

Sun ONE/JES Competitive Brief

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OBJECTIVE

The objective of this paper is to provide sales professionals a high level competitive summary of Sun Microsystems Sun ONE Application and Integration Services offering. This material is for internal use only and is not to be distributed to customers or prospects. Comments and questions can be sent directly to cbearman@novell.com.

COMPANY OVERVIEW

Sun Microsystems (NASDAQ: SUNW) was founded in 1982 and is headquartered in Santa Clara, CA. For the fiscal year ended June 30, 2003, Sun had revenues of \$11.4 billion, employed approximately 36,100 employees, and conducted business in over 100 countries. The company offers products in most software categories related to Web services and application infrastructure under the Sun ONE brand or the recently announce the Java Enterprise System (JES). JES combines software and services as a single entity, for a single price, per employee, per year. Products in the JES include:

- Access Manager
- Application Server
- Calendar Server
- Cluster
- Directory Proxy Server
- Directory Server
- Instant Messaging
- Message Queue
- Messaging Server
- Portal Server
- Portal Server Mobile Access
- Portal Server Secure Remote Access
- Web Server

Products under the Sun ONE brand include:

- Sun Java Studio
- Integration Server B2B Edition
- Integration Server EAI Edition
- Message Queue
- iWay Adapters

GARTNER

Magic Quadrant for Application Platform Suites, 2Q03

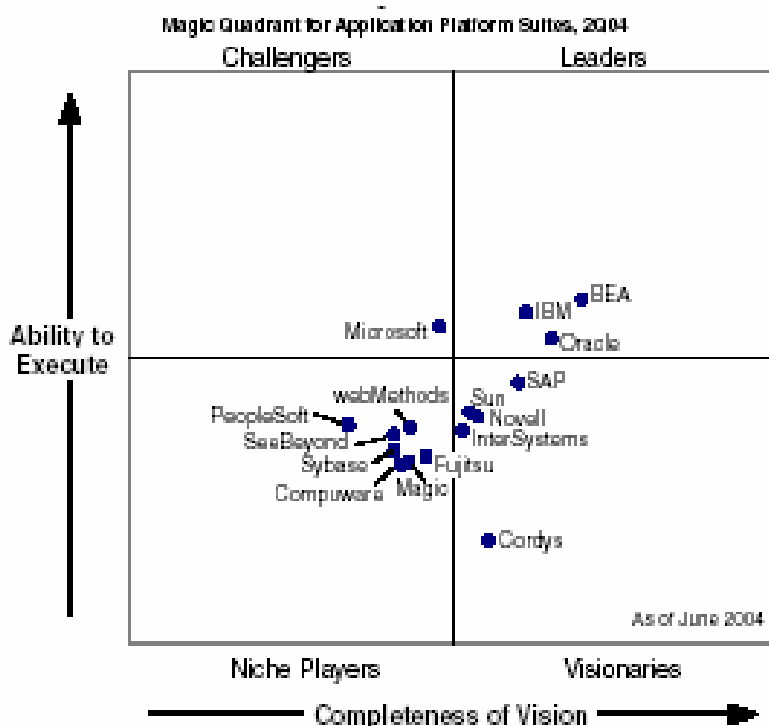
Gartner - "Application platform suites (APSs) are integrated assemblies of three fundamental runtime technologies:

- A runtime platform for business software components and services – typically, an enterprise application server (EAS)
- A runtime platform for programmatic integration of business applications – typically, an integration broker suite (IBS)
- A runtime platform for multi channel user-facing business application software – typically, a portal product

Each of the three APS component-part product categories is also a stand-alone product category. Gartner tracks all three as active independent markets. For more information on each, see:

- "Enterprise Application Server Magic Quadrant, 2Q03"
- "Magic Quadrant for Application Integration Vendors, 2Q03"
- "The Horizontal Portal Product 2003 Magic Quadrant"

In most cases, an APS product consists of more than just its three fundamental components. Development tools, systems management, multi channel access, content management, Web services administration and other extensions can all enhance the value of an APS, but they go beyond the core essence of an APS and, thus, are not included in its minimal definition."



