

Micro Focus

closeup

JANUARY 2006

A clear vision for the future
Micro Focus Studio and Micro Focus Server



The Opportunity of Compliance

Microsoft® CEO Visits Micro Focus

Micro Focus Developer Forum
What's New for 2006?



Julian Dobbins



contents

Editorial	01
The Opportunity of Compliance	02
Micro Focus Studio and Micro Focus Server	03
Is the Mainframe a Contemporary Platform?	04
Vestcom	06
TietoEnator	07
Enterprise Server Benchmarking	08
Sunrider	08
Ready to Rock the Launch	09
Developer Forum 2006	10
Press Highlights	10



P:03



P:04



P:09

Welcome to the New Year!

And welcome to the new look of CloseUp! We hope you like the changes we've made to your Micro Focus newsletter and look forward to hearing your comments and suggestions.

A New Year, like all birthdays and anniversaries, tends to arrive with a mix of emotions. It is a time to reflect, to draw a line in the sand between the past and the future, and prepare for the year ahead. Some do this with a sense of optimism, some with apathy.

2005 was an eventful year for Micro Focus. In addition to the company's flotation on the London Stock Exchange, Micro Focus launched numerous innovative products and saw tremendous interest in its Lift and Shift™ solution. Steve Balmer, the Microsoft CEO, further underlined the excitement we're seeing in the industry when he visited the Micro Focus kiosk at the recent Microsoft launch event in San Francisco (see page 9).

2006 promises to be just as exciting. Considered by analysts and industry commentators to be a year of continued growth, there is a stronger emphasis on simplicity and architectural consistency in the IT department. Technology is maturing, driving greater uptake of SOA in the enterprise, and with the planned launch of its Studio and Server products, Micro Focus continues to support the needs of today's dynamic and heterogeneous enterprises - but now within a simplified product offering (see page 3).

Complexity and inertia threaten to stifle business innovation, and many see the burden of regulatory compliance as yet another brake holding us back. On page 2, we explore an alternative view, looking more closely at the opportunities for change that such legislation is bringing to companies, and how SOA is helping them build a stronger base for future compliance and business efficiency.

One thing that each new year reminds us is how 'change' is indeed our most constant of companions, with us in everything we do - and as is the way with most companions, sometimes we like the changes we see, sometimes we don't, but I think it is fair to say that life is undoubtedly all the more interesting for having them around.

Have a great 2006!

Julian



Micro Focus Headquarters

United Kingdom
23-30 Old Bath Road
Newbury
Berkshire
RG14 1QN
UK
Phone: 01635 32646
Fax: 01635 33966

United States
9420 Key West Avenue
Rockville, MD 20850
USA
Phone: 1 800 872 6265
Fax: 301 838 5314

Please send any comments or ideas for contributions to the editor at: closeup@microfocus.com

If you'd like to receive CloseUp quarterly, please subscribe to the format of your choice, print or email, at: www.microfocus.com/closeup.

If you'd like to unsubscribe at any time, please email your contact details to: closeup@microfocus.com



Andrew Badham

The Opportunity of Compliance

Andrew Badham, UK sales director, discusses the challenges faced by many organizations needing to become compliant while reducing IT costs.

A recent Forrester survey of US insurance companies found that support for regulatory changes topped the list of IT objectives for the year ahead.

This will probably come as little surprise, especially to those who feel the world is already drowning beneath a rising sea of regulation. Indeed, the list of requirements currently mandated seems onerous, with companies wrestling with the likes of Sarbanes-Oxley (SOX), Basel II, The Patriot Act, and the Markets in Financial Instruments Directive (MiFID), to name just a few.

Many organizations under-estimate the work required. As recently as August 2005, the BOC group, an industrial gases company, reported that it faced £20 million in SOX-related costs over the next two years – costs it regarded as “much higher than expected”. Financial analyst Celent believes MiFID alone will cost European financial firms €1 billion, with Tower Group considering it to be one of the greatest legislative changes in Europe’s securities markets “in over two decades”. Clearly, with Y2K efforts still fresh in people’s minds, this is a sobering thought. However, unlike Y2K, which was a pure IT issue, today’s crop of ‘mass change programs’ are business issues first and foremost, albeit with very serious and significant IT ramifications.

