

Zimki



IT

critical to the operations of
individual companies

\$2+ trillion a year



Zimki is about how we do IT.

Today, IT is a critical resource and this is reflected in our spending patterns.

Common Wisdom

strategic value

used for competitive advantage



Most people talk about the benefits that IT brings.

Assumption

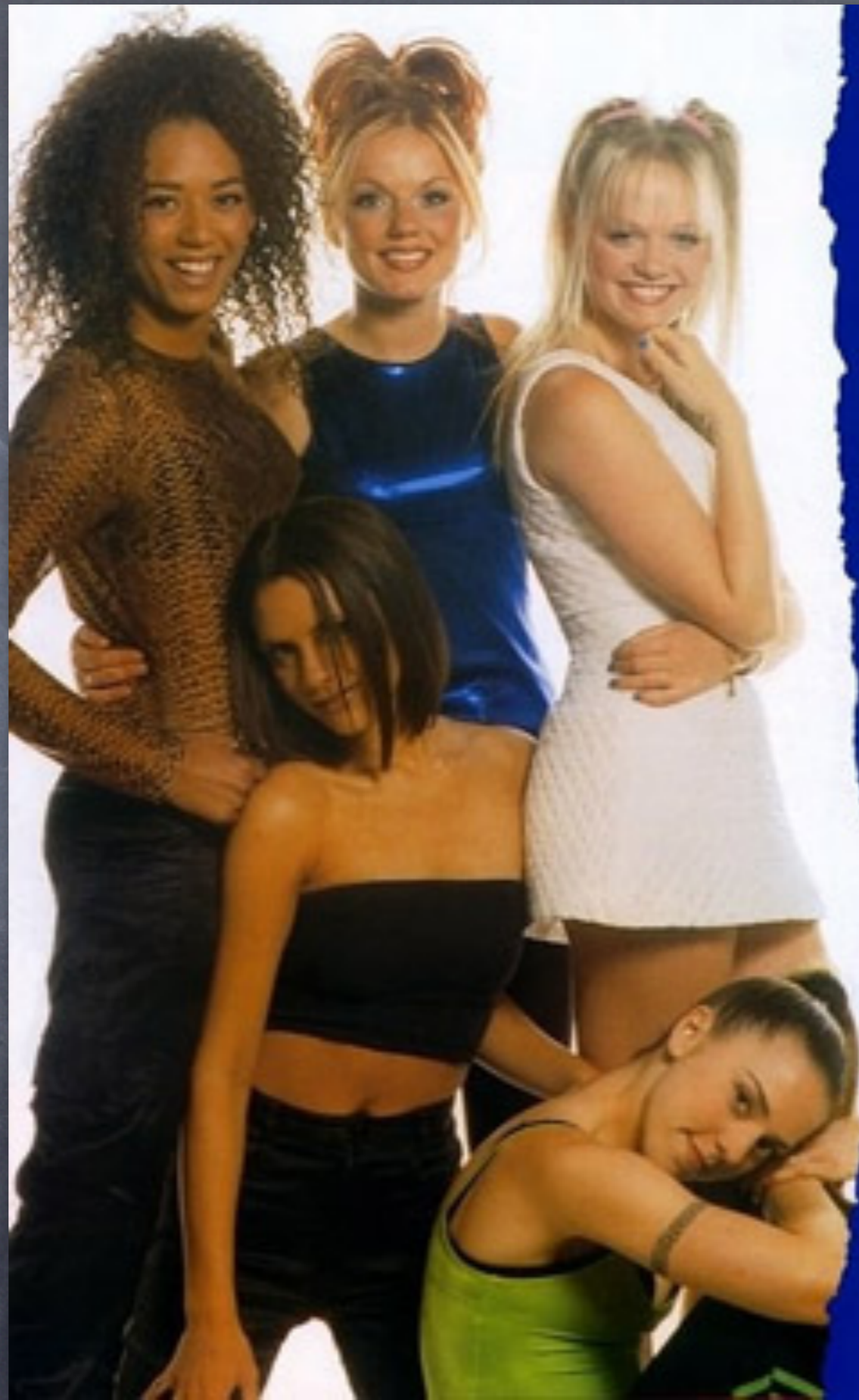
as IT's potency and ubiquity have
increased,

so too has its strategic value



However it is all based upon a single assumption. The more available IT is, the more important and critical it has become.

This is not an assumption I agree with, and Zimki is based upon the flaw in this assumption. To explain this, I need to go on a trip back in time ... let's start 10 years ago.



It's 1996 ... these girls were hot.



I had hair ... honest.

Politics
Pepsi Snowboarding Electronics
Genetics **Commoditisation**
Maths Databases Microsoft Programming
Patents Business theory Acting Football
People **Security** Judo
Trading Bridge **Freedom**
Archery Cars C++ XP

And these were my interests. Though I was working in IT consultancy an interest of mine was economics, and the process of commoditisation.

Now my thoughts have been refined by many speakers and authors since then, however my main concern was “why do we keep rebuilding the wheel in IT?” why can’t I just buy “wheels” and why am I developing something which probably 10,000 people around the planet are developing as well?

The answer is wrapped up in commoditisation, so let’s take a little look further ...

change from monopolistic
to perfect competition

The formal definition of commoditisation is this.

However in straight plain english it is how exciting, novel, new, and rare turns into commonplace, boring and used.

today's
hot stuff



tomorrow's
boredom

In my view it's how today's hot stuff becomes tomorrow's boredom. For example, let's take electricity and power generation.

These days not many people get worked up about electricity supply - except where of course we talk about disruptive impacts. You certainly don't get large numbers of companies employing thousands of electrical engineers to build personal power generators unless they are in the business of power generation. No-one talks about the strategic value or competitive advantage of electricity - however that was not always the case.

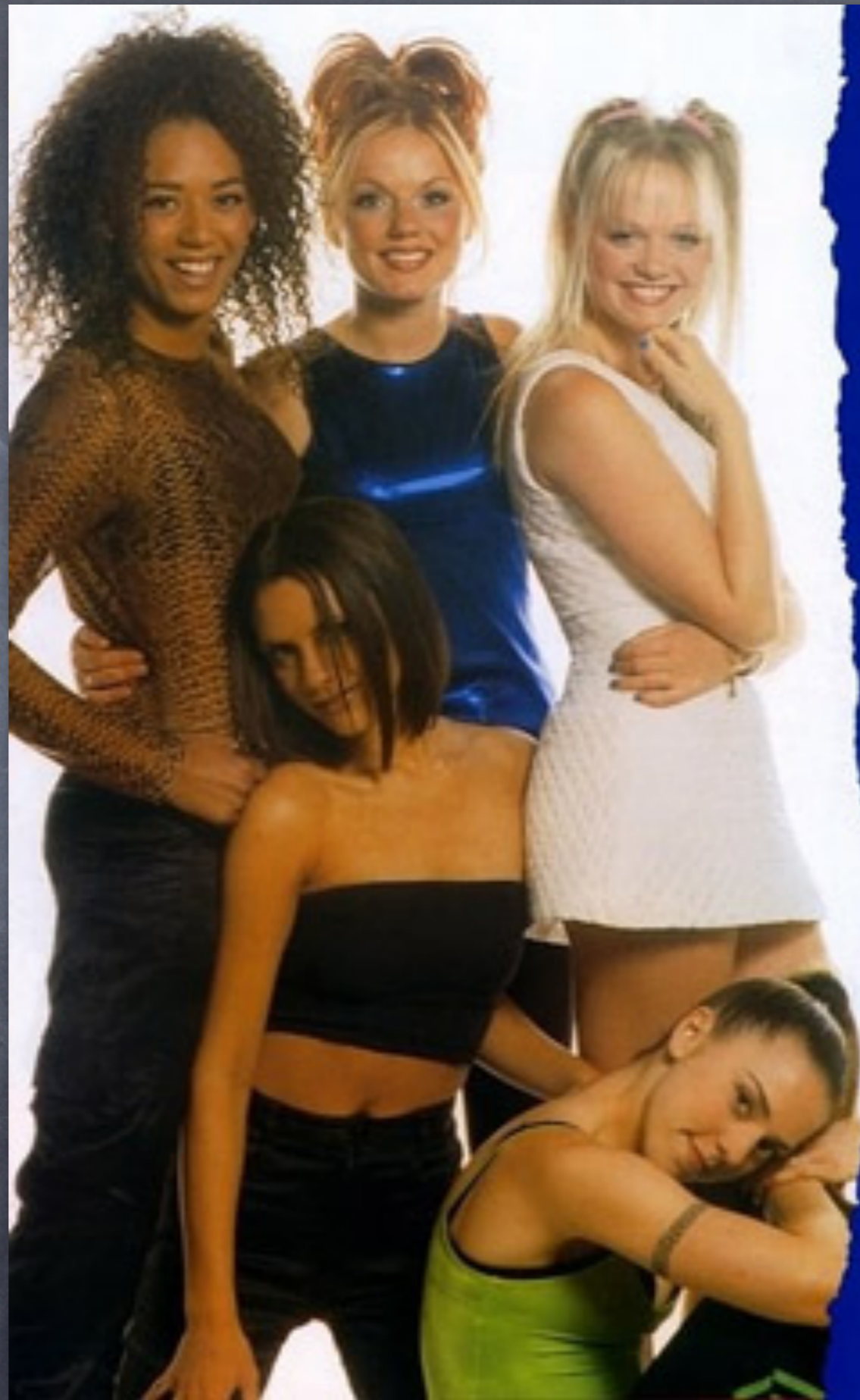
1890's



Electricity

Back in the late eighteenth hundreds electricity rocked - it was seen as being significantly important.

Many companies wanted their own personal supply - you couldn't buy it in the modern manner, so people built generators.



Electrical engineers were the hottest thing around

1890's

1930's

Electricity

National
Grid

By the 1930's however we had the national grid, and it was just something we used. It was no longer considered important but a cost of doing something.



This transition has occurred in many industries over time and its most common form is ubiquity - how something rare, novel and new becomes commonplace. The process is necessary for new forms of business to develop.

You need easily available distributed power e.g. electricity and easily available distributed data processing e.g. the silicon chip and easily available distributed communication e.g. the internet, before you could have Google.

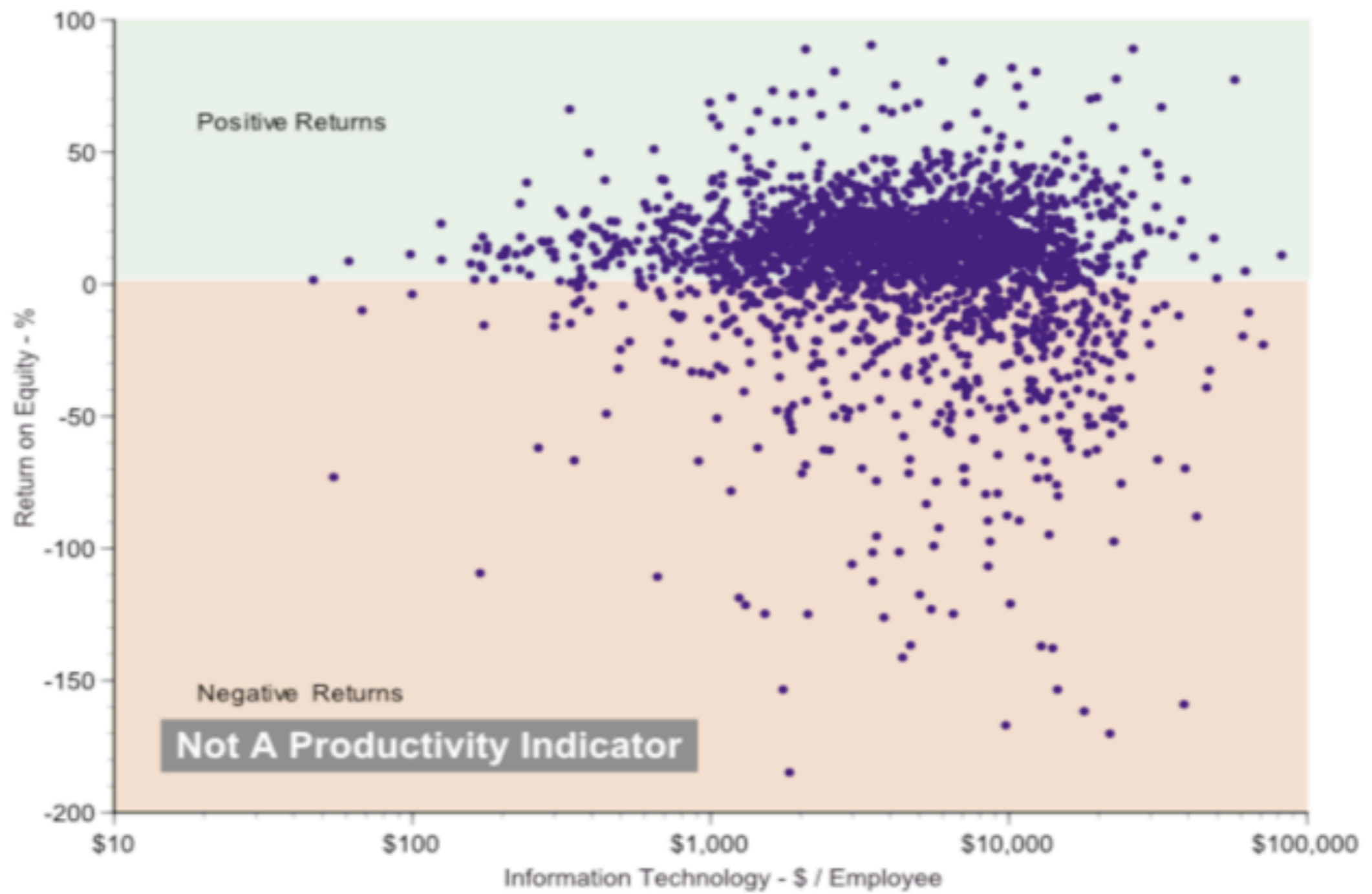
Commoditisation is a very ugly word for a beautiful process, it's a creates new opportunities.