Gartner 7 July 2004

“Sun has gone beyond most other software vendors in its commitment to software as an integrated suite. Its Java Enterprise System includes nearly all of the platform software that Sun offers, and it is innovatively priced to be acquired as a strategic platform, not simply as a point solution for a project in isolation. Sun is strategically invested in setting the standard for platform modularity – by way of Java Community Process (JCP) Java Specification Request (JSR) 208. However, Sun’s execution lags behind its vision: There is insufficient support of integration in the suite, some of the components of the suite have relatively low market penetration, and there is a limited (although improving) degree of integration across the APS components.”

SWOT ANALYSIS

Strengths & Opportunities	Weakness & Threats
<ul style="list-style-type: none"> • Software division includes a wide array of application infrastructure products and technologies • With the latest quarterly rev of Java Enterprise System (JES 2004Q2), the company has expanded the platform support to Red Hat Linux • JES Application Server is a mature J2EE platform, with a best-in-class Web server and features for fault tolerance, availability, and Web caching • Enterprise Edition of its JES Application Server 7.0 promises to shore up Sun’s appeal to the high-end of the market • Opening another potentially lucrative middleware revenue opportunity with its new RFID middleware product 	<ul style="list-style-type: none"> • Faces an uphill battle to gain a spot in the application server market. • Unclear how JES will be sold to ISVs and in general what the plan is to ramp up recruitment in the ISV community. • Late to market with high-end clustering features compared to BEA, IBM, and even Oracle. • Very weak integration product and story. • Roadmap for providing first class integration capabilities will take time • Has not yet debuted a central development interface and tool into all its components

LANDMINES TO AVOID

“Novell exteNd is not a market leader like Sun ONE/JES”

Sun Microsystems' software division includes a wide array of application infrastructure products and technologies, including a Java application server, portal, Java/Web services development tool, a directory and security EAI product, and B2B integration functionality services. With its new Java Enterprise System (JES) suite, Sun is including 13 products combined into one product, including the JES Application Server, Portal server, Directory server, Identity Server, Messaging Server, Web Server, Message Queue, and Calendaring Server. The price is fixed at \$100 per employee per year for the whole stack— pricing has also been modified for developing countries. Sun is leveraging its large hardware and related Solaris business by bundling its Java application server, directory, and messaging (JMS) product with Solaris 9. The integrated stack will appeal to users who are narrowing vendor lists and who want integrated stacks to cut down on development time and administration. It is a differentiator that in particular will convince current Sun software users to use the entire stack of products.

“Novell exteNd is not a market leading Portal like The Java Enterprise System Portal Server”

The Java System Portal Server (formerly Sun ONE Portal Server) is one of the leading portal offerings. The product offers a broad range of capabilities, such as providing user, policy, and identity management capabilities, as well as single sign-on and secure remote access capabilities to end-user communities, personalization, aggregation, security, integration, mobile access, and search - functionalities that can be augmented by third-party technology. The portal is suitable for B2B, B2C, and B2E. It supports the Java System Web Server and the Java System Application Server, as well the IBM WebSphere Application Server and the BEA WebLogic Application Server. Sun is planning to support more third-party application servers and operating systems.

“Novell doesn't have the viability of Sun Microsystems”

In April 2004, Sun entered into an extraordinary agreement with Microsoft, which will end a number of distractions and put some money into Sun's pockets. It may also make Sun a more formidable competitor in a number of markets, including the portal market. In essence, the agreement ends the companies' long-standing litigation, while at the same time requiring Microsoft to continue support for Sun's Java Virtual Machine and make upfront payments of \$700 million to Sun to resolve pending antitrust issues and \$900 million to resolve patent issues. Moreover, the companies have agreed to pay royalties for use of each other's technology (Microsoft will make an upfront payment of \$350 million) and, among other things, the companies will share access to their respective server-based technology;

“Novell may participate in standards bodies, but Sun is often the founder of many standards bodies.”

Sun continues to play a major role in a number of standards bodies, which enables it to help determine the standards that will affect the portal market and how the market will evolve with respect to industry standards. Sun is the founder of the Java Community Process, which has evolved to become a cross-industry effort to develop Java specifications, and among other things it is leading the development of JSR 185, JSR 208, and co-led with IBM the development of JSR 168. Sun is also a member of OASIS and on the WS-I board. Recently, Sun (with BEA, IBM, Microsoft, and SAP) announced the submission of the latest version of WS-Addressing to the W3C. Finally, Sun, along with BEA, Plumtree, and Documentum, established Portlet Open Source Trading (POST). POST is an open-source site that enables organizations to share portlets and other information developed according to JSR 168 and WSRP standards.

