VENDOR PROFILE

F5: Profile of an Application Delivery Network Vendor

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IDC OPINION

F5 Networks (F5) is an IT infrastructure vendor that specializes in application delivery. F5's goal is to help IT organizations create a flexible, adaptable infrastructure that ensures people, applications, and data can meet the demands of rapidly changing business environments. F5 believes that this agility is the key to success for any business to remain competitive and that the following key areas are critical to achieving this goal:

- Provide strategic points of control deployed throughout the IT infrastructure to make moves, adds, and changes more fluid and enable the ability to provision resources on demand without affecting the performance of other segments of the network.
- Replace the physical, one-to-one connections between technologies in the IT infrastructure with dynamic, intelligent interactions that deliver the best result based on current conditions.
- Establish and maintain strong partnerships with key software vendors such as Microsoft, Oracle, SAP, and VMware. F5 works with these strategic partners to design, deploy, and manage integrated, application-specific network infrastructures to ensure successful application deployments.
- Develop and nurture a strong online community through a social networking environment called F5 DevCentral.

IN THIS VENDOR PROFILE

This IDC Vendor Profile provides an overview of F5, with particular focus given to the company's application delivery business. Financial performance and market analysis are included, along with the current F5 mission, positioning, and product summary.

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Datacenter Networks: Vendor Profile

SITUATION OVERVIEW

Businesses face a number of challenges when it comes to the role technology plays in today's business environment. The growing dependency of businesses on IP-based networks, along with the digitization of all aspects of business processes, has compressed business cycles from years to months to days to milliseconds. The problem is that, in the course of accelerating business processes to wire speed, a company's ability to respond can be hampered by static, inflexible network architectures wedded to physical devices. Consequently, the time has come for flexible network designs that can respond to change and allow the business to respond quickly to market shifts rather than being hindered by the technology that is supporting the business. Ironically, virtualization, which began as a way to reduce the hardware footprint in the datacenter, has become a major catalyst in changing how we build our networks. The real power of virtualization comes from its ability to rapidly provision server resources. IT departments quickly realized the benefit of having the capacity to spin up new servers in software and deploying them quickly rather than going through the process of setting up and installing a physical server. This kind of flexibility is what IT departments need to keep pace with the challenges that rapid change represents to today's businesses. Cloud is appealing, because it takes the idea one step further and extends "IT provisioning on demand" to encompass multiple aspects of the IT infrastructure and not just servers.

Another challenge is economic. As if these issues were not difficult enough, a worldwide economic recession — fueled by the Wall Street debacle in the United States — hit IT spending hard, resulting in slashed spending budgets and reduced staffing. This has resulted in datacenter consolidation and centralization of IT resources to reduce hardware and staffing costs. All this is driving major changes in how IT resources are managed and deployed. It means doing more with less. That means fewer employees as well as shrinking in-house IT infrastructure.

Company Overview

F5 Networks Inc. (Nasdaq: FFIV) has its corporate headquarters in Seattle, Washington, with offices located around the world. F5 is an IT infrastructure vendor that provides application delivery networking products that ensure the security, optimization, and availability of applications for any user, anywhere. Founded in 1996, F5 went public in 1999, and reported over $653 million at the close of its last fiscal year (September 30, 2009). The company has 1,823 employees worldwide and offices in more than 30 countries.

F5 was one of the early pioneers in the load-balancing technology market for distributing Internet traffic evenly across multiple Web servers, making them look like a single server. Today, its BIG-IP application delivery controllers (ADCs) sit in front of Web and application servers balancing traffic and offloading compute-intensive functions such as encrypting and unencrypting transmissions, screening traffic for security threats, maintaining open connections with servers, speeding the flow of traffic, and a variety of other functions that improve the performance, availability, and security of applications that would otherwise be performed by the servers themselves.

F5's primary deployment benefits are load balancing and high-availability functions — server offloading; Web acceleration (intelligent browser referencing [IBR], dynamic caching), and application security (flexible filtering, input validation, and content scrubbing). These ADC capabilities (including the recently released unification features) are most often deployed in front of application servers such as the Microsoft Office SharePoint and Exchange Server. This typical use case spans large and medium-sized enterprises.

Another common use case is fronting very large Web applications with the high-end product VIPRION. These deployments leverage F5's Global Traffic Manager (GTM) to perform geography-based datacenter traffic management while continuously monitoring the health of the application through the F5 Local Traffic Managers (LTMs). LTMs provide offloading of SSL, connections, compression; intelligent traffic management (IP filtering, load balancing, rewriting, redirection); and security functions (Layer 7 denial of service attack protection).

An increasingly common use case in the service provider space is an architecture in which the NEBS certification and high platform performance, N+1 reliability, and flexibility are a cornerstone for 3G wireless networks. BIG-IP platforms are deployed to scale service offerings by performing IPv6 to IPv4 address translation from mobile device to the Internet, intelligently switch Layer 7 authorization messages based upon the service, and handle large volumes of traffic for data optimization to wireless devices.

