

August 2007:

- » Technology Counsel
- » Building the Virtual Office
- » IDC on Mobility
- » All Shook Up

UPDATE YOUR PROFILE

Want to get information tailored to your needs? [Update your profile now.](#)

YOUR NEWS

Must Read on Sun's Resurgence

Don't miss this informative Fast Company piece on Sun's momentum and game-changing innovations.

Improving Compliance and Efficiency

Learn how Sun met Sarbanes-Oxley compliance challenges with its identity auditing solutions.

Low-Risk SOA

Find out how to safely and gradually transition to a service-oriented architecture with this brief Sun Net Talk Webcast.

The Digital Media Explosion

What does it take to meet the world's insatiable appetite for digital media? Find out with this Innovating@Sun podcast.

Slashing Data Warehouse Costs

DW guru Bill Inmon says you can't afford to ignore the Sun/Greenplum Data Warehouse Appliance.

THE CEO PERSPECTIVE

The Value of Technology Counsel

I gave a speech at a gathering organized by Pat Mitchell and the newly named Paley Center for Media. I was joined by some august guests, including California Governor Arnold Schwarzenegger, Eric Schmidt (CEO, Google), and Terry Semel (CEO, Yahoo!). After dinner, I found myself talking to a group of media company CEOs. I asked a simple question: "Do you have a general counsel reporting to you?" Then I asked a harder question: "Do you have a chief technology officer reporting to you?" In my view, if you have a general counsel reporting to you, and not a CTO, you're saying legal advice is more important to you than technology counsel.

[View Webcast »](#)



The Future of the Internet »

Schwartz with *Fortune's* David Kirkpatrick

Read Jonathan's Blog »

Find out what Sun's CEO and president is thinking now

WATCH AND LISTEN

All Shook Up

Watch what happens when a magnitude 6.7 earthquake rattles Sun's Project Blackbox modular datacenter.

[VIDEO](#)  [MORE »](#)

[Information Week on Blackbox »](#)

[View Webcast »](#)



McNealy from Mumbai

On a tour of India, Scott speaks with healthcare and telco executives on technology's role in fast-changing marketplaces.

[LISTEN](#)  [MORE »](#)



LEADING VISION

Flex Your Force: Building the Virtual Office

Workforce mobility and flexibility can slash operating costs, sharpen focus on business results, and improve employees' work/life balance. VP of Open Work Services Ann Barnesberger explores how managers can help their teams work effectively across distance and time

[MORE »](#)



DW Appliance Tackles Terabytes

The Sun/Greenplum data warehousing solution delivers extreme price/performance.

EXPERT INSIGHT

IDC Concurs — Mobility Advances Productivity

Managers wonder — do mobile devices such as PDAs and cell phones make companies more competitive? The answer is yes, according to IDC, the international market analysis firm. In a recent conversation with Sun, IDC mobility experts Stephen Drake and Sean Ryan explained how mobile devices are adding significant value to the enterprise.

[MORE »](#)

INDUSTRY FOCUS

Web 2.0 Company Achieves 10x Price-Performance Gain

Messaging provider DigiTar consolidated applications from eight HP servers onto two Sun Fire CoolThreads systems, boosting price/performance 10x and reducing power consumption and heat generated by 83 percent.

[MORE »](#)

Better Honest Than Polite

By Jonathan Schwartz

I gave a speech at a gathering organized by Pat Mitchell and the newly named Paley Center for Media. I was joined by some august guests, including California State Governor Arnold Schwarzenegger (who wore, and I'm not joking, green alligator skin boots), along with Eric Schmidt (CEO, Google) and Terry Semel (CEO, Yahoo!). After dinner, I found myself talking to a group of media company CEOs. I asked a simple question: "Do you have a general counsel reporting to you?" The answer was universally, yes.

I do, too. [Mike](#) and his team are central to the evolution of Sun (as I've said, we are nothing less, or more, than an intellectual property company — it's hard navigating those waters without a great legal team).

But then I asked a harder question: "Do you have a chief technology officer reporting to you?"

I do, and I talk to [Greg](#) at least every day. He plays a central role at Sun. Central as in nervous system. He's involved in every major strategic decision I make (and a ton of minor ones, too).

But in response to my question, the answers from the group were more dismissive than substantive — most did not. And in my view, if you have a general counsel reporting to you, and not a CTO, you're saying legal advice is more important to you than technology counsel. Which seems backward for a media company. Why?

