



## Does HP's Road Map Mean Bumps and Business Risks for AlphaServer Customers?

RFG believes [Hewlett-Packard Co.](http://www.hp.com) (HP) has so far promised more than it has delivered to enterprises reliant upon the company's retiring AlphaServer platforms, and seems likely to continue doing so for the foreseeable future of those platforms. IT executives at such enterprises should think carefully about what HP has been telling them, and seriously consider alternatives to HP's plans.

### Business Imperatives:

- ✍ **Itanium Risk and Viability** – HP's vision of the future for AlphaServer is heavily reliant upon the Itanium chip architecture co-developed by HP and [Intel Corp.](http://www.intel.com) The company is therefore not in sufficient control of its own destiny to offer credible guarantees of a smooth future to current AlphaServer customers. IT executives must determine whether HP and its partners can meet their business needs before "signing on" to HP's plans and promises.
- ✍ **Application Availability** – There are no guarantees that critical applications will be adaptable to the Itanium architecture easily or economically. Also, some independent software vendors (ISVs) may find that focusing on environments such as Java and Linux is easier and/or more financially rewarding than developing for HP's OpenVMS and HP-UX environments on Itanium-based servers. IT executives must ensure they have contingency plans for their enterprises' business- and mission-critical OpenVMS and/or HP-UX applications, should HP's vision prove impractical.
- ✍ **Road Map Applicability and Alternatives** – HP's AlphaServer customers face significant changes during the next 24 months, whether they remain committed to HP's proposed road map or not. IT executives should evaluate carefully the offerings, industry support, and strengths of HP, then compare these to those of alternative vendors. IT executives should also focus on vendors with proven histories of broad industry support, compliance with relevant standards, and delivering effective IT solutions to key business challenges.

### Critical Business Challenges

In today's economy, IT executives are increasingly challenged to demonstrate the business value of every investment they make at and for their enterprises. As they attempt to transform their environments from server-bound cost centers into services-centric value centers, IT executives must also strive to maximize bi-directional IT-business alignment and enterprise elasticity.

These challenges are particularly daunting to IT executives at enterprises reliant upon HP's AlphaServer platforms. On June 30, 2003, HP said in a news release that as "the foundation for its standards-based server strategy, HP intends to maintain two long-term industry-standard architectures, [Intel's] IA-32 [32-bit architecture] and IA-64/Itanium." AlphaServer users can expect continued support on some level from HP until 2005 or 2006, but should expect few if any significant future enhancements to AlphaServer platforms or software environments optimized for such hardware.

IT executives at enterprises reliant upon solutions running on any of HP's AlphaServer platforms face critical decisions about those solutions, now or in the near future. However, information essential to making such decisions has been inconsistent in availability and reliability. IT executives should therefore use close examination of public statements and historical facts to make informed decisions.

This Research Note summarizes such examination, bolstered by additional research, including discussions with current and former IT executives. Such examination indicates that the future of the AlphaServer



platform family seems to have shifted from promising to problematic, at least for enterprises and their IT teams, if not for HP itself. (Enterprises reliant upon other HP technologies, such as its PA-RISC and NonStop Kernel (NSK) architectures, likely face similarly wrenching decisions in the future, but this Research Note focuses specifically on AlphaServer technologies and offerings.)

As recently as January 2003, HP issued [a news release](#) announcing a new generation of AlphaServer platforms, the most powerful available to date, according to the company. In the middle of that news release, HP inserted information about the [Alpha RetainTrust Program](#). "The program is designed to strengthen HP's position as Alpha customers' trusted IT advisor by continuing to deliver business value moving forward with HP. The program provides a comprehensive set of initiatives, including products, infrastructure and industry ISV business solutions, services, and industry-leading business practices," HP said. RFG recommends IT executives examine the Alpha RetainTrust Program closely, to determine whether it provides adequate responses to the challenges of migrating away from AlphaServer platforms.