To compound the burden still further, IT departments face continued pressure to reduce costs. In the Forrester survey mentioned, this came a very close second. So, considering all the challenges, one can’t help but pity the poor CIO. As each new wave of legislation hits, a new IT project is spawned.

This dilemma, between regulatory support and the need for cost reduction (not to mention business growth), in part explains the often stove-piped and ad-hoc response to regulatory pressures adopted by many companies and IT departments. The urge to limit the impact of any legislation is hard to resist, perhaps even hoping that timescales will continue to slip indefinitely, allowing them to ignore the requirement for as long as possible.

But make no mistake, compliance is very much a ‘sink or swim’ affair, and the on-going debates between governments, European commissioners, financial services watchdogs, and the corporations themselves will alter little more than the details and the deadlines.

The fundamentals will remain the same – good business requires consistent and accountable processes built on robust, agile and secure IT systems. Anything less is bad practice and puts not only the business at risk, but also its trading partners and customers.

Companies already in control of their processes, and whose IT infrastructure promotes data transparency across multiple lines of business, should have little to fear. Unfortunately, this is often not the case.

Early in 2005, the investment bank Dresdner Kleinwort Wasserstein, reported that up to 15 percent of its back office staff were working on compliance and regulation. This level of resource allocation is hard to swallow. They also observed that many large organizations struggle to understand all the complex systems they operate, pushing costs still higher.

Again, this is hardly likely to surprise anyone, since between 75 and 90 percent of all business transactions run on legacy systems, for which documentation is scarce and a thorough application understanding is rare. These systems, and the environments in which they execute, have been in operation for decades. They are part of the fabric of the company. But it is their very lack of flexibility which fuels such process complexity.

Only now is the industry accepting that wide scale replacement of these systems through rewriting presents an unacceptable level of risk with minimal return on investment. The Age of Pragmatism, it seems, has arrived, with business deliverables foremost in people’s minds. Legacy modernization has become a reality for many, with a key role to play in the support of process improvement and regulatory compliance. Service Oriented Architectures are bridging the old and the new. Modern development environments are breaking down barriers and driving productivity.

By adopting a broad, holistic approach to compliance, with a legacy renewal strategy at its heart, companies are destined not only to satisfy the current wave of legislation, but put in place the means to support business growth and innovation for years to come.

A Clear Vision for the Future

Micro Focus Studio and Micro Focus Server

Ian Archbell, VP of product management, looks at what streamlining the Micro Focus product line means for you.

Micro Focus’ open platform strategy is a great opportunity for our customers and for Micro Focus, too. Our aim is to greatly simplify the Micro Focus product line to give you a single, integrated development environment (IDE) named Micro Focus Studio, which will enable you to develop applications under Windows®. Your applications can then be deployed on all major platforms – Windows, .NET, UNIX and Linux – using Micro Focus Server, and on the mainframe using IBM® software.

So, in a nutshell, we are refining our product line into Micro Focus Studio, based on Microsoft Visual Studio, for development, and Micro Focus Server for deployment. You will have the benefits of a highly productive development environment regardless of which platform you choose for deployment. Micro Focus Server provides high performance, multi-platform deployment of legacy applications, and makes it easy to migrate and extend those applications.

With this strategy, Micro Focus has consolidated and strengthened its position through our two primary solutions, Leverage and Extend and Lift and Shift.

The Micro Focus open platform strategy enables you to take advantage of further cost reduction, increased business agility and lower risk.



Together, Micro Focus Studio and Micro Focus Server enable you to reduce costs; there is no need for re-training for different platforms, it simplifies deployment, and accelerates platform migration. In addition, it gives you increased savings with the facility for automated analysis. Jointly, the new solutions mean increased agility – you can easily switch between platforms, and make your applications more flexible through extension to a Service Oriented Architecture and Web services, J2EE or .NET. Moreover, they mean reduced risk – you are not locked-in to a particular platform, and you will improve re-use of application code across multiple platforms.

Micro Focus will be creating different Micro Focus Studio editions to target different customers and their needs (for example, large enterprises, SI partners and application providers). We are focusing on what our different customer communities tell us they need today, and at the same time supporting customers who use multiple platforms, or who wish to change their platform strategy.

