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The 451 Group: Drug Discovery Drives Grid Adoption in the Pharmaceutical Sector, but Enterprise Use Is Limited

Grid computing vendors must build a stronger business case for pharmaceutical companies if the sector is going to extend the use of grids to wider enterprise applications

New York, June 8, 2005 – The 451 Group has found that while a small number of leading pharmaceutical companies have established significant grid deployments for drug discovery, a majority of users in this sector remain unconvinced about the broader value of grid computing. A need for high-performance computing makes the pharmaceutical sector a natural adopter of grids, but The 451 Group has found that compared with other industries, such as financial services, the pharmaceutical sector is somewhat behind in terms of broader deployments.

“The unrealized opportunity is to extend the use of grids in drug discovery to wider enterprise application use,” said Steve Wallage, Director of Research at The 451 Group. “Interestingly, there has yet to be a drug discovered using grid computing technology; however, once this happens we believe that it will drive other companies in the pharmaceutical sector to accelerate their adoption.”

The 451 Group has found that among those pharmaceutical firms that are grid computing adopters, there are five main reasons for deploying grids:

- Assessing grid computing potential in order to keep up with the competition
- Increasing cooperation and communication
- Producing additional analysis
- Reducing hardware costs
- Utilizing spare computing cycles.

The 451 Group also found that the early adopters of grid computing technology in this sector – including Johnson & Johnson and Novartis – are well ahead of their peers within the top 10 global pharmaceutical companies, and are seeking to adopt grid computing technology across all parts of their business. Among those that are not yet adopters, 451 analysts found that firms are waiting until so-called service-oriented architectures (SOAs) can be used for grid interface and management, or that they are implementing clusters or small grid deployments running one or two applications before they deploy grids enterprise-wide.

The 451 Group found that the key issues affecting pharmaceutical companies’ progress toward wider adoption include:

- Concern about additional costs related to archaic software licensing models
- Lack of compelling applications
- No perceived need to augment existing distributed computing architectures
- Reluctance to run applications across multiple researchers’ desktops
- User resistance.

“Grid computing vendors face two challenges within the pharmaceutical sector – supporting those users that have established a beachhead for achieving enterprise-wide adoption, and making a better business case for grid computing technology to the mainstream users,” said William Fellows, Principal Analyst at The 451 Group.

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The 451 Group: Drug Discovery Drives Grid Adoption in the Pharmaceutical Sector, but Enterprise Use Is Limited – 2-2-2-2-2

These and other findings are contained in a recently released report by The 451 Group - a New York-based technology industry analyst company focused on the business of enterprise IT innovation. The report, “Grid Computing – Adoption in the Pharmaceutical Sector,” is the fifth report in the 451 Grid Adoption Research Service (GARS), an investigation into user experiences and vendor strategies. The 57-page report was written by Steve Wallage, Director of Research at The 451 Group, together with William Fellows, Principal Analyst. The report examines the current and future strategies of 11 pharmaceutical and biotech firms, including four of the global top 10. The report also analyzes the approach and strategies of 10 vendors, from the industry giants to the drug discovery software firms.

Other findings in the report include:

- Many pharmaceutical companies are interested in finding strategies to circumvent what is often the biggest pain point – archaic software licensing models (a topic that was discussed in another recent 451 GARS report, which found that current enterprise software licensing models are a major obstacle to increased grid application deployment).
- A major issue in many grid computing deployments among pharmaceutical companies is whether they should spend money on software, or get the software “free” and spend on the hardware.

Key Companies Covered

The report includes in-depth competitive assessments of the following vendor companies (although this is not a complete list of companies covered in various sections of the report): Accelrys, Data-Grid, Hewlett-Packard, IBM, Platform Computing, Schrodinger, Sun Microsystems, Tripos, TurboWorx and United Devices.

User case studies include the following early adopter companies: Cognigen, De Novo Pharmaceuticals, DiaDexus, Entelos, GlaxoSmithKline, Incyte, Inpharmatica, Johnson & Johnson, Novartis, Protana and Sanofi-Aventis.

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 Grid Adoption Research Service (GARS)

The 451 Grid Adoption Research Service (GARS) – an investigation into user experiences and vendor strategies – extends The 451 Group's proven expertise in analyzing the grid technology market. This service analyzes the track record as commercial enterprise users introduce grid technologies to their core IT operations, and it examines the effectiveness of the strategies of vendor companies whose technologies early adopters are deploying. It is an extension of The 451 Group's analytical program on grid computing, which provides an assessment of customer demand, looking at the opportunities and challenges facing early adopters and covering adoption within key industries. It also presents the unique opportunities and challenges in specific vertical market segments.

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. For additional information on the company or to apply for trial access to its services, go to: www.the451group.com