

The IT/Storage Landscape: Constable or Pollock?

Presented at the SNIA Winter Symposium

San Jose, January 29, 2013

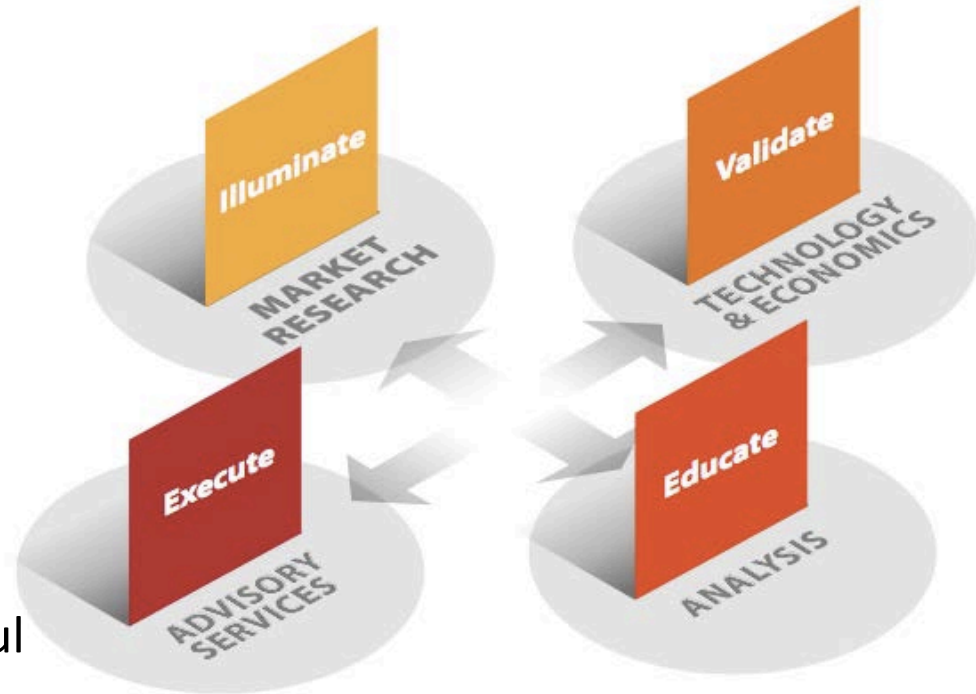
Enterprise Strategy Group

ESG is an IT research, analysis and strategy company

ESG is counted on for straight talk as
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- IT Professionals
- The Media
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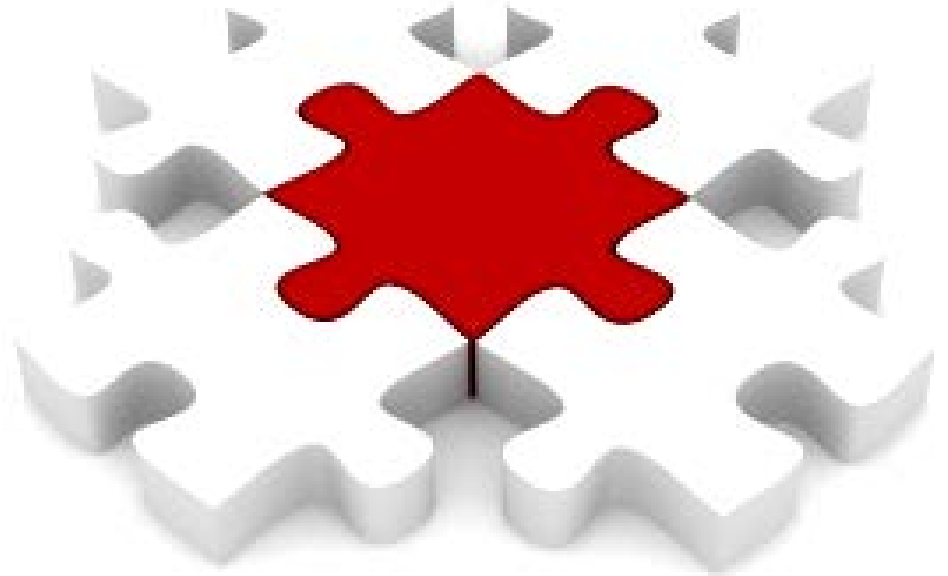
Some Caveats....



"How do we know it's not full of consultants?"

This Presentation: Jigsaw Pieces

- Market context
- Plant seeds and pose some questions
- Whirlwind review of ESG market research
- Encourage thought
- Agenda
 - Overall IT >> Cloud >> Storage...



Pieces Make a Big Picture....?

What Is The Storage Landscape? Constable?



What is the Storage Landscape? Pollock?

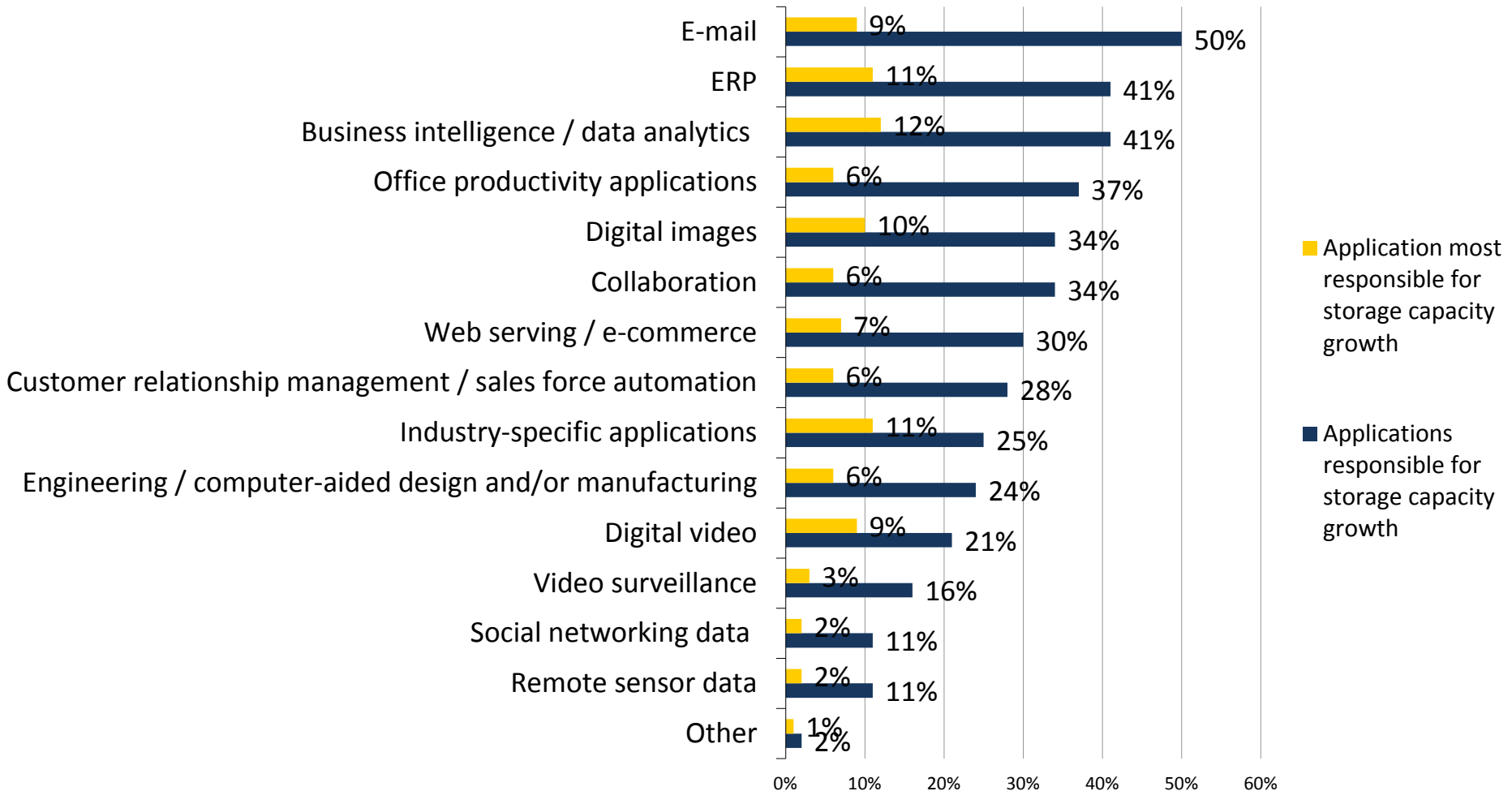


Situation Analysis – Storage Trends (1 of 2)

- GROWTH!!
- Solid-state: expansion and integration
 - A little everywhere; ‘flash and stash’ inevitable
- Unified movement: gradual but inevitable
 - Often includes commodity / open source based options
- Virtualization...and simplification
 - VMware = ‘BFF’ or sociopath?
- Networking is a key enabler (and driver...)
 - Both of hierarchies and via mobility demands
- Broad(en)ing workload mix for many users

Applications Responsible for Storage Growth

Which of the following applications do you believe will be responsible for your organization's storage growth over the next 24 months? Which application will be most responsible for storage growth? (Percent of respondents, N=418)



Situation Analysis – Storage Trends (2 of 2)

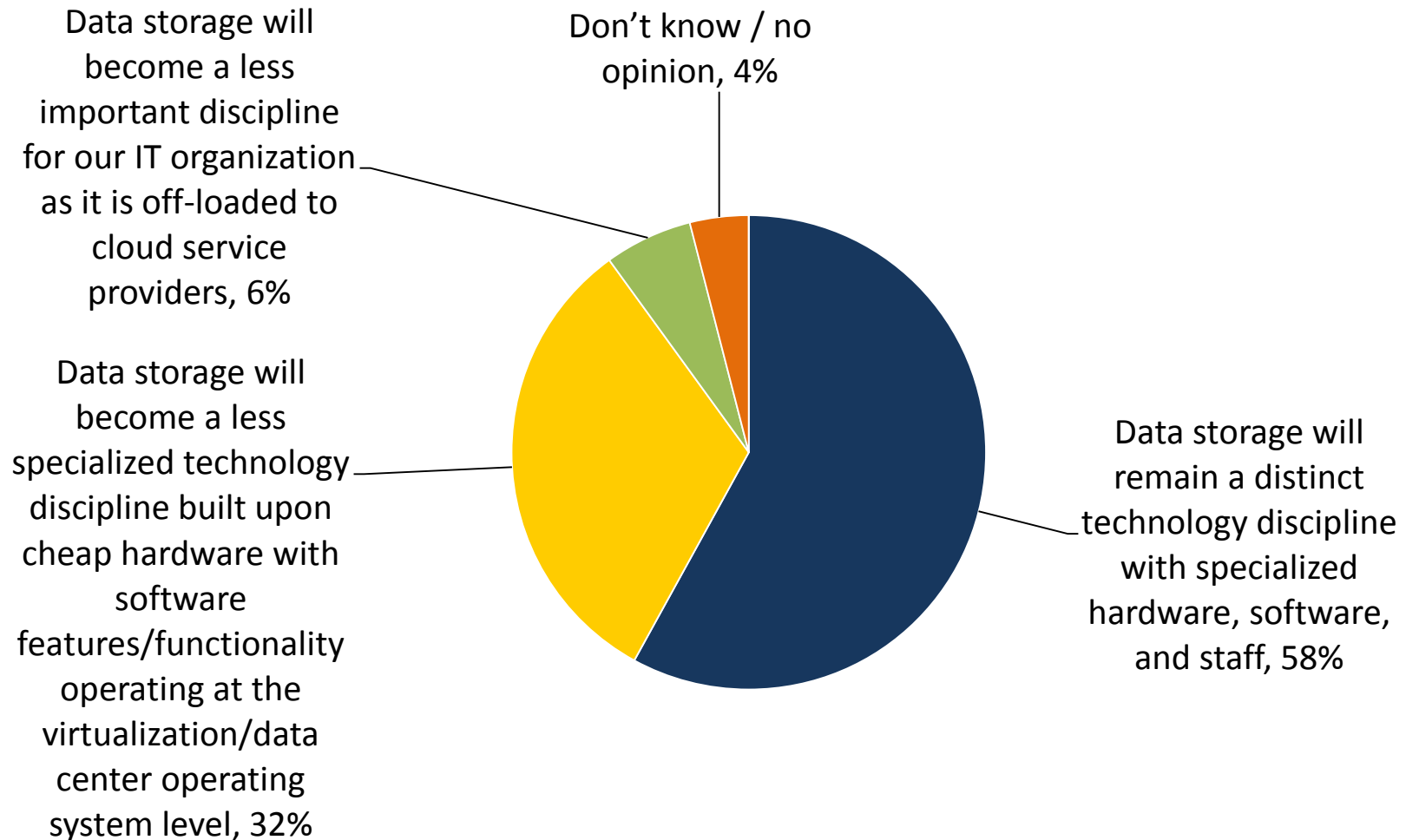
- Dynamic hierarchy / Software definition
 - Automated tiering, migration, management; to optimize economics and utilization
- Overall market dynamics and technologies
 - Cloud, consolidation, de-dupe, minimizing risk
- Efficiency
 - ‘Green’ IT, plus cost savings and bang-for-buck in general
 - Scale-out in block as well as file
- Block is still the ‘tier 1’, ‘big-iron’ space...but the ‘mystique’ fading??
- Market still dominated by a handful of entrenched vendors....