The first release of Micro Focus Studio will be available during the first half of 2006. This release will deliver .NET managed code and will include the full functionality of Server Express™. Micro Focus Studio will allow you to develop managed Windows and cross-platform Windows, UNIX and Linux applications – although all of these are not yet in the Visual Studio IDE. It will also offer in-depth analysis capability. Included in this release will be JCL support, Winform/Webform support, CICS® extension capabilities and, 64-bit support for x64, Itanium® and the 64-bit CLR. This release will also include analysis and understanding functionality currently found in Revolve®. This will be a very substantial release and a great basis for future releases.

The second release of Micro Focus Studio will focus on delivering cross-platform applications (the same application deployed on Windows, UNIX and Linux) and IMS support (both the Transaction Manager and DL/I database support). This is a great new opportunity to widen our Lift and Shift offering to a new audience. There will be early adopter programs for many of these features.

The third release of Micro Focus Studio will add the remaining mainframe elements. The product will then include support for all platforms, including the mainframe, thus completing the vision of a simpler product set to support both our Leverage and Extend and Lift and Shift solutions.



Ian Archbell





Derek Britton

Is the Mainframe a Contemporary Platform?

In his recent paper on the future of the mainframe, Gary Barnett, the Ovum analyst, states that the “mainframe isn’t going to disappear at any time in the next decade at least”, observing that “brand new mainframe MIPS shipments continue to grow by around 15 percent a year”. If we also consider that 75 percent of business transactions (or 90 percent within the financial services industry) still reside on the mainframe, its position as a contemporary platform would seem indisputable.

However, it could also be argued that companies who continue to invest in a 40-year old platform are actually living in the past and have failed to notice the rise of distributed computing as a viable alternative.

The dominance of the mainframe in the data center has everything to do with its history; mainframe processing power, storage capacity and reliability guaranteed its position as the best of breed production engine for large corporations throughout the late 20th Century. But this historical perspective says considerably less about its status as a contemporary platform. In that respect, it could be compared to the new releases of singers and authors who have seen considerable success in the past – existing fans will always buy, almost regardless of quality, the works of their favorite artists; new fans will demand proof of current value.

To arrive at some decision regarding the mainframe’s right to be seen as a contemporary platform, independently of its massive ‘back catalogue’, we must first consider precisely what we mean by ‘contemporary’ and then draw up a list of values (or criteria) against which we measure the mainframe’s claim to fame.

For the purposes of this article, we take ‘contemporary’ to mean ‘modern; conforming to current thinking’. In other words, does the platform embrace everyone’s ideas of best of breed?

Fundamentally, the core values we seek from IT platforms have changed little over the years. Security, reliability, availability, scalability and performance all qualities at the heart of the mainframe stronghold – continue to be as relevant today as they always have been; and with the increase in automation and self-service access to information, it seems fair to say they are now even more important than ever before. The mainframe has well-documented strengths in these areas, especially with the recent arrival of the z9, the high-performance, massively-scalable result of over a billion dollar’s worth of R&D by IBM.

IBM’s three year development effort has seen the z9 double the processing power and capacity of its predecessor, the z990. It is a machine capable of supporting up to 54 processors and handling data at a speed of 17,800 MIPS. It has powerful on-board encryption performing up to 6000 SSL handshakes per second and supporting the secure transfer of data between sites. Its much improved security features, combined with enhanced virtualization capability (now allowing up to 60 logical partitions), form the basis of IBM’s support for ‘collaborative computing’; something it regards as fundamental to enterprise systems in the 21st century.

Organizations relying on superiority in core areas like reliability, availability and security have typically invested heavily in the mainframe, and will continue to do so for the foreseeable future.

However, to our more traditional list of values we must add some relative newcomers which throw a more questionable light on the mainframe’s position as a contemporary platform. Today’s agile business world requires a flexible, well-integrated IT platform. Applications can no longer exist in isolation, and both the deployment infrastructure and development environment must support this. The cost of integrating and extending mainframe applications into a Service Oriented Architecture (SOA) is, therefore, firmly on our list of qualification criteria.

SOA has at its heart the belief that the location of the ‘services’ being used to run the business is unimportant. Mainframes support this idea through the provision of application servers, such as WebSphere, CICS and IMS. In this way, no longer is it a case of building a brave new world to support SOA, and then figuring out ways to integrate with mainframe legacy, but rather the modern mainframe environment allows this construction to work from the legacy outwards, re-using existing people, processes and technology. Putting in place the tooling to support this strategy, however, is not something companies have been quick to adopt, owing in part to the complexity of the mainframe tools to support these initiatives. It is 3rd party software vendors like Micro Focus that are providing the world-class tools to make SOA accessible on the mainframe.

