IT Market Overview: Emerging Business Opportunities

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StorageTek Value Added Distributor Meeting
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Agenda

- A bit about Sageza Group
- What you're tired of hearing
- What I'm trying to accomplish
- The Changing nature of computing
- Broader Issues: The Big 4
- Product Views

The Sageza Group

- Independent market watch firm
  - Fact-based forward-looking analysis
  - Focused on enterprise behavior and business productivity, partnering and go-to-market issues in EMEA
  - Market focus: mid-sized business and partner communities
  - Provides services to vendors, partners, and enterprises
- Founded in 2001 - management start-up with key personnel from Zona Research
  - Headquartered in Silicon Valley, CA
  - European offices, London England; Milan, Italy

Sageza – the inside story

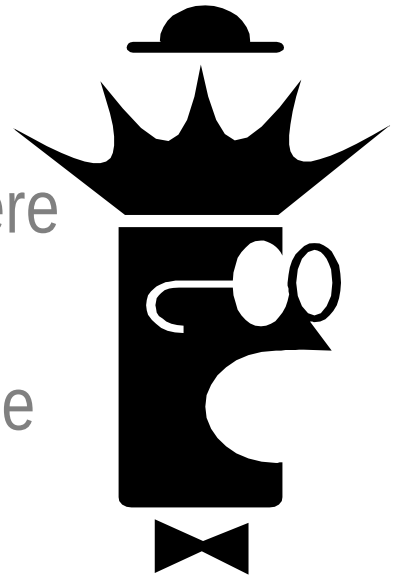
"Sageza" from Italian word "saggezza" meaning "wisdom"

What you're tired of hearing

- You need to continue to grow, year-on-year
- There are lots of good opportunities out there
- Companies need more for the same spending
- Partners must move away from selling product and move to services and solutions
- Business and Technology are interconnected – or should be anyhow
- [fill in the blank] is the greatest vendor that ever was or ever will be…

What I'm trying to accomplish

- Shake off complacency (what?! I have to pay attention!!)
- Get you thinking – how will all this affect my business – and my customer's business – where are my best opportunities
- Give you our take on the industry – with attitude naturally
- Start a few arguments



Broader Issues: The Big 4

Broader Market Issues

- Market and regulatory forces are imposing the Big 4 issues on all aspects of enterprise IT strategy and execution
  1. Infrastructure simplification
  2. Regulatory compliance
  3. Information Lifecycle Management
  4. Demand Driven computing

Oh, BTW 1 + 2 + 3 = 4

Infrastructure simplification

- During the late 1990s there was a bevy of IT investment
  - The allure of emerging Internet technologies and the promise of a bright future
  - Y2K and the Euro were convenient excuses to spend and vendors aplenty made it possible
  - Unfortunately the investment was rarely strategic and often resulted in computing fiefdoms with minimal corporate leverage and ROI
- The vision of n-tier computing paved the way to today's infrastructure
  - The implementation of this vision resulted in a distributed collection of IT resources; both hardware and software
  - This collection of distributed resources led to the reuse of data in ways that were not previously considered possible
  - Unfortunately, this physical implementation of n-tier computing is complex, costly, and cantankerous

Y2K = excuse = budgetary excess = build it because you can = wasted efforts = IT hangover

THE 6 "Cs": Complex, Costly, Cantankerous, CFO Caustic, Curmudgeonly, Crippling…you get the picture

and oh, the problem of enterprise IT demands didn't go away

Result: The Need for a new IT Landscape

- The confluence of customer needs and market forces dictates a new approach to IT architectures, operations, and management
- Physically mapped IT resources will give way to the virtually deployed services that are consolidated into 3 centers of gravity
  - Resources that scale out:
    - blades, grids, small scale distributed computing
  - Resources that scale up:
    - HPC, grids, mainframes, virtual blades,
  - Resources that are virtual
    - CPU power, storage, management, data, applications, access, and most everything else!

Hmm…this all sounds very simplistic.

Hasn't technology taught us that simple things are too good to be true?