'Clouds' and 'Content' Views....



Long-term View of Data Storage Technology

Which of the following statements best describes your organization's long-term view of data storage technology? (Percent of respondents, N=418)





Outlook for the **2013** IT Landscape

The Facts: Spending

A background image of a city skyline at sunset. The sky is a gradient of orange and yellow, and the city buildings are silhouetted against it. The Chrysler Building is prominent on the right side.

42% of organizations planning to increase spending; 50% flat Y/Y

Only 8% of organizations say IT spending will decrease to some extent

+1.99% mean Y/Y budget change across all organizations surveyed

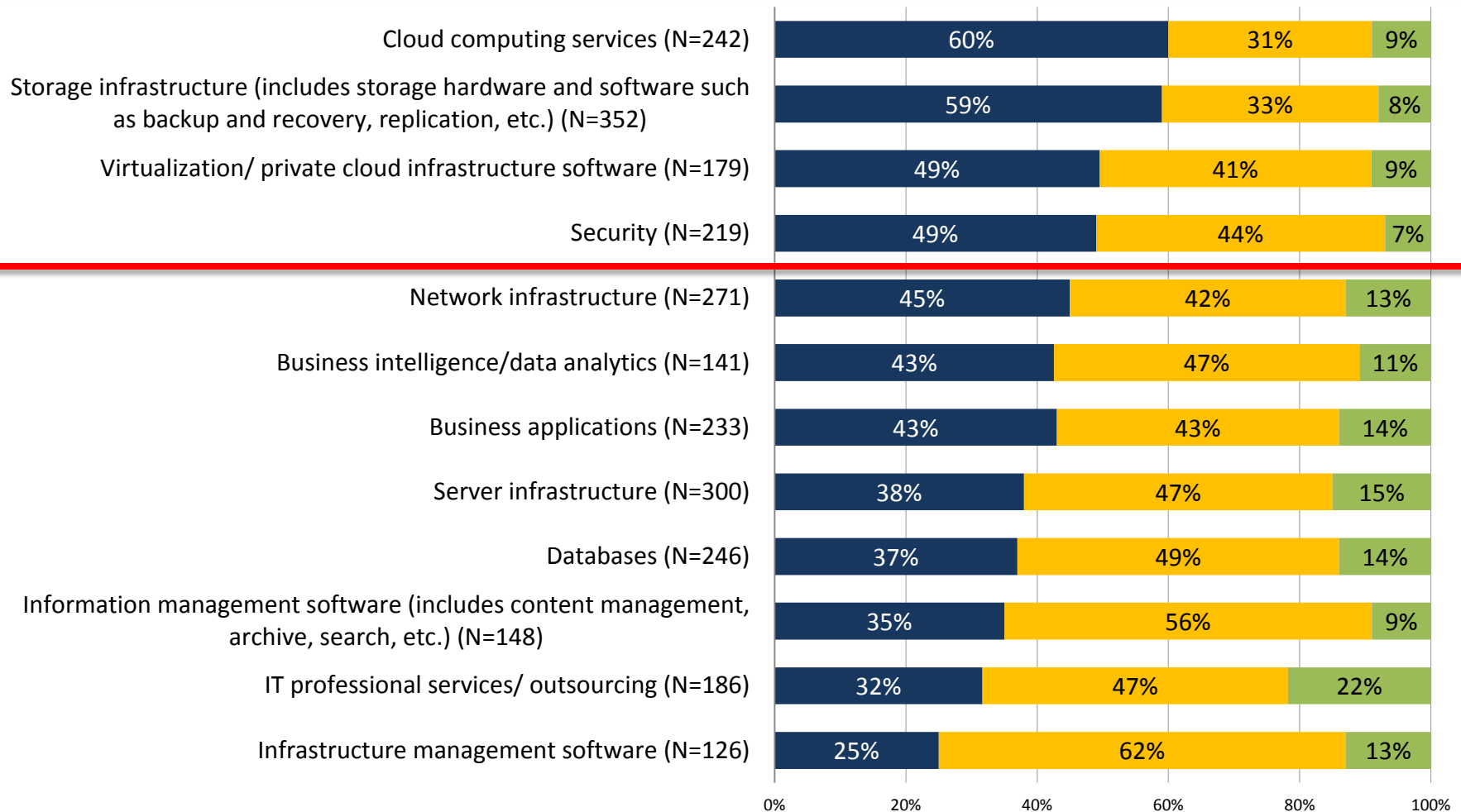
Most Positive Spending Outlook Areas for 2013

To the best of your knowledge, to what extent will your organization's 2013 IT spending for each technology listed below change relative to 2012? (Percent of respondents)

■ 2013 spending will increase

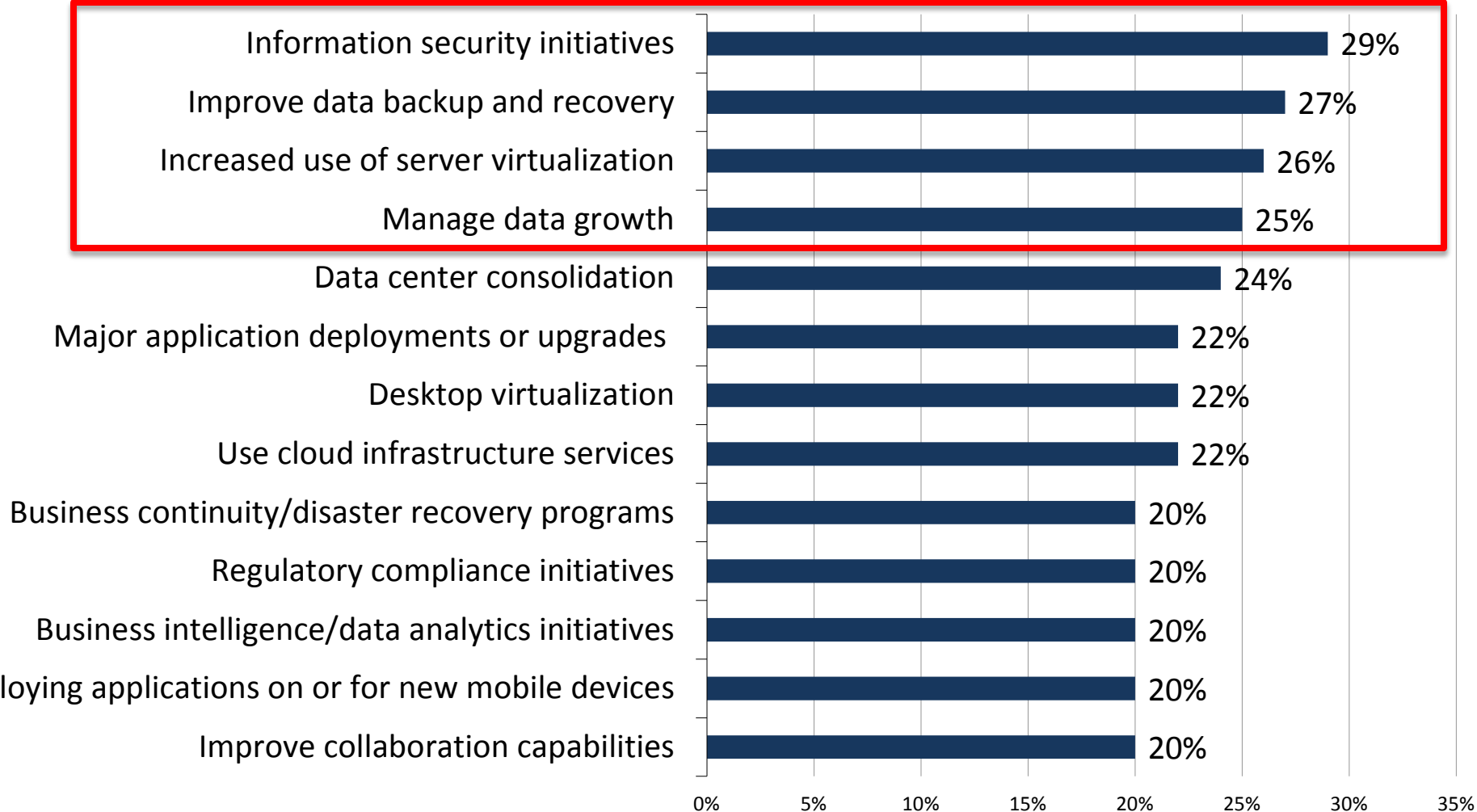
■ 2013 spending will stay flat

■ 2013 spending will decrease



Top IT Priorities for 2013

Which of the following would you consider to be your organization's most important IT priorities over the next 12 months? (Percent of respondents, N=540, ten responses accepted)



The Facts: The IT Purchase Process

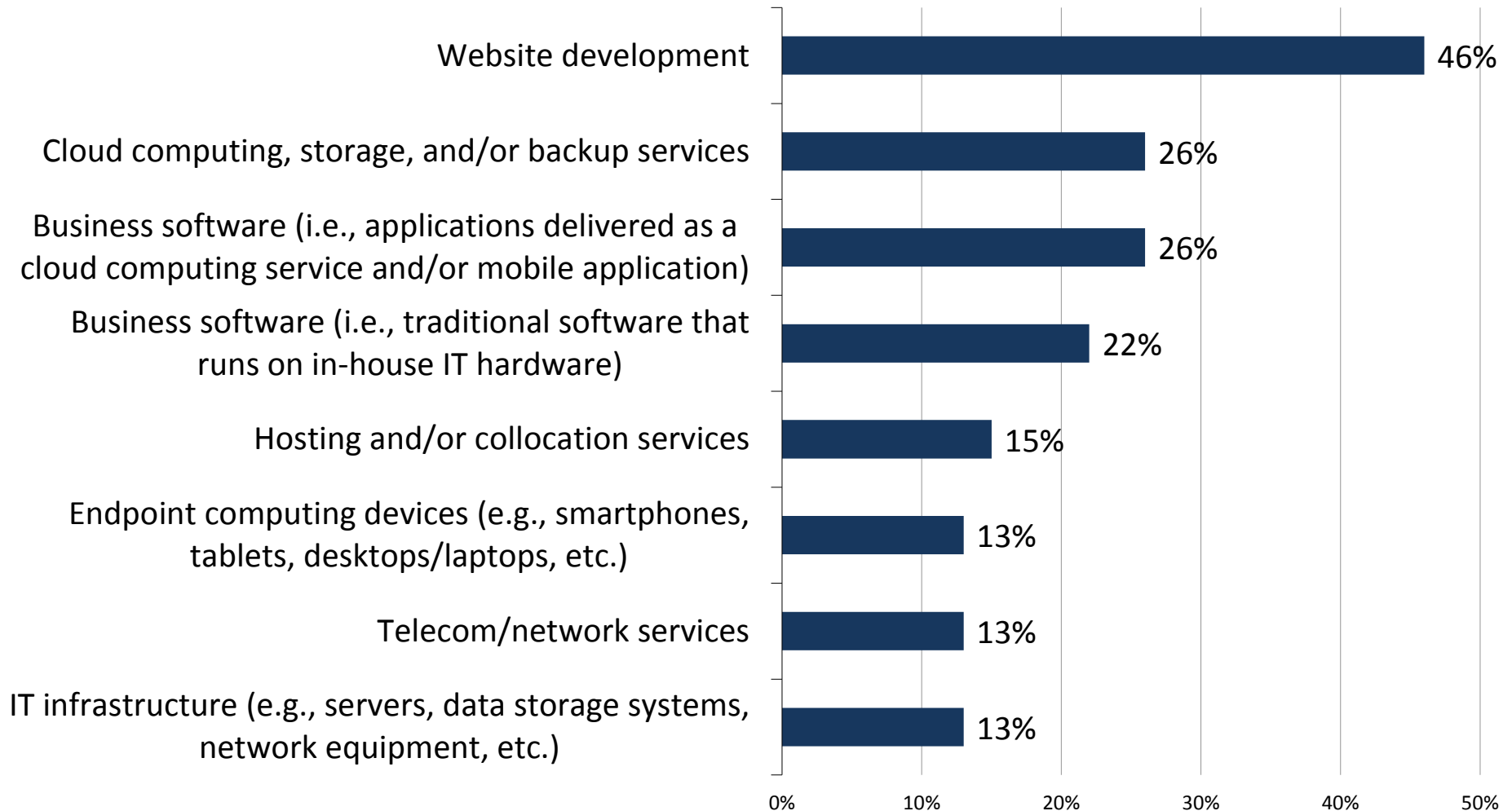
62% of marketing executives are now involved in technology evaluation and purchase processes

