the Novell® report

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Quarterly review of Novell's strategic direction, one Net solutions, key partnerships and latest news



Novell®

Novell | Vision

one Net

A world where networks of all types—corporate and public, intranets, extranets, and the Internet—work together as one Net and securely connect employees, customers, suppliers, and partners across organizational boundaries.

just the facts

what you should know about Novell®

Did You Know?

- Novell® Directory Services® (Novell eDirectory™) is used in 80 percent of Fortune 1000 companies (source: IDC).
- Novell has more than 420 million users of Novell eDirectory.
- More than 1,700 independent applications have been developed for use with Novell eDirectory.
- Novell NetWare® is present in 81 percent of Fortune 500 companies in the United States (source: Harte Hanks Market Intelligence).
- Novell GroupWise® has an installed base of over 25 million seats (source: IDC).
- Novell ZENworks® has an installed base of more than 34 million seats (source: Novell).
- Novell NetWare has an installed base of 4 million servers and 90 million users worldwide. Over 1 million new NetWare servers were shipped worldwide in 2000 (source: IDC).
- Novell has more than 130,000 developers enrolled in Novell DeveloperNet®.
- Novell.com and related Novell Web sites attract more than 70 million hits each week.
- Novell has over 900 Authorized Education Centers worldwide and has granted more than 600,000 professional certifications worldwide.
- Key Novell Net services partnerships include: America Online, BroadVision, Cisco, Computer Sciences Corporation, Dell Computers, Deloitte and Touche, EMC, HP/Compaq, IBM, Intel, Lucent Technologies, Network Associates, Nortel Networks, PeopleSoft, PricewaterhouseCoopers, Sun Microsystems, and many others.

Awards

Readers of *InfoWorld* magazine have chosen two Novell® products as the best in their categories and winners of *InfoWorld* 2002 Readers' Choice awards. Novell NetWare® 6 was named Best Operating System and Novell GroupWise® 6 was chosen Best Collaboration Product by those who actually purchase and use technology to run their businesses. More than 5,200 InfoWorld readers voted in this year's Readers' Choice awards after the InfoWorld senior editorial team selected finalists from among the top products and services released during the past 12 months.

Novell is consistently recognized as a producer of award-winning technologies, with NetWare 6 winning *PC Magazine*'s Networking Product of the Year in 2001, and NetWare 6 and ZENworks® for Desktops taking COMDEX Best of Show awards in Fall 2001. In fact, Novell was the only vendor to receive multiple Best of Comdex awards.

Recent Announcements

Novell and SilverStream Software Merge—On July 22, 2002, Novell announced the completion of its acquisition of SilverStream Software, a leader in Web services-oriented application development. SilverStream Software provides the first comprehensive visual integrated services environment to simplify and accelerate the development of sophisticated business applications. Their award-winning technology is based on the best of Java, XML, and Web services, and enables businesses to unlock the potential of existing systems and rapidly deliver business applications to the Web. SilverStream powers business operations for more than 1,500 customers worldwide.

Liberty Alliance-Compliant Identity Management Solution—At a recent industry conference, Novell announced plans to deliver a Liberty Alliance-compliant identity management solution by the end of 2002. The new solution, codenamed Saturn, uses the Liberty Alliance version 1.0 specifications to exchange identity information between companies, giving users single sign-on between Web sites via open standards. Equally important, the solution allows the users themselves to decide whether their identities will be federated from one Web site to another. By enabling standards-based single sign-on, Saturn will allow companies to build more profitable, secure partnerships, more enduring relationships with customers, and more productive employees.

