

## COMPETITIVE ANALYSIS

### Worldwide Server Provisioning Software 2004 Vendor Shares

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#### IDC OPINION

The server provisioning market continues to grow as IT organizations drive down costs associated with server consolidation and standardize on processes for server management. This study identifies the server provisioning market leaders and is a follow-on study to the previously published *Worldwide Server Provisioning Software 2005–2009 Forecast* (IDC #33075, March 2005). Key findings in this study include:

- ☒ IBM is the server provisioning software market leader in 2004, with 34.3% of the market.
- ☒ In 2004, the number 2 vendor in the market is Opsware, with a 17.1% market share.
- ☒ The market will experience a high level of consolidation over the next three years as large enterprises send out request for proposals (RFPs) for server provisioning projects to reduce hardware TCO, increase process efficiencies, and reduce complexity.
- ☒ Key trends in the server provisioning market include hardware attach rates with server provisioning software, continued OS level provisioning development, and capabilities development in areas such as network configuration and application management that reside in adjacent markets.



## IN THIS STUDY

This IDC study analyzes vendor market share in the server provisioning market. This is a follow-on study to the previously published *Worldwide Server Provisioning Software 2005–2009 Forecast* (IDC #33075, March 2005).

Please note that the revenue attributed to the server provisioning software market does not include services or client provisioning.

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## Market Definition

The worldwide server provisioning software market is a submarket of the worldwide enterprise system management software market. The revenue included in server provisioning software is a subset of revenue already included in enterprise system management software revenue, principally in the change and configuration management software functional market. In IDC terminology, server provisioning software is a "competitive market." The server provisioning market is centered on the deployment, configuration, and management of server system and application software stack images. The four key technology areas that are included in the definition of server provisioning software are:

- ☒ **Server provisioning.** The ability to build a master server and/or image and deploy to multiple servers with accuracy and control
- ☒ **Configuration management.** The task to manage and discover configurations of servers and execute change management processes
- ☒ **Patch/software management.** The ability to distribute server and software patches to devices
- ☒ **Change audit and reporting.** The ability to create server audit trails tracking changes and reporting on activities across provisioning, configuration, and patching

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## Methodology

See the Learn More section for a description of the data collection and analysis methodology employed in this study. In addition, please note the following:

- ☒ The information contained in this study was derived from the IDC Software Market Forecaster database as of May 23, 2005.
- ☒ All numbers in this document may not be exact due to rounding.
- ☒ For more information on IDC's software definitions and methodology, see *IDC's Software Taxonomy, 2005* (IDC #32884, February 2005).

## SITUATION OVERVIEW

In a highly competitive market such as server provisioning, success often resides in the details. Successful vendors in the server provisioning market will have the following attributes to drive growth:

- ☒ Aggressive sales teams that offer flexible pricing and drive partner involvement
- ☒ Technology-leading products that innovate and make it easier for IT and system administrators to do their jobs as they relate to server provisioning
- ☒ Customer management skill and organizational support that enable account loyalty and high implementation and usage rates
- ☒ The ability to provision heterogeneous environments in equally capable ways with staff that can communicate in the languages of Windows, Unix, and Linux
- ☒ Crisp marketing programs that drive the strategic value of automation and business impact while executing tactical development cycles that drive innovation and capabilities

As the market share data shows, there is opportunity for vendors to gain share as the market continues to mature.

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## Vendor Shares

Table 1 shows worldwide server provisioning revenue by vendor for 2003 and 2004.

**TABLE 1****Worldwide Server Provisioning Revenue by Vendor, 2003 and 2004**

	2003		2004	
	Revenue (\$M)	Share (%)	Revenue (\$M)	Share (%)
IBM/Tivoli	43	34.1	74	34.3
Opsware	17	13.5	37	17.1
HP	12	9.5	29	13.4
Altiris	13	10.3	22	10.2
BMC	2	1.6	20	9.3
Bladelogic	8	6.3	18	8.3
VERITAS	1	0.8	6	2.8
Marimba	9	7.1	–	–
Novadigm	13	10.3	–	–
ThinkDynamics	1	0.8	–	–
Other	7	5.6	10	4.6
<b>Total</b>	<b>126</b>	<b>100.0</b>	<b>216</b>	<b>100.0</b>

**Notes:**

IBM/Tivoli acquired ThinkDynamics in 2003.

HP acquired Novadigm in 2004.

BMC acquired Marimba in 2004.

VERITAS acquired Jareva in 2002.

CY04 includes revenue from subsequent acquisitions.

The "other" category includes UXComm, Platespin, Managesoft, and Sun.

Source: IDC, May 2005

**FUTURE OUTLOOK**

The server provisioning market will continue to grow, but there are emerging trends that suggest that the marketplace, pricing, and margins will be under pressure over the long term. Vendors in the market should plan for the following developments:

- Emerging standards, such as DCML, SMASH, WSDM, and others, will continue to propagate themselves in hardware and software and offer users the lowest common denominator of integration for data sharing and resource modeling.

- ☒ Operating system vendors will continue to look at management capabilities as a way to lower the cost of platform ownership and increase competitive differentiation. OS vendors will add various levels of server provisioning capabilities to their products, minimizing low-end value and assuring the price points for heterogeneous support.
- ☒ There are three ways to execute server provisioning today: image based, script based, and a combination of both technologies using a semistandardized models approach. Hardware and software vendors will add provisioning capabilities using a combination of methodologies, creating a bar for both integration and product capability requirements.
- ☒ The depth of information stores for provisioning and the interoperability of heterogeneous models will increase incrementally over time from vendors who are not directly in the server provisioning market. The impact is that "pure play" vendors must accelerate development capabilities and look at adjacent market opportunities to create a sustainable, profitable advantage.

IDC believes that over the long term, large enterprises will require heterogeneous, scalable products provided by vendors that are solely focused on server provisioning or will invest heavily in this technology. Similar tools that are homogenous will offer limited but useful capabilities.

## ESSENTIAL GUIDANCE

The dynamic, real-time requirements for managing infrastructure and aligning IT with business requirements requires integration driven in part by SOA's standard adoption. Vendors must move forward with consensus on standards and incorporate standards into product development cycles. Vendors should expect pricing pressure and low-end functional consolidation, while recognizing that hardware vendors will improve their capabilities as it pertains to platform-specific provisioning. IDC expects future market share growth from vendors that put focused efforts into sales, development, and marketing resources in order to solve the long-term IT service provisioning problem.

## LEARN MORE

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### Related Research

- ☒ *Worldwide Server 2004 Vendor Shares: Year in Review* (IDC #32782, February 2005)
- ☒ *Altiris Buys Tonic Software for J2EE and .NET Management* (IDC #32742, January 2005)
- ☒ *Worldwide System Management Software 2004–2008 Forecast Update: December 2004* (IDC #32472, December 2004)
- ☒ *On-Demand Enterprises and Utility Computing: A Current Market Assessment and Outlook* (IDC #31513, July 2004)

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