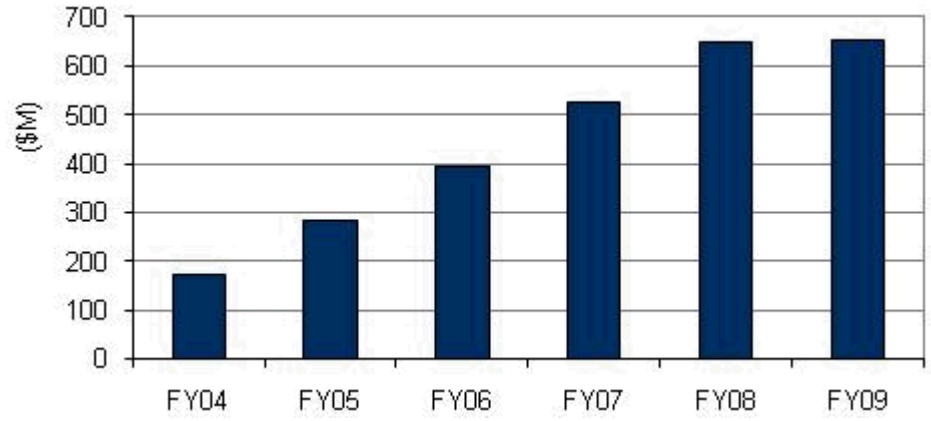
Financial Performance

F5's fiscal year ends on September 30. Tough economic conditions in 2009 kept F5 from achieving its normal double-digit growth year over year (YoY), which it has enjoyed over the past five years (see Figure 1). Total revenue in FY09 grew less than 1% to reach $653.1 million. However, FY10 started off strong with FY 1Q10 coming in at $191.2 million and FY 2Q10 at $206.1 million (see Table 1). In the first six months of FY10 compared with the first six months of FY09, F5 has grown revenue 24%.

The majority of F5's product revenue (more than 90%) is derived from sales of its core application delivery networking (ADN) products: BIG-IP Local Traffic Manager, BIG-IP Global Traffic Manager, Application Security Manager (ASM) Application Firewall, Application Security Manager, WAN Optimization Module (WOM), Access Policy Manager (APM), the BIG-IP Edge Gateway, and WebAccelerator (WA). The ARX and FirePass products each account for less than 5% of the total product revenue. F5 also derives revenue from the sales of services including annual maintenance contracts, training, and consulting. The revenue split between product and services is about 60% product revenue to 40% service revenue. F5's largest geographic market is in North America (see Figure 2). F5 sells into multiple customer market segments, with telecommunications, technology, finance, and government topping the list. In FY 2Q10 (see Figure 3), telecommunications represented 20% of revenue; technology, including large Internet content providers, was 24%; the financial sector accounted for 20%; and total government was 10% of revenue (6% federal, 4% other government).

FIGURE 1

F5 Revenue, FY04–FY09



Source: SEC, 2010

TABLE 1

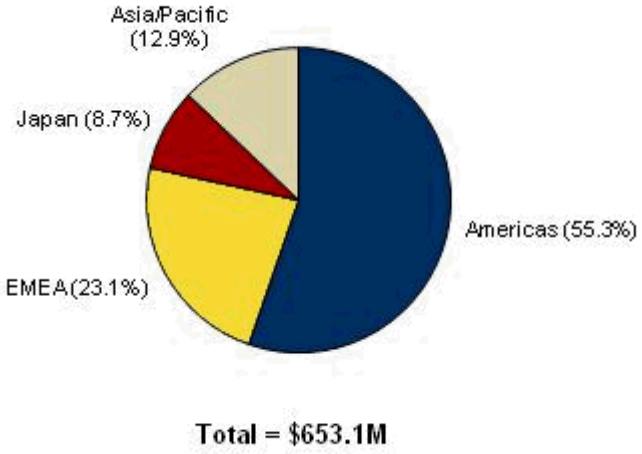
F5 Revenue by Product and Services, FY 1Q08–2Q10 ($M)

	FY 1Q08	FY 2Q08	FY 3Q08	FY 4Q08	FY 1Q09	FY 2Q09	FY 3Q09	FY 4Q09	FY 1Q10	FY 2Q10
Product	110.2	112.1	114.8	115.8	107.9	94.1	95.6	108.9	119.2	129.6
Services	44.0	47.0	50.8	55.5	57.7	60.0	62.6	66.3	71.9	76.5
Total	154.2	159.1	165.6	171.3	165.6	154.1	158.2	175.1	191.2	206.1
QoQ growth (%)	NA	3.2	4.0	3.4	-3.3	-6.9	2.6	10.7	9.2	7.8
YoY growth (%)	NA	NA	NA	NA	7.4	-3.1	-4.4	2.3	15.5	33.7

