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Inspire the Next

Making the most of our partner programme

Hitachi Data Systems Partner Day
Thursday 9th July 2009

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Michael Väth
Senior Vice President & General Manager EMEA

Agenda - morning

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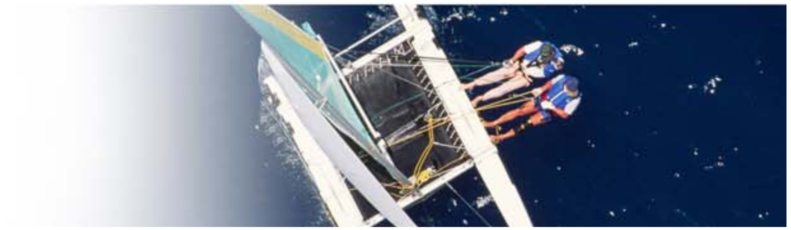
9:00 - 09:40	**Breakfast and Registrations**
09:40 – 10:00	Introduction and Welcome *Michael Väth, Senior Vice President & General Manager EMEA*
10:00 - 10:30	Hitachi Data Systems Channel Strategy *Philippe Fossé, EMEA Channels Director*
10:30 - 11:00	Channel Enablement and Marketing *Richard Grabinger, Director Partner Development & Enablement EMEA* *Tara Foster, EMEA Channel Marketing Manager*
11:00 - 11:15	**Break**
11:15 - 12:00	IDC: Future storage trends and what this means for the UK channel *Eric Sheppard, Program Director, IDC EMEA Storage Research*
12:00 - 14:00	**Lunch**



Agenda - lunch

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- BBQ lunch
- “Passport” system:
  - visit all sponsors and get stamped for your chance to win an Xbox
  - Marquee:
    - Zycko
    - Bell
    - Quantum
    - Cisco
    - Brocade
  - Sefton Room:
    - HDS Finance Offerings
    - HDS HITOA
    - HDS Training
    - PR Consultation
    - Marketing Consultation
- Ingram sponsored Wii competition
  - win a pocket surfer!
- Bell sponsored golf tournament – in support of charity Clic Sargent
  - win a bottle of champagne!
- HDS Playstation “Stig” competition
  - Win a Wii console!

Agenda - afternoon

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14:00 - 14:45	Case Study: Why HDS and Computacenter Ltd for Marks and Spencers *Matthew Yeager, Practice Leader, Storage & Data Protection, Computacenter Ltd*	
	Sales Track	**Technical Track**
14:45 - 15:15	Storage Economics Solutions *Tony Reid*	Modular Solutions *Lee Goodwin*
15:15 - 15:30	**Break**	
	Sales Track	**Technical Track**
15:30 - 16:00	Modular Solutions *David Parker & Rupinder Brar*	File and Content Solutions *Ernest Ibe*
16:00 - 16:30	File and Content Solutions *Jez Hoppe*	Storage Economics Solutions *Jonathan Russell*
16:30 - 17:00	Close: Awards and Prizes *Neil Evans, UK Channels Director* *Harvey Smith, Regional Sales Director, UK & Ireland Channels*	
17:30 – 20:00	**Buffet and drinks: Red Lion Pub, Stoke Green, Stoke Poges, Bucks, SL2 4HN**	

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Making the most of our partner programme

Giving our UK partners more opportunity!

Philippe Fosse - EMEA Channels Director

FY08 highlights

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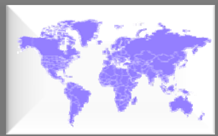




FY08 Channel (Indirect +Sun) :
102% of goal and 12% Y/Y growth

FY 08 Americas Channel	105%
EMEA Channel	104%
APAC Channel	96%

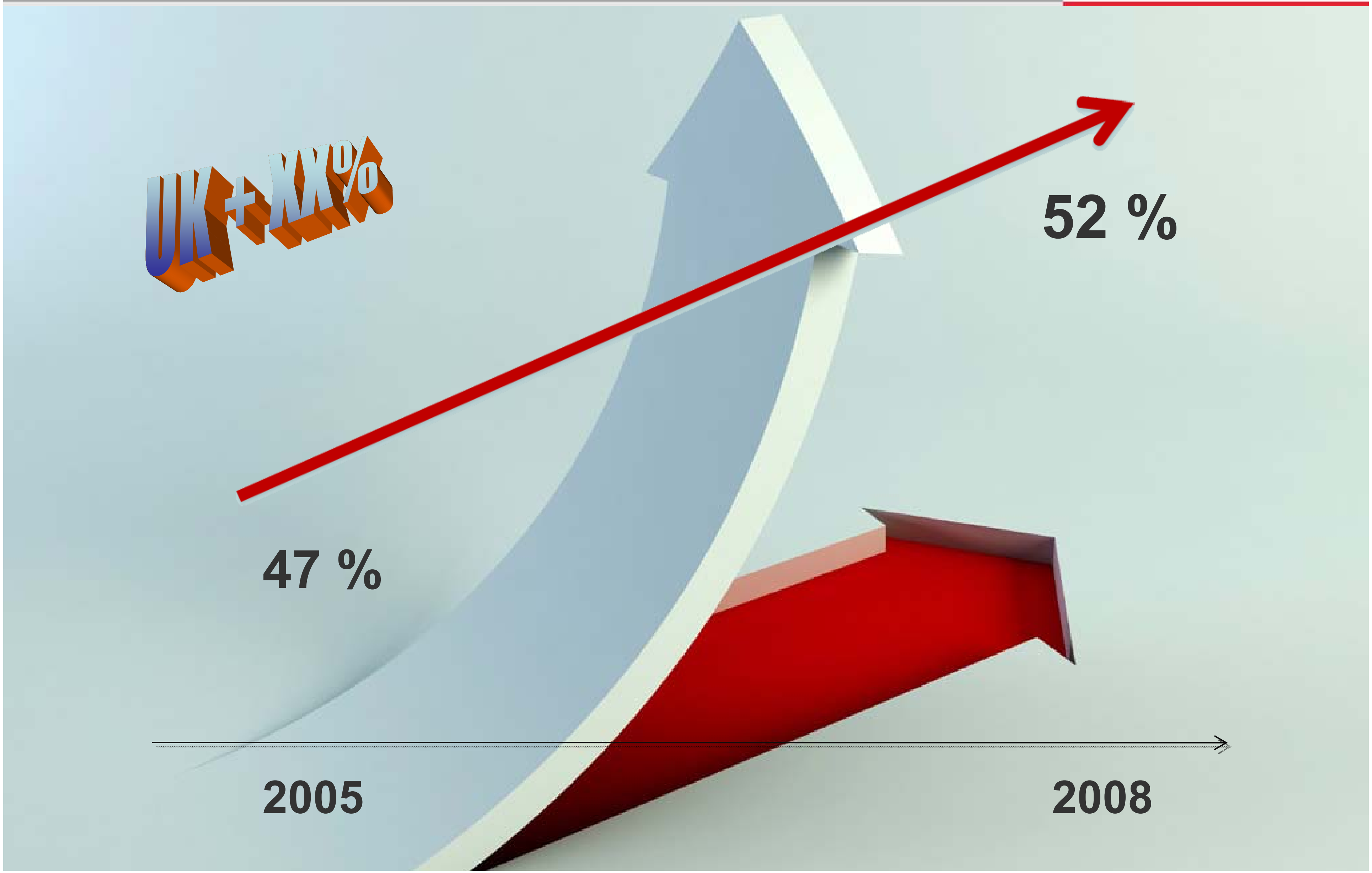
Growth: Americas	17%
EMEA	10%
APAC	8%

Enhanced Hitachi TrueNorth Channel Partner Program Launched Globally

Programs, programs, programs…

UK + XX%

Channel is more important to HDS EMEA



2009 – The Year to Prevail!

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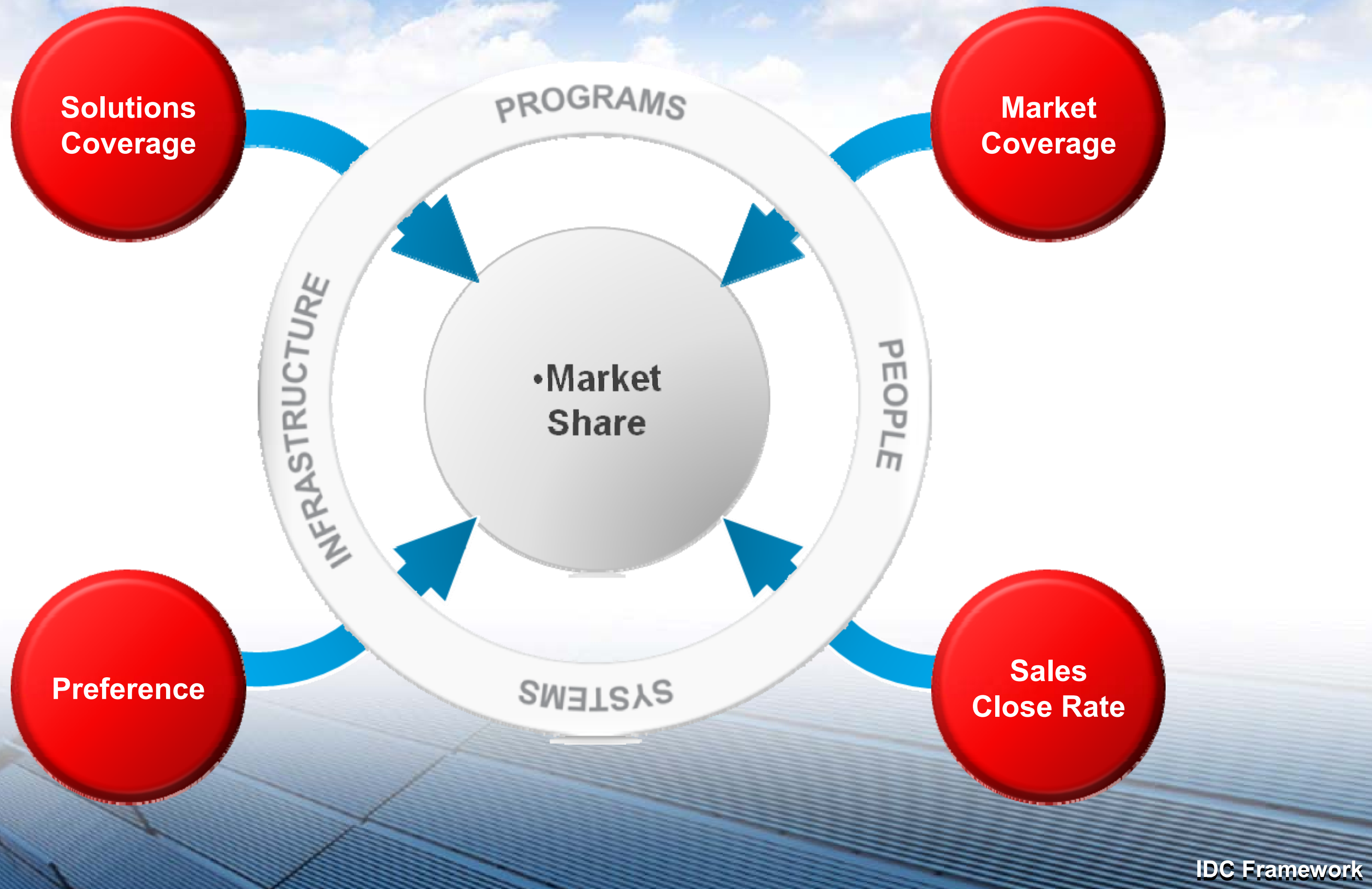
1. **Grow Market Share through Channel Partners**
   - **Expand our footprint / portfolio**
   - **Improve our partnerships**
   - **Drive growth in software and services**

2. **Deliver Global Best in Class Solutions**
   - **Design, develop and deliver additional application solutions**
   - **Extend alliances with ISV's**
   - **Position and sell based on ROI/ROA, and TCO**

3. **Improve Operational Efficiency**
   - **Deliver enhanced IT solutions**
   - **Be even easier to do business with!**

Channel Strategy Framework



Paths to the Customer

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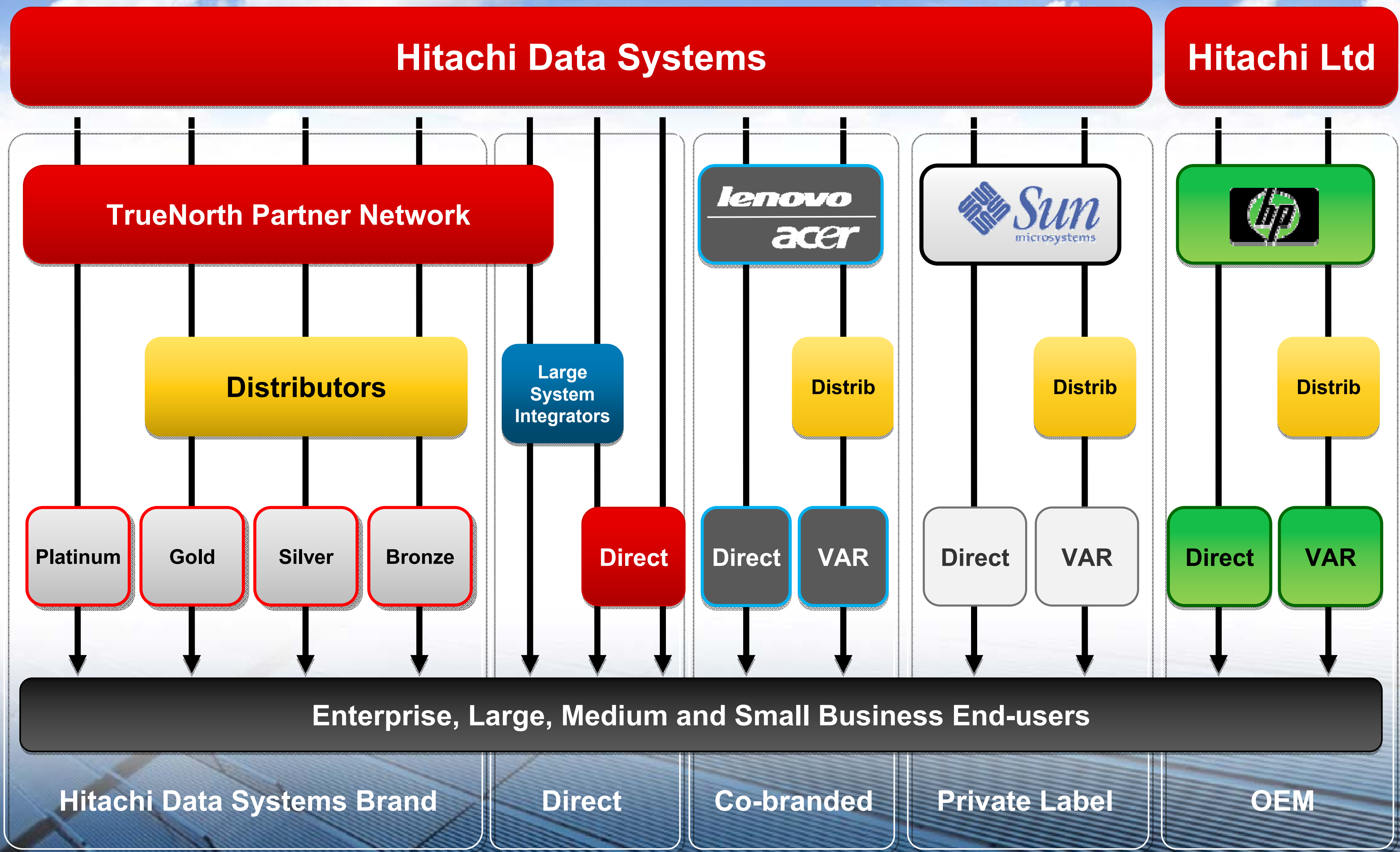

