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## **The 451 Group Predicts a Sustained Shift in the Way That Geographically Distributed Companies Design Their Application Infrastructure**

***New Report by The 451 Group Finds That the Network Is the New Application-Performance Battleground***

NEW YORK--(BUSINESS WIRE)--The 451 Group is predicting a sustained shift in the way that geographically distributed enterprises design their application infrastructure over the next few years. In particular, a variety of demographic, commercial and workplace trends will drive consolidation of server resources, with the resources moving away from dispersed branch offices and into centralized datacenters. 451 analysts believe this move will impact many areas of system design and purchasing, but the effect will be especially felt by those managing and building wide area networks (WANs) designed to connect dispersed users with the applications they need to access. This will lead to the increased adoption of a class of devices that 451 analysts call network-based application accelerators. These findings are contained in a report released today by New York-based The 451 Group, a technology-industry analyst company focused on the business of enterprise IT innovation.

“Many enterprise applications were not designed to run efficiently over a WAN. Limited bandwidth, excessive latency and traffic congestion may radically degrade application performance – and users' patience. Throwing bandwidth at the problem by buying additional network capacity involves significant recurring expense and only directly addresses the first of these three issues,” said Steve Steinke, Senior Analyst for Networks at The 451 Group and principal author of the report. “Addressing all of them requires altering the flow of network traffic generated by the application, and doing that without rewriting the application itself requires some network-based intelligence – the network-based application accelerators.”

The 451 Group believes there are two complementary approaches to making application performance faster and more predictable over lengthy, bandwidth-constrained WAN links – datacenter communications accelerators (DCCAs) and WAN traffic optimizers (WTOs). DCCAs are principally designed to take workloads off constrained servers and other resources in datacenters. By contrast, WTOs are principally designed to make the best use of constrained network resources. DCCAs are deployed asymmetrically, with a single device installed as close as possible to the main server resources. WTOs are deployed symmetrically, with one appliance located within the firewall at the datacenter and another one located at the branch office.

“WTOs are especially valuable to enterprises with branch offices, a rapidly growing IT architectural model. DCCAs are primarily designed to accelerate Web browser traffic, which can have a place in enterprise IT settings but is perhaps more typical of high-volume consumer settings,” said Steinke. “Of these two approaches to network-based application acceleration, we consider WTOs to hold the greatest potential for improving the performance of a wide range of network-delivered applications, and therefore we expect to see much more market activity here.”

Many are already seeing the potential of this market. Server consolidation, combined with a desire to guarantee application performance, has already made this sector simmer. M&A activity is increasing as companies jockey for position and new startups continue to emerge, claiming new ways to enhance network-mediated application performance. Venture capital funding activity in this sector has been brisk, and there have been eight significant acquisitions thus far. The 451 Group expects to see additional M&A transactions going forward.

These findings come from a 451 Special Report titled 'Need for Speed: The network is the new application-performance battleground.' This report was led by Steve Steinke, with support from Andy Dornan, Analyst, Networks; Jim Davis, Senior Analyst, Networks; Simon Robinson, Senior Analyst and Sector Head, Storage; Brenon Daly, Financial Analyst; Lee Bruno, Editorial Director, Special Reports; and Chris Noble, Director of Research. This 91-page report sets out to clear up some of the confusion currently muddying this market and chart likely future trends, with their associated commercial opportunities and threats. It also highlights what 451 analysts believe are the disruptive opportunities for entrepreneurial innovators, and it looks at the startups and incumbents pushing into the application-delivery area. The report includes an examination of the recent M&A activity in this market and looks ahead at the drivers for the next round of potential acquisitions.

### **Key Companies Covered**

The report includes in-depth competitive assessments of the vendors focused on this space, including the following companies: Blue Coat, Certeon, Cisco Systems, Citrix Systems (with its recent acquisition of Orbital Data), Converged Access, Expand Networks, F5 Networks, Juniper Networks, Packeteer (Tacit), Riverbed Technologies and Silver Peak Systems.

### **Report Orders**

To learn more about this report, or to discuss developing a client relationship with The 451 Group, contact Simon Carruthers, Vice President of Research Services, via phone at 212-505-3030 x-103, or via e-mail at: [simon.carruthers@the451group.com](mailto:simon.carruthers@the451group.com).

### **About 451 Special Reports**

451 Special Reports provide a complete and comprehensive picture of emerging enterprise IT market segments – analyzing the technologies, the competitors, the marketplace opportunities and obstacles, and the implications for a variety of constituencies, including other vendor companies, the investment community and early-adopter IT end users.

### **About The 451 Group**

The 451 Group is an independent technology-industry analyst company focused on the business of enterprise IT innovation. The company's analysts provide critical and timely insight into the market and competitive dynamics of innovation in emerging technology segments. Clients of the company – at vendor, investor, service-provider and end-user organizations – rely on 451 insight to support both strategic and tactical decision-making for competitive advantage.

The 451 Group is headquartered in New York, with offices in key locations, including San Francisco, London and Boston. The company also operates Tier 1 Research – an independent division of The 451 Group, headquartered in Minneapolis – which analyzes the financial and industry implications of developments impacting public and private companies within the IT, communications and Internet sectors.

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