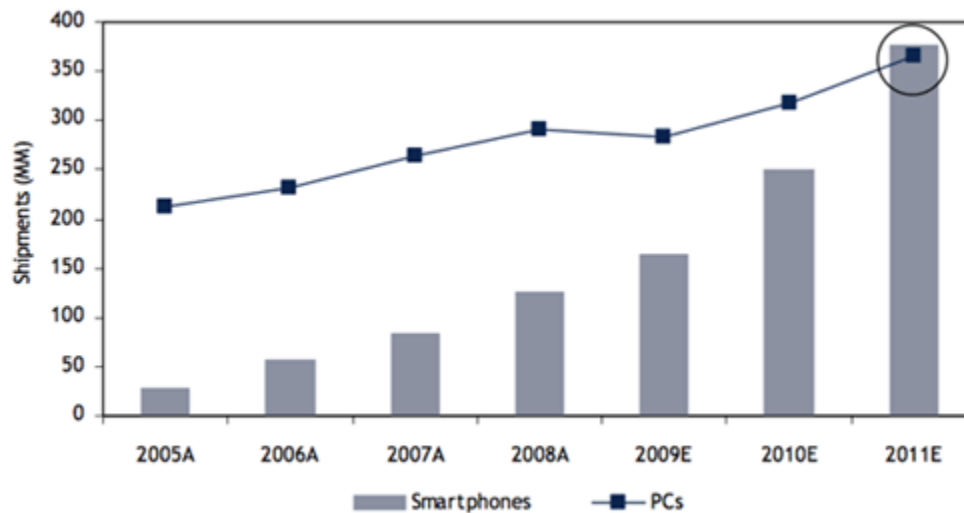


Blades and Clouds: An Update

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The Battle for Mobile Cloud Computing

The enterprise mobile cloud computing (MCC) market is [expected to reach \\$5.2 billion by 2015](#), according to a recent report by ABI Research. This is attributed to the fact that over 240 million business customers will be using their smartphones and handsets to leverage MCC services. In fact, smartphones are expected to outsell PCs by 2011 (Figure 1).



Source: RBC Capital Markets estimates

Courtesy of [Silicon Alley Insider](#)

Figure 1. Worldwide Smartphone Sales to Beat PC Sales by 2011

We can expect a battle brewing between Google and Microsoft, and possibly Apple to some extent, to gain a foothold in the MCC market. Microsoft already has a huge present in the enterprise application market with Exchange, Office, SQL Server, and other software stacks. Almost 80% of the enterprises have standardized on Internet Explorer, and not on Google Chrome. Google would definitely want to displace some of Microsoft's applications with Google Apps and App Engine. But anyone who has used Google Apps knows they are nowhere as functionally rich or mature as Microsoft Office, although the latter gets beat up all the time for bloatware. Besides, Google's software stack is shallow compared to Microsoft's. Apple is an unknown. It has made remarkable strides with the iPhone which has penetrated the enterprise. And, with new iPad, Apple *may* capture a small sliver of MCC.

Cisco Picks Avnet to Resell California Blade Servers

Cisco and Avnet recently reached an agreement whereby Avnet will resell Cisco's 'California' Unified Computing System (UCS) B series blade servers and C series rack servers in the U. S. and Canada. Avnet is already a Channel Partner for HP, IBM, and Sun Microsystems, among others. It will be interesting to see how these vendors will watch the Avnet-Cisco relationship develops as far as blades servers are concerned. The battle among Cisco, HP, and IBM are intensifying. In fact, HP says, "Cisco is a plumber; we are an architect."

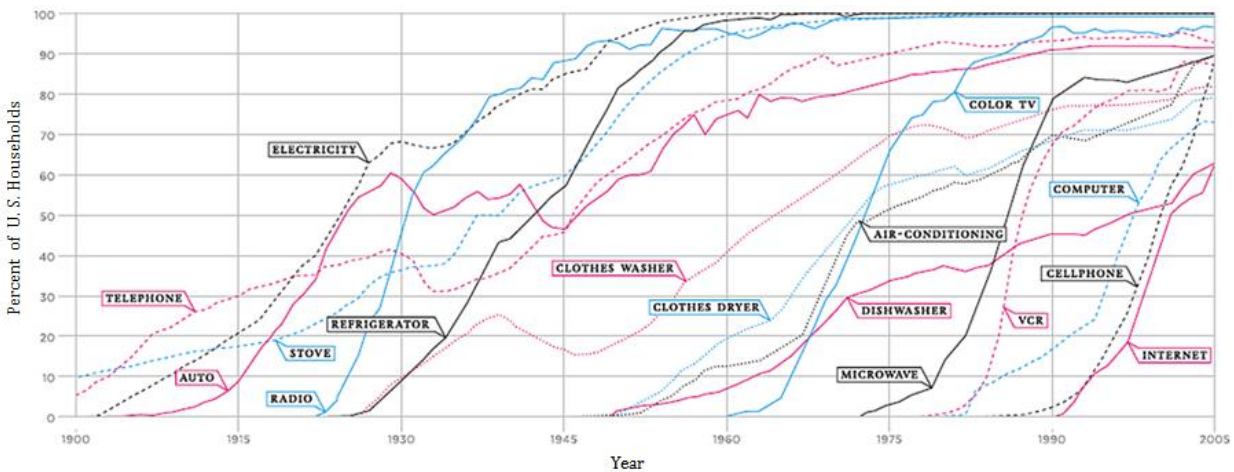
Although Cisco's blade server was launched almost a year ago, we have not seen significant sales figures for this product.

IBM Replaces Microsoft

It was recently [reported](#) Panasonic and IBM have signed a deal whereby Panasonic will replace Microsoft Exchange with IBM LotusLive collaboration service. Panasonic will use IBM's cloud services for file sharing, instant messaging, project management, and web conferencing. The plan is to initially roll out LotusLive services for 100,000 of Panasonic employees and extend the services to all its 300,000 workers in a couple of years. This is probably one of the largest cloud deployments to date and it will be interesting to see how smooth the roll-out will turn out to be. It is also a major blow for Microsoft and we are sure the Redmondians won't sit idly by and will more aggressively market Windows Live services.

Cloud Computing Adoption Rate

We have in the past few months seen many industry analysts' forecasts of CC growth. Will it be hockey-stick like (Figure 1), more like [Rogers' bell curve](#), or follow Gartner's [Hype Cycle](#) model? We suspect it is the last one.



[Figure 1. New-Technology Adoption Rate is Faster Today](#)

John Savageau in his interesting [blog](#) uses the term *Law of Plentitude*, based on the *Principle of Plentitude*, dating back to the days of Aristotle. The theory is that very minute adoption of any new technology is meaningless; think of a single telephone or a single fax machine. He argues the law of exponents begins at 4 users, ending end up with an addressable community of 6 ($= (N) \times (N-1) / 2$, where $N=4$) potential relationships. This is very similar to Metcalf's Law which states that the value of a telecommunications network is proportional to the square of the number of connected users of the system. Enough theories, stay tuned, and either set a trend or follow one.

Epilog

Will CC take over the world? Many CC skeptics have been criticized for comparing it to time-sharing, saying that there is nothing new here—it is déjà vu all over again of what was invented over 40 years ago by IBM.



Please watch the video at the link below and you be the judge.

<http://www.feld.com/wp/archives/2010/01/cloud-computing-circa-1963.html>