Because convergence isn't a legal phenomenon. It's a technical and social phenomena first and foremost — that's why you can't talk about media without talking about software (what is an MP3? AAC? Java? Flash?). You can't talk about distribution without talking about free media, social networking or [mobile devices](#) (technical assets that reach more of the planet than all other network outlets). Ask Eric or Terry (or Steve or [Mark](#) if they have CTO's reporting to them. Of course they do, they're media companies using technology to win. Or vice versa. It doesn't matter, they've converged.

Which brings me to a simple, and heretical conclusion — for which I'm sure I'll be apologizing for years to come. But I'd rather be honest than polite.

Media company CEO's without a CTO on their staff should prepare to be acquired or broken up — they are fighting the future rather than monetizing it.

Jonathan Schwartz
CEO and President
Sun Microsystems, Inc.
ceo@sun.com



» **Paley Q&A with Jonathan**
On Technology, Media,
and Society

» **The Future of the Internet**
Schwartz with Fortune's
David Kirkpatrick

Flex Your Force: Building the Virtual Office



Connecting knowledge workers and managers through both technology and social practices is a management imperative of the new millennium. Sun Vice President of Open Work Services Ann Bamesberger shares with Sun *Executive Boardroom* readers ways in which today's managers can help their teams work effectively across distance and time.

Q: How do you define Open Work?

A: Open Work is an integrated work environment that brings together the technology, workspace and organizational enablers to support a 21st century workforce. It's about choices for individuals, managers, and workgroups that take advantage of virtual collaboration, distance collaboration, and global reach while opening the doors to intellectual capital that otherwise might not be available given proximity constraints. It's about an expansion of choices for work style.

Q: What does an Open Work environment look like?

A: There is no standard blueprint. Think of Open Work as an [integrated network of people, places, and technologies](#) that are systemically linked to meet the requirements of the task at hand. Physically, it could look like a home-office or drop-in facility on the residential side of a commute, or a main campus that we would call a hub. There can be drop-in centers, team spaces, or Open Work cafes.

The historical office with open cubes or lines of closed desks is becoming occupied less and less. Nowadays, when people come into offices, they do so to be with other people, not to sit in an office by themselves.

Q: What benefits does it offer?

A: Benefits are varied. Within the enterprise, Open Work affords a significant opportunity to accomplish massive cuts in operating and capital expenses, significant enhancements to the employee value proposition, greater insulation against business disruptions (man-made or natural) and can be a significant component of the triple bottom line — corporate, social, and environmental responsibility.

For the manager, it allows broader access to talent and the ability to focus on business results that are not necessarily time-clocked. Employees can improve work/life balance and can finally have an integrated work environment that matches their work requirements as opposed to the way their grandparents used to work.

Lastly, for the community and the environment, people are spending dramatically less time commuting which has a significant impact on CO² emissions, greenhouse gases, traffic congestion, and public infrastructure.

Q: What about cost savings?

A: They are twofold. First, let's look at the enterprise savings. We've calculated a savings of about \$70 million a year, which is the cost containment from the savings in real estate that we would have otherwise built or leased. We are also tracking around \$24 million a year in IT savings through our deployment of Sun Ray ultra thin clients.

Related Resources

- » [Sun Open Work Practice](#)
- » [Interactive Tour on Open Work](#)
- » [Sun Wins Prestigious "Flex Your Power" Award](#)

Schedule a Briefing

Meet with Sun Open Work Practice experts on how to reduce costs and improve productivity with a flexible, mobile workforce. [More...](#)

Second, there is a direct cost savings to employees when it comes to dollars saved. The typical “open worker” saves approximately \$2,000 a year in fuel and maintenance and is able to cut their commute time by 160 hours a year. Less time in their cars and less time on the road translates into a reduction in more than two metric tons of CO2 per open worker per year.

Sun itself is saving about \$70 million a year in real estate costs through its Open Work programs.

Q: What are some of the issues created by an Open Work environment and how should they be managed?

A: There are side effects to plan for. Most organizations immediately understand the physical and technology components. But the softer side, namely the organizational infrastructure, is where we see most efforts come off the rails — particularly in the area of managing a distributed or remote workforce.

Performance management, goal setting, all the things that are directly related to good leadership become more obvious when you don’t see people on a daily basis. Once you take out the convenience of seeing people, you shine a light on those management skills typically required in a knowledge-based world — management by objectives and results and not process.

