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Inaugural meeting of WatchGuard Partner Advisory Council expands channel relationships

WatchGuard Technologies recently concluded its very first Partner Advisory Council (WPAC) meeting in Singapore.

The meeting was designed as a forum to bring together a select group of the company's most important partners comprising decision-makers from its Secure

Partners program (WSPs) as well as high-achieving value-added resellers (VARs), representing different regions and industry segments.

The WPAC was formed with the idea of achieving:

- A closer relationship with key partners;

- Faster identification of market opportunities;
- Partner feedback on product requirements, solution needs, etc.

Attendees were provided with a view into the future, in terms of security trends

(Continues on page 2)

Sun Microsystems and partners launch integrated manufacturing infrastructure for the real-time enterprise

Sun Microsystems together with its iForce partners Adexa, Brooks Software, Genovate and PTC have developed and launched an integrated manufacturing solution for the Real-Time Enterprise.

The solution is designed to improve the real-time visibility of the entire integrated spectrum of manu-

facturing processes, from design concepts to final production blueprints with full bill-of-materials.

Connecting product life management (PLM) and factory plant planning (PP), automated infrastructure and Enterprise Resource Planning (ERP) solutions, customers' will be able to anticipate events that will have a significant impact on

their sales and profits. It will also enable them to choose to act before events disrupt their ability to execute, or react as events occur.

The solution, which includes engineering, planning, procurement, production and shipping business processes, will be deployed on Sun's servers.

(Continues on page 3)

Concerto Software clinches Frost & Sullivan's APAC Growth Strategy Award

Contact center solutions provider Concerto Software, has been recognized by global growth consulting firm Frost & Sullivan for its exceptional growth strategy in the Asia Pacific region.

Concerto received the 2005 Market Growth Strategy Award in the Asia Pacific Interaction (ICRM) market after a stellar performance in 2004, which saw the company gain a 12.2% market share in the ICRM outbound systems market,

with its total share of market standing at 43.7%.

"Concerto's impressive growth is reflected through the successful execution of its strategy to offer a robust set of features and functionality on a unified contact center platform.

(Continues on page 3)



From Page 1 — Inaugural meeting of WatchGuard Partner Advisory Council expands channel relationships

and market opportunities, as well as WatchGuard's future product and service offerings. In turn, the attendees reaffirmed WatchGuard's strategy of integrating a suite of security features and services on appliance platforms, so that channel partners

can immediately gain business from the appliance as well as secure on-going profits from service renewals.

At the Council's first meeting were partners: AddOn Systems, Blitz IT Consultants, Decillion Solutions,

Infinisys Technology, Malifax Technologies, NET IQ, QCS, RiverRIT, Red Sentry and Small Office Solutions.

According to Edward Borey, chief executive officer of WatchGuard Technologies, Inc., the WPAC was successful in reinforcing the company's commitment to its long-term channel partnerships and provided an open avenue to solicit feedback and recommendations from its valued partners.



Edward Borey

"WPAC enables us to tap into the knowledge and perspectives of our top partners, ensuring we stay in tune with their evolving business and solution needs," he adds.

The next council meetings are currently being finalized. Council meetings are to be held every quarter in a different country/city. Membership to the meetings are by invitation only. According to WatchGuard, at the next meeting, the company will share their technology direction and product roadmap with partners, and obtain from them input on product requirements as well as how to best bring their product/solutions to market in terms of go-to-market strategies, sales tools and so on.

By Shanti Anne Morais

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From Page 1 — Sun Microsystems and partners launch integrated manufacturing infrastructure for the real-time enterprise

The exact Sun Fire servers, ranging from Sun Fire v100 to Sun Fire 25K servers, which will be deployed, will be implementation and applications specific.

Genovate, with their experience in SAP implementation, will provide the industry and technical expertise to integrate the solution with Adexa, Brooks and PTC software.

Anton Ravindran, CEO of Genovate Pte Ltd says, "Genovate is committed to provide the industry's most powerful and dynamic turnkey developments and support. This product leverages on the best breed of skills which will definitely become the manufacturing industry's largest and most scalable strength."

The Integrated Technology Manufacturing Solution is already available at Sun's Asia South iForce Solution Center in Singapore. The Center allows customers to test the solution before making an investment.

This latest Sun milestone follows closely on the heels of the success of the ITE-Sun Center of Technology (COT) at ITE College East. Targeting the IT manufacturing technologies for small and medium enterprises, and launched in February this year, the center has so far, clocked visits from hundreds of local as well as overseas visitors.

"Our partnership with Sun to test drive the available technology to enhance manufacturing and engineering capabilities has been a great success," says Dr. Lim See Yew, director, Info-Comm Center of Technology, ITE College East.



Dr. Lim See Yew

He elaborates, "Over 190 SMEs attended a technology test drive seminar conducted in June, and many of them have since contacted us indicating their commitment to collaborate in testing similar technologies within their organizations."

From Page 1 — Concerto Software clinches Frost & Sullivan's APAC Growth Strategy Award

This market strategy has proven to be highly effective for Concerto, and saw it acquire a record 52 new customers in 2004," explains Manoj Menon, a partner at Frost & Sullivan.

He adds, "The company's success in the Asia Pacific region is due to continued efforts to gain a strong foothold in emerging markets by setting up subsidiaries, creating partnerships and further widening its channel network."



Pramod Ratwani

Commenting on the award, Concerto's vice president for the Asia Pacific and the Middle East, Pramod Ratwani says, "This prestigious award is the best possible endorsement of our strategy. Above all, it shows that our intelligent contact center solutions are successfully transforming the customer-company experience and creating tangible business benefits throughout the Asia Pacific."

"Our growth in 2005 is set to be equally impressive with several markets such as India and China posting record results in terms of revenue and new customer acquisitions," adds Ratwani.

According to Frost & Sullivan, Concerto excelled by substantially increasing the following criteria: ability to grow in a saturated or maturing market; implementing a unique sales strategy; technological innovation and leadership; discovering new venues for an established product; strategic mergers, acquisitions or joint ventures to penetrate new markets; and reorganization structured around growth strategy.

In other news, Concerto Software and Aspect Communications are fast progressing toward completing a merger. The two companies have recently announced that the new combined company will be named Aspect Software, given the broad awareness of the Aspect brand.

"We are pleased with the progress we are making toward becoming one company and are excited about the opportunities that lie ahead for the soon-to-be Aspect Software," says Jim Foy, president and CEO of Concerto Software.



Jim Foy

"We are assembling an outstanding team and believe the new company will be regarded as proven, focused, and well-poised to both support current customers and meet the industry's growing need for reduced complexity and increased contact center capabilities," he continues.

The executive team of the new company, led by Foy, is expected to include individuals from both companies' management teams. Specifically, Gary Barnett, current CEO of Aspect, will be named chief technology officer and executive vice president of worldwide support services.



Gary Barnett

Barnett is one of the founding engineers at Aspect and was instrumental in the development of the company's first automatic call distributor (ACD). He is a long-time customer advocate, dedicated to ensuring that technology supports each of Aspect's customer's contact center strategies and operational goals.

"Concerto and Aspect coming together truly supports our shared vision of applying technology to help companies transform the way they interact with their customers," says Barnett. "As Aspect Software, we will have great insight into how the contact center has evolved over time, what organizations need today to be competitive, and how to build optimal systems for shaping the future of customer-company interactions."

By Shanti Anne Morais

LG Electronics, Nortel to establish joint venture for telecom, networking solutions

LG Electronics and Nortel have signed a definitive agreement to form a joint venture that will offer telecom and networking solutions in the wireline, optical, wireless and enterprise areas for South Korean and global customers.

The agreement was signed in Seoul, South Korea by S.S. Kim, chief executive officer and vice-chairman of LG Electronics and Bill Owens, vice chairman and chief executive officer of Nortel.

The joint venture will be tentatively named LG-Nortel Co. Ltd and will combine the telecommunication infrastructure business of LG Electronics and the distribution and service business of Nortel in South Korea.



Bill Owen

According to Owens, the LG-Nortel joint venture will support the strategies of both companies for the ongoing development of leading-edge wireline, optical, wireless and enterprise communications and networking solutions to ignite and power global commerce. It will also reflect both companies' commitment to leverage best-in-class resources and expertise by joining forces with leading players in key markets, while harnessing the technology leadership of South Korea.

"Today is another milestone for Nortel as we continue to demonstrate our commitment to open up the Asian region with a best-in-class technology leader," he adds. "South Korea leads the world in embracing technology that enhances the human experience. Our relationship with LG better positions Nortel in the dynamic and growing Asia market, will expedite research and development, and will benefit our global customers."

Kim notes, "LG Electronics' R&D excellence coupled with Nortel's global presence will make this joint venture a top-ranking player in the telecommunications equipment market. Our relationship will further strengthen the two companies' collaboration in setting standards for next generation infrastructure and improving time-to-market in this competitive environment."

Nortel will own 50% plus one share in the joint venture, in exchange for which Nortel will contribute its South Korean distribution and services business and pay US\$145 million and other non-monetary consideration. Separately, LG Electronics may be entitled to payments over a two-year period based on achievements by the joint venture of certain business goals.

