

Cisco WLAN shakeup

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In January this year the wireless local area network (wLAN) industry was rocked in its boots; with its acquisition of Airespace, Cisco validated the centralised wLAN architecture it had up till that point opposed. Cisco had formerly resolutely stuck to its distributed intelligence wLAN architecture, despite the growing popularity of the centralised model.

Keerti Melkote, co founder and vice president of product management and marketing at Aruba, says: "Cisco's acquisition validated the thin client architecture, so now it comes down to who has the best product for customers."

Martin Cook is Cisco's business development manager for wireless in the UK and Ireland. He states: "The ultimate goal for Cisco with respect to wLAN is to have integrated wired and wireless communications, bringing wireless intelligence into the infrastructure. We identified in Airespace a solution architecture that we think can enable us to deal in very high capacity and density wLANs, which is inline with that end goal."

Cisco faced a tough challenge once its acquisition was announced; the integration of Airespace's centralised architecture with Aironet, the distributed architecture adopted by the megalith when it acquired the business of the same name back in 1999.

It handled this by launching a software update in June for its fat client wLAN, Aironet, so it can also use the lightweight access point protocol (LAPP) architecture that is the thin client model and allows Cisco to scale Aironet much better to protect customer investment. It has also launched two new controllers since its acquisition of Airespace to address different customer needs, and has released the Location Services Appliance for tracking devices on the wLAN.

"Cisco has changed its direction," Neil Rickard, research vice president at Gartner, explains. "It finally accepted which way the wind was blowing. We can see that as listening to its customers. On the other hand it gives it a legacy base migration issue. However, I don't think a lot of Cisco customers have adopted the old architecture so the migration issue isn't as big a problem as some people think."

Melkote says that Cisco's change may be confusing for customers: "If you look at Cisco's track record over the past five years and what it's

done with WLAN, it's changed a lot, yearly in fact. Customers aren't buying it. What's going to happen next?"

This feeling of discontent was reflected in sales figures in the first quarter this year; while manufacturers of the thin client approach rejoiced when Cisco announced its acquisition, sales slumped as the market hunted for new OEM deals and customers waited to see how the dust would settle.

Both Alcatel and Nortel had OEM agreements in place with Airespace for the development and sale of its WLAN products. Nortel partnered with Trapeze Networks and has added a significant number of new terms and conditions to its contract to protect its investment should a similar debacle occur again.

Alcatel is now Aruba's OEM partner outside the US thanks to its strong footprint in the European and other regions, while Aruba continues to sell directly to end users in the US. For Alcatel the recovery has been swift and significant, with its Q2 2005 revenue figures 30 per cent higher than they were at the peak of its relationship with Airespace in Q4 2004.

Melkote states Cisco came to Aruba to discuss an acquisition proposal around one year ago, before it went to Airespace. Aruba refused to sell as it sees itself as becoming a big player in the marketplace, Melkote says. "As Juniper and Foundry Networks are large independent players in their market, we think mobility is going to be a huge trend so there is room for a strong competitor in WLAN."

The dust has settled as far as Alcatel is concerned. Jean Luc Ronarch is Alcatel's OmniAccess WLAN product manager. He says: "Overall our product now is more rounded, more flexible, and more feature rich. Airespace was good first step as it was simple and worked well. Now the second step is a product that has more features, including an embedded firewall in the WLAN and added security, and with more knobs to tweak so it can be adapted to specific contexts better."

Ronarch continues: "In 2004 when we started deploying our WLAN product customers were talking about hundreds of access points. This year, the market and customers demand orders in magnitude of thousands of access points, so switching to Aruba was good timing." He explains: "Aruba gives us a scalability of an enormity of difference, as Airespace's biggest product when we were with it could scale up to 36 access points. Our OmniAccess 6000 from Aruba scales up to 512 access points."

Nortel has had a similar experience to Alcatel. As Cisco is a large primary competitor for Nortel, as soon as it heard about the acquisition it stopped co-development work with Airespace but continued supplying the products branded as Nortel so its customers could complete projects and be supported.

Kyle Klassen, director of product marketing for WLAN at Nortel, says that between the time Nortel originally signed up with Airespace to the time it began looking for a new partner, the WLAN scene had changed and grown. "We saw interest moving away from data-centric WLAN to true voice and multimedia WLAN, so the criteria for choosing a partner had changed as well."

With more usage, customers have to consider security, scalability and resilience more than ever, Klassen continues: "With 30 per cent more users on the WLAN, how does the corporation know who they are? Also, they need improved voice and multimedia, increased resilience, increased service levels and increased scalability. "

Nortel's first big product launch with Trapeze Networks was the WLAN 2300 Series, which launched globally in March this year. "We have a stronger offering now because of Trapeze's WLAN advantages, than we would have had if we'd stayed with Airespace," Klassen states.

On future release plans with Trapeze Networks, Nortel has already announced that it intends to integrate Trapeze's wireless switching technology with Nortel's wireline technology. "Since the centralised WLAN model with thin access points and a central switch has been accepted, customers are now looking at the problem of redundant security as they buy wireless switches to stick onto wireline switches," Klassen explains.

On whether it would consider an acquisition of Trapeze Networks in the style of Cisco's purchase, Klassen adds: "As time goes on, things can happen in the market, based on pressures in the industry. I can't really comment."

Rickard says that WLAN technologies are finally settling down, as Cisco has one again underlined by developing routers with inbuilt WLAN capability for smaller businesses. (Some of the 2800 and 3800 Integrated Router Series'.)

Other vendors have an advantage over Cisco in that, as always, they are almost definitely provide lower cost products, Rickard says, and in not being Cisco they provide competition and choice to corporates. And so the next phase of the WLAN marketplace begins.

