

**Sun, IBM, and Solaris: What Is the Impact on the Operating Systems Market?**

August 17, 2007 - IDC Link

Comment by [Al Gillen](#)

In October 2005, IBM tiptoed into foreign territory by supporting the deployment of Solaris Unix aboard a limited number of its x86-based blades and servers. The concept seemed simple at the time: address the needs of a specific set of customers — often in the financial services market on Wall Street — that had aging Solaris installations aboard Sun SPARC hardware, as they evolved their infrastructure over to next-generation x86 platforms. For IBM, this was an ideal fit since it could provision its systems with a mixture of POWER and x86 blades and deliver the resources needed to support a wide variety of operating systems including AIX, Windows, Linux, and Solaris 10 in a single rack. That movement was a small first step, with no direct relationship between the two companies.

Unlike its strong endorsement for Linux, where IBM has no hardware OEM competitor selling an integrated hardware/software solution, mixing Sun Solaris and IBM technology into the same customer base had potentially profound implications — both negative and positive — for both companies. In effect, this small step has the effect of cross pollinating IBM and Sun influence into the same accounts within the same system frame.

The dynamics of the industry continued to change, driven in no small way by Sun's increasingly open approach to driving the Solaris 10 ecosystem and a broad open sourcing program that has crept across most of Sun's software portfolio. IBM was on an intersecting course with its support for open source solutions across all four of the company's hardware platforms. The convergence of these two strategies culminated with a [joint announcement](#) that they have entered into a formal agreement that allows IBM to act as a distributor for Solaris 10 aboard IBM's servers based on x86 processors.

From a software perspective, IDC believes this is the beginning of a much deeper relationship between the two companies. In particular, Bill Zeitler, senior vice president and group executive, IBM Systems & Technology Group, made clear that this is just the first step of a progression that is highly likely to lead to Solaris aboard System z, and even potentially aboard the System p platform. Support for Solaris across the same platforms that today support two Linux distributions would be a stunning development and could well be followed by a next step of bringing an increasingly large portion of IBM's software portfolio onto Solaris.

Ultimately, IBM's large-system platforms could end up nearly as versatile from an operating systems perspective as the x86-based servers that IBM sells — with the notable exception of direct support for the Windows operating system on the central system processors.

IDC's observations include the following:

- The daunting challenge facing Sun is to how to compete with the Linux market — which is seeing a good portion of its growth coming at the expense of Unix. The company's strategy is to get onto the same wave that Linux is riding, leveraging open source and community development to try to replicate the success that Linux is having. The company has already made stunning moves to open source its software portfolio and has been working to build a strong community of its own. One of the more recent moves, hiring Debian Linux distribution founder Ian Murdock, speaks volumes for the level of respect that Sun has for how the Linux community "got it right." Sun rightfully realizes that for it to remain relevant

over the long term, it has to both compete (as well as collaborate) with Linux and open source products at every level of the market ecosystem.

- We believe that Sun's effort to take Solaris out to an increasingly broad market is succeeding. By driving the Solaris ecosystem both at the low end with free subscriptions to Solaris 10 (and the Open Solaris program) to a reseller agreement with one of the industry's largest server vendors, Sun is successfully growing its market presence well beyond the traditional Solaris customer base.
- Recent IDC research into the use of non-paid operating systems found healthy interest in use scenarios leveraging Solaris 10 in a non-paid environment. The workloads for non-paid Solaris today tend to be heavily developer-oriented, but that customer segment, we believe, serves as a precursor to future production deployments. As customers move into increased production use of Solaris installs aboard non-traditional platforms, we believe the potential exists for more of those workloads to mandate a larger-scale server and to have enterprise support behind the install. IBM is in a position to benefit from this trend if/when it accelerates.
- Having IBM on board as a distributor for Solaris expands Sun's community in new dimensions that were not being fully addressed by the open source efforts and exposes Solaris increasingly into the large IBM account base. Will Solaris be proactively presented to shops that don't currently have any Sun servers installed? Probably not, unless the surrounding ecosystem and the Solaris application portfolio, which Sun claims to include 3,000 unique x86 solutions (including IBM Websphere, Lotus, DB2, Rational, and Tivoli), serves as a draw for those customers, opening up a larger total IBM opportunity
- With the non-paid market segment already covered, going after OEMs is an obvious next target. With this particularly notable deal signed, there is little doubt that Sun will follow up with relationships with HP, Dell, and potentially with other major OEMs around the world as well. Frankly, the other major OEMs are likely feeling a lot more pressure to ink such a similar deal than they were prior to the announcement.
- The writing is on the wall, and after hearing comments from Bill Zeitler stating clearly that there already is work going on to port Solaris to the System z and that he personally endorses the concept of bringing Solaris to System p as well, leaves little doubt that availability of Solaris on additional IBM servers is not just speculation, it is an eventuality that is likely to arrive sooner rather than later.

Still, one nagging question remains. Is this a win-win, or is it a disproportionate split of the spoils? We believe that it is a win/win on roughly equal terms, but that the value will be amortized in completely different ways and in different time frames for the two companies.

For IBM, this is an immediate win, since it presents a tactical opportunity to expand its account penetration into market segments that remain steadfast and dedicated to Solaris. The perception of IBM as being increasingly operating system agnostic has some threads of reality behind it. Particularly for x86 platforms, the real revenue opportunity is increasingly moving away from the operating system layer and into higher layers of the over solution stack. As that transition continues to reduce the value proposition of the operating system layer itself, it may actually be Microsoft that comes under increased pressured, although Sun will feel the pinch as well.

Jonathan Schwartz, president and CEO of Sun Microsystems, has made a significant number of stunning moves over the past several years. While this move is perhaps less shocking than others mainly because it is evolutionary, building on previous announcements, it also has potentially significant long term ramifications. The key objective that Schwartz seems to be driving towards is making Solaris as pervasive in the industry as Linux is. This move takes Sun one step closer to that goal, with the writing on the wall for porting of Solaris to other IBM platforms. That's the payback for Sun, a payback that obviously will be realized over a much longer term than IBM's payback. But given the evolution of the operating systems market, it's a move that we believe will shore up the long-term viability of Solaris in the market, and reaching that goal is nothing less than mission-critical for Sun.

Subscriptions Covered:**Operating Environments**

Please contact the IDC Hotline at 800.343.4952, ext.7988 (or +1.508.988.7988) or sales@idc.com for information on applying the price of this document toward the purchase of an IDC service or for information on additional copies or Web rights. Visit us on the Web at www.idc.com. To view a list of IDC offices worldwide, visit www.idc.com/offices. Copyright 2007 IDC. Reproduction is forbidden unless authorized. All rights reserved.