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Market Roundup
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Thinking Strategically or Reacting to Years of History and Tactics?
Intel Ships Enhanced Xeon MP
IBM Announces ThinkVantage PC Products
Holy Grail? Or Tin Cup?

Thinking Strategically or Reacting to Years of History and Tactics?

By Clay Ryder

Earlier this week Norman Lorentz, CTO at the Office of Management and Budget (OMB), outlined the administration's IT priorities and his Federal Enterprise Architecture (FEA) at the Federal CTO Forum 2002. The goal of the five-step FEA program is to bring all federal IT systems into compliance with a single enterprise architecture across all federal government agencies. Lorentz has championed FEA as the way to change how government executes IT operations, defining the needed steps to begin the transition of the federal government from its historic monolithic and stovepipe infrastructure, which often results in information isolation or redundancy across agencies, to a standardized information infrastructure. The CTO identified a number of benefits that continuing to develop the FEA process could provide, such as identifying cross-agency initiatives including establishing trans-agency LOB champions, and integrating defense and intelligence enterprise architectures as well as state and local architectures into the FEA. In addition, Mr. Lorenz stated that FEA is not about technology, but how the government goes about business; further stressing that government should not be operating or constructing technology but rather creating specifications and demanding that solutions conform.

When thinking of technological and business excellence, few would associate these virtues with the practices of the federal government, but despite the popular perception that government agencies' IT acumen has hardly surpassed that of the punch card with a dimpled chad, the fact that OMB appears to be viewing federal IT infrastructure as a strategic concern is heartening. The intertwined nature of legacy IT infrastructure and business demand has often set in stone processes that were based on the needs and capabilities of the technology as opposed to the constituent. Hence, the monolithic approaches to IT that various agencies took during the 1960s, 1970s, and 1980s, although driven by technological limitations of the time, came to further the myopic mentality of many agencies. The result was that the primary customer of government, the citizen, rather than being a user with many needs, became the placeholder of a social security number against whom discrete processes, regulations, etcetera were applied. Businesses long ago came to the realization that despite their technologies, products, and places in the market, ultimately they needed to holistically serve the needs of their customers, lest said customers take their business to somewhere that would. This is a realization that government agencies have either avoided or ignored.

While government agencies tend to have a monopoly on the services (markets) that they provide, the demand for more businesslike behavior in "reinventing" government remains notable. To this end, we believe that the OMB is on the right path, but at the same time, this will be anything but an easy undertaking. One only need remember the ambitions of the USPS, Mr. Lorentz's former home, in its quest to modernize and rethink its IT and services approach. Ultimately many a good (and some not so good) ideas found themselves the victim not of silicon technology, but of entrenched carbon organics (i.e., bureaucrats). The historic limitations of IT

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driving behavior can not simply be dismissed, nor can it absolve those responsible for the operations of an organization, be it an enterprise or government agency. We believe the single biggest challenge to achieving OMB's FEA will be changing the mindset and behaviors of hundred of thousands of government employees and managers from a myopic focus on the tactical daily operation of their agencies to a broader strategic view of providing service and value to their customers. Without a galvanizing initiative that changes behavior and mindsets along with technology, we are afraid that the FEA will become just another indiscernible acronym in the alphabet soup of government-speak, with as about as much impact on the daily operations of and the value provided by the government to its customers, the citizenry at large.

Intel Ships Enhanced Xeon MP

By Charles King

Intel has announced that it is shipping the new Xeon processor MP (codename Gallatin) with an enhanced two megabytes of level three cache at speeds up to 2 GHz. According to Intel, the new processor offers up to 38% better performance for server workloads such as database, CRM, and supply chain processes, as well as enhanced scalability. Designed for mid-tier and backend servers with four or more processors, the new Xeon MP is Intel's first 32-bit processor built on the company's 0.13-micron process technology. The new processor maintains hardware platform compatibility with previous generations, and Intel is now sampling server platform building blocks that support the new processor and the latest Intel networking technologies. In related announcements, HP and IBM introduced products based on the new Xeon MP processor, along with benchmarking data. HP announced next-generation Proliant ML570 (four-way) and Proliant DL760 (eight-way) servers which also include HP's Advanced Memory Protection technology. The Proliant DL760 is scheduled for shipment in early 2003. IBM announced that three xSeries servers would support the new processor; the four-way x255 rack and tower system, four-way models of the x360 rack-dense server, and four- and eight-way versions of the x440 (with planned support for sixteen processors). Worldwide availability for the xSeries servers is planned between mid-November and early December.