LG Electronics and Nortel will nominate certain key executives to the management team of the joint venture. It is the intention of the parties to nominate J.R. Lee from LG Electronics to be chief executive officer and Paul House from Nortel to be chief operating officer. ♦

Asia Netcom partners with Japan's DNA to co-market Video-on-Demand Service to CATV operators

Asia Netcom has teamed up with Digital Network Appliance, Inc. (DNA) to bring a Video-on-Demand (VoD) service to broadband users in Japan.



The partnership will combine Asia Netcom's IP Transit service and DNA's "Deja" VoD service, which is

offered as a packaged product to cable TV operators, who in turn can offer the service to their subscribers without having to invest in developing their own VoD system. The system leverages set-top boxes and broadband Internet connections to deliver on-demand content to end-users. DNA's service enriches CATV operators' overall

content offering for subscribers and gives the operators access to a valuable new revenue stream.

"As more and more service providers start to move to the 'triple play' business model by offering Internet, television and telecommunications services, content will become a key competitive differentiator. This partnership gives service providers a rich and myriad content base without the heavy investment required to develop such a system from scratch," says Richard Carden, president of Asia Netcom Japan. "It also brings to market a powerful platform that enables 'triple play' service providers to add another dimension to their product offerings by giving their subscriber's access to DNA's content."

Under the new partnership, Asia Netcom's IP Transit service will serve as the distribution platform for the "Deja" service. CATV operators who also choose Asia Netcom's IP Transit service will essentially be accessing the "Deja" content servers over the same IP backbone, which ensures better network performance by avoiding potential congestion on the public Internet.

The two companies are also exploring opportunities to bring the "Deja" service outside Japan over Asia Netcom's pan-Asian network infrastructure. Asia Netcom's IP backbone spans all key markets in the region and connects to all major Internet exchange points and Tier 1 carrier networks. ♦

Equant achieves Cisco Multinational Gold Partner status in APAC

Equant has scored some major milestones recently, gaining the multinational Cisco Gold Partner certification in the Asia Pacific, becoming the only service provider to achieve Cisco's Channel Partner Global Commerce Specialization status and being named Cisco Service Provider of the Year in CIS and Russia.

All these accolades strongly reinforce Equant's strong partnership with Cisco. In fact, the Equant network is Cisco's largest Cisco Powered Network (CPN), extending to 140 countries. Cisco technology is deployed throughout the network to provide the foundations for Equant's IP infrastructure. Currently, nine Equant solutions and services are CPN accredited including: IP VPN, IP Dial, VoIP, Internet Direct, Internet VPN, Intrusion Detection Service, Multimedia VPN, Application Infrastructure Provider and ValueNet. The 11-year partnership has seen over US\$1 billion invested by Equant in Cisco equipment. On top of this, the company also manages more than 50,000 customer premises Cisco routers.

Multinational Cisco Gold Certified in Asia Pacific

Equant has been certified Cisco Multinational Gold in the Asia Pacific region. This certification is an extension of the Cisco Channel Partner program.

It recognizes partners with the highest level of expertise in selling and supporting Cisco solutions across multiple countries in a region.

"Equant was named a Multinational Gold Partner because of its strong track record in leveraging Cisco products and unique global capabilities," says Gordon Astles, senior vice president of the Asia Pacific region for Cisco. "Equant consistently demonstrates capabilities in meeting the demanding needs of multinational customers in the Asia Pacific region and globally."

Only Service Provider to achieve Global Commerce Specialization Status

A Global Integration Partner, Equant has been certified as one of only six global Cisco partners and the only service provider to achieve Cisco's Channel Partner Global Commerce Specialization status. In order to achieve this status, the company was independently audited as being able to offer global and centralized services in defined areas of order management, invoicing, agreements and product delivery logistics.

The company is also a Cisco Gold Certified Partner in all major Cisco regions. Its support experts have attained Cisco Gold Certification in Argentina, Australia, Brazil, Bolivia, Chile, China, France, Hong Kong, Japan, North America, Paraguay,

Peru, Russia and CIS, Singapore, Switzerland, United Kingdom and Uruguay. Silver Certification has been attained in Mexico.

Service Provider of the Year in CIS and Russia

Finally, Equant was named Cisco Service Provider of the Year, Russia and CIS. This award recognizes the company's strong sales volume of user devices among fixed-communication operators. Once again, Equant was also confirmed a rank of Cisco Gold Partner for system integration, specializing in communication services and IP telephony.



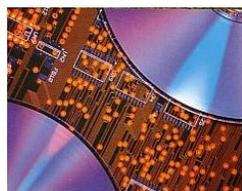
"As a Cisco Gold Partner service provider, Equant has achieved impressive successes, selling more Cisco service provider equipment than any of our other partners in Russia," says Robert Aigee, CEO and director of Operations, Cisco Systems, Russia. "In particular, it has achieved much by introducing complex VoIP solutions. By the current commercial and technical parameters, we can count on a favorable and very close partnership with Equant in the future. This award says to them: thank you for your excellent figures!" ♦

IBM introduces full range of Brocade 4Gbit/sec SAN switches and directions to marketplace

IBM has added Brocade Communication Systems' new 4Gbit/sec Brocade SilkWorm director and entry-level switch models to its TotalStorage product portfolio, enabling its customers to be among the first to access a full range of next-generation, Storage Area Network (SAN) solutions.

"4 Gbit/sec technology will have a significant impact in helping reduce infrastructure costs and simplifying

management for organizations with storage networks," says Bob Mahoney, SAN Business Line Executive, IBM.



"The ability to connect SANs while maintaining the integrity of the separate networks is key to storage networking and will play a crucial role in delivering the on-demand com-

puting model to customers," he adds.

IBM has added its TotalStorage SAN256B based on the Brocade SilkWorm 48000 Director and its TotalStorage SAN16B-2 fabric switch based on the Brocade SilkWorm 200E Switch to its product portfolio, which also include the top-selling Brocade SilkWorm 4100 mid-range switch as part of the IBM TotalStorage infrastructure simplification solutions. ♦

Indonesia's Ministry of Research and Technology to establish Java Desktop System

Sun Microsystems Indonesia has signed a multi-year agreement with Indonesia's Ministry of Research and Technology to roll-out a nationwide standard desktop solution based on Sun's Java Desktop System.

This nationwide standard desktop software is part of the Indonesia Goes Open Source (IGOS) program that aims to help eliminate the digital divide in the world's largest archipelago.

With Java Desktop System as the chosen platform, Indonesia's Ministry of Research and Technology will implement its own IGOS branded desktop software from this month. The ultimate goal of this program is to install copies of an open-standards-based desktop solution across Indonesia, starting from the country's government offices. The agreement also covers an imple-

mentation program that incorporates marketing, development and deployment of the desktop solution. Sun will be working closely with a government consortium of LIPI, INTI and Ipteknet to manage this implementation.

"Indonesia embraces open source software and open standards-based technologies as they bring new opportunities to the development of human resources in the local IT industry, as well as opportunities to compete in the global market," says Kusmayanto Kadiman, the Minister of Research and Technology.

"With the Java Desktop System as the basis, we are working with Sun Microsystems to build a desktop solution that is of the highest global standard, for the people of Indonesia. Moreover, open source software is expected to offer affordable and legal alternatives to users."



Lionel Lim

Lionel Lim, president, Asia South, Sun Microsystems, adds, "Freedom from restrictive licensing models and escalating desktop costs translate to greater savings to Indonesia. Open standards are at the very foundation of Sun Microsystems, enabling communities to connect and corporations to scale securely. This collaboration with Indonesia's Ministry of Research and Technology creates a vast opportunity to bring information technology to hundreds of millions of citizens across the country. ♦

PatchLink Corporation and ANTLabs provide End-Point Quarantine solutions to APAC customers

PatchLink Corporation and Advanced Network Technology Laboratories (ANTLabs) have teamed up to introduce a solution that will ensure their customers a more secure network access environment.

PatchLink Update and the associated PatchLink Quarantine technology will be bundled with ANTLabs' solutions for customers in the Asia Pacific.

Chris Andrew, vice president of product development, PatchLink, notes, "ANTLabs offers a comprehensive set of hardware products that have been integrated with PatchLink Quarantine to offer high-quality network access control solutions to our customers in a wide variety of architectures, including wireless. Now, corporate enterprises and service providers alike will have peace of mind against the endless barrage of security threats by stopping a potential carrier at the front door and offering immediate immunization thereby protecting all other users."

ANTLabs' Dynamic Network Quarantine (DNQ) solutions help ensure that network users are compliant

with corporate security policies before they are granted full access to the network.

Upon connecting to the DNQ protected network, a network user is placed under quarantine while being checked for compliance with corporate security policies such as the latest system and security patches and virus definition updates. Non-compliant users remain in quarantine and are redirected to obtain the necessary updates. The DNQ is built on ANTLabs' patented TruConnect technology, giving users the ability to retain all of their network infrastructure investment without an overhaul.

