The Global Power of Sun

Fortune 187 Company
Java Devices 4.5+ Billion
Java Developers 5+ Million
Cash $5.486 Billion

Annual Revenues $13+ Billion
Annual R&D ~$2 Billion
Quarterly Revenue Up 3.3% Y/Y

Worldwide Employees 34,500
Business Presence 100 Countries

Patents 11,000+
Solaris 10 Licenses 7.5+ Million

One of only 20 companies out of the 5,000 to be given the "Ethics Inside Certified" designation by Ethisphere Magazine
Business Update

- Profitability – 2 consecutive quarters of growth and profitability – software up 12% and services up 7% Y/Y in Q3FY07

- Taking share from the competition – total server revenue up 24.4% Y/Y in Q4CY06 – 4x that of Sun’s nearest competitor (Source: IDC Worldwide Quarterly Server Tracker, February, 2007)

- Intel endorses Solaris as the mission critical OS for Xeon servers; Sun to deliver Xeon-based servers

- Formed Microelectronics Group; announced first relationship with Marvell Technology Group

- Stanford University Linear Accelerator Center adds Project Blackbox to rapidly expand its physics and astrophysics research
Our Vision

• The Network is the Computer
• Everyone and everything participates on the network
Hyper Network Growth – Beyond Moore's Law

Network Usage Drives IT
- High Performance Computing
- Streaming Content
- Network Services
- Social Networks

Business Operation Drives IT
- Databases
- ERP
- CRM

World GDP ~ 4% Growth/Year
Network Growth Implications for IT

New Consumers. New Content.

On the Network...


Drives Infrastructure Demand.
Innovation, Choice, Greater Value

Software

Solaris

Storage

Services

Sun Microsystems

Servers

Microelectronics

Java

STORAGETek™

SPARC64

ULTRASPARC

AMD

Opteron

Intel
Average student
No “5-year plan”
No serious technical talent
Followed the money
38 countries
Things I Wasn't Taught in School... (or maybe I wasn't paying attention)

- Politics
- Context switching at light speed
- Financial Management
- Public speaking
  > For Gosh sake – don't read every bullet on the slide
- Delete it, Delegate it, Deal with it
- Play to the ball
- The value of mentoring
Things That Matter

- Timing
- Words
- Honesty
- Respect
- Politics
- Leadership
- Honor
- Self Reliance
- Trust
- Confidentiality
- Listening

Things That Don't

- Degrees
- Location
- RCCR...
- Old tapes
- Last years technology
So You Want to Be A Superstar?

- Integrity
- Hard working
- Common sense
- Honesty
- Resourcefulness
- Articulate
- Succinct
- Transparent
- Reliable
- Good listener
- Performance over time

- Dependable
- Endurance
- Enthusiastic
- Initiative
- Tact
- Unselfish
- Loyal
- Self-aware
- Predictable
- Consistent
- Succession plans
Free Advice

• Be polite – raise your hand
• Hard work & Common sense ≥ Expertise
• Utility ≥ Speciality
• Your technical competency is a given – it's everything else that will set you apart
• Nobody is indispensable
• Bad news rarely improves with time
• The calendar always wins – it also reflects what's truly important to YOU
• Grow where you're planted
• Take care of yourself first
• If you don't like helping people – get out now
• The industry is (radically) changing – be prepared
A day in the life... what life?

- There's no 'average' day
  - 20% External customers/media/press
  - 20% Project/program reviews
  - 20% Staff/department meetings,
  - 10% HR related
  - 30% Everything else

- Typically 5:30 a.m. - 10:30 p.m.
- 70-80 hour weeks
- ~200+ Emails/day
A day in the life... what life?
Sun IT

36,450 Ultra Thin Clients

35,000 Users Supported

1,000+ Suppliers and Partners

Data Centers = 1.22 PB
Campus/Field = 1.05 PB

1173 Applications

10 Million Emails per Day -

60 Million Blacklisted Mails/day

PLUS...50 Million SPAM/day

30,000 Tickets/Calls Per Month to NOC

2100 DC Servers / 42,000 SqFt

Centralized Infrastructure

1,000+ Suppliers and Partners

1,000+ Suppliers and Partners

60 Million Blacklisted Mails/day

PLUS...50 Million SPAM/day

30,000 Tickets/Calls Per Month to NOC

2100 DC Servers / 42,000 SqFt

Centralized Infrastructure

2100 DC Servers / 42,000 SqFt

Centralized Infrastructure

2100 DC Servers / 42,000 SqFt

Centralized Infrastructure

2100 DC Servers / 42,000 SqFt

Centralized Infrastructure

2100 DC Servers / 42,000 SqFt

Centralized Infrastructure
IT Overview

- Key IT Metrics:
  - Major Sites: Bay Area; Colorado, Scotland, Singapore, UK, Sydney
  - Outsourced: EDS (Data Centers); AT&T (Networks); CSC (Applications)
  - Number of desktops/laptops served: ~60,000
  - Recommend Sun Index of IT employees: 88%
  - Number of data center servers: 2,800
  - 250+/- projects at any one time
  - Total budget: $400M
  - 54% of budget is outsourced/outside services
  - % of Revenue: ~2.5%
  - Headcount: 574
  - Management ratio: 11.3%
  - Attrition rate: 10.2%
The Sun IT Organization

CIO
Bob Worrall

Finance
Bob Worrall

Chief
Technology
Officer (CTO)
John Dutra

Strategy,
Architecture,
ITSM
Leslie Lambert

Business
Engagement &
Applications
Linda Martino

IT Operations
Jerry Hunter

HR
Katie Ebrahimi

Compliance
Ed Glover

Vendor
Relations &
Management
Matthew Ricks

Chief Security
Officer
Mark Connelly

Business
Planning
Halina Tabacek

IBIS
Colin Carmichael

User
Advocate
Russ Smariga

AT&T
Network Management

CSC
App Dev / Support

EDS
Data Centers
IT Challenges @ Sun

- Data centers: space, power, consolidation
- Applications: rationalization, consolidation
- Security, SPAM, business continuity / DR
- Identity management
- Compliance
- Grid computing, virtualization
- SOA
- Mobility: laptops, wifi, disk encryption
- Networks: MPLS, NAC
- Outsourcing
- User productivity
The New Work/Business Challenges

- **Markets** are global
- **Talent** is global and knowledge-based
- **Workforce** can be anywhere
- **Work locations** are multiple
- **Work activity** is more team-dependent
- **Work constraints** are time based
- **Growing Concern**—24x7 business continuity
- **Growing Desire**—Flexibility and choice
IT Contributions to Sun

- User Productivity
- Reference Architectures
- Applications Support
- Infrastructure Services
- Customer Engagement
Enterprise Computing in the Open Network

Network services available anywhere, on any device

- The enterprise acquires services, rather than servers or applications
- Services hosted by service providers on the Internet
- IT aggregates the relevant services for customers
- IT manages the service providers
- The end of the traditional Intranet
- The end of the traditional datacenter...

...the end of IT as we know it.
Could you start a company today without traditional IT?

✔ Email
✔ Calendar
✔ Documents
✔ ERP
✔ Supply Chain
✔ Finance
✔ Payroll
✔ Relationship Management
✔ Sales & Marketing
Thanks.
The Network is the Computer.™

Robert Worrall
Chief Information Officer
Sun Microsystems, Inc.