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The 451 Group Cuts Through the ‘Single Throat to Choke’ Hype from Open Source Stack Providers in New Report

Rapid Transformation Is Taking Place in the Market for Open Source Stack Providers

New York, August 22, 2006 – The 451 Group has found that despite open source stack providers’ offer of a single point of software support (‘a single throat to choke’), enterprise users will be increasingly looking to either their application providers or operating system vendors for the assurance of support. This finding is discussed in the first report from a new research service introduced today by The 451 Group, a New York-based technology-industry analyst company focused on the business of enterprise IT innovation. The 451 Commercial Adoption of Open Source (CAOS) Research Service is a first-of-its-kind service investigating both user experiences and vendor strategies as enterprise customers begin to deploy open source software.

“Whenever the topic of stack support is raised, the phrase ‘single throat to choke’ is never far away. In the interviews and survey conducted for this report, we asked open source end users how important it was to have a single vendor for open source support. A minority of the organizations expressed a significant level of interest in a single vendor for support,” said Raven Zachary, Senior Analyst and Practice Head for Open Source at The 451 Group.

451 analysts found that it is becoming increasingly common for operating systems to include multiple open source components as part of the installation process. At the same time, application vendors are increasingly looking to deliver a complete package to their customers by bundling required third-party components in with their offerings. Consequently, The 451 Group believes the market for pure-play open source stack providers looking to support enterprise customers directly is limited.

“With existing players continuing to refine their offerings and new players entering the market, stack providers must change their business models in order to thrive in the long term. The most productive approach may be to refocus their businesses to serve other types of customers. Those that want to continue serving end users as a primary market will have to either focus on the support opportunity in a particular vertical niche or become general systems integrators, possibly via merger or acquisition,” said Zachary.

451 analysts also identified a number of other trends that will have an impact on the entire open source stack provider market, including:

- Increased vendor competition – The number of vendors that are competing in the open source stack provider market is growing.
- Federated support models – There are so many open source projects that no single vendor can assemble the expertise to meet every customer need. Many open source stack providers can only afford to support the most popular open source components. Because of this, vendors partner to build a network of experts to meet their customers’ needs.
- Supplier commodification – Where popular open source components aren’t backed by a single vendor, multiple vendors offer the same services and risk becoming commodified. Because of this, customers have regular opportunities to reevaluate the relationships with their suppliers and seek alternative suppliers.
- Talent acquisition – Vendors wanting to provide open source services and enterprise users who are implementing open source software are increasingly seeing value in acquiring expertise through the hiring of core developers.
- Customer ownership – The more comfortable an organization is with open source, the greater level of ownership it will take in the support process.

This 75-page report, 'Stack and Deliver – An analysis of open source stack providers, with recommendations for vendors and their customers,' was written by Raven Zachary together with Dennis Callaghan, Analyst in Enterprise Software; Chris Noble, Research Director; and Nick Patience, Managing Analyst. This report explores the open source stack provider market and examines its relative value. It also explores the relationships that exist between stack providers, open source software vendors, systems integrators and end users, answering the question, "Is there truly a demand for a 'single throat to choke' in the market?" It includes competitive assessments of the players in the open source stack provider market and data garnered from a customized survey related to this topic.

Key Companies Covered

The report includes in-depth competitive assessments of the following companies (although this is not a complete list of companies covered in various sections of the report): BitRock, Covalent, Hewlett-Packard, IBM, MySQL, Novell, OpenLogic, Optaros, Red Hat & JBoss, rPath, Simula Labs, SourceLabs, SpikeSource, Sun Microsystems, Unisys, Virtuas and Zend.

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.

About the 451 Commercial Adoption of Open Source Research Service (CAOS)

The 451 Commercial Adoption of Open Source (CAOS) Research Service helps enterprise end users, software vendors and investors track and understand the opportunities and threats presented by open source. Its emphasis is on the advantages that open source methodologies offer, as well as the impact of consequent organizational, legal and cultural disruption. As part of the service, The 451 Group will publish six reports annually – each one examining a different issue and offering insight into user and vendor experiences. Additional features of the service include a biweekly update of analysis and marketplace activity. The 451 Group also publishes a free blog for the enterprise open source community – 451 CAOS Theory – which can be found at:

<http://blogs.the451group.com/opensource/>

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.

For additional information on The 451 Group or to apply for trial access to its services, go to:

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