Now back in the 1990's, IT rocked ... I was building data warehouses, along with the 10,000+ other developers in other companies building exactly the same thing.

There was no national grid for purchasing such services, and IT was considered to be of strategic value - so we were building.

Then Paul Strassman started to publish some concerning facts about IT.



There was no correlation between IT spending in a company and the value of a company.

He concluded that the following ...

IT spending adds to
business value

IT reduces cost through
automation

were myths - not supported by the evidence. Something else was going on.

~~IT spending adds to
business value~~

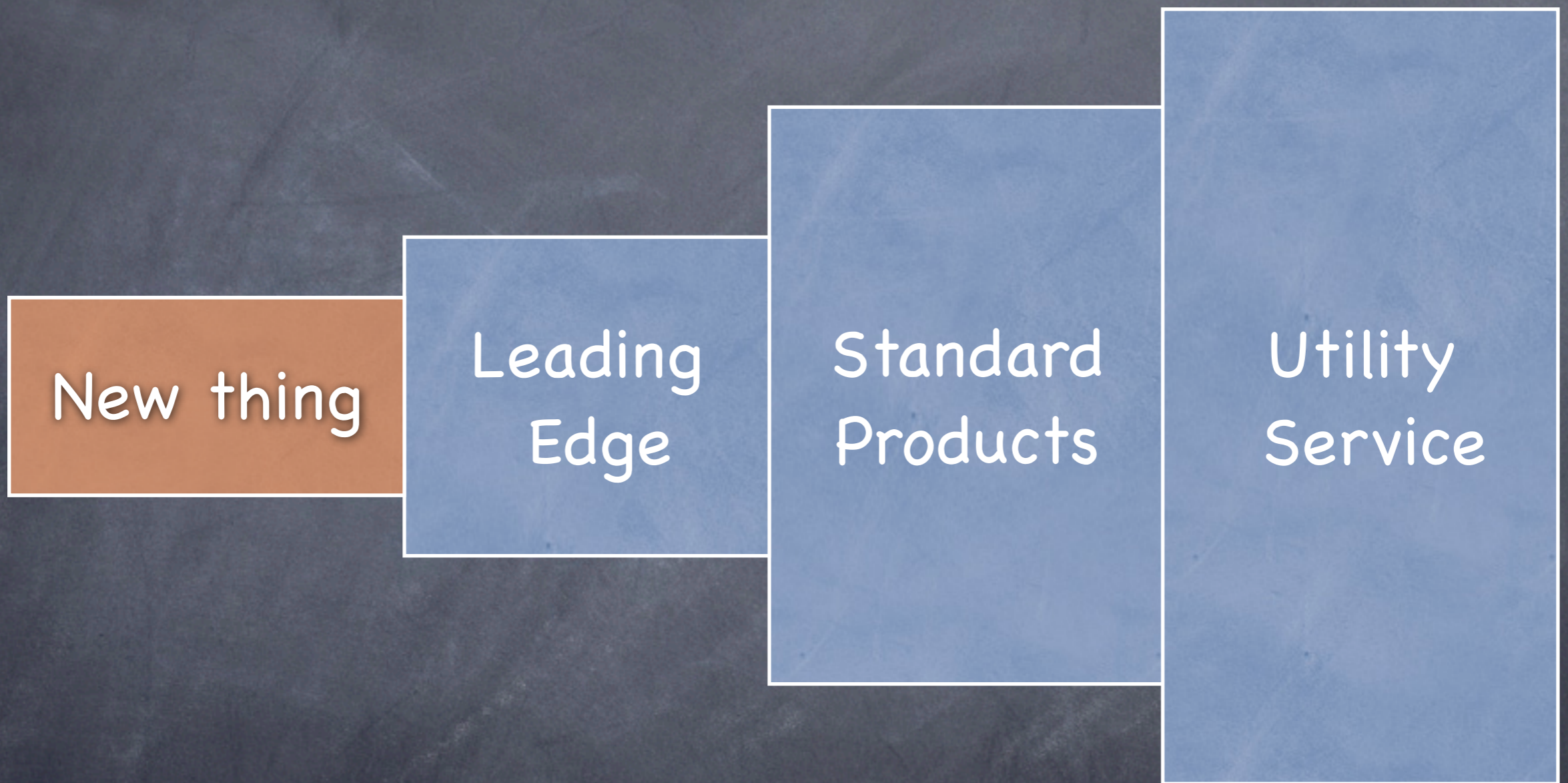
~~IT reduces cost through
automation~~

were myths - not supported by the evidence. Something else was going on.

The majority of spending
is to keep up with
competitors and adds no
new value

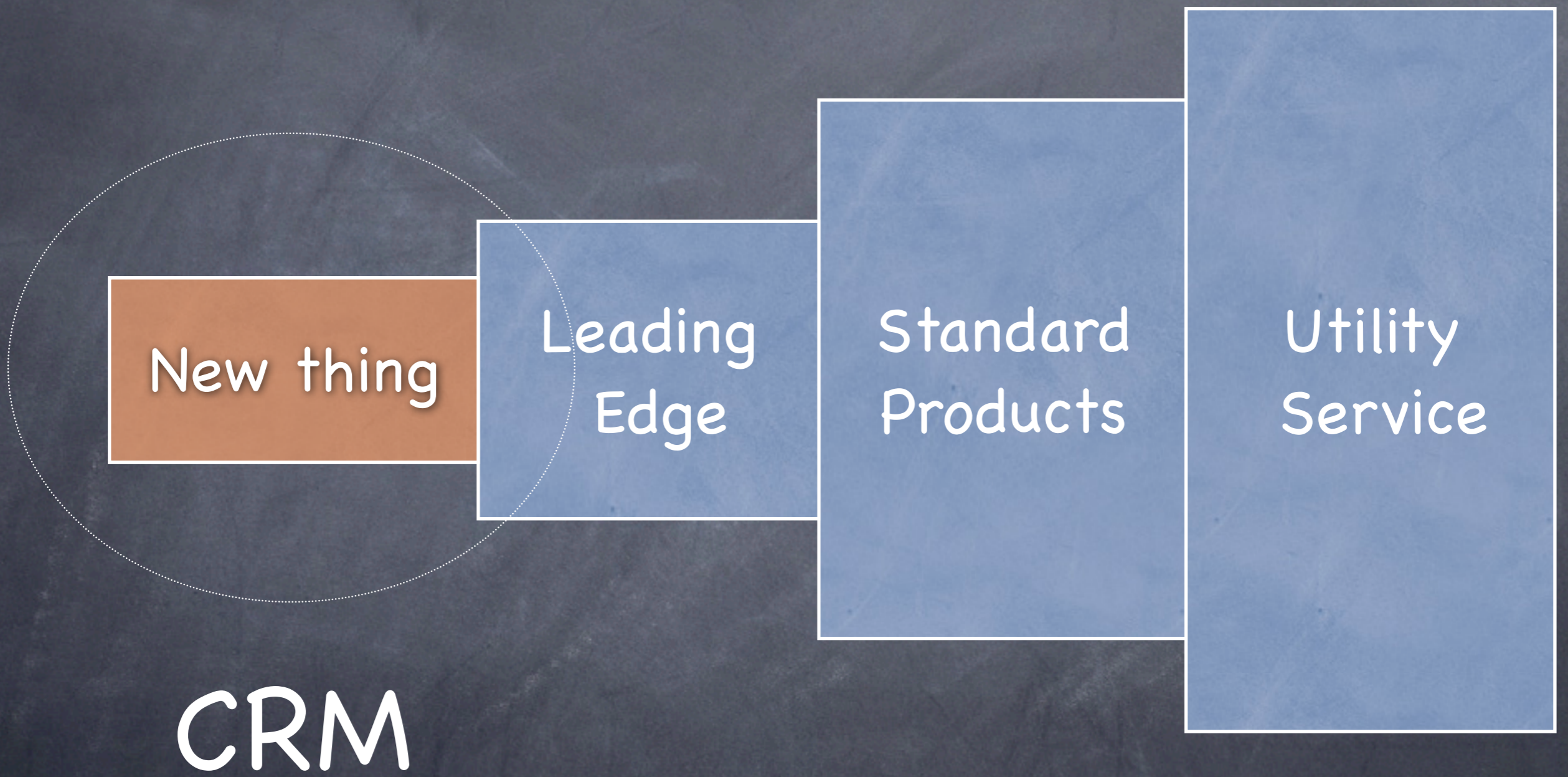
What was going on was an IT arms race, companies spending simply to keep up with competitors and not linked to value at all.

The majority of IT spend was on “essential” systems which competitors had .. it was a cost of doing business, a cost to compete.



Now this also links to commoditisation.

For example.

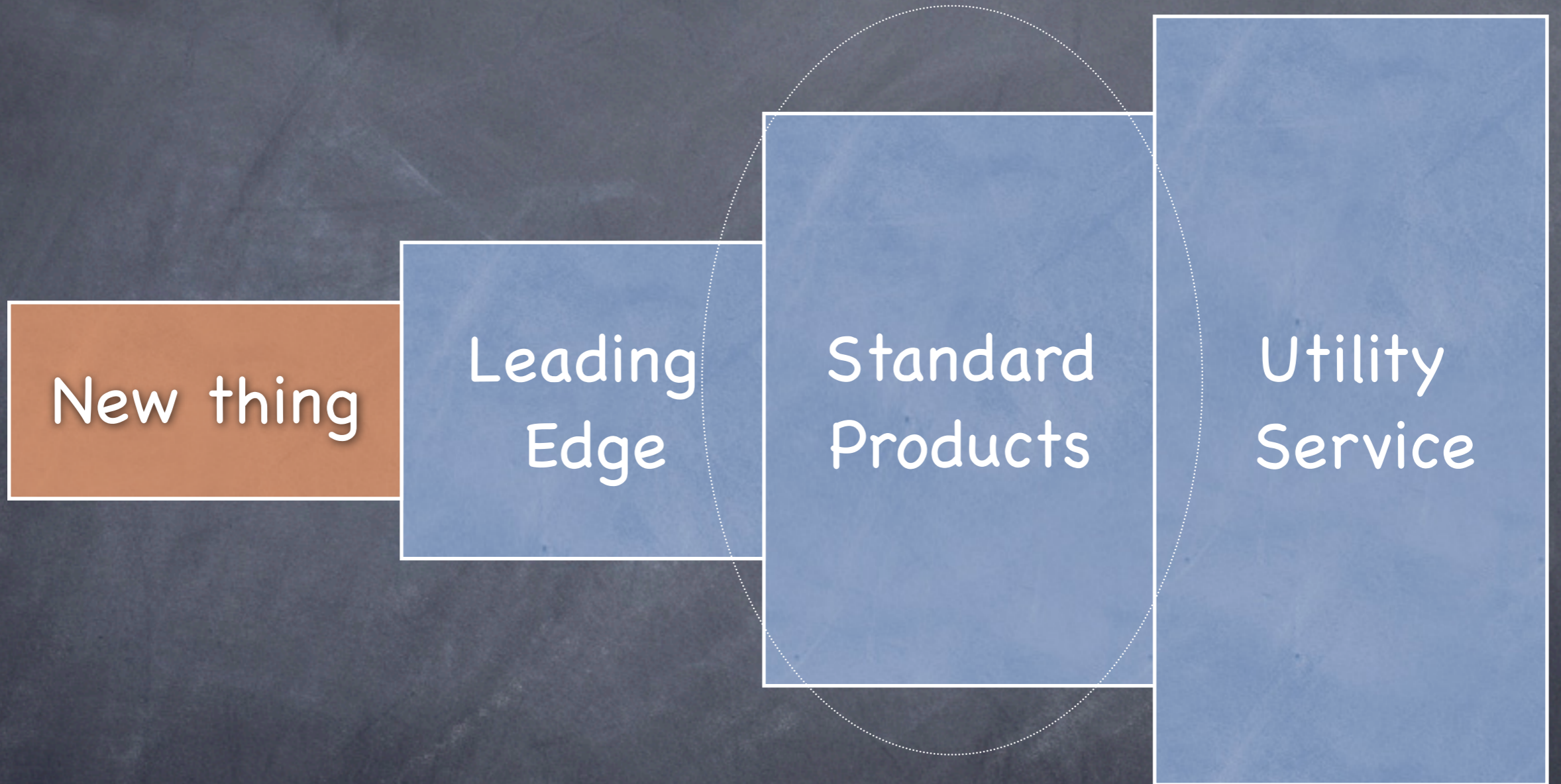


Imagine the first ever CRM system. It proved useful, something which only one company had.