The final value on our list is price. The arrival of choice in the data center, in the shape of Windows, UNIX and Linux, has introduced an air of uncertainty that sits over all other values. Choice of operating platform, accompanied by low-risk migration technology, has driven the issue of price to the top of the pile, and although IBM is, as Gary Barnett points out, “delivering price/performance improvements in the order of 15-20 percent a year,” he goes on to say that “x86 (Intel and AMD) price/performance improvements are running at almost double that pace.” This puts into fresh perspective just how much a company might seemingly be prepared to pay for its security or reliability when distributed environments are now competing so effectively.

Each generation brings with it a new wave of thinking, sometimes radical, sometimes evolutionary, but always, in their minds at least, better than the last. The z9 mainframe is clearly a contemporary platform, but one that is plagued by non-contemporary thinking. Lack of investment in best of breed development technology not only exposes organizations to higher costs, both from a development productivity and MIPS usage standpoint, but also to increased risk.

Modern tools, with advances in automation and usability, can offset the risks associated with the declining COBOL population, for example, and also those associated with time-to-market, where lack of agility in IT is frequently repeated in the business itself.

Extension to the Web and into a SOA is an essential element of a successful IT strategy. In its IT resolutions for 2006, Gartner advises companies to embrace what it calls “the second internet revolution, including web-based applications,” and to check out some hot new technologies, “particularly related to delivering IT with a service-oriented architecture.” Tooling for mainframe applications needs to reflect this, not least by providing an environment that eases integration at a technical level, but in doing so it will also help to erode the cultural barriers between mainframe and non-mainframe worlds.

The IT world is a heterogeneous one. It always will be. And the mainframe, as Gary Barnett observes, is “alive and well as a platform for very large workloads”; it deserves its place as a contemporary production platform in the data center, but must not be overlooked for investment in contemporary tools to support it.



Vestcom: Reducing the Cost of Mainframe Hosting through Micro Focus Lift and Shift Migration

Founded in 1969, Vestcom provides outsourced digital printing services for some of the largest companies in the insurance, financial services, travel, leisure and gaming industries. Vestcom's Marketing and Business Communications (MBC) division prints over one billion pages per year.

Providing digital printing services for the marketing and business communications sector is a competitive arena. Vestcom realized that controlling their IT costs would be critical to keeping their competitive edge. The company needed a way to maintain margins while continuing to price their services competitively.

Vestcom's IT infrastructure is vital to their performance. IT processes organize, format and print large batches of paper daily. Customers send Vestcom their business data; legacy tools process that data, which is then re-formatted with various composition tools before printing and, if applicable, posting to the Internet.

Vestcom Production Technology at a Glance

Communications

- > Communications Links to Clients
- > Incoming Data Receipt and Processing
- > Web-based Client Interaction

Production

- > Data transmission to shop floor
- > Print stream data transforms
- > Print stream management

Data Processing

- > Data Pre Processing
- > Composition
- > Address Cleansing
- > Postal Sortation
- > Fulfillment & Internet Presentation
- > Post Processing & Reporting

"Micro Focus has clearly taken great pains to develop products that not only deliver rich functionality but are also extremely easy to work with. The company has a comprehensive vision for future development in creating their technology, and we would consider working with Micro Focus again on future endeavors,"

Joe Mislinski, CIO, Vestcom.

Challenge

In 2003, Vestcom was outsourcing the hosting of their mainframe operations and paying a sizeable monthly fee (25 percent of the total IT budget) for CPU and networking services. Pricing pressure from competitors was increasing. Vestcom's challenge was to reduce the cost of mainframe hosting.

After a successful pilot in late 2003, the decision to migrate major operations from the mainframe came in early 2004. Vestcom launched a \$1 million initiative to move over 750 COBOL programs, averaging 1500 lines per program, from the mainframe to four 2.5GHz machines running Windows Server 2003. Vestcom selected Micro Focus Net Express® and Revolve, two of the products collectively known as Micro Focus Studio, because of their rich functionality and ease of use.

Over 18 developers were involved in the project at Vestcom's primary central data center processing operation which handles the majority of data resources for other sites within its MBC division. The developers analyzed the applications' assets (COBOL, JCL and VSAM files) using Revolve.