LANDMINES TO LAY

“What is Sun's Application Server Strategy? Can it survive? Will Sun End of life it?”

Sun has struggled to gain traction and penetration of its application server infrastructure. Lagging behind BEA and IBM, and falling behind Oracle to land at froth position. This position is also under threat from open source application servers, with Tomcat and JBoss challenging Sun for dominance. Faced with such a market dynamic and with more app server functionality commoditizing will Sun move features into the operating system in order to differentiate Solaris?

“Very weak integration.”

Sun acquired its integration middleware products from Forte. Originally a C++ based integration server, later converted to Java and has subsequent incarnations and names. However for many years much of the innovation was largely cosmetic leaving the solution to stagnate. Lack of investment is still evident and the integration server still has a way to go to be a complete end-to-end integration solution.

“NetBeans - Proprietary tools framework”

Sun fought an open source IDE battle with Sun and lost. Sun's Netbeans IDE platform has been marginalized to obscurity. It has literally been ECLIPSED by IBM. Novell has openly embraced Eclipse as a corporate direction, so much so that the next version of exteNd will be shipped as eclipse plug-ins.

“Sun's portal is still weak in terms of content management”

While the agreement with Vignette, FatWire, and others enables Sun to provide strong content management functionality to its portal users, these capabilities are also offered by Sun competitors. That is, Vignette, FatWire, and others also partner with Sun competitors to deliver their technology. Additionally unlike Novell exteNd Sun offers no basic portal content management.

“Sun frequently re-brands its portal products”

While the most recent re-branding more accurately describes the portal and its ancillary products, it may nevertheless cause some confusion in the marketplace, especially since this isn't the first time Sun has re-branded its products. Currently labeled the Sun Java System Portal Server, the portal was previously the Sun ONE Portal Server and before that the iPlanet Portal Server.

“Sun ONE solutions require extensive J2EE skills and hand coded solutions”

All internet applications developed with Sun ONE require extensive java coding by hand. Sun ONE Studio productivity claims are focused on the traditional 3GL J2EE development cycle. Unlike Novell exteNd, no visual tools exist to assist the corporate application developer or non J2EE expert to rapidly develop and deploy corporate applications that require integration, portal and identity functionality.

SUN MICROSYSTEMS SUMMARY

Merely mention of the name Sun Microsystems and you immediately recall the preeminent, high performance architecture of the dot com era. Solaris reigned supreme and SPARC based servers proliferated throughout the world. Post boom however, Sun has struggled to repeat its success with other software products in its portfolio. Relying instead on 3rd parties like BEA and Oracle, to “pull through” both operating systems and hardware revenues. The recent popularity of Linux and open source has compounded Sun's woes by capturing the low end of the RISC/Solaris market with the promotion of Linux on Intel.

Sun is also famous for a number of other high profile business missteps. Sun failed to monetize Java and more importantly squandered any remaining developer kudos. It's ill fated AOL/NetScape/Sun alliance called iPlanet was rolled back under Sun control after the agreement expired. Finally the stunning failure of it's iForce partner program.

So Sun is at a critical juncture. On one hand it's embracing lower cost Linux, all while trying to stave off Linux adoption for fear of cannibalizing its hardware and operating system revenue streams. A very confusing company position!

Left with very little innovation Sun has recently turned to subscription based pricing and packaging models. The Sun Java Enterprise System differentiates not on value but on plain price; offering an all-in-one software layer between the operating system and the application – at subscription pricing. Interesting idea, but hardly earth shattering, confidence inspiring innovation!

That said many would postulate that Sun's history is not too dissimilar to that of Novell. Commenting that Sun's focus on identity and meta directory is comparable to that of Novell. While some underlying technologies may appear similar nothing could be further from the truth.

A quick head-to-head competition between Sun ONE and Novell exteNd would quickly highlight Novell's viability, technology leadership and vision. Finally we know that Novell exteNd is a more fiscally responsible application development solution, with a lower TCO because:

- Novell exteNd is the only truly open and cross platform integration and portal solution that can utilize existing application server infrastructures.
- Novell exteNd has a higher application developer productivity due to its extensive use of visual tools for integration, interaction and identity management.