According to Andrew, demand for PatchLink's security solutions has increased as its customers and partners throughout the region continue to recognize the importance of security patch vulnerability, and compliance management as core to their companies' infrastructures and policies.

The bundled solutions are now available from ANTLabs authorized partners in the Asia Pacific. ♦

Siebel Systems and Novell join forces to deliver Open Source Platform for CRM applications

Siebel Systems and Novell have extended their partnership to provide support for Siebel business applications on Novell SUSE Linux Enterprise Server 9.

The broadened scope of complementary offerings will enable both companies' customers to deploy mission-critical Siebel applications on an open source platform, coupled with the flexibility to choose from a wide range of hardware options.

Siebel Systems' product development team will work directly with Novell's engineering organization to take full advantage of Novell's Linux platform. The extended development partnership will deliver sup-

port for standards-based computing solutions.

"This new product initiative enables Siebel to offer our customers the additional choice of using Novell's fully supported Linux platform for their Siebel deployments," says Skip Bacon, vice president, technology, Siebel Systems. "In particular, this effort will allow customers of all sizes the opportunity to leverage standards-based computing technologies and exploit SUSE Linux's integrated management capabilities to enable system administrators to more rapidly deploy, configure and operate their production systems."



David Patrick

David Patrick, Novell's vice president and general manager, Linux, Open Source platforms and services, adds, "Siebel's selection of Novell is more proof that SUSE Linux is ready for prime time. The combina-

tion of Siebel and Novell will result in innovative solutions that companies need to succeed in today's competitive marketplace." ♦

Indonesian Government keen on promoting business competitiveness with new tax laws

The Indonesian government has recently completed a draft version of its tax laws, drafting what it says is a competitive value-added tax (VAT) and income tax system with the aim of balancing revenue and boosting investment in the private sector.

The new draft law shows that the government plans to scrap the VAT in certain activities in the agricultural and banking sector, in the merger of companies as well as on capital goods for companies that export services, including software, franchise and consultancy products.

The government will also allow companies just starting up to pay their VAT on capital goods in installments until after the companies' commence production.

There are no plans to change VAT rates which are set at 10%.

According to the 2006 state budget, the Indonesian government plans to reap US\$412.67 billion from its VAT and luxury tax.

Key points in the draft laws applying to VAT and Luxury taxes include:

- Taxes on luxury goods and services will be raised up to 200% from the current 75%.
- Syariah banking activities will not be subject to VAT.
- Taxable goods will be scrapped from billing if a company faces bankruptcy.
- Money transfers through the post office will be

exempted from VAT. The same applies to public phones using coins and parking fees.

- Asset securities and leasing activities will also be exempted from VAT.
- Electricity and water will also be excluded as VAT objects.



Key takeaways for income tax include:

- Departure tax will be scrapped in 2010.
- Final income tax for dividend proceeds for individual taxpayers will be reduced from 35% to 15%.
- Interest proceeds from government bonds will be subject to a 20% final tax.
- Mutual funds proceeds from bonds will be subject to tax.
- The use of telecommunication bandwidth and broadcasting will be subject to tax.
- Income tax for corporations and institutions will be reduced to a single rate of 30% in 2006, 28% in 2007 and 25% in 2010.
- Investment in certain sectors and areas that are considered development priorities will receive tax incentives.
- Micro, small and medium sized businesses will be given tax incentives. ♦

Thai-Japanese FTA talks resume in Tokyo

Free trade talks between Thailand and Japan are said to be approaching critical mass as officials prepare to address the origin of products – the last and thorniest issue on the agenda.

Rules of origin are a set of regulations that govern the products eligible for favorable quotas and tariffs under trade agreements.



At the moment, Thailand is complaining that Japan's proposal impedes rather than facilitates trade flow.

Both sides hope that the differences can be sorted out during the two-day talks in Tokyo, starting on the 25th of

August and ultimately, that the resolution of the discussion will take place with the signing of an agreement between the chiefs of the negotiation teams.



Negotiators seek a clear agreement in order to avoid the failures faced by Malaysia, the Philippines and Mexico – Japan's other FTA partners. These three countries have already agreed on the principles of bilateral trade agreements with Japan, but have yet to sign the agreements due to differences on the rules of origin.

So far, key issues Thailand and Japan have agreed on include tariff cuts on steel, automobiles and parts and trade in services. ♦

Vietnam takes significant step forward to gain entry into WTO

India and Vietnam have concluded WTO (World Trade Organization) talks, formally signing an agreement in Geneva that ends bilateral negotiations on Vietnam's accession to the WTO.

India is a key trading partner of Vietnam in Asia and this agreement strengthens Vietnam's entry bid into the WTO. At the signing, Indian officials also pledged continued support for Vietnam in its multi-lateral negotiations to assist Vietnam in acceding WTO membership as soon as possible.



According to analysts, the conclusion of the agreement with India may encourage remaining trade partners to quickly wrap-up bilateral talks with Vietnam. So far,

Vietnam has concluded bilateral negotiations with all of its trading partners in Asia and most of its European trading partners.

Vietnam and Switzerland have now agreed to conclude bilateral negotiations by the end of this month, following a meeting of the two countries' chief negotiators in Berne.

Vietnam aims to become a WTO member by the end of this year. ♦

India turns its attention to West Asia

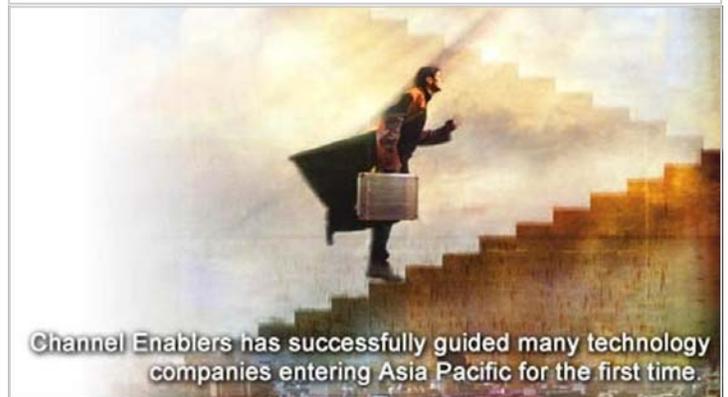
India is planning to implement its successful "Look East" policy to West Asia now, in order to promote trade and investments with its West Asian counterparts.



In order to achieve this, the country has appointed former senior diplomat Chinmaya Gharekhan as its special envoy to the Gulf region to promote cooperation in trade, investment, IT, education, culture and tourism.

Negotiations are also slated to start on better banking arrangements. This includes the setting up of an information channel on investment opportunities, avoidance of double taxation and a treaty to promote and protect investments. Bilateral trade between India and Gulf Cooperation Council (GCC) member countries like Saudi Arabia, Oman, the United Arab Emirates, Kuwait, Bahrain and Qatar, have risen to around US\$20 billion. This excludes oil and gas imports by India that are said to be worth approximately US\$20 billion. ♦

CHANNEL
enablers



Channel Enablers has successfully guided many technology companies entering Asia Pacific for the first time.

PC users blame virus writers as well as Microsoft for latest virus outbreak

A web poll of more than 1,000 business PC users, conducted by security company Sophos, has revealed that 45% of respondents are holding the virus writers responsible for the 19 worms recently unleashed against businesses around the globe, which exploit a newly discovered vulnerability in Microsoft's code.



However, 35% of respondents are also pointing the finger at the software giant for the recent worm attacks. Systems administrators are also feeling the heat, with 20% of respondents blaming them for not patching systems quickly enough.

"The majority of users believe that

the virus writer has to take the ultimate blame for deliberately creating and unleashing this worm to wreak havoc on poorly protected businesses," says Graham Cluley, senior technology consultant at Sophos. "But what is most surprising is that so many people blame Microsoft for having the software flaw in the first place. Users' anger is perhaps understandable as Microsoft's security problems and their consequences are felt by businesses the world over. Many respondents appear to be incredibly frustrated by the constant need to roll-out emergency patches across their organizations."

Sophos believes that Microsoft faces a considerable challenge in its aim to present itself as a security company. Indeed, another recent survey carried out by Sophos shows that only 28% of respondents rated Microsoft as their most trusted op-

erating system when it comes to security, while 47% believe Linux and Unix are the most secure.

According to Cluley, Microsoft's current situation with vulnerabilities is very well described by that famous expression 'caught between the devil and the deep blue sea'.

"When Microsoft goes public about its security holes, a virus can be written to exploit them and many businesses may not have rolled out the patch. At the same time, if it keeps it quiet, someone could still write a virus and everyone would ask why Microsoft hadn't warned anyone of the vulnerability. In either case these flaws are going to be an ongoing problem as Microsoft tries to convince people it's a serious player in the security market," he explains.

By Shanti Anne Morais

APAC content management software market to cross US\$200 million before 2010

New research by IDC on the content management software market in the Asia Pacific excluding Japan (APEJ) reveals that the market, currently valued at US\$102 million, is expected to grow strongly at a 5-year CAGR of 16.6%, surpassing the US\$200 million mark before the end of the decade.