Source: SEC, 2010

FIGURE 2

F5 Revenue Share by Region, FY09

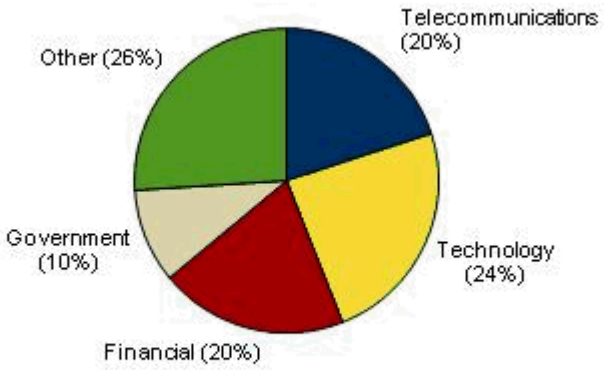


Total = $653.1M

Source: SEC, 2010

FIGURE 3

F5 Revenue Share by Customer Segment, FY 2Q10



Total = $206.1M

Source: SEC, 2010

Company Strategy

F5's corporate strategy is to deliver the enabling architectures that integrate IP networks with applications and data. The company's approach creates strategic points of control within the network infrastructure that enable business policies to be implemented at the point in the network where information is exchanged. In this way, F5 believes that organizations will be able to respond more quickly to changing business needs without the need and cost of building new solutions. They accomplish this by:

- Providing a complete and integrated product portfolio
- Responding to customer needs
- Improving sales and distribution channels
- Adding new strategic technology partners and expanding relationships with existing ones
- Continuing to foster the online community through developer portal DevCentral
- Investing in the F5 brand

Technology partners are important to the success of the products because the solutions are designed to work with software and hardware from other technology vendors. A very important lesson learned from open source development efforts is the power of community. F5 has invested time, money, and personnel into its online community known as DevCentral, which has over 65,000 members. DevCentral brings users and developers together to solve problems and share ideas. It provides a real-time forum for F5 to better understand the challenges its customers face and helps F5 prioritize and develop new features and functionality based on real customer needs. DevCentral uses social communication platforms — including wikis, video, podcasts, blogs, and discussion forums — to provide a two-way line of communication for F5 and its customers to interact. It allows F5 customers to tap into additional resources, share ideas, and get help creating custom solutions. It is very easy for technology vendors to get caught up in building products based on the latest and greatest technology advances, and this can put them out of step with the problems customers are facing in the field. A well-designed and active community Web site can be a great sanity check to make sure that what a vendor is building is in line with current customer wants and needs.

F5 has been most successful in the technology, financial, government, large enterprise, and telecommunications (telcos) markets — of which telco is now F5's largest single customer segment. The technology segment includes Web content providers as well as cloud and service providers. All these markets share the common foundation of large numbers of users that require a very high level of application availability and performance. Telcos have the added challenge of delivering applications and services in high-volume traffic environments to both fixed and mobile service providers. These are all very complex environments with many fixed physical assets that lack the flexibility required to adapt to rapid changes in the

business environment. F5 solutions are ideal for these markets since they both preserve and leverage the existing infrastructure and make them more responsive and efficient.

Business Strategy

Go-to-Market Strategy

F5's primary message to customers is that the company wants to help IT organizations build more agile infrastructures that can readily adapt to changes in the business environment, allowing them to remain competitive in a volatile market. F5's product portfolio focuses on the areas that have become key sticking points for companies as they seek to meet the challenges of doing business in today's markets. These include:

- Application performance
- Unified access
- Security
- Scalability
- Data growth
- Business continuity

Each of these areas poses a unique set of challenges on its own and when they are brought together, they can greatly hinder a company's ability to respond rapidly to changes in the market. F5's vision (see Figure 4) is to help companies create more dynamic, elastic infrastructures that can respond quickly and easily to change. F5's product portfolio (see Figure 5) provides solutions that address each of these areas and are unified through a single architecture called TMOS. The architecture includes an open API called iControl, which allows IT departments to highly customize their traffic control using iRules. iRules is an event-driven scripting language that enables IT professionals to directly manipulate and manage any IP application traffic running through F5 devices using the TMOS architecture. The ability to gain more control over the IP traffic enables IT departments to ensure better overall application delivery. There are many components that ultimately make up the delivery of an application. F5 solutions focus on application delivery and address performance issues at every point in the application delivery process to ensure the best possible user experience.

A critical component of application delivery is access. The variety of methods for accessing applications and data has created delivery issues that did not exist previously. The challenge is to find a way to provide consistent and secure access to a large number of users implementing different technologies from fixed to mobile devices. F5 addresses these issues by applying security policies that enable users to easily and securely connect to the applications and data, while at the same time reducing the risk of unauthorized access. Because the Internet essentially creates a door through which outside attacks can occur, F5 provides solutions that can provide more granular inspection of traffic flow and application data to mitigate threats before they reach internal resources and disrupt service.

