexible, affordable and easier to deal with than the direct attached systems EMC was famous for. A funny thing happened on the way to the future, though, because as businesses' warehoused data environments grew and became more highly dispersed as a result of all those nifty NAS devices, they also became increasingly complex and difficult to manage. Most people think of EMC as the leader in big iron storage, and rightly so, but the company has also proceeded to reinvent itself and its notion of storage by developing management solutions for highly complex problems. The company's enhancements of Celerra are a case in point, providing a highly robust set of tools for smoothing and improving data flow within mixed storage environments. The inclusion of Concurrent Backup also offers proof that while disk storage may be EMC's strong suit, the company is willing to integrate tape support for companies and processes that require it. We are also intrigued by the provision of native support for Windows 2000 in Celerra, and believe its inclusion will be welcomed by enterprises employing W2K or who are planning a migration from NT. Overall, we see these new Celerra offerings as proof that EMC is keeping a close eye on the technologies and processes its customers use the most and need the most help with.

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Can New Management Make Novell Nouvelle?

By Siamanto

With a pair of announcements in advance of their earnings announcement, Novell has significantly changed its management team. February 26 saw the departure of one long-time executive Stewart Nelson and the return of a former Novell executive, Chris Stone. Nelson leaves with a substantial string of achievements at Novell including posts in the product management and research and development organization. Stewart's final post was as Novell's Chief Operating Officer, a responsibility he will leave behind in a few weeks. Chris Stone will return to Novell on March 4 and assume the position of Vice Chairman, Office of the CEO.

Novell has gone through a number of rounds of abrupt management changes over the years, yet this feels different. With the return of Mr. Stone, the company will bring back one of the men credited with turning around the company under the direction of Eric Schmidt (Novell's former CEO). Stone was the man in charge of corporate strategy and business development. He is also credited with the founding of the Object Management Group and the creation of CORBA. Finally, Stone spent the last several years founding and managing Tilion, a real-time logistics and supply chain analysis product and service provider.

Novell once dominated the network software market with NetWare, held a commanding position with its groupware product GroupWise, and created, for all intents and purposes, the market for certified professionals with its certified training programs. Yet in spite of great innovation and technology, the company's ongoing decline in market share and mindshare left the company with declining revenues and mounting quarterly losses. The key for any success for Novell will center around two areas. First, it must make any changes rapidly and aggressively and re-orient the organization so that it is aligned with its present and future markets. Second, it will need to stabilize its current install base, foster a marketing capability and convince the marketplace that any new strategy is right for a world where protocols and speeds and feeds do not matter; execution and excellence in marketing, engineering and service does. Novell has historically had the engineering talent and a knack for peering into the future and address critical issues even before the broader market deigns them important: Novell's digitalMe was out for more than a year before Microsoft launched its Passport and .Net services strategy. In the end, Novell will need to make a number of hard choices over the next few months. We feel that the company has an interesting set of technologies, but that is not enough. For Novell to become Nouvelle, they will need to deliver a set of truly differentiated products and services that engineers consider worthy and businessmen consider of value. We wish them good luck on what will be a hard slog.

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