

Networking: Y2K hangover finally ending?

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Remember the Y2K panic back in 1999? That was the largely unfounded and shamelessly hyped by rapaciously greedy computer companies fear that all computers would cease functioning on Jan. 1, 2000, at midnight, due to somewhat inept programming and planning back in the early days of the digital age. Never happened.

But what did happen was that corporations all over the globe stocked up on computers. Lots of computers. Servers. PCs. Workstations. You name it. They wanted to be ready for the big breakdown at the millennium. Then, the computer business stalled for a few years. Now, sources are telling United Press International's Networking column, that all that computer hardware is finally being put to good use, as IT departments add virtualization software from EMC Corp., Sun, IBM and others that lets those underutilized servers be put to work.

"Imagine if your employees were only working 5 percent of the time that they were on the job," said Ed Gogol, chief executive officer of Solarcom, the computer reseller, based in the Atlanta area, in an interview last week with Networking. "That's what's been happening for years with most servers. Only a small percentage of their capabilities has been used."

What's even worse, Dave Drake, a pre-sales systems engineer at CDW, the multibillion dollar (sales) computer reseller, based in Chicago, said that keeping all those under-performing servers online, all the time, has been quite costly for corporations. Each server -- and a server is a computer, usually without a monitor, that runs software for other

computers -- can cost \$800 per month in electricity just to run. "Multiply that by 30 or 40 servers -- and by 12 months a year," said Drake, in an interview with Networking last week. "It's pretty costly."

This is definitely not what the Fortune 2000 companies want -- especially with Sarbanes-Oxley-enabled regulators staring them down, and waiting, quite patiently, it seems, for them to pull a Ken Lay or Jeffrey Skilling with the financial records and expenses. (Try explaining an \$800 electric bill to Sen. Chuck Schumer, D-N.Y., who would likely call it a 'dagger at the heart' of shareholders.)

So companies have gotten savvy about some of the sophisticated software out there that enables the IT department to run several operating systems -- Windows, Linux, what have you, or other applications -- on one server. This virtualization software -- which makes a new server, virtually (get it?) -- is transforming all those sunk costs, spent preparing for the Y2K crisis, into usable computers.

"Virtualization," said Eileen Gibson, vice president of Avnet Technology Solutions, a computer reseller, based in the Phoenix area, told Networking, "it is hot, hot hot! It is the hottest thing that has happened in the server world in some time."

Gibson relates that her career started with IBM back in 1982, and, at that time, virtualized machines were only something you could get on the mainframe. "It allowed you to run multiple operating environments on the mainframe," said Gibson. "The new virtualization trend is only something in the last six to 12 months. The technology has gotten down to a place where the average company can do this on a server. It's very exciting."

EMC Corp.'s VMWare division likes to claim that they basically created the trend. But Gibson, the industry pro, notes that the technology has

been available for a while. "I would say that one thing driving this more than any other trend is what happened in the late 1990s. Remember Y2K? Everyone was afraid that their computer networks would fail as the year 2000 approached," said Gibson. "They bought a lot of servers and other hardware that was for back up -- fail safe purposes. Then that passed. They took a purchasing breather -- otherwise known as the dot-com bust and the post-9/11 period. Now they realize that they have this old hardware that they can utilize for multiple applications."

Thus ends the slump in the computer industry -- an industry that computer industry seers once claimed was beyond recession. Turns out that the sales cycle is now back in style. "The virtualization software is a great way for a vendor to get in the door and develop a relationship with a client," said Gibson.

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