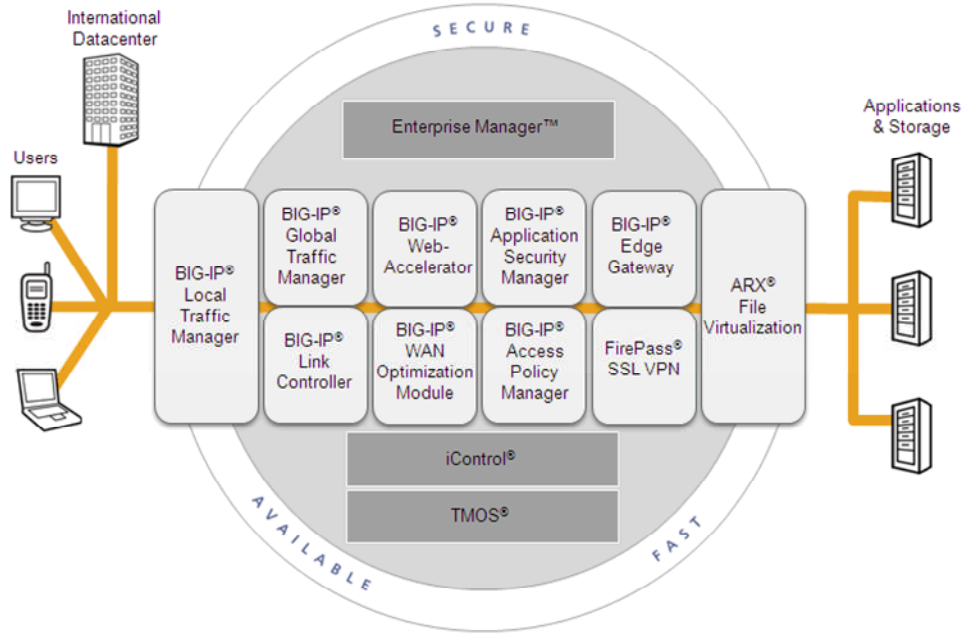
FIGURE 4

F5 Vision: Unified Application and Data Delivery and Strategic Points of Control

Source: F5, 2010

FIGURE 5

F5 Application Delivery Networking Products



Source: F5, 2010

As companies grow or new opportunities arise that require faster provisioning of resources, the ability to respond and scale is important, otherwise end users will see application performance degradation. F5 offers a number of solutions that make it possible to rapidly add capacity across a number of resources. The explosion of digital information is creating a data management problem. Improperly stored data can create a bottleneck in application delivery. Through storage optimization, F5 provides more dynamic file access and reduces the risk of disruption of service that can occur in static mapping to physical storage devices. Finally, it is all about keeping the business up and running. When failures occur in the underlying infrastructure, the design should provide built-in failover capabilities to ensure the business remains up and running. F5 offers solutions that can dynamically redirect end-user traffic when failures happen. F5's corporate strategy is to provide IT departments with the tools they need to meet the demands of doing business in today's IP-based networking environments.

Product Strategy

F5's core product technology is based on hardware and software solutions for application delivery networking, including application security, secure remote access, WAN optimization, and storage optimization. The software integrates with purpose-built hardware that incorporates commodity components. The BIG-IP and VIPRION products do the heavy lifting. The BIG-IP product family accounts for the majority of product revenue for F5. The other solutions play a supporting role that expands the breadth and depth of the overall application delivery controller portfolio of products and services.

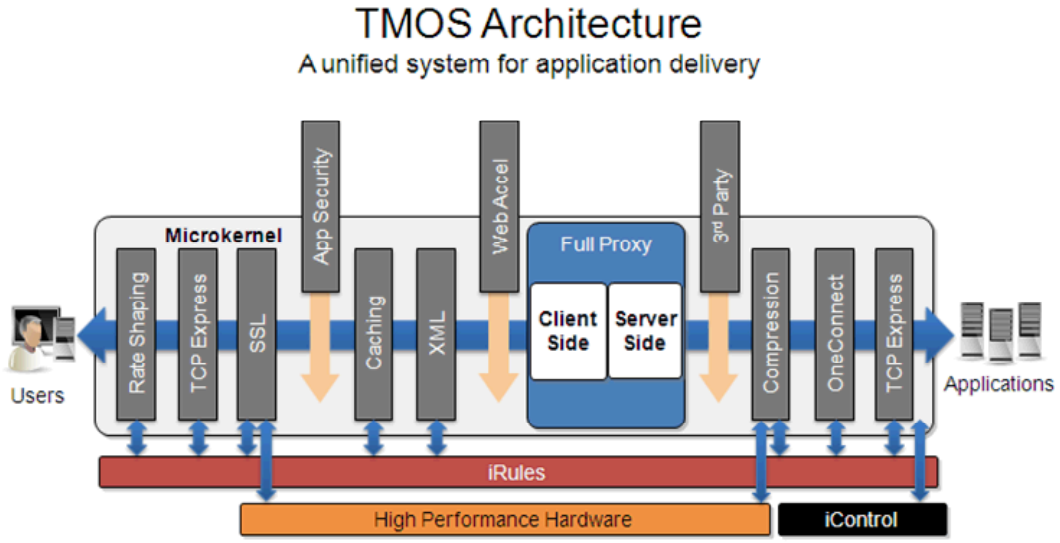
F5 introduced its TMOS architecture as the platform through which it has integrated its product offerings (see Figure 6). This has allowed F5 to improve interoperability and customization in a consistent fashion across its product portfolio. F5 works to deliver new features based on customer needs and make use of commodity hardware components to keep product pricing competitive. Since so many sales go through indirect channels, especially in overseas markets, it is critical for F5 to continue to develop new sales channels and recruit new channel partners.

