



## Environment

### Reporting (quarterly)

- ❖ MS: reports revenue – of \$10.8b (up 7%) and net income of \$3.5b. Growth was driven primarily by sales of Windows. Server and Tools group revenue was \$2.5b (up 18%). Windows Client group revenue was 3.2b (up 5%). Information Worker group (e.g. MS Office) revenue dropped 3%. Mobile and Embedded Devices group only lost \$4m (compared with \$110m). MSN profit was \$130m on revenue of \$588m.
- ❖ SAP: reports revenue – of €2.4 billion (up 8%). They have 32,205 people and plan to hire 3,000 people in 2005 (mainly in India).
- ❖ Siebel: reports revenue – of \$392m (up 7%) and net income of \$54m. Siebel's year-old CRM OnDemand (hosted service) had 28,000 end users at the end of 2004. (Salesforce.com has 214,000 subscribers from 13,000 companies, NetSuite has around 7,000 companies). While Siebel remains the CRM industry leader it does not do so well in Asia/Pacific.
- ❖ Cisco: reports net income – of \$1.5b and revenue up 12%.
- ❖ Dell: reports revenue – of \$13.5b (17%) and net income of \$667m (down 11%).
- ❖ Google: reports revenue – of \$1.03b (up 101%) net income of \$204m (up from \$27m).
- ❖ Salesforce.com: reports revenue – of \$55m (up 82%) and net income of \$4m.
- ❖ HP: reports income – of \$943m on revenue of \$21.5b (up 10%).

### Industry and economy

- ❖ Sedimentation Stacks: MS buys Sybari – an antivirus and antispam software company. Sybari gives customers a choice of antivirus engines from companies such as Sophos, CA, and Kaspersky. It works with Exchange e-mail server and Office SharePoint.
- ❖ Sedimentation stacks: IBM buys Corio – a provider of software-management services/software. It offers infrastructure, applications management and professional services along with the iSrvce technology resource management software and its Applications on Demand operational software suite.
- ❖ Sedimentation suites: SAP buys iLytix – adding BI tools to its SME suite. XL Reporter enables Business One users to export data to MS's Excel without having to reformat each report.
- ❖ Consolidation Search: Ask Jeeves buys Truistic – which owns and operates the Bloglines online content-aggregation service that monitors the content feeds that are distributed using technologies such as RSS and Atom.
- ❖ Consolidation Services: IBM buys Equitant – a provider of business transformation outsourcing services. IBM uses the term transformation (something Accenture originated a number of years ago in relation to BPO). IBM denies any conflict of interest in providing consulting services as well as the technology and support to follow through on that advice.
- ❖ Consolidation Telco: Verizon buys MCI – for \$6.7b.
- ❖ Outsourcing: BT and Accenture – BT extends an HR outsourcing deal with Accenture. It has a new 10-year value of \$576m. It covers BT's HR functions in 38 countries for 97,000 employees and 180,000 BT pensioners.

## Online services

### Business on-line services

- ❖ Retail: Demandware eCommerce – is a hosted application for retailers that will use an SOA to offer e-commerce components and best-practice business processes.
- ❖ Retail: Wincor Nixdorf Linux POS – systems have been installed in about two-thirds of Hannaford's 140 supermarkets in New England and New York. They say it takes 2 hours to train a cashier to use the Retailix POS software and the thin-client Linux architecture is 25% cheaper than the Windows based POS platform.
- ❖ ERP: Smart Online's OneBiz – uses the WS backbone of its ERP service to links its 25 business applications and support integration with third-party ERP solutions.

## Business services, management, product services and intelligence



### *Business management*

- ❖ ERP: NetSuite – announces two advanced ERP modules, the NetSuite Revenue Recognition Module and the NetSuite Advanced Financials Module. Monthly prices are \$200 for Advanced Financials and \$450 for Revenue Recognition.
- ❖ CRM: T-Systems CRM – is a hosted CRM service based on Siebel in the German-speaking countries of Europe, in addition to Croatia, the Czech Republic, Hungary, Poland, Russia, and Slovakia. Companies pay a fixed monthly price of \$93 per user. T-Systems next plans to offer CRM services tailored to specific industries, such as car manufacturing and financial services.