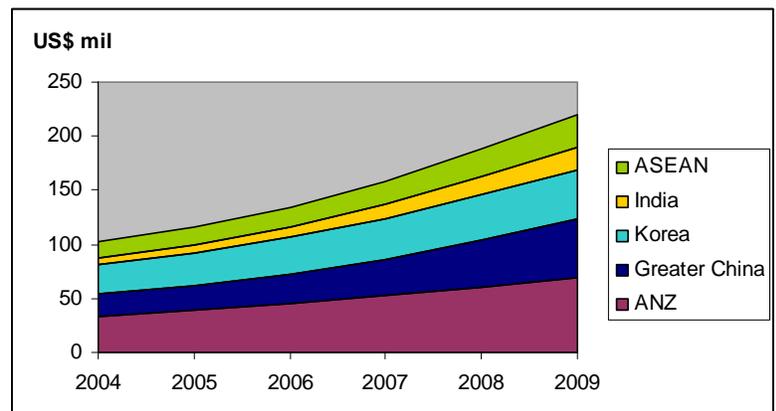
"Much of the dust of the recent years' acquisitions settled in 2004, although there were still a number of smaller acquisitions aimed generally at rounding out one's product range. Despite the hype about Enterprise Content Management (ECM) in the past year, we see that demand for departmental level implementations have not decreased," says Sharon Tan, market analyst, IDC Asia Pacific.

"Government initiatives such as e-government projects and digital archiving systems for government documents, and compliance-related spending will continue to be some of the key market drivers in the region for content management. Increasing information needs such as the complexity on how to store, manage, and access information efficiently also play a crucial role to driving the market because of greater pressure on companies to invest in or upgrade their content management software to cope with these needs, particularly in more advanced Asia Pacific economies such as Australia and Korea," she adds.

While Australia and Korea remained the largest country markets for content management software at US\$29.9

million and US\$27.6 million respectively for 2004, the highest growth in the region is expected to come from India, with a 5-year CAGR of 27.7%. ASEAN as a region is expected to contribute between 13% to 14% of the total APEJ market throughout the forecast period. The top 5 vendors in the region's content management market – which include IBM, FileNet, Interwoven, EMC (Documentum) and Open Text - collectively accounted for 46% of market share in APEJ in 2004. Interestingly, there has also been traction among the local vendors in some of the countries, which adds an interesting spin to the competitive landscape in some locations. ♦

Asia Pacific Excluding Japan Content Management Software Market Sizing & Forecast by sub regions



Source: IDC, 2Q 2005

Operational efficiency and pressure from industry standards will boost APAC ERM market

IDC predicts that the Asia Pacific (excluding Japan) – APEJ- applications market valued at US\$1.06 billion in 2004, will grow steadily at a five-year compound annual growth rate of 13.2% to reach US\$1.97 billion by 2009.

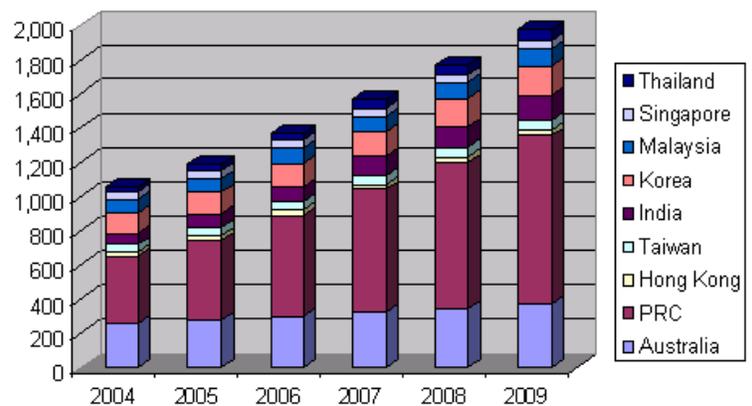
Alan Tong, research manager, Enterprise Applications software, IDC Asia Pacific, explains, "As foreign investments continue to pour into the manufacturing industry in China, IT technology that helps improve production efficiency and lower operating costs will become essential for companies. Local companies in the region are streamlining their operations due to increased exposure to global and regional competition. As a result, these companies are adopting industry specific solutions or expanding their core functional modules. In addition, industry pressure from corporate compliance and international accounting standards have also contributed to the high adoption rate for these applications."

The Enterprise Resource Management (ERM) functional market includes accounting, human resource management (HRM), procurement and sales order processing, and inventory management applications. Within the ERM market, accounting applications contributed 37% to the total market in 2004 with revenues of US\$396 million. Accounting applications are forecast to grow to US\$586.8 million in 2009, indicating a five-year CAGR of 8%. The market shares for procurement and sales order processing, and inventory management application were 14% and 13% respectively in 2004. The five-year CAGRs for both procurement and sales order processing, and inventory management application functional markets, were two of the highest in terms of ERM solution growth. The five-year CAGR for procurement and sales order processing application is expected to reach 19% in 2009 to potentially become the second largest functional market segment in the region.

China continues to dominate the market with a market share estimated at 36.8% of the total APEJ market in 2004. This is followed by Australia and Korea with approximately 24.1% and 10.7%, respectively. Overall, these three countries contribute close to 72% to the total APEJ market.

The five-year CAGR for Singapore has been impacted by negative growth of 1.7% over the forecast period. However, the Singapore Enterprise Resource Management (ERM) applications market remains the second largest in ASEAN after Malaysia in 2004. IDC expects to see the saturation experienced by the large enterprises segment to be partially offset by adoption by the SME sector, corporate compliance and replacement opportunities for industry specific solutions. ♦

Asia Pacific (Excluding Japan) Enterprise Resource Management Applications Market Forecast by Country, 2005-2009 (US\$M)



Entry level mobile phones spur growth in phone shipments

The worldwide mobile phone market has shown signs of recovery from the first quarter of 2005, largely due to impressive shipments of entry-level mobile phones to both developing and mature markets.

According to IDC, worldwide mobile phone shipments totaled 188.7 million units in the second quarter, increasing 7.3% sequentially and 16.3% from the same quarter one year ago.

Among the leading vendors, Nokia maintained its leadership, nearly doubling the shipments of its closest competitor and continuing its string of consecutive quarters with market share greater than 30%. U.S.-based Mo-



torola finished the quarter solidly in second place, and combined with Nokia, the two represent half the market. In addition, Motorola improved its lead over Samsung by nearly ten million units. Samsung's growth was flat from the previous quarter, but the vendor nearly reached the halfway point of fifty million units in its quest to ship one hundred million units this year. Finishing fourth was LG Electronics, although only three hundred thousand units separate it from fifth place Sony

Ericsson. Last quarter, 1.7 million units separated the two vendors.

"The emphasis on entry-level phones demonstrates that vendors are keying in on specific regional and customer needs. Although this helps volumes, it also puts downward pressure on average selling prices and vendor profitability," says Ramon Llamas, research analyst for IDC's Mobility Group.

Interestingly, despite all the interest and excitement over cutting edge devices, there continues to be a demand for simple voice-only phones that appeal to broad customer segments, even in mature markets, notes Llamas.

Internet Banking Security a Key Focus for Financial Institutions

Research and advisory firm, Financial Insights, have found that increased reliance on the Web for the delivery of an increasing range of financial services has heightened concerns about the security and integrity of transactions.

Latest research by the firm shows that while financial institutions have increased their own security measures to deal with the threat of attacks, criminals have shifted the focus of their efforts to customers. The rapid growth in phishing and related attacks are representative of this shift in focus and highlight the need for better security measures.

While these attacks are not limited to the financial industry, the reality is that few industries can offer as much potential reward for criminals, which is why the financial sector is overwhelmingly the target of choice.

The Anti-Phishing Working Group tracked attacks over a four-month period in 2005 and showed that the financial sector consistently accounts for at least 80% of all known attacks. This is a frightening statistic and highlights the importance of efforts by institutions and regulators to improve online security. Customers have themselves begun getting more vocal in their calls for action and this has led regulators to take a more proactive stance on online security. Asia's regulators have become particularly active, with The Hong Kong Monetary Authority (HKMA) recently mandating that all banks implement dual factor authentication. The Australian Bankers Association (ABA) is preparing to introduce an industry standard for dual factor authentication and other regional regulators are also considering similar measures for their own markets.

Dual-Factor Authentication

The focus of these regulatory actions and the solution most often cited by industry participants is dual or two factor authentication. It refers to the creation of an additional layer of security that goes beyond the traditional login and password. Instead of securing a site through something the customer knows like a password, the customer is required to also possess another type of identification. This can come in the form of a hardware or software token, for example.

Key Concerns

While a second layer of protection is preferable to single factor systems, there are concerns that criminals will be able to quickly adapt to these new technologies. Advanced trojans and man-in-the-middle attacks are often cited as two ways to circumvent these new protections, raising questions of their value. The response to these concerns has not been to abandon the technologies, but to accept the reality that security is an ongoing effort with technology just one of its components.