NetMail 3.1—Novell recently announced the availability of Novell® NetMail™ 3.1, a cross-platform Internet messaging solution that now operates on Windows NT*/2000. NetMail, formerly named Novell Internet Messaging System™ (NIMS™), is a standards-based messaging solution that provides e-mail, calendaring, and schedule sharing across the Internet. NetMail 3.1 supports hundreds of thousands of users on a single server, giving enterprise customers a highly scalable messaging infrastructure at a very low cost. NetMail allows customers to leverage the power of the Internet along with their existing network investments to more efficiently communicate and do business.

renewed focus on global alliaNces a win/win

As any thriving high tech company knows, partnering has never been more critical. As customer needs become more complex, as solutions require more components—as the very business problems we attempt to solve become more and more interconnected—partnering has emerged as an essential business strategy. Some might like to think otherwise, but the simple fact is that no solutions provider, however stellar their technology might be, can do it alone.

Simply put, partnering is critically important to Novell. To be clear, we've always had a host of distinguished partners to complement our solutions and help us meet customer needs in innovative ways. But partnering, of late, has taken on added meaning—and executive sponsorship, too. In fact, Novell has recently streamlined partner relations by forming a single Novell® Global Alliances team with a similarly singular mission: to build and manage partnerships that allow the company to deliver the most integrated solutions possible.

To that end, Novell is building an impressive list of Global Alliance Partners representing some of the biggest names in hardware, software, and consulting and system integration. By building integrated solutions on a foundation of Novell technology, these partners are helping Novell to reach and benefit customers across the globe.

But beyond this obvious near-term benefit, Novell's new alliance mindset is influencing the very process of solution development, itself. Partnering is now considered a key part of product roadmap reviews, and members of Novell's Global Alliances team are involved in the most strategic levels of development and marketing. "Our group is responsible for establishing, supporting, and managing relationships with worldwide business partners that complement and enable Novell's corporate strategy and vision." says Mike Giovia, Vice President of Global Alliances. "Our goal is to deliver integrated solutions, with partners, that make Novell's one Net vision a reality for our customers."

But what does Novell's renewed emphasis on partnering mean to you, the prospective customer? Quite a bit, if you consider the experience of Fleming Companies, a $14 billion specialty foods packaging company based in Dallas, Texas.

The "Identity Crisis" of Growth

As with most growing companies, application and system access at Fleming had evolved into a decentralized responsibility, with department managers and help desk operators across the company handling much of this critical IT task. Managing the ebb and flow of personnel was difficult, and employees no longer with the company sometimes retained access until all the disparate systems were updated. In addition, because applications were often purchased, deployed, and managed at the department level, user identities—and the security that goes with them—were sometimes managed with less than a centralized view.

The bottom line? With over 30,000 employees, contractors, and customers requiring access to their systems, Fleming realized that it needed a better way to ensure the protection of its business-critical systems and data.

"Our goal is to deliver integrated solutions, with partners, that make Novell's one Net vision a reality for our customers."

Mike Giovia
VP Global Alliances
Novell, Inc.

Deloitte & Touche

The Power of Partnership

To achieve this goal, Fleming turned to Deloitte & Touche LLP for assistance in designing and deploying a centralized security administration solution. As one of the world's leading consulting and system integration organizations, Deloitte & Touche understands that managing an ever-growing set of identities and access rights is a universal business need. Thus, the firm has developed a global identity management solution with Novell eDirectory™ and DirXML® at its core. This solution, called Identity for SAP, is a component of the firm's global identity management (i-MAAP*) service offering. "The primary objective of Deloitte & Touche's i-MAAP services is to create unique value through the combination of identity management vendor products and capabilities," explains Jim Burns, Principal in the firm's Enterprise Risk Services practice.

As a result of its leadership in the provisioning and identity management space—and its certified integration with SAP* Human Resources—Novell emerged as a clear component of the Fleming solution. "Because Fleming uses SAP Human Resources to manage and process employee data, the Novell eDirectory and DirXML provisioning solutions provided the required technology to leverage Fleming's authoritative employee data as the driver in their enterprise access control security architecture," says Rob Dyson, Deloitte & Touche Engagement Partner.

In fact, Novell eDirectory and DirXML have dramatically reduced the effort and improved the quality of administering user IDs. With the solution in place, employee information residing in the SAP HR database is integrated with a flexible and scalable identity repository, which then provides a seamless link to other business applications. On a practical level, this means that user IDs for disparate systems can be created, maintained, and removed with a single operation.