Compaq originally launched the Alpha RetainTrust program to reassure Alpha customers after Compaq announced plans to move to the Intel architecture. HP's version promises smooth transitions to current and future HP hardware platforms and operating environments for enterprises reliant upon AlphaServer-based solutions. However, RFG believes IT executives have, to date, more evidence supporting skepticism and caution than certainty and confidence concerning HP's plans and programs.

This Research Note begins with exploration of the technology evolution options offered to AlphaServer users by HP, and of the Alpha RetainTrust Program. The Note then offers specific advice intended to help IT executives how best, when, and whether to migrate AlphaServer deployments at their enterprises, and to explore alternatives to HP's anointed solutions.

### ***The Proposed Technology Transitions: OpenVMS on Itanium and Tru64 Unix to HP-UX***

HP is encouraging enterprises currently running OpenVMS solutions on AlphaServer platforms to transition to hardware based on the Itanium architecture, for which OpenVMS is being specifically updated and optimized. Those enterprises reliant upon Tru64 Unix applications, meanwhile, are encouraged and supported to migrate those applications to platforms running HP-UX "enhanced with Tru64 Unix features," according to HP.

However, some published reports indicate that HP is no longer promoting OpenVMS to new customers. If true, these reports could limit or halt ISV support for OpenVMS, at least until and unless a proven, lucrative market for OpenVMS applications on Itanium platforms is found or demonstrated. IT executives should therefore expect HP and ISVs to continue to support and enhance OpenVMS for some time to come, but may want to consider longer-term migration alternatives, just in case.

Regarding Tru64 Unix, as of this Research Note's publication, HP has posted only one success story at its Web site describing an enterprise's successful transition from Tru64 Unix to HP-UX. Moreover, the customer involved said in a quote displayed on the HP Web site that "the transition between Unix operating systems was relatively smooth." IT executives should realize that relatively straightforward, same-vendor Unix-to-Unix platform transitions can present relatively risk-free opportunities to transition to other Unix solution vendors as well. IT executives should also realize that Unix-to-Unix transitions can improve an enterprise's compliance and interoperability with widely supported industry and *de facto* standards, by reducing or eliminating reliance upon proprietary characteristics of previous environments.



HP claims the customer moved a dozen [Oracle Corp.](#) databases and hundreds of applications to HP-UX within nine months, with no disruption in day-to-day operations. However, HP Services personnel appear to have played a significant role in the transition. While some support from professional services personnel may be appropriate, wherever possible, IT executives should focus their attentions on solutions designed to minimize dependence upon such expensive support. Highly automated, open, standards-based solutions can be more flexible and faster and less expensive to deploy, in large part because of their ability to reduce reliance on professional services.

***Critical Open Questions: Itanium Risk and Viability and ISV Application Availability and Support***

Whether supporting OpenVMS, Tru64 Unix, or both, IT executives at enterprises using AlphaServer platforms must understand that continuing to rely on HP requires reliance upon the development schedule and market adoption of the Itanium architecture. RFG and other industry observers were predicting in 1997 and 1998 that Itanium-based systems would be in widespread enterprise use by 2000.

It is now 2003, and there is already an Itanium 2 architecture. HP announced new "Integrity" servers and workstations based on Itanium 2 chips on June 30, 2003. Yet widespread enterprise use of Itanium servers is still an elusive goal, especially for applications equivalently business- or mission-critical as those typically running on AlphaServer platforms.

In April 2003, respected market-watcher [IDC](#) surveyed 1,000 IT and business decision-makers across Western Europe. While two-thirds of the survey's respondents were aware of Itanium, only one-third of respondents were considering, evaluating, or running Itanium systems. The same percentage of respondents reported no interest in Itanium, IDC said in a [news release](#) about the survey. In May 2003, online IT journal [The Register](#) published a [report](#) based on IDC numbers indicating that vendors shipped only 1,963 Itanium-based servers during the first quarter of 2003. This represented a 31-percent decrease compared with the fourth quarter of 2002, the report said. HP shipped 1,835 Itanium servers during 2003's first quarter, down from 2,667 such servers during the fourth quarter of 2002, the report added.

