



K-SaaS 110.0MHz—Emerging Technologies

Predictions for Cloud Computing—John Radko, GXS Chief Technology Strategist, offers his views on how cloud computing will evolve towards a more mainstream technology model in the coming years. Includes predictions on how the leading vendors (amazon.com, Google, IBM and Microsoft) will succeed or struggle in this new technology paradigm.

Steve Keifer: Welcome to this edition of Trading Grid Radio, my name is Steve Keifer and I am your host for today's program. Today we are very happy to be joined by a special guest, John Radko. John is the Chief Technology Strategist for GXS. Welcome, John.

John Radko: Thank you, Steve.

Steve Keifer: So thanks for joining us today, we appreciate you coming on the show. We wanted to do was actually get your thoughts on this emerging area that I'm reading about everyday in a lot of the trade publications which is, of course, cloud computing. Can you give us from your perspective, because you spend a lot of time thinking about these kinds of things, how would you define and how would you explain cloud computing?

John Radko: Absolutely, but I do want to state that it is definitely one of those terms where everyone has their own opinion about what it means.

Steve Keifer: Sure, okay.

John Radko: So for me, cloud computing is definitely that notion of the computers are somewhere else out excess via the network, but more than that it implies a kind of the merger of utility computing and grid computing. So we are talking about a massively distributed computing infrastructure. And typically for me, especially in this latest generation of cloud computing, it implies some sort of a network based operating system beyond just what you are accustomed to thinking of like a Windows or a Linux or a Unix, but something that helps manage work being distributed across lots of computer equipment. So that to me defines the cloud.

Steve Keifer: Okay, so my next question would then be, you know, is this really something that's new because this concept of utility computing, grid computing, I mean we've been talking about this for what seems like five or six years.

John Radko: Yea, that's a great question because it is certainly an evolution and you can see the technology evolving, but it's also sort of a great leap. So I hear a lot of folks when they look at cloud computing saying, "Oh this is just the name frame back again," but it's really not because historically with computers we have always been within this box that is the operating system. And even with one of the other great trends right now, Virtualization, the whole notion is better managing those boxes that are the operating system. But cloud computing brings in the potential of a massively scaled out computing infrastructure that is simultaneously easy to use because of these sort of cloud operating systems. So there is a lot of new technology. It's clearly an evolution of our ability to distribute processors, of our ability to distribute discs, but the resiliency and the ease of distributing work across lots of computer infrastructures clearly makes it something new as well.

Steve Keifer: Interesting. So it's really, you know, it's leveraging a lot of the newer technologies that have come out over the past five years. You know it seems like this is going to neutralize some of the brands associated with a lot of distributional hardware and operating systems. I'm curious what you think about the vendor landscape. So, you know, it seems like every major vendor has made some announcement on cloud computing, as well as some of the newer vendors. Who do you think long term really wins out in this market? Is it the Amazon.coms and the Googles that are sort of entering this market for the first time or is it the more established firms like IBM and HP?

John Radko:

You know, it's really hard to tell right now. If I had to bet right now, my money would be on the newer firms and the reason is: a lot of what cloud computing is about is going to be very disruptive to traditional companies. One of the premises of cloud computing is that the loss of a single server or the loss of a disc is completely irrelevant. Alright and that makes sense, we want resiliency and high availability, but if you think about that, how much of a premium do you place on your hardware vendor then? I mean if it's no less convenient to toss a server than it is to toss a used up disposable razor blade, you don't really need to pay a priced premium to a premium vendor like an HP or an IBM. I mean, remember these are guys who built their reputation and their business on the quality of their product, so it's very challenging. Even folks that are known for cost control like a Dell may struggle in this new world. And what we've seen is the Amazons and Googles have tended to go with commodity hardware and the infrastructure providers there actually have a great deal of skill putting hardware together. So I think it's going to be a big challenge for these existing hardware players. Now on the software side I think it gets very interesting. I think you see some folks like Microsoft who are making huge investments to evolve themselves into this cloud world. But all is not rosy over their either. They are very dependent on this CP based license model and so we are seeing them make aggressive moves to reshape themselves to be more cloud friendly. But the younger companies that have never known any model clearly have an advantage here. That said, I would never count out, you know, powerhouses like the ones you named, but if I were to bet today I would bet more on the newer entrants.

Steve Keifer:

Interesting because you answered that differently than I thought you would. Yea so these established firms like IBM and Microsoft and HP, it's interesting you point out that they really are in kind of a challenging situation because if the world is moving towards this direction it really changes the rules of the game for their business model. Hey, we are out of time for this edition of the show but I do want to thank you for coming on and I look forward to having you back here in the near future to maybe follow up on some additional questions about this whole cloud computing movement that we are seeing.

John Radko:

Alright, thanks a lot.

Steve Keifer:

Thanks John for joining us and thanks everyone for listening in. We look forward to you joining us again in a future edition of Training Grid.



About GXS

GXS is a leading global provider of B2B e-commerce solutions that simplify and enhance business process integration and collaboration among trading partners. Organizations worldwide, including more than 70 percent of the Fortune 500, leverage the on-demand services on GXS Trading Grid® to extend supply chain networks, optimize product launches, automate warehouse receiving, manage electronic payments and gain supply chain visibility. GXS Managed Services, GXS' B2B outsourcing solution, empowers customers with the expertise, technical infrastructure and program support to conduct B2B e-commerce with trading partners globally. Based in Gaithersburg, Md., GXS has an extensive global network and has local offices in the Americas, Europe and Asia-Pacific regions. GXS can be found on the Web at www.gxs.com.

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