The Benefits of a Secure Foundation

The result? Fleming has gone from managing up to eight different identities for each user to two or three. Better yet, with Novell Account Management 3.0, which is also being evaluated as part of the solution, those identities can share a single password. This will help the company eliminate 5,000 password-related help desk calls each year—a move that will redirect approximately $150,000 to other IT initiatives.

And cost savings are just the tip of the benefits iceberg. With the new solution in place, Fleming has reduced IT requirements, increased user productivity, and removed security administration from the to-do lists of busy department managers.

Even more importantly, Fleming now has an entirely different viewpoint on the issue of security. Once a logistical hurdle, security is now the company's most strategic ally. Why? Because with security in place at the core, the company has a solid foundation on which to implement its eBusiness vision. And, thanks to the combined efforts of Novell and Deloitte & Touche, the company can extend access and keep security airtight at the same time. "To be successful in our business, we are taking advantage of new technologies that improve productivity and speed to market by extending business processes out to the users. This also means that information security has become a critical element in our overall IT architecture," explains Mike Andersen, Chief IT Architect for Fleming Companies.

The partnership between Novell and Deloitte & Touche has revolutionized secure identity management at Fleming Companies. And as stories much like this one are played out in companies and industries all over the world, it becomes obvious that Novell and its partnerships are creating tremendous customer impact. And that, after all, is precisely the point, according to Chris Stone, Vice Chairman of the Office of the CEO at Novell. "Many of today's most pressing business problems can only be solved when industry players cooperate rather than compete," he says. "When you're truly focused on your customers and their needs, partnerships are a natural result."

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Customers Speak

Mount Sinai NYU Health System

"Novell has increased our availability 30-fold. Our Internet-enabled capability has extended our ability to provide secure, remote access to our users, empowering them to maximize productivity, provide better patient care, and ultimately save lives."

Sean Welsh
Core Engineering Distributed Systems Infrastructure Director

Mesaba Airlines

"We were sold on Cluster Services from the very beginning: we see the power and reliability of Novell® solutions and have continually chosen them over Microsoft. Novell consultants provided step-by-step validation throughout the entire process and ensured all aspects of the offering were successfully implemented."

Scott Ficek
Director of Information Technologies



Novell® NetMail™ extends Web and wireless e-mail access to Southwest Airlines' 11,000 roaming employees.

Overview

Southwest Airlines (SWA), the fourth largest domestic airline in the United States, flies more than 64 million passengers a year to 58 cities in 30 states. Since 1971, the airline has been committed to offering quality customer service, low fares, and frequent daily flights—presently at 2,700 flights.

Challenge

With more than 34,000 employees spread throughout the United States, Southwest Airlines needed a solution that would enable it to effectively communicate with its roaming user base—namely 11,000 pilots, flight attendants, and ground crew—and offer employees access to e-mail, calendaring, and other collaborative tools anytime, anywhere.

The organization required a cost-effective, scalable solution that would provide its users with a secure and convenient way to access their e-mail while easing administration and management for its IT staff. The airline was also looking for a messaging solution that would easily integrate with its existing e-mail system, Novell GroupWise®, as well as eDirectory™.

Novell Solution

Southwest Airlines turned to Novell NetMail to facilitate communication among its pilots, flight attendants and ground crew. NetMail, formerly named Novell Internet Messaging System™ (NIMS™), is a standards-based messaging solution that provides e-mail, calendaring, and schedule sharing across the Internet.

By integrating NetMail into its corporate employee portal, SWA enables its users to access e-mail and calendaring, address book data, departmental information, and corporate updates. The organization's headquarters now has an immediate and secure avenue to distribute critical corporate announcements to its remote employees, regardless of location and time zone.

"NetMail provides a cost-effective and scalable solution for extending Web and wireless e-mail access to our remote workforce," said Eric Jorgensen, Southwest Airlines Intel Engineering Manager. "The robust solution offers the ability to support hundreds of thousands of users on one server."