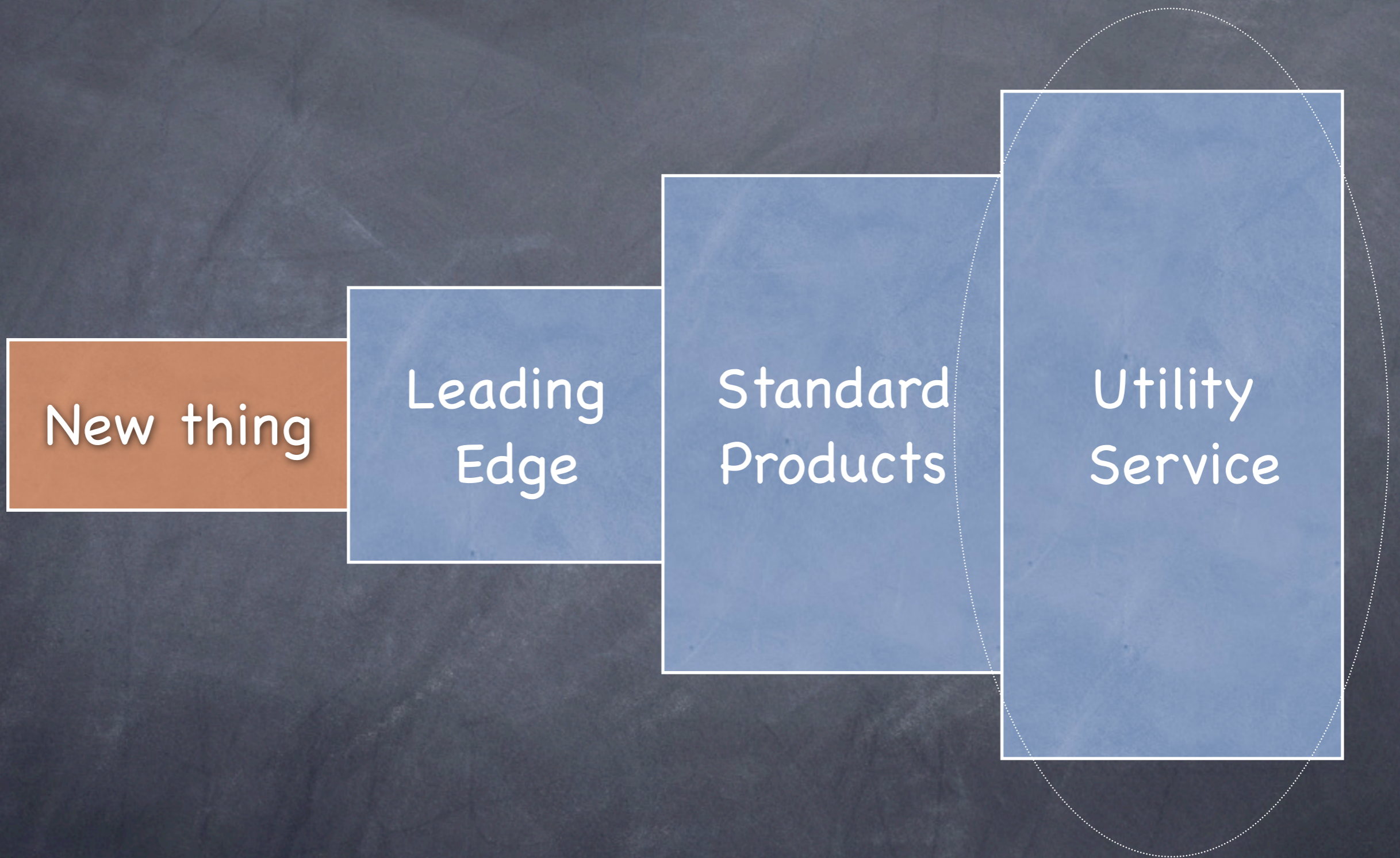
Consultants

However if its useful then other companies will want it, and consultants quickly spread the technology and it becomes leading edge



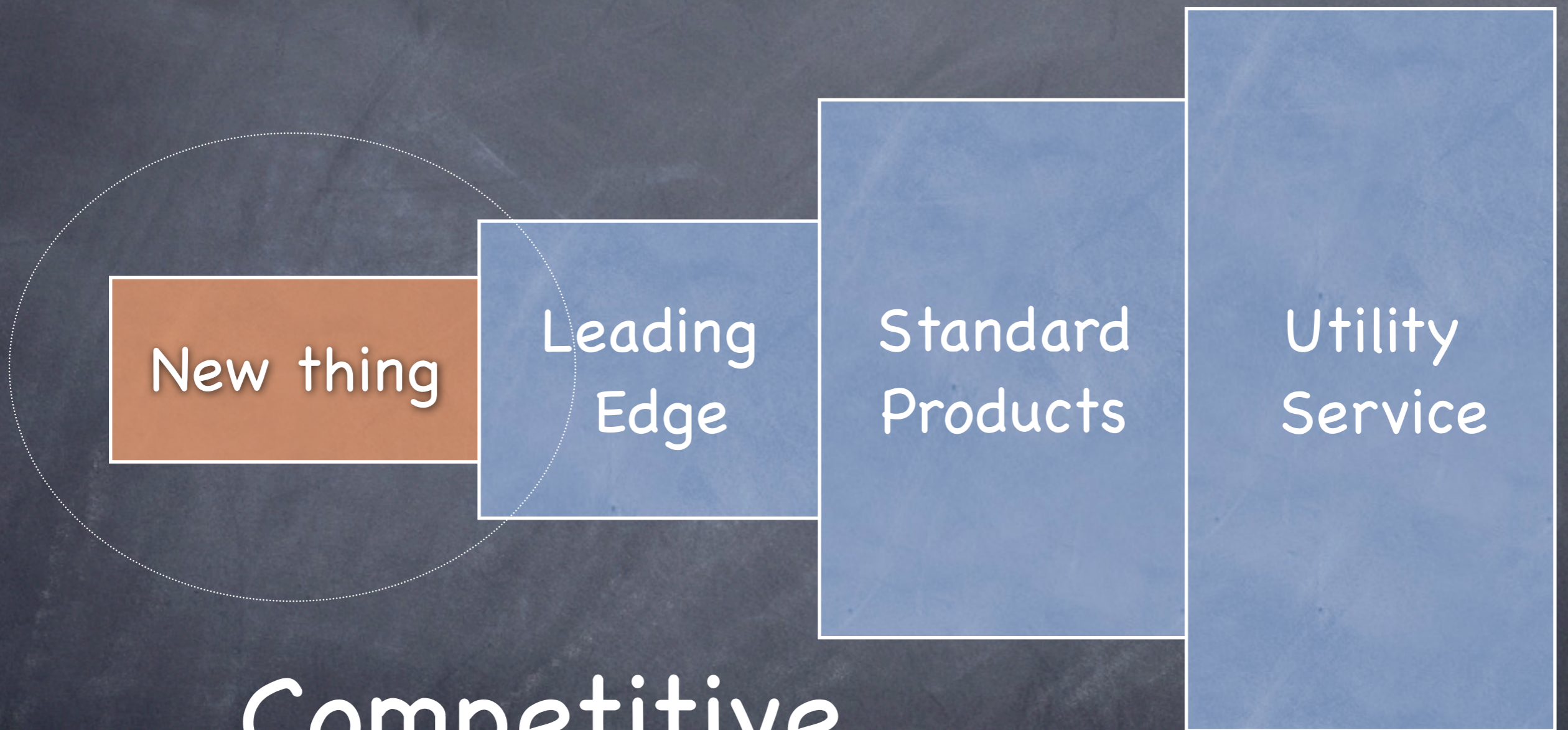
CRM product

with enough demand someone builds and releases a product



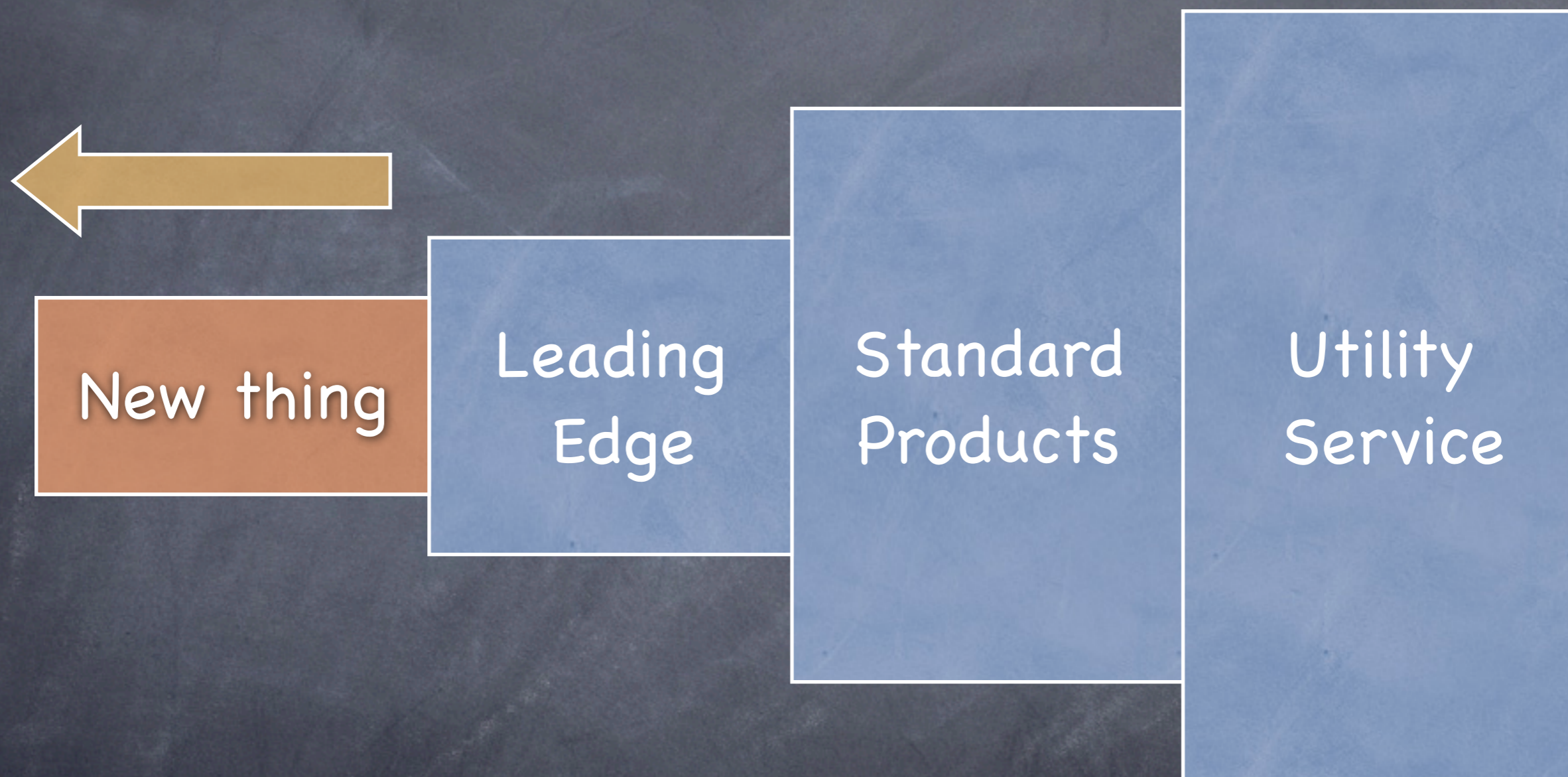
Pay per use CRM

and eventually with enough of a market, a utility service appears.