Hitachi Data Systems Branded Channel Network

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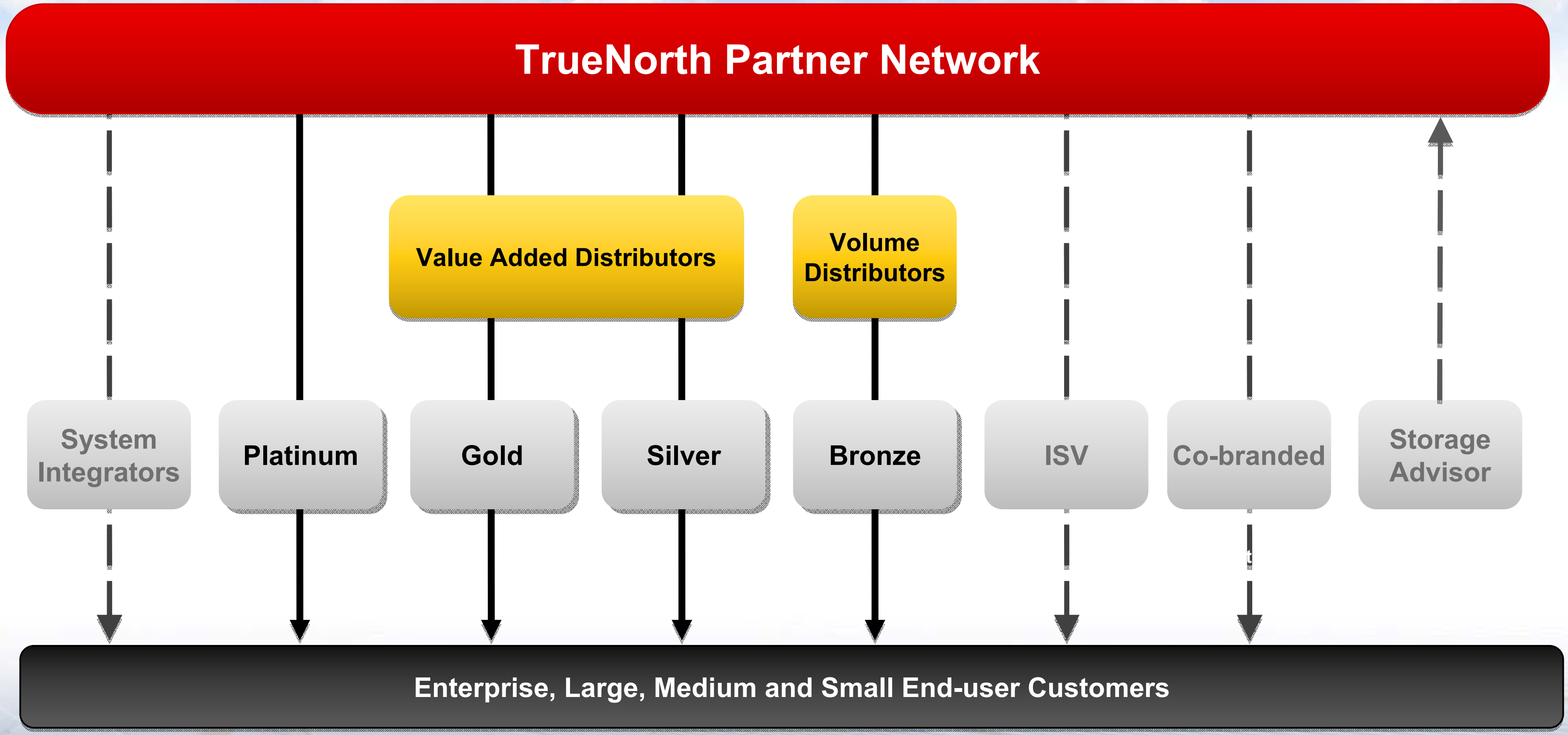

Over 1,700 select Partners worldwide
A proven strategy that focuses on preference, profitability and growth

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Channel Strategy Foundations

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Market Coverage

- Focus on top Partners
- Increase Partner capacity
- Enable new partnerships in key verticals

Partner Program

- Attract/maintain partners with flexible, lucrative program
- Drive efficiency & effectiveness of Co-op, MDF & BER funding
- Expand to support SIs, ISVs, SAs, OEMs

Partner Enablement

- Focus on channel friendly training and certification
- Enhance partner promotions
- Reward incremental business to HDS
- Increase channel communications
- Provide improved business planning tools

GTM Solutions Enablement

- Deliver ‘relevant’ solutions
- Focus on partner deliverable solutions
- Leverage 3rd party solutions
- Drive file services solutions

Channel Centric Business Model

- Streamline quote to order process
- Enhance portal usability
- Simplify service entitlement model
- Implement rules based pricing models
- Maximize opportunity registration

Market Coverage Across All Segments

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ENTERPRISE Custom enterprise solutions	Large System Integrators, Direct Sales, Enterprise System Solution Providers
LARGE BUSINESS Industry and horizontal IT solutions	System Solution Providers, Consultants, Value Added Distributors, VARs, ISVs, Network Integrators
MEDIUM BUSINESS Industry and simplified solution bundles	Mid-size System , Solution Providers, System Consultants, VARs, ISVs, Network Integrators
SMALL BUSINESS Simplified bundles	Server Partners Volume Distribution Reseller Network

78% of all Direct and Indirect revenue sold to enterprise & large business

22% of all Direct and Indirect revenue sold to small and medium business

Geo variance

22% of all Americas revenue is sold to small / medium business

25% of all EMEA revenue is sold to small / medium business

Channel variance

34% of all Indirect revenue is sold to small / medium business

13% of all Direct revenue is sold to small / medium business

Solutions Coverage x Market Coverage x Preference x Close Rate = **Market Share**

•Market Coverage

Market Coverage

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Focusing on Partners

Increased Focus and Investment on
EMEA TOP PARTNERS

- Increase engagement and investment model
- Focused enablement strategy
- Ability to measure enablement and partner contribution
- Increase capacity of partners
- Enable select new partnerships in key verticals
  - Database Management
  - Data Warehousing,
  - Telco
  - Healthcare

•Market Coverage

Solutions Enablement : One Platform For All Data

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Structured Data/RDB, Apps

High End Enterprise Application/DB

- Tiered Storage and Virtualization via enterprise hardware platforms
- Common Protection Solutions
- Common storage management

Midrange Application DB Enablement

- Midrange hardware platforms
- Common storage management
- Common Protection Solutions

Unstructured Data (Files, Metadata, Content)

Archiving/Object/Content Level ...areness/Web 2.0

...tion for open, ...nd integrated ...utions

...Key Segments

- High-performance NAS: Focused on high throughput environments
- Standard NAS: Focused on file sharing and backup environments

INTEGRATED STRATEGY

COMMON
Storage and Security, Data Protection and Search

•Solutions
•Coverage

Solutions Enablement

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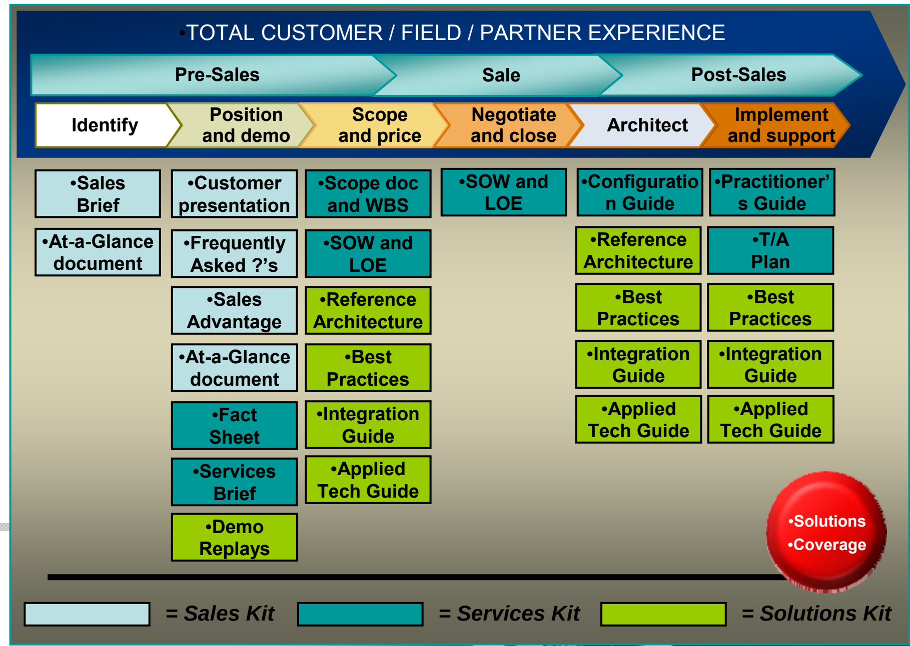
Strategic Initiatives

- Deliver ‘relevant’ solutions
  - Data Protection Suite
  - Virtualization (HDS, MS HyperV, VMWare)
  - Application Solutions (MS, Oracle, etc)
  - Backup & Recovery (Symantec, CommVault)
  - Consolidation
  - Hitachi Content Archive Platform, High Performance NAS
- Partner deliverable solutions
  - Reward partners for technical investment and full solutions integration
  - Improve content provided to partners
  - Reduce training and certification requirements
- Leverage 3rd party solutions
  - Provide information and training on how our technology fits with ISV’s to provide Disaster Recovery, Data Protection and Data Consolidation solutions
  - Leverage joint GTM activities with key partners (Symantec, Microsoft, Brocade, Cisco etc.)
- Drive file services solutions
  - Establish core set of GTM partners in each country
  - Improve business engagement model with Hitachi Content Archive Platform, High Performance NAS Partners

Objectives

•Differentiate
•Hitachi Data Systems vs. Competition through improved partner solutions delivery

Solutions Value Chain



Solutions Delivery Program

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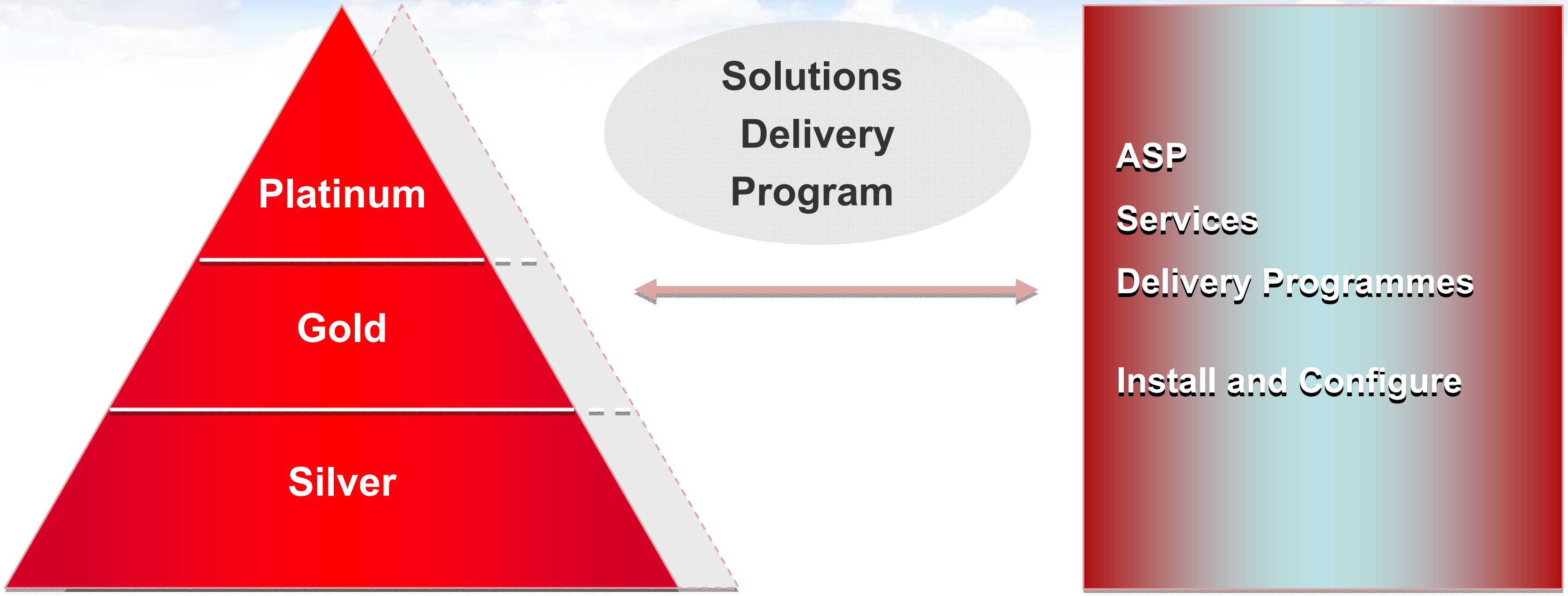
Hitachi TrueNorth Channel Partner Program

Product / Solutions Certification



Focus on enabling Partner solutions delivery

•Preference

•Solutions
•Coverage

More opportunities for our partners…

within our core strategic initiatives

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Growth

Partner Services Delivery Enablement	Improve Partner Profitability
File Services GTM	Expand addressable market for partners
IT Operations Management Software	Expand addressable market, enable managed services model
SUN Business	Grow and protect base
Modular	Maximize product benefits
Hitachi TrueNorth Channel Partner Program 2.0	Targeted and customized to maximize investments
Business Analytics and Channel GTM	Aligned business plans and ROI

•Preference

Service opportunity

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Resellers	I & C Partners	CSP Partners	ASP Partners
Spares Provision	Spares Provision	Spares Provision	Spares Provision
Level 2 & 3 Support			
Level 1 Service/Support	Level 1 Service/Support	Level 1 Service/Support	Level 1 Service/Support
Call Handling	Call Handling	Call Handling	Call Handling
Hold Maintenance Contract	Hold Maintenance Contract	Hold Maintenance Contract	Hold Maintenance Contract
Implementation Services	Implementation Services	Implementation Services	Implementation Services
Installation	Installation	Installation	Installation
Sell Product	Sell Product	Sell Product	Sell Product

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Partner

I & C Partner
(Installation and Configuration)
Sells HDS products and sells their own installation services

CSP
(Certified Solution Provider)
Sells HDS products and sells their own solution deployment services

ASP
(Authorized Service Provider)
sells HDS products and sells their own installation and maintenance services

Solutions Coverage x Market Coverage x Preference x Close Rate = **Market Share**

•Preferenc
e

File services opportunity: Hitachi Content Archive Platform (HCAP)

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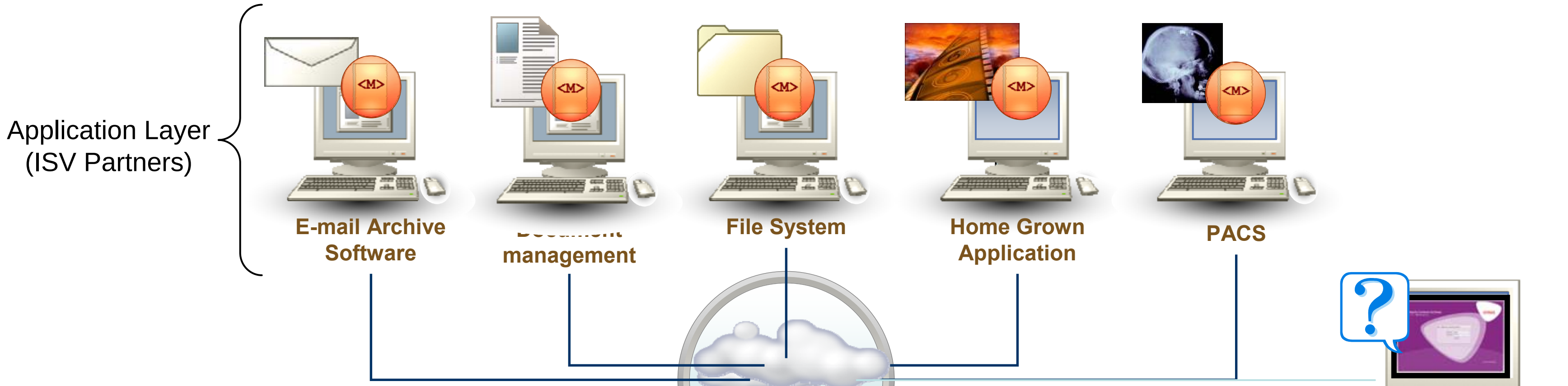

- Single platform supporting multiple applications simultaneously
- Common archive functions across content types
  - Data and metadata ingest
  - Authentication and policies
- Embedded full-text indexing and search
  - All content in the archive
  - Retrieve content produced by different applications
- High performance, scalable and secure storage

Modular opportunity: UK Market size!

