



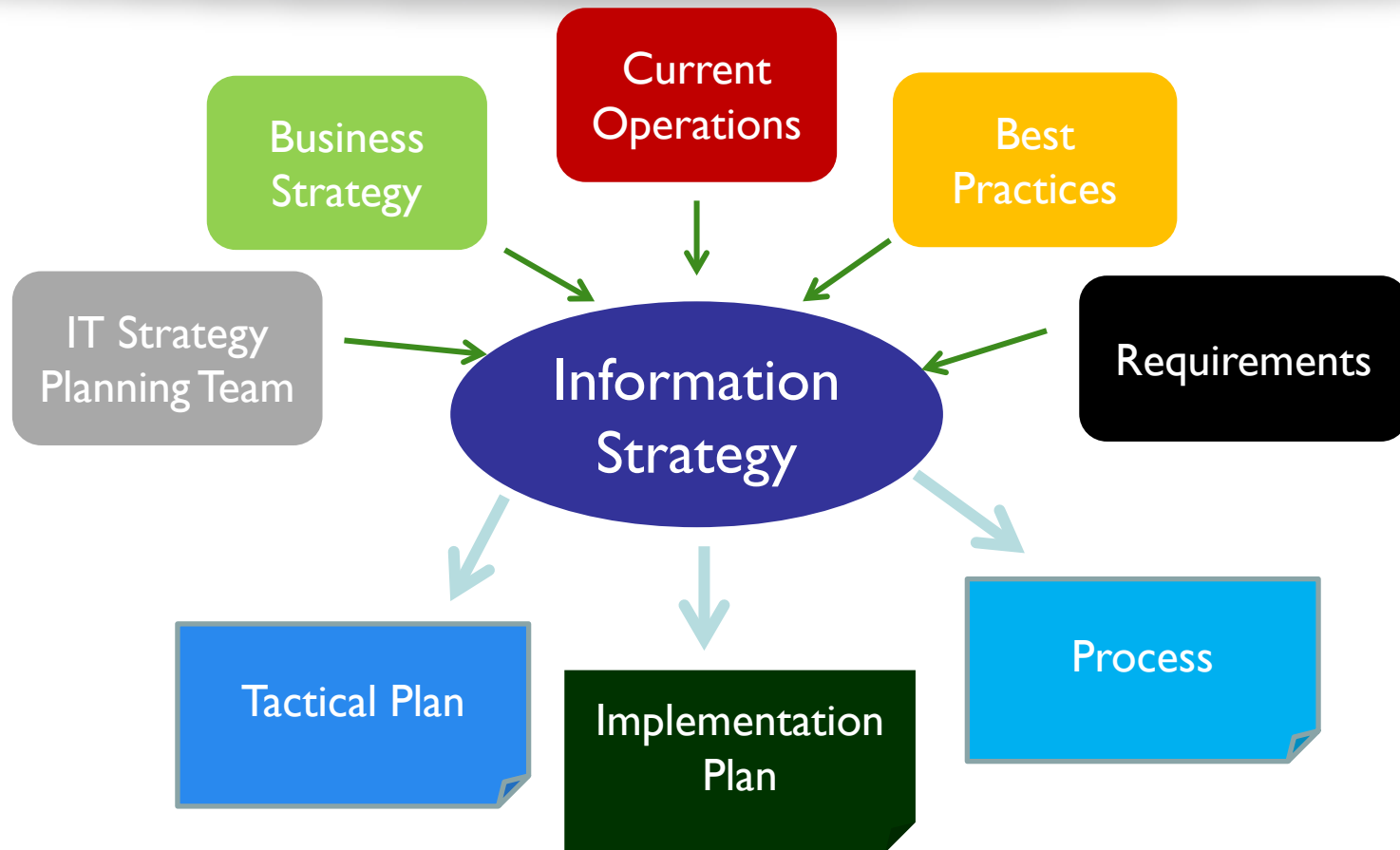
Storage Strategy Development Part 2

Randy Kerns
Evaluator Group



- Review
- Selling the strategy
- Budgeting
- Economic measures
- Executing

Strategy Overview



- Internal team review after strategy elements in place
 - ◆ Refine
 - ◆ Get concurrence
- Review with constituents that participated
 - ◆ Explain reasoning and outcome
 - ◆ Take feedback and respond
 - › Changes or agreement regarding best path forward



- ▶ Sell to executives in IT chain
 - ◆ Economic justification
 - › Overall based on TCO
 - › Rolled-up value across projects
 - › Materials – collateral
 - ◆ End point values – what is ultimately achieved
 - › Increase / remain competitive
 - › Add value to organization
 - ◆ Process to deliver