BIG-IP is an application delivery solution that provides Layer 4–7 traffic switching. The BIG-IP platforms run F5's TMOS architecture. TMOS is a shared product platform that enables customization through an open API called iControl. Network engineers and application developers can create iRules that provide more granular control over traffic flows traveling through any F5 BIG-IP device.

Current BIG-IP platforms include BIG-IP 1600, BIG-IP 3600, BIG-IP 3900, BIG-IP 6900, BIG-IP 8900, BIG-IP 8950, BIG-IP 11050, and VIPRION (see Figures 7 and 8). VIPRION is F5's chassis-based application delivery controller. VIPRION provides high performance, and the chassis design enables customers to add capacity when they need it. Each VIPRION Performance Blade 200 has eight processor cores, and the VIPRION chassis can support up to four blades. The modular performance blades can be added or removed without disrupting service to applications. In a VIPRION system with multiple blades, when a blade is removed, the other blades instantly take over the processing load using clustered multiprocessing.

FIGURE 6

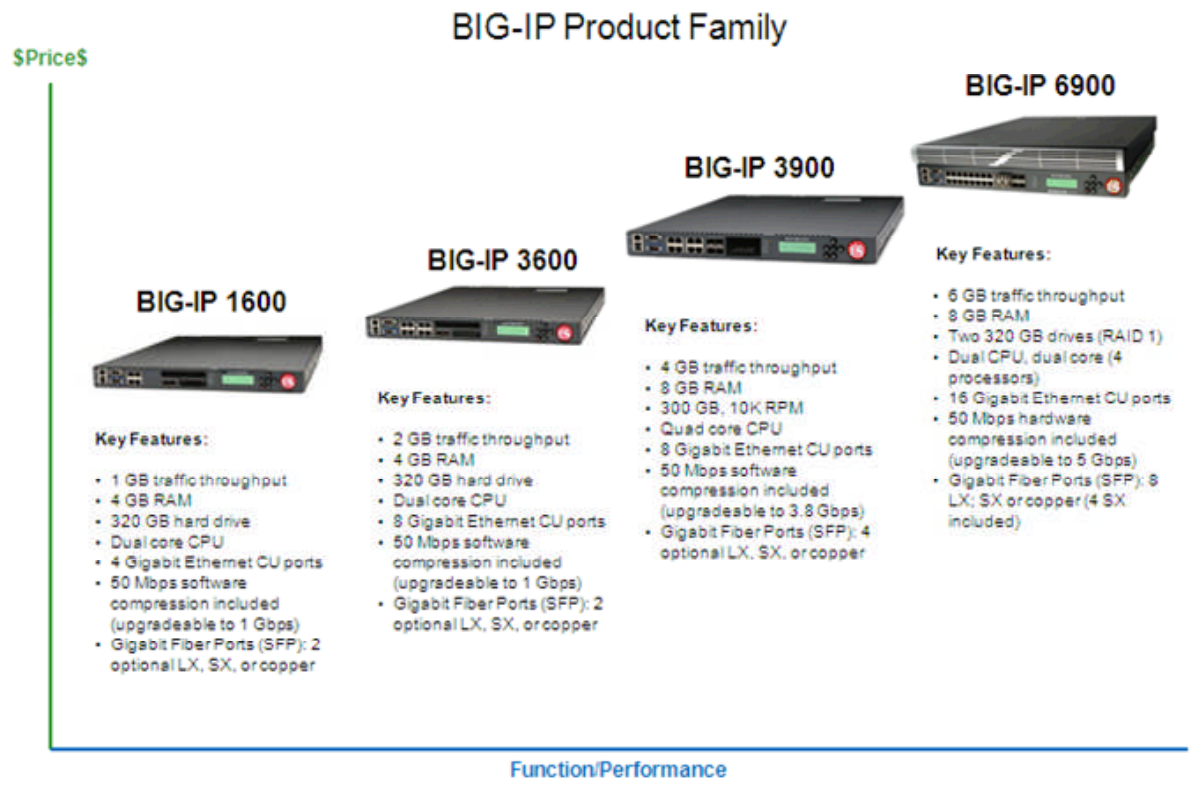
F5 TMOS Architecture



Source: F5, 2010

FIGURE 7

F5's BIG-IP Product Family



Source: F5, 2010

FIGURE 8

F5's Big-IP and VIPRION Product Family

Source: F5, 2010

The following product modules are available for various BIG-IP platforms, and some can be purchased as standalone devices:

- Local Traffic Manager
- Local Traffic Manager Virtual Edition (LTM VE)
- Global Traffic Manager
- Link Controller (LC)
- Application Security Manager (ASM)
- Edge Gateway
- WebAccelerator
- WAN Optimization Module
- Access Policy Manager (APM)

These products provide a range of solutions ranging from traffic management to WAN optimization for remote branch offices and security solutions. The BIG-IP chassis is available in several configurations, and additional features and functions can be added.