58% of IT professionals confirm that non-IT individuals have become more involved in IT evaluation and purchase processes in the last 2 years



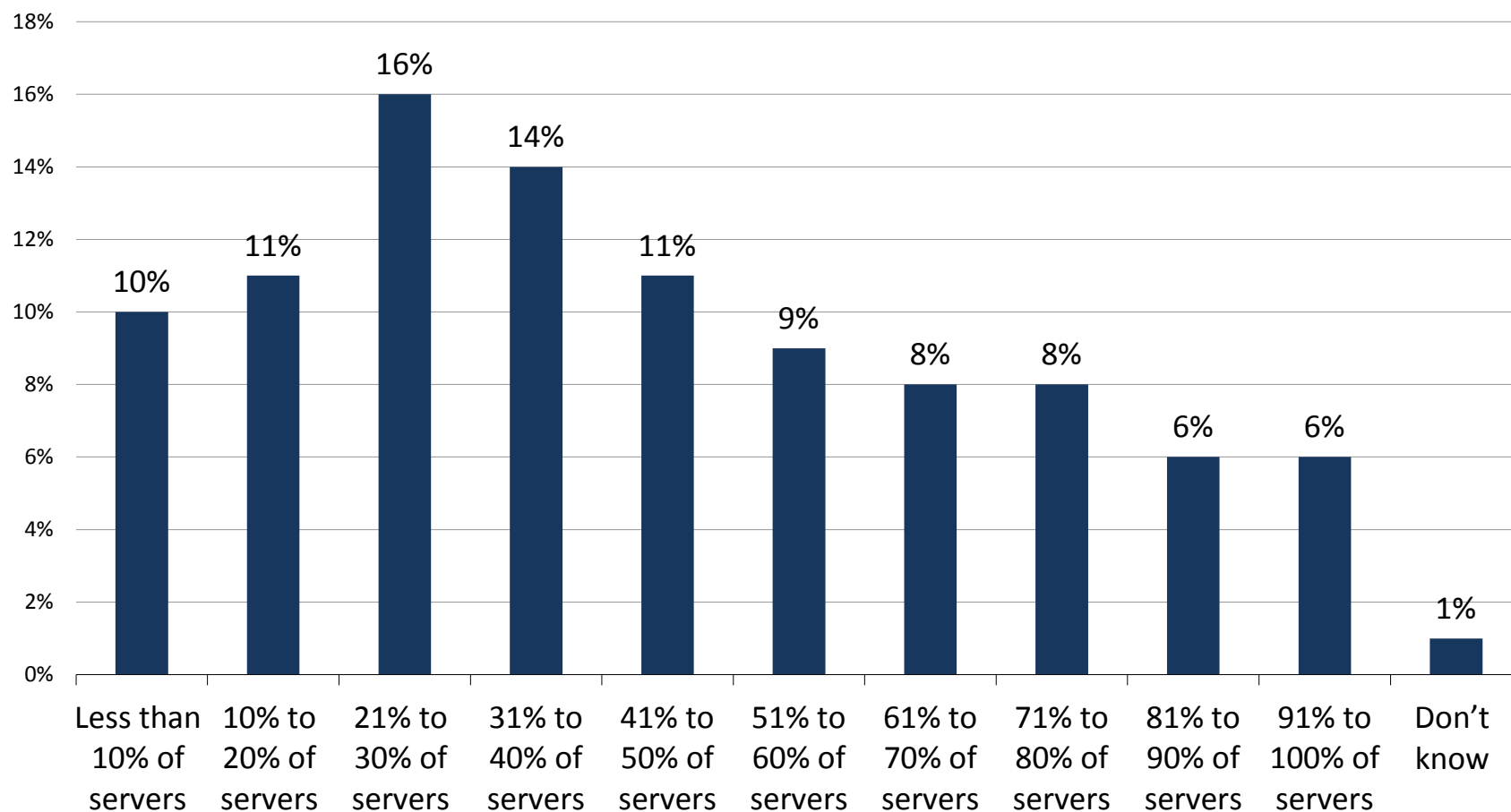
Non-IT Buyers Making *Cloud* Storage Decisions

Which of these technology evaluation and purchase decisions were made outside the purview of and/or without approval from your IT organization?
(Percent of respondents, N=46, multiple responses accepted)



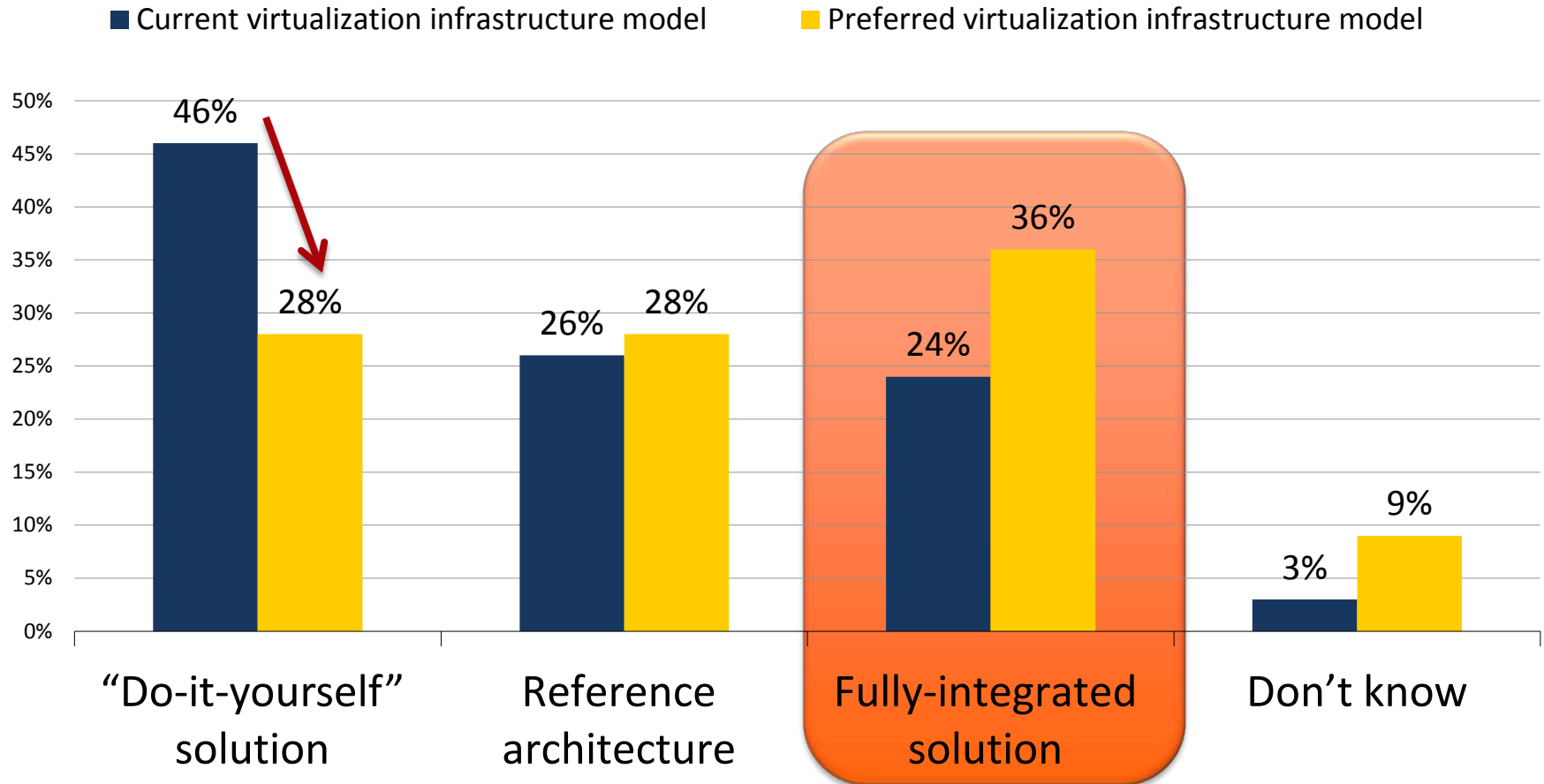
Percent of x86 Servers Virtualized to Date

Of all the potential x86 servers in your organization that can be virtualized, approximately what percentage of these systems has actually been virtualized to date? (Percent of respondents, N=311)

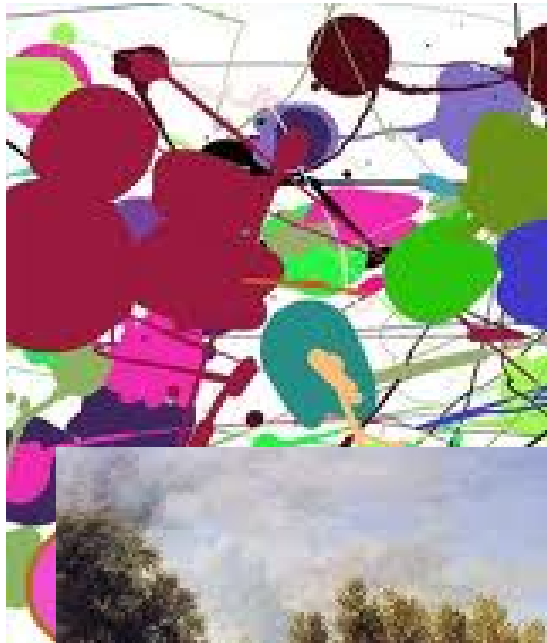


Virtualization/Private Cloud: Preferred Model

Which of the following best describes your organization's **current** infrastructure for its virtualization/private cloud environment? Which do you believe would be your organization's **preferred** infrastructure?



What Is The Storage Landscape?

