



Enterasys Throws a Touchdown with the New Stackables

Type: Competitive Intelligence Report **Current Perspective:** Positive
Analyst: S. Schuchart **Vendor Importance:** High
Report Date: September 15, 2004 **Market Impact:** Moderate
Module: Enterprise Infrastructure

SUMMARY

Event Summary

September 14, 2004 -- Enterasys Networks announced the Matrix C2 Series, which includes the first triple-speed 10/100/1000 stackable switching platform with Power over Ethernet (PoE) and extends Enterasys' Secure Networks portfolio. The Enterasys Matrix C2 Series consists of the following six platforms of next-generation, high-density, stackable gigabit switches: 24-port 10/100/1000, 48-port 10/100/1000, 48-port 10/100/1000 PoE, 48-port 10/100, 48-port 10/100 PoE, and 24-port 10/100/1000 with dual 10 GB uplinks. With the industry's first 10/100/1000 stackable with PoE capabilities, the entire Matrix C2 series supports 802.1x, MAC and Web authentication for securely supporting enterprise users, as well as converged network applications and devices.

Analytical Summary

- **Current Perspective:** Positive on Enterasys' release of the Matrix C2 series of fixed configuration switches, because it gives Enterasys a new product line with ample features that will be attractive to customers that are interested in advanced security, PoE, and uplink features.
- **Vendor Importance:** High to Enterasys, because the release of the Matrix C2 series of fixed configuration stackable switches gives Enterasys an enterprise class stackable with all of the features and configurations that an enterprise buyer is looking for, including PoE, Gigabit Ethernet, and 10 Gigabit Ethernet. Enterasys previously lacked a competitively viable stackable product in this space.
- **Market Impact:** Moderate on the fixed configuration switching market, because Enterasys was trailing from a technology perspective in this market segment, lacking a next-generation high capacity stackable. With this announcement, however, Enterasys leaps to the forefront of multi-Gigabit stackables, offering one of the richest feature sets in the industry, putting competitors with lesser capabilities at a disadvantage.

PERSPECTIVE

Current Perspective **Positive**

We are taking a positive stance on Enterasys' release of the Matrix C2 series of fixed configuration stackable switches. The release of the Matrix C2 series fills a hole in Enterasys' product line, allowing it to sell to customers that require an advanced stackable switch, in addition to giving it a strong PoE play and a 10 Gigabit Ethernet solution for the wiring closet. The Matrix C2 is a next-generation stackable switch with security, QoS, and management features that are a match or better than competitors' products on the market.

[Enterasys](#) released six different models of the Matrix C2 Series fixed configuration switches. These are the 24-port 10/100/1000, 48-port 10/100/1000, 48-port 10/100/1000 PoE, 48-port 10/100, 48-port 10/100 PoE, and 24-port 10/100/1000 with dual 10 GB uplinks. All of the Gigabit switches but one have two or four dual personality ports to accommodate fiber uplinks. The remaining switch has two 10 Gigabit Ethernet uplinks. The uplinks on the 10/100 models are not dual personality. Enterasys is the first vendor to release triple speed ports with PoE for the fixed configuration stackable market segment. All of the switches feature Enterasys' Secure Networks functionality (see "Enterasys Takes the Fight to the End Station," July 07, 2004) as well as being fully operable with Enterasys' intrusion response systems. The switches are also fully manageable with Enterasys' NetSight Atlas policy management framework. The Matrix C2 Series can be stacked in configurations of up to 384 ports of 10/100, 384 ports of 10/100/1000, or 16 10 Gigabit Ethernet or XXX 10/100/1000 ports. You can stack up to eight of the Matrix C2 Series, and the stacking bandwidth is 320 Gbps, aggregate. The base products all support static Layer 3 routing, and, with a per-stack licence, they can support advanced routing protocols such as OSPF, VRRP, DVMRP, PIM-SM, and PIM-DM. Stacks of the Matrix C2 Series support external redundant power and stacking cable fault protection via a wrap-around cable.

The Matrix C2 Series has a number of competitive advantages that make it a true next-generation fixed

configuration stackable switch. First, with six models, there is enough variety in the switches' port configurations to satisfy the majority of customer requirements for switch flexibility. Enterasys has made two of these models PoE capable, one with Gigabit Ethernet, and another with Fast Ethernet. This allows for the maximum amount of flexibility for customers deploying wireless access points or a VoIP system. There is also a 24- port Gigabit Ethernet model with two 10 Gigabit Ethernet uplinks, a competitive choice to connect to a 10 Gigabit core and bypass more traditional aggregation layers. Enterasys has also hit the mark with a very rich set of multi-layer features, highlighting the feature weaknesses of many competing in-class products.

The Matrix C2 Series lacks at 24-port PoE model, complicating deployments for installations where there is only a limited need for PoE. Enterasys has prices competitive with Cisco, which is laudable. Still, in comparison with other manufacturers, the pricing is generally more expensive for the Matrix C2 Series. There are no models with predominantly fiber ports, limiting the usefulness of the Matrix C2 series with enterprises that have invested in a large fiber infrastructure either at the wiring closet or distribution layer.

