

## Market Roundup

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## HP Joins the Self-Healing Parade

*By Jim Balderston*

HP has announced its new Adaptive Enterprise strategy, in which the company envisions self-healing software, virtual data centers, and demand-based computing resources. As part of a flurry of announcements made on the anniversary of the completion of the HP-Compaq merger, HP announced the HP Virtual Server Environment and the HP Software Self-Healing Services for HP OpenView. The virtual server environment is based on the HP Workload Manager and is presently designed to operate on the HP-UX platform only. HP also announced partners for the adaptive enterprise initiative, including Accenture, BEA, BearingPoint Cap Gemini Ernst & Young, Cisco Systems, Deloitte Consulting, Oracle, PeopleSoft, SAP, and Siebel Systems.

We believe this is good news. While HP joins the self-healing, self-managing IT infrastructure parade already populated by IBM and Sun, it does so with a fair bit of ground to make up. HP's joining of the ranks serves to validate the concept of what IBM has been calling "autonomic computing" for several years now, making it a more industry-wide effort. As a result, we believe this reinforces IBM's position, complete with its lead in this marketplace, but simultaneously it serves notice to Big Blue that HP is on board with the concept and will be bringing potentially significant competitive pressure to bear.

Clearly, HP has to overcome IBM's competitive lead; but it faces some serious technical issues to address as it rolls out the Adaptive Enterprise. First and foremost, while offering its new technology only on HP-UX-based systems may be expedient in bringing the Adaptive Enterprise technology to market quickly, for many potential customers it may look like a vendor lock-in play. This perception is unlikely to sit well in an environment where IT managers are attempting to stretch and leverage existing deployments of all stripes. While IBM's offerings in this area may work best in IBM environments, they do interoperate with other vendors' products and platforms. HP's mainframe offering, descendant from the Tandem product line, is not part of this initiative; at least not now. This does illustrate some of the difficulty HP faces in bringing this initiative to market given the several discrete product families of varying origins across which HP needs to deploy a uniform set of capabilities. In our view, not being able to offer a self-healing, self-managing computing environment inclusive of its mainframe does place HP at a competitive disadvantage in the present. While we believe HP's decision to make a concerted effort to offer more intelligent and self-managing IT resources will benefit the company in the long run, it would seem that the first order of business will be to close the gap between itself and IBM. To do so will take a serious commitment of resources, corporate vision, and steadfastness — something that may prove challenging given the bloodletting of its organization in its post-merger rationalization and quest for an immediate return to profitability.

## Cultivating the High End: IBM Upgrades/Updates eServer p690, p670, and p655

*By Charles King*

IBM has introduced new versions of its high-end eServer pSeries UNIX servers that take advantage of the company's new POWER4+ processor technology. The flagship eServer p690 has been refreshed with 1.7 GHz POWER4+ processors, 567 MHz L3 cache, and a new I/O subsystem that triples previous I/O bandwidth and doubles LPAR support to the processor level. The new eServer p670 features 1.5 GHz POWER4+ processors, plus the same cache, I/O, and LPAR innovations as the p690. The cluster-optimized eServer p655 features either 1.5 or 1.7 GHz POWER4+ processors, plus upgraded L3 cache, I/O, and memory. According to IBM, the new processor and system enhancements can boost the performance of the p690 by up to 65%, the p670 by up to 90%, and the p655 by up to 83% over previous models. In addition to hardware upgrades, IBM announced a quartet of On Demand features for all three of the new servers. On/Off Capacity on Demand allows customers to activate and deactivate processors as necessary. Memory on Demand allows users to activate memory in 4GB increments as needed. IBM's new Try and Buy program provides a thirty-day trial at no additional charge for memory and processor capacity upgrades. The company also plans to price select software for the pSeries according to when the customer activates temporary capacity. The new eServer p690 and p670 will both be available on May 30, 2003, with the p690 priced starting at \$493,386 for an eight-way configuration and the p670 at \$190,411 for a four-way. The new p655 will be available beginning in late July 2003, starting at \$50,000 for a four-way configuration.

In truth, the high-end 64-bit server market is a heady place, whose speed-demon numbers are more evocative of drag strips than enterprise data centers. But in an industry where performance is often prized above more mundane capabilities, high-end servers represent the gold standard for many vendors and users. From that particular standpoint, IBM's new pSeries servers look shiny, indeed, with significant performance upgrades in the top-end p690 and big jumps in the mid-range p670 and HPC-focused p655. If those numbers hold up well under independent scrutiny, the company should have a lot to smile about. In a way, the p655's performance may be the most significant, since IBM's recently announced "Deep Computing" initiative represents a concerted push further into the HPC/supercomputing space where the company already has a very large footprint. However, we find IBM's new On Demand offerings at least as intriguing as the new pSeries systems' performance metrics. While it is currently unclear just how large a market exists for On/Off CoD, the option could prove extremely attractive to enterprise customers adrift in ongoing economic doldrums. Additionally, IBM's Try and Buy program could provide just the elixir needed to transform doubts into deployments.

