



**MEDIA CONTACT:** Kim Kent  
The 451 Group  
Boston  
617-261-0566  
kim.kent@the451group.com

## **New Report by The 451 Group Takes a 'State-of-the-Market' Look at Enterprise Grid Computing**

### ***451 GARS Report Examines the Evolution of Grid Computing and Enterprise Deployment Dynamics Across Various Vertical Markets***

*New York, January 31, 2006* –A new report by The 451 Group provides a 'state of the market' look at enterprise grid computing, and the evolution of grid computing and deployment dynamics across different vertical industries, including financial services, telecom, pharmaceutical, digital media and manufacturing. The 451 Group has now interviewed more than 200 commercial early adopters of grids, and this new report analyzes what these early adopters are doing and where they are going with the technology. These findings appear in a report released today by The 451 Group, a New York-based technology-industry analyst company focused on the business of enterprise IT innovation.

"Over the course of 2006, there was an exodus from the term 'grid' among the IT vendor and investor communities compared with the previous four years of accelerated use. Vendors and investors seek other names for their company and products, while enterprise IT early-adopters continue to create grid computing-related job titles and responsibilities," said William Fellows, Principal Analyst and one of the lead authors of this report. "Grid is a means to an end. As virtualization and other techniques enable grid computing to become absorbed into the fabric of next generation distributed computing, vendors are seeking out its next point of touchdown while users are baking it into their enterprise computing strategies."

451 analysts found that investment banks see the compute grid issues as largely 'solved' and the challenge as moving beyond this. By contrast, the pharmaceutical industry considers many of the challenges of compute grids to be as intractable as ever, particularly software licensing. A very different view comes from the oil and gas industry, where, although grids have been around for a long time, there is a growing interest in using them to solve more than just seismic processing and reservoir modeling challenges.

"What is common across all vertical industries is that, if 'grid' is not the right term for their distributed computing initiatives, there is no consensus for a more appropriate term. This report examines the different issues and deployment stages of the various vertical markets," said Fellows.

This report, 'Grid Computing – the state of the market,' is the fourteenth report in the 451 Grid Adoption Research Service (GARS) – an investigation into user experiences and vendor strategies. The 63-page report was written by William Fellows, Principal Analyst; Steve Wallage, Director of Research and Jim Davis, Senior Analyst, Networks & Media.

Some additional findings discussed in this report include:

- The wider benefits of using grids are becoming apparent as deployments mature and their scope expands. This is being recognized at a strategic level by leading adopters: for them, grid computing is no longer a high-performance computing (HPC) fiefdom. Combined with virtualization, service-oriented architecture (SOA), commodity hardware and open source, grid fabrics are now poised to become the underpinning for next-generation enterprise IT architectures and be used by a much greater part of many organizations.
- The creation of enterprise utilities and the application of grid economic models within the context of overall service-oriented architecture are the key drivers of activity, from a business perspective. This includes the creation of shared internal resources, the application of resource trading and allocation models, and the provision of self-service capabilities for users, developers, partners and customers.

- Users are socializing their IT models with other users, vendors, consultants, analysts, as well as with anyone in the industry. The expectation is that in having their models widely disseminated, followed or adopted by other end users and generally championed in the industry, collective pressure will help drive better and cheaper products and services from vendors.
- The ability to mitigate vendor and performance/availability risk through loose couplings, flexibility and the ability to change quickly (which grid/SOA/virtualization combinations bring) is a huge benefit to organizations, quite apart from any of the pure performance gains driven by the resource fabric.

### **Key Companies Covered**

The report includes in-depth user case studies, including the following early-adopter companies: Alcatel, Amazon, Audi, Citigroup, eBay, France Telecom, Hartford Life, JPMorgan Chase, MediaGrid, Media Temple, PRISM, Société Générale, Statoil, an unnamed mutual fund and UPS. Additional companies also discussed in the report include: Bank of America, Barclays Capital, Credit Suisse, Deutsche Bank, HSBC, Lehman Brothers, Morgan Stanley and Royal Bank of Scotland.

### **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 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. 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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