Managing by results versus monitoring becomes very important. For those work practices where monitoring is either required for the work or preferred by the manager, this is difficult. For the most part, knowledge work is not well suited for “management by presenteeism” anyway. The world is moving in this direction whether we like it or not. We need to make sure that we give our managers the tools, technologies, and know-how to effectively lead in the 21st century.

Q: How do the roles of manager and employee change?

A: One of the principal differences is that the focus is on results as opposed to management by line of sight. This operational model requires clear and consistent communications — not only between the manager and his or her employees, but connection between the team members as well. If people become distributed and mobile, they will be required to pay closer attention to the social connectivity and affiliation elements of work-life. We believe that the next generation of employees is going to have expectations around this, because they are growing up with instant messaging (IM), blogging, and wikis as primary communications channels.

Q: What technologies are requisite to make this work?

A: There is a small core set of technologies that are the simple must-haves for any organization moving into this space. The most important is direct and secure access to critical network-based applications. Online document management synchronization, asynchronous collaboration technology, robust enterprise identity and access management, and telephony are the current handful of must-haves. Leading companies are also taking a hard look at leveraging social networking and community affiliation technologies to bridge the time/space gap, examples being Ning, Facebook, and Twitter.

Q: How is this concept spreading?

A: There’s a perfect storm brewing that is forcing large organizations to consider alternative work environment models. We are seeing four to five macro-level trends that are forcing medium and large organizations from every sector to take a hard look at this. Those trends are escalating real estate costs, recruiting and retaining people, business continuity and pandemic planning, eco-responsibility, and information security. These drivers are causing people to look at alternative work environments.

Q: How do you see this evolving in the next two to five years?

A: Looking specifically at the next two to five years, we are projecting massive scale in workforce mobility with a huge upswing in the attention that private and public sector employees pay to this topic. In the U.S. domestic market alone, there are approximately 60 million knowledge workers who would be well suited to operate in an Open Work environment.

In the U.S. domestic market alone, there are approximately 60 million knowledge workers who would be well suited to operate in an Open Work environment.

However, fewer than five million are supported by a formal strategic program. The remaining 55 million are becoming more distributed on a daily basis, but being unsupported, they have unprotected, sensitive information with them. If they are running around with mobile phones that nobody is supporting or managing, how do you protect the enterprise IP?

In my opinion, those enterprises that are willing to take a hard look at what technology has enabled in merely the last 10 years will realize that even more will occur over the next five. GenY employees will come into the workforce with better tech savvy than many managers have today — they will be able to communicate and network in virtual ways we haven't begun to address. It is time to choose Open Work as a reality.

About Ann Bamesberger

Ann Bamesberger is vice president of Sun Microsystems' Open Work Services Group, an organization focused on creating an infrastructure that supports the increasingly global, dispersed and mobile workforce by enabling employees to work anywhere, anytime, on any device.

IDC Concurs — Mobility Advances Productivity



Stephen Drake

Managers wonder — do mobile devices such as PDAs and cell phones make companies more competitive? The answer is yes, according to IDC, the international market analysis firm. In a recent conversation with Sun, IDC mobility experts Stephen Drake and Sean Ryan explained how mobile devices are adding significant value to the enterprise.

Related Resources

» [Sun Open Work Practice](#)

Q: How do mobile devices make organizations more competitive?

Ryan: The main benefit of any mobile device can be found in increased accessibility and responsiveness to colleagues, customers, and partners. All of this translates into doing business faster and more efficiently.

Drake: Many corporations are moving toward converged devices, or smartphones, which combine cell phone and PDA features. It makes a lot of financial sense to use a single device for both phone calls and applications such as calendars and corporate email.

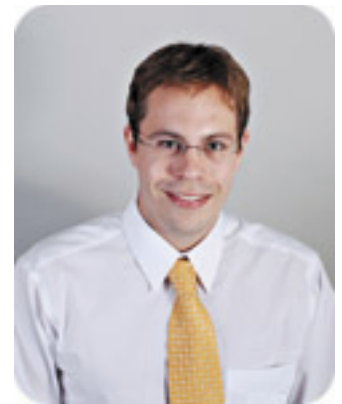
Q: Does increased accessibility and responsiveness make people more productive?

