



Market Roundup

May 2, 2003

IBM Announces New Grid Vertical Solutions/Ecosystem Partners

We Don't Like Spam!

EMC Updates PowerPath: Envisioning and Enabling Holistic Storage

Apple... by the Slice

IBM Announces New Grid Vertical Solutions/Ecosystem Partners

By Charles King

IBM has announced a series of new offerings aimed at expanding the commercial use of grid computing solutions in four new vertical industries. For the petroleum industry, IBM is offering grid solutions designed to improve seismic imaging processing and analysis and to optimize computing and storage resources. The company has also developed grid solutions for the electronics industry for aggregating computing resources from multiple partners and enhancing product design collaboration. For higher education environments, IBM is offering a collaboration grid to enable seamless sharing of large amounts of raw data among researchers and across institutions. The company has also created grid solutions for the agricultural chemical industry designed to help speed scientific discovery and maximize the use of data resources. In addition, IBM announced an initiative to develop a grid ecosystem that currently consists of more than thirty-five hardware, software, and business partners that will help develop commercial grid solutions. Among the ISVs that have recently become involved in the effort are Accelrys, Cadence, Calypso Technology, Force10 Networks, Landmark Graphics, Mercury Interactive, and MSC.Software. Additionally, IBM announced that Cisco Systems has joined the grid ecosystem effort, and that the two companies are working together to enable enhanced grid services for storage area networks (SAN).

Grid computing has been a hotly contested area for more than a year, with competing vendors laying claim to a wide variety of grid-related technologies and strategic approaches. However, while grid has enjoyed a great deal of interest in research environments and among academics, widely deployed commercial solutions have been slower in coming. This is not especially surprising, given the inherent complexity of enterprise-wide grids, but it does make one wonder what it will take to drive grid further into commercial markets. IBM's grid ecosystem initiative offers one approach to this challenge. In the initial commercial grid-centric offerings the company launched in January for the aerospace, automotive, financial markets, government, and life sciences industries, IBM took a highly pragmatic approach by focusing on five areas (R&D, engineering and design, business analytics, enterprise optimization, and government development) that seemed especially ripe for grid solutions. This latest announcement extends that first group with four more compute-heavy industries that we believe are sound choices for developing commercial grid solutions. We expect IBM will continue to develop future commercial grid offerings via this same industry-centric framework.

Given IBM's history of efficiently leveraging its relationships with ISV partners, the grid ecosystem initiative simply formalizes a new grid-specific focus group that software developers can join for their own and IBM's benefit. The fact is that while grid is a highly geeky subject in the best of times, the technology's potential success and longevity in the larger market will depend on how successfully it can be applied solve commercial

problems. For that to work, IBM needs folks to write commercial apps that end users want or need, and the list of new ISVs who have signed onto the grid ecosystem initiative contains names well known in the life sciences, financial, engineering, and petroleum industries. We are especially intrigued by Cisco's decision to join IBM's grid parade, especially as a developer of storage solutions. While Cisco's SAN switches are not as well known as those of specialists like Brocade and McData, the company's expertise in network switching technologies could provide them a leg up in developing enterprise grid solutions. Overall, Cisco's apparently deepening partnership with IBM (which resells Cisco's MDS 9000 SAN switches) is likely to give the companies' grid competitors food for thought or, perhaps, indigestion.

We Don't Like Spam!

By Jim Balderston

AOL, MSN, and Yahoo! announced this week that they have formed a pact to work together to fight spam. The announcement said the three companies will focus on four areas to reduce the amount of unwanted and unsolicited email that comes to their customers' email boxes and that which is sent from accounts of these three services. In the first area, the three intend to prevent spammers from using deceptive email headers or other concealment techniques. The second will limit the amount of email that can be sent from AOL, MSN, and Yahoo! accounts. The third thrust of the plan is to create a best-practices portfolio for businesses by which to send commercial email. Finally, the companies said they will be more aggressive in helping law enforcement against spammers using fraudulent methods. In this area, the companies propose creating better audit trails for law enforcement and coordinating with law enforcement to prosecute spammers.

While spam remains most visibly an inbox problem for the home user, its effects on the larger Internet ecosystem are well documented as spam absorbs huge amounts of resources in the form of bandwidth, storage and, of course, time. While most enterprises may be less affected than most consumers – at least in the area of their users' inboxes – we suspect that situation could continue to erode as spammers become more proficient at scraping corporate email addresses. Of, course the issues of resource consumption remain well entrenched.

While we – and we suspect those people who go apoplectic over spam – are heartened by AOL, MSN, and Yahoo!'s announced intention, it should be noted that a vast amount of spam originates from their email accounts. If they want to reduce spam, they need to make sure they are monitoring their own houses. A laudable concept to be sure, but we wonder if spam is the real issue here. These companies have been aggressive in marketing to their own subscribers and in many cases are less than forthright with them about how much personal information they are gathering and to whom they are peddling that information. In other words, there is a fair bit of unseen customer abuse that remains hidden behind the technological complexity of the Internet. In this sense, this announcement could be seen in the light of saying to customers, "Hey, we really, really care about you and let us show you how much we care by limiting spam." Such measures run the risk of backfiring, as the promise to reduce a widely noted nuisance could end up being an albatross around the companies' collective necks when users see little or no results in the reduction of email offering low interest loans, sexual enhancement products, and online prescription medications. The real measure of the success of this initiative will be seen in the reduction of resource consumption, most notably in the infrastructure of the Internet and the enterprises that rely on email to actually communicate something useful amongst themselves and with their customers. Until we hear from those folks that the spam nuisance has been reduced – it will never be eliminated – we will take a wait-and-see attitude toward this particular announcement.

