

Eric Lundquist: Up Front

Formula for success

SURVIVOR AKAMAI SHOWS IT'S ALL ABOUT THE SERVICES



MORE SALES PER SECOND AT A LOWER COST. Now that's an idea that would warm the heart of even the most cold-hearted bean counter. The mathematical concept came up during a conversation with Akamai CEO George Conrades. The topic of the conversation was what Akamai is up to now and how to measure technology success after the Internet bubble burst.

Akamai and Conrades had a good view of the bubble, having spent a good deal of time atop it. When the bubble popped, Akamai, once the darling of the Wall Street hype machine, took a long slide down. But like other survivors, the company has emerged stronger, with a tighter focus on what it does, how it should get

paid and what customers should expect.

Akamai customers are buying a Web-based business platform that brings some semblance of order, security and ability to provision the services they really need. That is the same goal that IBM is trying to achieve with its business-on-demand offerings, that Microsoft is working toward with its .Net strategy and that other vendors championing utility computing are promoting.

"We offer a common platform with different functionalities, a range of services, all of the same fundamental platform," said Conrades.

In the past, Akamai was knocked for overbuilding a network for a still-distant Internet scale. Critics also charged that the company's pricing structure could accommodate only the wealthy few and that you had to buy into an all-or-nothing Akamai strategy.

Akamai now delivers about 15 percent of the Web's traffic and has more than 1,000 government and business customers. The company is addressing the cost and deployment issues by offering a menu of business functions.

In some ways, the market is finally catching up with expectations. "Stream-

ing is back," said Conrades.

He said streaming and downloaded software, music, sports and movies are a real financial opportunity for

customers, rather than a technology awaiting a public willing to pay. The downloading of Apple's iTunes; Major League Baseball games; and commercials made expressly for streaming, rather than repurposed from television, are examples of streaming flowing into the mainstream.

What is interesting about Akamai (other than its ability to rebound from a very deep dive) is that the company is the latest example of where the rest of the technology industry seems to be headed. The ability to pick a service and click to

deploy it, the race to build functions on top of a robust infrastructure, and the excitement about the service layer rather than the operating system or networking layers—all are hallmarks of the technology marketplace.

Google has built a technology backbone that has proved robust, flexible and scalable. Now that Google and search have become a common brand, the company is looking to build other services. It is ramping up a shopping service and is in the early stages of deploying an e-mail service.


It wouldn't surprise me to find VOIP phone service and advanced financial services also in serious development at Google Labs.

In the enterprise computing space, the ability to click to deploy applications, advanced storage, wireless services and security offerings will transform the definition of what it means to outsource.

The successful CIO will be the one who can quickly build a hybrid technology infrastructure—one that mixes current legacy systems with new service offerings from the likes of Akamai and traditional telecommunications vendors.

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The phone and cable providers, with their capabilities to bill for services and usage, may have an edge over more traditional technology vendors, which always preferred to sell the box rather than the services that the box enabled.

The final measurement of those hybrid offerings will be increased revenues at a lower cost. Or as Conrades puts it, "more sales per second at less cost." 

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