The story of processor performance evolution is largely one of incremental gains. The most notable twist in the tale of Gallatin is the doubling of L3 cache over the previous Xeon generation (Foster) chip, a pleasant bonus of Intel's new 0.13-micron manufacturing capability. In short, Gallatin costs the same as Foster but should deliver considerably better performance. That translates to good news for enterprises that depend on Intel-based servers for CPU-hungry apps and business processes and the vendors who develop those solutions. Taking the longer view, Intel's dedication to backwards hardware compatibility means that Foster-based systems can be easily upgraded to Gallatin, which helps to protect enterprises' investments along the way. So is there a potential dark lining lingering in any of these clouds of joy? Perhaps. While Intel's continuing product enhancements are likely to be welcomed by most everyone involved, and will further fuel the push toward higher end (eight-way+) industry standard server configurations, we wonder if they might also shadow the company's Itanium efforts. As Intel presses Xeon performance upward, the opportunities for overlap and confusion of aims also grow. The irony here is that despite these potential difficulties, Intel is in a win-win situation. Further improvements in the IA-32 space will please the burgeoning group of customers who rely on Intel-based servers for Microsoft and Linux-based apps, and the continuing profits and increasing footprint generated by those sales will fuel the company's patient press forward with Itanium.

IBM Announces ThinkVantage PC Products

By Charles King

IBM has announced ThinkVantage Technologies, a set of new solutions the company said are designed to address fundamental problems with personal computers. ThinkVantage solutions IBM expects to introduce in 2003 include: IBM RapidRestore PC, a software tool that can restore previously saved data and applications after a software failure; Embedded Security Subsystem, to protect PC-based data; ImageUltra Builder, a software image management toolkit for IT departments; System Migration Assistant, a software tool for easing PC migration; and Access Connections, an automated tool for easing PC connectivity processes. The

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new ThinkVantage Technologies are a key element of IBM's new "Think" strategy and will be extended across company offerings including IBM's signature ThinkPad laptops, new ThinkCentre desktop PCs, new ThinkVision displays, ThinkAccessories, and ThinkServices offerings. In addition to announcing the new ThinkVantage product offerings, IBM demonstrated a number of new technologies developed by IBM Research laboratories in conjunction with PC product developers as part of the company's investment in autonomic computing solutions.

The ThinkVantage announcement offers one middling surprise with a couple of not unexpected twists. The surprise, of course, is that IBM appears to be re-energizing its PC business, an area that has been overshadowed to an extent by the greater energies IBM has expended on higher-end computing efforts. Though IBM formally exited the consumer PC space over a year ago, it has maintained a presence on enterprise desktops, though its products have tended to be overshadowed by Dell and HP. This new effort might be considered the first inkling that the company's greater "autonomic" computing effort is finally trickling down to the desktop. On the surface, ThinkVantage proposes to deliver the desktop portion of a future where all of a company's computing resources form an integrated whole to drive On Demand-style services. The toolsets mentioned in this announcement will largely be of interest to IT personnel to begin with, but they do offer to ease some common PC headaches. While ISVs such as Connected offer products that deliver similar capabilities, it is the integration issues and capabilities that set ThinkVantage apart.

Integration is the essential strength of ThinkVantage, but it could also be the source of a greater weakness. It is uncertain at this point just how, if at all, the ThinkVantage management toolsets will be able to interact with non-IBM PCs. If they are able to function in larger heterogeneous PC environments, they could prove to be a boon to businesses across the board. If they are simply integrated enhancements of the ThinkVantage product line, they could provide IBM some advantage among existing customers but will be a tougher sell among enterprises that buy and deploy PCs from multiple vendors.

Holy Grail? Or Tin Cup?

By Jim Balderston

HP has announced the introduction of a new Compaq Tablet PC TC 1000, a wireless device that uses "electronic ink" to allow for handwriting input. The device comes with the Windows XP Tablet PC Edition operating system. The device can be docked and used as a desktop PC, and it comes with a detachable keyboard for use if handwriting entry is not the preferred method of communicating with the device. The Tablet PC is .8 inches thick and weighs three pounds. It includes built in 802.11b wireless capabilities, 60 GB hard drive, and USB connectivity. The device is priced at $1,699.

While reliable and natural handwriting input has been a challenge for the industry, we wonder if that challenge is actually evidence of a need. Certainly if this device does what it promises, it could offer real advantages to certain specific types of work environments. The press release notes that doctors might employ these, or field service workers. Perhaps so, yet we are not sure that these devices represent a broad-based revenue opportunity in the long run. A price point of $1700 a pop is not going to drive sales either.

So what larger niche does this device fit in? It's not a PDA — it's too big. It's not really a laptop — or at best it is a small screen version — which has not been that dynamic a market in the past. One has to ask, as a desktop unit will handwriting be more efficient than typing? Or will using this device fulfill more needs than one's high-powered PDA? It certainly won't fit in a pocket. Without belaboring the obvious, these devices seem to lend themselves to "form fillers" more than writing tablets. Having said that, we can see their use in many industrial applications where checking off boxes and writing notes using dedicated applications is the task at hand. For the general enterprise and consumer markets, however, we suspect that this offering is the latest in one of the oldest passion plays of innovation and technological progress — a technology in search of a problem to solve. Removing the keyboard interface between the user and the computer is a challenging, and perhaps noble goal. But we suspect viable voice input is going to be the bearer of that particular Holy Grail. As it is, the tablet PC seems to be little more than a finely crafted tin cup.

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