### *Business services*

- ❖ Transport: FleetRisk Transportation Risk Analytics Center – is a predictive risk analysis system designed to help commercial fleet companies reduce losses and prevent accidents and other incidents. It combines historical data (about drivers, vehicles, route schedules, accidents and other incidents with daily operational data from a range of in-vehicle monitoring technologies) and uses a suite of analytics (including pattern recognition algorithms) to create risk signatures that can help ensure safer, more profitable fleet operation.
- ❖ Logistics: Deutsche Post and Adobe – develop a new Web-based postage service (Stampit Web) that allows users to prepay and receive mail postage online. After purchasing stamps online, users receive the postage in the form of a PDF document, which they can print out using Adobe Reader versions 6.02 and 7.0 and affix to letters or parcels.
- ❖ Health: US EHR – The US coordinator for health IT announced that he has formed a 100-member task force to analyze 500 industry responses to an RFI re EHRs. He will release a set of guidelines for using EHRs and for building interoperability in a few months. The US Dept of Health and Human Services is working to establish standards for sharing health data among federal agencies, it expects the private sector to play a major role in drawing the road map for EHR adoption and interoperability. HL7 and other organizations are defining interface, authentication, clinical terminology, coding and other standards. The Commission for Certification of Health IT is working to specify required functionality for EHRs. Sutter Health will deploy an EHR system by 2006 that will connect 26 hospitals. A key step towards this goal is to move away from best-of-breed silo application approaches and towards standardization on systems that are common to many disciplines and are oriented at ambulatory electronic record and integrated inpatient/outpatient software.
- ❖ Health: IBM Healthcare Collaborative Network – is designed for use by local/regional medical communities and helps public/private health organizations tap into national electronic networks that can alert them to unusual medical patterns, identify the origin or spread of any problems, and target solutions. The software evolved from so-called interface engines developed in the 1980s to share disparate information within a single organization, such as a hospital system.
- ❖ Health: Health Record Network Foundation – plans to launch a pilot program with a Toronto-based health system to create a portal where patient health information would be accessible over the Internet. The venture is still evaluating content management and database technology to use in the system. HRN plans to build on the pilot projects to form a health care Internet where authorized physicians and other users can access the health care history of all patients in the system.



## Business tools – produce, collaborate, organise knowledge

### *Collaborate*

- ❖ Collaboration: Google VoIP – speculation that Google could offer a service like Skype.
- ❖ Collaboration: Lotus Domino 7 – should ship in Q3. It allows the Notes client to work within IBM's Workplace Client Technology (a framework built on Eclipse/Java). Workplace Designer is a script-based development tool for creating application components for the Workplace platform (Cf. Domino Designer) and is a bridge between the Domino and Workplace development environments. Workplace Collaboration Services 2.5 (for running pre-built, reusable collaboration services including e-mail/IM) now has Activity Explorer, which allows users to organize e-mail, chats, and documents into a single interface and to see activity taking place on those objects using integrated presence capability. This signals that there is now only one destination (i.e. role-based Workplace).

- ❖ Collaboration: Skype on i-mate Phones – PDA2/PDA2K Pocket PC phones will come with Skype's software for making calls over the Internet. The phones use MS's Windows Mobile 2003 software for Pocket PCs and have both GSM/GPRS and Wi-Fi wireless LAN capability. I-mate has carrier/distributor partners across the Middle East, Europe, Africa, Russia, Asia, Australia and NZ.
- ❖ Collaboration open: Netmail based server – Novell will offer NetMail code on an open-source basis to provide users with calendar and e-mail functions.
- ❖ Collaboration: MS RTC – provides IM, videoconferencing, phone calls and data exchange. MS has yet to be really successful in this area.
- ❖ Collaboration: IBM Workplace Collaborative Services – is built on a SOA which allows users to mix and match prebuilt, reusable collaboration services such as IM, e-mail, Web conferencing, team collaboration, document management and learning. It represents a greater integration of the Lotus collaboration pieces.