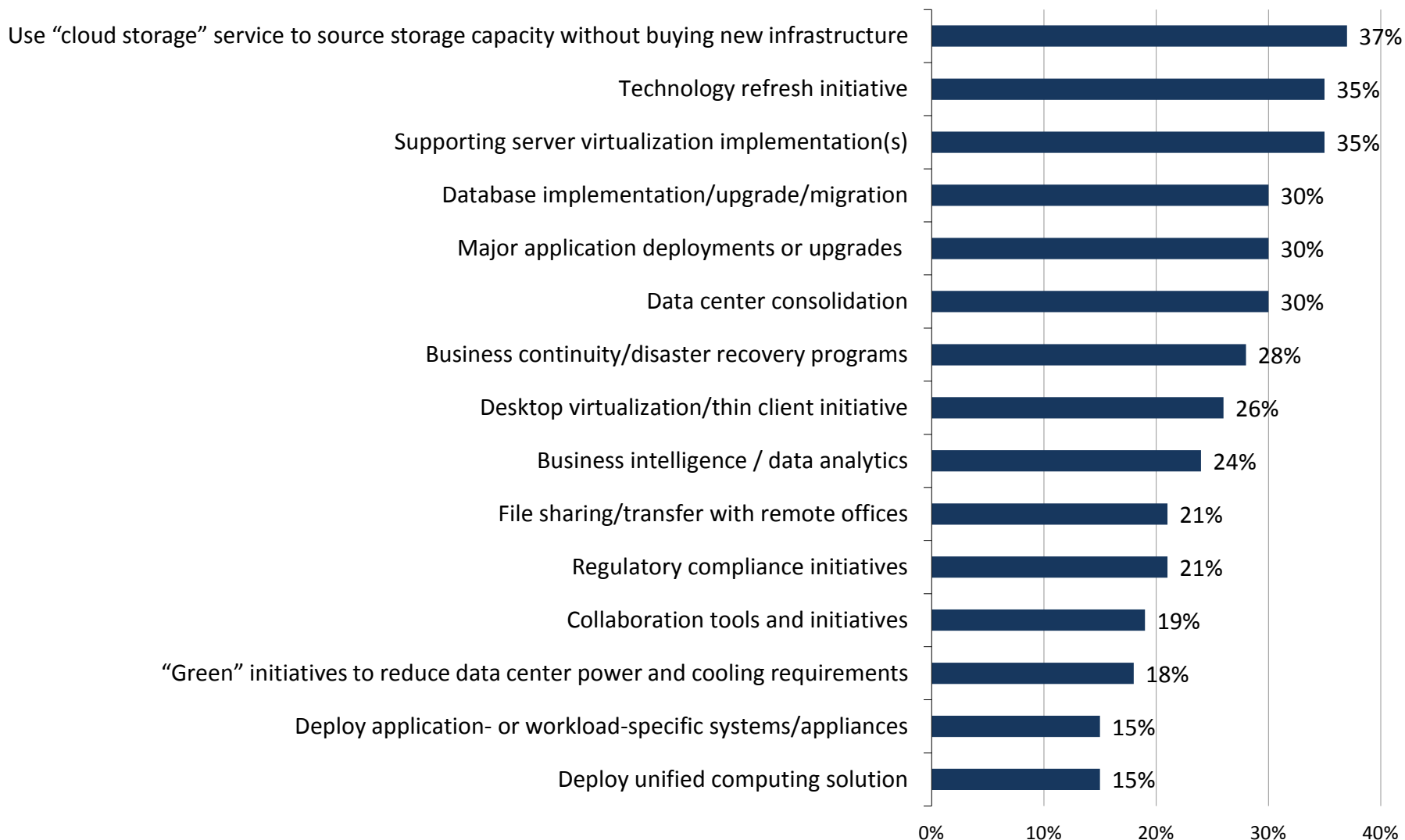




Impact of Cloud Computing

IT Initiatives Impacting Storage Spending in 2013

Which of the following IT initiatives do you believe will significantly impact your organization's storage spending over the next 12-18 months? (Percent of respondents, N=418, multiple responses accepted)



The Facts: IaaS and the Cloud

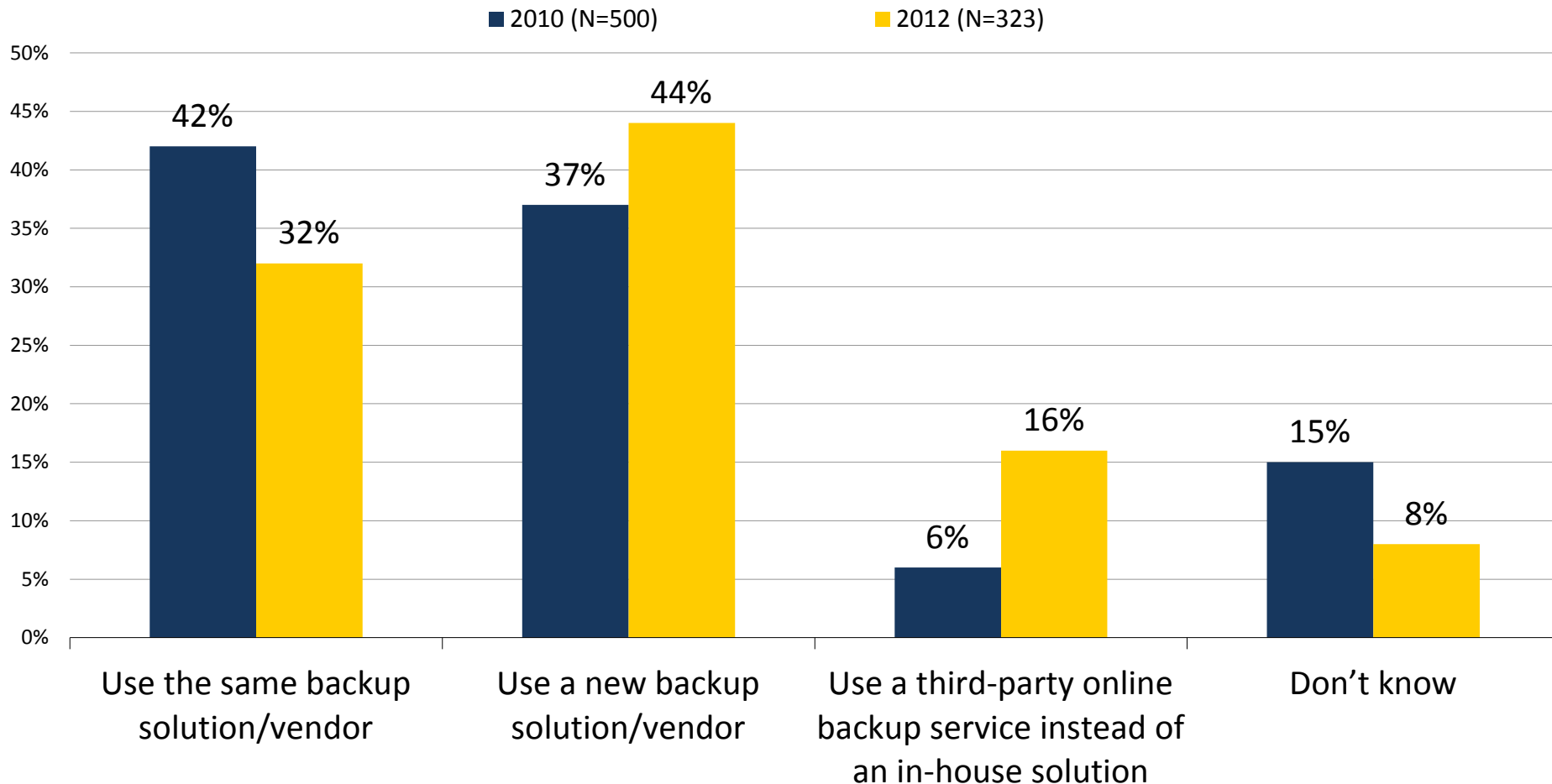
60% of IaaS users leverage cloud storage services



IaaS Users

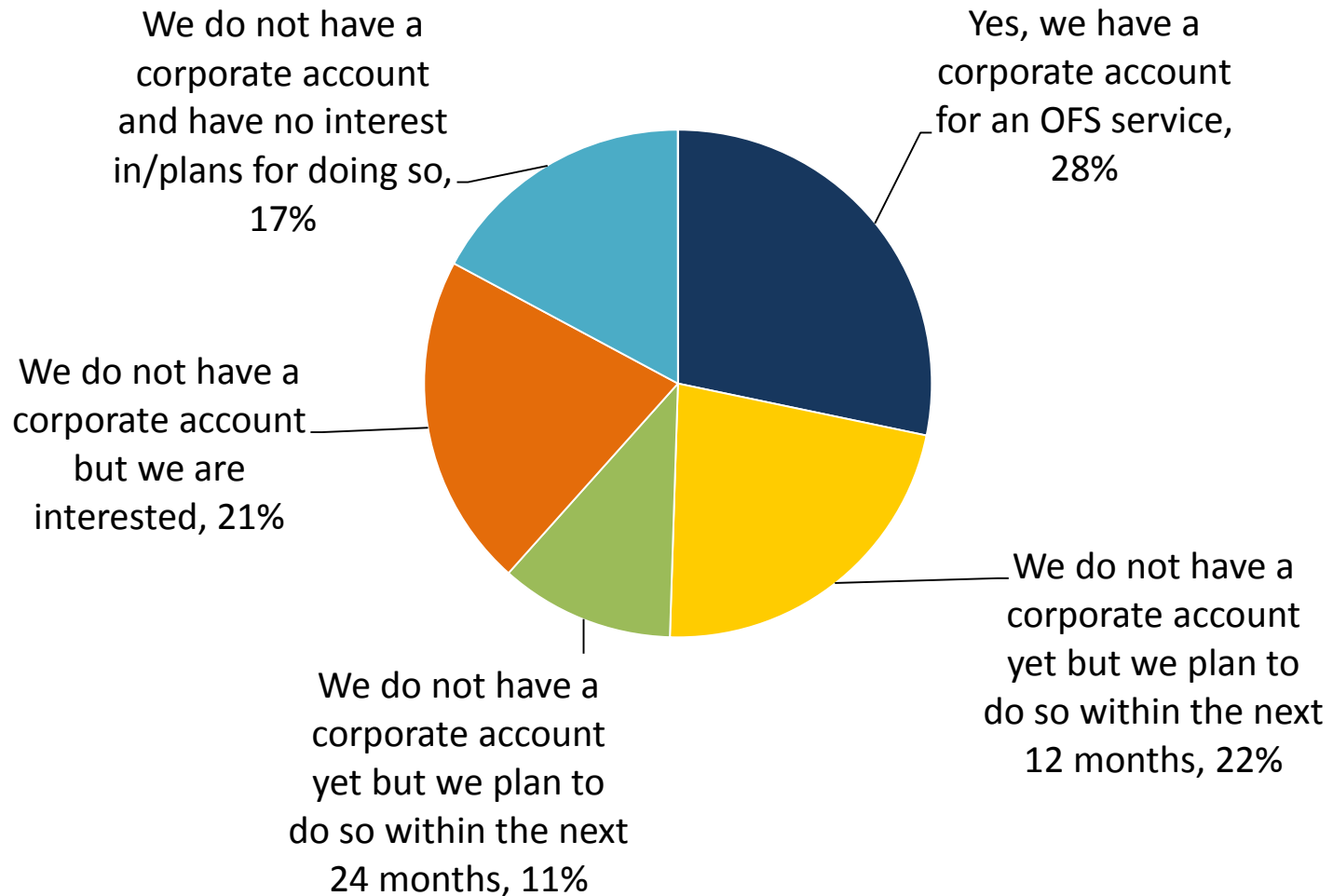
Cloud Is Gaining Traction as a Backup Option

If provided the opportunity to completely re-architect its backup process(es) from scratch, do you believe your organization would: (Percent of respondents)