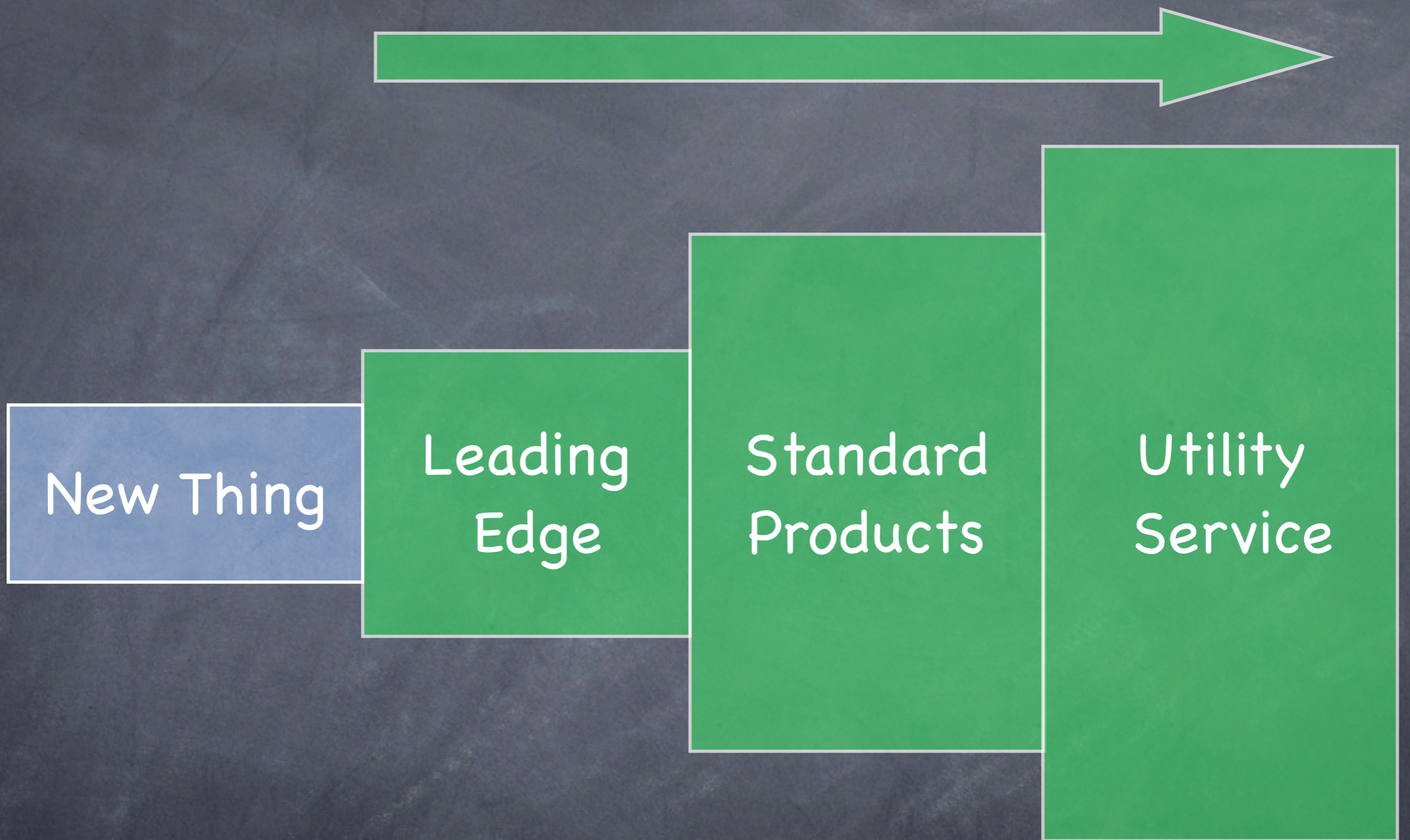


Competitive Advantage

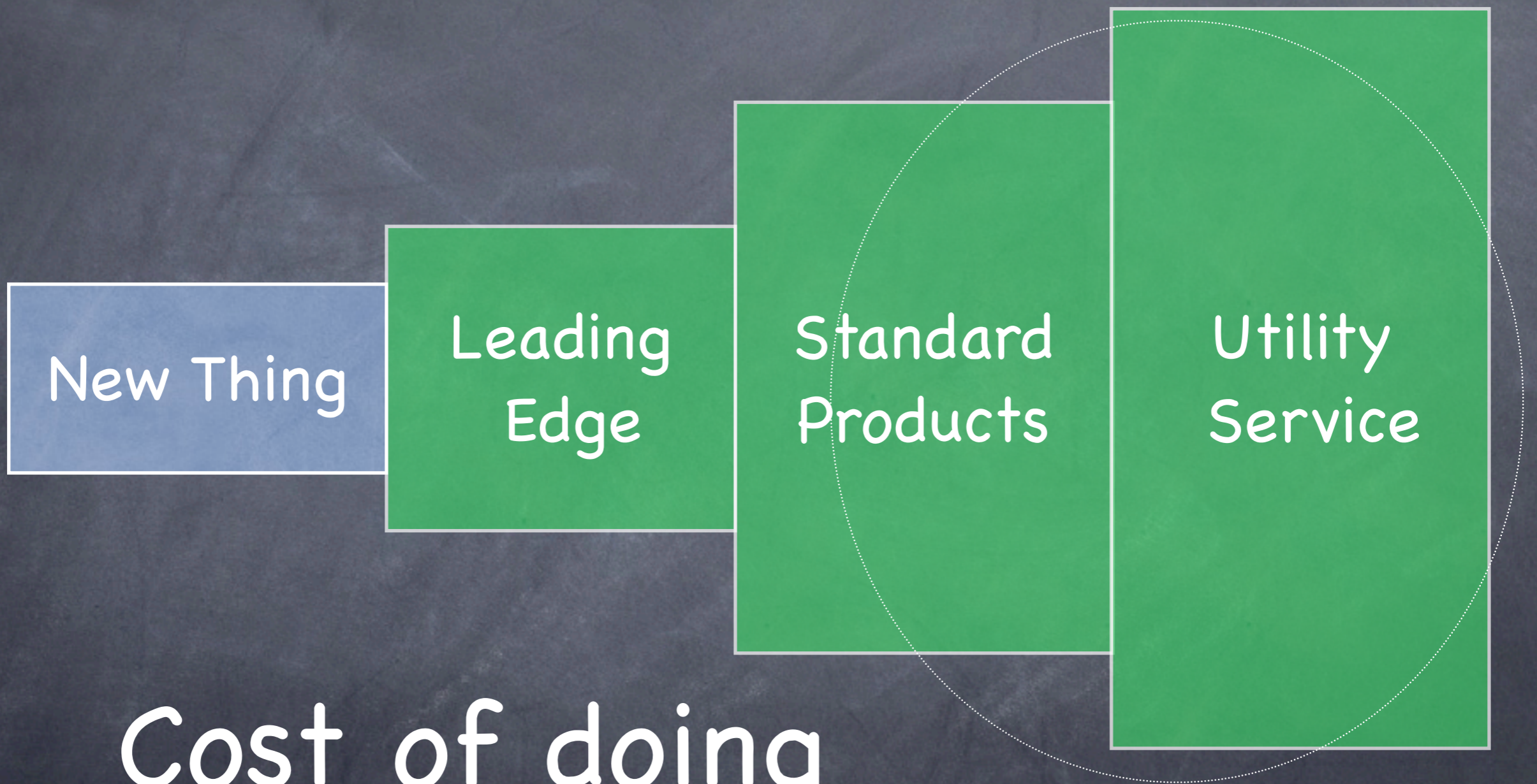
Going back to the beginning, this new and novel thing was a differentiator between the inventors and their competitors - it was a source of competitive advantage.



Naturally, they seek to protect this.



For the same reason everyone else is trying to get hold of it.



Cost of doing business

Until everyone does, and now its simply a cost of doing business.

This means therefore that ...

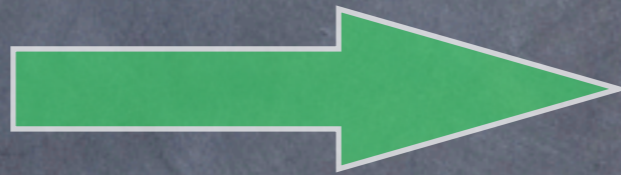
Scarcity is the basis for
CA

As IT becomes ubiquitous
it becomes a CODB

Scarcity is the basis for competitive advantage and strategic value.

Of course things are slightly more complex than this, but the general conclusion is ...

Competitive Advantage



Cost of
doing
business

That our industry is in a constant move from CA to CODB and most IT today is CODB - very little is CA.

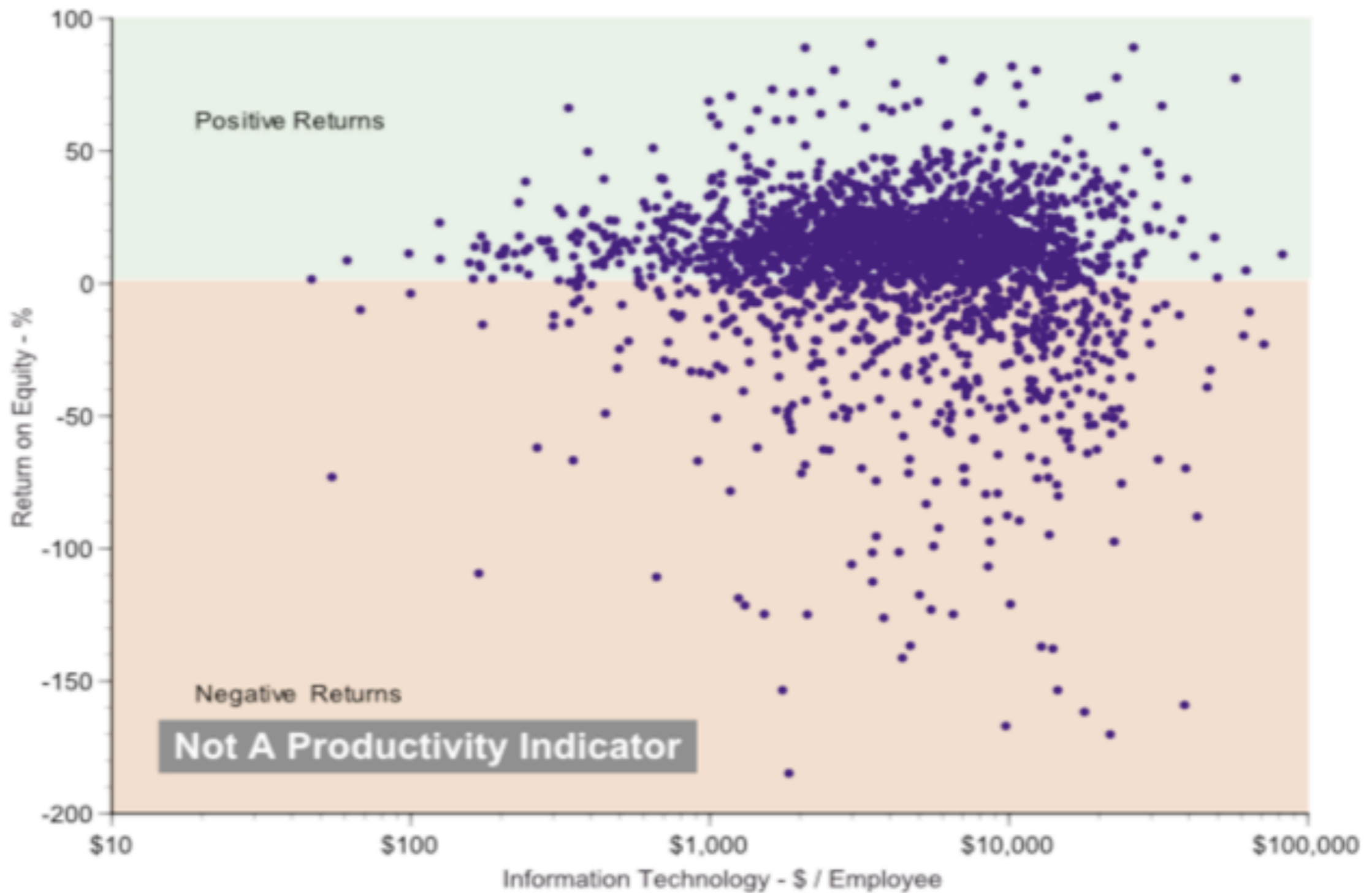
This also means ...

The only advantage that
can be gained with CODB
is doing it cheaper than
your competitors

that only a small part of IT creates value.

Most of IT is a necessity to compete and should be done as “cheap as chips”.

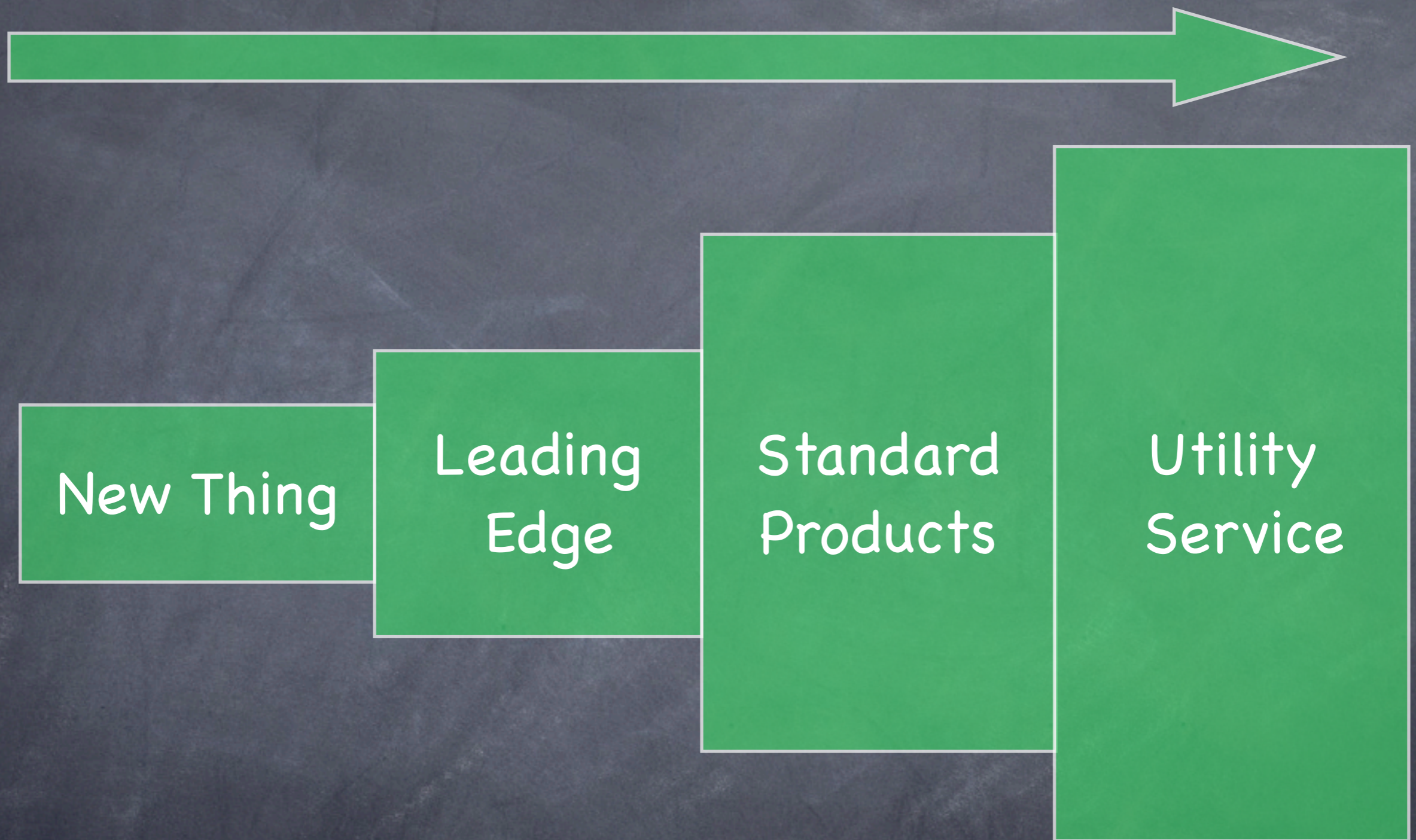
Hence it is little wonder that ...



the correlation between IT spending and company value would be weak.

I believe the movement to ubiquitous IT and the inability to distinguish in many companies between CA / CODB & transitional IT is the cause of this. Two phenomenon have also accelerated this process - firstly the internet, and second open source.

