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Applied Business Strategy
University of Phoenix

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Principal

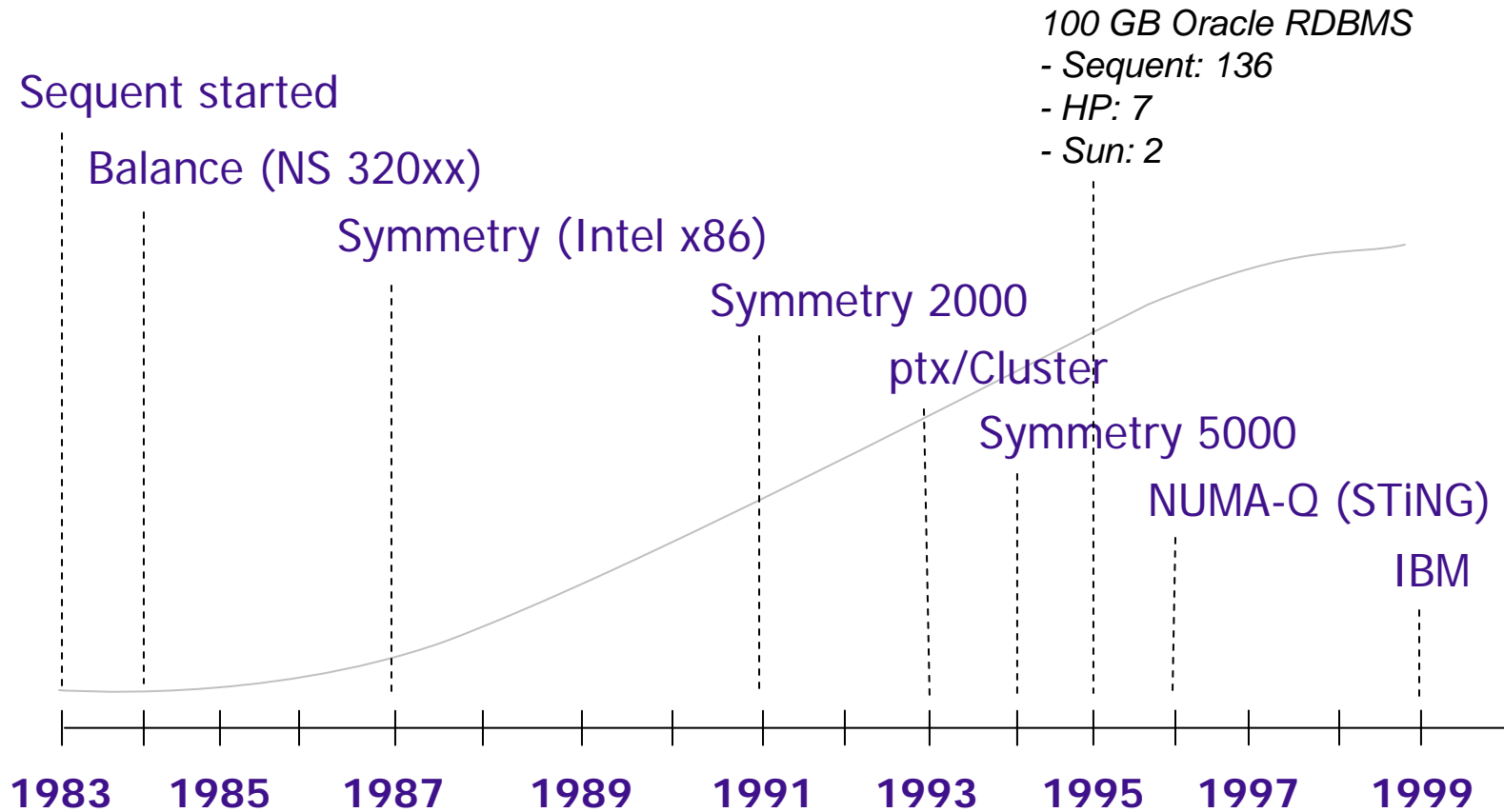C: (503) 789-2676
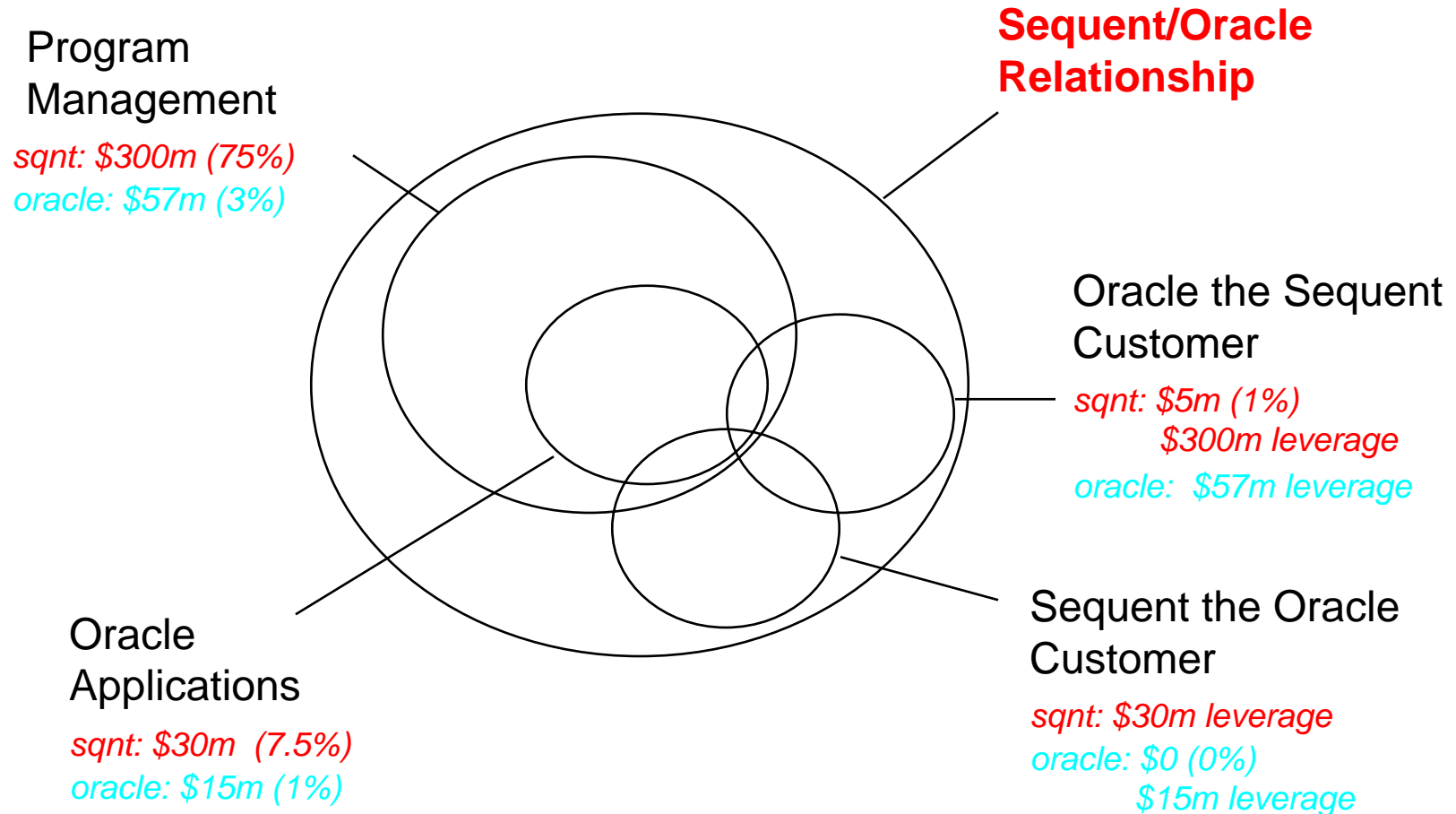wilson@cendex.biz