F5 has several other product families:

- ARX series are storage optimization devices designed to simplify data management and reduce storage costs. File virtualization creates a logical abstraction of the physical storage environment. This presentation layer — also referred to as a Global Namespace — enables simple, logical access to physical file systems and hides storage changes from clients. As a result, organizations can move their data at any time without disruption to users or applications. ARX does not introduce a new file system into the storage environment but acts as a proxy to federate file systems that are already in place in the underlying storage layer. It uses industry-standard file access protocols — CIFS and NFS — to communicate with both the clients accessing files and the storage servers providing them.

- The FirePass SSL VPN appliance provides secure remote access to enterprise applications and data for users over any device or network. FirePass ensures easy access to applications by delivering reliable performance, scalability, availability, policy management, and endpoint security.

- Enterprise Manager is a centralized management appliance that reduces the cost and complexity of managing multiple F5 devices. It provides a single-pane view of the entire application delivery infrastructure. In addition to monitoring, Enterprise Manager provides the ability to set thresholds and alerts, providing the ability to respond to problems before they impact end users. For IT shops that use Microsoft System Center Operations Manager, there is an optional software plug-in module called F5 PRO-enabled Management Pack. It provides a comprehensive view of BIG-IP Local Traffic Manager device health data as well as virtual server, pool, and pool member data.

Support Offering

F5 offers a complement of service offerings that are designed to target all aspects of criticality in large global deployment environments, including simple portals, 7 x 24 customer support, and custom consulting. F5's support offerings are made of four components: customer support, global training, professional services, and certification. Most support options require the purchase of a service contract. (See Figures 9 and 10.)

FIGURE 9

Standard and Premium Support Level Comparison

MAINTENANCE AGREEMENT FEATURES	STANDARD (5 X 10)	PREMIUM (7 X 24)
5 x 10 support availability (8:00 a.m.–6:00 p.m., M–F, your local time)	x	x
7 x 24 support availability		x
AskF5 Knowledge Base access	x	x
WebSupport Portal access	x	x
Response to Site Down or Site-at-Risk calls within 1 hour	x	x
RMA advance replacement*	x	x

*Option to upgrade to Expedited RMA Services.

Source: F5, 2010

FIGURE 10

Comparison of Add-On Packages for Standard and Premium Support

Add-On Package Features for Standard and Premium support	Best Practices	TAM	Premium Plus	Premium Plus/ Best Practices
Initial onsite network assessment for 10 consecutive days; plus, monthly 3-day visits for the remainder of the contract	x			x
Severity 1 priority case management	x	x	x	x
Priority placement in the Support phone queue	x	x	x	x
Immediate Support Manager notification upon case creation		x	x	x
Regularly scheduled case generation and status reports		x	x	x
Quarterly onsite business review		x	x	x
Top priority in case escalation path			x	x
Dedicated senior Technical Support team familiar with your environment			x	x

Source: F5, 2010

Customer Support

Under the customer service umbrella, customers will find the following:

- **AskF5** is the source for answers to F5 technical questions, product guides, release notes, how-to information, software downloads, and more. All of this can proactively be sent to users via email or RSS feeds.

- **Network Support Centers** are strategically located for partners and customers in APAC, Japan, EMEA, and North America, providing around-the-clock and local-language support. F5's worldwide customer support organization is ISO 9001:2008 certified.

- **WebSupport Portal** is the online support ticketing system where customers can create, update, and track cases with F5 support.

Professional Service Offerings

F5 professional services provide consulting options that include planning, design, deployments, upgrades, migrations, optimization, and application verification. F5 professional services include:

- **iRules OnDemand.** With iRules OnDemand, users can submit a request for short, custom iRule script development in a Web form.

- **Design & Planning Services.** F5 can design an optimal network architecture, and can create a comprehensive deployment plan to put that architecture into production.

- **Installation Service Plus.** An F5 professional consultant provides assistance with network topology, load-balancing design review, product orientation, and application fine-tuning for a limited number of applications. Network performance tuning and comprehensive product training are not included.

- **Optimization Services.** F5 consultants can provide customization for advanced product features, such as compression, caching, and traffic shaping. Network performance and application tuning are also part of this service.

- **Application Deployment Services.** An F5 consultant will review business goals, application architecture, and application delivery requirements to create a comprehensive deployment plan and assist in its implementation.

- **Upgrade and Migration Services.** F5 consultants will work with customers to plan and execute upgrades to new software versions or hardware platforms, and it can also assist with migration from competing application delivery products.

