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SMB space invaders

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The storage market for small to medium-sized businesses (SMBs) has swollen considerably recently with a flood of solutions targeting this growing segment.

Since the start of the year, vendors have made numerous announcements to catch the attention of potential customers in the SMB market by introducing products or teaming up with other IT firms to work on solutions specifically aimed at this sector.

For instance, last month Hitachi Data Systems (HDS) extended its global partnership to supply storage solutions for SMBs with hardware manufacturer Acer to cover the Europe, Middle East and Africa (EMEA) region.

And HDS is not the only company to pool resources in order to target the SMB market.

EMC and Intel announced a partnership at the beginning of April to develop cost-effective storage technology for the sector. Under the agreement the pair will offer a networked storage system based on the EMC Clariion AX150 to its resellers and distributors worldwide.

"We expect that the reach of Intel's channel will help give EMC an edge in serving a much broader set of SMBs in emerging markets around the globe," Joel Schwartz, EMC Clariion senior vice president and general manager, explained at the time.

The reason why so many vendors are jostling for position in the market is easy. According to EMC, the growth of the SMB sector is the largest of the entire storage market; far outstripping that of the corporate, large enterprise and commercial sectors.

EMC's Middle East channel manager Samir Achour values the SMB market at around US\$5 billion worldwide and estimates the growth at close to 13%, with the commercial segment at 11% and the large enterprise and corporate sectors growing at only around 5%.

"If you look at the storage market, the real growth is in the SMB segment. Here is where you will see all vendors concentrate their resources," he says.

HDS Middle East sales director John Bentley claims the growth in the Middle East SMB storage market is as high as 75 to 80% and thinks it will continue expanding over the next three-to-five years.

"The market is very important to vendors because of the flattening of the growth in the higher enterprise level storage market. It is vital that we attend to the SMB space. We are investing a lot of money in this sector and developing affordable solutions for SMBs," he says.

HP StorageWorks Middle East product marketing manager Ashraf Helmy adds: "We consider the SMB market one of the most important segments across the Middle East."

The reason for this expansion? Sun Microsystems data management sales manager Dave Beck points to the falling price of solutions, which he estimates go down 20% a year, and the growing amount of data companies are accumulating through the increased use of applications such as customer relationship management (CRM) and enterprise resource planning (ERP).

"I think the products are obviously getting into the SMB's price bracket now, but also the customers are realising that they have bigger storage needs than they had before. Applications are driving the growth. Even small customers are looking at CRM systems and looking at understanding their customers better," Beck explains.

"IT departments are being asked to put more applications in and that drives storage. It's natural maturity in the market," he says.

Qais Gharaibeh, EMC Middle East and North Africa (MENA) sales manager, adds: "These solutions quite literally generate a tidal wave of data through the innumerable transactions which happen through these solutions. And this data has to be stored and managed efficiently."

Along with this increasing amount of information comes an increasing need to look after it. SMBs now have a massive array of solutions to choose from depending on their storage needs.

These can range from simple direct attached storage (DAS) to network attached storage (NAS) to more complex storage area networks (SANs) or any combination of the three.

EMC categorises an SMB's storage requirements into four groups – consolidation, backup, archiving and protection – as part of its information lifecycle management (ILM) initiative called Making Storage Simple (MSS). These categories give a broad indication of the areas of storage SMBs need to consider when looking to implement a solution, whether it is from EMC or any other vendor.

"Each category includes different products and technologies. Any customer can go only for backup, can go only for consolidation, or can go for the whole lot, But if I had to classify these, then the first one would be consolidation, the second would be backup, the third archiving and the fourth protection," says EMC's Achour.

In addition to these areas, Beck advises SMBs to take future growth into account when looking to implement a solution and make sure the product is flexible and scalable.

"My suggestion to the SMB market is to look at what the number of terabytes you need now are, double it, and then look at future growth because we are seeing huge underestimations in the market of growth rates," Beck points out.

"I think the main message to customers is, look for flexibility, look for scalability, and don't underestimate the growth that you are going to have," he adds.

The most common storage solution currently being used by SMBs is DAS.

Having an external disk attached to a server is by far the cheapest out of the three main types of storage technology – NAS and SAN being the other two – and easiest to implement. An SMB can pick up an external storage disk system for under US\$1,000 that can store as much one terabyte of data.

"Today in storage the key factors are reliability and cost per gigabyte. Hard drive technology is much

more reliable than it used to be and cost per gigabyte goes down dramatically when you go for a hard disk drive solution. That makes it the ideal storage product," claims Hafeez Khawaja, Western Digital's regional manager.

Vendors are also including software with these devices that automates the backup process, making the solutions more advanced than they used to be and simpler for SMBs to manage.

"All the hardware comes with software to automate the backup. Our WD NetCenter hard drives for example have everything loaded, it is a simple utility once it is installed. It is just plug and play," Khawaja adds.

Kevin Isaac, Symantec Middle East and North Africa (MENA) regional director, suggests: "You have to have a piece of backup software because it automates the solution and my advice for SMBs is not to go for anything that is manual because doing backups manually does not work. It becomes a very laborious task."