Despite such apparently lackluster market adoption so far, HP has clearly taken a "bet-the-farm" approach regarding commitment to the Itanium architecture. However, IT executives should realize that if Itanium server shipments don't reach levels that are economically sustainable for HP, the company could be forced to consider migrating AlphaServer users to still another platform. Several options for such a move exist, including [Advanced Micro Devices, Inc.](#) (AMD)'s Opteron, HP's own PA-RISC, and/or some resurrection of the Alpha platform itself. However, IT executives should realize that at this late stage of the AlphaServer platform's life, any such move would be difficult, disruptive, and expensive, for HP and its partners as well as for enterprises.

RFG believes the uncertain future of Itanium in the marketplace is largely responsible for the apparent lack of significant numbers of business- or mission-critical Itanium server deployments. The same uncertainty is also likely why leading ISVs such as Microsoft, Oracle, [PeopleSoft, Inc.](#), [SAP AG](#) and [Siebel Systems, Inc.](#) are only now beginning to deliver versions of their enterprise software offerings optimized and tuned for Itanium platforms. (PeopleSoft and Siebel only committed to deliver such versions in conjunction with HP's June 30 announcement of new Itanium 2 servers and workstations.)

Those IT executives with longer memories will likely draw little comfort from past HP announcements concerning clear, consistent support for forthcoming software environments. In the late 1990s, several leading Unix vendors pledged support to "Project Monterey" and its goals of a single, market-leading Unix



implementation compatible with multiple hardware platforms. HP announced support for Project Monterey, but also announced that it intended to make its own HP-UX the dominant Unix for 64-bit architectures. More recently, there had been talk among HP and other vendors of a "consolidated enterprise Unix," but that has apparently been pushed off into the indefinite future, if not abandoned outright.

IT executives with even longer memories likely recall the pain and difficulty of moving to Alpha platforms from their predecessors, Digital Equipment Corp.'s VAX systems. Immature development and testing tools, limited ISV support, little available training and user support, and other challenges plagued that migration for many enterprises. It took years until the Alpha platform was stable enough to support business- or mission-critical initiatives.

RFG believes the current situation may be fraught with even more perils, especially at enterprises facing dual migrations for Alpha to Itanium and from Tru64 Unix to HP-UX. Figure 1 below summarizes some of the likely risks facing enterprises considering such difficult transitions.

**Figure 1: From Tru64 Unix to HP-UX and Alpha to Itanium: Risks and Challenges**

- /// Decreased ISV application, engineering, and middleware support as ISVs shift resources to higher-revenue alternatives
- /// Extended periods of unplanned downtime due to reduced ISV support
- /// Increased costs, especially for acquisition of new and/or retraining of incumbent administrators and/or developers and/or support personnel
- /// Limited ability to launch new business initiatives during transitional periods
- /// Unproven, or unavailable, porting and/or development tools

Source: Robert Frances Group

IT executives must ensure that business- and/or mission-critical applications have relatively painless migration paths, despite the uncertainties inherent in relying upon timely development of new applications, hardware architectures, and operating environments. IT executives should also assume that availability of important and/or critical applications optimized for Itanium and/or HP-UX cannot be guaranteed or accurately predicted.

***The Alpha RetainTrust Program: Too Little, Too Late?***

Beyond its chosen technology migration paths, HP also touts the business practices that support its Alpha RetainTrust program as innovative and unique. One of these is the money-back guarantee described in [the AlphaServer Customer Assurance Program fact sheet](#). "If the transition to an Itanium architecture-based HP server running OpenVMS or HP-UX enhanced with Tru64 UNIX® technologies does not meet customer expectations, HP will take back the Itanium-based system and refund its purchase price." This guarantee is "subject to agreed acceptance criterion and customer environment evaluation," the online fact sheet adds.

However, IT executives should realize that the guarantee only applies to new ES or GS AlphaServer systems purchased between Oct. 22, 2001 and Dec. 31, 2003. The money-back guarantee does nothing to address the potentially significant costs of migration itself, which can include development, downtime, integration, testing, training, and other services. The costs of these will likely dwarf the purchase price of Itanium systems at many enterprises.