Take open source for example ...



open source

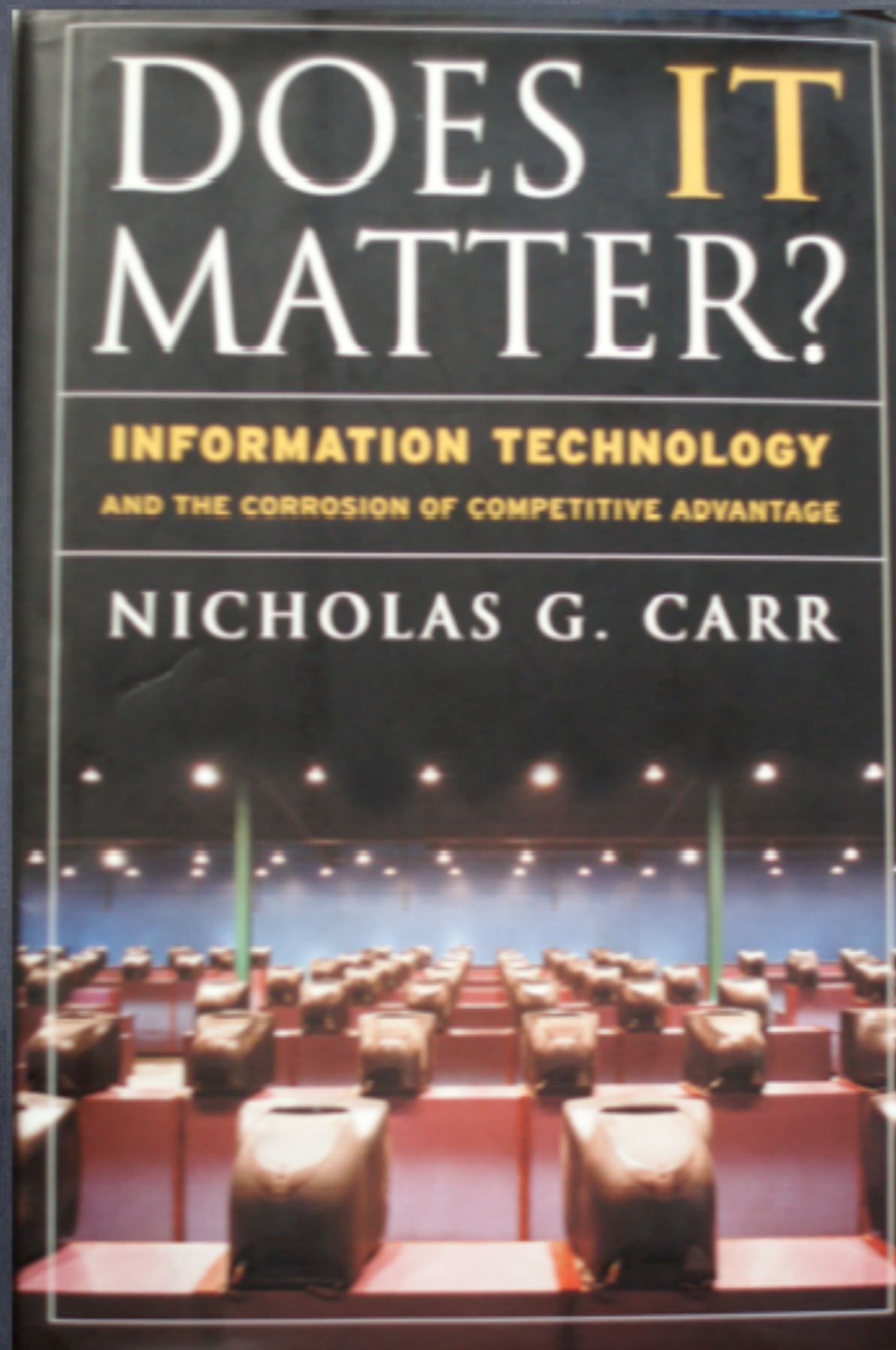
by giving away new stuff, the open source movement have removed blocks such as vested interests and accelerated the commoditisation of IT.

This is great news for the industry as a whole, just lousy for a vested interest. Now these ideas have been around for sometime and they've not been a popular subject in IT.

However in 2003 - one individual clearly put such concepts on the map.



A Harvard based economist called Nicholas Carr. He subsequently published a book ...



that gave a clear, detailed and precise argument why IT was going through the process of commoditisation.

Naturally, this wasn't very popular with people who made money out of IT not being seen as a commodity - which was most of IT.

IT is best seen as the latest in a series of broadly adopted technologies that have reshaped industry over the past two centuries – from the steam engine and the railroad to the telegraph and the telephone to the electric generator and the internal combustion engine.

For a brief period, as they were being built into the infrastructure of commerce, all these technologies opened opportunities for forward-looking companies to gain real advantages.

But as their availability increased and their cost decreased – as they became ubiquitous – they became commodity inputs.

From a strategic standpoint, they became invisible; they no longer mattered. That is exactly what is happening to information technology today, and the implications for corporate IT management are profound.

The basis of the argument I've summarised above using his words.

It's roughly what we've just talked about but better - read the book.

So anyway, back to today and that assumption about IT being more valuable the more common it was.

Assumption

as IT's potency and ubiquity have increased, so too has its strategic value



The assumption would appear wrong ..

Reality

as IT's ubiquity has increased it
has become a cost of doing
business with little or no
strategic value



the reality being the reverse.

Trend

software as a service

utility based computing

generic replacing customised



And over the last few years you can see this movement towards commoditisation by the growing trends.

Today

computing is
provided by company
data centres

most business
applications are
specific



Tomorrow

computing
provided by
utility based
grids

most business
applications are
generic



You can summarise it as follows.

So what has this all got to do with Zimki?

Today

computing is provided by company data centres

most business applications are specific

Tomorrow

computing provided by utility based grids

most business applications are generic



Well Zimki is an environment designed to support this transition.

Zimki

a utility based web application
development and hosting
environment





however in the analogy of electricity provision .. it's a standard uniform power generator.

a “client & server side” hosted
JavaScript platform that enables
businesses to easily develop and
deploy web sites, applications &
web services



Now you could argue that it's an easier way to develop and build - without needing to be concerned about databases, hosting, setup. All you need is a web browser.

You are logged in as null

Zimki-powered discussion forum

Forum	Topics	Posts	Last post
Development - delete			
delete Storage null	1	0	None
delete Templating null	0	0	None
delete Libraries null	5	1	Fri, 15 Dec 2006 17:13:37 GMT
delete Editors and Tools Which editor do use you to develop for Zimki?	2	1	Fri, 15 Dec 2006 17:19:40 GMT
Marketing - delete			
delete Selling Zimki to clients null	1	2	Wed, 03 Jan 2007 23:17:03 GMT
Random - delete			
No boards in this category			
Message board - delete			
delete Bugs null	0	0	None
delete Possible features null			
delete Other			

Create a new category:

Name:

fotango creative solutions group

home | development | blog | about us



CIG



YourPrint



MyCanon



Zimki

What do we do?

blog photos hacks

spurkis :: blog

Fun with JavaScript - 2007-01-13T15:35:52Z

For the past few days I've been playing around with JavaScript a bit.

When I'm learning I like to have a little project to play around with to give me some direction. I *uhmed* & *ahhed* and eventually decided it was high time to update my extremely out-dated website (it still has a *fire* logo for chrissakes - *ugh!*). So I've been rebuilding it as a small AJAX app that uses CSS for layout instead of tables, and pulls content from the server (Zimki, of course).

The main feature I've got so far is pulling content from my Livejournal blog. I started off by trying to muck about with client-side XML parsing, but soon found out it was easier to pass the content from the backend as JSON. I also ended up caching it server-side to improve response times.

So, after a few days hacking, here's what I've come up with:

<http://spurkis.realm.zimki.com/>

I reckon I'm about half-way done. It already looks a billion times better than my current site, thanks to that lovely picture of Saskia, the Shepherd.

Having only a PPC Mac at home, I've still not tested it in Internet Explorer, so I'm sure there'll be a gazillion compatibility issues there. But it works in Firefox & Safari so far.

Safari Atom Feed bugs - 2007-01-07T23:53:22Z

I've spent hours trying to figure out why some JavaScript code that works perfectly fine in Firefox is breaking inexplicably in Safari. As I'm fairly new to XMLHttpRequest() I automatically assumed it was something I'd missed, but this time it wasn't...

Chris' Jolly Good Guestbook

[Add an Entry - Magically Update!](#)

User: **HIHI**

I have to *tell* you a message.

User: anonymous

(user had nothing to say, I guess)

User: **Chris**

Hear ye, oh defacers of the one true guestbook

- Thou may still injecteth in the user output

field length is comparable to t

o bring a little happiness to al

place function is referentially

Whoot!

Things that make James go Whoot!

Click Track

Something I've started doing every time I pick up a guitar is playing to a clicktrack. Basically all a click track does is act as a metronome. Its amazing how much better this makes you as a musician. Whereas before I'd often get a little sloppy playing to a metronome focuses the mind on getting very tight to the beat.

To start with it felt a little strange and almost mechanical as if it took the feeling out of what you are playing. Having recorded myself without the clicktrack, and then practicing against the clicktrack for a while recording myself again, the difference is really quite something.

It also helps that [Audacity](#) will generate click tracks at the required BPM for you :-)

Written by James on Mon Jan 01 2007 | [Permalink](#) | [Comments \(0\)](#)

Sick

The Labour government has announced that it is going to create [people's panels](#). It has made me feel ill. I mean didn't we have [The Big Conversation](#) just a couple of years ago that went nowhere? And how is a "people's panel" any different from a focus group. So here is my response:

gleesonIT

[Home](#) [About Us](#) [Coaching](#) [Support](#) [Contact](#)



Making IT work for you

Email: info@gleesonIT.com

Phone: 045 862964

About Us:

We're a 'mum and pop' firm offering computer coaching and assistance. Based in rural Kildare, we provide on-site services in the Kildare, West Wicklow and South-West Dublin areas, our remote services are available to anybody with a broadband connection.

Our mission is to help individuals and small businesses achieve the most from their dealings with computers and with internet technologies. Alongside our home and small business coaching services we also provide a 'data smithing' service, if you have data that needs to be analysed, cleansed, integrated or generally 'tamed' and turned into something useful, we have the experience and the tools to do it, both on-site and remotely.

PERSONAL IT COACHING

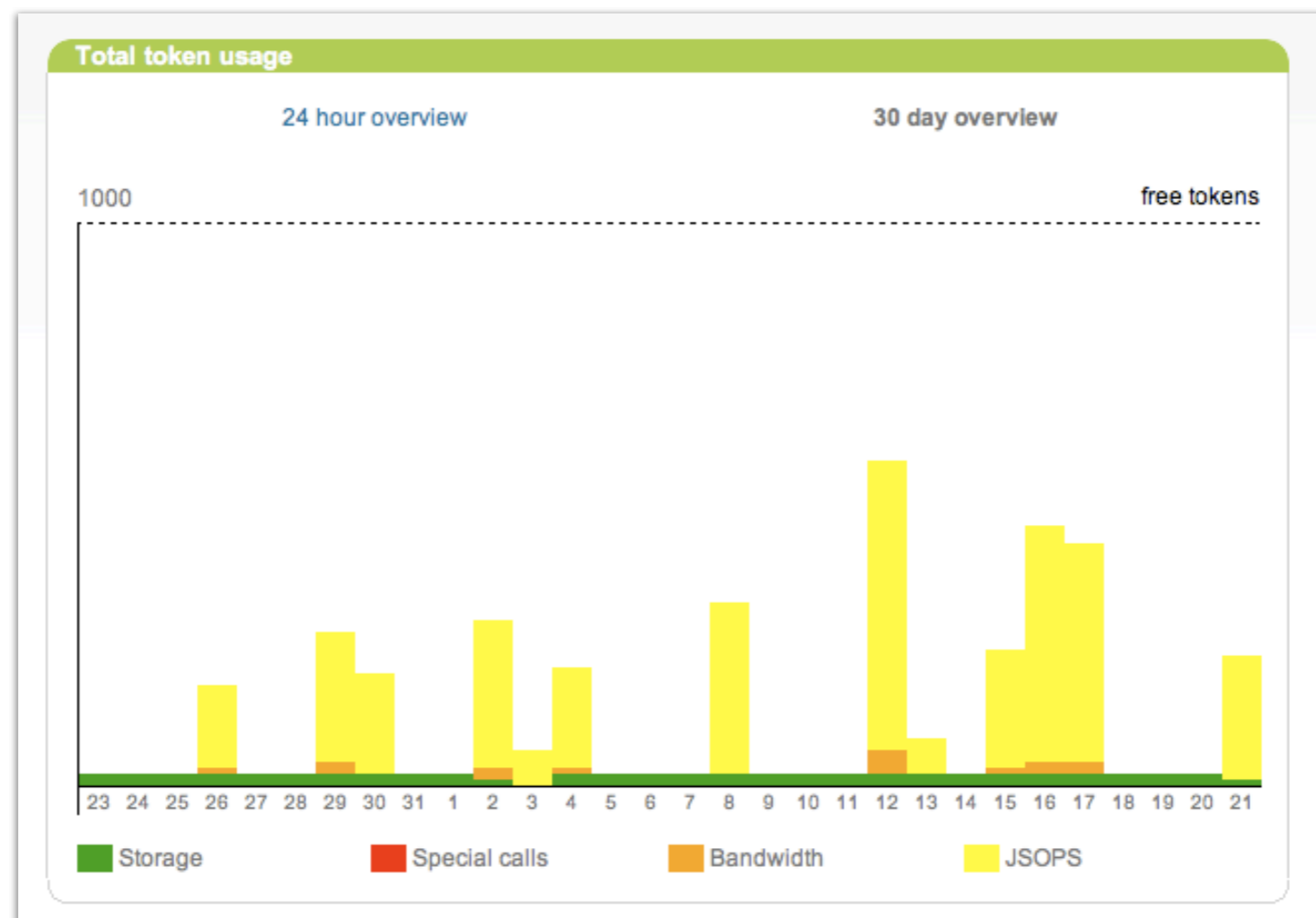
COMPUTER & INTERNET SUPPORT

OTHER IT & DATA SERVICES

Zimki

And we have examples of blogs to wikis to forums to weather apps which have been built on this.

you only pay for what you consume



It is utility based - competitive, transparent and there is no capital investment required. Zimki provides this through economies of scale and managed demand and supply.

a cheaper & faster way of building
and deploying web applications
utility based and minimises risk



In summary you could say this of Zimki and we've been doing this since early 2006.

