



Fujitsu: A SPARC That Could Outshine Sun?

Infrastructure Strategies, Server Infrastructure Strategies

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Fujitsu has recently increased its performance and presence capabilities in the global IT marketplace. Success has been attained by outshining Sun's traditional Solaris/SPARC message while balancing relationships with Intel, Microsoft, EMC, and BEA.

Through 2007, we expect Fujitsu to increase its global IT capabilities, expanding both market position and solution marketing in its primary sales regions of Germany, Japan, US, UK, Canada, and Scandinavia. Fujitsu continues to strengthen its position in these countries, building a credible Sun, HP, and IBM alternative for enterprise platform solutions. These regions represent approximately 75% of the global IT market.

Through 2005, as Sun moves to strategically readjust its business model to help balance its software and services shortfalls (see Delta 2025), we expect IT organizations (ITOs) to shortlist Fujitsu as an alternative supplier of the Solaris/SPARC software stack (predominantly in Fujitsu's established markets). Moreover, Fujitsu's strong best-of-breed solutions will appear as a refreshing alternative to Sun's integrated solution encapsulated by the Sun ONE stack or its Project Orion.

Fujitsu's Strategy

Fujitsu has repositioned itself by fully acquiring Amdahl in the US, ICL in the UK, and Siemens in Germany. Having integrated these companies, Fujitsu now has the opportunity to leverage and strengthen its position in leading world economies. The firm has also developed a complete server platform and solution portfolio, offering a best-of-breed approach in mixed-platform heterogeneous deployments. Not only are ITOs considering Fujitsu on shortlists, but the market is also reacting positively to Fujitsu's solution and service approach rather than the traditional "speeds and feeds" price/performance metrics. Fujitsu's improved acceptance is based on the following factors:

- **Fujitsu's heterogeneous offerings:** ITOs desire leverageable heterogeneous service-driven solutions over end-to-end proprietary environment-specific implementations. By providing Wintel and Lintel platforms for volume Web and application servers, Fujitsu can leverage platforms, processes, and people to reduce ITOs' overall costs. At the back end, there are three predominant choices for the use of a database platform: SQL Server/Windows, Oracle/Unix, and DB2/mainframe. Thus, the need for different platforms for database, application, and Web servers helps position Fujitsu for heterogeneous capabilities (see Figure 1).
- **Fujitsu-based solutions:** Fujitsu works closely with leading independent software vendors (e.g., SAP's FlexFrame offering) and provides a complete stack of software, including the application and database. This is a more pragmatic approach to opening the software stack (compared to Sun) since it allows for substitution of certain components (e.g., Fujitsu's Primeclusters for Veritas), while maintaining the service levels of the application (mySAP).
- **Fujitsu's partnerships:** Fujitsu focuses on core partnerships with BEA for the application server suite and integration, Oracle and Microsoft for the database, and EMC for storage. By working with these market leaders, Fujitsu leverages its core competencies of service, integration, and platform. Moreover, Fujitsu does not compete aggressively with its partners and is an attractive alternative to BEA and Oracle, which are trying to move their installed bases from legacy Unix platforms to Linux-based alternatives.

META Trend: Business brand image will depend on users' quality of experience, with infrastructure scalability and availability being critical prerequisites. Robust infrastructure will be implemented via a multi-tier mix of small Web and application servers deployed increasingly on server blades that will address the density issue and force use of a single point of management on all servers, not just blade form factors (2003/04). Database scale-out clusters that leverage a networked storage (SAN) tier will offer good-enough performance for scale-out clusters on Unix (2003/04), Windows (2004/05), and Linux (2005/06), comparable to that of big SMP.

For clustering, Fujitsu competes with Veritas Cluster Server, and Fujitsu Primecluster leads in technical capabilities due to the Pyramid/Reliant heritage. The appeal of the Veritas solution is its wide platform support. ITOs with Solaris/Veritas clustering will continue with Veritas if a Fujitsu platform is implemented, negating a migration. Otherwise, Primecluster should be considered for the traditional Fujitsu customer (see Figure 2).