EMC Updates PowerPath: Envisioning and Enabling Holistic Storage

By Charles King

EMC has announced new product features and technologies designed to optimize, simplify, and automate end-to-end management of the data path, factors the company said are key to delivering its vision of intelligent information infrastructures. Principal in the announcement was PowerPath Volume Manager, an integrated volume management solution that provides users the means to strip, mirror, and slice volumes, as

well as allocate physical storage into logical or “virtual” pools for online storage volume reconfiguration. According to EMC, the new feature is designed to take advantage of Power Path’s intelligent path management features, making it the industry’s first “network aware” volume manager. The new Volume Manager is included with EMC’s PowerPath at no additional charge. EMC also announced that application-transparent data mobility, which will allow customers to move online application data from one storage array to another without affecting performance or availability, will become part of PowerPath in Q3 2003. EMC plans to integrate aspects of PowerPath into existing and emerging intelligent switches, an effort which the company stated is focused on simplifying and automating automated networked storage environments. Additionally, EMC said that a new version of PowerPath available later in 2003 will provide support for heterogeneous storage arrays.

While some might regard EMC’s latest PowerPath announcement as a mere clanging and tooting of this quarter’s bells and whistles, we believe it provides evidence of the company’s ongoing efforts in driving enterprise storage evolution. The fact is that the challenge of heterogeneous storage is a bit like the weather: vendors all like to talk about it but it is often difficult to see just what they are doing about it. Solutions can range from vendor agreements that provide simple, mutual support for one another’s products to more complex API exchanges to overarching strategic solutions such as IBM’s oft discussed Storage Tank. All of these efforts share the goal of simplifying increasingly complex heterogeneous storage environments without detrimentally affecting management efforts, cost, and overall storage performance. What we find particularly interesting about EMC’s improvements to PowerPath is its deceptively incremental appearance. Enhancing the movement of data volumes is hardly a subject that keeps most folks up at night, yet combining effective volume tools with PowerPath’s existing data path management capabilities should significantly ease data management tasks without negatively impacting data performance across networked storage environments. In essence, PowerPath Volume Manager and the other features EMC plans to offer later this year provide tangible evidence that the company’s approach to providing effective heterogeneous storage solutions consists of building them one well-formed and well-placed brick at a time.

What is missing from EMC’s announcement is any reference to the “virtualization” features of which most of its competitors are preoccupied. EMC’s conception of intelligent information infrastructures might be a more technically accurate and even honest description of the approach required to conceive, design, and deploy management solutions for heterogeneous storage environments. But accurate or not, most storage vendors and customers appear to be migrating toward virtualization as a catch-all phrase for long hoped for (if also long in coming) heterogeneous storage solutions. By seeming to avoid this increasingly disseminated if often murky term, EMC risks confusing its allies and comforting its enemies.

Apple... by the Slice

By Jim Balderston

Apple has announced the availability of its iTunes Music Store, in which customers can browse and buy more than 200,000 songs that have been licensed from various music industry labels, including the top five labels. The new service will allow Apple users – and Apple users only for the time being – to purchase single songs at 99 cents each. Those songs will be encoded in a new format, which makes the files smaller in size than MP3 files. The new service allows users to browse titles and to listen to thirty-second clips of a song at no charge. The service will allow users to play purchased music on up to three computers and to burn CDs as well as play the music on iPods. The service is presently only available to U.S. residents.

While the music industry seems ready to compromise on the idea of paid downloading, they apparently continue to take a timid toe-in-the-water approach, considering that the Apple computer market penetration remains at about 3%. Having said this, we must note that even as this tiny portion of the market now gains access to legally downloaded music files, something significant is afoot here.

While no one is ready to say there is breakthrough technologies at work – one industry executive said the technology for this service was in place five years ago – there is still the feel of a real innovation at work here. By innovation we mean a development – in this case Apple CEO Steve Jobs getting record industry buy-in –

that will have a profound effect on behavior of not only customers but eventually the recording industry itself. Now users are free to pick out music by the song, avoiding “B” side music or other unpopular flotsam that is thrown onto a CD. In short, this kind of service could change the economics of producing and distributing that “B” material. In this sense, the legal downloading service that Apple is offering breaks the existing pricing models for the recording industry. Such developments are not limited to bits representing music, of course. Just as the downloading of music – both legal and illegal – has opened people’s eyes to new ways of distributing content, so the Web Service model is challenging the enterprise software and systems vendor pricing models. We are sure to see more and more companies looking to minimize their commitment to large scale application suite installations, preferring instead to pick a la carte functions that meet their needs without a lot of “B” side functions or applications. The ripple effect now moving through the music industry is poised to make its way through the enterprise hardware and software vendor community. Pricing models are under threat as tight-fisted customers now overburdened with huge monolithic installations which may be utilized at one-half or one-fifth their functionality look to avoid their gluttonous overspending of the past decade. For the enterprise IT vendor, the music downloading phenomena is a lesson to be heeded. Adapt to new customer needs and be ready to break things into pieces or risk having them broken for you.