

Magic Quadrant for Storage Professional and Support Services

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Gartner evaluates storage service providers and their vision and ability to execute. The ramp up of vendor capabilities has substantially improved the range and quality of user's available storage services. Consequently, requirements to achieve Leaders quadrant placement have been raised.

WHAT YOU NEED TO KNOW

The past five years have witnessed a remarkable ramp up in storage service provider development and deployment, particularly in the area of professional services. Brocade, Dell, EMC, Hitachi Data Systems, IBM Global Technology Services, NetApp and Symantec have made concerted efforts and investments, building their professional services capabilities from purely implementation services to comprehensive consulting and assessment services and, increasingly, managed services. Multiple storage professional service acquisitions occurred during 2007. These are marks of a maturing market that provides users with broader choices, but raises the bar for vendors to gain a leadership position in this Magic Quadrant.

Gartner's Storage Service Magic Quadrant (see Figure 1) is a useful starting point from which to identify and evaluate storage services from a variety of vendors. Selection should be based on a detailed evaluation of an enterprise's storage needs and objectives compared with a service provider's capacity to fulfill those requirements and expectations. Just because a service provider falls into the Leaders quadrant doesn't automatically make it the right choice for all or even most enterprises. For example, service providers in the Challengers quadrant are all extremely capable of delivering the day-to-day storage services required by most enterprises and frequently provide exceptional value. Niche vendors focus on narrower or highly targeted services aligned with their particular products and markets. All the vendors ranked in this Gartner Magic Quadrant provide good services in their respective areas. Therefore, enterprises must determine which storage service provider (or providers) can best address their particular requirements.

Do not compare the placement of vendors from previous years with this year. The market has matured in many aspects, with some traditional storage services, such as break/fix, approaching commodity standardization. At the same time, storage service providers are introducing totally new offerings, such as managed services offered on software as a service (SaaS) models. Reflecting market maturity, coupled with innovative change, the criteria for selecting and ranking vendors continue to evolve. Inclusion in the Leaders quadrant in 2008 requires higher overall scores than in 2007. As a consequence, some vendors in the 2007 storage services Magic Quadrant will appear to have slipped back in 2008, which is not actually the case. It merely reflects a more-stringent Gartner grading standard this year and not any degradation in vendor performance or service levels.

MAGIC QUADRANT Market Overview

In 2007, the worldwide storage service market was worth nearly \$27 billion, with nearly \$10 billion in hardware support services. This is exclusive of hardware and software sales. Depending on worldwide economic conditions, compound annual growth rates (CAGRs) for storage services could be approximately 7% from 2006 through 2011, which would make the worldwide market opportunity nearly \$35 billion by 2011. North America accounts for the largest portion of the storage service market (46%) with a growth rate of 7.8%. With a 9.6% market share, Asia/Pacific is the geographical area experiencing the fastest growth (11.7%). Individual components of the storage service market are defined below.

Significant changes have occurred among storage service providers over the past year. In early 2008, EMC and Symantec both announced SaaS platforms, launching managed backup as their initial service offerings. IBM acquired managed backup company Arsenal Digital as well as SofTek and Novus Consulting. Brocade acquired McData in January of 2007 and with it strong professional services capabilities in distance replication and wide area storage area networks (SANs). These highly focused services make Brocade a storage specialist, rather than a generalist, which accounts for Brocade's position in the Niche Players quadrant. Similarly, even with the acquisition of U.K. professional services provider Company-i, the preponderance of Symantec's services are related to the company's software products.

Market Definition/Description

The following services comprise Gartner's core storage service segmentation, which serves as the baseline for all market sizing and market share assessments. All of these service categories were taken into account when evaluating storage service providers for this Magic Quadrant. However, the most emphasis was given to professional services, that is, consulting, implementation and management services. (Note: Vendor customer services, for example, break/fix, are evaluated by Gartner in individual vendor ratings).

