

From the Editor



BY PHIL BECKER

Signs that the sea change networking will inevitably cause in computing technology is finally starting to occur have recently surfaced in many places. This sea change is destined to rearrange the computing industry significantly, but even more important is the way it will create new business models and rearrange current ones in nearly every industry. As with all sea changes, however, to obtain the benefits (and avoid drowning) you must understand what is actually happening and why so you can plan to take full advantage of the trends and not have your plans fail because a foundation you built them on is washed away. Fear not, this (and every) issue of Digital ID World is designed to help you do just that.

What are the Signs of This Change?

The first visible sign of this sea change is not new. It is the failure of the bastion security model we've written about so much at Digital ID World – on our website, in my weekly newsletter, and in this magazine. The recent RSA security conference revealed, however, that both the security industry and its customer base have finally realized that trying to rope off perimeters and defend them is a failed approach to network computing. Jonathan Swartz, Sun's EVP of Software, said it colorfully, "It's time the industry admitted that the defensive approach to PC security with bigger moats, taller walls and memos from the CEO has clearly failed." These words have been spoken before. What was different this year was that nearly everyone now accepts that this is true, even if why it is happening and what to do instead isn't quite clear yet.

That recognition of the failure of the bastion approach to network security is rapidly accelerating is evidenced by the fact that nearly every vendor at the RSA show had reworked their marketing messages and positioning. They all wanted to indicate that they were now pursuing a "higher level" approach to security that integrated more things and was focused on making things manageable in addition to just playing defense. It seems certain that truly new approaches to network security that aren't about locking the door and keeping people out will soon follow this awareness that the old ways only have minimal, very local, application.

Networking Created The Total Integration Imperative

Networking is a relentless driver of the integration of everything. The rise of networking has created the total integration imperative – what is not integrated will die. In most large companies, integration has now become the CIO's top priority, although the trend towards the logical implication of this – creating architecture offices – is still embryonic. Old outlooks die hard.

Many current approaches to integration, however, just result in bigger point solutions that do not fully account for the steps that users must take to complete a business process. This happens because the desire to draw boundaries is so strong, we don't realize that the job has changed to planning for integration across every boundary. Even integrating business processes end-to-end isn't enough, as people cross the boundaries of lines of business every day just doing their jobs. This move to integrate across all boundaries will

Digital identity is centrally important today because of a significant shift that must take place in the computing world due to the effects of networking.

After several years of industry confusion, denial, and stagnation, signs are appearing that this shift is about to get underway.

The implications of this shift are enormous for both enterprise and the tech industry, and identity will be its organizing paradigm – though many haven't seen that yet.

have to be staged, of course, but it is a process that will relentlessly demand satisfaction. And this in turn will relentlessly drive new approaches, technologies, and methodologies.

You can spot improper or incorrect integration through the existence of too many manual process steps, poor coordination across different departments, employee confusion, and time delays. In turn, these inevitably yield measurable, negative impacts on cost-efficiency, customer satisfaction, and overall competitiveness in the marketplace. Integration approaches also fail when they don't align the management and administration of computing systems with the business processes they were built to serve. This can be spotted when the administrators of a system are not the people who use and benefit from that system in the business structure. Are you starting to hear why identity is central to these changes yet?

Effects of the Total Integration Imperative

A sign that these trends will dramatically change the tech industry is that application companies are starting to realize they must participate at the infrastructure level. If the forces are driving towards total integration the disappearance of this boundary makes sense, but it's not one that is often seen or discussed. One of the bigger signs that this will be so is SAP's NetWeaver initiative. SAP may be the ultimate poster boy for large applications, but they have seen that model must change. They soft pedal the implications of NetWeaver, but SAP's new strategy ends up competing with IBM's WebSphere and Microsoft's BizTalk Server, as well as software from numerous smaller companies. NetWeaver will challenge consulting companies specializing in systems integration,

“The computer industry is in the midst of the most disruptive architecture transition it has ever witnessed.”

including Accenture and the Global Services arm of IBM. IBM's Chairman and CEO Sam Palmisano was feeling this trend when he said, “[The computer industry] is in the midst of the most disruptive architecture transition [it] has ever witnessed.” The very essence of the technology business is changing, because the boundaries must disappear.

Meanwhile there is finally surfacing an awareness of the growing power of companies that are able to supply the glue that makes all the pieces of businesses' sprawling networks work as one system. Again this is a direct result of the network's relentless pressure to integrate everything across any and all boundaries. In the early days of the Internet people talked about “no boundaries” but they really didn't understand what that meant. Today, it is becoming clear that whoever figures out new paradigms that can actually deliver total integration capability across all computing applications and all platforms in some reasonable to implement, manageable and secure way will be the next “ruler of the computing universe.”

Even larger companies have suddenly become aware that they need to partner to supply what their customers want. The reason for this is that what customers really want is for everything to integrate with everything else and work smoothly together. The customers are demanding this because the realities of networked computing and networked business

demand it. We are still in the early phases of the participants understanding what is going on, however, so most still think they can draw boundaries around a market segment and defend it – maybe with the boundaries enlarged a bit. Time will show this isn't how things will turn out, and those who look to collaborate to grow total market size will win over those who remain focused on trying to carve market spaces up.