Fujitsu's Platforms

Fujitsu platforms fit the heterogeneous model well. They address the Legacy Unix and Wintel/Intel offerings, including new form factors such as modular and blade servers (see SIS Delta 979):

- **Primepower:** Primepower servers target the Solaris SPARC installed base. They have large, 128 processor big-box solutions with either a Unix or a mainframe (BS2000) personality. Leveraging their mainframe heritage, the workload management and robustness metrics are very good. Good references, including both industry and customer benchmarks, attest to Primepower's capabilities.
- **Primergy:** In the Intel space, differentiation is more difficult. Fujitsu's Primergy servers are good in many areas, but find it difficult to compete with Dell on price, as well as HP and IBM on software and service. ITOs currently consider Primergy in Germany, but elsewhere the brand is weak. Not all Fujitsu sales regions (e.g., US) promote Primergy platforms in their product portfolios. To counter building market inertia, we believe Fujitsu must address this imbalance. Fujitsu's relationships with Intel, Microsoft, Red Hat, and SuSE are also strong, leading to a product set with minimal OS bias (see Figure 3).
- **Blade servers:** The fledging blade server market (currently less than 5% volume) is being fulfilled predominantly by HP and IBM. Although a late entrant to the space, we believe Fujitsu will drive this new form factor and become an established player. We expect the blade form factors to grow to 25% shipments by YE05. However, form factor is only one attraction to blade servers. Systems management is the biggest draw, with improved server to sysadmin ratios (see SIS Delta 1025). This is where Fujitsu is currently weak. We believe it needs to brand and improve its infrastructure tools to a level near that of market leader HP (Insight Manager) and new kid on the block IBM Director. We believe Fujitsu will partner with Intel to standardize the server management framework. In turn, we expect Intel to standardize the framework loosely based around IBM Director.

Fujitsu Marketing

Although Fujitsu's offerings, solutions, and partnerships are strong, marketing is weak. Without improved brand awareness, we believe this will impede its ability to expand into additional sales regions.

Fujitsu: The Group of Companies

At the highest level, Fujitsu as a brand is strong. However, each subsidiary is a separate company that has its own brands. We believe Fujitsu must strengthen its "uber-brand" to be a worldwide player. In addition, ITOs need to qualify the support and service capabilities of their local Fujitsu office as part of refining their shortlists. To increase as a global player, Fujitsu needs to invest in new geographies for sales and marketing operations.

Bottom Line

Fujitsu is emerging as a worldwide server platform player. Its strengths lie in technology and partnerships. Its challenges lie in strengthening its go-to-market strategy and repeating its successes geographically. When ITOs add Fujitsu to their shortlists, they should evaluate the local support capabilities and regional market presence.

Business Impact: Multivendor shortlists enable an optimized procurement process and maximize the negotiation position.

Figure 1 — Fujitsu: Mapping Platforms to E-Business Tiers (1H03)

OS Server Platforms

E-Business Component	OS/390	Solaris (SPARC)	HP-US (PA-RISC)	AIS (Power)	Tru64 (Alpha)	OS/400	Win2000	Linux	Fujitsu (SPARC64)
Web	1	3	2	2	1	1	5	5	3
Application	1	2.5	2	2	1	1	5	3	2.5
DBMS	3	3	4	5	2.5	2	4	1	4

Relative Ratings: 5 — Best, 1 — Worst

Market momentum and ISV support are key

Source: META Group

Figure 2 — Fujitsu: Ranking All Server Platforms (1H03)

OS Server Platforms

Capabilities	OS/390	Solaris (SPARC)	HP-US (PA-RISC)	AIS (Power)	Tru64 (Alpha)	OS/400	Win2000	Linux	Fujitsu (SPARC64)
Scalability (SMP)	5	4.5	5	5	4	4	4	2	5
Availability	5	3	3.5	3	4	4	2.5	2	4
Workload Management/ Partitioning	5	3	4	3	3	4	3	1	3.5
Cost	1	2	3	3.5	3	2	4	4	3
Market Momentum	1	2	2.5	3.5	1	1	5	5	2
Heterogeneity	2	2	3.5	3	3	3	2	2	3

Relative Ratings: 5 — Best, 1 — Worst

Source: META Group

Figure 3 — Fujitsu: Ranking Linux Server Platform Vendors (1H03)

Vendor	Intel Messages	Red Hat SuSE	Linux Marketing	Linux & Windows	Linux Services	Successes/References	Linux Management	Average
IBM	4	4	5	3	5	4	4	4
HP	3	4	2	5	4	4	4	3.5
Sun	2	3	2	1	2	2	2	2
Dell	3	3	3	4	2	3	2	3
FSC	3	4	3	4	3	2	3	3.5

Relative Ratings: 5 — Best, 1 — Worst

Source: META Group