

The merger of Caldera and SCO

MARRIAGE

OF CON-

VENIENCE

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Caldera is about to take over the core products of the traditional Unix producer, the Santa Cruz Operation, better known as SCO. The Unix systems owned by SCO, Openserver and Unixware, will continue to be supported for the time being, but will receive a Linux personality. SCO and Caldera employees and business partners first learnt of the details of the future strategy at the Forum 2000 in Santa Cruz.



For fourteen years Unix developers, marketing personnel and SCO partners have been meeting at the Santa Cruz university campus – which can only be described as idyllic – for a forum: a three day long conference in an informal atmosphere. This time the participants were particularly on tenterhooks because Caldera had taken over two out of three of the traditional business divisions, the server software division and the professional service division.

SCO thus becomes history, in fact doubly so. SCO, as it used to be, no longer exists. The divisions for Unix software and for service will become an integral part of Caldera. Left behind is a company called “Tarantella” which will continue with the development and marketing of “web enabling software”.

Tarantella will receive 28 per cent of the Caldera shares and two seats on the board of directors. One of these will be occupied by the present CEO and president of SCO, Unix veteran, Doug Michels, who will become CEO of Tarantella. Doug Michels gave the keynote speech at the SCO/Caldera function.

In order to sweeten the takeover for SCO, Ray Noorda's financial conglomerate, Canopy Group, who own the greater part of shares in Caldera, has

provided a loan of 18 million dollars. Tarantella will furthermore receive the income from the open server business and the rights to the system source code.

SCO is one of the few businesses that have written Unix history. The company was founded by Doug Michels and his father Larry Michels in 1979. Since 1983 they have had only one main focus: Unix for Intel computers. SCO XENIX system V was the first commercial Unix for PC's with 8086 and 8088 processors. Since that date progress has been straightforward: Unix for Intel's 286 and 386 computers, stock market entry, build-up of a global sales network. 1995 was a milestone with the acquisition of the whole Novell Unix line of business. Novell had acquired the “basic Unix” some years before from AT&T. SCO had furthermore taken over Novell's Unixware operating system.

Since that time, SCO has marketed the Unix system for Intel computers under two different brand names. The “Open Server”, SCO's original Unix, serves the lower segment, Unixware is reserved for the upper echelons. To that, various “value added” products were added, which often had only a short life cycle. So what exactly does SCO bring to the marriage with Caldera?

Mixed dowry.

One of the most valuable parts of the business owned by SCO has nothing to do with technology. It is the SCO sales organisation developed over the years together with its extremely loyal world wide customer base. At any rate 38 percent of all world wide installed Unix computers are said to run a SCO system. Development of business with new clients has to date, however, been less than satisfactory, especially following on from the Y2K problem, which has had its day as a means to increase turnover. As a result Caldera received in one fell swoop an incredible client base in comparison to all other Linux businesses.

In order to capitalise on this certain marketing efforts are unavoidable. SCO is going on the assumption that the classic resale outlets are increasingly changing into application service providers (ASPs). These will be offered under the slogan "Open Internet Platform", a solution-oriented approach, where one of the existing systems will be chosen as an alternative, Open Server, Linux, Unixware or else in future the 64 bit Unix AIX5L, which has been developed from the Monterey project.

Old wine in new casks - the "Linux Personality"

Unixware and SCO Open Server will be given a "Linux Kernel Personality (LKP)", which in fact means that these systems will be fully compatible with Linux. Linux RPM packages can be installed on Open Server and Unixware and the programs run within an entirely Linux set-up without any loss of performance. SCO already delivers a Linux emulator (*lxrun*) with the current Unixware variants. LKP will however go far beyond an emulator.

There two reasons for keeping the Unix systems on a medium term basis. One is the wide user base which cannot be coerced to migrate in its entirety

towards Linux. The other, seen from a technological viewpoint, is that Unixware still has a lot to be said for it. Above all, its ability to scale up to larger systems is still somewhat better than that of Linux. In particular, when dealing with threads, Linux is limping behind. Efficient thread management is necessary in order to scale applications properly to multi processor machines. General statements about the performance of Linux applications on Unixware with an overlying "Linux personality" are currently difficult to come across. According to Jürgen Kienhöfer, who is the authority involved with the development of the kernel personality, threaded applications such as the Lotus Domino Server give an obviously better performance when compared to the pure Linux solution.

The sixty four thousand dollar question - what's your attitude towards a licence?

Caldera's CEO, Ransom Love, has given assurances on many occasions that Unixware is to be placed under an open source compatible licence. Whether this would be GPL would be decided at a later date however. The "Linux Kernel Personality" will probably have been available for a long time before this issue has been resolved. According to Jürgen Kienhöfer, SCO has safeguarded itself as a precaution against accusations of violating GPL's rights, by reprogramming the kernel interface in a "clean room" implementation, without utilising Linux code. It is noteworthy that the whole project file system has been implemented by Linux, so that applications can have access to it.

The rights of third parties are the main obstacles standing in the way of the plan to place the whole Unixware kernel under an open source licence. There is a great deal of "intellectual ownership" in Unixware by third parties such as Novell and Compaq. The technically mature journaling file system, Veritas, will be the one most likely to cause problems. Ransom Love has promised, however, to reprogram those parts of Unixware which violated the rights of third parties.

Some are more open than others.

