

**Microsoft and Novell: Bridging the Windows-Linux Divide**

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Comment by [Vernon Turner](#)

When Microsoft kicked off its Port 25 open source communication Web site earlier this year, as a fun promotional campaign the company had shirts printed making reference to "Snowballs seen in Hell," because of Microsoft's serious intent to engage with the open source community, and how unthinkable that would have been only a year or two ago. By comparison, an announcement made on November 2 by Microsoft and its new most important open source partner – [Novell](#) – parked the equivalent of an iceberg in that same venue.

Simply stated, this is a deeply influential relationship that has the potential to massively change the IT landscape in ways that will manifest themselves for years to come. To put this announcement into perspective, this may turn out to be one of the most important initiative undertaken by Microsoft in the past 5 years. Nevertheless, this agreement opens up numerous questions that will take months to fully understand, even longer to see the practical absorption and implementation of this new landscape.

IDC has closely watched the maturation process within Microsoft as the company has come to grips with the reality of open source software – into a competitive force that is here to stay. We no longer hear any rhetoric from Microsoft dismissing open source software or disparaging it as being bad for the industry in one way or another. Instead, the company's focus today is on competing with Linux from a technology and business value perspective—and evolving it into a co-opetition model where it can.

While no announcement is the result of a single individual within a company, the collective influence of relative newcomers to Microsoft including Bill Hilf, who drives Linux-compete strategy at the company, and Ray Ozzie, who as a long-time outsider who designed Lotus Notes and Groove collaboration software sees the industry from different dimensions than some long-time Microsoft insiders, likely played key roles. Hilf was specifically singled out as one of the influencers during the press conference announcing this new initiative, showing Microsoft is willing to listen to new perspectives on software interoperability, especially as it affects enterprise customers.

Novell, which has struggled to regain its revenue growth momentum in recent years, should find this relationship as a huge boost to its efforts to reposition itself as a leader in the Linux and open source communities – given the overwhelming presence Red Hat has in many market segments where the two companies compete head to head. This agreement may prove to be a critical achievement of Novell CEO Ron Hovsepian's tenure, which is important given the need to achieve a turnaround at Novell in the near future. .

The announcement included legal protections that would allow both companies to share technologies without infringing on Microsoft's patents and intellectual property (IP)—and to work with the protections placed on open-source software. The companies say they worked together for six months to hammer out the legal protections associated with collaborating—and making closed-source and open-source products work "better together." The companies will also work on software solutions that ensure that the side-by-side software environments they offer will be managed in a more holistic way, both for Web services, and for end-to-end applications than span the network. The companies also agreed to focus on formatting of content—and translating it from Microsoft Office to OpenOffice, and back.

Microsoft CEO Steve Ballmer made it clear that Novell SUSE Linux would be protected from a patent perspective, but he also said that no such statement could be made where other Linux distributions are

deployed. That positioning opens up significant questions about where this agreement leaves Linux distribution vendors who are not covered by the agreement – including Red Hat, as well as other players such as Mandriva, Red Flag, Turbolinux, Asianux, as well as non-commercial distributions such as Fedora Core, Debian, and Ubuntu. It is also unclear where this agreement leaves the chief Linux advocacy group, Open Source Development Labs (OSDL), which manages development of the Linux kernel—although OSDL contributed a quote to the Microsoft press release.

It is important also to note that this announcement is between two companies – not between Microsoft and the open-source community at large. Companies can exchange patents and IP--which is happening here--but Microsoft cannot change the rules of open-source development. They can only influence and work with one of the two biggest players in the Linux/open-source space.

The broader industry is clearly going to step back and digest the impact of this announcement. While some companies (competitors in particular) are likely to dismiss Novell's tact and attempt to position it as a negative (eg., position it as a sell-out, or perhaps as a way to insert proprietary control over Linux), we believe this initiative has legitimate and actionable potential to improve interoperability. And that, as always, is of primary importance to customers who have both types of operating systems installed at their sites. It's getting even more important with side-by-side deployments of Windows virtual machines and Linux virtual machines—often on the same x86 server platform, through the use of VMware or Xen.

There are several key pillars to this announcement, including interoperability initiatives supporting virtualization, the interoperability of system management surrounding virtual servers, document file format exchanges and directory interop and integration. All of these areas are important for both companies.

Given Microsoft's current positioning in the virtualization space – a strong product roadmap, but a weak set of products available today –this deal may be a concession to reality. In many cases, Microsoft has been forced to co-habit the same server real estate – with Linux incorporated as the basic operating system in VMware's ESX Server, and through Linux VMs positioned right next to Window VMs aboard ESX Server.

The coming wave of virtualization--including introduction of Xen hypervisors in more operating systems, and more enablement of virtualization and paravirtualization, literally begs the question of how Windows was going to co-exist with Linux. This agreement is likely to have an indirect positive impact on XenSource and Xen technology in general, and most likely, will have a negative impact over the longer term on VMware.

The focus on virtual machine management is another area where Microsoft has a strong product roadmap, but is short on deliverables today. The immediate effect of this deal could speed the development of Novell ZENworks and of Microsoft SMS 2003/MOM/System Center. It could be very interesting to see management packs for MOM to manage SUSE Linux in the future, but that could be far down the road, and wasn't explicitly promised here. This deal may ultimately give Novell indirect access to Microsoft's service desk solution.

The directory service integration and interoperability is likely to be good news for Novell customers living in an increasingly Windows world, since eDirectory and Active Directory collaboration would help ZENworks solve customer challenges, but ZENworks still needs to be totally free of eDirectory for certain customers.

File format interoperability initiatives also are an exciting development since Microsoft plans to directly contribute to an open source project, potentially on terms palatable, or even totally embraced by the open source community. This is a major opportunity for Microsoft to become a contributing member of the non-Microsoft open source developer community – we hope to see the company capitalize on this initiative.

On another note, we heard nothing said about Outlook/GroupWise collaboration, so Novell GroupWise is on its own here in terms of marketing, technology and patents.

Finally, a few questions we should address. First, why not Red Hat? We believe Novell is a better partner from Microsoft's perspective because both companies believe in the value behind patents and intellectual property. By comparison, Red Hat believes in open source, and in open source only. In our opinion, Red

Hat would be unable to enter into a deal like this, just as Microsoft was unable to do what it just completed a few short years ago.

We also remain concerned about a possible hole in this legal protection clause that Microsoft and Novell have agreed to. The promise to not enforce patents against SUSE contributors, and individual open source developers, still leaves commercial developers who are employed to work on open source software very exposed. This would include developers employed by a commercial organization such as Red Hat, or one of the server system companies that employ open-source developers. The open source community is likely to cry foul over this point.

If one shoe dropped on the stage in San Francisco, the other one is likely to fall loudly, as well, as the open-source community stops to consider how this announcement will change their world.

Thanks to the following analysts for contributing to this IDC Link: Al Gillen, Jean Bozman, Tim Grieser, Fred Broussard, Matt Lawton, Crawford Del Prete and Brett Waldman. Additionally, this link will be followed up with a comprehensive IDC Research Bulletin.

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