



Cisco Expands Its UCS Portfolio and Quadruples Its Addressable Market

June 03, 2009 - IDC Link

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Cisco today [announced](#) an expanded portfolio of solutions for its recently shipped Unified Computing System (UCS) at its Partner Summit in Boston. Cisco highlighted three key additions to its computing portfolio:

- A standard rack-based version of UCS servers
- A new go-to-market channel program for UCS
- New IT certifications that span multiple datacenter technologies brought together by UCS

Cisco previously announced its Unified Computing System in March; it is an integrated solution of compute, network, storage access, and virtualization resources. This system is built using standard x86 server architectures in a blade enclosure in conjunction with Cisco's Fabric Extender technology. The system is targeted at addressing the major challenges that customers are currently facing in very large datacenter environments and is geared toward easing the increasing complexities of the future datacenter. [Read IDC's detailed analysis here.](#)

Today's announcement is significant in two ways. First, it demonstrates that Cisco is prepared to continue to invest in the UCS offering, and second, the company is listening to its customers and partners. What this announcement really tells us is that Cisco is aggressively promoting UCS to the market and is willing and capable of integrating improvements quickly into its portfolio. This announcement also underscores that Cisco's mission to reduce datacenter complexity is at the core of the engineering and marketing of UCS. When this product initially came to market, it was mistakenly hyped in the media as a new blade server alternative and was naively perceived as Cisco's attack on one of the fastest growing segments of the server market. The announcement of a rack-based solution clearly demonstrates that Cisco is looking far beyond being a blades antagonist and is squarely focused on simplifying IT environments, especially with regard to virtual server deployments. Cisco has recognized that virtualization customers are increasingly acting as their own systems integrators in deploying large virtual environments and performing the necessary tuning, which includes not only investments in servers with large memory footprints but also escalating demands on storage and networking environments (which requires changing processes between these traditionally adjacent IT groups). UCS messaging continues to be focused on driving up virtual machine (VM) consolidation ratios and moving from server-based cost models to application-based cost models.

IDC believes that today's announcement will significantly lower the barrier to UCS adoption among customers and partners. Not all customers want a blade. Not all partners can therefore sell a blade solution. In fact, less than 15% of all new servers shipped in 2008 were blade servers. Rack-based servers accounted for 57% of new server sales. By offering a rack-based UCS solution, Cisco just quadrupled its addressable market. In addition, the introduction of rack-based servers lowers customer concerns for product and vendor lock-in that continue to plague bladed solutions. And while customers will be free to deploy these servers as general-purpose solutions, IDC believes that UCS customers will choose a Cisco solution because they think it will lower their upfront deployment and ongoing management costs for large virtual environments. Make no mistake, UCS is built from the ground up for virtualization — not only does it have 48 DIMM slots that can hold 384GB of memory as well as adapters for increased numbers of PCI slots, but it also exploits embedded virtualization technologies such as hypervisor bypass and, most importantly, an embedded management solution for building service profiles around virtual machines.

IDC also believes that Cisco's channel announcements and the creation of a Unified Datacenter VAR program will be well received by channel partners, particularly as this announcement includes two new IT certification programs that we believe will be very appealing to both partners and IT administrators who are increasingly being asked to improve their knowledge across multiple lines of technology. [See Janet Waxman's take](#) on this announcement for more channel perspectives.

Cisco's challenge remains execution and market perception. It's difficult to be the new entrant in an already highly competitive market, and Cisco will be judged on its ability to deliver on what it promises. Cisco has laid out an aggressive timeline for these new product enhancements for the second half of 2009 and throughout 2010, but it has made it clear that it intends to carve out its place in the emerging integrated datacenter.

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