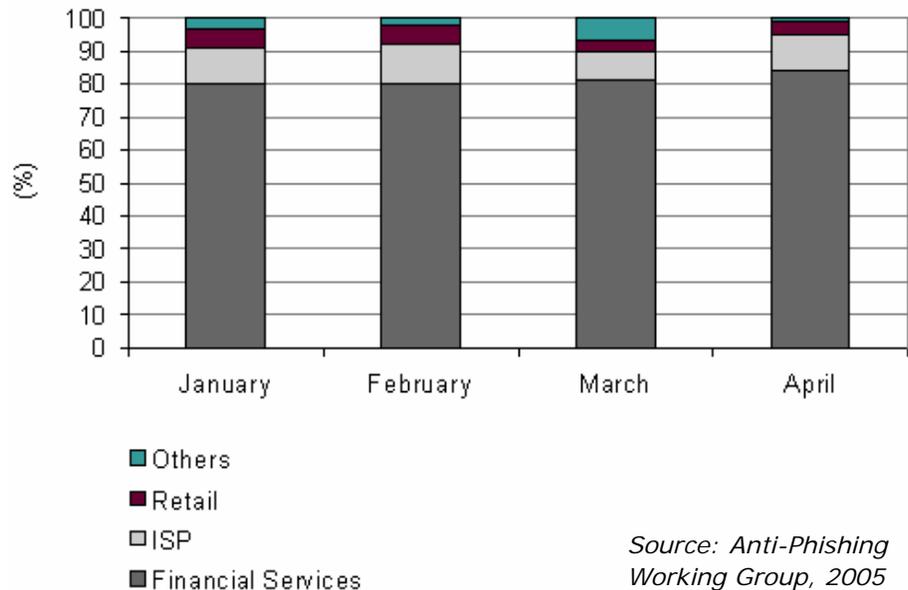
Industry cooperation and increased efforts to educate and inform customers about the risks of online scams must also play a part in helping secure online financial transactions.

"The ability of criminals to rapidly circumvent new defensive measures should be of great concern to advocates of dual factor authentication," says Douglas A. Jaffe, associate director with Financial Insights Asia Pacific. "However, an additional layer of protection, in conjunction with improved customer education and financial industry cooperation can be effective in helping improve security."

"The growing influence of the Web means there really is no choice but to improve online security," Jaffe adds, "How best to do this, however, is still open to debate." ♦



Figure 1: Most Targeted Industries for Phishing Globally (2005)



Source: Anti-Phishing Working Group, 2005

Building Profitable and Loyal Channel Relationships

Part 2 of a 2-part series

Understanding channel margins and sharing the cost of partnering

With the sharp rise of products being sold through channels today, coupled with ever-shrinking channel margins, vendors no longer have an option but to take an active interest in their channel partners' financial status.

Reading a balance sheet or P&L report will only tell you half the story. What vendors really need to understand is how each partner's revenue is derived – by asking what percentage of revenue is obtained from hardware, software and value-added services, respectively. Since services typically fetch the greatest margin, the proportion of service revenue will tell you a lot about where this channel partner stacks up on the value-add chart and its potential to garner higher margins.

It is also essential to appreciate the correlation between the technology-adoption lifecycle and a product's related margin cycle – it can help vendors determine the best type of channel for each product at various vantage points.

According to the technology-adoption lifecycle, customers can typically be divided into five categories:

Innovators, technology enthusiasts

These buyers tend to be highly-intellectual, prepared to take risks, decisive, aggressive and first movers.

Early adopters, visionaries

These customers are market leaders who are prepared to take risks and respond to aggressive marketing, while they proactively search for new solutions.

Early majority, pragmatists

These users tend toward the status quo and mature technologies with a quality reputation from respected companies.

Late majority, traditionalists

These purchasers fear the new and are more cynical and reactive.

(Continues on page 13)

From Page 10 — **Entry level mobile phones spur growth in phone shipments**

Within developing markets, vendors are eager to supply phones to reach different customer segments.

Aloysius Choong, research analyst for IDC Asia Pacific, says, "Heavily populated cities in these developing countries have already been largely tapped despite the relatively low penetration rates overall. Affordable handsets thus help sustain subscriber growth by reaching into the less-populated cities and rural regions."

Vendor Highlights

- **Nokia** - On the strength of 60.8 million units, the Finnish giant saw 13% sequential growth and a strong year-over-year growth of 33.9%. Early in the quarter Nokia launched its multimedia N-Series phones along with 14 other models, all targeting different consumer tastes and usage models.

- **Motorola** - Reaching a new company record for quarterly shipments, the Illinois-based company posted 18.1% sequential growth and a year-over-year growth of 40.7%, the highest among the leading vendors. Motorola began shipping 15 new devices, several of which were slight variations on its RAZR platform.

- **Samsung** - The Korean-based company posted flat shipment levels, decreasing only 0.4% from the previous quarter, while growing 7.5% from a year ago. Samsung management believe that shipment and profit growth will come in the second half of 2005 on the strength of its premium devices.

- **LG Electronics** - With sequential growth of 9.0% and a year-over-year growth of 22.2%, LG Electronics maintained fourth place in global shipments. The company also an-

nounced its plans to license the Palm Operating System, showing interest in offering a converged mobile device offering, but stopping short of saying when shipments would begin.

- **Sony Ericsson** - The 50/50 venture had the largest sequential change of the top 5 vendors at 25.5%. Moreover, the company grew 13.5% from a year ago. The vendor expanded its portfolio with more high-end devices, including its Sony-branded Walkman phone. The company continues to close the distance between itself and LG Electronics. ♦

Top 5 Vendors, Worldwide Mobile Phone Shipments and Market Share, 2Q 2005 (Preliminary)

| Rank | Vendor | 2Q 2005 Shipments | 2Q Market Share |
|------|----------------|--------------------|-----------------|
| 1 | Nokia | 60,800,000 | 32.2% |
| 2 | Motorola | 33,900,000 | 18.0% |
| 3 | Samsung | 24,400,000 | 12.9% |
| 4 | LG Electronics | 12,100,000 | 6.4% |
| 5 | Sony Ericsson | 11,800,000 | 6.3% |
| | Others | 45,700,000 | 24.2% |
| | Total | 188,700,000 | 100.0% |

Source: IDC, July 27, 2005

Note: Vendor shipments are branded shipments and exclude OEM sales for all vendors.

From Page 13 — Understanding channel margins and sharing the cost of partnering

Laggards, sceptics

These shoppers are slow to change, buy “me-too” products and are price driven.

The majority of customers fall into the early or late majority categories. However, margins are strongest in the innovator and early adopter stages. These buyers will pay a premium for new and innovative solutions – so, though revenue will be low at this stage, it presents an opportunity for value-added partners. Over time, as volume builds with the early and late majority, both prices and margins will drop, so less value will be required from channel players. Once a product becomes a commodity and the laggards are on board, broad-based distributors and retailers are good channel bets. The last-stop on the channel train is a virtual channel that services customers via mail order and internet sales.

As competition intensifies with early majority customers rushing to buy mid-life products, there are higher barriers to market entry and an increased threat of substitution from existing competitors. Though bargaining power with suppliers may increase, at this point, customers will gain the upper hand when it comes to price. Savvy vendors will adapt their channel strategy and distribution models to suit each stage of a product’s lifecycle.

To stay competitive, vendors must also track their channel partners’ margins over time. There are basically two ways to increase channel revenue: sell more products in existing markets (gain market share) or open more markets. At the same time, there are two primary ways to reduce channel costs: reduce expenses and tighten inventory turns. To calculate the value of the channel’s total costs, you have to take into account actual costs, while factoring in all opportunity costs. The bottom line is that vendors ought to constantly pay attention to the total gross margin performance of each product in the channel.

Though channel revenue is relatively easy to map, channel costs are not always so obvious. Begin by comprehending all costs incurred by each channel partner relative to each vendor’s products – including those costs performed on behalf of the vendor as well as those performed for customers. On behalf of vendors, channel partners build sales contacts, ensure appropriate market coverage, hold inventory, process orders, manage shipping, and provide marketing and product support. For customers, channels are expected to ensure product availability, extend credit, provide post-sales service, support, and training, and sometimes provide integration, configuration, final assembly or total solutions.

Next, chart the channel-profit timeline and you will see there is almost always an initial period when each channel partner invests before breaking even or gaining margin. Vendors should be sensitive to this and factor the channel partners’ start-up costs into the launch equation. Remember success is a two-way street and to stay competitive, vendors must fund their channels’ growth.

However, the single, largest investment that vendors make to ensure successful channel partnerships is a dedicated channel manager. This person has to be empowered by management to have sufficient time and authority to select and manage each channel partner. There is nothing more troublesome for channel partners than trying to negotiate with a vendor representative that does not have ample authority. In addition, this person ought to:

- be knowledgeable about industry trends and market drivers
- be educated on the company’s products and services
- be effective in implementing the company’s channel policies and programs
- be committed to win-win channel partner relationships

In addition to a dedicated channel manager, vendors should also provide responsive contacts across all the necessary functions, including marketing, finance, operations/logistics (related to order shipments and RMAs), as well as technical support.

