

# **Network Attached Storage**

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## **Preliminary Business Case for the Introduction of Network Attached Storage as a new Offering**

**(The company in question was a systems integrator specializing in data storage solutions. They wanted to understand the value of a backup and disaster recovery offering for laptop, desktop computers and servers as either an offering from Telco's to the general public or major corporations for their own internal use)**

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### Outline

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### I. Overview of the Offering

██████████ would offer network attached storage as third-party managed applications and/or storage as a commercially available service. Potential customers for this type of service fall into several categories:

- Any enterprise that generates and needs to retain large amounts of data.
- Any enterprise whose core business focus is not managing transaction processing or mass storage systems.

With the advent of the Internet and the ability to capture business data, entertainment content and scientific content or data in a digital form, demand for capturing, transporting, storing and accessing increasing amounts of data has been increasing, as illustrated by the following quotes and opinions:

- “Our customers are experiencing data storage growth at rates of 40 percent to 80 percent annually, and it has become even more crucial to protect applications such as enterprise resource planning and e-commerce from system outages,” said John Jackson, general manager of Comdisco Continuity Services. “Managing storage and protecting its availability has never been as complicated as it is today.”
- “Storage demand is doubling every year,” said Adam Couture, an analyst at Dataquest, San Jose, California. “While the cost of storage hardware is going down 25 percent to 30 percent annually, the cost of managing it is five to seven times [greater than] the hardware costs.”
- Spending on managed storage services, a mere \$11 million last year, will grow to \$140 million this year and \$4.8 billion in three years, according to International Data Corp, a market-research firm in Framingham, Massachusetts. A key driver will be mounting capacity requirements. In addition, the difficulty and cost of hiring people to manage storage systems will persuade many companies to outsource that function, analysts said.
- Many enterprises are asking whether it makes better sense to purchase the hardware and hire the required management team or to outsource the services to an expert in the field; that is, build vs. buy.

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- Joyce Cooper of TeVevo, a streaming video site, stated, “We knew we had to find a service that could build the IT infrastructure for our service. The demands of our application stretched our eight-person engineering team. IT isn’t one of our competencies, nor did we want to develop it. Besides, we didn’t have the budget to invest in at least six servers, a scalable terabyte RAID storage system and additional IT personnel.” TeVevo finally settled on a 28 TB system provided by Intira. (Bidders were StorageWorks, Intira, Exodus, Genuity.)

These representative positions can be validated by talking to any IT manager or IT industry analyst. The point is that there is a strong willingness among IT managers to outsource complicated processes such as application and storage management to organizations that can perform the service at a competitive cost while meeting fairly aggressive SLAs.

Looking at the market from the opposite perspective, nearly as many organizations are interested in getting into the ASP/SSP market as there are in outsourcing. Enterprises ranging from multinational telecommunications giants to spinoffs and startups are entering the market in some form.

For an SSP or ASP to be successful key issues beyond scalability and cost must be addressed. Customer requirements concerning data security, load and access capabilities, durability and performance must be demonstrably and solidly provided by the SSP/ASP.

The business strength of this evolving service area, combined with the complexity of offering or evaluating a service of this nature, provides a significant opportunity for skilled business and technical consultants. [REDACTED]’s opportunity would be to provide strategic direction and support to enterprises considering entering the SSP/ASP business, as well as to those considering the services of an SSP or ASP.

## II. [REDACTED] Possible Offerings

### Target Market

- **Industry:** telecommunications
- **Segment:** wireline, IXC/LEC, wireless, ISP
- **Client Categories:** enterprises that are assessing the ASP/SSP/AIP environment for clients that are considering either:

- Potential market entry through a service offering
- Potential outsourcing of services.

### III. Proposed Offering Overview

#### SSP/ASP/AIP Business Startup Package

For clients considering developing and offering an ASP/SSP type service, the concept of the initial offering would be to package and deliver the following:

- **A market assessment and strategic positioning report**, consisting of
  - Customer needs and wants assessment: primary and secondary customer research
  - A survey of current offerings and alternatives
  - The potential competitive landscape
  - A scan of relevant technology
  - Market segmentation and niche definition
  - Prioritized market focus areas
  - Business strategy definition (internal go/no-go decision).
- **Technology direction and business concepts assessment**, consisting of
  - A high-potential service definition, fit with needs/wants in focus areas
  - Technology architecture alternatives and recommendations
  - A technology readiness assessment (SWOT/GAP)
  - An incremental configuration design (technical cost assessment)
  - A business process readiness assessment (SWOT/GAP)
  - Business case development—opportunity, target approach, economics, launch plan (internal go/no-go decision).
- **Tactical implementation plan and launch management services**, consisting of
  - A technology integration/implementation plan
  - A program launch plan
  - Program launch management

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- Venture funding procurement (if necessary)
- Customer acquisition.
- **SSP/ASP/AIP Outsource Vendor Selection.** For the client that is considering outsourcing storage or applications requirements, the concept of the initial offering is to package and deliver:
  - **Market offering assessment in consideration of needs/requirements**, consisting of
    - ◆ A survey of client requirements, business objectives, growth plans
    - ◆ A survey of current offerings and alternatives (including build vs. buy)
    - ◆ Mapping of client business requirements to market offerings (including key criteria cost, capacity, scalability, security, location, access, service type, driving to overall SLA.)
    - ◆ An economic and operations assessment of decision alternatives.
    - ◆ Recommendations.
  - **Service procurement and implementation**, consisting of
    - ◆ Project management
    - ◆ Key metrics definition with vendor
    - ◆ Measurement processes and reporting.

#### IV. [REDACTED] Market Offering (Yes = AT capable; No = AT lacking)

Yes. The offering currently exists within [REDACTED] to some extent. The development of skill sets, primarily related to technical assessment and architecture design areas, will be required.

#### V. Relevant Past Projects

- Sprint ENS proposals, both SprintBAK and current strategy proposal.
- The strategy work supported by Sprint PCS and Extent projects.

#### VI. Future Offering Direction

- System integration/optimization

### **VII. Relevant Emerging Technologies**

Dozens of technologies are emerging in the ASP/SSP environment; they range from sophisticated modeling tools, to powerful analytical environments. From the perspective of an [REDACTED] service offering, we need to be aware of the specific offerings to support SSP/ASP/AIP offerings.

### **VIII. Potential Clients**

- Wireline carriers (NSPs) interested in entering the ASP/SSP business.
- ISPs offering an ASP or storage option
- SSPs entering the market or looking for expansion capabilities
- Wireless carriers: WASP providers
- Entertainment content providers
- Incubation programs (There are a number supported by Sun, EMC, etc.)
- Configuration suppliers: MSI, etc.

### **IX. Potential Competitors**

Competitors include other consulting companies, ranging from Gartner to boutique shops to independents.

### **X. Potential Alliance Partners**

Potential alliance partners include”

- Hardware vendors
- Software vendors offering data management system performance modeling and assessment software, throughput optimization software, shared file systems, etc.

We need to be careful to offer an unbiased service that provides clients with the optimum technology recommendations to meet business and operations needs.

### **XI. Sources of Data**

- Gartner
- StorageNet
- IEEE symposium on Mass Storage Systems
- Clipper Group
- Planet IT
- Data Quest
- Associated Management Group
- Others.