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## Software infrastructures

### *Presentation & integration*

- ❖ Presentation: MS Office System Developer Conference – focuses on building applications on top of Office (e.g. as a front end for: CRM, ERP, etc applications). Project Elixir lets people access data in Siebel's CRM system through Outlook. Salesforce.com can use their online CRM service with Office applications.
- ❖ Mobile frameworks: MS Peabody – is based on MS's Windows Mobile software and will be designed and integrated for OEMs by Flextronics. MS also offers Connected Services Framework, server-based SW that works with a suite of MS (e.g. BizTalk, SQL Server, Windows, VS .Net) to offer a platform for creating, managing and delivering services. BT Group, Bell Canada and Celcom Malaysia have signed up for it.

### *Identity & location*

- ❖ RFID: RFID Anywhere – an IAnywhere suite of middleware products for collecting and managing data from RFID devices. Health and Government are the main targets sectors.
- ❖ RFID: Hospital asset management – hospitals are beginning to use RFID to manage medical equipment. Presbyterian Healthcare Services in Albuquerque uses a RFID-enabled equipment management system to track 6,000 pieces of mobile medical equipment (and projects a 200% ROI over 5 years). Beth Israel Deaconess Medical Center in Boston started to track emergency-room equipment using RFID tags and asset management technology.

### *Data & metadata*

- ❖ Database: SQL Server 2005 – has four editions: Enterprise, Standard, Workgroup and Express. Enterprise includes BI, data mirroring and other advanced capabilities (snapshots, virtual partitioning) and costs \$25k. There is no extra cost to run the database on multicore processors. Workgroup Edition is limited to two-processor servers and 3GB of RAM. It is \$3.9k per processor, or \$739 for a server and five user licenses. It has no reporting OLAP or BI. Standard Edition remains limited to servers with four processors. It includes database mirroring and some new integration services and will be \$6k per processor, or \$2.8k for a server and 10 user licenses. Express (previously called MSDE) has had some basic reporting capabilities added to it. All the editions have an updated management interface and are driven by a new SQL Server engine with built-in support for XML.

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## Platform – clients

### *Clients mobile*

- ❖ Client Mobile: Symbian 9 – is focusing on high-volume, low-cost phones for the mass market. Intel is building reference HW designs especially for the new SW. Arm has a new compiler to improve performance on their chips. It has better e-mail e.g. the ability to accept meeting invitations sent by colleagues using Notes/Outlook and support for JCP's standards for PIM.
- ❖ Mobile storage: Sanyo HDR-B5GM – Sanyo will use a 25mm hard-disk (5GB) in its voice recorder to give up to 693 hours of recording.

- ❖ Mobile data entry: HP digital pen with Nokia – HP digital pen is a real ink pen that takes 100 pictures per second to digitally record what the user is writing. A new model from Nokia can send that information via Bluetooth to a Nokia phone and from there to a server over a standard mobile data network. The key markets for digital forms are health care, manufacturing, financial services and government, where transferring information from paper forms to computers typically costs about \$1 per page and causes delays in work processes. The system is built around HP Service Controller and includes HP LaserJet printers that can print digital forms, as well as software for transforming an enterprise's existing paper forms into digital ones. A user can fill out the paper form and then send all the information on it to the Service Controller from any remote location served by a GPRS mobile data service.
- ❖ Clients Mobile: RIM BlackBerry 7270 – offers users secure access to IP telephony features and e-mail via WiFi.
- ❖ Mobile power: NTT fuel cell – is a prototype micro polymer-electrolyte fuel cell (13x42x80mm;104 grams) that is more powerful than the direct methanol fuel cells. The power density is up to 200 milliwatts (vs 70 for DMFC) per square centimeter and could provide 3G mobile phones (2.5 watts) 9 hours of talk time.
- ❖ Clients Mobile: T-Mobile MDA VI – is a new Windows Mobile-based smart phone that combines cellular and WiFi technologies, which will be available in the second half of this year. Text messages of all types (SMS, MMS and e-mail) can be typed on a full QWERTY keyboard. It has integrated video and still cameras and a screen that can be turned around so it becomes a mini-laptop. It offers MS Office functionality, including Word, Excel, PowerPoint, and Outlook. T-Mobile's OS of choice for smart phones will be Windows Mobile. T-Mobile expects to sell 500,000 data-centric devices this year (up from 210,000 last year) and expects to have 20,000 hotspots in Europe and the U.S. by the end of 2005.

