

EVENT FLASH

Microsoft Reaches Out to the Branch with Packeteer

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IN THIS EVENT FLASH

This IDC Flash analyzes the joint branch office solution announcement from Microsoft and Packeteer.

SITUATION OVERVIEW

On May 7, Microsoft and Packeteer announced the iShaper appliance as well as an ongoing technology and marketing partnership. Highlights of the announcement include:

- ☑ Availability of the iShaper appliance that combines application visibility, intelligent acceleration, secure application QoS, and native compatibility with Microsoft application services in a single device specifically for the branch office
- ☑ Ongoing collaboration efforts that include joint research, development, sales and marketing efforts, and protocol licensing
- ☑ Product integration of Packeteer's wide area network (WAN) optimization, application visibility, and QoS with Microsoft technologies, including Windows Server, Internet security and acceleration (ISA) server, and system management server (SMS)
- ☑ The inclusion of advanced Windows ISA security services in the next version of iShaper (due out in 4Q07)
- ☑ The availability in 2Q07 of the current release of iShaper, which starts at \$11,000 for an appliance up to 45Mbps throughput with 10Mbps of accelerated traffic

As discussed in *Packeteer: An Application Networking Profile* (IDC #206346, April 2007), Packeteer is delivering on one of its stated goals for 2007, which was to offer a single unified platform for branch offices. For Microsoft, the partnership is a natural outgrowth from its close ties to Tacit Networks, which Packeteer acquired in May 2006. This announcement validates Packeteer's decision to acquire Tacit Networks. For Microsoft, this provides a comprehensive Windows-based WAN application delivery appliance out in the branch office since to date many of the platforms, including Riverbed, Cisco, and Juniper, have been based on Linux. This is the first solution to offer the combination of Microsoft technologies — including Windows server, ISA server, and SMS integration along with application visibility and acceleration — in one appliance. Citrix is expected to announce a product in the fall, but this announcement gives Packeteer a good head start (see *Microsoft and Citrix Announce Joint Product to Target the Remote Branch*, IDC #203287, August 2006).

FUTURE OUTLOOK

When the remote branch opportunity is evaluated, it is critical to look at the totality of requirements at the branch. The remote branch is no longer the poor stepchild. The time has come when the remote branch can realize the same application performance experience as workers at the main site. Many enterprise IT organizations see a strategic opportunity to provide value at the branch as the branch is often the closest point of contact to the customer. IT organizations recognize that the branch is essential to their ability to create a real-time datacenter. Additionally, they want to deliver resources to support branch office growth while keeping operational and management costs in check. Key customer requirements include providing access to core business applications; maintaining service levels of these applications through guaranteed performance and application response times; and ensuring security, regulatory compliance, and business continuity. This product introduction is significant on a number of fronts, but most importantly because it brings together a combination of features not currently available in any other platforms. It brings the idea of a branch in one box closer to reality.

Additionally, this was an important announcement for Packeteer to get right, so despite the revenue decrease Packeteer experienced in the first quarter of 2007, IDC expects this announcement will put Packeteer back on track. It is likely that sales stalled in anticipation of the new product. Packeteer now has the added strength of not only the Microsoft channel but the marketing arms. Microsoft's endorsement of this announcement is clear. This product presents a comprehensive alternative to customers looking to deploy Linux-based WAN application delivery solutions as part of their server and storage centralization efforts. It demonstrates that Microsoft is keenly aware of its customers' needs to support an increasingly mobile and global workforce, and it adds to the ecosystem of products supporting unified communications.

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The remote branch office is becoming one of the top network IT initiatives of the decade. IDC believes that the combination of features needed to solve the needs of the remote branch will mean that only a select few vendors will be able to deliver best of breed in all areas (router, server, storage, security, and application networking). As a result, partnerships will reign, and network and professional services will play an important role in the next-generation branch.