So when all is said and done, does this announcement represent anything more than a performance bump in the 64-bit computing road? We believe so. While the 32-bit market is largely a done Wintel deal (though Linux and AMD's new Opteron offer fascinating game-changing scenarios) the 64-bit game continues to be very much in play. HP may have bought its way into 64-bit market leadership via its Compaq acquisition, but in year two of the merger, the company's enterprise product strategy remains disjointed. HP, Intel, and Microsoft continue to funnel the Itanium platform further into the market, but just how well their efforts are playing among critical Alpha and Non-Stop/Tandem clients is anyone's guess. On another side of the net, Sun's attempts to extend its relevance and reinvent its market leadership remain unfocused, with the company offering continuing and confusing strategic retrenchments. While IBM is portrayed by many as stodgy in the extreme, the company's unflappability amidst the chaos engulfing the larger market may appear as a beacon of serenity by nervous customers. The fact that IBM is reinvigorating and reinventing its high-end enterprise solutions in sync with its greater On Demand strategy is likely to discomfit and even distress the competition.

## The Old School Try

*By Jim Balderston*

IBM has announced that it is building an interactive digital media infrastructure on the Marist College campus which will be used to provide access to digital media content, Web-based campus portals, bulletin boards and IM services, orientation materials for new faculty, and college credit bridge courses. The project

will deploy a number of recently developed IBM technologies including the Rich Media Distribution Utility, Enterprise Media Beans, and Xcast, a technology that lets unlimited numbers of small groups receive broadcast data. Specifically, the infrastructure will be deployed to access the college's Emmy Awards Collection as well as the FDR Library Collection. IBM indicates that the Marist College system could be deployed in more traditional enterprise settings, such as advertising agencies or industries using Computer Assisted Design (CAD) technologies.

While in many cases one could dismiss such an offering as a good promotional self-attaboy project, we believe there is more to this than IBM simply trying to do community work. The Marist College needs are challenging to say the least, requiring access to large files of digital content that must then be delivered reliably to a wide number of recipients on a daily basis. In other words, no delivery, no class.

While some students might cheer the advent of more days away from class, we believe that IBM's little experiment with Marist could yield significant dividends down the road. Using a fixed, largely self-contained network as a laboratory, IBM has the opportunity to tinker with ways to make bandwidth-hogging content behave more, well, collegially. While the closed Marist system may have a certain amount of bandwidth set for this specific type of content delivery, in all probability it does not have endless bandwidth availability due to nothing more than budget restraints. Assuming the IBM system is successful and heavily used, there will be built-in incentives to find ways to shove more "heavy" content down existing tubes while maintaining the quality of the content presentation. Simply stated, but this is no small technical feat in our eyes. IBM has a chance to go to school itself at Marist, and perhaps bring forth not a diploma but some real world solutions to digital media distribution that could be a real money earner in the future. This would not be the first time something like this happened, as it was not all that long ago that a campus network deployed in Palo Alto became a little company known as SUN.

## Plumtree Launches Enterprise Web Suite

*By Myles Suer*

Plumtree Software this week announced its Enterprise Web Suite, which includes new versions of the company's portal, search, collaboration, and content management software along with a new Enterprise Web Developer kit for creating composite applications from applications executing on J2EE and .NET application servers. The company claims that the suite's features will help organizations reduce the time needed to adapt traditional packaged applications for in-house customization and business specific applications. Plumtree is positioning its integration technologies for enterprises that seek to combine resources from traditional applications and application servers including with content management, collaboration, and search services. The Plumtree Enterprise Web Suite is now available in a beta release form with general availability expected later this quarter. Pricing information was not released.

Enterprise portals have been a veritable application kitchen sink and marketing catch-all for many vendors seeking relevance in an Internet standards-focused marketplace. Although providing a unified interface to multiple enterprise applications and content is laudable, the goal has left many organizations pondering whether such solutions offer demonstrable ROI. Nonetheless, the ability to build and distribute applications from existing systems has the potential to change how enterprises think about and deploy enterprise applications. Reducing the cost and time for customizing ERP or CRM applications offers a significant but not a uniquely perceived opportunity. Plumtree's approach may cause some companies to reconsider their application deployment plans in favor of a broader vision that seeks to not only create Web based applications but to integrate applications designed for both J2EE and .NET environments.

At present, it is not clear how application server or business intelligence vendors would respond to Plumtree's strategy, or if they would respond at all. For players such as IBM who are well established in the application server and content management marketplace, will the efforts of a vendor with the size and scope of Plumtree dictate a change in their strategy? Probably not. But for vendors seeking a market niche to address specific enterprise pain points, i.e., integrating .NET and J2EE applications through a unified portal, Plumtree is positioning itself to raise the bar in this regard. This could lead enterprise IT professionals to rethink the

customization of discrete stovepipe application mentality pursued by many vendors and instead look to solutions such as Plumtree's to define a more comprehensive integration platform for their enterprise applications.