May 31, 2006

Sequent

Our Business is Your Success

Sequent History

Timeline & Milestones

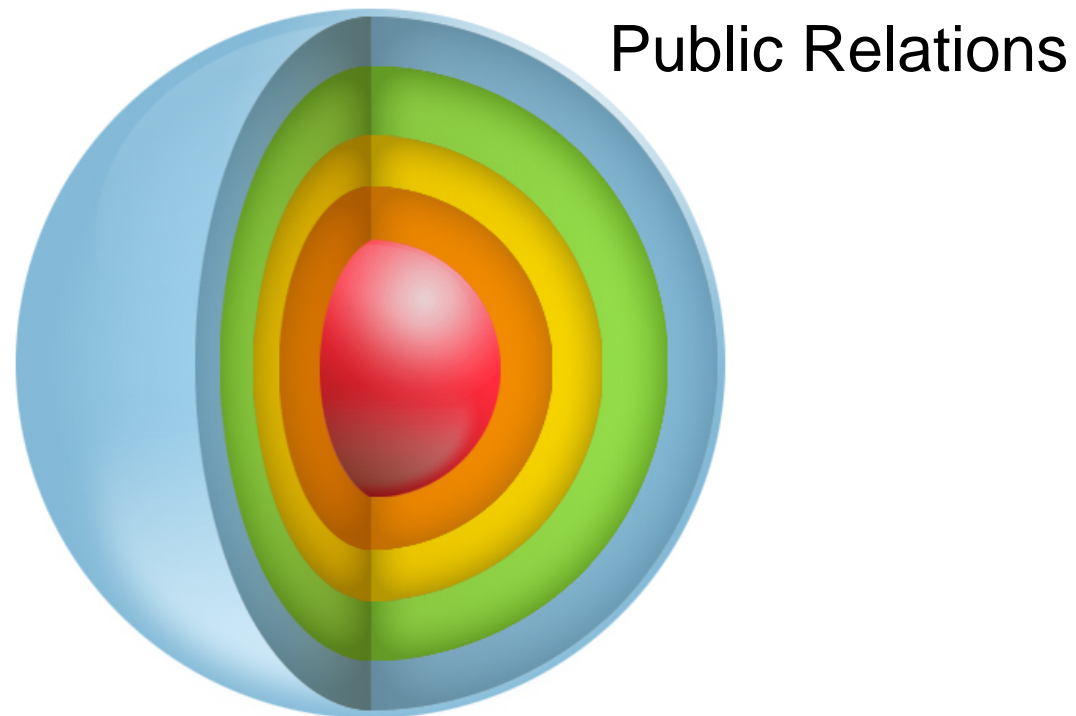*100 GB Oracle RDBMS*
- Sequent: 136
- HP: 7
- Sun: 2

Sequent started

Balance (NS 320xx)

Symmetry (Intel x86)

Symmetry 2000

ptx/Cluster

Symmetry 5000

NUMA-Q (STiNG)

IBM

1983   1985   1987   1989   1991   1993   1995   1997   1999

Oracle Program (1995)

Sequent/Oracle Leverage Revenue

Program
Management

sqnt: $300m (75%)
oracle: $57m (3%)

**Sequent/Oracle
Relationship**

Oracle the Sequent
Customer

sqnt: $5m (1%)
* $300m leverage*
oracle: $57m leverage

Oracle
Applications

sqnt: $30m (7.5%)
oracle: $15m (1%)

Sequent the Oracle
Customer

sqnt: $30m leverage
oracle: $0 (0%)
* $15m leverage*

Strategic Alliances

Multi-Layer Partnership Model

Public Relations
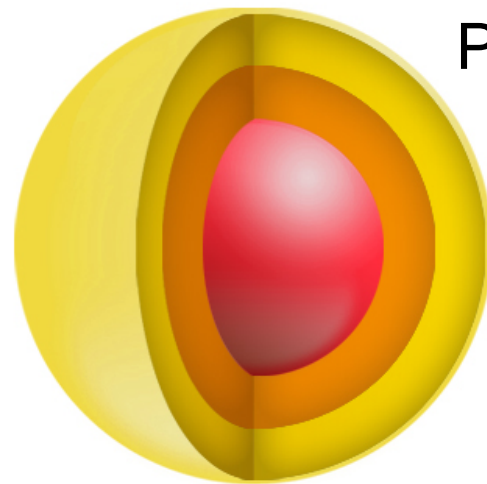
Strategic Alliances

Multi-Layer Partnership Model

Sales & Marketing
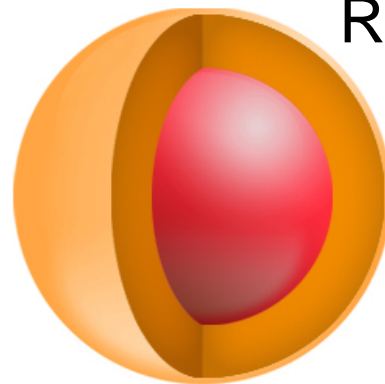
Strategic Alliances

Multi-Layer Partnership Model

Product Development

Strategic Alliances

Multi-Layer Partnership Model

Reciprocal Customers

Strategic Alliances

Multi-Layer Partnership Model

Strategic Alignment

The Core

⌗ Strategic Alliances

Sequent/Oracle Relationship

Public Relations

- Periodic press releases
- Publish benchmark results
- Publish strategic customer wins

