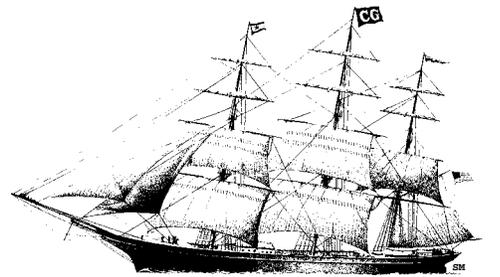


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Sun's Strategic Vision — Partly Cloudy No More

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For the past five years or so, Sun has presented the same vision, more or less, to those who were willing to listen and think about it. Each year the words would change - sometimes a little, sometimes more - especially in response to the new tactical plans that are so responsive to fixing what didn't pan out from the year before and, of course, to the economy and changes in the marketplace. With Sun, the problem was in the listening part. We, especially we analysts, so badly want to hear what we want to hear, that a lot of what is said doesn't click or stick the first couple of times. Sometimes, we just don't believe it, usually for justifiable reasons. Sometimes, we just don't want to believe it, because it upsets our well-balanced insights into how the real world of IT works. And, sometimes, we're still trying to find the familiar trail markers that we had passed earlier; without them, we were lost, relatively speaking. However, I get it now and Sun is very serious about it. I got it before, but it didn't seem as focused or long-term critical.

So here it is. In spite of its history of being one of the few broad-line computer systems companies remaining, Sun sees its future in much more focused terms, and is slowly moving the company to reflect that focus. Sun wants to ride the yet-to-happen ever-expanding Internet wave, primarily by providing very deep and capable infrastructure to the few giants who will process most of the business for networked services. Period! That's it! Sun expects the less-than-giants to either amalgamate with others (by merger or association) to achieve near-giant status or to acquire services from a giant wholesaler.

Sun's vision is not framed in terms of those things that we familiarly associate with Sun, such as Solaris, SPARC, Java, and big servers, although each will be part of Sun's strategic solutions. These are just components required to realize the strategy and to fuel the company on its way to becoming the most focused vendor of giant-sized (scalable) IT infrastructure. Companies like IBM may want to be almost all things IT, and more, to all classes of enterprises. Sun just wants to provide a manageable fleet of heavy duty infrastructure vehicles to get the giants to where they need to be. Everything else - and there may be a lot of it being sold as components - is just a by-product to this one vision of large-scale product and service provisioning. To turn a phrase on the clever BASF advertising theme - Sun doesn't want to do business with you and me, they want to provide the infrastructure to the giants who do and will, be they one of the few surviving telecommunications companies, media giants, large-scale transaction processors, or other large-scale network services providers, which Sun hopes to be, as evidenced by their new buck-a-CPU-hour or gigabyte-month hosting.

Sun sees a world with billions or trillions of Internet devices, all doing something that generates transactions, requires recordkeeping, fills storage arrays, and consumes bandwidth, all of which is being provided by a small number of giants, who must deliver it all as a service at a very low unit cost, but then multiplied by trillions, and managed competently by a relatively few IT professionals. It is an era of automation, virtualization, industrialization, and system transparency. It is about utility computing as a service on a very large scale - for enterprises' own use or resale.

Sun is working toward that vision. It's current products and offerings support that vision. Understand all of this clearly, because the future will be here shortly.



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About the Author

Mike Kahn is Managing Director and a cofounder of The Clipper Group. Mr. Kahn is a veteran of the computer industry, having spent more than three decades working on information technology, spending the last third at Clipper. For the vendor community, Mr. Kahn specializes on strategic marketing issues, especially for new and costly technologies and services, competitive analysis, and sales support. For the end-user community, he focuses on mission-critical information management decisions. Prior positions held by Mr. Kahn include: at International Data Corporation - Director of the Competitive Resource Center, Director of Consulting for the Software Research Group, and Director of the Systems Integration Program; President of Power Factor Corporation, a Boston-based electronics firm; at Honeywell Bull - Director of International Marketing and Support; at Honeywell Information Systems - Director of Marketing and Director of Strategy, Technology and Research; with Arthur D. Little, Inc. - a consultant specializing in database management systems and information resource management; and, for Intel Corporation, Mr. Kahn served in a variety of field and home office marketing management positions. Earlier, he founded and managed PRISM Associates of Ann Arbor, Michigan, a systems consulting firm specializing in data management products and applications. Mr. Kahn also managed a relational DBMS development group at The University of Michigan where he earned B.S.E. and M.S.E. degrees in industrial engineering.

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