

Collaborative Peer-to-Peer Technology Finds Groove at GlaxoSmithKline, Raytheon

Others are still skeptical about product from Groove Networks, but pilots emerge

BY JENNIFER DISABATINO

Despite the fact that many IT managers and pundits alike are skeptical about the usefulness of peer-to-peer technologies, a few companies such as GlaxoSmithKline PLC and Raytheon Corp. have recently decided to take the plunge.

Last week, Groove Networks Inc. in Beverly, Mass., released the first version of its collaborative peer-to-peer application, Groove 1.0.

Already, U.K.-based GlaxoSmithKline PLC has snapped up 10,000 seats for its worldwide employees. Meanwhile,

Raytheon Co. in Lexington, Mass., Abbott Laboratories in Abbott Park, Ill., and Syntek Technologies Inc. in Arlington, Va., have also signed agreements for limited deployments of the new collaborative tool.

"I think the needle is tilting toward the overhype cycle right now in terms of Groove," said John Pescatore, an analyst at Gartner Inc. in Stamford, Conn. However, Pescatore said that in the long run, he believes Groove will likely prove useful enough to business users to be profitable.

Groove uses a peer-to-peer

model to initiate and maintain workspaces, where users exchange text with instant messenger (IM) software, applications and voice and video in real time through various panes within one frame or skin.

The data is stored on each user's hard drive. Off-line users can download updated information from ongoing Groove sessions when they log on.

Lingering Skepticism

One manager of messaging systems at a major U.S. bank with 65,000 users said he doubts that his company would deploy Groove.

"Where's the backup?" he asked. "I see that it's kind of a toy that people will use individually." He acknowledged, however, that that was how IM caught on at the company. Lotus Sametime IM software is now an indispensable tool at the bank, he said.

That same type of adoption may be the key to Groove's

success, if Raytheon's selection is any indication.

"We had several people sign up for the [free] preview copy, and they have indicated that this is a pretty cool technology," said Saul Fisher, director of strategic initiatives at Raytheon. "Right now, all we're doing is a pilot. We're testing the product to see if it meets the functionality claims it makes and if it meets the security requirements so we could use it potentially inside and outside [the firewall]."

GlaxoSmithKline is also testing Groove to see how it works in real, collaborative situations.

Like Fisher, Philip Connolly, head of IT communications at GlaxoSmithKline, is drawn to Groove's ability to link people in disparate geographical locations without having to get the IT department involved. "Too many of us are spending too much time on airplanes," Connolly said. He added that he hopes Groove will help reduce the company's travel expenses. "It seems to connect people to people, whereas Notes seems to connect people to documents," he said.

Both Raytheon and Glaxo-

SmithKline are fairly devout Notes shops. Connolly and Fisher agreed, however, that Groove has an edge over the collaborative Lotus products Sametime and QuickPlace when it comes to setting up quick workgroups.

"Groove has the potential to be easier to set up," Fisher said. "If it's that easy to use, kind of like IM, maybe it's something that we should consider." ▀

The Cost of Being Groovy

► Enterprise licensing: **\$49 per user**

► Groove Enterprise Network Services: **\$8 per user per month** (volume pricing available).

► The Groove Preview Edition, a subset of the full Groove product, is **free** at www.groove.net

► Pricing for individual purchase of Groove software and services **will be announced later this year.**

Groove Attempts to Position Itself As Corporate P2P Standard Bearer

Peer-to-peer is being touted as the hot new technology. Whereas Napster Inc. in Redwood City, Calif., has been something of a bastard child, Groove is setting itself up as the standard-bearer, particularly for corporate use. To be viable, however, it's adopting some IT mainstays, like a data repository, to lure corporate users.

Network Services for Groove 1.0, for example, is designed to allow IT managers to centrally control the deployment and behavioral characteristics of widely dispersed Groove software, according to a press release issued with the launch of the software last week. Some of those centralized tools include the deployment and management of client software and licenses, the dissemination of component and tool security policies, the dissemination of user identities to be consistent with a corporate directory, the dissemination of software version upgrade policies and the aggregation of software usage, behavior and fault information.

Groove spokesman Richard Eckel said the software is also working toward storing data on central servers. As a partner in Microsoft Corp.'s .Net program, for example, Groove would access

line-of-business software. The changes users make while in a Groove session would then be stored on a central server.

In fact, little of the technology now being sold as peer-to-peer is exclusively run from desktop to desktop, which is the simplest peer-to-peer model, according to Gartner analyst John Pescatore.

"There's only really one pure peer-to-peer," he said, "Napster has central directory, as does IM." Meanwhile, Gnutella, unlike Napster, works without a central directory.

"Today, the pain of using [peer-to-peer applications] outweighs the gain," Pescatore said. "It's not very efficient from a network point of view. It requires companies to think through architectural issues, putting technology in place for discovery capabilities. Groove's putting the things in place to do that sort of thing - reliable delivery, security, naming services [user authentication]."

"Right now, to use peer-to-peer to do that in small, ad hoc groups, you sort of have to be a rocket scientist," Pescatore said, adding that that's why many developers are building on a hybrid model like server-to-server.

- Jennifer DiSabatino

Cost Cutting May Spur IT Outsourcing Deals

Analysts: Economic downturn may cause firms to turn to outsiders to reduce costs

BY JULEKHA DASH

The cooling economy may prompt firms to outsource more IT for cost-cutting reasons, according to analysts. But technology users said the economy hasn't had much impact on their outsourcing decisions yet.

Though an outsourcing deal doesn't automatically guarantee cost savings, users will examine their IT budgets more closely and shift their priorities to put cost cutting among the top drivers for any technology decisions they make, said Lew Hollerbach, an analyst at Aberdeen Group Inc. in Boston.

According to a survey of 150 American and European companies released last month by The Conference Board Inc. in New York, cost cutting was the

top benefit of outsourcing, cited by 39% of respondents. Having access to experts came in second among respondents, with 38%.

"In boom times, outsourcing tends to be focused on time-to-market issues, and in down times focused on cost savings and restructuring," said Peter Bendor-Samuel, CEO of The Outsourcing Center Corp., a Dallas-based consultancy.

But David Doney, director of information services at Blue Cross/Blue Shield of Michigan, said the economic downturn didn't influence his company's decision to sign a five-year, multimillion dollar deal last month with Compaq Computer Corp. Under the agreement, Compaq will provide IT services such as help desk and

desktop support, as well as asset management.

Doney said the Detroit-based insurer began looking for another vendor when Alpharetta, Ga.-based outsourcer Inacom Inc. filed for bankruptcy protection in June. But Doney expects the new deal to "contain costs and stay within budget," he said.

Companies that have already deployed the latest technologies may not find IT outsourcing to be a sound business decision. Gerry Geisler, senior vice president of Chubb Group of Insurance Cos. in Warren, N.J., said that from time to time his company has discussions with third parties that offer expertise in areas where talent is scarce.

"If you have a mature IT operation and gotten good at it, you've developed service levels [that are] tough to beat" by an outsourcer, he said. "We never really found anyone who could save us money." ▀