Building upon the strength of eDirectory, NetMail allows the organization to deliver a highly scalable messaging infrastructure at a very low cost. eDirectory also serves as the key component for NetMail authentication—users authenticate to eDirectory using the same username and password to access NetMail tools and features. In addition, the airline utilizes Novell provisioning to ensure that new employees have instant access to NetMail while terminated employees are immediately denied access to the system, providing an optimal level of security.

"Novell's open standards allow us to run on multiple platforms, giving us more choices," said Jorgensen. "We are also using Microsoft products, and Novell's cross-platform functionality allows us to integrate the various components of our infrastructure, making the most of our existing technology. With Novell, there are no limits."

"NetMail provides a cost-effective and scalable solution for extending Web and wireless access to our remote workforce. The robust solution offers the ability to support hundreds of thousands of users on one server."

Eric Jorgensen
Intel Engineering Manager
Southwest Airlines

SWA users look to leverage NetMail's ability to synchronize e-mail, calendar, and address book data to handhelds and Personal Digital Assistants (PDAs), a functionality requirement SWA identified in its initial search for a Web-enabled messaging solution. Like any corporation open to growth and progress, Southwest Airlines plans to further enhance communication and collaboration between its traditional desktop employees and its remote co-workers, as well as streamline business processes by offering additional features and functionality.

Since September 2001, SWA has rolled out NetMail to 11,000 remote employees, increasing corporate, departmental, and employee-to-employee collaboration. In the near future, the airline plans to launch NetMail to an additional 4,600 reservation agents based in six different locations throughout the country. In order to increase its provisioning capabilities, authentication security, and access speed, SWA also plans to implement Novell DirXML®, a data sharing service that leverages eDirectory to synch information across directories, databases, and critical applications on the network.

The Results

Since deploying NetMail to its remote user base, Southwest Airlines has seen significant savings in administrative and training costs. NetMail, together with eDirectory, has also helped streamline administrative and management procedures, simplifying the process of communicating to employees and providing a cost-effective way for SWA employees to access e-mail, calendars, address book data, corporate information, and departmental collaboration tools.

The Novell provisioning solution has also substantially reduced administrative costs and help desk inquiries. SWA has decreased the number of usernames and passwords required to access corporate resources, reducing costs while heightening overall security. eDirectory's ability to revoke network access to terminated employees has also helped the company increase security by ensuring only authorized users are able to access protected corporate data.

"NetMail is a flexible, low-cost, scalable messaging system producing outstanding results for our administrators and our users alike," said Jorgensen. "For our administrators, NetMail offers a simple management interface and incredible user capacity. For our users, the solution offers simplified access to their e-mail and other collaboration tools, wherever and whenever needed."



Customers Speak

Reader's Digest

"Because ZENworks® for Desktops 4 will give us the ability to manage PCs whether they are on the corporate network or on the Internet, we will have the ability to deploy a standard set of software and policies regardless of the user's location. As a result, we can leverage our existing desktop management infrastructure to provide services to users on remote or low-bandwidth connections. The Internet-based features in ZENworks for Desktops 4 will help us reach our strategic IT goal of reducing infrastructure costs while expanding the range and reach of key business applications. ZENworks for Desktops has provided significant value in the management of our software and PC assets, and version 4 will build upon our capabilities considerably."

Matthew Krieger
Associate Director
of Global Network
Architecture Services

Novell's place in the Web services space

In a previous article, we introduced you to Web services—a concept taking the IT industry by storm. Why is this notion capturing so much attention? Because Web services holds the promise of liberating data from the systems that contain it, enabling organizations to rapidly adapt to an ever-changing set of business conditions.