Also, while HP is offering operating system software licensing credits as part of its Program, it cannot and does not offer any guarantees regarding software from ISVs. Even if new versions of key applications are available for HP-UX or OpenVMS on Itanium in a timely fashion, enterprises could face significant cost increases when attempting to acquire those new versions. IT executives at enterprises developing AlphaServer transition strategies must weigh carefully all available information concerning when, if ever, key applications will run on Itanium-based systems and Open VMS or HP-UX – and what they will cost.

More broadly, IT executives should not be doing business with any vendor unwilling to refund the purchase price of a solution that doesn't work as promised. In addition, IT executives should ensure that such contractual guarantees are sufficiently documented and based on real-life enterprise expectations to be both meaningful and enforceable. Finally, IT executives should remember that not even refunds of multiple times the purchase price of a dysfunctional solution can compensate for lost competitiveness, elasticity, productivity, and/or revenue caused by downtime or inadequate system performance. Such concerns should be used to evaluate all candidate and incumbent vendors' contract terms and support policies and promises.

### ***What's an IT Executive to Do?***

As the above discussion indicates, there are several serious questions facing IT executives evaluating HP's end-of-life plans for AlphaServer platforms. Questions about Itanium viability and risk, application availability, and road map applicability and alternatives, have led to broadly held "wait and see" attitudes among HP users and partners as yet unwilling to "bet their businesses" on HP's ability to deliver on its promises.

This attitude is reflected graphically by two surveys. [Encompass U.S., Inc.](#), the former U.S. chapter of the Digital Equipment Corp. user group, conducted its survey before shareholder approval of the Compaq-HP merger. The HP User Group Online Advocacy program's Advocacy Working Group (AWG) conducted a similar survey after shareholder approval of the merger. There were some other differences between the two surveys as well, most of which are spelled out in the [final report of the AWG survey](#), which includes results and questions from the [Encompass survey](#).

However, the results of both surveys indicate that as many as half of those enterprise IT executives previously using Compaq solutions before the merger with HP were exploring alternative solutions and providers after the merger. The survey results also indicate that respondents to both surveys wanted more information about future road maps than they were getting from HP, about AlphaServer, Itanium, OpenVMS, and Tru64 Unix. While months have passed since the most recent of these surveys, several users interviewed by RFG indicate that they are still left unsatisfied by the information and promises provided so far by HP and its partners.

Given the uncertainty of HP's declared migration paths and value of its services, IT executives should review business and user requirements. IT executives should then use the results to help decide whether the uncertainty and potential business risks justify remaining with HP. Figure 2 below summarizes some of these risks.



<b>Figure 2: AlphaServer Migration Paths and Potential Business Risks</b>	
<b>Migration Path</b>	<b>Potential Business Risks</b>
Postpone Migration until 2004/2005 or Beyond	<ul style="list-style-type: none"> <li>/// Reduction in system availability, performance, and quality, as HP reallocates engineering and service resources to Itanium and HP-UX and/or Alpha experts leave the company.</li> <li>/// Increased maintenance costs as AlphaServer and Tru64 Unix reach the ends of their lives.</li> </ul>
Migrate Now to HP-UX on PA-RISC, then Again to HP-UX on Itanium	<ul style="list-style-type: none"> <li>/// Greater system downtime due to sacrifice of business-critical Tru64/TruCluster availability features, which will not be included HP-UX on PA-RISC and could take years to appear for HP-UX on Itanium.</li> <li>/// Increased costs for software license upgrades, and for testing and integration, to move ISV applications to HP-UX on PA-RISC, then again to HP-UX on Itanium.</li> <li>/// Increased maintenance costs as systems based combinations of HP-UX and PA-RISC reach the end of their lives.</li> <li>/// Minimal investment protection, as applications ported to HP-UX on PA-RISC will need to be recompiled and tested when migrated to HP-UX on Itanium.</li> <li>/// Reduction in system availability, performance, and quality, as HP reallocates engineering and service resources to Itanium and HP-UX and/or PA-RISC experts leave the company.</li> <li>/// Total migration difficulties and costs could be at least twice as onerous as those related to postponed migration.</li> </ul>