Simplicity seems to have become a buzzword in the SMB storage market. All vendors are working to make storage solutions easier for companies with limited IT resources.

Solutions are being shipped pre-configured by the vendor so the customer just has to follow a few steps to get the system up and running.

The approach is especially true of SAN solutions, which have historically been seen as only suitable for large enterprises because of their expense and complexity.

However, this view is changing as SAN products come down in price and vendors find new ways of automating many of the more complicated processes. A SMB can today pick up a SAN solution for under US\$10,000.

"What we are trying to achieve through our solution sets is to make it as simple to implement and deploy SAN solutions as possible," comments HP's Helmy.

HDS's Bentley states: "Many SMBs are expecting a solution sub US\$10,000 and that includes a SAN architecture as well. It has to be less expensive, it's also got to be simple to implement."

According to an IDC survey last month SMBs are increasingly adopting storage solutions designed for larger enterprises due to the setting up of local area networks (LANs) and the adoption of broadband.

The research company said spending on such solutions was set to rise in the next 12 months.

"The stars are aligning to make 2006 a breakthrough year for SMBs stepping up to advanced storage solutions," says Ray Boggs, IDC SMB research practice vice president.

"The deployment of LANs and broadband has helped drive storage needs to unprecedented levels and a growing number of manufacturers have been crafting storage products and services to meet the often conflicting SMB needs of performance, ease of use and affordability," Boggs adds.

Sun's Beck agrees that there is a general trend in the market where SMBs are moving away from DAS and looking to implement a more advanced SAN solution.

"What we are seeing in the SMB market is people are moving away from direct attached storage and going to a SAN and what we provide is a very easy step to get onto a SAN platform by providing lots of fibre channel ports and even growth as well. All our products have quite a lot of scalability," he

explains.

Some vendors disagree with implementation of SAN solutions at an SMB level, claiming it is not appropriate for the businesses' needs. They state that a DAS solution can serve their needs just as well at a fraction of the price.

"You would use a SAN or a larger infrastructure depending on the amount of data you want to backup and where you want to back it up to. But then I think you are moving away from the SMB to the larger enterprise," says Symantec's Isaac.

"I would think that your SMB space in this part of the world usually consists of a couple of servers with maybe one to 100 PCs. Normally in my experience you don't have many of those running a SAN," Isaac comments.

"What they want is maybe a separate machine with a backup in their office and maybe a tape drive that they take off site," he adds.

However, vendors like EMC maintain that SMBs have exactly the same needs as larger enterprises, just on a smaller level, and should have access to the latest technology to help drive their businesses forward.

"SMBs should have access to the latest technology but with the lowest price. Just because they are small they should not have to stay with direct storage only and then have to do all the administration manually and be unable to have access to automation and software to archive automatically," EMC's Achour says.

"They should have access to the technology but it should be sized to their budget and the nature of their business. We need to make it easy for them," he adds.

Another question that is hotly debated in the storage industry is whether companies should backup their data to hard disk or to tape.

The decision is an important one for SMB's because if they get it wrong it can be a costly mistake. Sun's Beck says backup is all about how quickly a company can restore its data and this will determine whether it needs backup to tape or hard disk.

"The question for customers is what is the average size of the file they are restoring? If the file is less than two gigabytes in size restoring from disk is going to be quicker. If the file is more than two gigabytes then restoring from tape is going to be quicker," he explains.

"So then it comes down to price and you will find that for an SMB a small tape library, doing everything from tape, is going to be the most cost effective," he goes on to say.

EMC's Achour disagrees: "If a customer is not looking for an off-site backup disk is always better because disk has a better response time and faster backup and recovery. And when I say faster it could be 20 times faster on disk than tape. If we do a proper total cost of ownership (TCO) calculation, the backup to disk is cheaper than tape."

Whatever storage solution a SMB opts for, one of the most critical applications it must consider is its e-mail archiving.

Isaac says storing e-mail has become one of the most important things for an SMB to backup after its accounts and company documentation.

"One of the most important things we need to talk about with regard to SMBs is backing up e-mail. I would suggest to you that email is probably one of the most important things to backup in an SMB," suggests Isaac.

"For example, if you have a team of architects working on building. If something goes wrong with it you need to make sure you have the documentation available to prove due diligence in what you did," he states.

Storage implementer STME's deputy CEO Jocelyn Al Adwani adds: "Currently there is a large amount of a company's business done using e-mail. If the organisation is under any compliance regulations then this is required to be backed up but even as a matter of policy many organisations are now backing up e-mail."

With the growing amounts of data SMBs are accumulating, such as e-mail, and their increasing importance to a company, advanced storage solutions are taking an ever more prominent role in an SMB's business strategy.

Huge advantages can be gained from making data quickly available to people in an organisation.

The ability of software to store and categorise this data depending on how critical it is or how often it needs to be accessed speeds up this process even further, freeing up employees time and improving productivity.

SMBs need to look at their business requirements in the same way larger enterprises do and implement solutions based on those requirements.

The price and complexity of advanced storage solutions has come down significantly and SMBs should not feel that these solutions are out of their reach.

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