

**For Immediate Release**

## **SAN spending lower in '03 compared to '02, according to TheInfoPro's latest Storage Study**

Second Wave of User-Driven, "No Spin" Research on Storage Networking and Storage Management derived from in-depth interviews with decision makers from the Global 2000

28% planning to increase budget allocations for software with Storage Resource Management (SRM) the top priority

**New York, April 10, 2003** — Storage professionals are planning to spend less on Storage Area Networks (SANs) in '03 compared to '02, according to Wave 2 of TheInfoPro (TIP)'s Storage Study. Specifically, 40% of the TIP*Network* member companies are planning to spend less, while 30% are planning to spend about the same. "The real interest is investing in the lower end SANs, which cost a lot less than the high end systems that have been purchased the last two years. This translates into less SAN spending overall." according to TIP's CEO and founder Ken Male. The study, which is based on 192 intensive interviews with Global 2000 storage decision makers and 42 institutional investors, also found that 28% are planning a budget shift toward software. "The overall storage budget is still predominantly hardware-focused. However, storage professionals are planning to spend marginally more on software in '03" says Male. "Enterprises want to utilize better the capacity they have purchased in the last 2 years. At the same time, user concerns persist about the completeness of current Storage Management solutions. This, combined with an overall reluctance to spend big on software, will delay large expenditures and encourage the continued use of some home-grown storage management tools, at least through mid-year."

### **Improved Management Tools The Number One Need For Vendors To Deliver**

"We need better management tools," was the single most frequent comment heard from the interviewees, with 54 percent of storage pros citing this as their top need. Interoperability was the second biggest user need, cited by 35 percent. Each of the TIP findings is supported by detailed direct quotes explaining the reasoning of the participants, a hallmark of TIP research.

According to TIP's Chief Research Officer, David Taylor, PhD., the weakness in storage management tools is consistent with TIP's Wave 1 findings, released in the Summer of 2002. "In Wave 1 the TIP*Network* told us how difficult and complex users found the move from DAS to SANs. Wave 2 emphasizes the need for better management tools than are available today."

TheInfoPro is an independent research network founded by industry veterans of Gartner, Inc. and Giga Information Group that investigate specific sectors of the IT industry such as Storage, Information Security, CRM and Wireless in six month intervals. TIP conducts extensive, hour-long interviews with domain experts in Global 2000 companies and institutional investors collectively known as the TIP*Network*. Participants for the Storage Study, Wave 2 included: AT&T, MasterCard, Lufthansa, Raytheon, GMAC and Pfizer; and more than 40 interviews with institutional investors who take positions and evaluate the publicly traded storage companies. TIP captured ratings and narrative comments on over 40 vendors including: EMC, IBM, Brocade, VERITAS, Hitachi Data Systems, McDATA, Network Appliance, Cisco, HP, Sun, CA, StorageTek, Microsoft, Legato, Dell, ADIC, INRANGE, BlueArc, CommVault, Softek and Spinnaker.

## EMC changing, Network Appliance firmly entrenched for NAS and Cisco a presence

As part of the TIP Storage Study, vendor performance and satisfaction are ranked. The TIP *Network* noted EMC has made a number of improvements in their ease of doing business and sales force quality, compared to the Wave 1 study. Network Appliance continues to be the dominant Network Attached Storage (NAS) vendor, and 44% of their clients are planning on spending more with them in '03 compared to '02. Cisco's presence is being felt as they ranked number #2 on TIP's short list for new vendors that are being considered for specific implementations over the next 12 months ("preferred, but not installed"), which provides a good barometer for vendors that have the best potential to generate business.

Additional vendor findings include:

- Hitachi Data Systems was number one of TIP's "preferred, but not installed list".
- The SAN Switch market is in flux, as McDATA moves down market, Brocade moves up market, and both add new functionality. Overall, McDATA was the highest rated vendor in the entire study.
- VERITAS leads in the Tape Backup space. However, this is a crowded market and storage pros are taking a closer look at disk to disk for back up. A significant percentage of the TIP *Network* would like VERITAS to be an easier company to work with.
- EMC has an early lead in the nascent Storage Management market, based on user ratings of installed products and reported confidence in EMC's ability to succeed in the space. It is, however, a relatively open market, with 42 percent of respondents willing to consider a "smaller or start up vendor".
- Institutional Investors view QLogic as the most overvalued company and rate Cisco highest, in terms of "Future Potential".

### About TheInfoPro

TheInfoPro (TIP) is an independent research network and leading supplier of market intelligence for the Information Technology (IT) industry. Transparency is the core of TIP's research process with intelligence delivered without any spin, bias or intermediation. Clients include technology investors, providers and professionals.

Based in New York City, TIP maintains an ongoing dialogue with over 500 IT Professionals and technology investors. For more information visit [www.TheInfoPro.net](http://www.TheInfoPro.net).

To preview the findings via a slide show with audio visit:  
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