Today, your business processes and data are probably locked in inter-enterprise silos and irretrievably tied to the applications that manage them. But under a Web services model, applications won't hold you in their capricious grip, releasing valuable information only when complicated terms are met. With a Web services foundation to ground your efforts, you can separate processes and data from applications and then use these building blocks to create highly-interactive, dynamic solutions that can be deployed on Internet time. It's the equivalent of letting the dog wag the tail once again: placing the processes and data in the spotlight, and relegating the infrastructure to its rightful supporting role.



Yes, the popularity of the Web services model is well deserved. But the work of preparing the framework, tools, and technology on which the promise will be realized is complicated, indeed. Other vendors may try to convince you otherwise, but the truth is that today, only Novell can provide the three key elements you need to deploy advanced Web services in your enterprise: application development capabilities, secure identity management and networking infrastructure, and business expertise.

Application Development

Novell's solid grasp of the application development leg of the Web services stool is the result of the company's recent acquisition of SilverStream Software, a leader in Web services-oriented application development. In fact, the SilverStream eXtend™ Web services development platform now joins the Novell® family of solutions, bringing a J2EE* application server and easy-to-use authoring and integration tools to Novell's Web services strategy. David Litwick, former President and CEO of SilverStream, describes the union in enthusiastic terms. "Novell was early in recognizing the opportunity in delivering network services across the Web, and its one Net vision mirrors the direction the market is now moving with Web services. Add our SilverStream eXtend product line…to Novell's consulting and network infrastructure capabilities, and you have all the ingredients to lead the market."

Secure Network Infrastructure

Providing the platform on which Web services will be built is critical. But because the technology that will sit on that platform is just as important, Novell holds a unique position in the Web services space. As one of few companies that was touting net-based systems long before they were in vogue, Novell understands the challenges inherent to a services-oriented architecture.

Take the issue of identity management, for example. Even with standards firmly in place to help you share data and services, identity

management remains largely unaddressed in the current Web services framework. And with IT executives jittery about the prospect of putting their data and process "gems" out on the online block, identity management remains a critical piece of the puzzle. That's why Novell is working on several fronts to bring its identity management strengths to the Web services framework. To begin with, Novell is linking its industry-leading eDirectory™ identity repository with UDDI, the standard that lets companies advertise and locate useful Web services online. The result is a UDDI Server that no other vendor can match—one with identity management and access control built right in.

In addition, Novell is an active member and key participant in the Liberty Alliance, an industry consortium working to establish an open standard for shared or "federated" network identity. Like its counterpart, WS-Security (which Novell also supports), the Liberty Alliance is defining a set of specifications designed to provide users with single sign-on access to Web resources and—more importantly—the ability to control they way their personal information is shared among them. This week, Novell demonstrated its "head of the pack" position by unveiling its Liberty Alliance-compliant identity management solution and announcing plans to bring it to market by the end of the year.

Developments like these will remove the remaining hurdles and pave the way for widespread acceptance of Web services as a way to manage core business relationships. "Identity is an invaluable asset, both to users and to the businesses that want to build enduring relationships with those users," explains Chris Stone, Vice Chairman of the Office of the CEO at Novell. "Novell's Liberty-enabled solution will help companies establish 'rings of trust,' which build loyalty and strengthen relationships among customers, partners, and employees."

Business Expertise

Even with application development and a secure network infrastructure in place, the Web services value proposition wouldn't be complete without process expertise. What is the point of technology, after all, if not to solve the complex challenges of 21st century business? To be solved, those challenges must first be understood. And that is precisely what Cambridge Technology Partners—Novell's global eServices division—brings to the Web services mix. With years of experience and top-tier talent, they provide innovative, technology-enabled strategy and solutions that draw on proven methodologies to solve even the most complex business challenges. Together with Novell partners and system integrators throughout the world, they will bring solid strategic thinking to the deployment of Web services worldwide.

Application development, secure networking infrastructure, and business expertise—three keys to successfully navigating the Web services space and preparing your organization for a more efficient, more flexible way of operating. And three keys that Novell is uniquely positioned to offer. The industry's transformation to a secure, services-oriented architecture will be rapid, and finding a vendor that can help you get there will be critical to any organization's success. "By mid-decade, today's computer software and solutions will be part of a new Web services market," predicts Jack Messman, CEO and Chairman of Novell. And given the compelling nature of the model, for many organizations, the shift can't occur soon enough.