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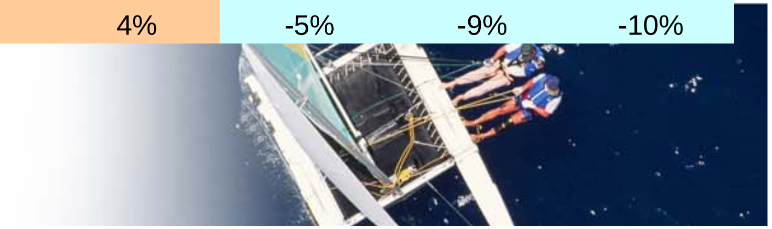
		Small			Medium		Enterprise		
		100%	100%	100%	100%	100%	100%	100%	100%
		$0K - $4.99K	$5K - $9.99K	$10K - $14.99K	$15K - $4[illegible].99K	$[illegible] - $149.9[illegible]K	$150K - $299.99K	$300K - $499.99	Band 8/9 >$500K
Country	**2009**	**BAND1**	**BAND2**	**BAND3**	**BAND4**	**BAND5**	**BAND6**	**BAND7**	**BAND8/9**
Germany	$1,222.8	24	88	86	427	266	100	102	129
UK	**$1,083.4**	**21**	**78**	**77**	**378**	**235**	**88**	**90**	**115**
France	$608.8	12	44	43	213	132	50	51	64
Italy	$438.0	9	32	31	153	95	36	37	46
Netherlands	$321.8	6	23	23	112	70	[illegible]	27	34
Switzerland	$316.1	6	23	22	110	69	[illegible]	26	33
Spain	$299.7	6	22	21	105	65	24	25	32
Belgium	$232.5	5	17	16	81	50	19	19	25
Sweden	$182.5	4	13	13	64	40	15	15	19
Denmark	$127.5	2	9	9	45	28	10	11	14
Austria	$119.6	2	9	8	42	26	10	10	13
Norway	$107.7	2	8	8	38	23	9	9	11
Finland	$90.1	2	7	6	31	20	7	8	10
Ireland	$63.5	1	5	4	22	14	5	5	7
Greece	$40.1	1	3	3	14	9	3	3	4
Portugal	$39.3	1	3	3	14	9	3	3	4
Total External Mkt	$5,293.33	**103**	**382**	**374**	**1849**	**1150**	**432**	**442**	**561**
	% by Price band	2%	7%	7%	35%	22%	8%	8%	11%
	CAGR	2%	-3%	11%	0%	4%	-5%	-9%	-10%



UK Storage Hardware (2009)

Estimated: Product Type by Customer Segment

based on % from HDS Corp analysis

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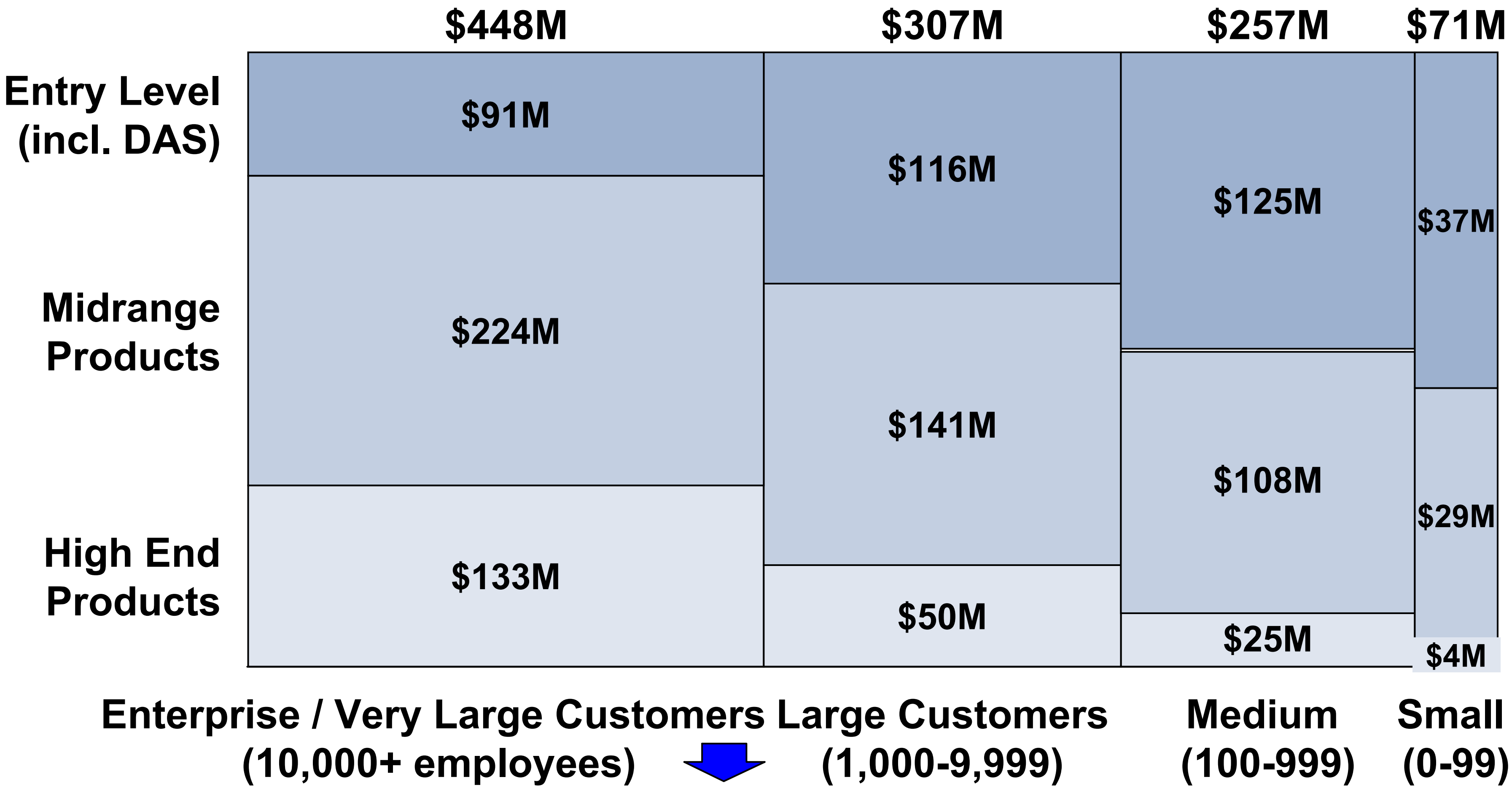
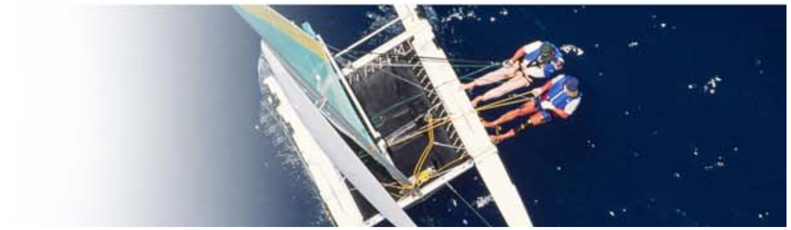


> 70% of Midrange Products are sold to Enterprise and Large Customers



How can we help our partners sell more…in this complex solution environment?

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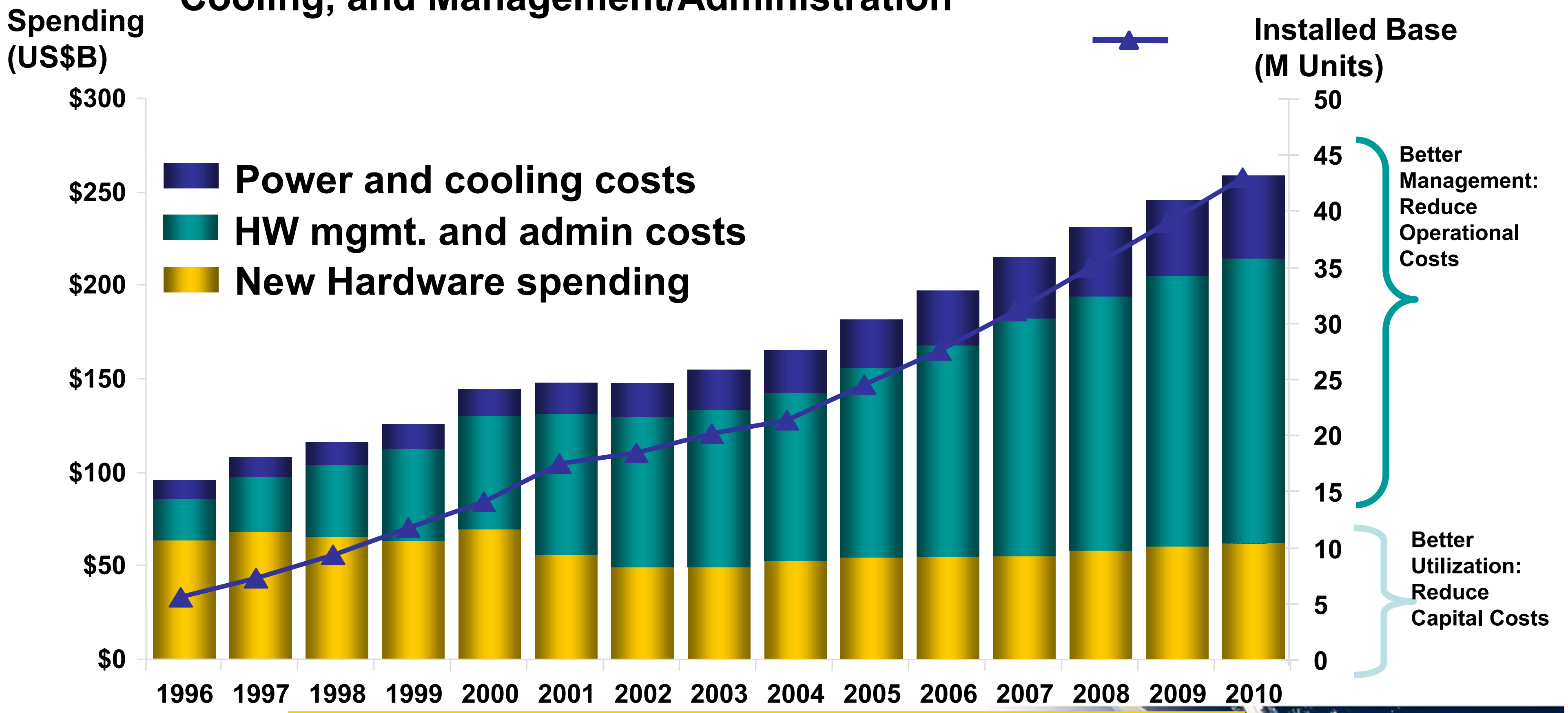
Worldwide IT Spending on Hardware, Power and Cooling, and Management/Administration



Lots of unused capacity, low utilization

What a customer wants to know when signing a PO….

The answer to 3 questions….

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- In any type of economic justification, investment decisions boil down to three key questions:

<u>How much is it going to cost?</u>

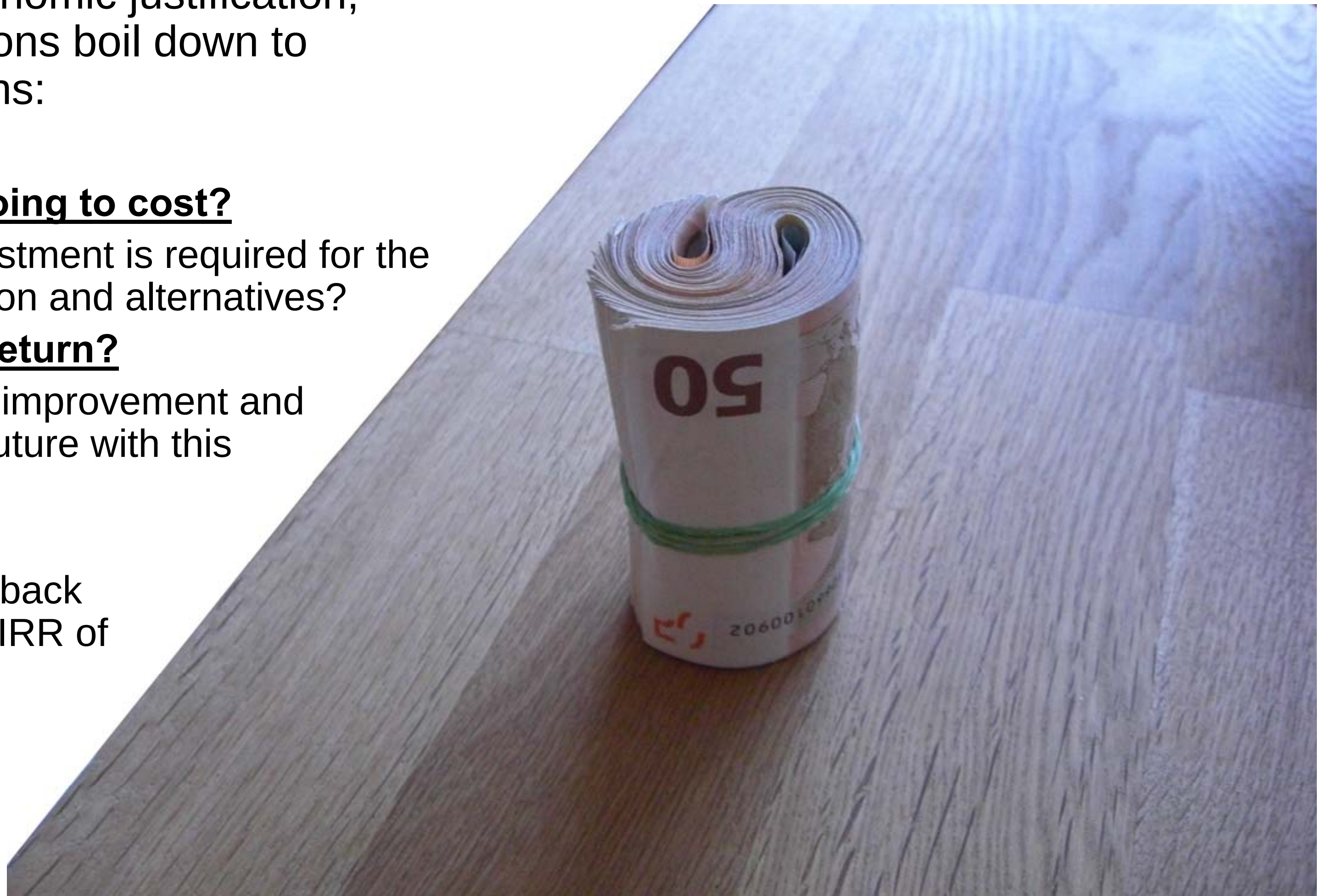
– How much investment is required for the proposed solution and alternatives?

<u>What will be the return?</u>

– What is the net improvement and savings in the future with this investment?

<u>How fast?</u>

– What is the payback term, NPV and IRR of the proposals?

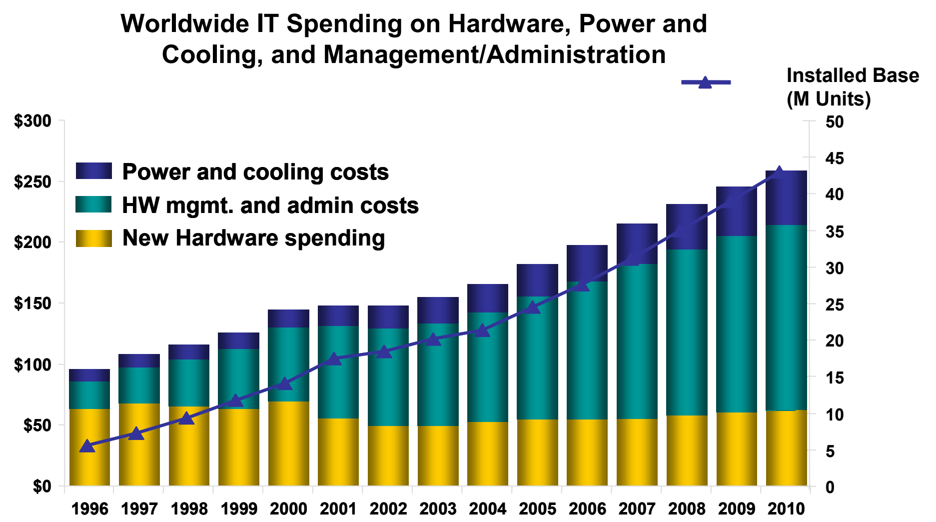


How Much is it Going to Cost?

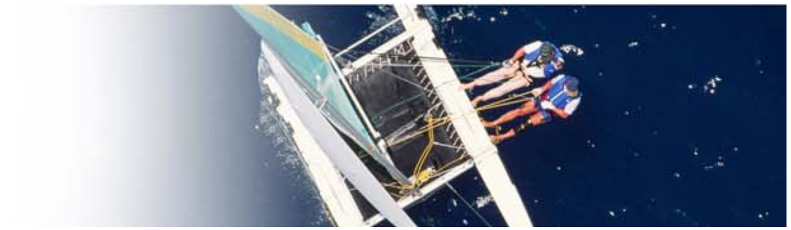
The buy price of a product says nothing about the costs to own the product!

Price ≠ Cost

- Storage purchase price is 1/3 to 1/5 the total cost of ownership
  - Capital expense (CAPEX) is not under pressure
  - Reducing operating expense (OPEX) is paramount



IDC 2008
Vernon Turner



HDS Methodology
Step 1: Understanding all Types of Costs

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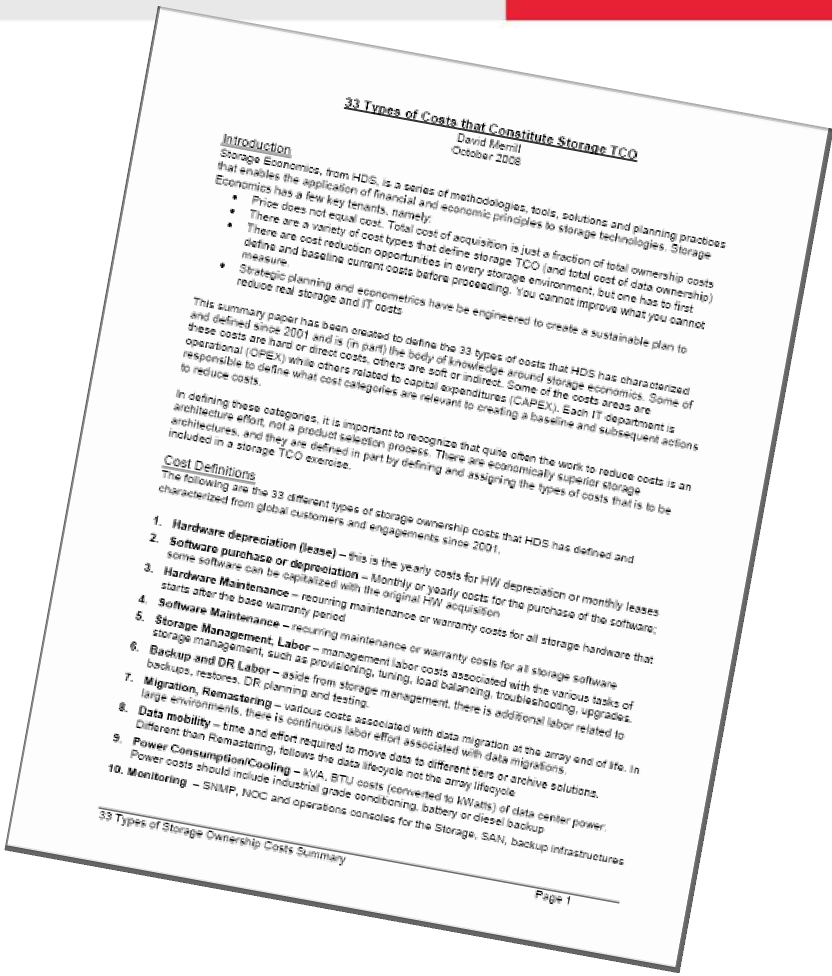
- 33 different types of costs!
- Defined and characterized from global customers and engagements since 2001
- Document to be sent to the customer ahead of the Workshop to give an indication of cost categories and from which to select 8-12 cost categories to work on in the workshop.