#### *Clients desktop*

- ❖ Open Clients: IBM Client for eBusiness – is a Linux version of its standard desktop client based on the Red Hat Linux, Open Office, Notes (running under Wine) and Mozilla. IBM aims to move to a Linux based desktop by the end of the year.
- ❖ Clients PC: 199 million PCs in 2005 – Mobile PC shipments (up 17%) will continue to drive the market. In 3 years it is expected more laptops will be shipped than desktops. IBM is spending \$100m to expand Linux support to the client side of its Lotus Workplace (the server application already runs on Linux). IBM will also integrate the operations of the Lotus Workplace and Notes applications so all work can be done in the same Workplace interface.

#### *Clients input/output, other*

- ❖ Open systems: Deutsche Bahn – the German railway has moved all of its 55,000 Lotus Notes users to Linux. Next it will move various SAP systems to Linux.

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## Platform – servers

### *Servers*

- ❖ Servers: IBM No1 – IBM server sales were \$16b, HP sales were \$13.4b, and Sun was third with \$5.2 billion. IBM sales of x86 servers grew 22% to \$4.2b and Dell's sales of x86 servers grew 20% to \$4.8b. Sun was the number one Unix vendor (but its sales were down 7%), HP was 2<sup>nd</sup> with \$4.9b (9%) and IBM was 3<sup>rd</sup> with \$4.3b (7%).
- ❖ Servers: HP Opteron Blade servers – Dual-processor servers include: ProLiant BL25p (2.4/2.6GHz) \$3.4k; BL35p (2.4Ghz) \$2.9k
- ❖ Virtualised servers: Linux – support for Xen open-source SW that provides server virtualization capabilities will be added to a future version of the Linux kernel
- ❖ Virtualised servers: Linux Virtual Iron VFe – is a virtual computing environment that enables Linux-based servers to be linked into a network and allow them to function as a single large system [Cf. VMWare]

## Platform – utilities, storage, networking, management and security

### Network

- ❖ NW: SK-EarthLink – EarthLink and SK Telecom will launch a joint virtual mobile network operator in the US to offer wireless voice and data services. EarthLink has 5.2m Internet customers in the US and SK Telecom operates a CDMA network in South Korea.
- ❖ NW: TI TNETW 1450 – is a 802.11b/g device in a USB. Pricing will be comparable to card bus Wi-Fi solutions.
- ❖ NW: Ericsson HSDPA – says in 2006 there may be a mass market for high-speed mobile data services over 3G. Initially HSDPA cards will support 3.6Mbps, but HSDPA is designed to support up to 14Mbps (a further evolution will support 100Mbps).
- ❖ NW: SAS offers Connexion – it will be about \$30 for access throughout the flight or \$10 for 30 minutes. About 1/2 a dozen airlines have committed to Connexion.

### Systems and network management

- ❖ Management: SAP Performance – integrates Mercury Interactive's LoadRunner performance optimization product into NetWeaver to give SAP's global technical support team the ability to do a remote test for a customer before the customer goes live with a new application.
- ❖ Management: BMC Patrol Analytics – continuously analyzes and correlates real-time system metrics to determine typical behavioral patterns and then automatically determines the appropriate associated alerting thresholds so that IT is warned only when business services are truly impacted.
- ❖ CMDB: BMC Atrium CMDB – aims to ensure data consistency and integration between different management processes and was inspired by ITIL, DMTF and CIM concepts. The new database is based on Remedy's 13-year-old Action Request technology and will underpin BMC's Business Service Management initiative (to tie business processes to actual IT components). [Trouw provides a more complete solution - and extends to Governance, Cobit etc.].
- ❖ PC deployment: Dell Weekend Notebook Exchange – allows customers to ship old notebooks to Dell on a Friday, and have the company take the software images and data from those systems and transfer them to new systems that should be available on Monday.
- ❖ Mobile management: HP Mobile Device Management – lets carriers distribute updated versions of enterprise software and new applications to mobile devices. The MDM incorporates applications from partner companies Gemplus SA, InnoPath Software Inc. and mFormation Technologies and is part of HP's mobile Service Delivery Platform) for mobile operators.