Well, if that is all we said .. we'd be wrong. The potential is much greater and was always planned to be.

it is a power generator designed
to create a national grid of utility
computing services

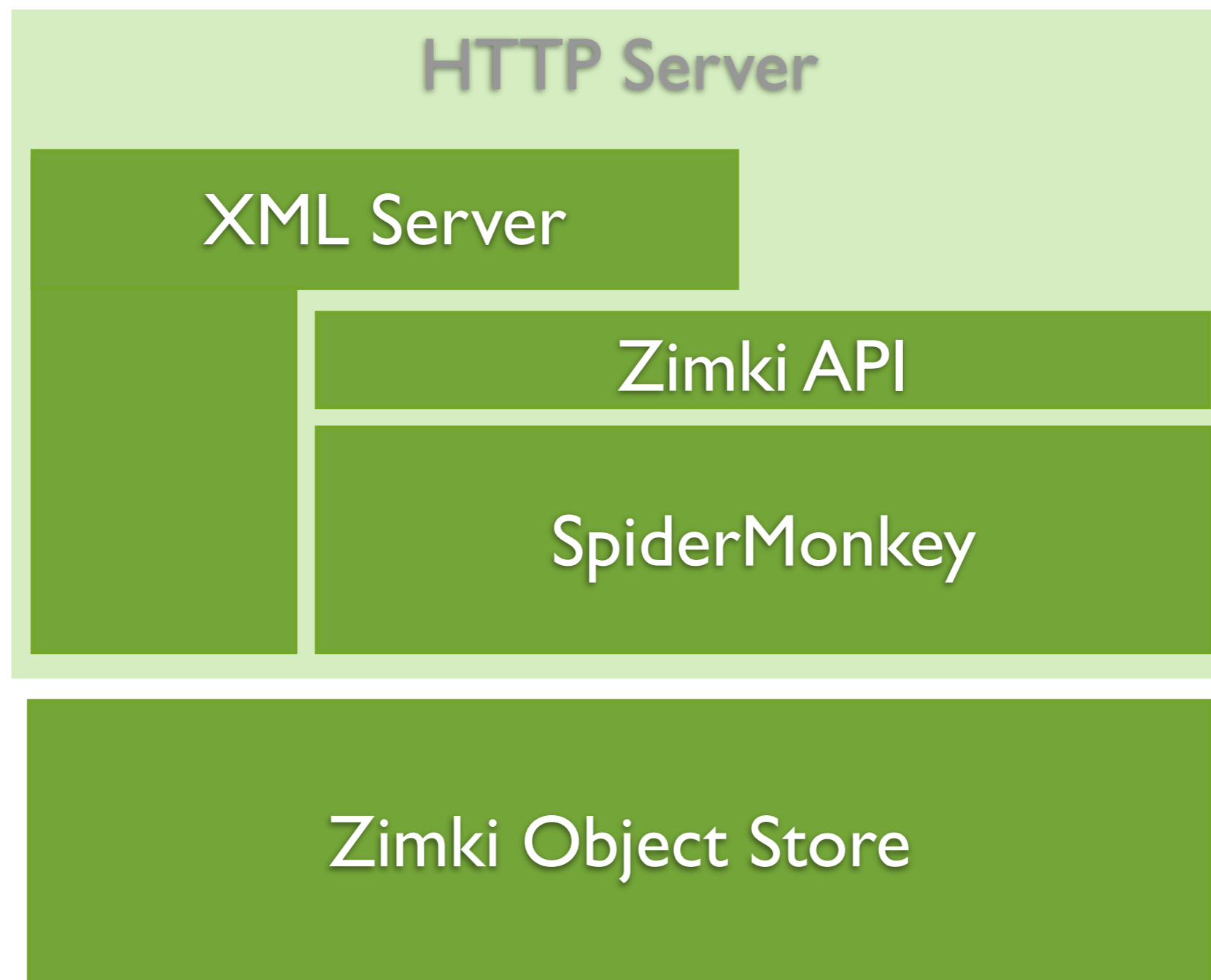
it is designed to reduce the cost
of CODB like applications and to
herald in a future of
commoditised IT



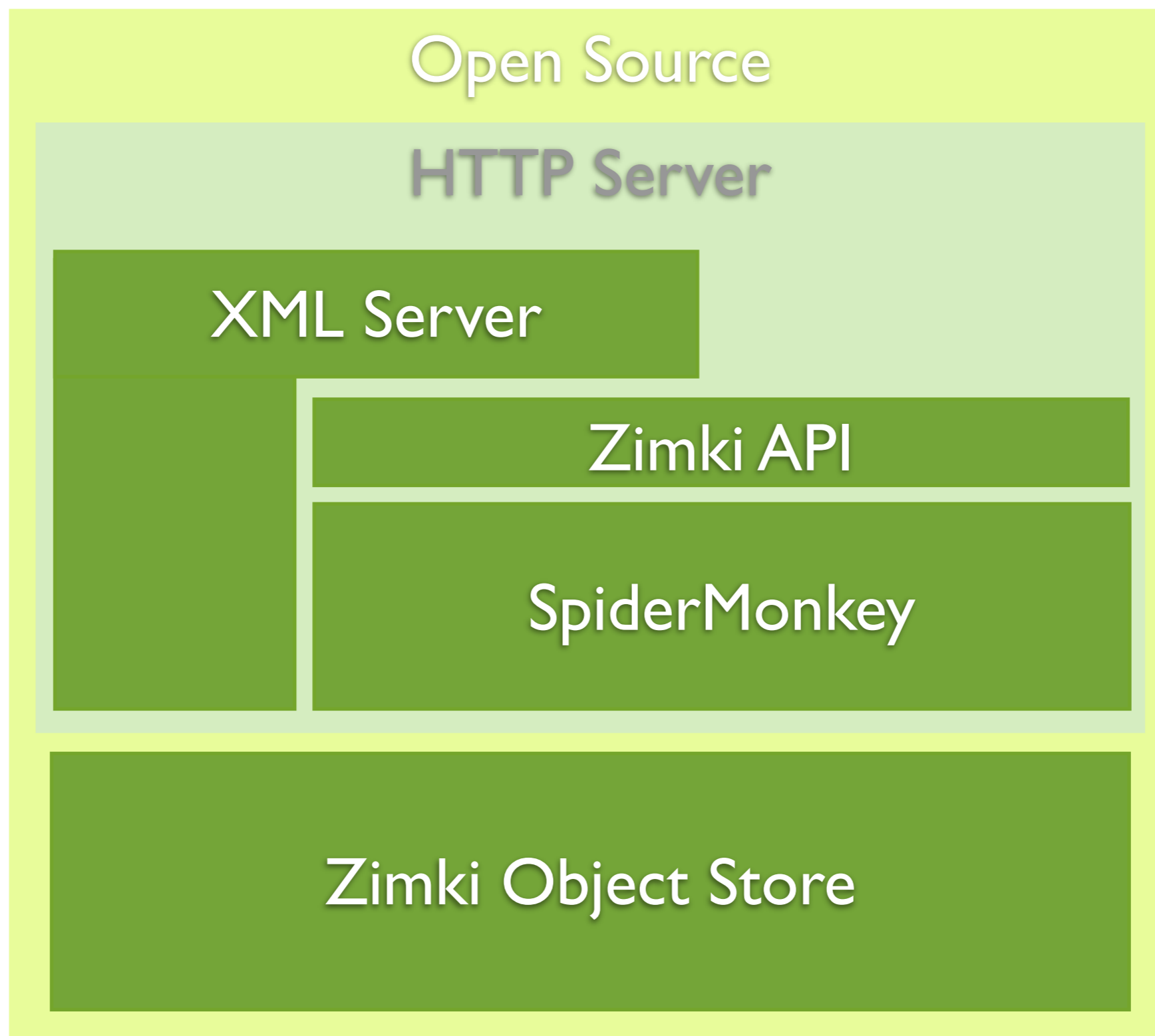
Zimki is a power generator designed to create a grid of utility Zimki providers.

The system allows for easy sharing and deployment of applications, and though this reduces the cost of any application development. It is ultimately aimed at being a platform on which SaaS like CODB apps are delivered.

how?



Later next year (hopefully mid 2007) when the time is right, we are going to open source it. We are going to actively encourage other competitors in this field and allow them to build independent Zimki providers with our own technology.



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Your Application



For a company, this will mean your application can reside on one or more Zimki providers.

How is that different from today?



Well at the moment, company applications tend to reside on company servers - a bit like a house being powered by its own custom built power station.



Doesn't seem too bad until you realise that there are thousands of very similar application each using their own data centre. Apparently, only 10% of the capacity of those data centres is being used - 90% is waste.

Zimki

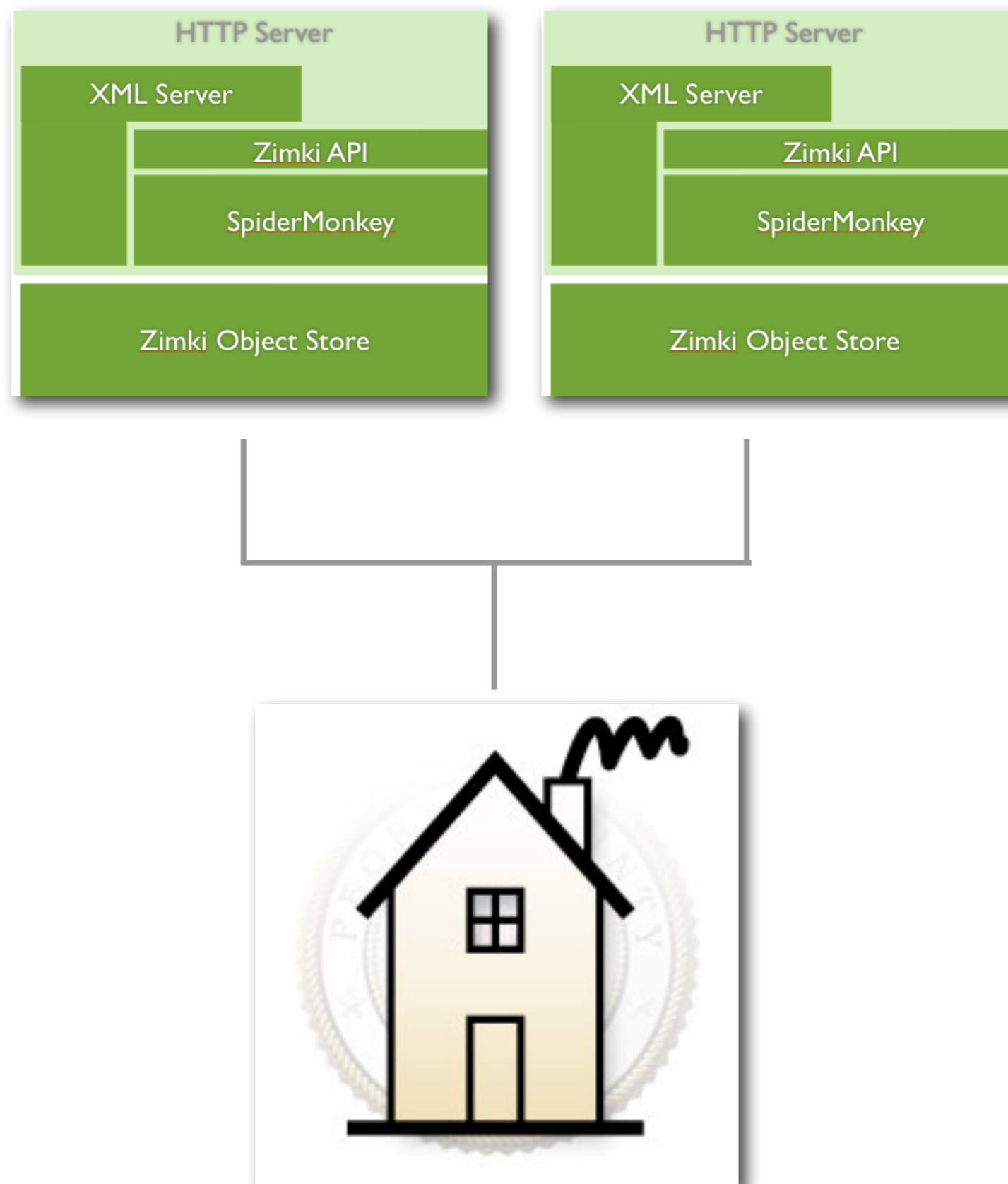


Zimki

There is a huge potential for economies of scale - to utilise that waste. And that is where Zimki comes in.

When you build an application, you build it on the Zimki grid - no capex, no hosting centre needed ... just write and deploy and pay for what you use.

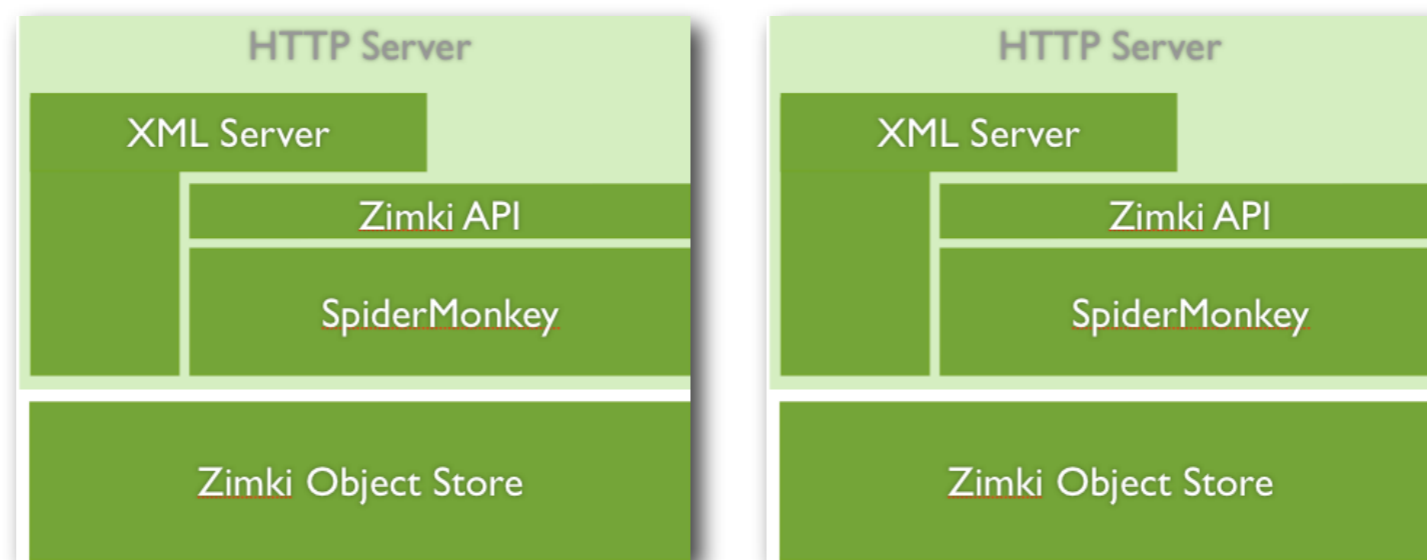
What is the Zimki grid?