➤ Sell to groups served

- ◆ Value delivered
 - › Interest in when – need timeline, detailed schedule
 - › Show how this fits with overall corporate / business strategy
- ◆ Checkpoints – part of communication plan
 - › Regular updates – personal
 - › Visible tracking



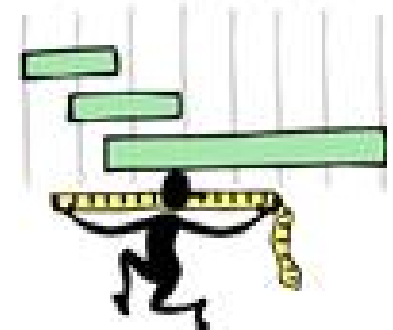
➤ Economic overview

- ◆ Projects where funding is included
- ◆ ROI driven projects - <12 month view
- ◆ Funding alternatives where projects not covered
 - › Develop possibilities
 - › Leasing / deferrals / pay as grow
 - › Be creative



➤ ROI – Return On Investment

- ◆ Calculated on a per project basis
- ◆ Assessment of return on investment money for savings or gains from project implementation
- ◆ Will include
 - › Cost of solution (hardware and software plus implementation costs)
 - › Savings in administration / operations
 - › Gains in increased business, productivity, customer service etc.
- ◆ Usually expressed as a % of gain with a payback period of time



➤ ROI – Return On Investment calculation

- ◆ Identify infrastructure components and their characteristics
 - › Costs
 - › Operational issues
 - › Growth rates (infrastructure and staffing)
- ◆ Hard Benefits
 - › Capital savings or deferred capital investment
 - › Operational savings
 - › Improvements in staff productivity
- ◆ Soft Benefits
 - › Opportunity costs such as maximizing revenue potential by making enterprise information and applications more available
 - › Cost avoidance through minimizing downtime



- Total Cost of Ownership is used measurements
 - ◆ Comparisons between different alternatives
 - ◆ Measurement to effect of changes implemented as part of strategy
 - ◆ Long term economic impact for storing and managing information

TCO – Total Cost of Ownership

- Typically annual costs of system / solutions
- Elements of TCO include:
 - ◆ Product costs – software and hardware
 - › Capital expenditures
 - › Implementation costs
 - › Training costs
 - ◆ Administration (operational) costs
 - › Operations support – monitoring and tuning
 - › Maintenance costs / support licenses
 - › Environmental costs (including power, space, etc.)
 - › Migration costs

➤ TCO Modeling

- ◆ Using tools to show economic effects
- ◆ Look at long term – 10 to 15 years
- ◆ Allow what-if's: need to be able to effect with changes such as increased capacity demands and costs – different scenarios
- ◆ Models can be constructed for long-term measures or decision comparisons

➤ Example

- ◆ Showing long term effect of data retention and use of two tier archiving

Economic Model Example

➤ Example

- ◆ Comparison of economics of strategy to move to scale-out architectures

Economic Model Example

- **Start with some basics**
 - ◆ Very complicated models are available from some vendors
 - ◆ Use a spreadsheet to start accumulating information needed for creating a TCO model
 - ◆ Warning about soft costs/benefits

TCO Elements – Hard Costs

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Hardware capital expense						
Hardware maintenance						
Software capital expense						
Software maintenance						
Administrative costs: <ul style="list-style-type: none"> • software features • hardware system 						
Power/cooling/floor space						
Backup infrastructure costs						
Backup/Restore admin costs						
BC/DR costs						
Networking costs						
Migration costs						
Installation & training costs						

SUM

TCO Elements – Soft Costs

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Provisioning Time Cost						
Capacity utilization						
Duplicate copies						
Availability costs <ul style="list-style-type: none"> • Scheduled outages • Failures 						

SUM

Executing on the Strategy

- Create a checklist for the process
- Diagram the process for everyone to see
- Organize the team
 - ◆ Sell the concept
 - ◆ Get others to volunteer to take on research
 - ◆ Meet weekly to review
- Make upper management aware of progress
 - ◆ Let everyone know about visibility

- Required to pro-actively manage information and technology
 - ◆ Develop the strategy
 - › Understand environment
 - › Understand technologies
 - › Understand best practices
 - ◆ Sell
 - › Clear plan
 - › Practices of how it will be executed
 - › Budget
 - › Reviews / measurements



THANK YOU

WWW.EVALUATORGROUP.COM

Contact Info:

Randy Kerns Randy@evaluatorgroup.com

@rgkerns

PH:303-748-0276