## Governance and quality

### Development and delivery

- ❖ Modellers: IBM WBI & Rational – IBM upgrades Rational Software Architect for better integration with the IBM WBI Modeler tool.
- ❖ Modellers: Borland SDP – has functionality from CalibreRM (requirements management) and Together. It lets business analysts translate business objectives into software requirements, designers synchronize specifications/models/code, and developers get a developer-centric view into specifications/change requests/test cases. Borland's approach parallels what MS is doing with its proposed Visual Studio Team System product.
- ❖ Modelling: IBM SOMA – aims to ensure that goals set by BP modeling are implemented in a way that generates the greatest result in an efficient manner. It recognises that end-to-end business process is not sufficient by itself, and that to build solutions componentized views are necessary.
- ❖ Modelling: BEA SOA Readiness Self-Assessment – is built around BEA's SOA Domain Methodology and focuses on six areas: Business Strategy & Process; Costs & Benefits; Architecture; Building Blocks; Organizations & Governance; Projects & Applications.
- ❖ SOA: MS Indigo – will provide a unified programming model for building SO, secure, reliable transactions. BizTalk Server will eventually be built natively on the Indigo foundation.
- ❖ MDA: Compuware OptimalJ 3.3 – automatically generates UIs for applications (as well as structural parts of an application). It integrates with SteelTrace Catalyze used by Bas to define business-level requirements.

- ❖ BPM: SAP BP Platform – SAP plans to develop a new business process platform based on its NetWeaver integration platform that underlies all of its products.
- ❖ Development: Oracle plug-in for Visual Studio .Net – allows developers using VS to build applications that can run on the Oracle 10g database. Release 2 of Database 10g, due this year, will include Oracle Database Extensions for .Net (improved support via stored procedures implemented using MS's CLR).
- ❖ Development: BEA in Eclipse – joining companies like IBM (founders), Oracle, Borland, Sybase, etc. BEA is undertaking several initiatives in its Eclipse venture e.g. the WebLogic Workshop IDE will be retooled around the Eclipse framework.
- ❖ SOA: Strikelron and Grand Central – will make Strikelron tools available through Grand Central's Business Services Network.
- ❖ SOA: Zend Core for IBM – is an integrated programming solution using PHP, IBM's Cloudscape database and Zend's PHP development environment. PHP accounts for around 40% of the overall Web programming language market and about 70% of the Unix-based Apache Web platform market. Based on PHP 5.0, it integrates the Cloudscape Server and DB2 and adds native support for XML and WS. This combination may help the move towards SOAs and database-driven applications and services.

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## Governance and quality – Standards

### *Business management*

- ❖ XBRL: consists of tags – that correspond to items on financial reports, including balance sheets and income statements. It should have major implications on the speed at which investors can make trading decisions. The SEC has proposed a voluntary program for XBRL and accounting firms are recommending its adoption. An impediment is a lack of easy-to-use tools for creating the language. Distribution agencies for corporate news releases now offer their clients tools e.g. to turn press releases (in MS Office) into XBRL in a few hours. Using a tagged financial file, an analyst could easily transfer the data to a Microsoft Excel spreadsheet.

### *Presentation & integration*

- ❖ JAI: Java Advanced Imaging – a standard interface for cross-platform imaging. It is intended to simplify the development of imaging applications for systems ranging from thin clients to workstations.

### *Servers*

- ❖ Grid: Globus Consortium – IBM, Sun, HP and Intel are working together to improve open-source grid development efforts and accelerate grid business adoption by improving the Globus Toolkit (open source).