33 Types of Costs that Constitute Storage TCO
David Merrill
October 2008

Introduction

Storage Economics, from HDS, is a series of methodologies, tools, solutions and planning practices that enables the application of financial and economic principles to storage technologies. Storage Economics has a few key tenants, namely:

- Price does not equal cost.
- There are a variety of cost types that define storage TCO (and total cost of data ownership)
- There are cost reduction opportunities in every storage environment, but one has to first define and baseline current costs before proceeding. You cannot improve what you cannot measure.
- Strategic planning and econometrics have be engineered to create a sustainable plan to reduce real storage and IT costs

This summary paper has been created to define the 33 types of costs that HDS has characterized and defined since 2001 and is (in part) the body of knowledge around storage economics. Some of these costs are hard or direct costs, others are soft or indirect. Some of the costs areas are operational (OPEX) while others related to capital expenditures (CAPEX). Each IT department is responsible to define what cost categories are relevant to creating a baseline and subsequent actions to reduce costs.

In defining these categories, it is important to recognize that quite often the work to reduce costs is an architecture effort, not a product selection process. There are economically superior storage architectures, and they are defined in part by defining and assigning the types of costs that is to be included in a storage TCO exercise.

Cost Definitions

The following are the 33 different types of storage ownership costs that HDS has defined and characterized from global customers and engagements since 2001.

1. **Hardware depreciation (lease)** – this is the yearly costs for HW depreciation or monthly leases
2. **Software purchase or depreciation** – Monthly or yearly costs for the purchase of the software; some software can be capitalized with the original HW acquisition
3. **Hardware Maintenance** – recurring maintenance or warranty costs for all storage hardware that starts after the base warranty period
4. **Software Maintenance** – recurring maintenance or warranty costs for all storage software
5. **Storage Management, Labor** – management labor costs associated with the various tasks of storage management, such as provisioning, tuning, load balancing, troubleshooting, upgrades.
6. **Backup and DR Labor** – aside from storage management, there is additional labor related to backups, restores, DR planning and testing.
7. **Migration, Remastering** – various costs associated with data migration at the array end of life. In large environments, there is continuous labor effort associated with data migrations.
8. **Data mobility** – time and effort required to move data to different tiers or archive solutions. Different than Remastering, follows the data lifecycle not the array lifecycle
9. **Power Consumption/Cooling** – kVA, BTU costs (converted to kWatts) of data center power. Power costs should include industrial grade conditioning, battery or diesel backup
10. **Monitoring** – SNMP, NOC and operations consoles for the Storage, SAN, backup infrastructures

33 Types of Storage Ownership Costs Summary

Page 1

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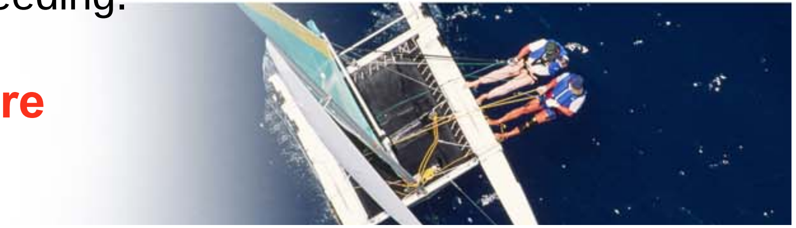
<u>Storage Economics</u>, from HDS, is a series of methodologies, tools, solutions and planning practices that enables the application of financial and economic principles to storage technologies.

- Total cost of acquisition is just a fraction of total ownership costs
- There are a variety of cost types that define storage TCO (and total cost of data ownership)
- There are cost reduction opportunities in every storage environment, but one has to first define and baseline current costs before proceeding.



You cannot improve what you cannot measure

HDS Methodology
Step 5: Year on Year TCO Reduction Projection

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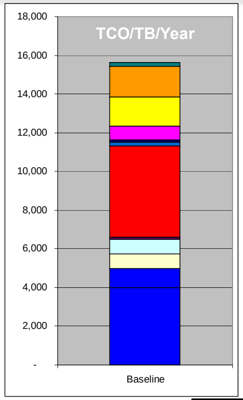

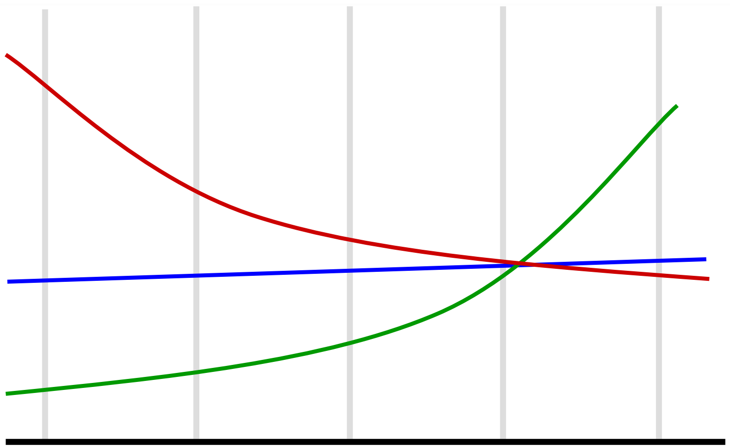

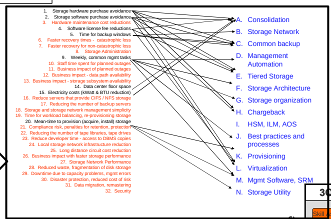

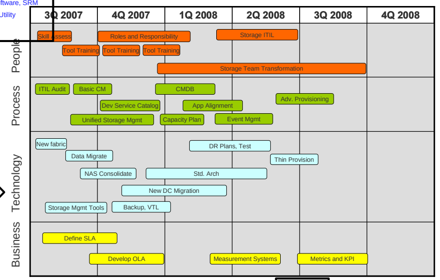

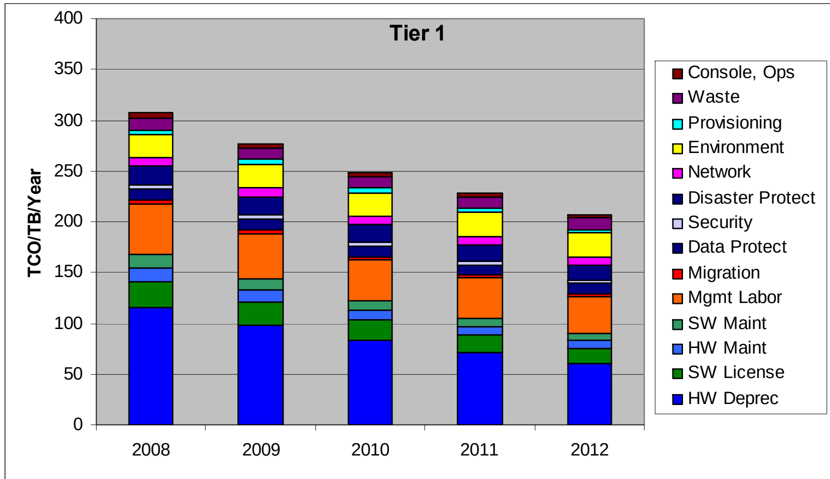

How fast?
What will be the return?

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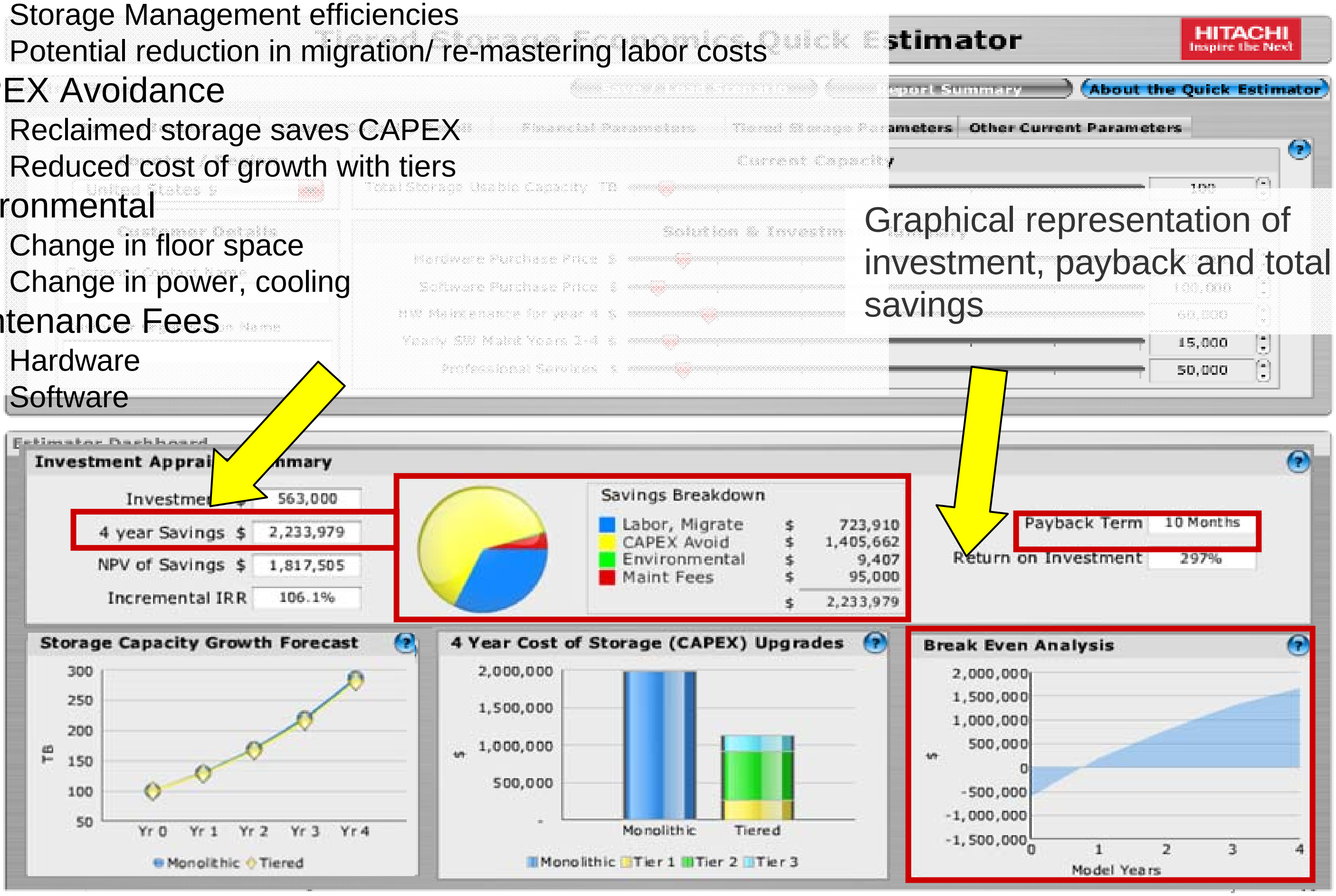
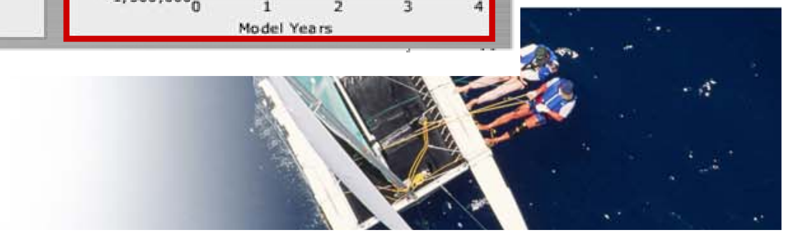
- Total savings are broken down into the pre-defined categories
  - Labor, Migration
    - Storage Management efficiencies
    - Potential reduction in migration/ re-mastering labor costs
  - CAPEX Avoidance
    - Reclaimed storage saves CAPEX
    - Reduced cost of growth with tiers
  - Environmental
    - Change in floor space
    - Change in power, cooling
  - Maintenance Fees
    - Hardware
    - Software

Graphical representation of investment, payback and total savings





Summary

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1. Continue precise key Channel Partner prioritization – global 150
2. Comprehensive sales enablement – sales & Services
3. Tailored promotional programs – emphasis on modular
4. Aggressive push programs to drive competitive displacement
5. Intense focus on end to end solutions to maximize revenue & margins
6. Drive <u>YOUR</u> preference!

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Thank you

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Making the most of our partner programme

Channel Development & Enablement

Richard Grabinger, Director Partner Development & Enablement
Tara Foster, EMEA Channel Marketing Manager

Partner Enablement Priorities: FY 09

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- Focus on Roll out of TNCPP II
- Mid Market Demo Programme
- Major Focus on PX Performance
- Modular Focus
- Channel Services Programme
- Pre-launch Channel Readiness
- Strong Solution-focus Promotions
- Channel Communications
- Drive Preference for Channel Partners
- Channel Marketing Bureau
- EMEA TOP 50 Partners

Hitachi TrueNorth Channel Partner Program EMEA Program Benefits Table

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Benefits Summary & Qualifications	PLATINUM	GOLD	SILVER	BRONZE	Distributor Type	
					VAD	Volume
Co-op Funding	Provided	Provided	---	---	Provided	---
MDF - Market Development Fund	Available	Available	Available	---	Available	Available
Back End Rebates	Available	Available	---	---	Available	---
Opportunity Registration [2, 3]	Provided	Provided	Available [6]	Available [6]	Provided [6]	---
Product Portfolio Access	All	All	All [7]	Up to AMS 200	All	Up to AMS 200
TNCPP 2008 Qualifiers:						
Approved Business Plan	Required	Required	---	---	Required	---
Meet Sales Training Qualifications	Required	Required	---	---	Required	---
Meet Technical Training Certifications	Required	Required	---	---	Required	---
Meet or Exceed Sales Requirements	Required	Required	---	---	Required	---

"Provided" means that a given benefit ***is granted*** **and guaranteed**. **"Available"** means that a benefit ***is available***, ***discretionary and not guaranteed***.

True North Financial Incentives

- Full portfolio of available benefits
  - Generous Co-op & Back End Rebates
  - Market Development Funding (MDF) availability*
- Simplified payout structure
  - Benefits paid out based on Partners total purchase dollars; no complex formulas
- Easy to understand performance metrics
  - Partners are measured on total growth achievement versus plan
- Profit and growth protection benefits
  - Deal registration
  - Meet-competition pricing
- TrueNorth is consistent with prior program

Mandatory Programme Compliance

- Signed Current TNCPP Contract
- +
- Completed Business Planning & ROI Tool
- ‘OR’
- Signed Contractual Change Letter
- +
- Completed Business Planning & ROI Tool

EMEA MID MARKET DEMO UNIT PROGRAMME

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The following are available as Demo products:

• AMS 2100	8.500,-- Euro
• Essential NAS 1100 c	13.000,-- Euro
• Rack	1.500,-- Euro
• Brocade 310 Switch	1.500,-- Euro
• HCAP 300 4 TB	14.000,-- Euro

EMEA –Reward Programme
AMS 2000 & HCAP 300 – JULY 2009

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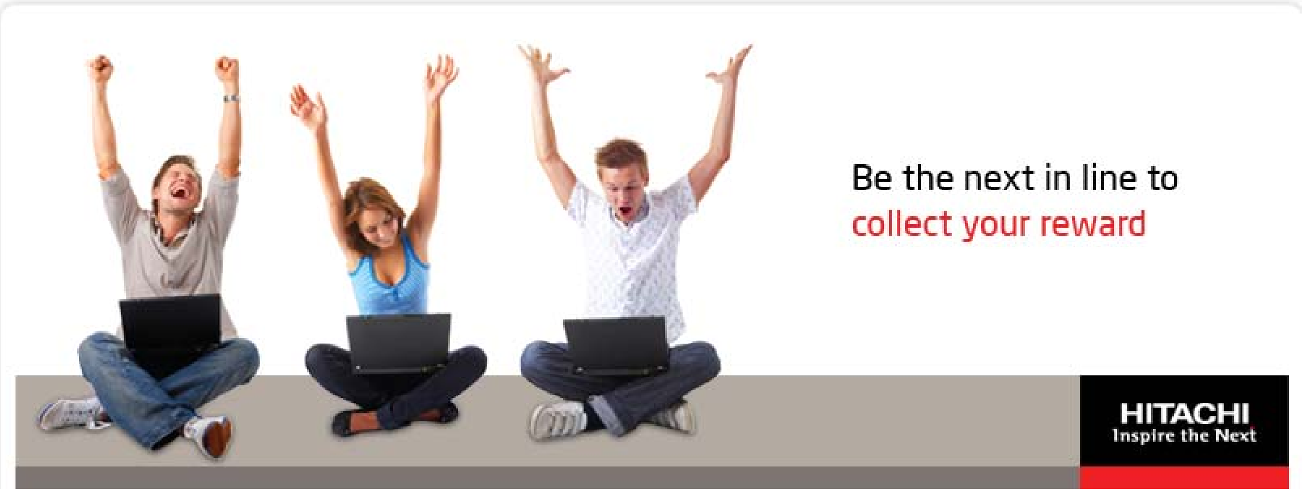

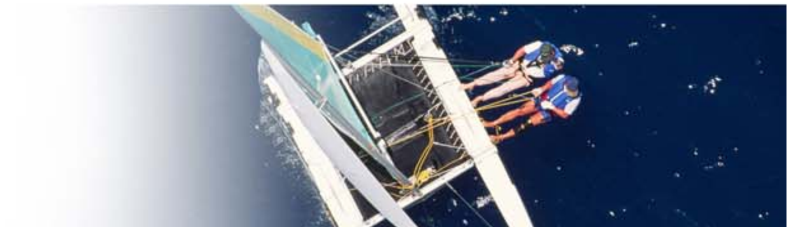

AMS2500 and HCAP300 Rewards

PS3 80Gig

TomTom SatNav

Nintendo Wii and Wii Fit

Apple Jukebox (16G I-Touch and Bose Docking Station and Music System)

Hitachi Digital Camcorder

Storage Buyback Programme

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Strategic Objectives	**Business Objectives**
Increase HDS market share in mid-market	Displace our competitors by identifying key competitors and building attack offers
Provide an ‘easy’ way to replace competitive equipment and solution	Protect our existing installed base by maximising customer relationships
Expand coverage and growth via our partners	Provide a complete Competitive Displacement solution

Storage Buyback Programme - Overview

- Targets competitor’s installed modular storage systems
- Offers a trade-in value to end users for purchasing new HDS modular storage systems (AMS2100, 2300, 2500)
- Trade-in value passed to the customer by the partner
- Old equipment will be physically removed and destroyed
- After the removal process has been completed, Partner will receive trade-in value from our external supplier.