Drake: Yes, particularly for people who travel a great deal. During meeting breaks or downtime in the airport, you can catch up with email, which is the most pervasive non-voice application on converged mobile devices. By the time the day is over, you don't have to fire up the laptop to catch up on work.

Ryan: From an organizational perspective, there are tremendous new opportunities to be more efficient and have better customer touch with mobile devices. Take the example of a cable or telecom person in the field. With some of the mobile GPS and Wi-Fi applications now available, these workers can be routed based on location, expertise, availability, and customer status.

Q: Have mobile devices created unrealistic accessibility expectations?

Drake: There are two sides to the accessibility coin. Mobile devices give people a lot more flexibility to do things in their personal lives, like go to their children's soccer games. On the flip side, if you're easily accessible, you don't have an excuse for not taking care of important information that shows up on Friday night. But most people believe that the benefits outweigh the disadvantages, particularly when they benefit from the advances in customer service Sean just mentioned.



Sean Ryan

Q: Are there situations where these devices make people less productive?

Drake: When any technology is implemented poorly, it will produce poor results. Insisting on difficult-to-remember passwords or choosing excessively complicated applications are good ways to make a mobile implementation fail. Increasing productivity with mobile devices requires explaining the benefits to employees — and making sure applications chosen take into account the business processes used by workers to create a strong end-user experience.

Q: How many mobile devices are currently in use?

Ryan: We estimate that vendors will ship over 13 million converged mobile devices (smartphones, PDA-style phones, BlackBerry devices) to both enterprise and individual users in the United States for 2007. This accounts for

about one out of every 10 mobile phone shipments in the United States for the same period. The worldwide breakout is similar, with 108 million converged mobile devices expected to be shipped to both individuals and enterprises.

Q: Beyond purchase price, what other costs do mobile devices carry?

Drake: Support services can cost businesses significant amounts of money, but training employees can take the sting out of these expenses. Other expenses include the incremental cost of deploying a mobile solution, purchasing newer devices, and implementing mobile applications appropriate for a particular workforce. Security and replacement are two closely related costs to consider as well. Because mobile devices are so small, they are more prone to being lost or stolen than other kinds of hardware. Fortunately, features like authentication, encryption, device-wide lock-down capabilities, and password protection are becoming standard features.

Support services can cost businesses significant amounts of money, but training employees can take the sting out of these expenses.

Q: What kind of infrastructure is required to support a mobile workforce?

Drake: Extending business applications to mobile devices is increasingly important for competitive enterprises, and this requires solutions from mobile-specific suppliers. After installation, business applications always are in need of maintenance, management and security, so a company going this route will need to consider these functions at the point of deployment. Keep in mind, though, that this doesn't mean extending individual applications down to the mobile device, but rather bringing down a subset of components from multiple back ends to create user-friendly mobile applications.

Q: What are some of the features of a good enterprise mobile plan?

Ryan: You need to be able to manage costs and control standards. We see enterprise mobile plans that address these issues with optimization alerts, and pooled access to applications and voice services. Other features to consider include built-in security, service quality, and replacement policies. Price is always a consideration, and the good news here is that component and manufacturing costs are going down, so low-end devices are getting cheaper. But when you add things like more connectivity, increased battery life, and more applications, you pay a premium.

Q: Who typically pays for these devices? The employer or the employee?

Drake: We see both payment models, but employer purchases often result in more control and security. This will become increasingly important as mobile devices become embedded within corporate networks. However, on a worldwide basis, the majority of converged mobile devices are still purchased by the individual. Suppliers and organizations alike need to consider the impact this has and how they can provide solutions that take it into consideration.

Converged mobile devices will become highly integrated with enterprise voice and data networks.

Q: How will mobile devices change the enterprise in the future?

Ryan: Converged mobile devices will become highly integrated with enterprise voice and data networks. This will necessitate greater involvement from IT departments, but will bring productivity gains to the subset of mobile workers within the enterprise that conduct business out of the office and require access to corporate data. Many organizations will also likely grant limited access to corporate e-mail on approved device platforms in situations where employees purchase their own converged mobile devices. IT departments will have to manage these users, as well ensure security and mitigate corporate liability.

About IDC, Stephen Drake, and Sean Ryan

IDC is a global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. Stephen Drake is the program director for IDC's Mobile Enterprise programs. Sean Ryan is a worldwide research analyst within IDC's Mobile Enterprise group.