Components of the Novell eXtend™ solution:

eXtend Application Server

Build and deploy solid cross-platform applications on a proven J2EE and Web services foundation. Includes jBroker™, a high-performance Web services and messaging platform.

eXtend Workbench

Design and deploy J2EE and Web services-based applications with wizards and easy-to-use tools.

eXtend Director

Rapidly build dynamic business applications and information portals for various users and platforms.

eXtend Composer

Connect to back-end legacy systems and manage business processes through XML and Web services.

meet Alan F. Nugent, Novell CTO

If experience is an asset, Alan Nugent is something of a prodigy. What follows is a candid question-and-answer session in which Nugent shares his perspectives, opinions, and insights on the future of Novell.

Having served in a variety of leadership roles for distinguished organizations like Palladian Partners, Vectant, Inc., Xerox, BellSouth, and Hewlett-Packard, Alan Nugent is uniquely positioned to take over the reins as Novell's Chief Technology Officer.



Alan F. Nugent
Chief Technology Officer
Novell, Inc.

Q: You've held strategic positions at a variety of impressive companies. How has your experience prepared you for the role of CTO at Novell?

A: I think my most valuable asset is the perspective that comes from having experience on both sides of the technology value chain. Having worked for software vendors, I understand the challenge of creating and selling technology that people need. But I've come from the trenches too, so I know first-hand the issues involved in buying and implementing technology. I know what keeps CIOs awake at night, and I'll bring that customer focus to my role as Novell CTO.

Q: You have direct experience in both the technology and the services that, together, form Novell's one Net vision. How do you view the strength of this vision, and how do you assess Novell's ability to own the space?

A: The merger of Novell and Cambridge Technology Partners is compelling—and becoming more so every day—because Novell isn't just about NetWare® anymore. When you shift from being a NOS provider to a full-service solutions provider, having in-house consulting services and business process expertise is critical. Achieving true customer focus is a two-part process, requiring both the innovative technology to meet customer needs *and* the implementation services to deploy it in real-world settings. Today, Novell covers both ends of the solution spectrum.

Q: What unique values do Novell Net business solutions deliver to the market?

A: As a technology provider looking from the network out, Novell® has always had the right design center to provide secure, distributed solutions. As opposed to desktop-centered vendors who try to reach out and grab the network as it goes by, we view the network as the core of any strategic business solution. We also have incredible engineering talent—people who truly understood the network as a powerful enabler. And today, we have the wherewithal to direct this perspective and talent to a new, compelling set of market challenges.

Q: Given your experience in distributed computing and eBusiness process engineering, share your thoughts on Novell's Web services strategy.

A: I think Web services is rejuvenating Novell right now…not simply because of the SilverStream acquisition, but because Web services leverage the network and our core competencies. If you have a set of applications that all require a directory, a transaction engine, and a database, we've always thought it made sense to build those components once and simply let the applications attach to them. The problem has been that until now, the standards—and the market momentum—didn't exist. That's all changed, and Novell is now poised to lead in the Web services space. In fact, our Net services have helped pave the way for a true, service-based architecture.

Q: A CTO is charged with thinking as far into the future as possible. When you think of the future of Novell, what are you most enthusiastic about?

A: To thrive, the leadership of any organization has to identify what's coming over the next rise…what you can barely see today that will be staring you squarely in the face tomorrow. It's difficult work, and unfortunately, no one has a crystal ball. But I have tremendous confidence in Novell's leadership. Whatever the future brings, I believe we have the skills and the drive not only to get there, but to lead there.

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"I believe my primary responsibility at Novell is to help CIOs and their teams sleep better at night by facilitating customer-driven innovation. I've walked a mile in their shoes."

Alan F. Nugent
Novell CTO



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