Regulatory Compliance

- While enterprises are seeking to simplify their IT environs, regulators have complicated the same with new reporting and operating requirements for many
  - Information privacy (HIPPA, EU)
  - Corporate governance and disclosure (Sarbanes – Oxley, Basel II)
  - Backup and restore (SEC)
  - Shareholder or marketplace demands
- These regulations impact the lifecycle of information from the beginning to the end, if the end ever comes

Regulatory Compliance

- Enterprises have found themselves thrust into the position where they must be able to manage their information assets to
  - meet increasingly strict regulatory requirements for how these assets will be stored, accessed, and managed
  - respond in a timely fashion to information requests
  - maintain the Chinese walls of privacy around information
  - leverage information stores to gain a competitive advantage in the market
- These regulations impact the lifecycle of information from the beginning to the end… if the end ever comes
- While the IT infrastructure may simplify, its application will continue to increase in complexity

Information Lifecycle Management

- One the most bandied about and yet important concepts that for most is bereft of any real meaning
- ILM is the storage side of demand driven /utility computing (SNIA can't decide on a definition yet!!)
- ILM enhances the value of enterprise information and data assets by simplifying access and reuse
  - Like everything, business information follows a natural lifecycle with waxing and waning value
  - It reflects a company's historical foundations, current efforts, and future goals
  - Will be critical in complying with regulatory requirements and harvesting competitive advantage

Demand Driven Computing

- Complying with the bevy of regulatory edicts while responding to the competitive pressures of the market dictates that IT's role must become Demand Driven
  - IT cannot operate at its own speed, it must match that of the business and its partners (and regulators)
  - Competitive pressures will drive enterprises to further leverage their customer, supplier, and market information
  - Simplification and automation will be key to providing demand driven computing
  - Information Lifecycle Management will enable the enterprise to maximize the value of its information assets with congruent (and profitable) levels of IT investment.

High speed connectivity and high performance computing has made all of us impatient, and rightfully so

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Product Focus

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Tiered Storage

- A disk-based version of ILM, easier to articulate/understand.
- Data is classified into sets based on business requirements (e.g. critical data, regulatory data, etc.)
- Appropriate service levels are determined with storage policies
- Architectures chosen based on price/capability to match to storage sets
- Vendors moving to interconnect storage – i.e. FC array you can plug SCSI/ATA controller into and manage through other storage.
- Opportunity to lower costs and start conversations of ILM and policy-based, services approach

Backup and Archiving

- Backup is well understood, but not always appropriate for regulatory or business requirements
- Archiving is also important but not always understood.
- Backup – point in time copy of data
- Archive – permanent copy of information
- (you archive email, you backup data)
- Database archiving a good opportunity, both for open systems and for mainframes
- Both are really about retrieval and restore

Disk-to-disk backup v. Tape backup

- Disk-to-disk the latest, hottest, technology and SATA is enticingly cheap BUT
- Can be hidden costs that make tape more attractive
  - Synchronization problems between media and volume labeling on tape and disk
  - Compression ratios not well integrated between disk and tape
  - Most systems proprietary
  - Maintenance, replacement, software, and upgrade costs in TCO

Tape Highlights

- Tape is dead! Long live tape!
- WORM is the new hotspot – again, thanks to regulation
- Ongoing benefits of tape:
  - Good costs
  - Reliable
  - Removable
  - Transportable

Virtualization

- The most important syllable in virtualization is AUTOMATION!!
- What can you do to help them automate?
- Virtualization should not be mentioned in polite company or around small children…

What should you be doing?

- Talk about business problems and align technology appropriately
- Tactical approach with strategic positioning for newer products (e.g. good price today, good feature set today, grow into other features tomorrow)
- Make big problems smaller, manageable – email archiving, database archiving, preparing for tiered storage
- Help customer understand where he is now, where he wants to go, and how products can get him there quickly, painlessly and cost effectively
- Push back on vendors to get you real information and not just waves of speeds and feeds!!!!

Questions, opinions, arguments, discussions, flame mail, donations to: joyce@sageza.co.uk