- **Design Review & Verification Service.** F5 consultants study every aspect of the F5 device configuration and the surrounding network, making recommendations and observations relevant to business goals.

- **Custom Scripting and Application Monitor Development.** F5 consultants can develop custom scripts to address the needs of special environments.

Competitive Positioning

The datacenter Layer 4–7 switching market accounted for $895.4 million in manufacturing revenue in 2009, which was a slight decline over 2008. The fourth quarter showed stronger growth, with revenue only 2.1% less than in 4Q08 and growing 14% from 3Q09. F5's primary competitor is Cisco, followed by Citrix and Radware. Citrix and Radware both grew revenue in 2009. Although F5 experienced a slight decrease in revenue in 2009, it was offset by the company's April announcements, putting F5 solidly in the market leader position. In the first calendar quarter of 2010, F5 showed strong QoQ growth of 47% and increased its market share position for the quarter to 45.5%. (For more detailed information on market size, market share, and forecast, refer to the Learn More section of this document.)

Key Technology Partnerships

F5 solutions are designed to work in multivendor environments. Because F5 solutions sit in the middle of the IT infrastructure, F5 develops partnerships with major vendors. F5's goal is to develop deeper levels of product integration and offer further fine tuning and customization of solutions within a customer environment. F5 has identified and built out partner programs in the following areas:

- Applications
- Infrastructure
- Security
- Virtualization
- Management
- Telecommunications
- Cloud

Application/ISV Alliances

Through key application and ISV alliances, F5 provides design, test, document, publish, and support solution best practices, value-added benchmarks and results, and integrations with automated template and polices for ease of deployments. These partnerships include:

- Oracle (EBS, PSFT, JDE, WebLogic)
- IBM (Lotus, WebSphere, Portal, Tivoli)
- VMware (View, vSphere)
- Microsoft (Windows Server,.NET, IIS, Exchange, SharePoint)
- SAP (myERP, NetWeaver, Portal, Business Objects)
- SoftwareAG (webMethods)

- Apache Foundation (Tomcat, JBoss, CouchDB, MySQL, Red Hat)

Infrastructure Alliances

The infrastructure alliances focus on designing, building, and optimizing infrastructures specifically for application delivery. F5 works with its infrastructure alliance partners to design, build, and optimize datacenter infrastructures for application delivery and data management. Infrastructure alliance partners include:

- Data Domain — deduplication storage systems
- Infoblox — DNS security
- NetApp — storage and data management
- Quova — IP geolocation data

Global Systems Integrators

Global systems integrators (SIs) integrate F5 products into their solutions framework:

- HP Enterprise Services (former EDS HP ProCurve One Solution Certified)
- IBM
- CSC
- Accenture
- Dell — servers, storage, and networking equipment (Dell's purchase of Perot puts Dell in the SI category.)

Security Alliances

F5 works with its security alliance partners to increase network, application, and data security, limiting access to authorized users based on predefined policies. F5 incorporates security checks directly into the fabric of the network to improve performance, efficiency, and security. F5 works with a variety of security vendors including identity and access management, security event and information management (SEIM), SOA and XML Gateway, security compliance and change control, and security service vendors.

- **Identity and access management vendors.** F5's goal with identity and access management vendors is to deliver scalable architectures that reduce datacenter cost, complexity, and concerns while improving end-user performance. Partnerships include Computer Associates (SiteMinder) and Oracle (OAM and Oracle DB Security-Secerno).
- **Security event and information management vendors.** With SEIM vendors, F5 provides security alert and event data and logging to be correlated with other enterprise events for improved security, forensics, and compliance. Many SEIM vendors support F5 Application Security Manager, FirePass SSL VPN, and BIG-

IP platforms with advanced data collection, parsing, correlation, and custom F5-specific reporting. Partnerships include Q1 Labs, Splunk, and RSA(Envision).

- **SOA and XML Gateway vendors.** With SOA and XML Gateways, F5 delivers additional availability, scalability, performance, and security. Additionally, joint customers utilize F5 as an XML offload for coarse grain processes, including persistence management, rate limiting, schema validation, XML firewalling, content-based routing, and other XML parsing services via iRules. Partnerships include Layer 7, Forum Systems, Microsoft, Oracle, and IBM.

- **Security compliance and change control vendors.** With security change control and management vendors, F5 shares full device configuration and its iControl APIs offer a dynamic control point for integrating datacenter automation. Partnerships include Infoblox (Netcordia), Secure Passage, and Tufin.

- **Security services vendors (antivirus, message reputation, vulnerability assessment, DLP, UTM).** With security service partnerships, F5 delivers a central control point to deliver edge and proxy-based security services. So whether a customer needs to block SPAM, inspect content, or intelligently steer certain traffic types to an outbound security service, F5 often provides an ideal control point. Partnerships include McAfee (Trusted Source) and WhiteHat.

Virtualization Alliance

F5 works with the two major server virtualization vendors, Microsoft and VMware, to help customers get the most out of their virtualization deployments. F5 PRO-enabled Management Pack integrates with Microsoft System Center Virtual Machine Manager 2008 R2 to provide a single view of the virtualized environment.