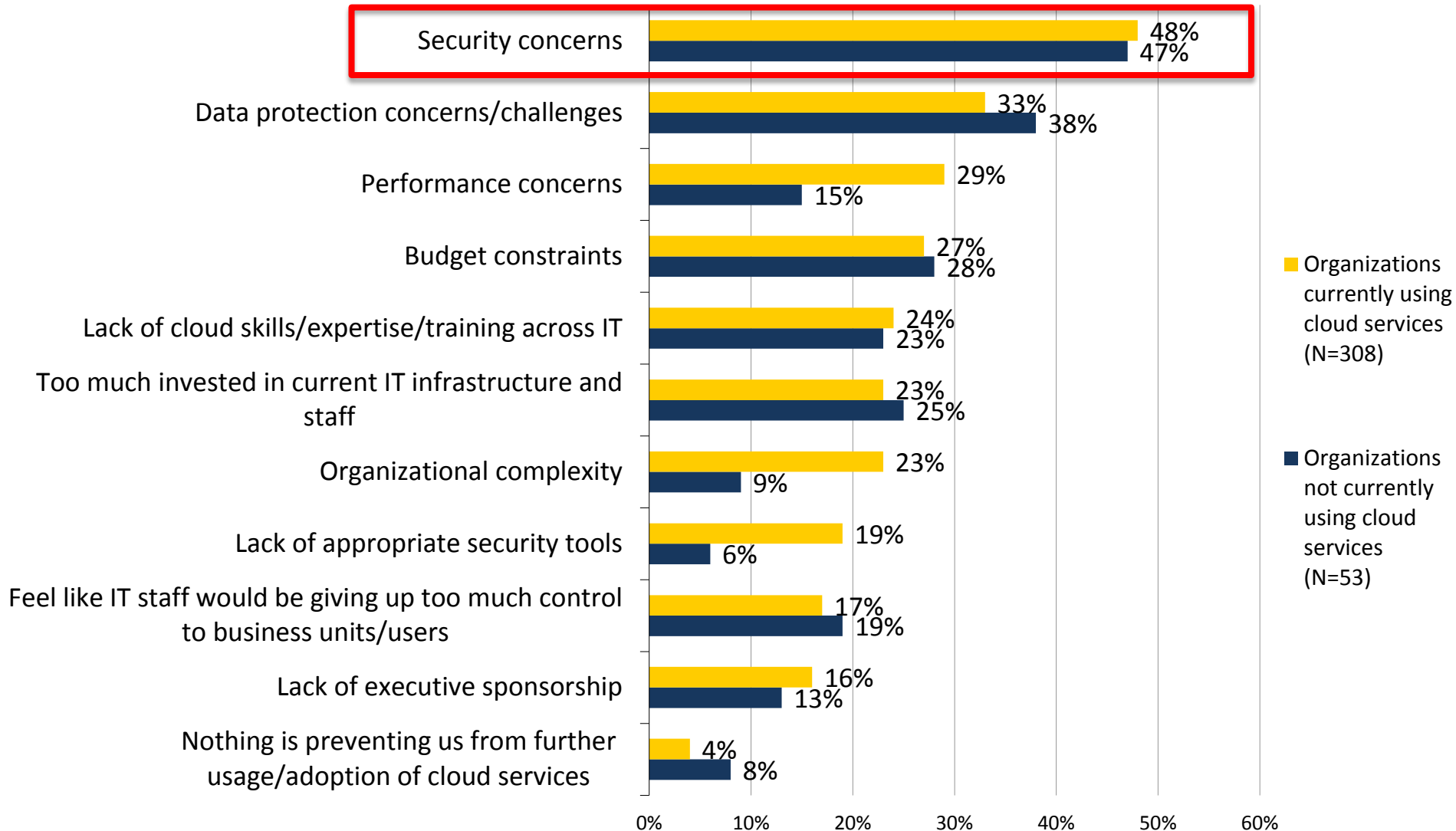
Adoption of Online File Sharing Services

Based on the previous definition, has your company deployed or is it evaluating corporate accounts for online file sharing and collaboration (OFS) solutions? (Percent of respondents, N=499)

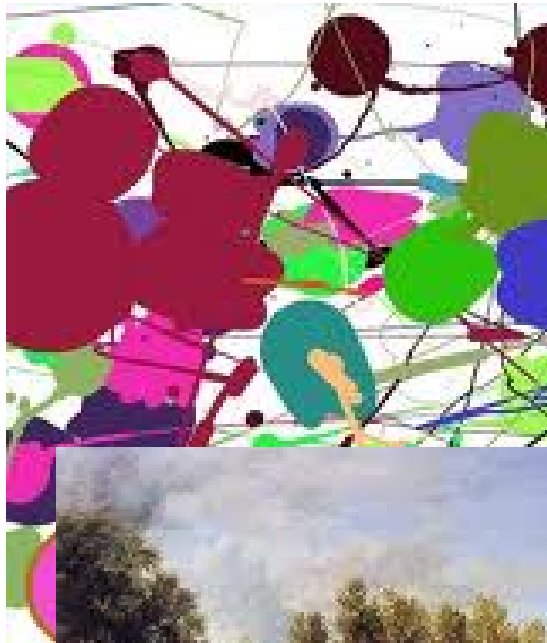


Security: Top of Mind for Cloud Users & Non-Users

Factors preventing more pervasive usage (current users) or initial adoption (non-users) of cloud computing services. (Percent of respondents)

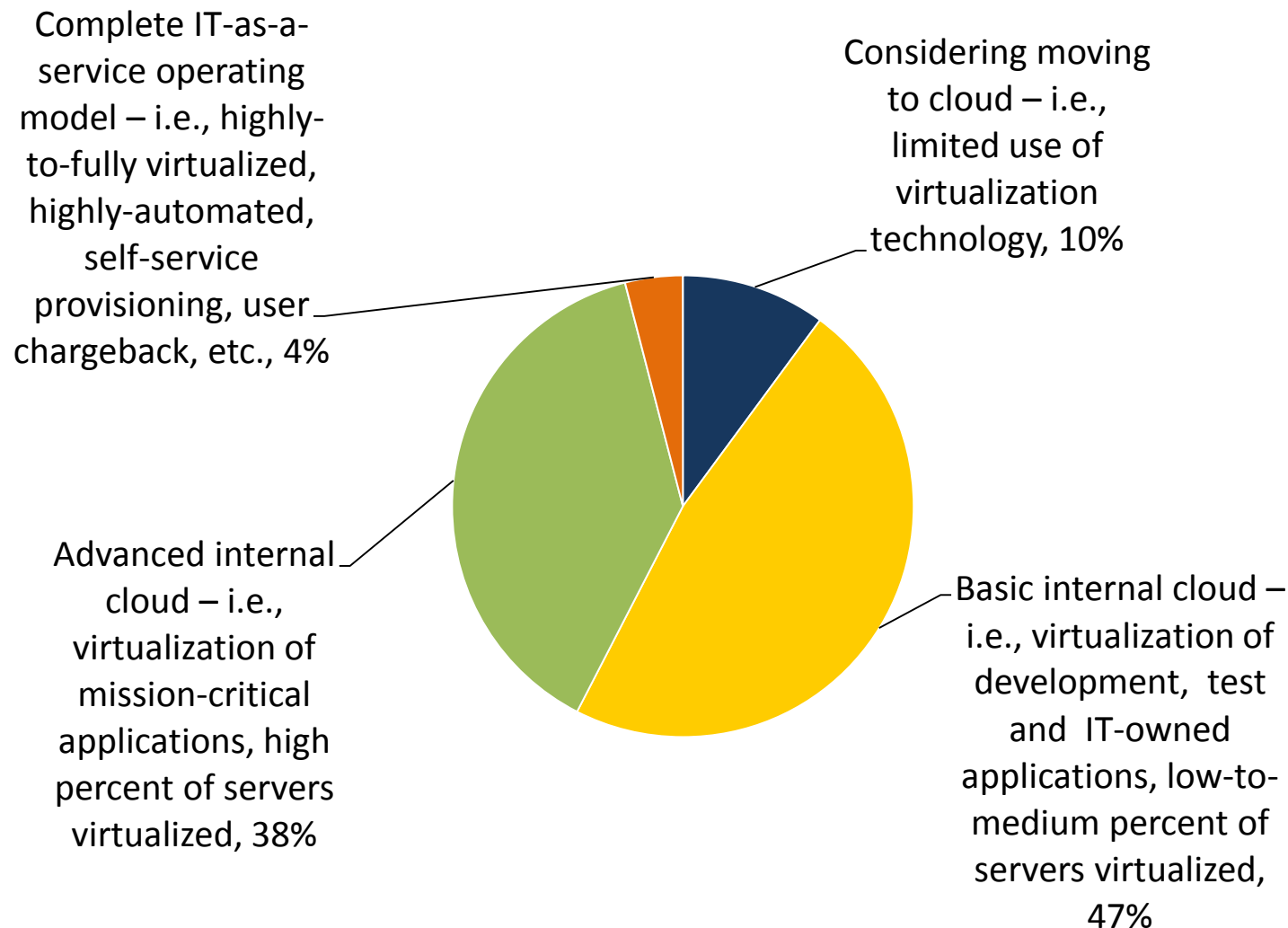


What Is The Storage Landscape?



Degree of IT Transformation Maturity

Currently, at what point would you say your organization is on its transition to private cloud computing? (Percent of respondents, N=178)