Source: Robert Frances Group

**Road Map Applicability and Alternatives – How to Prepare**

Where they do not exist, IT executives should create repositories that inventory and document applications, services, and user profiles currently running on AlphaServer platforms. Such repositories are sometimes known as "business application profiles" (BAPs), "business service profiles" (BSPs), and "user application profiles" (UAPs), respectively. IT executives should also create or update "interdependency maps" that clearly show what IT resources affect and would likely be affected by temporary or permanent removal of AlphaServer platforms and/or applications running on them.

This information should be used to determine whether or not a particular enterprise can tolerate the uncertainties and risks of HP's plans and programs long enough to derive business benefit from them. For those IT executives who come up with a "no" or "maybe not" answer, BAPs, BSPs, interdependency maps, and UAPs can help in the consideration and evaluation of possible alternative vendors and solutions.



IT executives considering migrations away from HP should therefore focus on alternative vendors with proven successful experience in delivering effective IT-based solutions to business problems. Such candidates should also have proven success in complying with key industry standards, delivering credible product and technology road maps, and in garnering strong ISV and industry partner support.

At many enterprises, the two leading candidate alternative vendors to HP will likely be [IBM Corp.](#) and [Sun Microsystems, Inc.](#) Sun has consistently focused on open, standards-compliant, Unix-based software platforms, and enjoys strong ISV and partner support. RFG believes these advantages may give Sun a significant edge over IBM at enterprises reliant upon AlphaServer platforms and OpenVMS and/or Tru64 Unix applications. IBM has historically supported and promoted multiple operating environments, including its own Unix variant, an approach that has fostered some confusion and incompatibilities over time.

In addition, RFG clients report that IBM Global Services can sometimes be an expensive and labor-intensive partner. IBM has said repeatedly that it intends to generate much if not most of its future revenues via IBM GS. Sun's approach to professional services, in contrast, is more technology-centric, focused more on automation and cost reduction. This is a potentially important consideration when the definition of TCO has been changed by many from "total cost of ownership" to "take costs out."

Sun also has a well-proven historical ability to garner and maintain loyal and enthusiastic ISVs and other industry partners. Sun is also the originator of the Java technologies critical to the evolution of Web-enabled applications and Web services. Sun and its ecosystem of customers and partners therefore have broad, deep experience in addressing challenges such as effective strategies for migration from retiring platforms such as HP's AlphaServer family.

IT executives at today's enterprises need solutions and vendors that are business-centric, interoperable, proven, reliable, and scalable. IT executives at enterprises currently reliant on AlphaServer platforms should either recast their relationships with HP to ensure the adequate presence of these characteristics, or begin now to put alternative solutions and providers into place.

**RFG believes** IT executives at enterprises reliant upon AlphaServer platforms should compel their HP representatives to translate corporate marketing claims and promises into enterprise-specific deliverables and reasonable expectations. Those IT executives should then compare these to current and anticipated business needs. If the disconnects are too great to bear, those IT executives should immediately shift their focus to alternative vendors and solutions that have been proven effective.

*RFG analyst Michael Dortch wrote this Custom Research Note. Interested readers should contact RFG Client Services to arrange further discussion or an interview with Mr. Dortch.*

Copyright © 2003 Robert Frances Group, Inc. All rights reserved. Agenda and In-Context Research products are published by Robert Frances Group, Inc., 22 Crescent Road, Westport, CT 06880. Telephone (203) 291-6900. Facsimile (203) 291-6906. <http://www.rfgonline.com>. This publication and all Agenda and In-Context Research publications may not be reproduced in any form or by any electronic or mechanical means without prior written permission. The information and materials presented herein represent to the best of our knowledge true and accurate information as of date of publication. It nevertheless is being provided on an "as is" basis. Reprints are available.