

NRG Branch Office WAN Communication Technology Report 2004

Report Prospectus

Overview

The remote office is one of the most interesting arenas for the evolution of IT and communications technology:

- (1) An increasing and surprisingly large percentage of enterprise employees work in “remote” locations
- (2) Modern network-accessed applications make it both possible and important for all employees, business partners and customers to be well-integrated with respect to communications
- (3) Cost and efficiency pressures are leading to consolidation of IT resources and staff into centralized location.
- (4) Branches play a vital role in key business processes because it is there that corporations meet their customers face-to-face

The straightforward application of existing communications and system technologies doesn't allow you to resolve the conflicting goals of excellent application performance and minimized IT cost. The rising importance of applications accessed throughout an organization (not just at the home office) that necessarily support the branch office present the clear opportunity for innovative new product offerings and market participants. In 2003 well-capitalized startups brought innovative new products to customer trials and established companies like Cisco, Packeteer, Expand and Peribit saw their branch office market sales rise sharply. 2004 is clearly the year in which many of those new offerings will start to gain real market visibility.

Background

During 2003 the market for “WAN bandwidth optimization” – devices that optimize and manage limited bandwidth network connections – continued to grow robustly driven by both the unabated growth in network-enabled application use (driving more application access traffic over WAN links) and enterprise consolidation/simplification of IT infrastructure. During the year we saw evolution within existing product lines in all dimensions – increased functionality and bandwidth capacity as well as cost reduction. At the same time the category broadened in terms of function and architecture (e.g. Microsoft Exchange acceleration and the integration of caching). We see market and product expansion continuing throughout 2004.

Advanced branch office communication devices offer an enterprise customer the remarkable option of having their cake and eating it too. While at the same time consolidating IT out of the branch office and thereby substantially reducing IT operational cost and complexity, these products offer ways of distributing powerful computer technology to remote locations. In doing so, customers gain the benefit of

powerful processing and storage technology close to the application users without incurring the administrative complexity and cost of having more distributed conventional servers and managed storage.

NRG did the pioneering comprehensive market research in this category in 2003 establishing for the first time the overall market size, competitor share and growth rate, as well as creating an integrated view of the various technologies and product offerings. Also in 2003, NRG did an important early study on the demographics of the branch office demonstrating the remarkable percentage of the US workforce who are located in the branch office, and how office size varies as a function of the vertical industry. The 2004 NRG Branch Office WAN Communication Technology Report will complement that work by giving an update on the IT architectures that are emerging to service those remote locations.

The Bigger Picture – Branch Office Architecture

The Branch Office is one of the most interesting vantage points from which to observe modern IT evolution. The Branch Office brings into crisp perspective the conflict between the need to minimize IT complexity and operational cost and the continuing improvement in the power and cost-efficacy of the technology. The first force leads to IT consolidation – the desire to remove as much computing technology from remote offices as possible – while at the same time it has become economically possible to distribute terabytes of data to even the smallest remote office.

The 2004 NRG Branch Office WAN Communication Technology Report will examine emerging branch office architectures from the perspective of these key applications:

- (1) Communication Cost Avoidance
- (2) NFS and CIFS file caching
- (3) Web caching / corporate portal access
- (4) Application Traffic Control
- (5) Application Acceleration (specifically, the key issues in SAP acceleration)
- (6) Application Security (fitting in to emerging models)
- (7) Exchange – MAPI – caching (and the impact of Office and Exchange 2003)
- (8) Remote server and desktop backup/disaster recovery
- (9) Traffic and Performance Monitoring
- (10) (Integration with) Network and Systems Management

The 2004 NRG Branch Office WAN Communication Technology Report

This NRG report will provide overviews to

- (1) The problems addressed by these solutions
- (2) The technologies and architectures
- (3) The meaningful product subcategories in the market
- (4) The competitors and their product offerings
- (5) Available fulfillment channels and
- (6) Current market analysis, market share division, and forecast

The 2003 WAN Optimization report focused specifically on “compression” products. For 2004, NRG intends to broaden the scope to include emerging File, Email, Web caching, monitoring, control and traffic routing alternatives as well (to the degree that the offering is focused on WAN link optimization).

Technologies Covered

- (1) Compression
- (2) Caching
- (3) Protocol optimization (including QoS)
- (4) Persistent storage and file storage
- (5) Integration of network function, including specifically the optimization of multiple forms of link (e.g. fractional/T moving to redundant DSL)
- (6) Converged telephony (VoIP for remote locations)
- (7) Security technology and architecture (as applied to the branch office)

The Companies Covered

- (1) Actona Networks
- (2) Allot
- (3) Aventail
- (4) CNT
- (5) Cemaphore
- (6) Cisco
- (7) Citrix
- (8) DiskSites
- (9) EMC
- (10) Expand Networks
- (11) F5
- (12) FineGround Networks
- (13) Fortinet
- (14) Internap
- (15) ITWorx
- (16) Juniper/Netscreen
- (17) Netilla

- (18) Netli
- (19) NetScaler
- (20) Network Appliance
- (21) Nortel
- (22) Orbital Networks
- (23) Packeteer
- (24) Peribit
- (25) Proficient Networks
- (26) Riverbed
- (27) RouteScience
- (28) Sitara Networks
- (29) Stratacache
- (30) Tacit Networks
- (31) Tasman Networks
- (32) Veritas
- (33) Whale

Participation

NRG is soliciting charter subscriptions to the report. Charter subscribers benefit by the ability to give input on the structure and contents of the report before that fact (e.g. to assure that their critical market research questions are reasonably addressed by the work), as well as first access to the results. Please contact Peter Christy or John Katsaros (john@netsedgeonline.com) at NRG for additional details or questions.

Timeframe

NRG intends to begin work by March 15th and publish the report no later than April 30th.