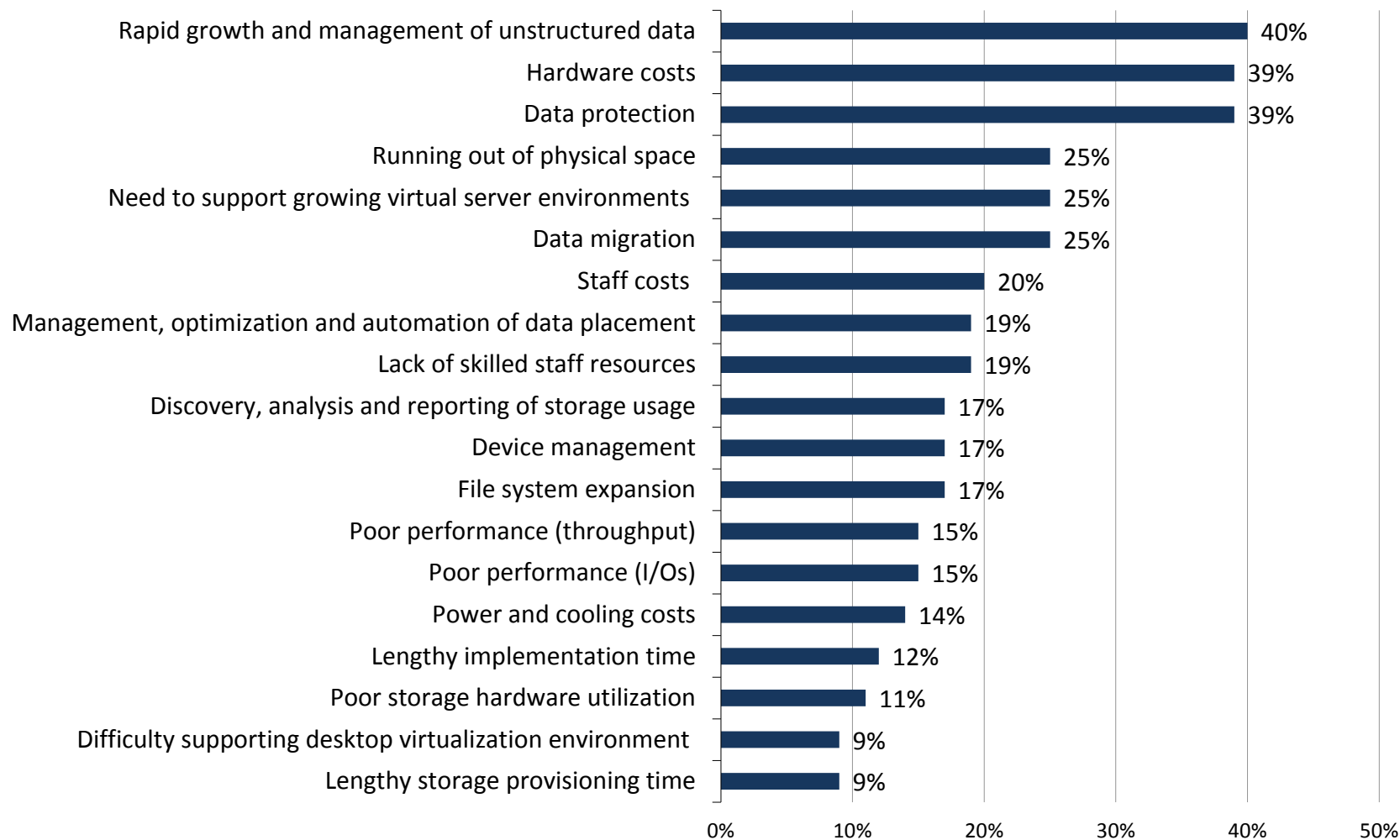


Storage

Market Trends

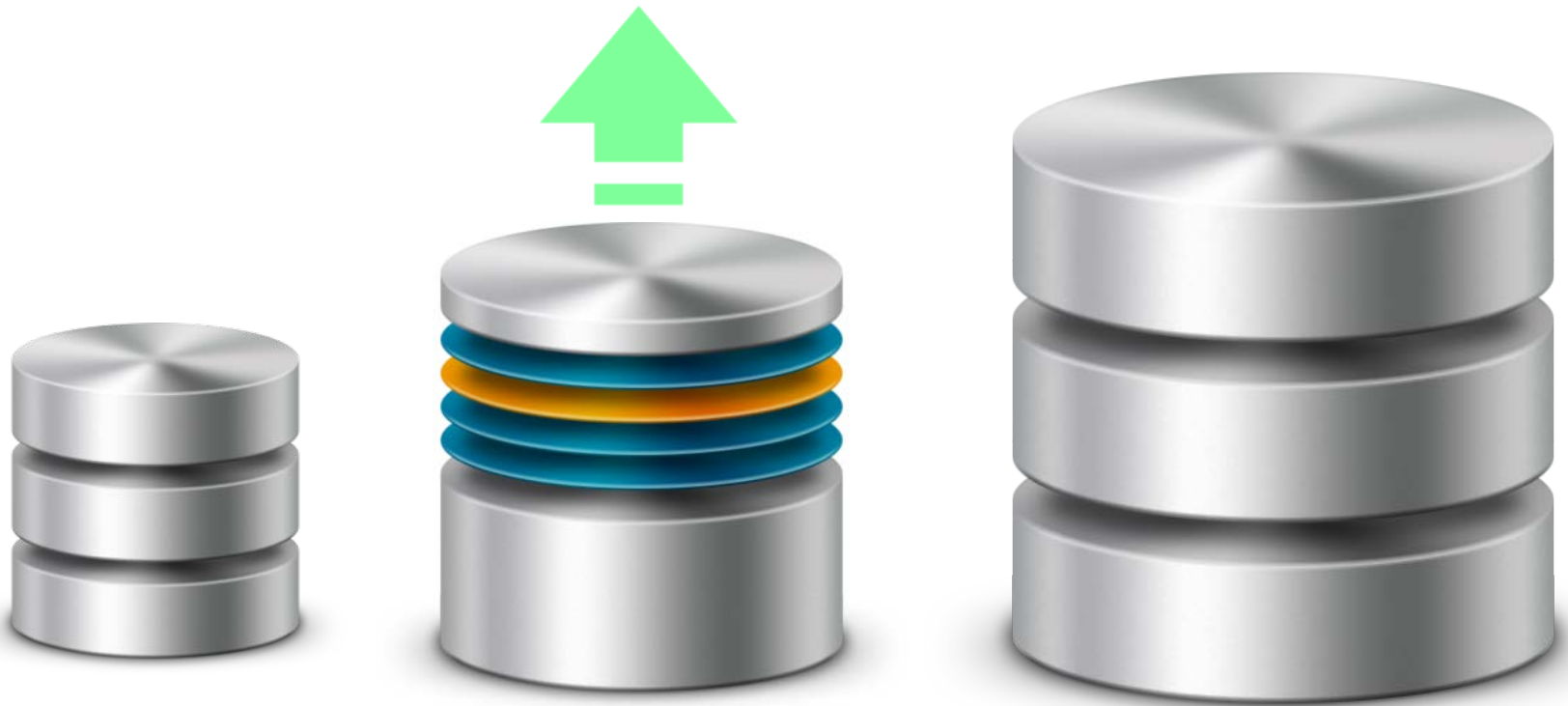
Biggest Storage Environment Challenges

In general, what would you say are your organization's biggest challenges in terms of its storage environment? (Percent of respondents, N=418)



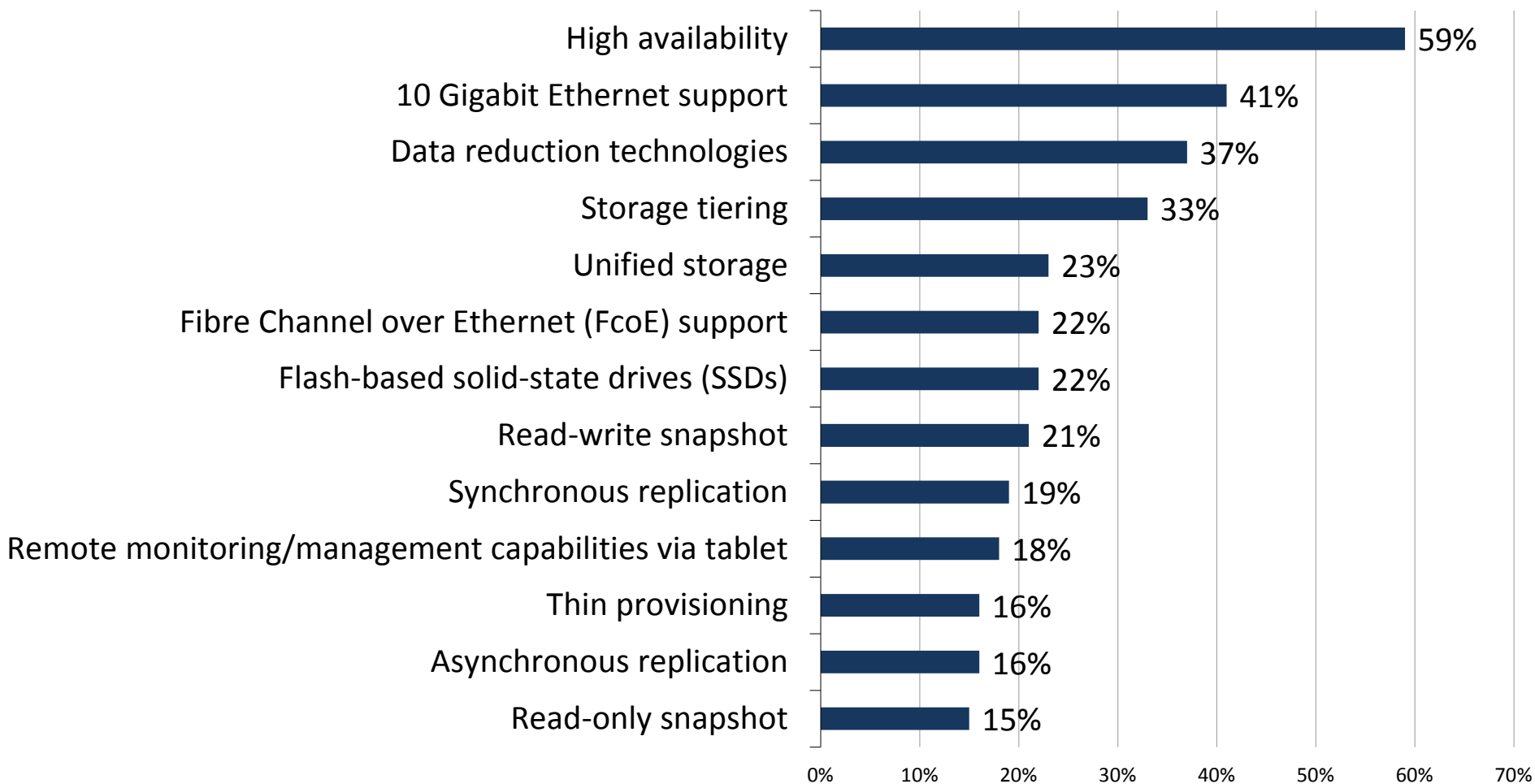
The Facts: What is Driving Capacity

Business intelligence/data analytics most commonly cited as application/workload **most** responsible for storage capacity growth



“Must Have” Features When Buying Storage

Which of the following features would you consider to be “must have” when it comes to purchasing storage systems? (Percent of respondents, N=418, five responses accepted)



The Big Picture....*seriously...*

Are you a good kisser?

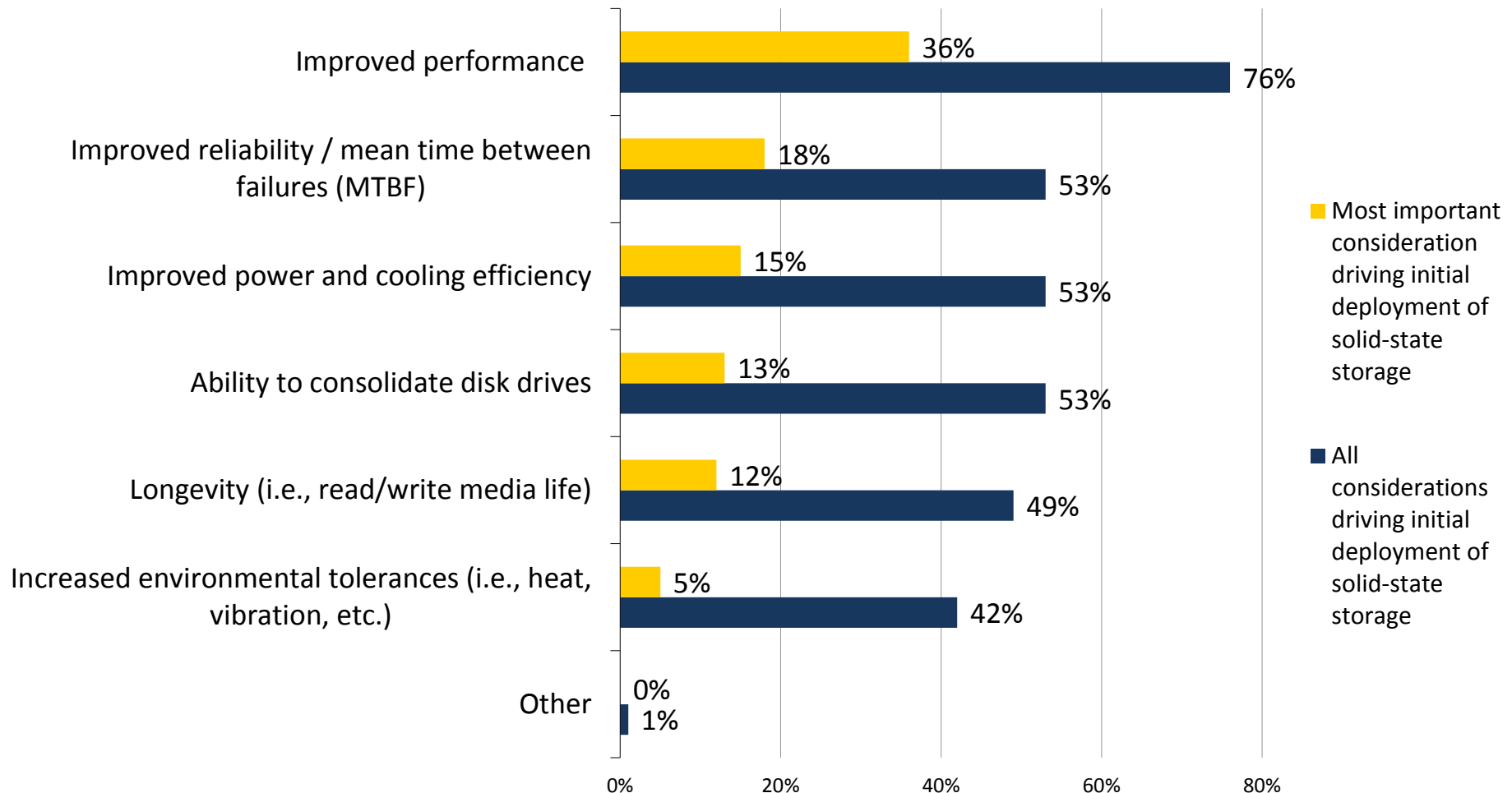


Solid-state Storage – Research Conclusions

- Growing adoption
 - SSD form factor still prominent
 - Users want share-able solid state
- More ‘selling’ drives more sales!
 - Brand matters
- Multiple, expanding implementation types
 - Big emphasis on various implementations of caching
- Bought to address particular application challenges
 - But moving from vertical to horizontal over time
- Performance is still # 1 adoption driver
 - But it isn’t everything (reliability, power etc matter)
- Definite links to tiering and virtualization