Storage Buyback Programme

The table below demonstrates the amount of incentive to be awarded per HDS AMS technology purchased (providing that the competitor product is displaced)

AMS Range Technology purchased	Trade-in value
Hitachi AMS2100	**£3,500**
Hitachi AMS2300	**£4,500**
Hitachi AMS2500	**£5,500**

Hitachi Data Systems

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The Partner Marketing Bureau

Hitachi Data Systems Bureau Overview

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- The Hitachi Data Systems Bureau offers a range of fully managed, co-branded campaigns available to Hitachi Data Systems channel partners across EMEA
- Each campaign will be tailored to the partner’s needs and budgets
- The campaigns are fully managed and are designed to ensure the partner gets the maximum return on their marketing spend, with the minimum of effort
- The bureau is Easy, Simple, Fast and Effective

Benefits

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- Partner can implement an effective lead generation campaign regardless of budget and resource
- Generates real, actionable sales leads
- Flexibility is key and partners will have access to experienced marketers, who understand technology & channels
- Hitachi Data Systems can support those partners who have previously had no or little support

What is on offer?

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- A fully managed lead generation campaign co-branded with the partner's company logo, value proposition & local call to action
- Range of campaigns elements are available that can be moulded to work within the specific budget
- Dedicated marketing resource & project management expertise
- Secure password-protected project reporting, metrics & status updates

The Bureau

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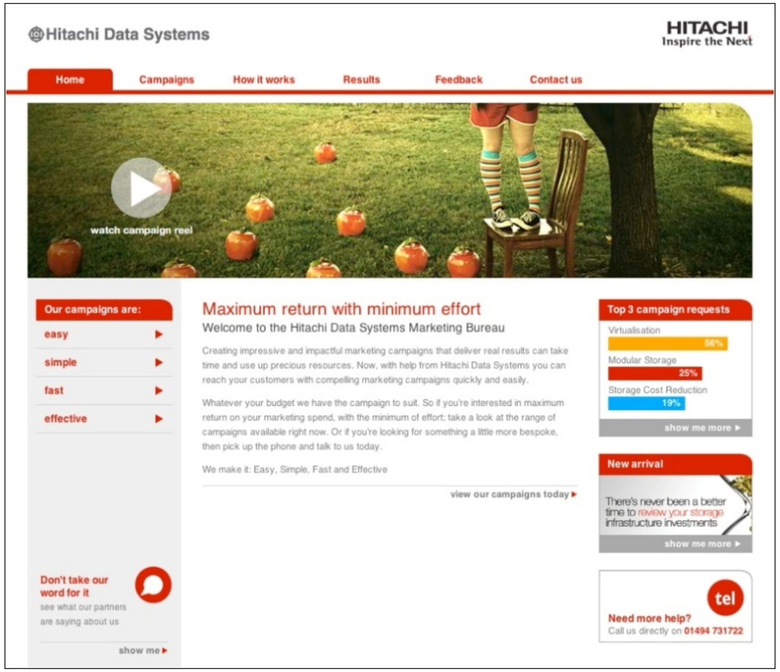

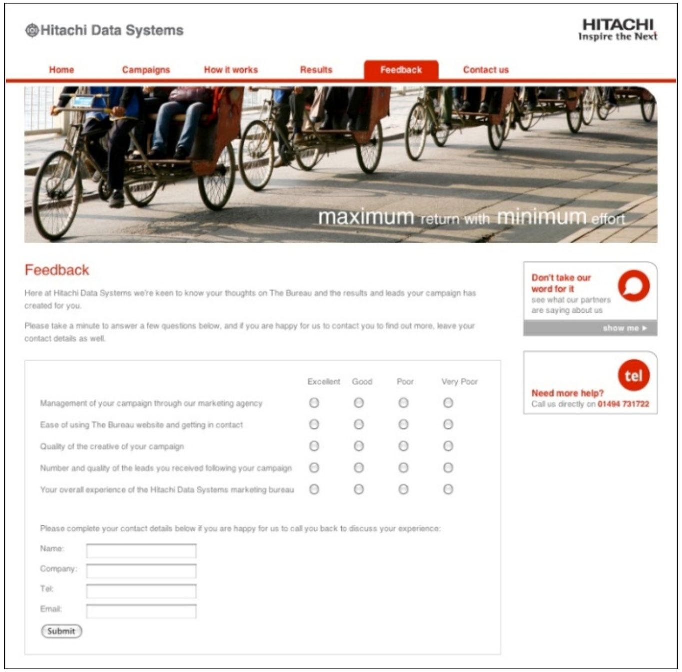

Hitachi Data Systems

Campaign Examples

In Conclusion

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At the end of any campaign, each reseller should have achieved the following key markers:

- A greater database of prospects – either their own being cleaned, or greater numbers through purchase of robust data
- A significant number of confirmed leads
- A list of known opportunities arising within the next 18 months – providing a ready made and accessible pipeline for future business
- Option to extend telemarketing and other campaign elements, in order to expand reach of campaign and message
- A fully robust campaign model, with full ROI and metrics, against which future work can be assessed.

Thank you

New Economic Reality

Responding to Today’s Storage & IT Challenges

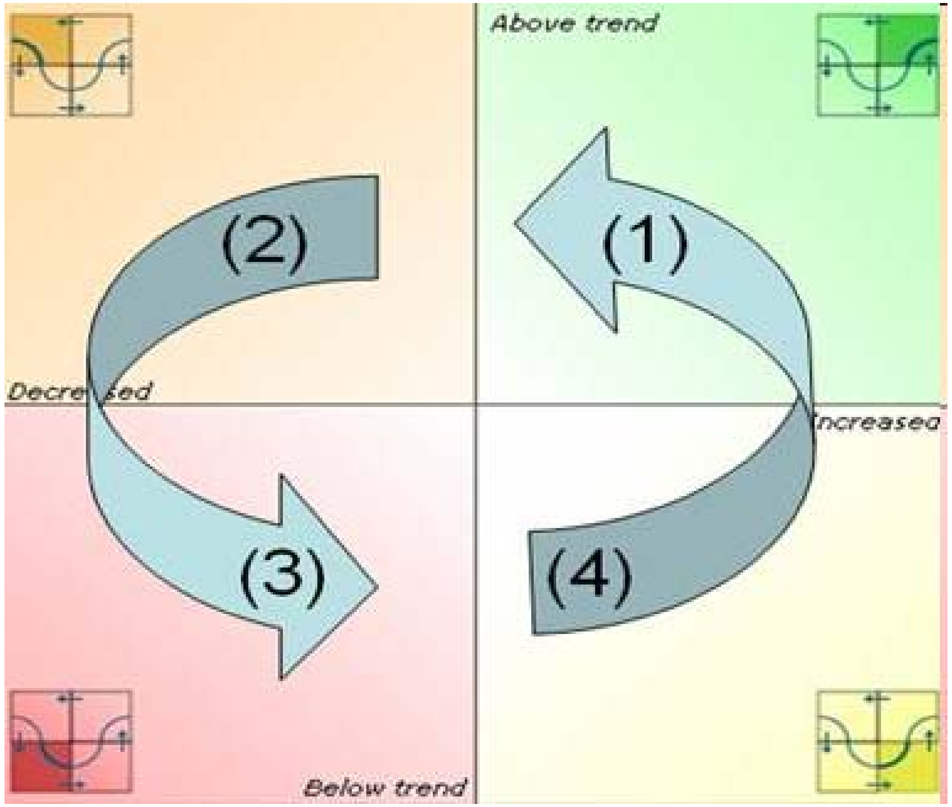
Eric Sheppard, Program Director, IDC EMEA Storage Research

Agenda

- New economic reality
  - Likely ways companies will deal with current conditions
- Changing economic conditions hasn't reduced data growth and infrastructre managment burdens
- Three responses to today's challenges
- Conclusions & recommendations

New Economic Realities

Business Cycle Clock (Eurostat)



Current situation for UK & EU:

- Moved fast from Phase 2 to Phase 3

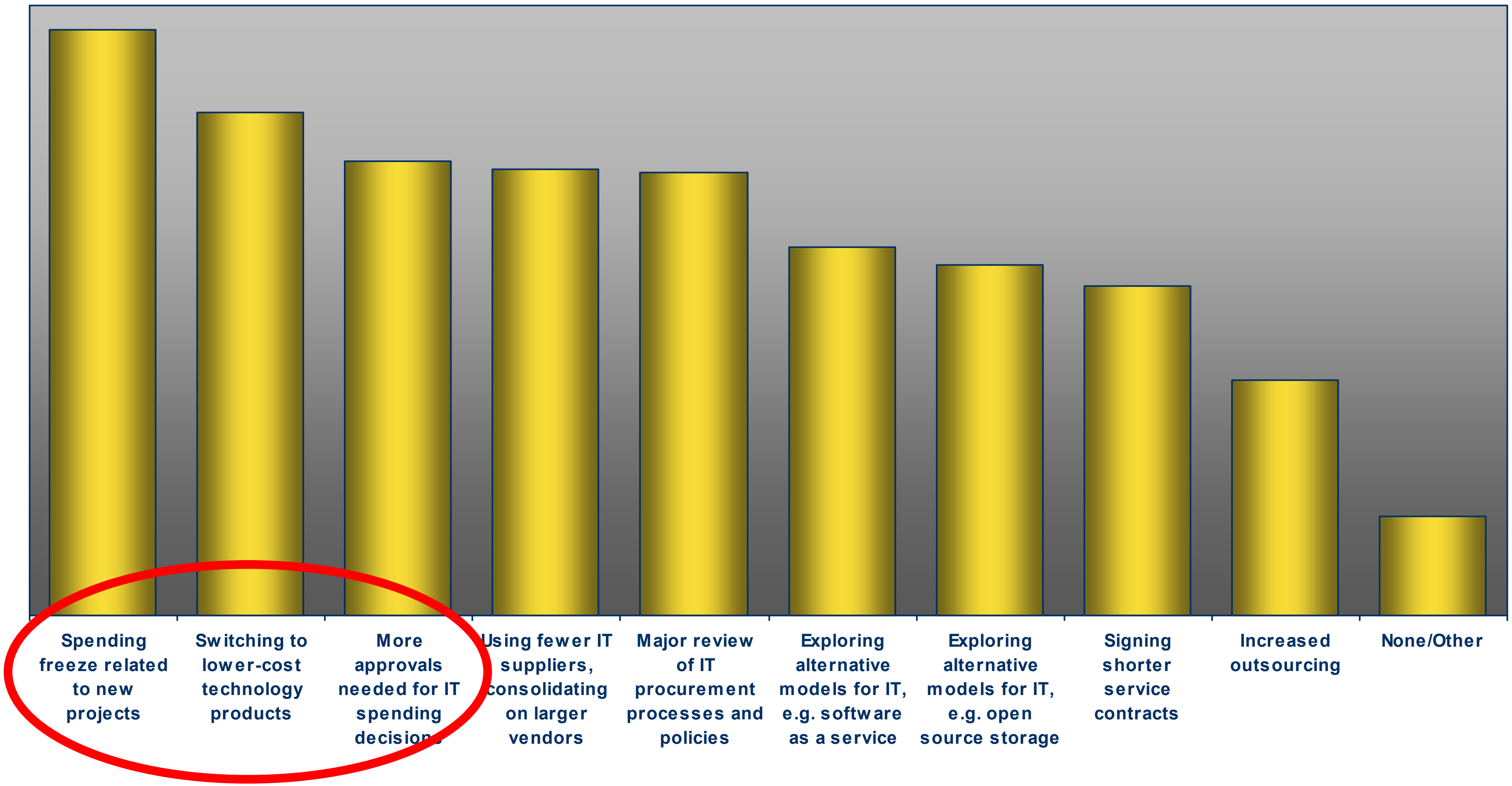
Companies impacted by economic conditions appear to lean towards quick fixes

But there are a couple of things to consider…

- Storage is less impacted than other technologies…
- …This doesn't mean storage is immune to economic down turns

Likely Way of Addressing Economic Downturn

Q. Which of the following are likely to occur in your organisation as a direct result of current economic conditions?



N: 1,805

Multiple responses permitted

Source: IDC's 2009 European Storage Survey

Likely Spending Cuts – Hardware Only

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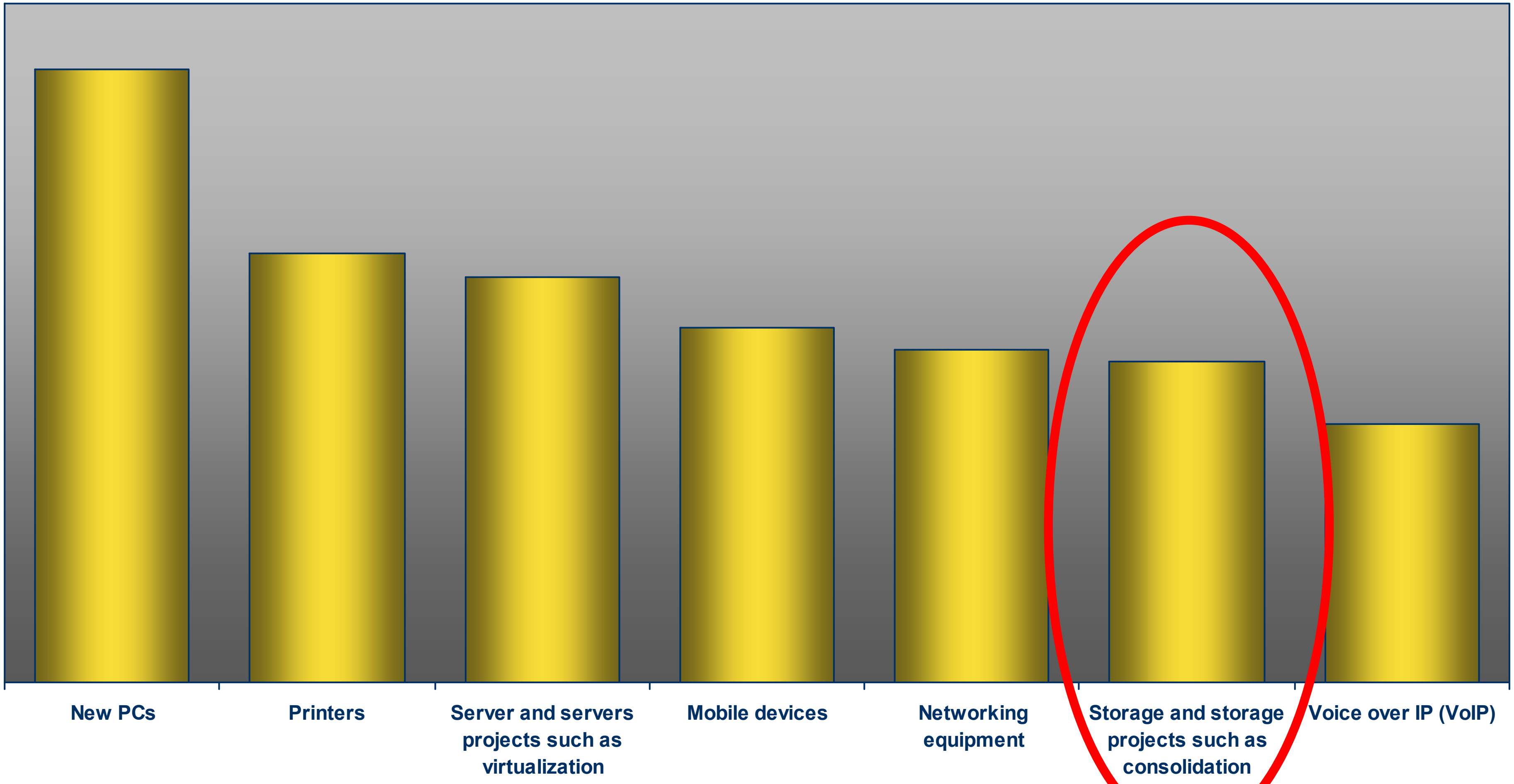
Analyze the Future

Q. In which of the following HARDWARE areas do you currently anticipate your company would make spending cuts in the event of an economic slowdown over the next 12 months?