At the end of the day, vendors that make it a priority to understand their channels’ margins and share in the cost of partnering are the ones that stand the greatest chance of building profitable and loyal channel relationships. ♦

*By Cindy Payne, Managing Director and
Tina Chee, Client Services Manager –
Asia Pacific Connections Pte Ltd*



Cindy Payne



Tina Chee

Hyperion Asia in hyper-drive, channels poised to sparkle

Hyperion Solutions has had what its president and chief executive officer, Godfrey Sullivan describes as an “outstanding year”. In fact, according to Sullivan, the fourth quarter of the fiscal year ending June 30, 2005, has been “the best quarter in our company’s history”.

“We delivered record results for revenues, operating margins and net income in both the fourth quarter and fiscal year. Our Business Intelligence Platform had an especially strong quarter, with sequential and year-over-year growth for the June quarter in both the Hyperion Performance Suite and Hyperion Essbase. Our financial applications business also continues to be very strong, led by record revenues of Hyperion Planning, which reached a milestone of 1,000 customers during the quarter,” he elaborates.

Sullivan adds, “Our growth is driven by the success of our more than 10,000 global customers and our expanding partner community.”

This is re-emphasized by Suganthi Shivkumar, newly promoted managing director of Asean/India, who reiterates how critical partner strategy is especially in the Asian landscape.

Tapping on the synergy among Hyperion sales and partners, Suganthi successfully led her team to exceed the fiscal year 2005 sales target in excess of 150 percent, thereby achieving the status of “top-performing region in the Asia Pacific (including Japan). Suganthi’s watch also had the top sales representative in the Asia Pacific region, a feat achieved solely from channel sales by a rookie sales person. Testimony to just how important channels is to Hyperion in the region are the figures. According to Suganthi, approximately 60%-65% of the company’s ASEAN and Indian revenues comes from its channels.

Given the figures, one would think that Hyperion ASEAN/India has a “mature” channel strategy in place. However, it has been all but 15 months since this successful channel strategy has been executed and actively engaged.

Commenting on Hyperion’s previous focus on a direct selling model, Suganthi notes that it helped the company grow their skill-sets and is still a sustainable and important model to them. “However, we are highly aware that there is more to gain with a partner ecosystem, which is critical to our growth in the region. Over the past 15 months, there has been a paradigm shift and our partner perception has grown tremendously. When we first started, it was a numeric game – we needed to enlarge our partner community, and the execution of our strategy, and finding the appropriate and right partners took some time. We went on a partner recruitment drive and focused strongly on training and supporting our partners. Right now, we are at a stage where we can afford to be selective about our partners and choose those with the right fit.”



Suganthi Shivkumar

According to Suganthi, Hyperion has established a strong and successful channel presence in Singapore, Indonesia, Thailand and the Philippines. In the Philippines, Suganthi is planning to recruit more resellers. In Indonesia, she says she has enough resellers and instead is concentrating her efforts on scaling the existing partners up in order to increase the value-game. Her attention is now focused on the Malaysian and Indian markets, not really with the intention of adding much more to the channel numbers but focusing instead on cross-training, motivating and enhancing the domain skill-sets of the current partners in these countries, especially in the telco and manufacturing verticals. However, she adds that she is currently looking for a distributor in Malaysia.

In order to replicate the success of Hyperion ASEAN/India in the next fiscal year, Suganthi of course, already has a strategy in place, admit-

ting that the company will be going all out to ensure greater growth in the region. She wants to continue to engage with the big SI players like NCS, Satyam and Tata Consulting, aims to go for the big deals, and partner in a “stronger way”. She especially wants to repeat the success Hyperion has had with its small and medium sized partners with its large enterprise partners.

She says Hyperion has the right formula in place – “the trick is to make each partner you have successful.” In order to achieve this, Hyperion has very detailed partner programs in place as well as extensive training sessions.

She adds that partner commitment to Hyperion is vital and expects all partners to have a dedicated Hyperion team who are educated, aware and focused on the company. She also stresses the importance of setting realistic targets – “business plans have to be achievable and Hyperion religiously conducts weekly monitoring of the partners’ pipelines. This in turn helps us to bond.”

Suganthi describes her channel partners as “hungry and full of passion”. She acknowledges that Hyperion has had the hurdle of dispelling the notion that it was a direct-selling company, and that it had to be very active with its channels to reassure them and show them exactly how committed the company is to its partners.

She adds that the company’s channel managers have really helped in this, working hard, well and closely in order to establish a great channel community, and create a sense of belonging in each and every partner.

While Suganthi concedes that managing partner expectations is always a challenge, she and her team are extremely focused on ironing out every crease. All-in-all, she wants to ensure that she has a great channel model in place for ASEAN and India that will continue to drive higher revenue growth for Hyperion Asia and take the company to new dizzying heights. ♦

By Shanti Anne Morais



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Motorola aims to surge forward with its WiMAX solutions strategy

Motorola is concentrating hard on its strategy of bringing comprehensive WiMAX (802.16e) solutions to market in order to more rapidly fulfill the increasingly growing demand for fixed and mobile wireless broadband solutions.

In order to achieve this, the wireless communications and mobility player will focus on a combination of increased R&D, resources, technology relationships and the introduction of the Moto Wi4 product portfolio that will take operators to the 4th generation of mobile wireless networks.

"Motorola has aligned our Networks business to support a companywide initiative to develop WiMAX and other mobile broadband wireless solutions that provide an effective means for carriers to give their customers broadband services when and where they want them at an affordable cost," explains Dan Coombes, senior vice president, general manager of Wireless Broadband Networks, and chief technology officer for Motorola Networks.

According to Coombes, Motorola is well on its way to delivering WiMAX solutions. Under his leadership, Motorola will build on its Canopy wireless broadband business and utilize its expertise in the underlying technologies - Orthogonal Frequency Division Multiplexing (OFDM); IP inter-

networking; its all-IP based, flat Carrier Access Point (CAP) architecture; and IP-enabled handsets - to develop fixed, nomadic, and mobile solutions that will be suited to meet the various needs of Motorola's customers in its consumer, enterprise, and government markets.

The Moto Wi4 portfolio of WiMAX solutions includes a "light infrastructure" solution for rural areas and developing countries that Coombes says offers a very low cost of deployment and ownership, and a carrier-class solution. The carrier-class solution embodies Motorola's CAP architecture that uses all-IP access technology to put intelligence into the base station itself, thereby eliminating several hardware elements from the radio access network. This peer-to-peer architecture offers carriers the opportunity to lower capital and operational costs while also reducing footprint requirements.

Propelling Motorola closer to achieving its WiMAX objectives, the company recently announced a major joint technology development agreement with Sprint for wireless broadband WiMAX 802.16e technology testing and equipment trials. The agreement spans lab testing of the MotoWi4 portfolio of WiMAX base stations, smart antenna technology and multimedia handsets.



Applauding Motorola's initiative, Caroline Gabriel, research director, Rethink Research Associates notes, "Motorola's intensified focus on 802.16e development will have a significant impact on the standard's progress into the mainstream. A company of Motorola's scale needs to lead, not follow in key technologies, and its latest moves show that it aims no less than to create another inflection point in the telecoms industry, as it did with the introduction of the world's first mobile handset in 1983."

Motorola, a key participant in the WiMAX industry, has been a principal member of the WiMAX Forum since 2004, and has been an active contributor to the IEEE 802.16 committees, especially those focused on mobility and internetworking. Universal standards will be a key element in the delivery of timely WiMAX solutions to market. ♦



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Symantec introduces security solution with antispyware technology specifically to Intel's global dealer network

To help safeguard users of Intel desktop motherboards worldwide, Symantec Corp, the fourth largest software company in the world, will be providing a more comprehensive online security protection from adware, spyware, and other Internet security threats.

In turn, Intel will make Symantec's Norton Internet Security 2005 AntiSpyware Edition available to its system builders and value added resellers who are part of the chip-maker's dealer network worldwide.

Through this security offering, Intel dealers will be able to pre-install Norton Internet Security 2005 AntiSpyware Edition on systems they build. In addition, users will receive a 90-day introductory subscription to Symantec's protection updates. Once the subscription expires, users have the option to purchase a 12-month renewal. Intel will make the security solution available to dealers from the Intel dealer Web site and will eventually make the solution available on the application CD included with all Intel-branded motherboards shipped worldwide.

"We are pleased to extend the capabilities of Symantec's award-winning Internet security solution to include antispyware functionality for Intel dealers around the globe," says Matthew Moynahan, vice president of consumer products and solutions at Symantec. "The wide range of today's security risks including adware, spyware, viruses, worms, and spam make it difficult to get adequate protection through piecemeal products. Norton Internet Security 2005 AntiSpyware Edition provides a comprehensive approach that addresses users' full security needs in one solution."

As reliance and dependence on the Internet increases, the dangers of spyware and adware continue to rise. With Norton Internet Security 2005 AntiSpyware Edition, spyware applications categorized by Symantec Security Response as high risk are removed and quarantined automatically as soon as they are detected by a system scan.