The programs were migrated to Windows alongside the VSAM data which was converted from EBCDIC to ASCII. The conversion process went smoothly and quickly, although one result was unexpected.

"After we migrated the code, we tested the application for differences. Not only did we easily spot the expected migration differences, but we also found areas for improvement that made the code run more efficiently," said Bob Miesieski, director of IT at Vestcom.

Working with Net Express and Revolve helped developers diagnose and resolve problems extremely easily and quickly. "The ability to pull up the COBOL on a PC, make changes to the code and test it is probably twice as efficient as our old mainframe screen modification and testing process," said Miesieski.

A Resounding Success

Vestcom reduced the CPU and DASD components of the mainframe outsourcing cost by 75 percent.

The company estimates the return on investment to be in excess of \$500,000 per year, delivering payback in less than two years from mainframe cost savings alone before the additional benefits of greater agility and improved developer productivity are factored in.

Developer productivity has improved dramatically. Customer service has improved; the company can now react more quickly to customer requests because developers work directly on the code from their PCs. Also, Vestcom may not need to increase staff as the business grows, which represents additional cost savings.

Not only is the system now more cost-effective; it's also faster. The migrated applications (over 250 of them) run an estimated 10 percent faster on Windows than on the mainframe, maximizing delivery potential in key overnight runs.

Migration brings the flexibility to embrace new technologies and initiatives. Vestcom is currently investigating the use of Web services and is considering using Micro Focus Net Express with .NET to populate their customers' databases with real-time production information so that customers can see the status of each project in real time.



TietoEnator: Improving Cost Effectiveness and Developer Efficiency

"The availability of new production strength platforms extends to smaller banks, which means new areas are opening up for us, such as extending to UNIX, Linux and Windows market arena. We now have the technology to reach platforms that are suitable for smaller organizations, and there's no stopping technology going that way."

Einar Clementz,
Head of IT, TietoEnator, Norway

Overview

TietoEnator Banking and Insurance is one of the leading providers of IT services to the banking, insurance and finance industries. The company operates in more than 13 countries and has over 400 customers throughout the world.

Challenge – Reducing the Cost of Mainframe Hosting

In financial services, legacy COBOL is the backbone of many business critical systems running on the mainframe today. IT systems in the banking sector are not only complex, but regularly have to adjust to new legislation and business opportunities. Developing and maintaining these mainframe systems is expensive, for banks and banking solution providers like TietoEnator.

TietoEnator needed a solution that would keep up with the changing pace of technology while keeping their developers efficient. The company decided to leave the mainframe as the development platform and looked for a solution to extend the mainframe's efficiency.

They selected Micro Focus and its Leverage and Extend solution because its tool sets allow the mainframe applications to be refined and undergo new development outside the mainframe world. These scaleable application development tools enable mainframe COBOL to run efficiently on the PC platform.

"It is very simple basically," said Einar Clementz, head of IT. "For a majority of our customers it's most important that we offer banking functionality, and that's what we do, in COBOL, with Micro Focus. COBOL is delivering results every day, and that's what's important to us."

Solution

For several years, TietoEnator has been using Micro Focus PC-based technology for development and testing its mainframe application. Using the latest Micro Focus Studio technology, TietoEnator has shifted all development work from the mainframe to the PC, to further reduce costs and reliance on the mainframe itself for testing as well.

"Testing is the costly part of the mainframe and here the Micro Focus solution really works wonders. At this point we are using on average 50 MIPS annually, and that is not much for an organization doing development and testing with 100 programmers and testers on major COBOL applications to several hundred large customers," explained Clementz.

Results

"The immediate cost reduction when starting the migration in 1994 was 2/3," said Clementz.

We saved 12,500 NOK per developer per month (equivalent to \$23,000 USD or €19,000 per developer per year) by moving the development and maintenance from the mainframe to the PC platform.

That was in the initial phase, and since then we have had a steady decrease in mainframe utilization. In 2005 alone we have had a decrease of 10-15 percent of mainframe usage."

In addition to gaining advanced development tools, another benefit of using Micro Focus' latest technology was that more than 90 percent of application testing was done more efficiently in the PC environment, and this increased efficiency in testing meant higher quality for the final result.

"Quality is very much measured in error reporting. Compared with last year, this year we are between 25 to 40 percent better in terms of errors reported. This is a result of more focus and better structure in testing, and Micro Focus tools have helped us do this," concluded Clementz.



