

Weekly Review

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The New Old IBM: IBM's Information Infrastructure

By Rob Enderle, Enderle Group

One of the things that made the IBM of the 70s different than the IBM that followed was that the company fought as a united organization not as a group of loosely coupled divisions. The old IBM was incredibly hard to beat and enjoyed both more loyal customers and more content employees. In addition, because the old IBM was comparatively massive and internally well coordinated the information it garnered about emerging markets was unprecedented and the company's internal competitive intelligence units were unmatched in the rest of the industry.

But, over time, as IBM fragmented and changed, each of these advantages was reduced. However, that could be changing. The Information Infrastructure initiative IBM announced Monday is forcing the pendulum to swing the other way and, in the new collaborative IBM, could swing the company all the way back to near where it once was. Few businesses of IBM's scale can approach the market as a company anymore and this kind of a change would nearly be unique in the market and potentially very powerful for IBM.

Casting a New IBM

Looking across the scope of these offerings, you'll find elements from every major IBM Division. The Systems and Technology (hardware), Software, Global Services and Global Finance groups all contribute significantly, making this an inclusive, cross-company initiative. While IBM Storage is clearly the driving force behind much of this, the end result is something that appears more like it came out of the old unconquerable IBM and not the company we have seen since the early 90s.

This is the kind of company the Watson's envisioned and built and it is offerings like the Information Infrastructure initiative that could allow the company to reach a level of greatness that even the Watson's didn't imagine. Why? Because it allows IBM to bring to bear a broad cross section of the firm's market weapons and enter the battlefield of commerce much better equipped than most other players.

Big Gain in Market Intelligence for Cloud Computing

Cloud Computing represents one of the largest emerging opportunities in the technology market. In addition, because it represents a back end solution that emulates to some degree the IBM mainframe systems that once dominated the market, IBM is uniquely suited to addressing the challenges of cloud. However, with most opportunities of this scale and complexity little is known about what the market wants and where it is going.

This is because traditional market studies simply don't work for measuring emerging solutions like cloud. For one thing, buyers are typically unwilling to participate in such research. Additionally, purchases made so infrequently are difficult or impossible to trend, invalidating most successful survey methods.

However, the sheer scope of IBM's latest announcement could create a baseline of information providing the company a unique view into the future of Cloud Computing. This breadth, which has resulted from a large volume of IBM-developed and IBM-acquired tools will undoubtedly consolidate over time but until then will offer the company an under-

standing of what buyers are gravitating to in hardware and services, and potentially allow them to better formulate successful future product offerings and strategies.

Wrapping Up: The Right Strategy and the Right Weapons

In battle, a solid strategy supported by accurate intelligence is generally more powerful than the best weapons. In the coming battle for cloud computing, the breadth and depth of IBM's fully fleshed out Information Infrastructure initiative potentially provides both. If the company can execute according to plan, the result should be a powerful resurgence for the company and a level of capability we haven't seen from it or any other vendor in several decades.

If IBM succeeds, it will raise the bar and increase pressure on the company's competitors. Unless they can create and implement something as comprehensive as IBM's Information Infrastructure, we expect them to either partner or seek other kinds of battles. In the end, we consider the Information Infrastructure to be a return to a more powerful past for the firm and potentially one of the most powerful and interesting things IBM has done so far this decade.

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About the Enderle Group

The Enderle Group provides an unparalleled look underneath breaking technology events to identify the core reasons that buyers and builders of this technology should care.