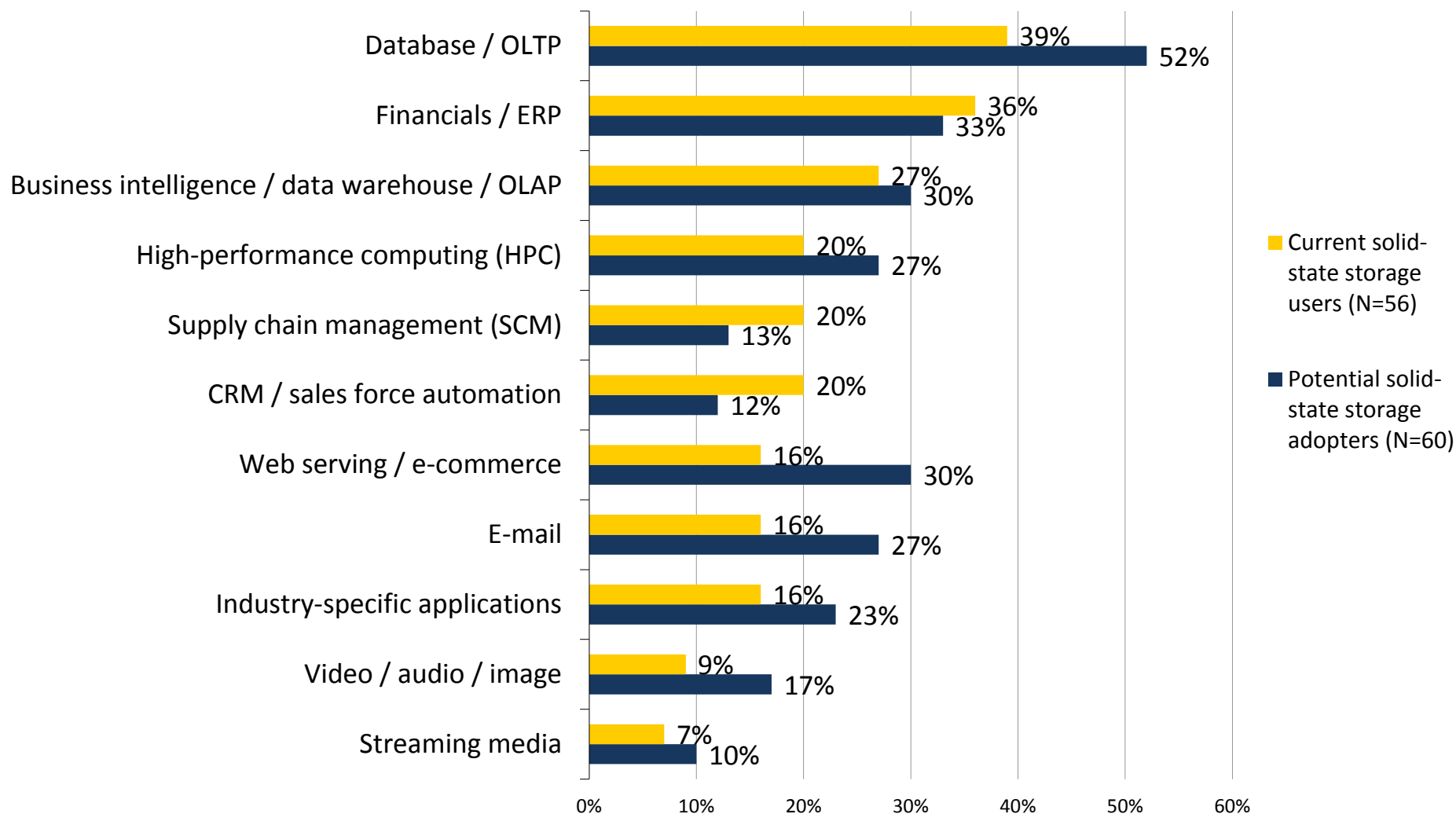
Why Organizations Deployed SSS

To the best of your knowledge, which of the following considerations were responsible for your organization's initial deployment of solid-state storage?
(Percent of respondents, N=91)

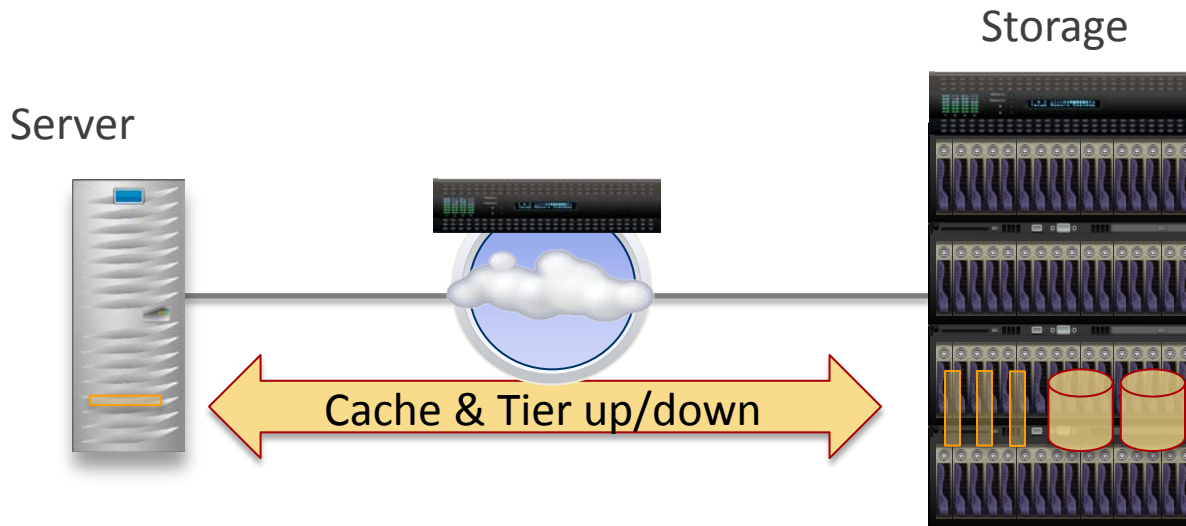


Specific Applications Driving SSS Deployments

What business application(s) drove - or is driving - your organization to deploy solid-state storage? (Percent of respondents, multiple responses accepted)



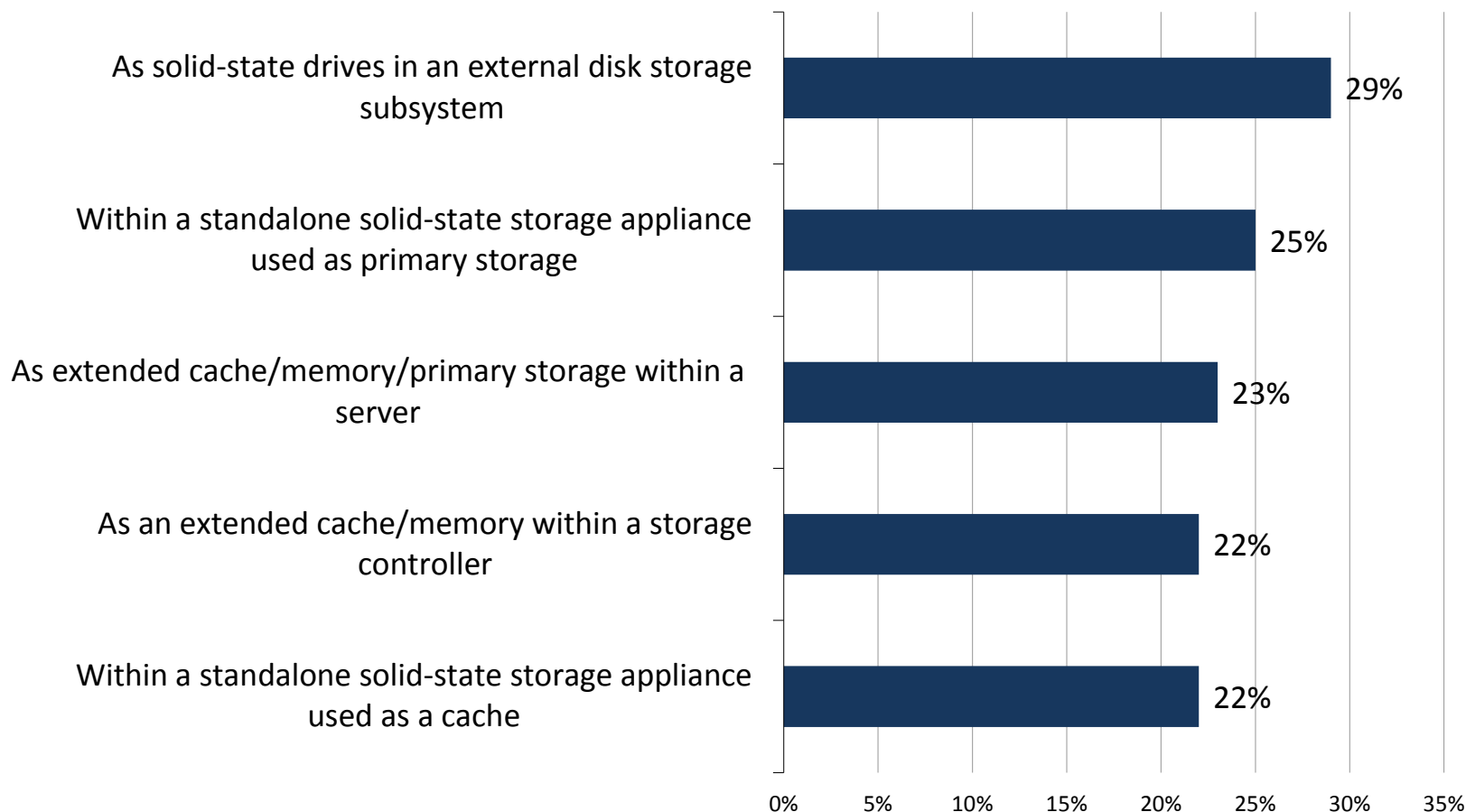
'End to End' Solid-state Storage



- SSS in servers *and* storage (and even network)
- End-to-end cache/tier with hottest data in the server
- Promising, but complex management needed
- Advertised/discussed, but not truly available yet

Planned Solid-state Deployments in 2013

Which of the following implementations of solid-state storage technology does your organization plan to utilize over the next 12-18 months? (Percent of respondents, N=222, multiple responses accepted)



And...

SOME OTHER ELEMENTS IN THE BIGGER PICTURE

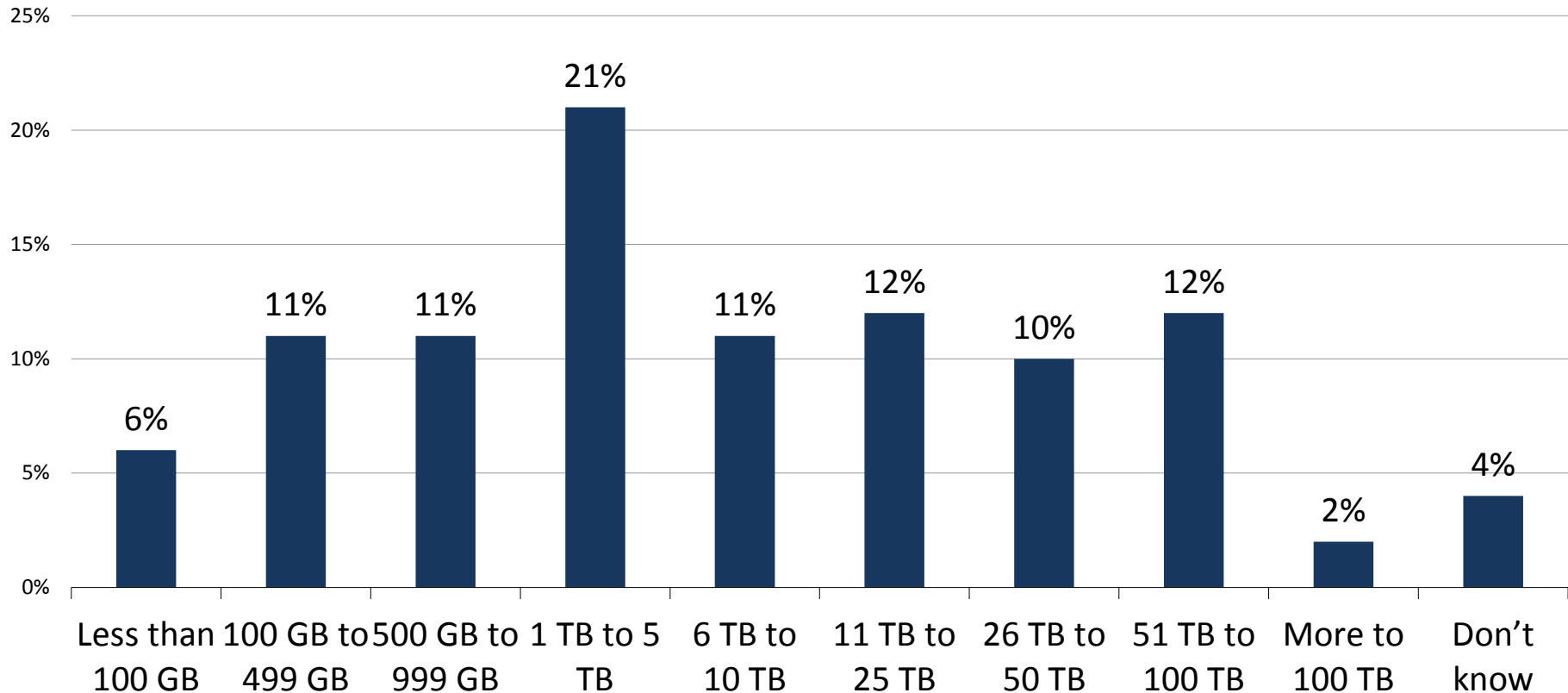
The Facts: Security Data Collected



88% of organizations say they collect *more* security analytics data now than two years ago

Monthly Data to Support Information Security Analytics

To the best of your knowledge, approximately how much data does your organization collect to support its information security analytics activities on a monthly basis? (Percent of respondents, N=257)



‘Have You Forgotten How Good They Taste?’