Enterprise Server Benchmarking

Can you replace a \$30M IBM mainframe with Micro Focus products? That's the first question we had when we introduced Micro Focus Enterprise Server™ with Mainframe Transaction Option (MTO) as part of Net Express.

Enterprise Server MTO was designed to run the same CICS COBOL applications as the "big iron" from IBM, handling thousands of concurrent terminal users and dozens of batch (background) jobs. But, would it be able to perform at the same level as the specialized mainframe hardware and software products from IBM, Amdahl, Fujitsu and Hitachi Data Systems? About a year ago we set out to look at the performance characteristics of "mainframe migrated" applications.

A number of our partners were interested in the same information: Unisys makes a 32-CPU Intel XEON system that could host these applications; Fujitsu makes an Intel Itanium-based "PC" with 512GB of memory;

EMC2 makes mainframe-style disk arrays in the terabyte range and Microsoft recently introduced Windows 2003 Data Center Edition for operating large environments. Database companies such as Oracle, Microsoft and even IBM are lining up to show that their software quality is up to the level of mainframe equivalents. But these software and hardware components are worthless for running customers' mission critical COBOL applications without another key component. That's where the "glue", Enterprise Server MTO, comes in.

As a transaction system, Enterprise Server MTO must manage the sometimes competing requirements of many logged-on users. The interaction, or contention, reduces performance. The architecture of Enterprise Server MTO is designed to take advantage of multiple CPUs and lots of memory to counteract that. But, can the advances in the Enterprise Server MTO design bring it up to mainframe levels?

We tested a standard benchmarking application, written in COBOL, using IBM CICS APIs called TPC-C against a mainframe in the Micro Focus Rockville, Maryland office and then again on \$1 million PC environments.

Mainframes are rated in MIPS – any IT data center manager knows the "MIPS rating" of his/her mainframe. Our goal was to come up with a "MIPS rating" for a variety of PCs (and UNIX and Linux systems, since Enterprise Server MTO runs on many platforms). We ran the same benchmark using Enterprise Server MTO on a variety of platforms. We found that small dual-processor DELL systems could compute at the speed of mainframes costing tens or hundreds of thousands of dollars. And larger systems, such as the Unisys ES7000 8-CPU system could compute at 1,715 "MIPS equivalent." About 80 percent of all IT data centers in the world are this size or smaller.

We conclude that you can run mainframe sized workloads under Enterprise Server MTO at a similar or higher performance. When you factor in total cost of ownership of the Micro Focus solution, IT could run their data center at about 1/20th the cost when measured against mainframe upgrades and typical software leasing prices.

For a detailed discussion of benchmarking Enterprise Server visit www.microfocus.com/events/MSSQLV52005



Ready to Rock the Launch

Microsoft Visual Studio 2005, SQL Server 2005 and Biztalk 2006

Microsoft CEO, Steve Balmer, visits Micro Focus! On November 7th in San Francisco, Microsoft kicked off its launch and rollout of Visual Studio 2005, SQL Server 2005 and Biztalk Server 2006. The event was sold out with over 3000 attendees and hundreds of partner kiosks on the exhibit floor. Micro Focus was one of only three Microsoft partners personally visited by Steve Balmer.

Balmer's visit created a huge buzz around the Micro Focus kiosk and Ian Archbell, Micro Focus VP product management and Terry Glenn, VP of Microsoft Alliance, had the opportunity to meet and chat with the Microsoft CEO. When asked about continued Microsoft investment in legacy migration, Balmer was very clear that there will be significant investment and a high profile go-to-market program from Microsoft. As well as a continued push to get success stories on the topic developed over the next six months.

Keynote address

The launch day started with Balmer's keynote address, where he reviewed the product announcements. This was followed by an update of the Microsoft mission and several product demos. Balmer concluded the keynote by providing benchmarks that showed "there's no job that is too big to run entirely on the Windows and Microsoft platforms".

On the topic of legacy migration, Balmer stated, "I think that's important for all of you to think about and consider and know when you talk to peers and other folks in your organizations about why now is a good time to move. I was in Atlanta seeing customers a couple of weeks ago and met with three or four customers who are looking at migration off of mainframes and coming down onto distributed systems. They wanted to talk a little bit about .NET and SQL Server in this new round of products. And I'll tell you, I feel like we've really crossed a chasm in terms of people really understanding that these are platforms for mission critical applications."