Business is Now Being Affected

The most significant sign that a sea change is near is the degree to which business feels it is running out of time to respond to the changes networking is causing. For some time they've seen that without strong links between business systems, companies can't easily access data stored in multiple systems. That in turn creates missed opportunity. How much longer can businesses go without being able to know in real time which customers are spending the most money, why product demand is growing or ebbing, or which area of the company is least profitable? As soon as a competitor finds a way to do this, the rest of the companies in an industry segment will have to respond. Wal-Mart got to be the largest company by exploiting just such a moment when technology and business process could shift in tandem. Now that management is again focused on how to grow business, it won't be long before this happens again.

In This Issue

By now you may be wondering how all this applies to the magazine you hold in your hands. The answer is, that understanding this trend that is being relentlessly driven by the forces of networking and which will ultimately affect nearly every

Digital ID World is published bi-monthly by Digital Identity World, LLC, 3100 Cherry Creek South Drive, Ste 1505, Denver Co 80209. Phone: 303-663-7317 email: Advertising: sales@digitalidworld.com • Letters or editorial: editor@digitalidworld.com • Advertising: Eastern Region call 401-351-0274; Western Region call 949-366-3192 or email enquiries to: sales@digitalidworld.com.

Subscriptions are available for \$59 in the US or \$89 outside the US. Controlled Subscriptions are available to those who qualify. To subscribe, please visit www.digitalidworld.com/magazine. Or call 303-663-7317.

Exposing the trend that is being relentlessly driven by the forces of networking and which will ultimately affect nearly every business in the world is part of every article and column in this magazine.

business in the world is part of every article and column in this magazine. Each one seeks to show you the effects of that trend from a different vantage point.

The feature section this issue focuses on identity-based rights management. The concept is relatively easy to understand, if the network destroys the ability to create security by dissolving anything but very local boundaries, then we should make the security boundary be as small as a single document or piece of data and have our use policy for that data apply anywhere that data goes in or out of the network. Easy to say, but very, very hard to do.

The total integration imperative is why it is hard to do. Identity based rights management can't truly be delivered as the customer wants unless the data security methodology at the client, server, and network level is fully integrated (but loosely coupled) across all platform types and a globally integrated, but locally manageable, identity infrastructure is in place to support it. Needless to say, we're some distance from that, but it turns out that a big step closer has recently been taken. Our feature section brings you an examination of this step from both the technology and user deployment case study angles to help you see if it has gotten close enough to allow your planning to start to consider this digital identity-enabled method of protecting sensitive information while letting it flow freely through the network.

If everything must become integrated, then identity itself must become functionally integrated as well. But there are massive issues of privacy, technology compatibility, identity believability, civil rights, and accuracy that result from any attempt to do so. "Finding Identity in the

Noise" explores a technology that has been developed over two decades to deal with real-time identity integration in a unique way – one that promises to address many of the problems identity integration creates.

Integrating everything can create unexpected side effects. In "The Risk of Privacy Non-Compliance" we explore how new identity theft and privacy legislation combines with networked and portable computing to make it very easy to create expensive compliance violations in unexpected ways. Integration of everything also makes it tough to know what consolidation means at any given moment. In "Identity Management Market Consolidation: Not the End of Innovation" Mark McClain lays out what he thinks the recent identity provisioning M&A activity portends.

One of the enduring themes of Digital ID World is that identity is the organizing paradigm to manage and secure the network as this trend towards integrating everything across all boundaries continues. Identity management has been the first set of technologies and methods aimed at using identity to do exactly this for enterprise infrastructure. Trends evolve, however, and Archie Reed wonders "Can We Manage Identity Management." It is one of those iterative questions in the evolution of new methodologies that deserves exploration.

RFID has been blazingly hot lately. "Can RFID Withstand the Hype" explores the forces RFID will have to face from the relentless trend to integrate everything. RFID has recently pegged the hype meter, and is finally nearing serious deployment. But it has been developed

in isolation and one wonders if it is ready to handle the pressure of integrating with the rest of the world.

As always, this issue brings you case studies of identity deployments, told through the experiences of those who deploy them. The feedback we get on these articles is more consistently upbeat than for anything else we do, and it is clear why. Nothing anchors new concepts like talking to people who have implemented them under the pressure to produce results. From managing deployments to success, through virtualizing identity infrastructure, to the reality of deploying enterprise rights management infrastructure, you can read what it was like from those who did it (unless you put the magazine down a bit too early.)

I would like to thank the many readers who have called or emailed to compliment us on the first two issues of this magazine. It is gratifying that you appreciate the way we are trying to create a high quality, high level entry point into the most significant technology story of our time – the identity paradigm. The only way to get up to speed on those implications faster and better than reading this magazine and subscribing to my weekly newsletter is by attending our Fall conference which this year will be in Denver, CO, October 25-28, 2004. See our ad elsewhere in this magazine for details, but mark it on your calendar now. See you there. ■



Article Reprints, Eprints, and NXTprints:
Increase exposure by including article Reprints, Eprints, and NXTprints in your next promotional project. High quality article Reprints, Eprints, and NXTprints are available by contacting:

REPRINT MANAGEMENT SERVICES
Toll Free: 800-290-5460
717-399-1900 Fax: 717-399-8900
Email: info@reprintmgt.com
Visit www.reprintmgt.com
to obtain quotes and order reprints online.