



## Impact Report

EBS: taking Solaris beyond Sun hardware

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Boston-area systems integrator Electronic Business Solutions has been turning itself into a systems builder over the last few years. Inspired by Advanced Micro Devices' Opteron as well as its belief that Sun' Microsystems' Solaris – although oppressive from a pricing perspective – is still valued for its performance and security, EBS has been looking for gaps in Sun's own product line and filling them with some alternatives. Most recently, it launched a dual Opteron workstation using Nvidia Quadro FX500 graphics, and worked with Angstrom Microsystems to produce a Solaris-optimized version of the Titan64 blade server, which it is now reselling.

## Impact assessment

### The message

EBS has worked directly with AMD and has designed its own Opteron-based hardware optimized for the Solaris operating system. It reckons there is plenty of demand for Solaris' enterprise features and stability when the price penalty of having to use Sun's Sparc-based hardware has been taken away.

### Competitive landscape

Linux represents the greatest competition to Solaris on x86, and particularly on Opteron. Other Solaris OEMs include Appro International, ASA Computers, NextCom, Pinnacle Data Systems and Rackable Systems.

### The 451 Assessment

In the past, Sun has been torn between supporting companies that wanted to license its hardware and/or software, and fighting them off as competitors. Times have changed, and as it puts more emphasis on software, Sun is likely to look on the activities of EBS more kindly than it would have a few years ago.

## Context

EBS started life in 1989 as a system parts refurbishing outfit, but by 1995 it had negotiated an agreement with Sun Microsystems enabling it to customize Sun hardware and software – one of only a handful of such agreements Sun has ever made. EBS then developed its own line of Sparc-compatibles, using Sun chips and boards but within its own PCI-based system designs. This worked well, and EBS revenues reached \$22m annually by 2000. But that year, Sun cracked down on the Sparc clone market and ended its agreement with EBS.

Undaunted, EBS tried again. In 2003, it signed a new software OEM deal for Solaris that let it package up and service the operating system on non-Sun hardware. It has since worked with Hewlett-Packard and IBM customers that want to use Solaris on their boxes. Around the same time, it started a relationship with Advanced Micro Devices with the idea of porting Solaris to Opteron, reaching the stage of testing Solaris x86 on a quad

processor before hearing that Sun was also porting Solaris to Opteron. EBS aligned itself with Sun's effort and became the first kernel-level beta tester for the new port. It still launched its first dual-processor Opteron workstation using Nvidia graphics months before Sun's first Opteron products came out.

## Products

The main rationale for EBS building its own hardware is to get Solaris running on hardware that offers competitive price and performance. Using off-the-shelf graphics technology is one of the cost-saving factors. EBS believes that for \$3,000 it can put together a system that compares to Sun and Silicon Graphics systems that customers were buying for \$50,000 not long ago. The current lineup includes the HLS family of dual Opteron workstations and servers (the workstations using Nvidia, the servers using ATI Technologies' Rage graphics); a very small form factor uniprocessor Athalon desktop; a quad processor Opteron server; and the Angstrom-sourced Solaris blade server with up to 208 AMD blades. The HLS family will also run Linux or Windows. EBS also offers installation, product and migration support.

## Strategy

EBS says it's not trying to compete with Sun – the two are close enough for EBS to know what's coming – and there's even a possibility that Sun will see something it likes and license a design from EBS for its own product lineup. Sun clearly needs Solaris advocates and would dearly like to see its operating system running on other people's hardware more often. EBS also offers migration services from Wintel systems to Solaris on Opteron, which must please Sun. But will it be so pleased if Sun Sparc customers go to EBS to help them migrate from Solaris/Sparc to Solaris/Opteron? EBS will inevitably have to be careful not to upset its primary partner.

With just 20 engineers and a sales force of a dozen, EBS is still small. But it's moved well beyond its original local roots and has just opened a new distribution channel in Korea.

## Competition

Linux represents the greatest competition to Solaris on x86, and particularly on Opteron. Shipments of the final release of 64-bit Solaris 10 for Opteron only just began in the past few weeks, so it's too early to tell what sort of reception it's been getting. Sun's recent moves to open source Solaris can only strengthen its case, EBS believes, and will certainly make it easier for motherboard and graphics makers to produce drivers and support software for their products.

So far, the vast majority of activity among AMD systems builders such as Aspen Systems, Atipa Technologies, High Performance Technologies, Linux Networkx, MEGware Computer, Microway, Penguin Computing, Pogo Linux, SuperMicro and Verari Systems. However, there are some Solaris OEMs among this group, such as Appro International, ASA Computers, NextCom, Pinnacle Data Systems and Rackable Systems. Sun has also signed up two Chinese companies, Dawning and Founder Technology Group, as Solaris OEMs.

## SWOT analysis

### Strengths

EBS has been working with Sun for 15 years and has specialized in workstations, the core of Sun's hardware heritage.

### Opportunities

If Sun can encourage more companies to OEM Solaris and put it on their own (or other companies') hardware, it may help build up more of a perception of Solaris as an independent operating system option, one not necessarily tied into Sun itself.

### Weaknesses

The vast majority of companies making and buying Opteron-based clustered systems are opting for Linux.

### Threats

Internal battles within Sun have restricted OEM activity of this kind in the past, and the same thing could happen again if Sun's mainstream products lose too many sales.