N: 872

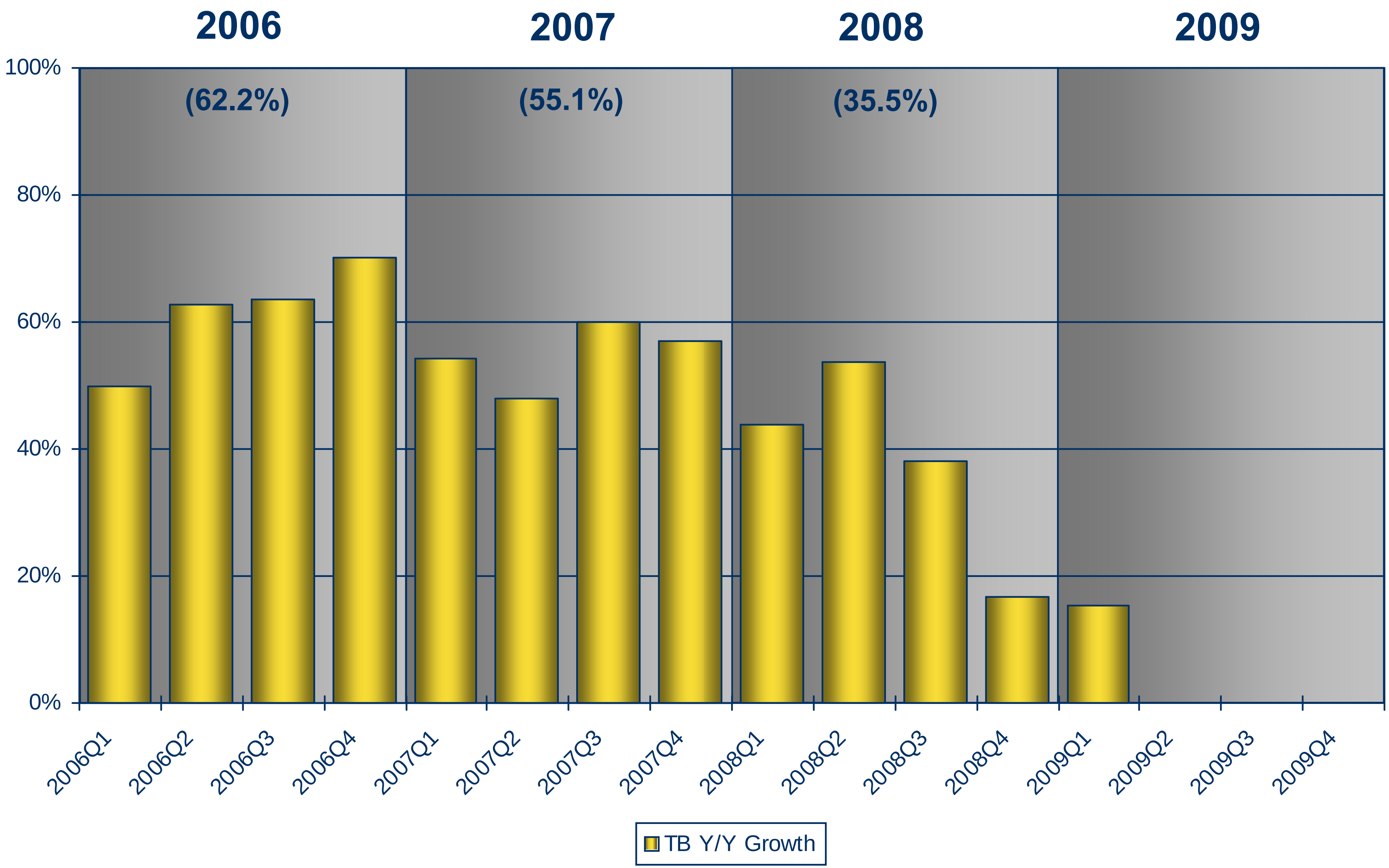
Multiple responses permitted

Source: IDC's 2009 European Storage Survey

We Aren't Saying Storage Is Recession Proof

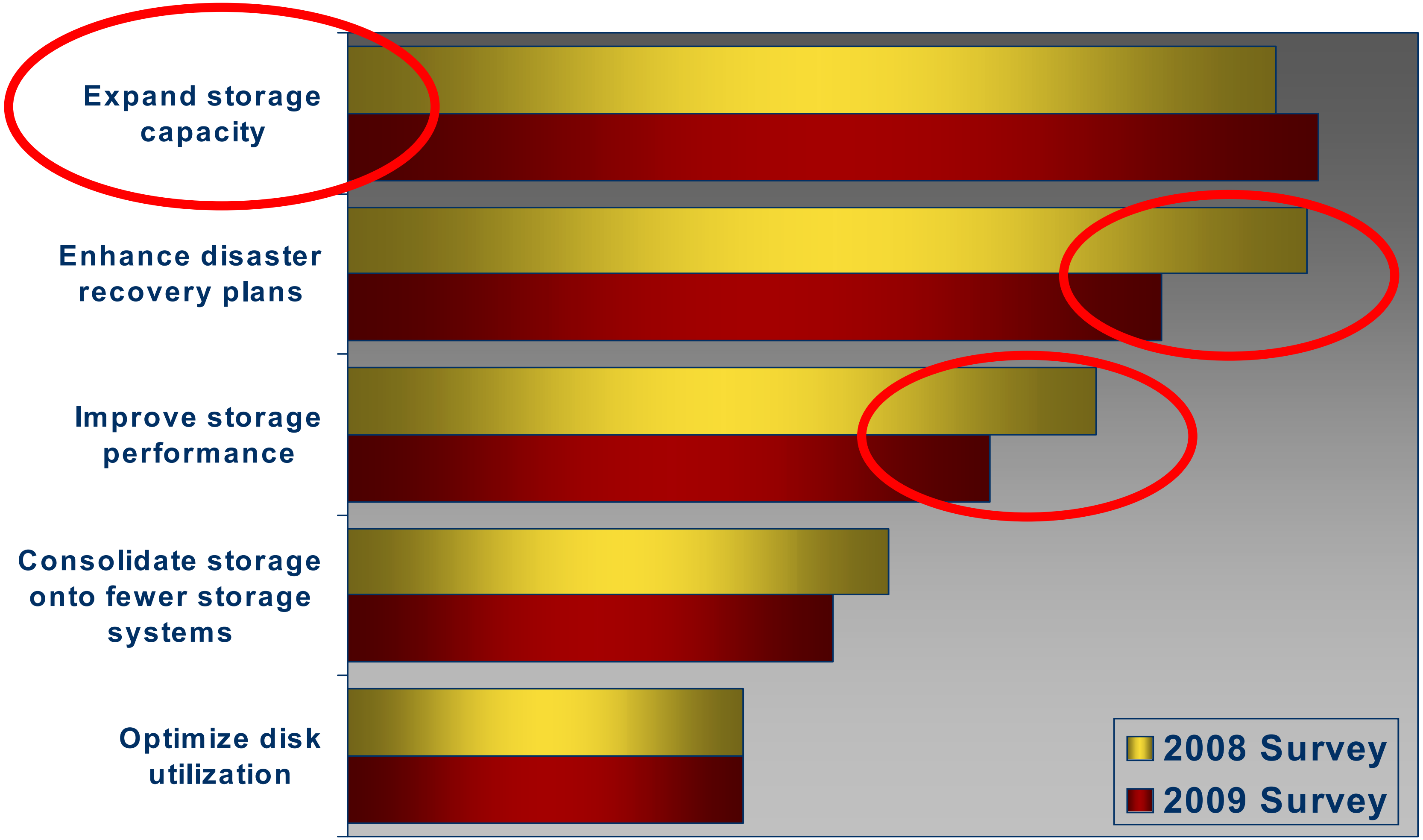
In Fact, Growth From New Investments is Down

UK External Disk Systems TB Growth



Future European Storage Priorities

Q. Which THREE of the following are your company's top priorities relating to storage for the next 12 months?



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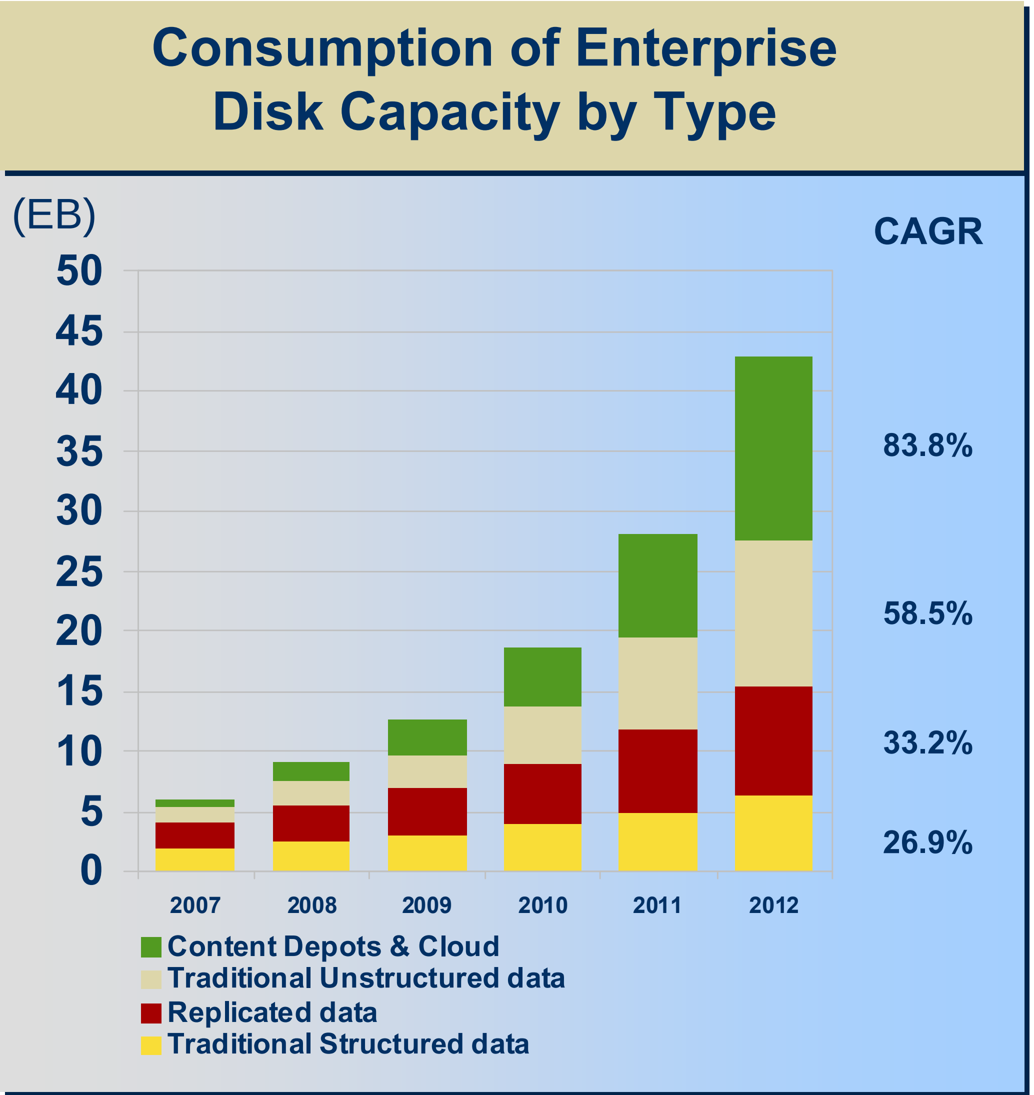
Source: IDC, 2009

New Capacity Installations May Have Eased…

…But Critical Challenges Haven't Gone Away

The First Critical Challenge – The Growing Value & Volume Associated With Data



Structured, transaction-oriented data accounts for declining portion of storage needs

Compliance and analysis drive surge in replication

- Disk-based recovery
- Business analytics

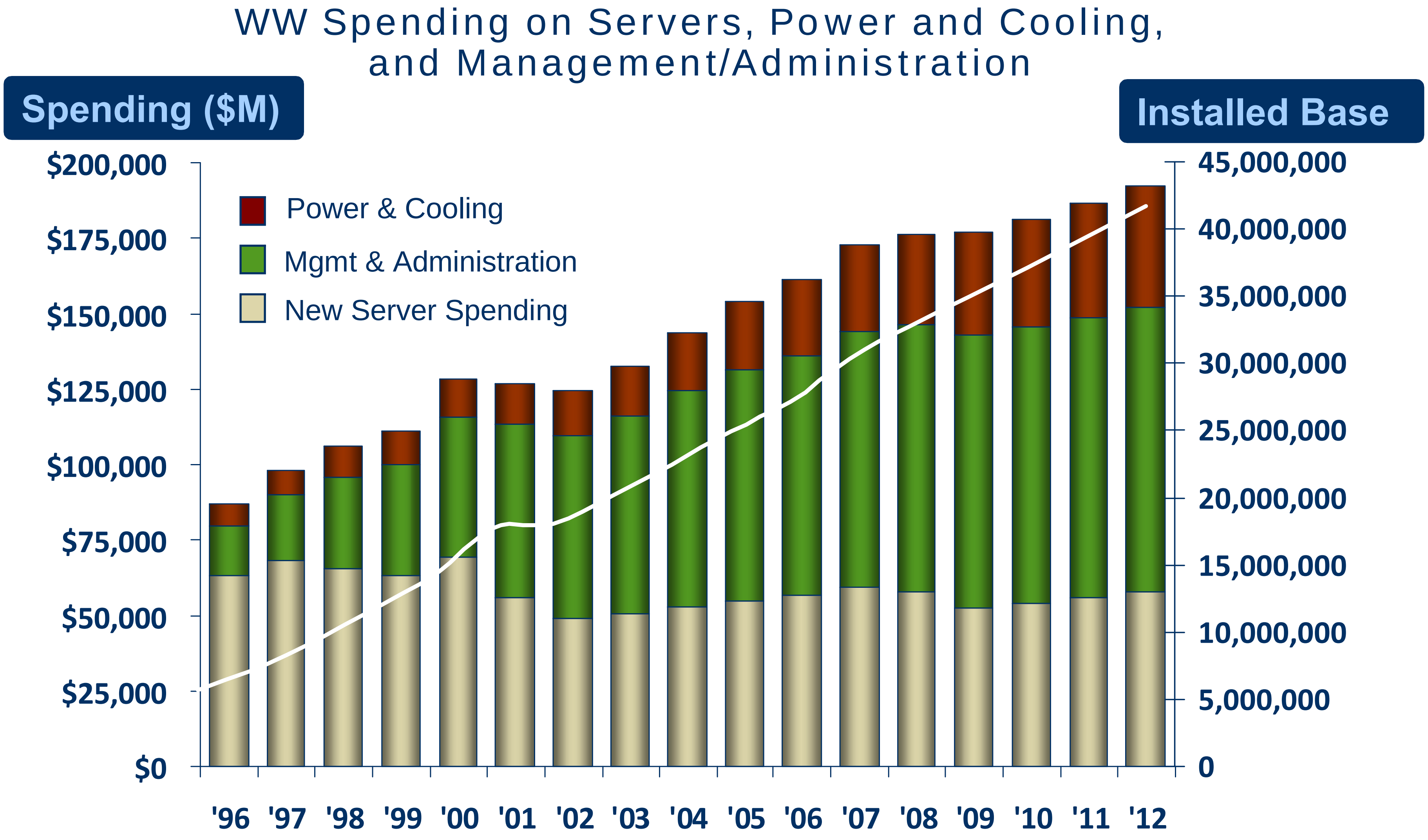
Explosion in fixed content data

- Secondary storage is the new primary storage
  - Capacity over performance

Content Depots & cloud change the rules for data

- Petabyte scale storage

The Second Critical Challenge – The Continued Failure to Control Administration Cost