He concluded the keynote commenting on why the current releases are significant for Microsoft.

"A platform that will support you, as you try to help the users you serve get better decisions made and get faster results, a platform that I think has proved itself with customers, in terms of its trustworthiness, that is very scalable, that supports really very, very high security operations and certainly, last but not least, one that is very well supported by software vendors and hardware vendors around the world."

The complete text of Balmer's keynote can be read at: www.microfocus.com/events/executives/webcasts.msp

Micro Focus kiosk activity

The main highlight at the kiosk was our partner, EDS', migration of their Merchant Acquirer Services application from the mainframe to the Fujitsu PRIMEQUEST™ 24-CPU server. Merchant Acquirer is a comprehensive credit card processing solution. The application previously resided on an IBM zSeries mainframe. On the server, the migrated application includes CICS and makes use of Micro Focus Enterprise Server with Mainframe Transaction Option (MTO) monitoring the transactions. The client side user interface (UI) was built with Micro Focus Studio and Microsoft Visual Studio 2005. The UI was executing as managed code in a .NET Framework. A Micro Focus migration test harness simulated 500 3270 users. The Fujitsu PRIMEQUEST 24 CPU server showed no more than a maximum of eight percent utilization for these transactions.

Major announcements

Micro Focus announced, as part of the launch, three press releases highlighting successes with Pacific Exchange, the U.S. Army and Express Newspapers. For more information on these stories, visit the Micro Focus Press Room: www.microfocus.com/pressroom/releases

Follow-on launch events

Micro Focus participated in follow up launch events in major cities throughout North America including Chicago, New York, Denver, Boston and Washington DC. Micro Focus also participated in several launch activities around the globe including Tokyo, Japan, Sydney, Australia, London and Birmingham, England, and Rome and Milan, Italy.



Sunrider International migrates off the HP e3000 with IMAXSOFT and Micro Focus

Sunrider International introduced a new, enhanced platform for its China operation in less than 10 months, with 120 users, and transitioned its in-house systems for its largest market in June of this year.

IMAXSOFT, a Micro Focus Migration and Transformation Consortium (MTC) Partner, discusses their success with their customer Sunrider International.

Sunrider International is a distributor and on-line retailer of herbal products servicing 36 countries worldwide. Over the last 23 years, Sunrider International has developed into a company with over 6000 retail stores in China, with its own manufacturing facilities in Singapore, Taiwan, Tianjin, Huang Pu, and California. The company needed to update its systems to cope with further expansion.

Before the migration, Sunrider relied on an HP e3000 system to run and manage its entire distribution channel worldwide in a 24/7 environment. Sunrider decided to migrate to

HP-UX and ORACLE open platform in late 2003 due to rapid sales growth, increasing demands for web-enabled access, and the announced retirement of the HP e3000 platform.

Sunrider wanted a new system to:

- > Be live by 2nd quarter of 2005 for the China market
- > Preserve business logic 100%
- > Migrate IMAGE to ORACLE
- > Modernize terminal UI to COGNOS Axiant GUI
- > Migrate COBOL to Micro Focus Server Express and Application Server™ for high performance
- > Maintain on-going enhancements during the transition
- > Support a mix of character sets (single and double-byte) in one consolidated, English-based ORACLE
- > Support high-speed TREE TRAVERSAL in ORACLE
- > Include batch window for bonus calculation in 3 hours
- > Be easy to learn with on-job training

The solution they chose comprised IMAXSOFT's OPENTURBO suite and technical service along with COGNOS, Micro Focus Server Express and Application Server, ORACLE pro*COBOL, HP-UX, and ORACLE.

Sunrider plans to transition the entire HP e3000 computing environment to HP-UX and ORACLE for all countries and all lines of business by the 2nd quarter of 2006.

One of the key factors to overall success was performance tuning – enhanced tree-traversal cut an 8.5-hour operation to 12 minutes, a CISAM implementation reduced BONUS calculation from 3.5 hours to 18 minutes.

"Thorough planning, POC and good tools are the key; vendors that know the guts of HP-UX and ORACLE and their products are very essential, and of course, vendor support is most important, particularly for a 24x7 operation; to be able to achieve success thus far, we have to thank IMAXSOFT's superior support and in-depth knowledge of HP-UX, ORACLE and HP e3000; they sure made this transition seamless and their stuff works," said Yung-Chin, Chiang, Director of IT, Sunrider International.