In the upper echelons of Caldera's future range of products "the real Unix" will play a significant role, but at the lower end things look quite different. The managers have not yet tired of affirming the continuing existence of SCO Open Server but the division of the low end server market for the present system, into which a lot of effort has gone, seems to have been badly constructed and little more than an excuse to keep the sales people and SCO partners in a job. The roadmap which has been introduced for this product with the possibility of "leapfrogging" from one version to another, version 5.9.5 over 5.9.5a up to 5.9.5c by the middle of the year 2002 doesn't really seem to be visionary so we can expect

Can you feel the tension?
Yellow-dressed SCO employees listening to Ransom Love of Caldera.



that this sales channel will be utilised intensively for Caldera's Linux OpenServer.

Two birds with one stone - non-stop clustering

One of the most recently developed SCO gems is the clustering software Nonstop Clustering (NSC). This is where the server division tries to kill two birds with one stone: the software serves on the one hand to improve performance, but on the other hand also offers failover solutions in case of system failure. NSC is at present still an independent product which SCO offers as an option with Unixware, but should be fully integrated at a later date.

The former Monterey project

The development of a high performance 64-bit operating system for Intel's Itanium was (or is?) a joint project by IBM, Intel and SCO. The massive Linux initiatives by IBM were above all the reason why IT prophets found the future of Monterey a popular subject. Now at least something can be revealed: the system will be called AIX5L and will therefore appear as a successor to IBM's own Unix. IBM will be the first to derive the main benefits from it, since the only architecture available at the moment, on which AIX5L can be installed is based on the PowerPC. Furthermore, the L in the new name stands for Linux (no joke). IBM is therefore making it very clear to all on the outside that this system, produced with such immense expenditure on development, is really only a temporary solution until Linux is "enterprise ready". As a result, it was difficult for many SCO managers and developers to maintain the required aplomb and to predict a great future for AIX5L.

Since IBM has provided the main expenditure for the development, it is obviously a case of: he who pays the piper calls the tune. Furthermore, we should note that the hardware producers like to present their Itanium run server prototypes with Linux. Hewlett-Packard were at the Linux Day in Stuttgart, now we've got Compaq at the SCO forum in Santa Cruz.

Cultural war - Open source and SCO, will it work?

The failed merger between Dresdner Bank and Deutsche Bank has demonstrated once again that company mergers only work if the culture of both businesses is compatible. Banks, whether their colours be green or blue, are certainly much closer culturally than Linux people and the Unix freaks of the seventies. Still, a mutual curiosity was all pervading at the forum and it was amusing to note in places how Caldera and SCO employees were mutually sizing each other up.

It was, however, during the keynote speech by Ransom Love in the misty quarry on the campus



A relaxed Dony Michels giving the keynote speech.

grounds, almost physically perceptible how many of the SCO people inwardly breathed a sigh of relief. This was no wild freak before them who was about to push ahead with the sell-out of a traditional business, but someone who valued profitability and continuous development and who understood how to convince his audience that he thoroughly understands and takes their reservations seriously. Experts on the business affirmed that Doug Michels, the CEO of SCO still in office, has not looked so relaxed for a long time.

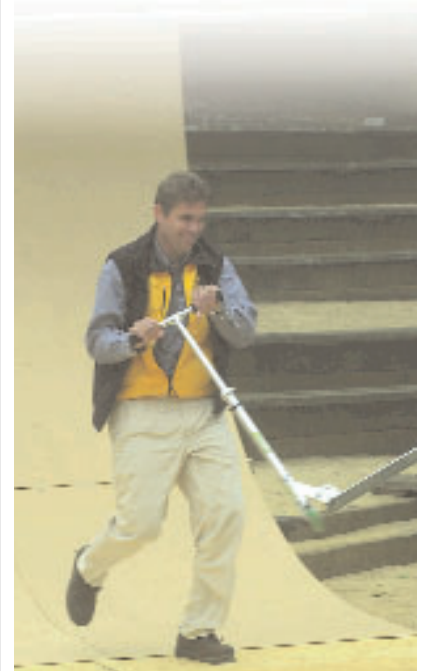
Forum 2000! without ties: Ransom Love in sporty guise.

So are we now all in complete harmony? Not quite. It is in sales and marketing that the prejudices against free software run deep. An American SCO sales partner protested in a session on open source software that, if software is free, no matter how good Linux is from a technological point of view, 90 percent of his clients would not accept it. A German SCO manager was of the opinion that Unixware would never be open source, nothing as dreadful as that could ever happen. Time, however, heals many wounds and neither will want to be reminded of their utterances next year.

The fact is that a Linux distributor now has direct access to the sales channels of an old and well established Unix business. This fact cannot be overestimated enough. One can only hope that Caldera will handle the Unixware legacy in a sensible manner - for its own benefit but also for the benefit of free software.

The Forum - another heirloom

Amongst managers and developers who are in any way linked with SCO, the SCO forum in Santa Cruz enjoys a legendary reputation as an informal meeting place. If Caldera continues with this tradition, it will create an opportunity whereby classical Unix people can meet with the Linux scene, so that both may be able to learn from each other. It is said that, once upon a time, anyone spotted wearing a tie, had it cut off. Today this is no longer the case - there's no-one wearing one any more. ■



"Forum 2000" without ties: Ransom Love in sporty commitment.