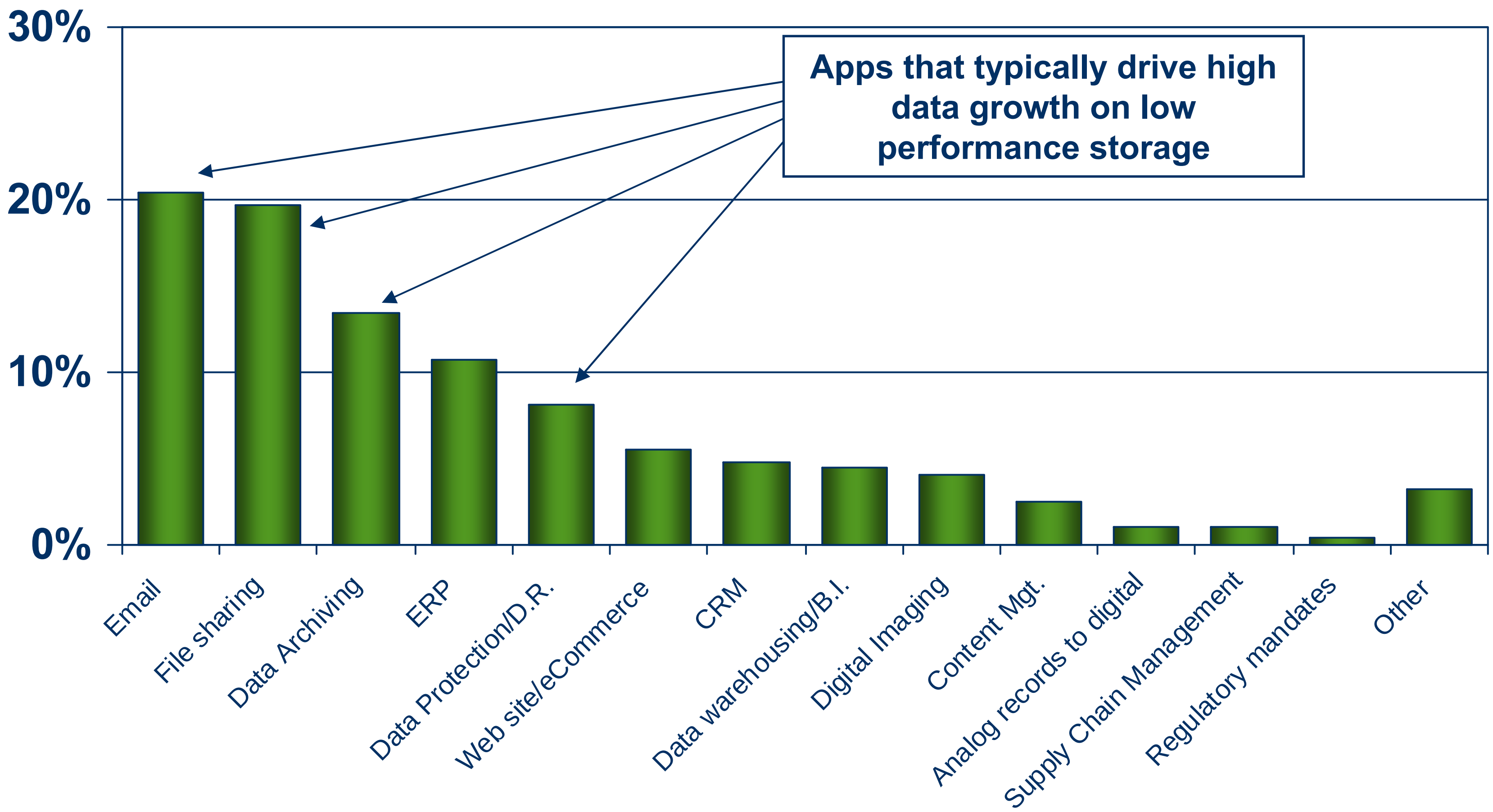
Source: IDC Worldwide Server Research, 2009

Today’s Critical Challenges: Three Responses

#1 **Storage Optimization**	• Storage mgrs. are buckling under the weight of storage growth • SATA: Yesterday’s solution has become today’s problem • Secondary storage has become the new primary

Future European Storage Spending

Q. Which THREE of the follow applications will future storage spending support?

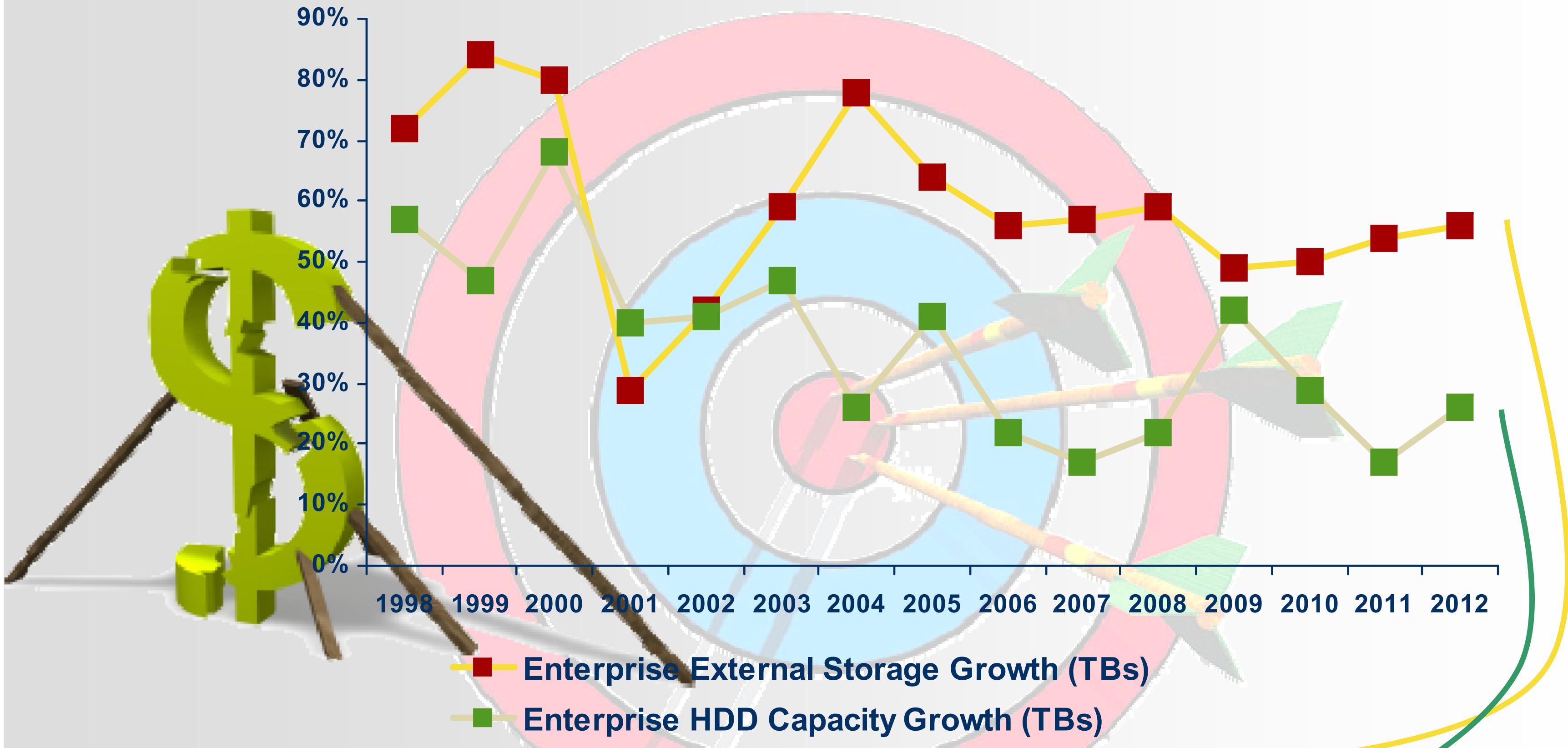


~1,500 responses

Source: IDC Europe, 1Q2009

A Fundamental Issue

A Fundamental Issue

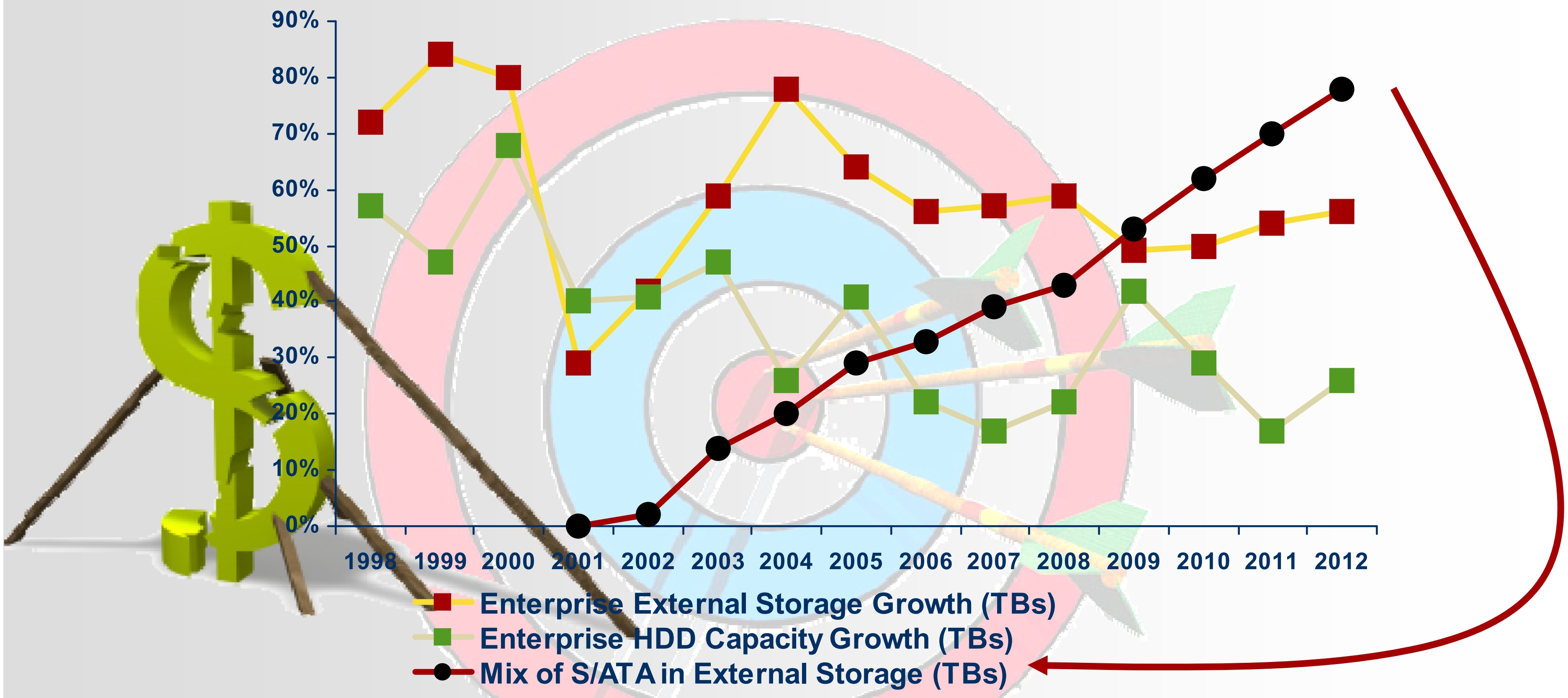


Datacenter terabyte requirements growing >50%/year

Enterprise HDD capacities growing 27%/yr

Companies are trying to deal with space, power, and capacity issues – it is a challenging environment

A Fundamental Issue

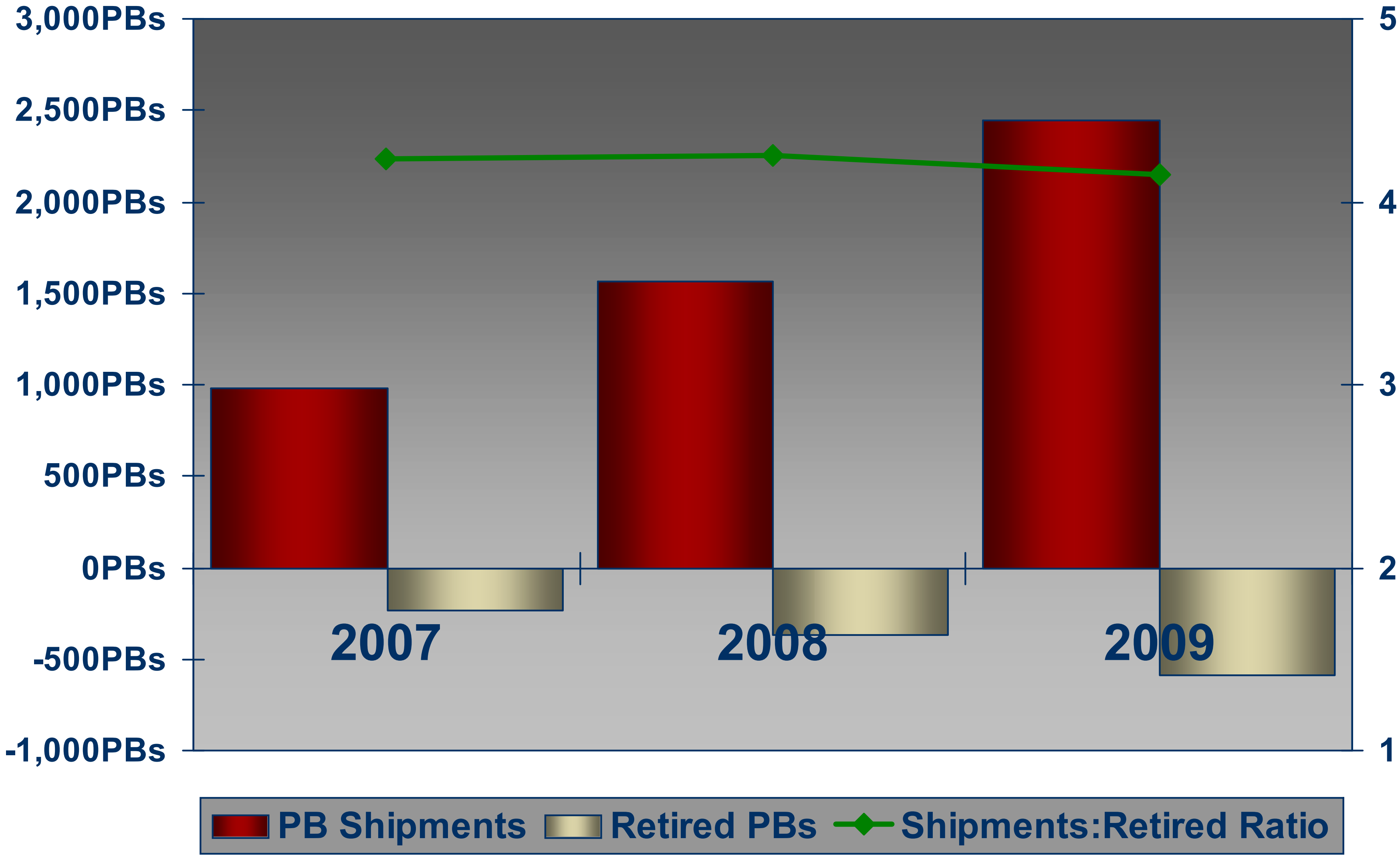


Datacenter terabyte requirements growing >50%/year

Enterprise HDD capacities growing 27%/yr

Companies are trying to deal with space, power, and capacity issues – it is a challenging environment

Ratio of WE External Capacity Shipped to Retired Capacity



Secondary is the New Primary

Benefits of secondary storage have proven greater than early fears associated with moving data to a lower tier of storage

- >80% of European storage managers surveyed said they use disk for backup somewhere in their organization
- SATA accounts for 45%-50% of new array capacity shipped

But secondary storage is now the primary disk storage asset in terms of:

- Capacity
- Spending
- Management burden

It's time to focus on storage optimization

- Thin provisioning
- Deduplication
- Virtualization
- Automation

Today's Critical Challenges: Three Responses

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#1

Storage Optimization

- Storage mgrs. are buckling under the weight of storage growth
- SATA: Yesterday's solution has become today's problem
- Secondary storage has become the new primary

#2

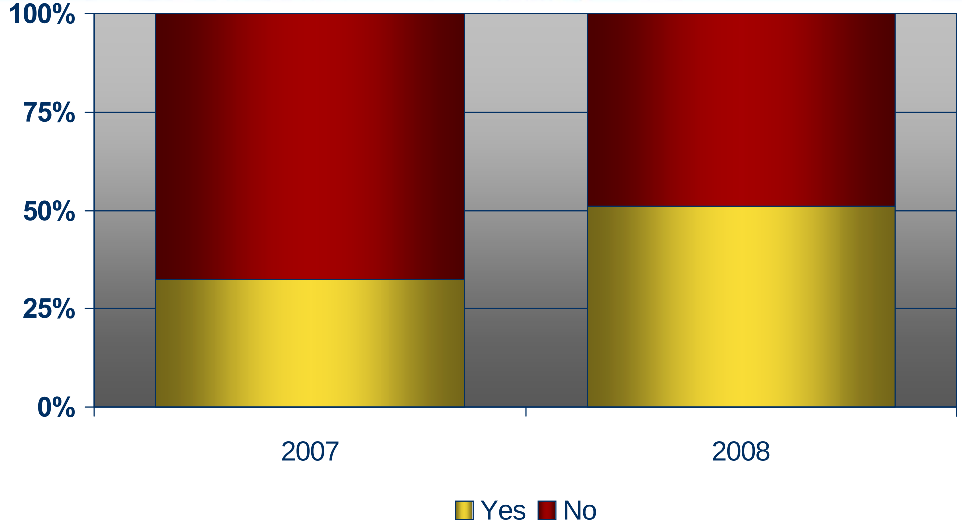
Virtualization Build Out

- Sever virtualization is:
  - Now considered mainstream
  - Accelerating adoption of networked storage
  - Changing the way storage is deployed

