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Microsoft Announces New Cloud Computing Strategies

What was announced?
Microsoft announced on December 8 that it will combine its Windows Azure group and the Windows Server and Solutions group to form a new combined division for servers and cloud computing. The company also agreed to acquire Mississauga, Ontario-based Opalis Software for an undisclosed sum to strengthen its IT process automation capabilities.

Why was this done?
Microsoft hopes the new division will widen its portfolio of software offerings to include on-premise solutions, programs hosted in private clouds, partner-hosted clouds, and public clouds, according to the company. Recall the company launched Windows Azure in November. Windows Azure is a cloud computing platform that lets developers create and host web applications through Microsoft data centers.

What is the impact?
Microsoft's consolidation of cloud computing development resources indicates that the company, unlike the rest of the industry that is touting SaaS, continues to emphasize its *software plus services strategy* in the near future. The 800-pound Redmond gorilla is definitely reacting to cloud computing initiatives by salesfore.com, Google, and Amazon but remember, Microsoft has always been late to the dining table, but has managed to grab the seat at the head of the table. Will this change in the coming years?

Microsoft's acquisition of Opalis, which focuses on workflow orchestration and automation, appears to be to strengthen its System Center portfolio in the area of systems management (SM). Opalis offers a suite of software products that include:

- Prepackaged workflows and automation expertise for the common tasks in managing a datacenter.
- An automation platform that lets customers create and execute workflows across datacenter management tools.
- Deep integration capabilities to orchestrate tasks across server infrastructure and systems management products, including those from BMC, CA, HP, IBM, and Symantec.

Cloud computing doesn't prevent the headaches of network and systems management, but just transfers them to the cloud computing provider. So, it behooves Microsoft to catch up keep with leading SM players — CA, BMC, HP, and IBM.

IBM Opens Cloud Computing Laboratory in Hong Kong

What was announced?
IBM announced on December 10 the opening of a new Cloud Computing Laboratory in Hong Kong, its tenth in the world, to support its LotusLive cloud services.

Why was this done?
IBM expects the global cloud computing market to grow at a compounded annual rate of 28% from US$47 billion in 2008 to US$126 billion in 2012, based on various analysts and market-research estimates and definitely wants to exploit this exploding market. By the way, Merrill Lynch estimates the cloud computing cloud computing market to reach $160 billion by 2011.

What is the impact?
Earlier this year IBM acquired Hong Kong-based Outblaze Limited, which sold low-cost mailboxes and messaging software. IBM has integrated this technology into LotusLive. The Hong Kong Laboratory will serve as a development facility for Web 2.0, cloud mail and collaboration. IBM's LotusLive is a suite of collaboration and social networking services including email, file-sharing, instant messaging, project management, and Web meetings. Prices will start at US$3 per user per month. Surely, users will buy product from Big Blue than a company called Outblaze. This announcement will have some impact on other collaboration and messaging vendors, including, Google, Microsoft, Yahoo! (Zimbra), and Zoho. Microsoft already offers a US$2 per month Exchange Online option called *Deskless Worker*.

Fujitsu to Offer New Range of Cloud Services

What was announced?
Fujitsu announced on December 8 that it will be offering end-to-end enterprise cloud services for enterprises and ISVs in North America. Expected to be available in 1Q2010, the enterprise cloud services will let companies move existing multi-platform and multi-vendor, mission-critical systems to enterprise clouds. Fujitsu has upgraded it datacenter in Sunnyvale, California to the Tier III level and made it more environment-friendly, using a green technology that includes a hydrogen fuel-cell generator supplying power to the cooling systems and the use of bio-fuels in the generator farm.

Why was this done?
Fujitsu has previously offered cloud services in Japan and EMEA and is now extending these to North America.

What is the impact?
One of the highlights of the datacenter is that it will support the cloud application interface specification, which Fujitsu recently submitted to the Open Cloud Standards Incubator of the Distributed Management Task Force (DMTF) to promote interoperability among cloud computing environments. Email management software vendor CoolRock Software and ecommerce solution vendor Intershop Communications also have shown interest in using the Fujitsu cloud computing solution.

Fujitsu is also targeting vertical-industry enterprises in manufacturing, finance, healthcare, retail, and other compute- and data-intensive industries. Finally, retail transactional applications will be hosted in a PCI-compliant data center and health care applications will be hosted in a HIPAA-compliant environment. What we see is an emergence of industry-specific clouds.

Major Vendors form Cloud Computing Group

What was announced?
A group of leading companies announced formation of an Enterprise Cloud Buyers Council, hoping to remove barriers to enterprise use of hosted cloud computing. Initial members include Alcatel-Lucent, Amdocs, AT&T, BT, CA, Cisco, EMC, Deutsche Bank, HP, IBM, Microsoft, Nokia Siemens Networks, Telecom Italia, and Telstra. Additional members include the DMTF and the IT Service Management Forum.

Why was this done?
There is currently a fear among enterprises of lock-in by cloud computing vendors. The Council plans to eventually work on standards-based solutions for various layers of cloud computing—virtualization, management, and control layers—making it for easier for enterprises to port their projects from one cloud computing vendor to another. Additionally, enterprises have expressed concerns about latency, performance, reliability, and security in cloud computing. The Council hopes to allay these fears.

What is the impact?
We believe the formation of such a Council was long overdue and this will help remove barriers to and accelerate cloud computing adoption. Besides portability, the Council should also address interoperability among different clouds. Vendors highly conspicuous by their absence from this Council include Amazon,

Google, Oracle/Sun, and SAP. Amazon is attempting to remove barriers to using hosted cloud computing. It has published an excellent whitepaper on costs of running a data center and a cost comparison calculator on its [website](). The spreadsheet lets customers compare the cost of using Amazon EC2 or using a co-location facility.