Sales & Marketing

- Joint training & team building
- Joint product collateral
- Success stories
- Bundled product offers
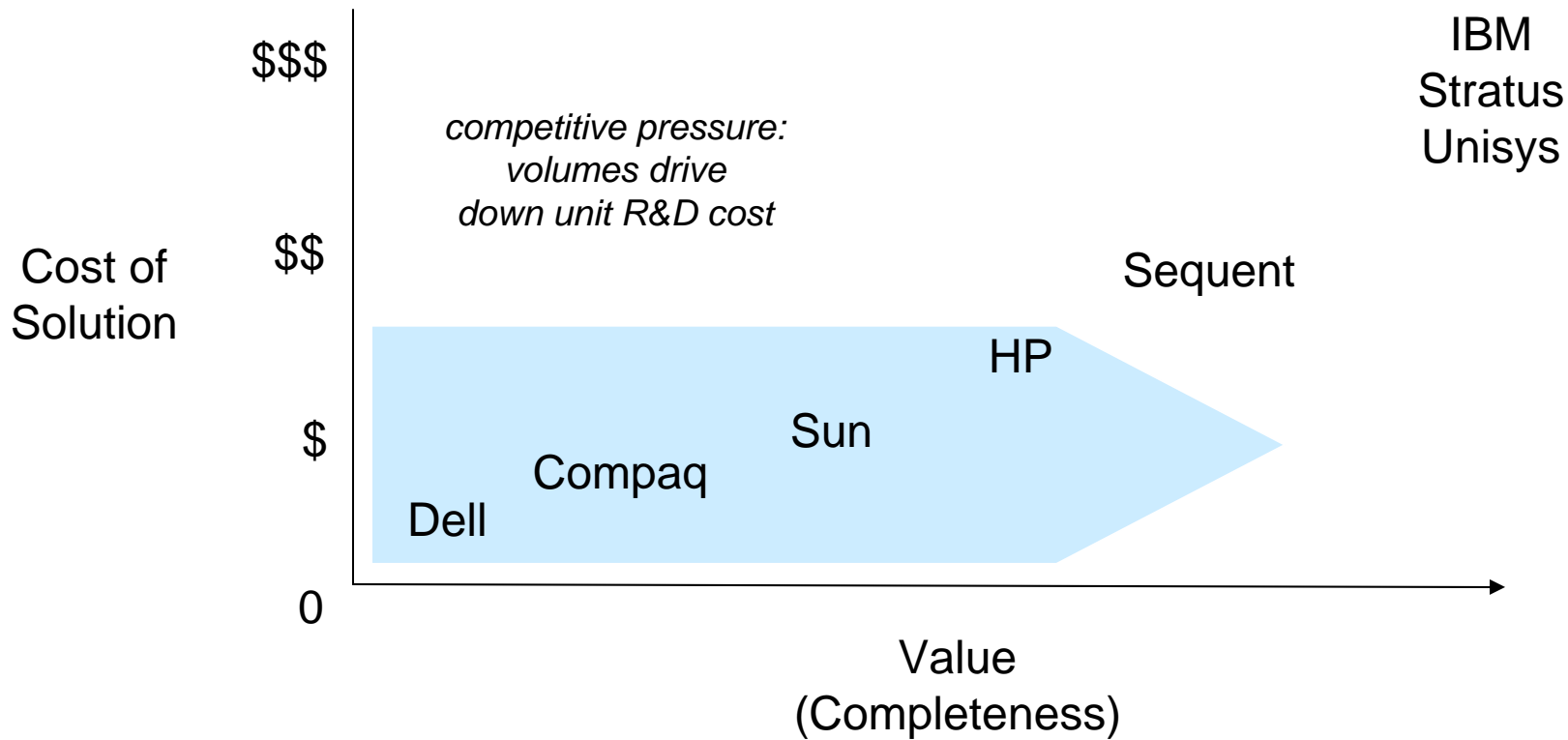- Reciprocal customer visits

Reciprocal Customers

- Oracle ran their business on Sequent
- Oracle developed core software on Sequent
- Sequent rant most benchmarks on Oracle
- Sequent largest Oracle App's site

Strategic Alignment

- Regular executive briefings
- Joint strategic initiatives (VoD, TB+ DB, …)
- Executive outings & customer calls
- Joint demo's & benchmarks

Product Development

- Hardware specific development to increase Oracle performance (e.g. PQO)
- Sequent Engineers on-site in the Oracle core development group
- Specific project groups for strategic initiatives and benchmarks
- Oracle released first on Sequent (reference platform)
- Sequent Engineers on-site in the porting group
- $10M+ Sequent owned hardware on-site

Market Forces

Cost/Value Natural Selection Model

$$\$\$\$$

competitive pressure:
volumes drive
down unit R&D cost

IBM
Stratus
Unisys

Cost of
Solution

$$\$\$$$

Sequent

HP

$$\$$$

Sun

Compaq

Dell

0

Value
(Completeness)

Applied Business Strategy

Lessons Learned

- Strategic Alliances can be a Competitive Advantage

- Returns Require Investment (time/resources)

- Strategic Alliances are not Created Equal
  - Create a portfolio of partners
  - Group based on strategic importance
  - Set investment level based on importance

- Retain Holistic Market View
  - Natural selection can be your friend
  - Natural selection can be your end
  - Don't become an entree