European Server Virtualization Adoption

Server virtualization now considered a mainstream technology among IT buyers

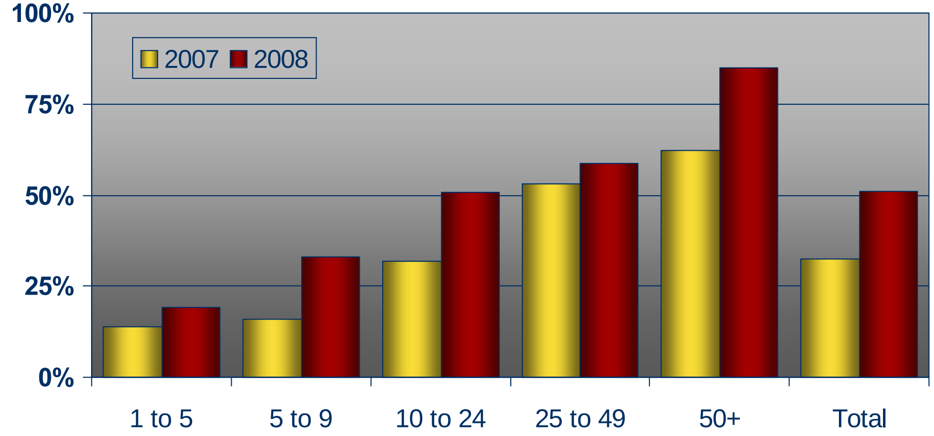
- Cost saving from server consolidation
- Rapid provisioning of new servers



Q. Is your company currently using server virtualization products such as VMware, Xen, or Microsoft Hyper-V?

IT professionals are very bullish on future use

Core assumptions about infra. and data center strategies are being turned upside down



Survey Samples: ~520

Use of Server Virtualization Over Time

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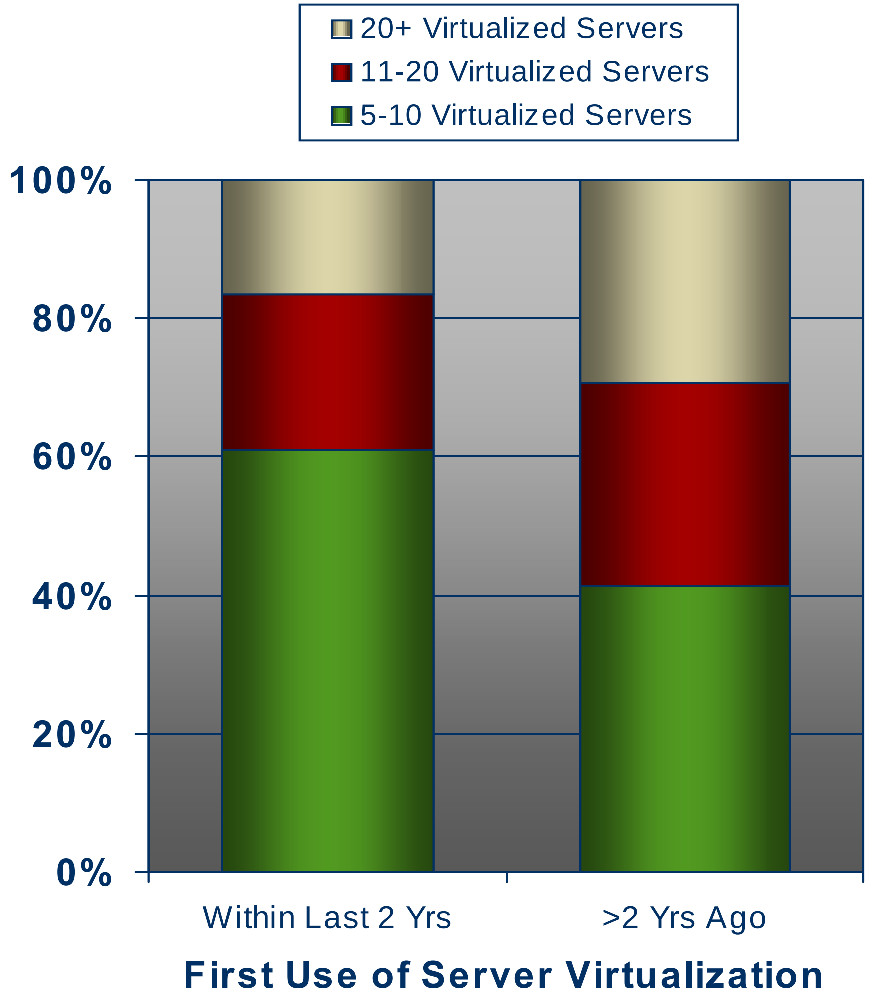
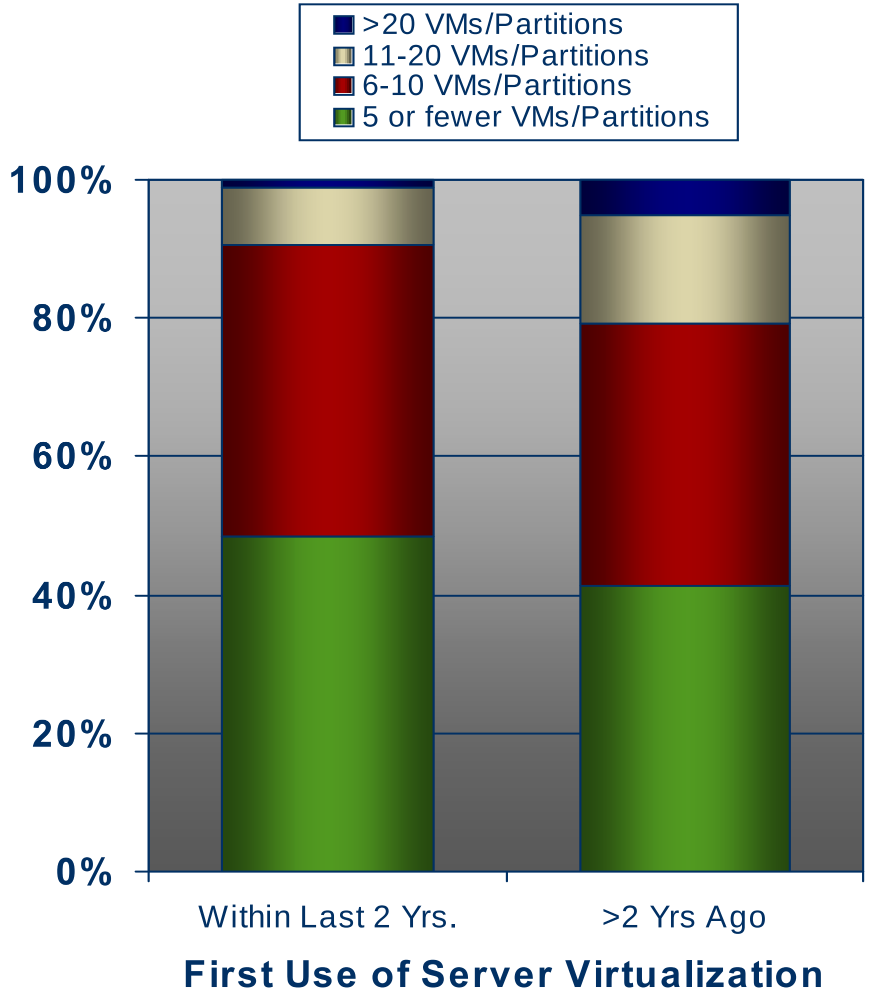
Rate of Further Deployment?



Rate of Virtual Server Sprawl?



N: 240

Impact of Server Virtualization?

Stg. mangers now providing centralized/shared storage support for servers that were previously off your radar (distributed DAS)

No longer 1 server = 1 application (more like 1:4 or 1:8 or more)

- This changes the dynamic for SAN connectivity
- Move from 4Gbs to 8Gb important but alone is not enough
  - QoS must also be a focus

Creating a need for storage solutions that support low costs and automated operations

- Server virtualization is the killer app for iSCSI
- Block-level virtualization solutions that deliver automated and “thin provisioning” services

Block-level Storage Virtualization: Three Numbers to Remember

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>40% = Improvement in effective capacity use

(not including any improvements from thin provisioning)

>30% = Reduction in migration, replication, back-up times

>50% = Decrease in server/storage administration times

- High end arrays and applications were always tightly controlled, but the new virtualized servers are the wild west
  - It's these midrange arrays that are now benefiting the most here

Today's Critical Challenges: Three Responses

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#1 **Storage Optimization**	• Storage mgrs. are buckling under the weight of storage growth • SATA: Yesterday's solution has become today's problem • Secondary storage has become the new primary
#2 **Virtualization Build Out**	• Sever virtualization is: ▪ Now considered mainstream ▪ Accelerating adoption of networked storage ▪ Changing the way storage is deployed
#3 **De-Capitalization of IT**	• Current economy driving capital conservation • Credit crunch reduces the number of acquisition choices • This is driving a need for variable capital mgmt ▪ Will also drives interest in SaaS/Cloud

Variable Capital Management

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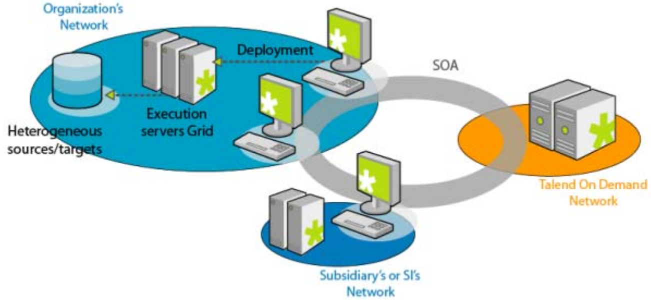
What Is Driving IT to Adopt These Technologies / Business Models . . .

IT Leasing

Cloud Computing

Software as a Service



Capacity on Demand

Virtualization

Managed Services

Manifestations Of A Broader Theme:
The CFO Wants to Decapitalize IT . . .

Closing Thoughts on Cloud Computing

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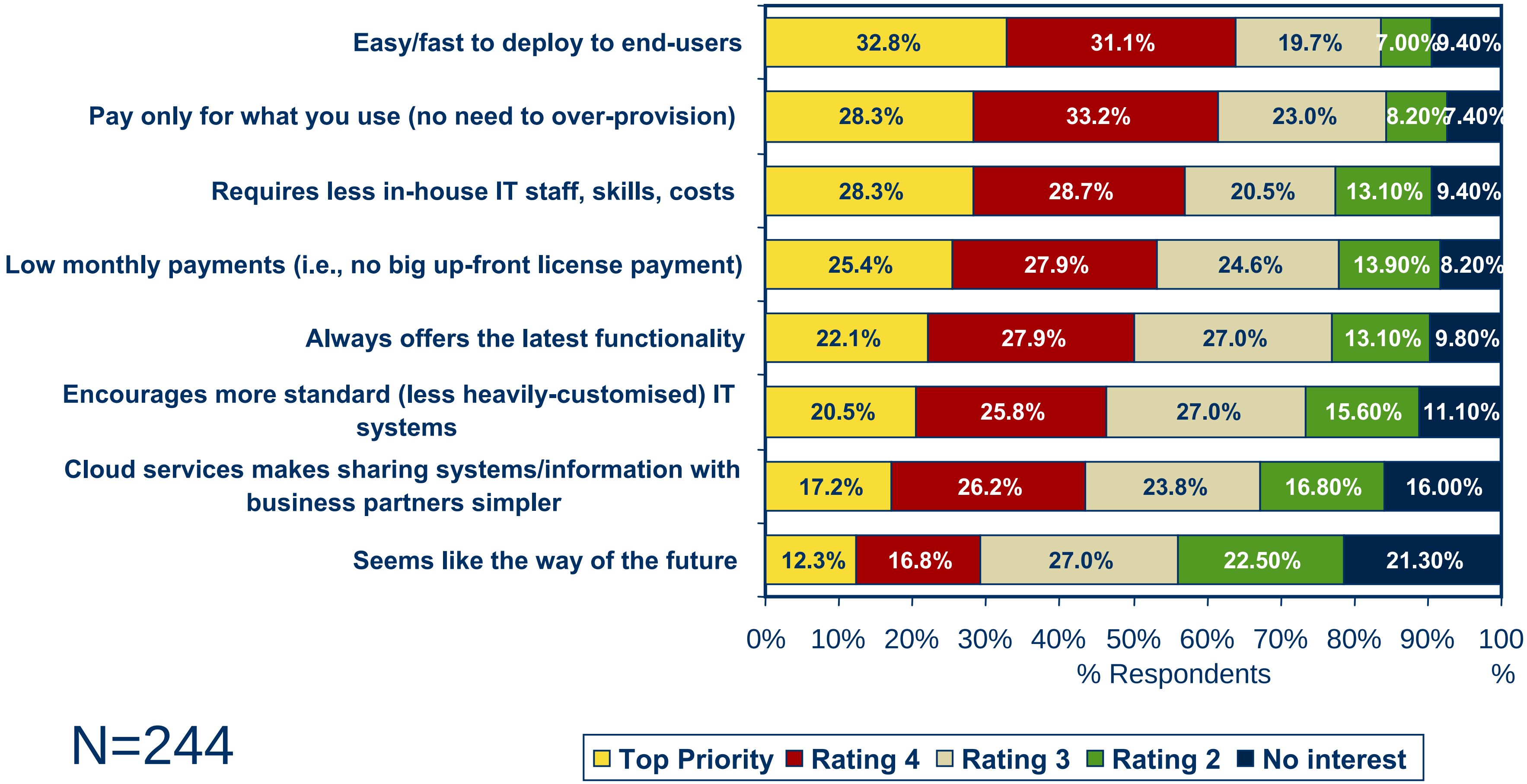
Of the following benefits commonly ascribed to the cloud/on-demand model, how do you rate their importance to your organisation?



N=244

Source: IDC Cloud Computing Usage Study, 2009

Major Challenges for The Cloud

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Technology challenges

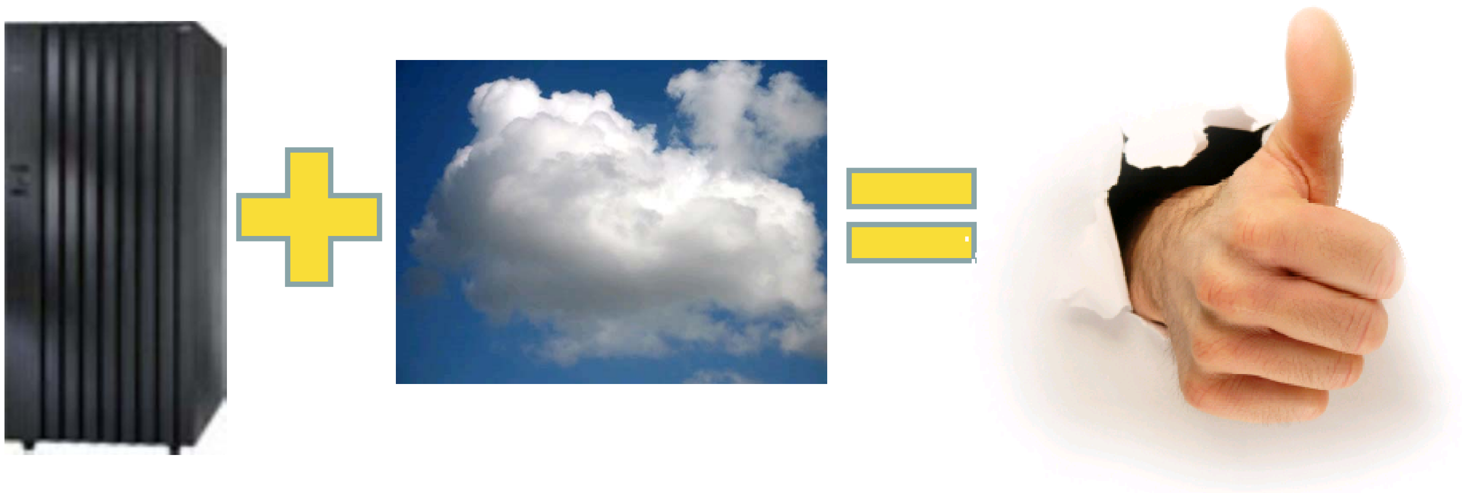
- Performance, capacity, and reliability of service
- Intelligent content movement and distribution
- Value-added processing services
  (search, reformat, analytics)
- Support hybrid models
  (dynamic movement between cloud and onsite facilities)

Business Challenges

- P&L’s desire for control of data
- Cross geography data transport and privacy regulations
- Existing IT budget and cost allocation practices

Hybrid Approach Becomes Best Practice

Hybrid approach to storage (on-premise plus on-network) will become an industry best practice



Summary

Use new technology to boost efficiency

- Thin provisioning, de-dupe, automation

Server virtualization is changing the way storage is designed & deployed

- Remember that virtualization isn't just for servers!

Make Better Use of Capital Expenditure

- There are you "CFO Friendly"?

Questions?

Analyze the Future

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Lunch!

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- BBQ lunch
- “Passport” system:
  - visit all sponsors and get stamped for your chance to win an Xbox
  - Marquee:
    - Zycko
    - Bell
    - Quantum
    - Cisco
    - Brocade
  - Sefton Room:
    - HDS Finance Offerings
    - HDS HITOA
    - HDS Training
    - PR Consultation
    - Marketing Consultation
- Ingram sponsored Wii competition
  – win a pocket surfer!
- Bell sponsored golf tournament – in support of charity Clic Sargent
  – win a bottle of champagne!
- HDS Playstation “Stig” competition
  - Win a Wii console!