No Place For Tape?



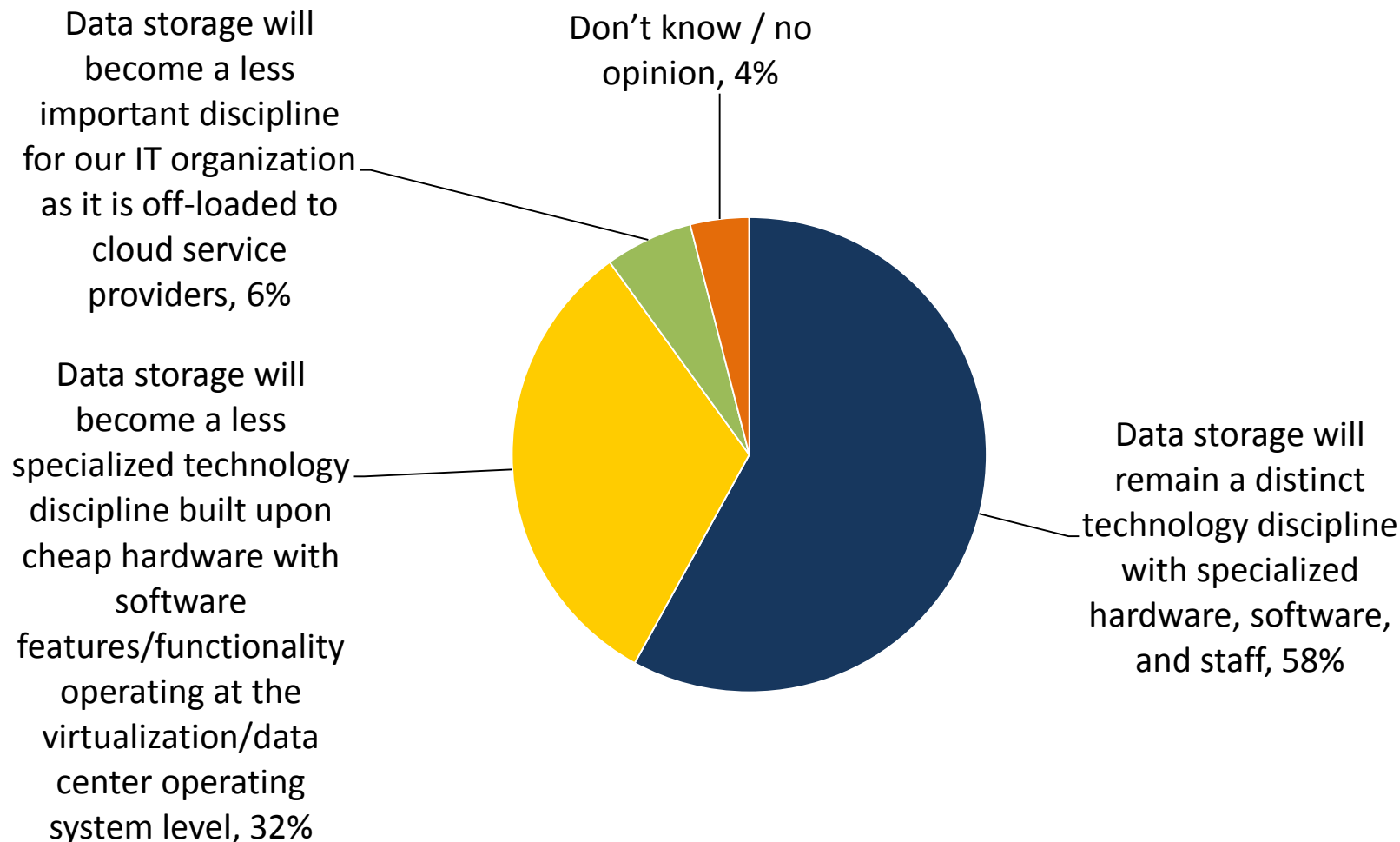
THE INDUSTRY

USERS



Long-term View of Data Storage Technology

Which of the following statements best describes your organization's long-term view of data storage technology? (Percent of respondents, N=418)



Long-term View of Data Storage Technology, by Role of Data Storage Technology in IT and Business Operations

Organization's long-term view of data storage technology, by role of data storage technology in IT and business operations. (Percent of respondents)

Data storage will remain a distinct technology discipline with specialized hardware, software, and staff

■ Strategic – effective storage strategies are critical to core applications/business processes and can lead to competitive advantage for our organization (N=208)

Data storage will become a less specialized technology discipline built upon cheap hardware with software features/functionality operating at the virtualization/data center operating system level

■ Tactical – storage is an important part of our IT operations but it is not viewed as a strategic tool or asset (N=168)

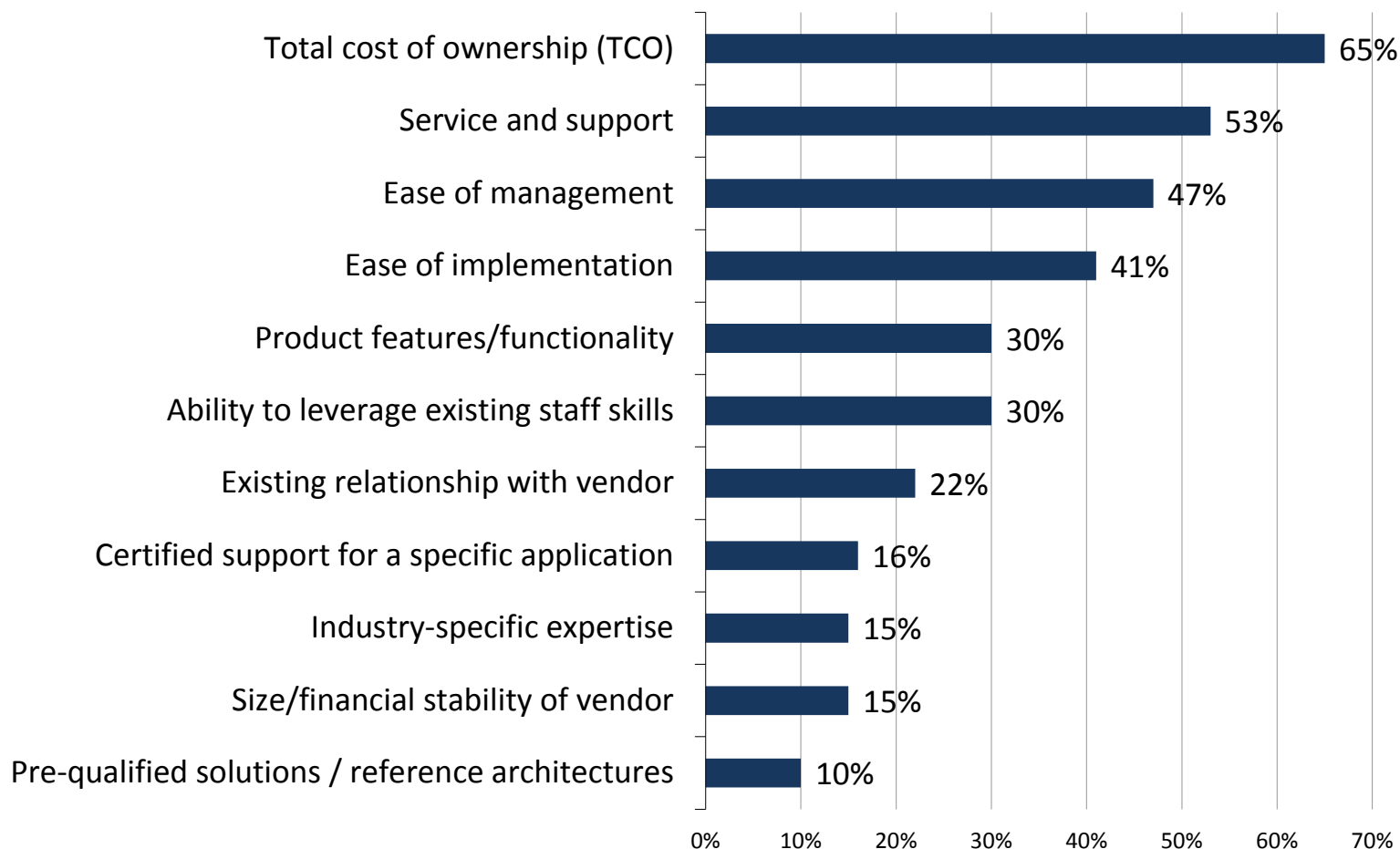
Data storage will become a less important discipline for our IT organization as it is off-loaded to cloud service providers

■ Afterthought – storage is necessary but we don't think about it much unless we need to add new capacity (N=23)

0% 10% 20% 30% 40% 50% 60% 70% 80%

Key Criteria in Selecting Storage Vendor/Solution

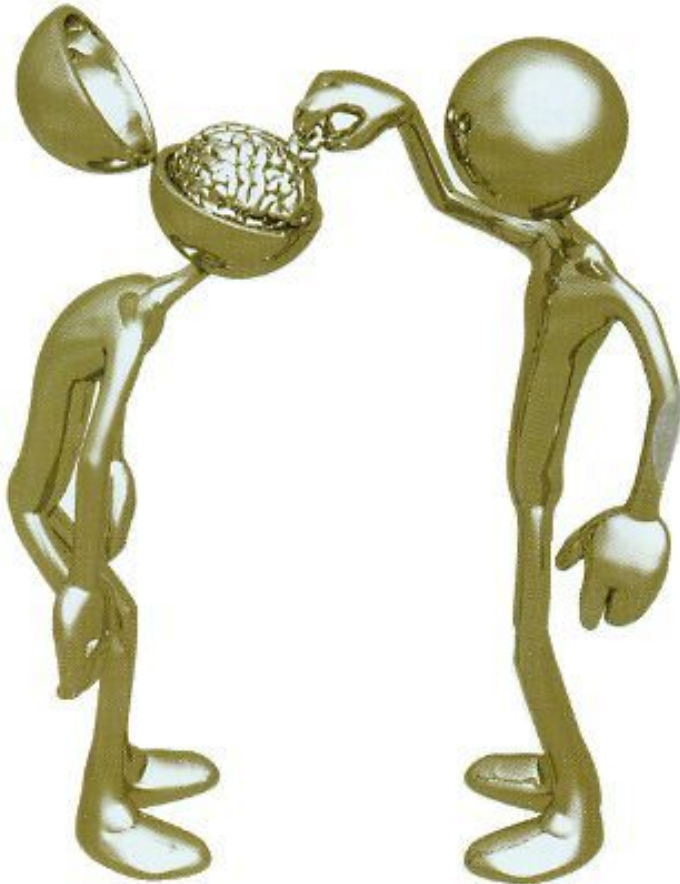
**In general, what would you consider to be the most important criteria to your organization when it comes to selecting a storage vendor/solution?
(Percent of respondents, N=418, five responses accepted)**



Some Key Take-away & Discussion Points

- **Good news: Storage \$\$ increasing**
 - Plenty of SMB opportunity too
- **Good news: Big Data & analytics are seen as vital**
- **Bad news: IT transformation is not as rapid as hoped**
- **Bad news: “It’s just storage” (as ‘convergence’ grows)**
- **Good news: “It’s storage” (prime area for focus)**
 - And brand is key in most market segments
- **Security is a key driver for the use of *and* creating Big Data**
- **Solid-state is becoming about more than performance**
 - Business decisions for big vendors as much as technology
- **Focus on service providers and the channel is key**
- **Future overall market direction is a bifurcation of control vs. ease**
 - ‘Giant Laptop’ versus ‘White Coat’ models

Thinking Things Through



“Faced with the choice of changing one’s mind and proving that there is no need to do so, almost everybody gets busy on the proof”

J K Galbraith

What Do You Want To Be Known For?



Thank You

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Getting to the bigger truth.™