The Zimki grid contains multiple providers (at the moment it is just us) - hence the need to open source Zimki.

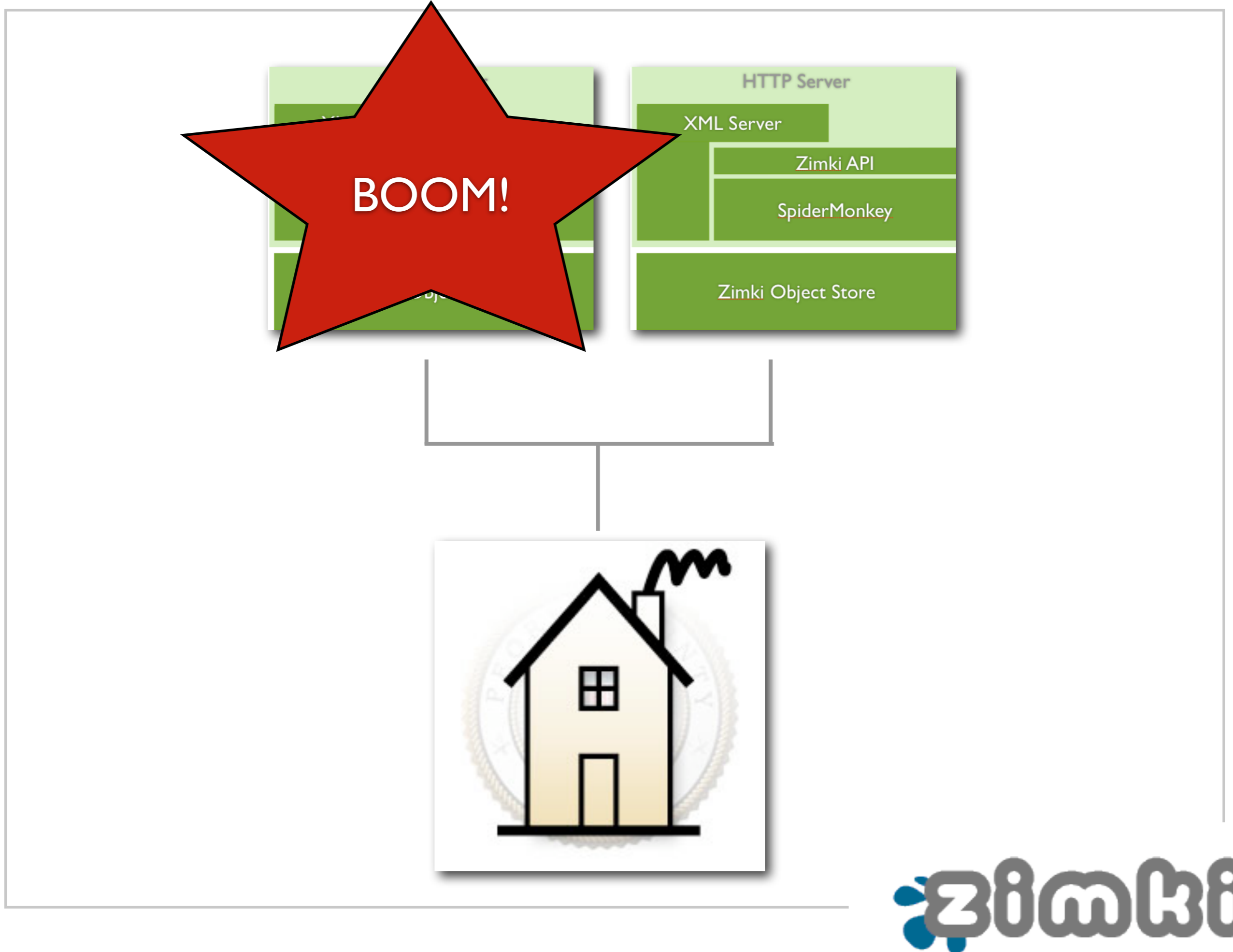
Each Zimki provider adds computing resources in the grid for use by multiple applications.

This has some huge advantages ...



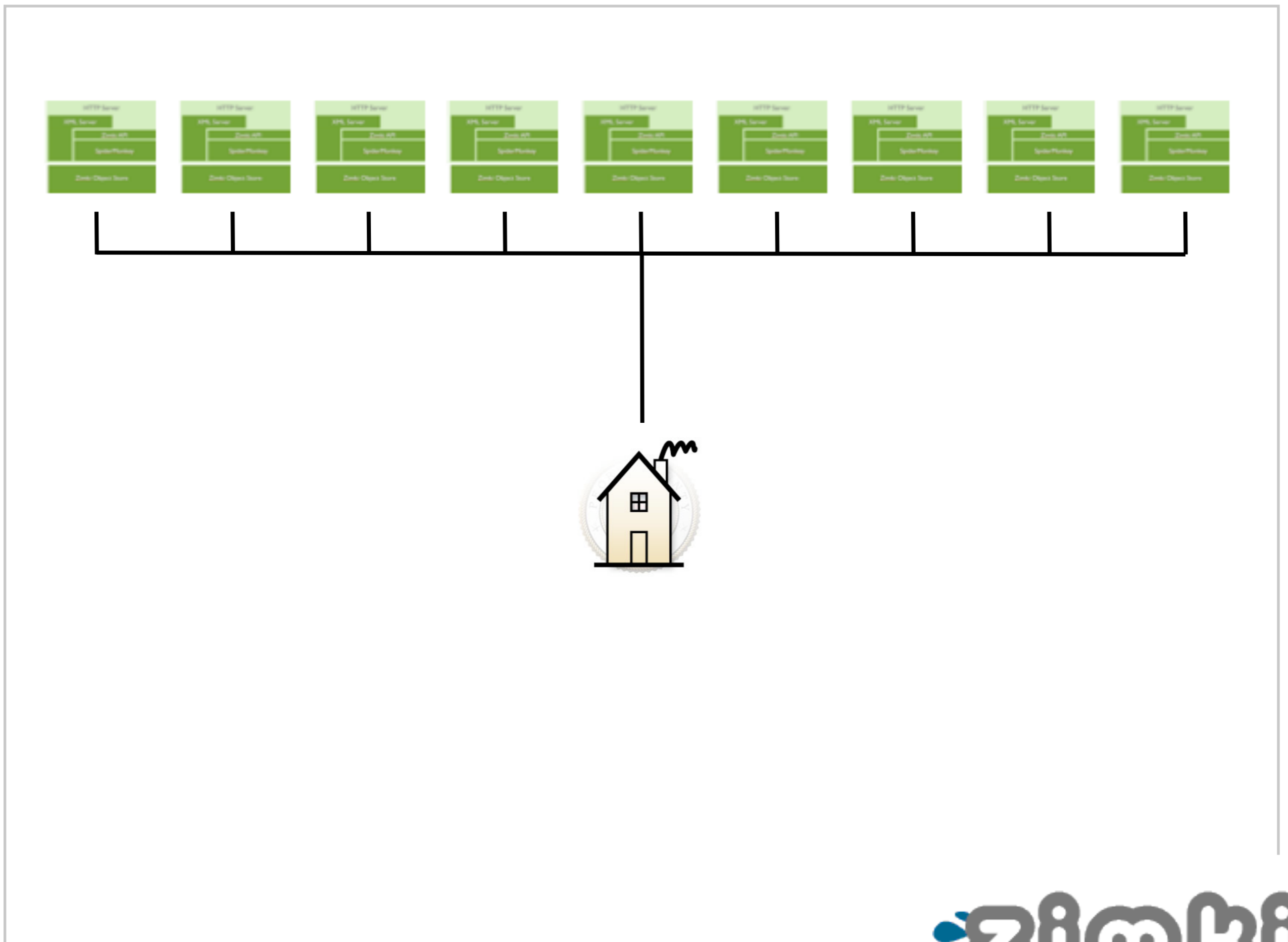
Firstly an application can easily move from one provider to another, there is no lock-in.

You can even build your own Zimki provider if you really want to.

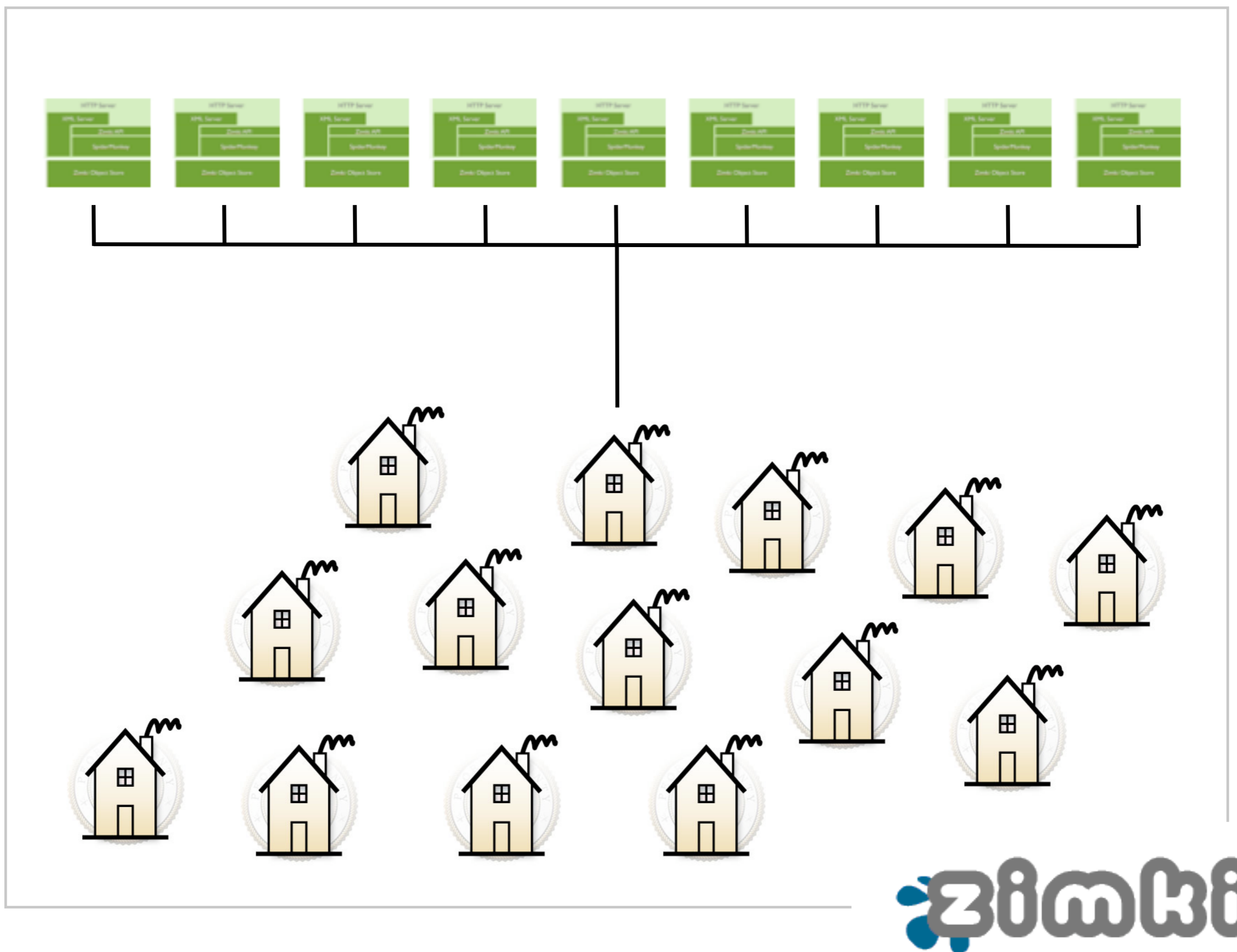


Secondly there is resilience against outages.

The intension is too have hundreds of Zimki providers, providing a resilience which cannot be matched by any one company.



the trick here is to balance supply and demand more accurately than the current 90% waste, so whereas before each application had its own data centre.



there is now a more efficient use of resources. That's a third advantage - efficient utilisation of resources, ding ...

So where do these Zimki providers comes from?

Well it is possible that some companies may set-up commoditised computing environments to sell utility computing services - which is what we have done. However, there is already a huge source of capacity out there



in those under utilised data centres.