While an evolutionary step, Enterasys caught up with competitors by introducing Gigabit Ethernet with PoE on a fixed configuration stackable switch, which will give it at least a short- term competitive advantage. Competing vendors that do not currently have next- generation fixed configuration stackable switches with PoE and 10 Gigabit Ethernet will find themselves at a competitive disadvantage when bidding against Enterasys solutions.

The Matrix C2 Series of fixed configuration stackable switches removes a competitive barrier for Enterasys and shows its commitment to the Enterprise market. The new products are well tiered in Enterasys' overall product line and will have positive impact on sales thanks to their clear competitive differentiation.

Market Impact Moderate

- The announcement comes after competitors, such as 3Com, Extreme, Foundry, Cisco, and Nortel, who already have Gigabit stackable products and fills a significant hole in Enterasys' product line.
- Although [Enterasys](#) is late to market with this product, it has taken the time to enter the market with one of the best products, feature wise. Competitors may feel some pressure from Enterasys due to its superior feature set, particularly those vendors that have been slow to deliver a full feature set for their respective products.
- By expanding its product line, Enterasys is enhancing its perception in the market. Customers of Enterasys seeking stackable solutions now have a compelling reason to stick with Enterasys equipment, thanks to the availability of the Matrix C2 series and its Secure Enterprise features.

Vendor Importance High

- [Enterasys](#) lacked a next generation high performance fixed stackable product that had POE options, and is the first to market with a fixed stackable Gigabit Ethernet switch with POE. With the Matrix C2 series, these deficiencies in its product line are corrected.
- Enterasys' only other fixed stackable product, the Matrix V2 series, was oriented towards workgroup applications and did not enjoy all of the port options and the Secure Enterprise options of the Matrix C2 series. Enterasys needed to add an enterprise caliber stackable to be competitive in the enterprise wiring closet market.

POSITIVES AND CONCERNS

Competitive Positives

- The Matrix C2 Series rounds out Enterasys' fixed configuration stackable switch product line, making it much simpler to sell an entire solution to a customer. Enterasys was significantly deficient in the high performance wiring closet stackable space prior to this announcement.
- The Matrix C2 Series has a good selection of configuration options, giving customers and resellers the flexibility they need to make compelling sales and technology arguments. The product also has one of the most complete multi-layer features sets (and full support for Enterasys' policy-based management), extending Enterasys' competitive advantage in the sales field.
- The Matrix C2 Series supports PoE, not just on 10/100 models, but on a 10/100/1000 model, a first in the fixed configuration stackable switch market.
- The two 10 Gigabit Ethernet uplinks on the C2K122-24 model make it a good addition to any stack in a network using 10 Gigabit Ethernet uplinks to the core or aggregation layers.
- The Matrix C2 Series supports external redundant power supplies for customers that demand additional reliability in the stack. There are two different models of external redundant power supplies, one for the PoE models and one for the standard models. This saves the customer without PoE from having to pay for the PoE capable external power supply.

Competitive Concerns

- While the Matrix C2 Series offers PoE, it only offers it in a 48 port models, leaving customers with only limited need for PoE support without any options.
- The pricing of the Matrix C2 Series is competitive, but not so much that it will give Enterasys a price-driven sales advantage.
- Other than the uplinks, there are no 100Base-FX or 1000Base-X SFP models in the Matrix C2 Series, leaving customers with extensive fiber installations without a good option.

RECOMMENDED ACTIONS**Recommended Vendor Actions**

- Enterasys should introduce models designed for 100Base-FX and 1000Base-X installations, filling out the Matrix C2 Series further.
- Enterasys should introduce PoE models with lower port counts to accommodate customers with smaller PoE density requirements.
- Enterasys should aggressively attack competitors by highlighting their lack of enterprise features, pointing out how Enterasys has shipped a complete product from the onset, with full support for critical enterprise features and policy management.
- Enterasys should make sure existing customers who may have been buying competitor solutions for the enterprise- class wiring closet are aware of the new Matrix C2 Series offering.

Recommended Competitor Actions

- Competitors that do not offer PoE or do not offer PoE on Gigabit Ethernet in their fixed configuration stackable switch product lines need to introduce those products as soon as possible to avoid being at a competitive disadvantage with Enterasys.
- Competitors can offer full Layer 3 routing for their stackable products without an additional charge to gain a competitive advantage over Enterasys.
- Competitors that do not offer a stackable switch with 10 Gigabit Ethernet uplinks need to develop and bring such a product to market to avoid being at a competitive disadvantage with Enterasys.
- Competitors that have been incrementally releasing features for their enterprise wiring closet stackables should take Enterasys' product announcement as a wake-up call that their incremental approach is no longer sufficient to maintain any competitive advantage.

Target Markets

- Large Enterprises- Small to Medium Enterprises- Global 2000

Recommended End User / Customer Actions

- Customers should carefully consider whether they have need for a full fiber switch when considering the Matrix C2 solution.
- Current Enterasys customers should consider the Matrix C2 solution in light of Enterasys' Secure Networks security solution.
- Customers running a 10 Gigabit Ethernet core should consider the Matrix C2 Series for a wiring closet solution and a way to eliminate the aggregation layer.
- Customers should consider both the Matrix C2 Series from Enterasys and products from competing vendors, such as Nortel, Cisco, 3Com, Alcatel, Extreme, and Foundry.

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