Terry Glenn (left), Steve Balmer (center) and Ian Archbell (right)



Micro Focus Worldwide Developer Forum

March 12-15, 2006 - Denver, Colorado - USA

Join us at the most comprehensive user training event of the year! Delivering training, technical talent, and superior resources in one event, the Micro Focus Worldwide Developer Forum provides a productive learning environment that reflects real-world IT environments - helping you find the best ways to operate, deploy and maintain your legacy assets.

If your organization is looking to maximize the potential of its existing legacy assets while minimizing IT costs and risks associated with new development efforts, and maintain agility with new technologies including .NET, J2EE, XML and Web services, this is THE must-attend training event for IT professionals.

Get connected! With first-hand access to Micro Focus technical leaders and plenty of peer-to-peer networking opportunities, learn the latest Micro Focus and industry technologies, test-drive products, share best practices, hear customer success stories and select from over 50 technical sessions, plus much, much more!

What's New This Year?

Mini-Tracks

Covering technology areas such as .NET, COBOL Object Oriented programming and Web services and the latest Micro Focus offerings, the new mini-track format will offer sessions where technology concepts and practices are presented in a set of progressively more advanced presentations that will take you through from first introduction to expert usages.

Forum Central

Make your connections at the Forum Central! Relax, network, exchange ideas and get answers to your technical questions while interacting with Micro Focus technical leaders in a comfortable setting.

Test-Drive Area

Try out Micro Focus products in a hosted area equipped with all essential hardware, software, and self-guided exercises.

Strategy Exchange

Meet face-to-face with Micro Focus executives in a private 45-minute session. For more information visit:
www.microfocusdevforum.com

Hear from our past attendees!

"Outstanding sessions. You all did an outstanding job...I'll be here next year."

Bob Carey, National Information Solutions Cooperative

"I was very impressed with both the availability and knowledge ability of the Micro Focus personnel. It was a pleasure interacting with them all."

Chris Talierno, AEC One Stop Group, Inc.

"Great forum! Enjoyed it and consider it very worthwhile! Very well organized with a good variety of sessions. Micro Focus is doing some good things!"

Michael Rimmey, Director, Development Technologies

European note:

Visit www.microfocusdevforum.com to see if a local version of the Worldwide Developer Forum will be held in your country.



The last quarter of 2005 saw Micro Focus featured heavily in trade and business media, thanks in part to some great customer announcements.

Express Newspapers

In the UK, Micro Focus announced that Express Newspapers has made savings of over £830,000, thanks to a migration project conducted with Micro Focus' partner, MSS International. Following a briefing between Simon Cohen, product development manager at Express Newspapers, and James Brown, Computing - one of the top two trade magazines in the UK - the story ran as an exclusive across a half page spread. The article highlighted the significant cost savings, contained extensive quotes from Cohen and acknowledged the crucial roles that both Micro Focus and MSS played in the migration.

Just five days later, Computer Weekly - the other top trade magazine in the UK - ran the story as part of an article on mainframe emulation. Express Newspapers was used as a box-out, highlighting migration as a viable alternative to the mainframe. Once again, the savings are referenced and the article highlighting Micro Focus Studio and Server.

Pacific Exchange and US Army

Customer stories helped boost the coverage on the other side of the world, with Computerworld - a top trade magazine in Australia - covering not only the Express Newspapers announcement, but also the Pacific Exchange and US Army migration announcements respectively.

Building a Future on the Past

Micro Focus continued to appear in the European press as well. Bart Abeel, Micro Focus sales manager BeLux, produced an article titled "Building a future on the past" for December's edition of Belgian HP Magazine. The article emphasizes the importance of COBOL and the mainframe. The Lift and Shift™ concept is explained in the piece, as are the different steps that a project has to follow in order to smoothly execute this process. Bart also explains the advantages and requirements for a successful migration project.

The CIO's Dilemma

Micro Focus forayed into the business press with a full page dedicated to "The CIO's Dilemma" in Business Management US. Complete with an image of the article's author, Mike Gilbert, Micro Focus VP marketing, the article appeared verbatim. Business Management US is circulated to C-level executives at global corporations. This is the 34th time "The CIO's Dilemma" has been published!

All Micro Focus press releases and news articles can be viewed at www.microfocus.com/pressroom