

Latest Services news and analysis

[CacheFlow moves away from PC architecture](#)

[iGeneration – new boss, new continent](#)

[Net2Phone makes all US calls free](#)

[Register.com taps Baltimore for digital IDs](#)

[Novell set to spin off caching unit?](#)

[Baltimore lowers e-security bar](#)

[BT/Akamai: any substance to CDN partnerships?](#)

[Now it's Sharp outsourcing with IBM](#)

IBM signs content deal with SolidSpeed

Daniel Terdiman - [Bio](#) | [Contact](#)

 GMT Nov 21, 2000, 07:43 PM |  ET Nov 21, 2000, 02:43 PM |  PT Nov 21, 2000, 11:43 AM

San Francisco - SolidSpeed Networks has signed a reseller agreement to provide IBM Global Services with content delivery network (CDN) services for small and medium-sized businesses. The arrangement is intended to help IBM extend its hosting business beyond the enterprise customers it now reaches through partnerships with companies like Akamai.

Ann Arbor, Michigan-based SolidSpeed, which launched its CDN service only eight months ago, has set out to make itself known as one of the main distribution providers for smaller businesses. By focusing on that price-sensitive market, the company avoids competing with the marketing strength of Akamai at the enterprise level. SolidSpeed currently has about 100 customers.

For IBM, it's an opportunity to extend its hosting reach into areas it has traditionally not served very well. Beth Feeny, director of global midmarket Web hosting at IBM Global Services, says IBM evaluated its internal resources and determined it would benefit from building partnerships like the one with SolidSpeed. "They clearly have a good network," she says of the company.

SolidSpeed's strategy is to sell its CDN service as an instantaneous, turnkey, private-labeled product for Web hosters. It aims to keep prices for the service low by running its business efficiently and not wasting manpower. SolidSpeed president and CEO Neil Dueweke says the company is delivering its technology with a small staff of engineers, rather than loading up on Ph.D.s like Akamai.

To build its network, SolidSpeed is using technology from companies like Cisco, IBM, Novell, Inktomi and others. "We'll take their pieces and integrate them together in a unique way," says Dueweke.

As part of its service, SolidSpeed offers a set of automated tools that includes a billing system, a bandwidth usage performance meter and a "hot prospect leads generator." But CDNs are largely about performance, and SolidSpeed is betting that its network can speed up sites already accelerated by Akamai an additional 133%. SolidSpeed is also banking on reeling in customers whose websites take up to 25 seconds to load by promising them load times of two-to-five seconds and lower prices than Akamai.

Such increased performance is key, especially for small Internet companies. Zona

Research estimates \$4.6bn is lost annually from impatient users abandoning slow sites. The Boston Group says 48% of users will leave a site if it's too slow.

Ultimately, what SolidSpeed sells is bandwidth. The company is aiming to attract customers that have traditionally bought their bandwidth from heavyweights like Sprint and UUNet, which charge \$900 per megabit, per second. SolidSpeed is aiming to undercut those prices by 10% and to offer an average two and a half times increase in speed and five times better reliability. "It's not just plain bandwidth," says Dueweke. "It's CDN-spiked bandwidth."

For now, SolidSpeed is concentrating on the North American market. But the company also plans an international expansion. Dueweke says that after it closes an upcoming \$12m second round of financing, SolidSpeed expects to extend into Europe. But as it expands overseas, SolidSpeed may find itself at a disadvantage to competitors that have struck partnerships with satellite network providers.

Dueweke says SolidSpeed's biggest fear is that Wall Street will be underwhelmed by the performance of Akamai and Digital Island. He predicts that there may be a downturn in the prospects for those companies next spring and that investor backlash could hurt CDNs across the board.

Related articles

Oct 10, 2000 [Novell, Akamai form content delivery partnership](#)

Sep 22, 2000 [Inktomi and Sun headline broadband alliance](#)

Nov 10, 2000 [IBM has pay-as-you-go e-commerce storefront](#)

Aug 01, 2000 [Akamai, IBM partner to speed content delivery](#)

 [Printer friendly version](#)  [E-mail this article](#)

[Search](#) | [Who We Are](#) | [Contact Us](#) | [Terms of Use](#) | [Privacy Policy](#)

© 2000 the451.com. The copyright and all other intellectual property and proprietary rights in the Website and the Information shall remain at all times the property of the Company or the third party owners as applicable.