

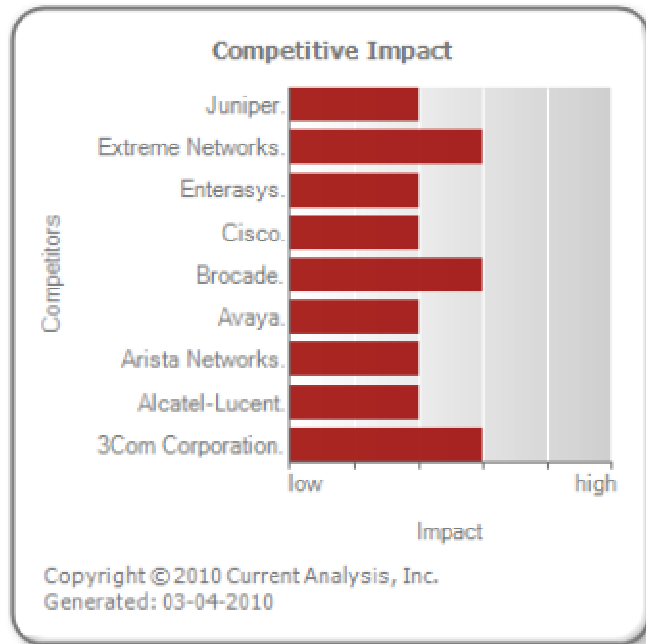
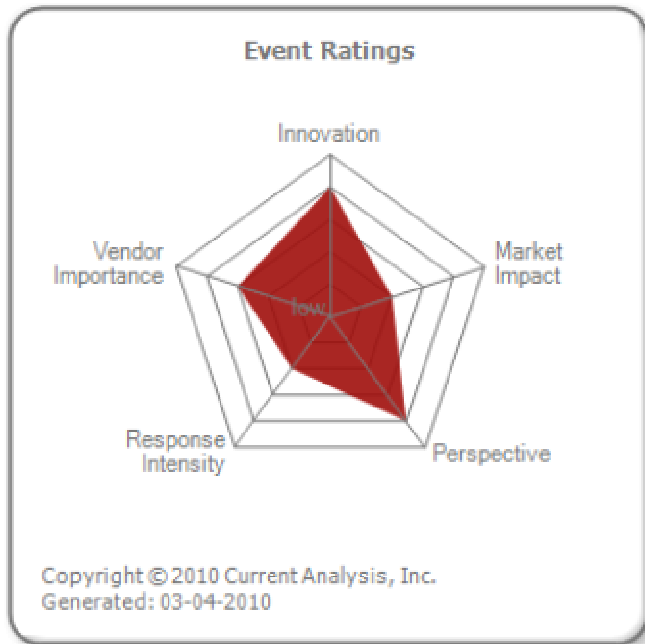
Intelligence Report: **Force10 Networks Offers New 40-port 10GbE Cards**

Report Date: March 03, 2010

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Market: **Enterprise Network Systems** 

Quick Take



Competitive Positives

- Force10 Networks is a technology lead in 10 GbE.
- The new 40-port card is good for data center backbones.
- 10 Gigabit Ethernet can lead to a less complex network.

Competitive Concerns


- Many businesses simply do not need this level of 10 GbE density.
- Competitors with servers and networking have a market advantage.
- Force10 is often considered a specialty provider by enterprises.

Event Summary


March 1, 2010 – Force10 Networks has announced the availability of a new line card for its ExaScale virtualized core switch/router platform. The new 40-port line card increases the density of the ExaScale E1200 virtualized core switch/router to 560 10GbE ports in a single half-rack chassis. Pricing for the 40-port 10GbE line card starts at \$97,500. The product will begin shipping in the Q2 2010.

Analytical Summary


Perspective

Positive on Force10's release of a 40-port 10 Gigabit Ethernet line card for its ExaScale platform,  because it gives industry-leading density and shows customers that dense 10 Gigabit Ethernet is not only possible, but available.

Vendor Importance

Moderate to Force10 Networks; more than almost any other networking vendor, Force10 needs  to have announcements like this to keep up its reputation as one of the leading vendors for both speed and density in the market today.

Market Impact

Low on the enterprise Ethernet switching market, because so few enterprises need that level of  10 Gigabit Ethernet density at this point. That will eventually change; for now, however, this product will not shake up the market to change Force10's position substantially.

Competitive Strengths

Competitive Positives

- The ExaScale 10GbE line card allows Force10 Networks to continue to be regarded as one of the leaders in the market for high-speed and high-density Ethernet solutions.
- The new 40-port 10 Gigabit Ethernet line card will allow companies to build oversubscribed solutions and take advantage of a 10 Gigabit backbone in the data center. The additional speed is becoming necessary as boxes begin to support more and more virtualized applications.
- The implementation of 10 Gigabit Ethernet technology can actually lead to a less complex network since 10 Gigabit Ethernet links can replace multiple Gigabit links. The network topology and overall port count can be reduced, creating a simpler network with fewer physical links to handle.

Competitive Weaknesses

Competitive Concerns

- Many companies simply do not need this level of 10 Gigabit Ethernet density at this time. Service providers and managed data centers are more likely candidates for this technology right now than the enterprise.
- Force10 Networks is a best-of-breed provider of networking equipment; as such, it is at a competitive disadvantage in the market for the highly automated and virtualized data center right now. Standards that allow the smooth integration of best-of-breed switching will eventually balance things back out; until then, companies such as HP and Cisco have a market advantage.
- The leading position in density and speed tends to be a double-edged sword. Some potential customers consider Force10 Networks to be a specialty provider, and that market image has been difficult for the company to break. This new line card tends to reinforce that image, considering what a small percentage of enterprise customers can actually use that level of density.

Response & Recommendations

- Force10 has to be very public with its efforts to promote standards for seamless interoperation in the virtualized and automated data center. Force10 puts a lot of effort in the implementation of industry standards, but it needs to do a better job showing customers and potential customers how they can benefit from those efforts.
- Force10 needs to continue its efforts to appear as a more general supplier of switching equipment for the enterprise in order to shed its image as a high-end specialty supplier.
- Force10's competitors should talk to inquiring customers about 10 Gigabit densities and their own plans for highly dense 10 Gigabit Ethernet line cards such as the one Force10 just released.

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