Lower-risk programs generate an alert to the user that includes information on the risk category, symptoms and behavior of the risk, transmission details, and recommended action.

Norton Internet Security 2005 AntiSpyware Edition combines additional layers of defense contained in other security technologies. The solution includes Norton AntiVirus, Norton Personal Firewall, Norton AntiSpam, Norton Privacy Control, and Norton Parental Control.



Symantec has also hit the news again with yet another acquisition. This month the security giant signed an agreement to acquire Sygate Technologies, a technology leader in endpoint compliance solutions. The company says that Sygate's technology will complement its presence on the endpoint to create a holistic solution to address the security, compliance, and remediation requirements of today's large enterprises. The acquisition is expected to close shortly after receiving customary regulatory approvals.

Endpoint compliance solutions help enterprise organizations enforce security by guaranteeing that all devices connected to a network – desktops, laptops, servers, and mobile devices – are running the appropriate security solutions, are configured correctly, and possess up-to-date patches. Symantec will now be able to help businesses enforce business policies and automate security practices to regain control of network security, reduce

costs, and ensure compliance across the organization.

"It is critical to have an endpoint compliance solution that will allow companies to leverage their existing IT infrastructure to control the myriad devices connecting to the network," notes Enrique Salem, senior vice president, Security Products and Solutions at Symantec. "A recognized leader in endpoint compliance, Sygate provides the first universal network access control system designed to protect the entire enterprise network – from mobile devices to servers to unmanaged devices.

The fact that their technology is built on industry standards means that companies don't have to implement expensive infrastructure changes to deploy this solution."

For over five years, enterprise customers have turned to Sygate to automate the process of discovering endpoints, determining their compliance with security policies, enforcing network access control, remediating noncompliant systems, and then continuously monitoring for compliance. The Sygate Universal Network Access Control (SNAC) system enables enterprises to extend the protections of network access control to every type of network access (VPN, wireless, wired switch, DHCP, and home networks) and on all endpoints (desktops, laptops, servers, guest systems, and embedded devices) and allows them to define how secure an endpoint must be before it can access specific network resources, even when users take their mobile devices off the corporate network.

Upon closure of the deal, Symantec AntiVirus and Symantec Client Security customers will be able to license and deploy SNAC to provide endpoint compliance on top of the protection they already receive. Symantec also plans to integrate its remediation capabilities like LiveUpdate and LiveState Patch Manager and its data availability solutions into a more robust endpoint compliance solution.

(Continues on page 18)

Oracle and Sun target resellers with new infrastructure solutions

Sun Microsystems and Oracle now have Database Packs consisting of new infrastructure solutions incorporating Oracle Database 10g with Sun StorEdge 3310 arrays and Sun Fire x64 servers (x86, 64-bit) powered by the AMD Opteron processor and running either the Solaris 10 Operating System (OS) or standard Linux distribution operating systems.

The solutions are available from qualified Sun /Oracle joint resellers.



"Sun and Oracle have seen increasing demand for our respective Sun Fire x64 servers and database products and while the industry has traditionally thought of our longstanding relationship as only the marriage of big iron with leading database technology, the reality is we're continuing to increase our joint presence in the growing x64 server market," says Stephen Borcich, vice president, Partner Marketing, Sun Microsystems, Inc. "With this integrated solution, Sun and Oracle are enabling our joint reseller partners to share in that opportunity."

"Proven, low-cost solutions for small and medium businesses that are easy to implement, and provide reliability and scalability are what the market is looking for," adds Oracle Vice President of Worldwide Alliances and

Channels, Doug Kennedy. "Together, Oracle and Sun are delivering validated solutions that bring the economic benefits inherent in grid computing to the small and medium business segment with these database packs. Not only are Oracle and Sun providing these joint solutions, but we're investing in our resellers through training and support to successfully sell into this growing market."



Doug Kennedy

The infrastructure solution pack consists of:

- the entry-level Oracle Database 10g Standard Edition One for small businesses;
- Oracle Database 10g Standard Edition for medium sized businesses;
- Oracle Database 10g Standard Edition and Oracle Real Application Clusters for businesses that demand 24x7 application availability;
- Sun Fire V20z and V40z servers -- Sun's x64 servers powered by the AMD Opteron processor and;
- Sun StorEdge 3310 arrays for customers requiring enterprise-class storage flexibility and reliability in a workgroup-size package and price.

In addition, the solution includes the Sun N1 Service Provisioning System (N1 SPS) model for Oracle Database and Oracle Application Server. ♦

From Page 17— Symantec introduces security solution with antispyware technology specifically to Intel's global dealer network

In addition, other solutions that Sygate offers are its On-Demand Agent (SODA) and Enterprise Solution 5.0 (SEP).

SODA offers protection to enterprise networks and application data from exposure by user access from unmanaged devices like business center kiosks – a problem that has proven to be a unique challenge for enterprises. The agent can be downloaded via SSL and portal connections and ensures that endpoints that are not company-owned or managed are in compliance with corporate security policies, and that the transaction data itself is secure.

Sygate's SEP 5.0 has endpoint protection capabilities. It is said to provide broad protection and control in a single agent and under simplified management. Symantec expects to leverage and integrate both these technologies with its existing endpoint protection products. Until that integration occurs, SEP 5.0 will be offered alongside Symantec's other endpoint security solutions.

"Thanks to the support of our customers, employees, investors, partners, and shareholders, Sygate has helped some of the largest, most complex enterprises to secure their infrastructures and eliminate disruptions to business-critical computer systems," says John DeSantis, president and CEO of Sygate Technologies. "Combining our entrepreneurial spirit and expertise in endpoint compliance with Symantec's outstanding resources, corporate culture and market leadership in client security will allow us to offer customers the most comprehensive solution for both managed and unmanaged endpoints. The future looks very bright indeed for the customers and partners of Sygate and Symantec." ♦



John DeSantis

By Shanti Anne Morais

Zero Day Threats now a stark reality

What was once considered more urban legend than reality – Zero Day Threats – has metamorphosed from an imminent threat into an actuality, marking a significant change in the nature of Internet-borne threats.

Trend Micro's security researchers recently discovered a proof-of-concept exploit for the Internet Explorer "COM Object Instantiation Memory Corruption Vulnerability" (CAN-2005-1990). This vulnerability was first announced and discussed in detail in the Microsoft Security Bulletin MS05-038 on 9 August, 2005. The proof-of-concept was discovered on the same day of the bulletin's release and posted to a popular site for viewing.

For the past two years, security experts from around the globe have been warning about the shrinking timeline between the announcement of a vulnerability and the appearance of an exploit against that vulnerability.

David Perry, global director of education, Trend Micro notes, "In 2000/2001, it took 11 months from the time MS00-078 was announced until the time NIMDA was written as an effective exploit against that vulnerability. By 2002, that timeline was cut nearly in half, with only 185 days required between the announcement of MS02-039 and the successful launch of SQLP; just 6 months later, MSBLAST did it in less than a month; and last year, we saw SASSER arrive in just 17 days."

Perry adds that he expects zero-day threats to become more prevalent in the future, highlighting the prevalence of information, the open availability of malicious code posted on public Internet sites, and the increasing skill levels of malware writers.

Malicious code also seems to be targeting Windows components rather than server software. "Threats targeting these components are more widespread than the server software targeted by previous network-based worms, resulting in a much higher density of vulnerable systems," Symantec says in a report.

In addition, worm writers are getting craftier. More worms contain their own mail engines. When worms can

mail themselves out, the users of infected systems are less likely to realize a worm has hit them. Also, worms are more frequently packed and compressed in an attempt to sneak them past antivirus scanners. There is no doubt that malicious programs are becoming more keenly focused on exploiting previously unidentified vulnerabilities that allow them to bypass security measures already in place.

It is therefore imperative that organizations are aware of the potential amount of damage a successful Zero Day attack could cause to their organization, and ensure effective measure are in place in order to minimize the harm caused. When it comes to Zero day threats, prevention rather than cure should be the name of the game.

So, exactly what is a Zero Day attack? The name refers to the very first point at which a vulnerability is identified, or a virus, worm or Trojan unleashed. Security vendors have been scrambling to deal with this now very real problem. However, it is important to note that very few preventive patches have yet been issued, and many existing anti-virus software have not been programmed to deal with these attacks. Herein lays the reason why Zero Day attacks are so swift and deadly. The attacks are unexpected and also untreatable for some time, allowing them to be exploited or spread extensively until a suitable 'cure' is found and implemented. This of course leads to more affected systems and greater severity of damage caused to those infected. Worryingly, research shows that Internet Explorer users can be open to potential attack without a cure for weeks while waiting for the latest vulnerability to be patched.

Trend Micro views Zero Day threats as extremely dangerous not only because of the effects of a successful exploit but mainly due to the ease with which an attack can occur. This includes social engineering techniques that have proven successful over and over again. In addition, a successful attack using this vulnerability does not require any user interaction, beyond being tricked into visiting a rogue Web site – a ploy that is successful every day in classic phishing scams.