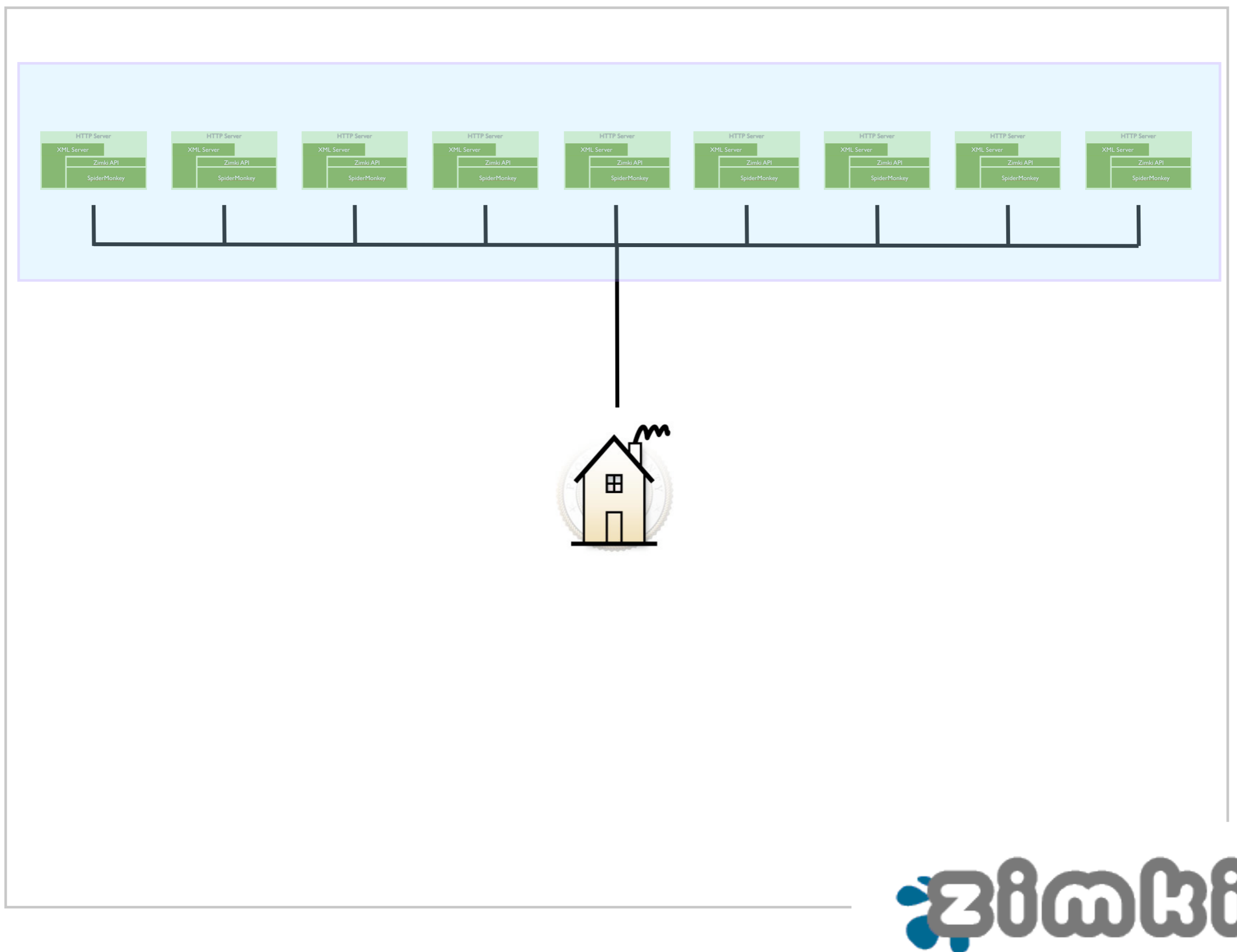


 **Zimki**

 **Zimki**

By open sourcing Zimki we provide a mechanism for companies to sell unused capacity into the grid - money for nothing.

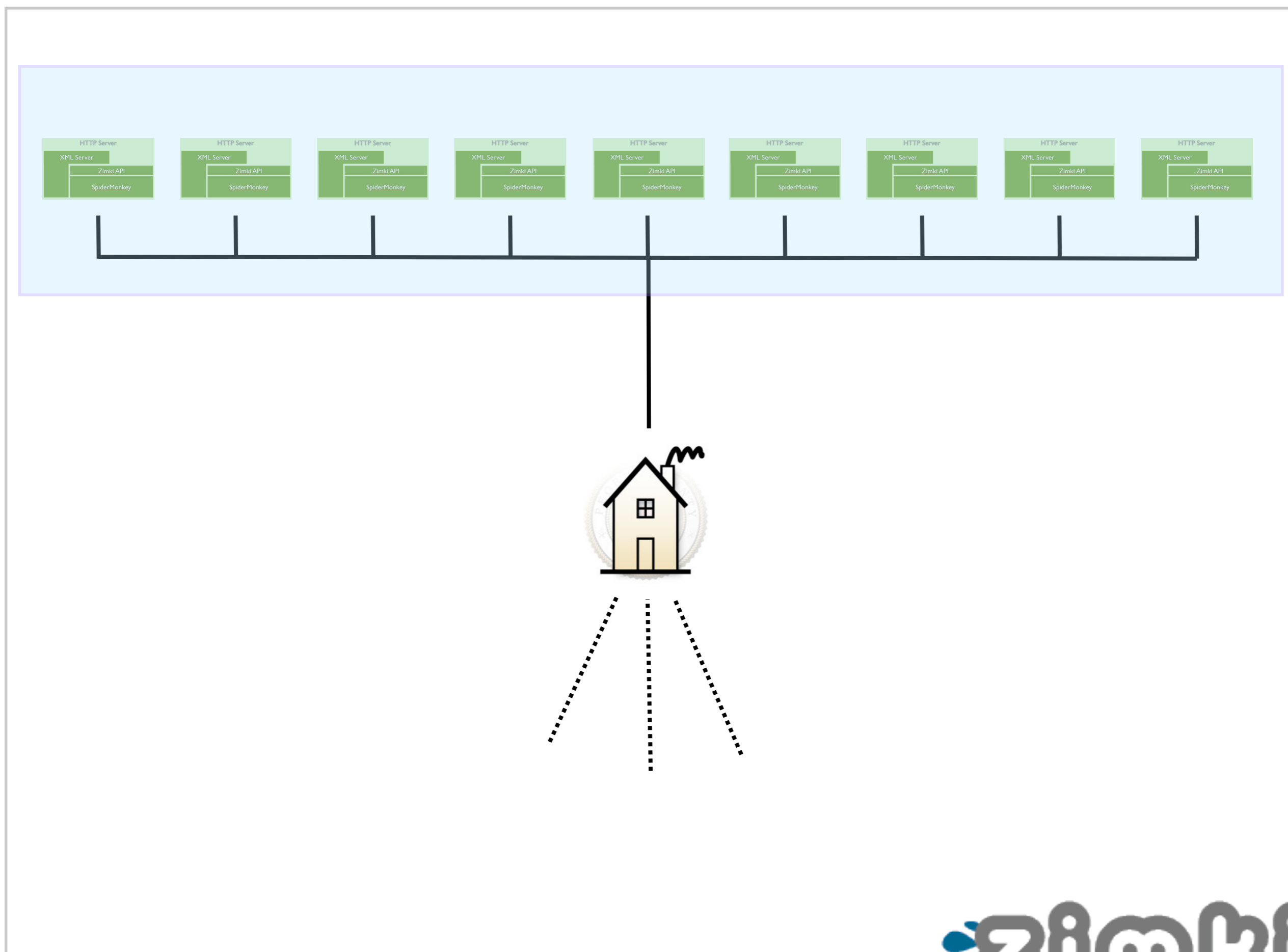
That's the fourth advantage, ding ...



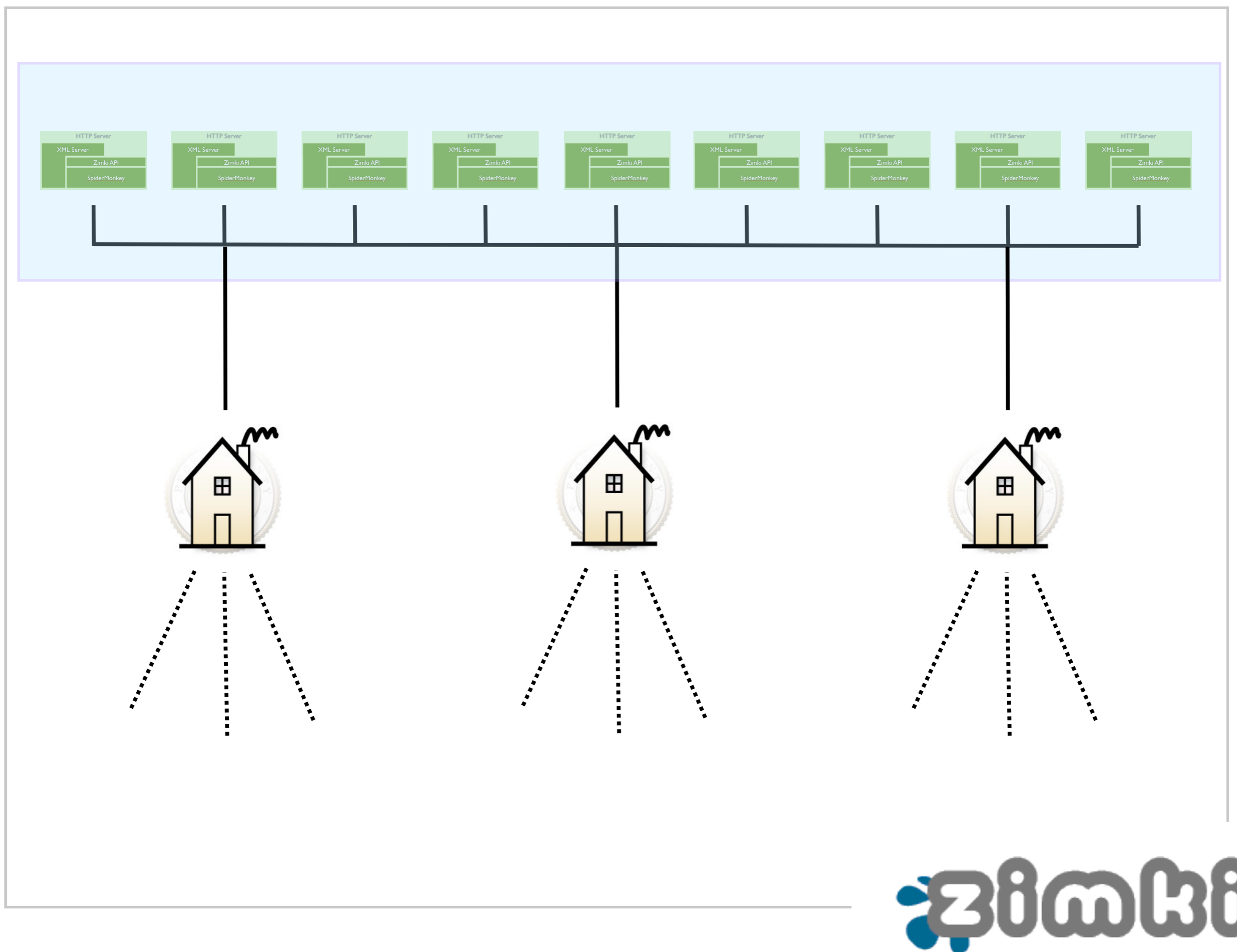
and it is a competitive market in utility computing resources. Because applications can shift providers based on price and QoS for example.

Ding ... that's number five, competitive utility market.

However zimki also allows the easy sharing and deployment of applications - so it is easy to release multiple copies of the same application or to build SaaS like apps.



e.g. several separate secure versions of an app can be created, allowing one type of application to be used by multiple different companies or SaaS like apps to be built.



Hence supporting the growth of generic SaaS like apps. Ding ... that's number six.

Obviously the app providers need to sell their services at above the price of the grid, and from our viewpoint the more the grid is used - the more we make. To give an idea - our company web site currently costs 68p per day on Zimki.

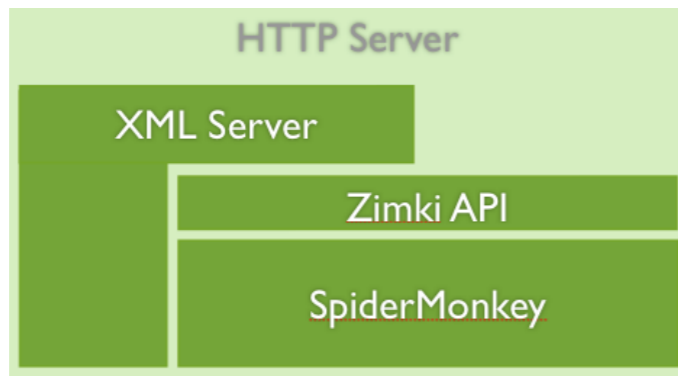
There are other advantages like simplified development, ding .. no more setting up hosting environments or servers, ding ... and on and on.

Zimki

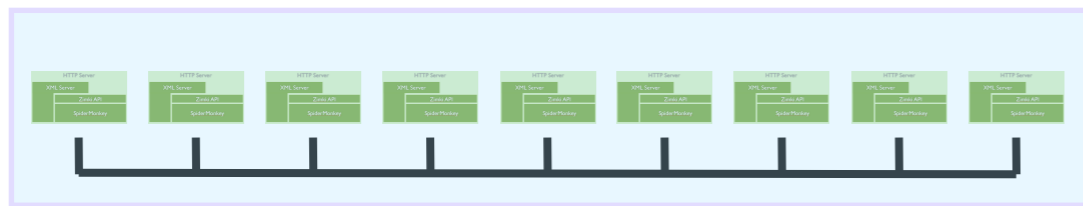
making money by
commoditisation of IT



But basically Zimki is really about ... making money by commoditising IT and making developers lives easier.



own utility environment
training & consultancy



utility market



we make money through the provision of our own Zimki generator and by providing the grid



No capital investment
Reduced risk
Simpler process
Faster



Revenue from waste



the customers (i.e company with their own apps or companies selling SaaS apps) have a cheaper, low risk way of building and releasing apps.

companies have also the potential to generate revenue from waste.

we make our money selling
excess resources to those who
need it

we are the access point to a
“national grid” of utility services



in a nutshell, this is where we are going ...

thank you