F5 is a VMware Select Partner. F5 has tested and documented the benefits of using the BIG-IP product suite with VMware View and vSphere. F5 improves the security, availability, scalability, and user experience of VMware View through features like secure access, single sign-on, load balancing, and server health monitoring.

Management Alliance

F5 works with its management alliance partners to integrate applications and management solutions. F5 works with systems management, application performance management, security information and event management (see the Security Alliances section), and datacenter infrastructure orchestration vendors. F5 ensures the on wire and on box events and information are made accessible and consumable in a variety of industry standards including via, SNMP traps, syslog, or API. Partnerships include:

- IP geolocation data vendors — Quova (OEMed by F5)

- DNS, DHCP, IPAM and infrastructure management vendors — Infoblox (NIOS and Netcordia)

- Systems and application performance management vendors — ExtraHop (Application Performance Assurance and Monitoring), SolarWinds (Network Tools), CA (eHealth, NetQoS, Cassatt), HP (OpenView Network Automation

Software — formerly Opsware NAS), Compuware (Gomez), Microsoft (SCOM-F5 Plug-in)

Telecommunications

F5 works with telecommunications partners to develop solutions to run on high-volume traffic for fixed and mobile service providers. Solutions in this area focus on F5 BIG-IP platforms and the chassis-based VIPRION system. In this market, F5 is well positioned to optimize carriers that are adopting a universal, packet-based approach, which enables an intelligent, end-to-end delivery network for carrying any kind of traffic — including voice, data, premium video, video-on-demand, music, and other interactive services. These universal converged networks are critical in the evolving telecommunications market. F5 provides its key technologies in NEBS-compliant, "carrier-class" hardware configurations to meet critical uptime and reliability demands. Telecommunications partners include:

- Bytemobile — integrated mobile applications
- Flash Networks — mobile Internet solutions
- Openwave — mobile, email and voice solutions
- Kabira Technology — solutions for communication service providers (CSPs)

Channel Strategy

F5 sells its products and services to large enterprise customers and service providers primarily through a variety of indirect channels, including distributors, value-added resellers (VARs), systems integrators, and strategic vendors such as Dell, HP, and IBM. Its direct sales team works closely with all channel partners in a direct touch fulfillment neutral model. F5's inside sales teams generate and qualify leads and work with the channel community on engaging the end-user customers. The field sales personnel are located in major cities in four sales regions: the Americas (primarily the United States); Europe, the Middle East, and Africa (EMEA); Japan; and the Asia/Pacific region (APAC). Field sales personnel work closely with the channel partners to assist them, as necessary, in the sale of F5 products and services to their customers.

F5 has established relationships with a number of large national and international distributors in a two-tier channel model. Unique programs such as a specialized Westcon Microsoft Learning Center and the Avnet Evaluation Pool are examples of what has been accomplished in conjunction with distribution partners. F5 has released a comprehensive and strategic worldwide channel program called UNITY, which is designed to enhance partners' margins through unique deal registration and partner value discount (PVD) programs and has been deployed or is scheduled to be deployed in all four sales regions. F5 also invests in annual partner summits in each theater to better equip the channel community in new learning, sales methodology, yearly goals and objectives, and team building.

FUTURE OUTLOOK

Datacenter Layer 4–7 switching is at an interesting point in its evolution. While a mature market, the changing nature of network architectures is creating new opportunities for this technology. The dependency of the global economy on IP-based networking continues to grow and generate novel methods for meeting the challenges of this new business environment such as virtualization, cloud-based computing, high-performance Ethernet datacenter fabrics, and converging IT infrastructures. IDC believes datacenter Layer 4–7 switching will remain a strategic resource in the datacenter.

ESSENTIAL GUIDANCE

In spite of uncertain economic times, datacenters need a network architecture that can fluidly meet the needs of adapting to business requirements. To fully leverage the benefits of hosting datacenters, cloud services, and a global workforce, IT will need to invest in a robust, resilient datacenter network with datacenter Layer 4–7 switching as an integral part of the network. These products stand between the mission-critical industry-standard servers and the global network of end users and are critical to the success of datacenter transformation.

LEARN MORE

Related Research

- *Worldwide Application Delivery 2009 Vendor Shares* (IDC #223259, May 2010)
- *Worldwide Datacenter Layer 4–7 Switch 2009 Vendor Shares* (IDC #222486, March 2010)
- *Worldwide Datacenter Layer 4–7 Switch 2010–2014 Forecast* (IDC #221590, January 2010)
- *Worldwide WAN Application Delivery 2010–2014 Forecast and Analysis* (IDC #221549, January 2010)
- *Worldwide Enterprise Networking 2010 Top 10 Predictions* (IDC #221492, January 2010)
- *Hyper Consolidation in the Remote Branch Driving IT Spending* (IDC #219660, November 2009)
- *Worldwide Datacenter Network 2009–2013 Forecast* (IDC #220397, October 2009)

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