This is how the exploit works:

An attacker can construct a malicious Web page to exploit the vulnerability, which potentially allows remote code execution when a user visits the malicious Web page.

Remote attackers can then execute arbitrary code in the context of the currently logged-in user. If the user is logged-in with "administrator" privileges, the attacker could potentially gain full control of the user's computer – enabling the attacker to install programs, including spyware, viruses, and other malicious programs; view, change, or delete data; or create new accounts with full user rights. Attackers could also utilize the user's machine as a "zombie" to replicate viruses and other malicious programs, and help facilitate their spread.

Security experts warn that these vulnerabilities are particularly dangerous, as they have the potential to grant the writer full and complete access to the user's machine, in some cases by merely viewing the Web page or an e-mail that includes imbedded JPEG images. In contrast, most phishing scams and traditional viruses rely upon the user interacting with the e-mail or Web site, thereby giving the user a "second chance" to think about their actions, before they can become infected.

Jamz Yaneza, senior AV research manager at Trend Micro, says, "Perhaps the scariest part of these vulnerabilities is that most users enable HTML in their e-mail, and many e-mail tools default to opening all e-mail as soon as it is selected". "In these cases, a user can't even select a message with the intent of deleting it, without being infected."

The code, which was originally written to exploit vulnerabilities published in MS04-040 back in December, 2004, was then used to exploit vulnerabilities in the JView Profiler, published last month in MS05-037. The recent attack on August 14th used the same code as the aforementioned, with a simple modification to the reference of the Class Identifier (CLSID).

Just how did we reach the 'point of no return' – where a successful exploit becomes available literally within hours of a public announcement?

From Page 19 — Zero Day Threats now a stark reality

All too easily," says Perry who explains how this is done in three easy steps:

- Internet Explorer has a flaw, which enables exploitation via different COM Objects. Once the code is written to exploit these Objects, the writer need only test it with other COM Objects to discover others that exhibit similar behaviors.
- The security bulletin provides a complete list of "Vulnerable Objects" that have been found to exhibit similar behavior to the JVIEW Profiler vulnerability. The update sets the kill bit only to these known Objects. By scanning the list, the writer need only test those COM Objects that have not yet been discovered, thereby streamlining the testing process.
- Once a similar COM object tests positively, the writer can then easily change the exploit's CLSID, and a different Object will be used for the exploit.

Though there are a number of vehicles to lure users into visiting the site, researchers believe the most common way will be through e-mail, coupled with social engineering techniques that have already proven to be effective.

Bearing all this in mind, it is easy to see why it is so crucial to learn how to protect yourself and your organization from such a devastating threat.

Here are some simple steps to safeguard yourself:

1. Increase your security settings on your browser. The higher the settings, the less a potential attacker can accomplish – if they can get in at all.
2. Limit your user rights when on-line. Using these vulnerabilities, a malicious user can typically only work under the same rights as the legitimate user. Hence, if the legitimate user is logged-in with only standard user privileges, the malicious user will only be able to obtain those same privileges. In contrast, if the user is logged-in with administrator privileges, the malicious user could potentially gain full control of the user's system.
3. Change your e-mail preferences to:
 - disable automatic download when previewing the message

- block pictures and other Internet content (including HTML) from automatically downloading to your computer.

4. Use safe e-mail practices.
5. Abstain from launching attachments that appear to be pictures or other files from an unknown source, as well as from people you know, if the attachment was unexpected. When in doubt, ask the person if they sent you anything, prior to launching any attachment.



It is important to note that while firewalls are an essential part of an integrated security solution, these tend to only protect users from known threats that can be identified at the network perimeter. Ian Schenkel, managing director of Sygate UK says that what is needed is a comprehensive system that allows both immediate and automatic implementation of patching as soon as it becomes available, combined with a multi-layered defensive strategy that uses all the technology available to ensure that only authorized users are granted access to the network (thus preventing entry by hackers), and monitor traffic for any signs of malicious code. He adds that behavioral analysis is key to anticipating which types of traffic pose a threat, while signature-based intrusion prevention can limit exposure even further.

A holistic defensive strategy adds a proactive dimension to firewall protection, and ensures that the effects of Zero Day attacks can be minimized by making the window of vulnerability as small as possible. Schenkel sums it up beautifully, " When you're dealing with the unknown, it pays to get to know your enemy as well as possible, as quickly as possible, and to use what you learn to prepare for the next time around." ♦

By Shanti Anne Morais

APPOINTMENTS

Business Performance Management company **Hyperion Solutions** has appointed Suganthi Shivkumar as managing director, ASEAN/India, after her successful tenure as ASEAN Sales Director for Hyperion Solutions Asia. Suganthi is one of two women managing directors in this global organization.

Suganthi joined Hyperion in 1998 as Lead Trainer for Hyperion ASEAN/India. Suganthi's new role is an expansion from her previous role as sales director that saw her leading a team of 18 sales, channel, services, marketing and education representatives in Singapore and ASEAN, including India. Tapping on the synergy among the Hyperion sales and partners, Suganthi successfully led her team to exceed the fiscal year 2005 sales target in excess of 150 percent.

As Managing Director, ASEAN/India, Suganthi will oversee the business and sales direction of Hyperion's offices in Singapore, Malaysia, Thailand, Philippines, Indonesia and India, with plans to develop a channel model for ASEAN that will drive higher revenue growth for Hyperion Asia.

Suganthi has close to ten years of experience in the business software industry. She also has strong domain knowledge in Finance, having been in auditing and public accounting prior to her career in software. ♦

webMethods, Inc. a business integration and optimization software company has named Andy Wilkinson as its general manager for the Asia Pacific/Japan region. He will report directly to Richard P. Chiarello, webMethods' executive vice president of worldwide operations, and will further bolster webMethods' market position in the region.

A native New Zealander, Wilkinson will direct webMethods' Asia Pacific/Japan operations from the company's Singapore offices. Prior to this appointment, Wilkinson served as Peregrine Systems' vice president and general manager for Asia Pacific with responsibilities for territories including Japan, ASEAN, India, Australia and New Zealand.



Peter Ziglis

Peter Zeglis is now director of **Business Objects'** Professional Services Organisation (PSO) for the Asia Pacific region. The appointment is part of Business Objects strategy to deliver centralized, regional direction to the Asia Pacific PSO division. Zeglis will be based in the company's Sydney office, but will travel extensively in the region. He will report directly to Lee Boon Huat, Business Objects vice president for Asia Pacific. Zeglis joins Business Objects from Ascential software where he was responsible for professional services in both APAC & EMEA. Prior to this, his career included stints at Ernst Young Cap Gemini and Accenture. ♦

Singapore's National Infocomm Competency Center has



Lee Kwok Cheong

announced the appointment of Lee Kwok Cheong, chairman of NCS Pte Ltd, as its new chairman. Lee or KC as he is widely known has close to 27 years of experience in the infocomm industry. Apart from being an active contributor to NICC since its inception, he also serves on numerous other boards and advisory committees and is currently president of the Singapore Computer Society.

The organization's former chairman, Alex Siow, senior vice president for Business Markets for StarHub Ltd, will be staying on the Board as an independent director. In addition, he has also been accorded the titles of founder and honorary advisor for his contributions to NICC. ♦



Alex Siow

Reji Cherian has been named managing director of **T-Systems'** subsidiary in Pune, India. He will be in charge of setting up a powerful delivery unit for the ICT service provider.

Cherian most recently served as chief technology officer (CTO) at Shared Services, a subsidiary of Siemens India, where he was responsible for establishing the necessary IT infrastructure and services for the outsourcing of business processes. Previously, he worked for Siemens for 16 years. ♦

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MediaBUZZ Pte Ltd
60 Havelock Road, Tower A
#10-08 River Place
Singapore 169658

Phone: +65-6836 1807

Fax: +65-6235 1706

E-mail: info@mediabuzz.com.sg

MediaBUZZ's e-InfoSource - **ASIAN CHANNELS** - is the very first of its kind in the region and the only guide for technology channels (e.g. distributors, resellers, ISVs, SIs, OEMs and of course technology companies/vendors) in the Asia Pacific. It focuses on news, alliances, statistics and trends, best practices and market tips, profiles of top channel companies and leaders in the region, products and carefully planned technology features related and relevant to the channels industry.

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It is sent out regionally once a month to around 23,500 targeted readers comprising of top management, channel management and professionals, mid-management, IT professionals and consultants.

Editorial

Dear Reader,

Channel margins are key to staying both competitive as well as profitable. Just how do you find out if and how your channel partner stacks up on the value-add chart? Does your partner have the potential to garner higher margins? How do you enhance partner revenue? Find out this and more in the second of a 2-part series contributed by marketing services company, Asia Pacific Connections.

Also in this issue, we take a look at Zero Day threats, an exploit making waves on the Internet for all the wrong reasons. Find out more about this devastating threat and how you can protect yourself and your organization from it.

In our next issue, look out for the results of channel consulting experts, Channel Enablers', 2005 Partner Manager Census.

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Till next month...

Best Regards



Shanti Anne Morais
Editor, Asian Channels

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