Storage hardware maintenance and support services –

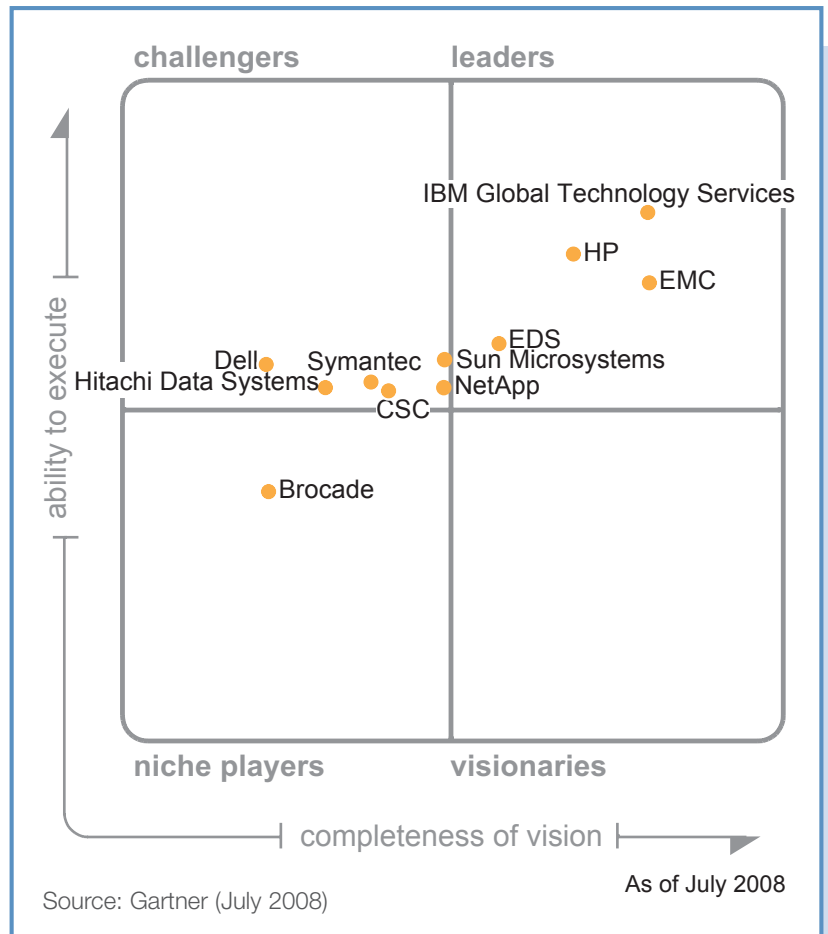
Hardware maintenance and support services are preventive and

are remedial services that physically repair or optimize hardware, including contract maintenance and per-incident repair. Hardware support also includes online and telephone technical troubleshooting and assistance for setup and all fee-based hardware warranty upgrades. Exclusive of parts bundled into maintenance contracts, sales of all parts are also included. This segment includes only external customer spending on these services.

Storage software maintenance and support services –

Software maintenance and support services include remote troubleshooting and support done via telephone and online means, installation assistance and basic usability assistance. In some

Figure 1. Magic Quadrant for Storage Professional and Support Services



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cases, software support services may include new product installation services, installation of product updates, migrations for major releases of software and other types of proactive or reactive on-site services. Software products and technologies covered under this category include operating systems and infrastructure software.

Storage consulting services – Storage consulting services are advisory services that help clients assess different technology and methodology strategies and in doing so, align their storage strategies with their business or process strategies. These services support customers' IT initiatives by providing strategic, architectural, operational and implementation planning related to storage. Strategic planning includes advisory services that help clients assess their information technology needs and formulate system implementation plans. Architecture planning includes advisory services that combine strategic plans and knowledge of emerging technologies to create the logical design of storage environment and the supporting infrastructure to meet customer requirements. Operational assessment and benchmarking includes services that assess the operating efficiency and capacity of a client's storage environment. Implementation planning includes services aimed at advising customers on the rollout and testing of new storage deployment. In the past year, "green" assessments and related consulting services have been added to the mix of storage consulting services.

Storage implementation services – Implementation services are provided to support the implementation and rollout of new storage infrastructure, including consolidation of existing storage infrastructure. Activities may include hardware or software procurement, configuration, tuning, staging, installation and interoperability testing.

Storage management services – Management services transfer all or part of the day-to-day management responsibility for a customer's storage environment (including SANs, network attached storage and tape libraries), and, in some cases, the transfer of ownership of the technology or personnel assets to an outside vendor. These services may include system operation or support, capacity planning, asset management, availability management, performance management, administration, security, remote monitoring, technical diagnostics/troubleshooting, configuration management, system repair management and generation of management reports. Storage on demand services (the storage utility) and backup and recovery services also fall into this category when some degree of management is included in the service. "Cloud" storage, such as Amazon S3, also falls in this category but no cloud vendor currently meets inclusion requirements (see below).

Inclusion and Exclusion Criteria

To be considered candidates for our Magic Quadrant, vendors had to deliver at least two of the storage services defined above and serve clients throughout North America. Only large service providers with annual storage service revenue of \$100 million or more were considered, exclusive of revenue from physical tape

vaulting. Additionally, the service provider had to cater to multiple market segments. For example, an independent software vendor (ISV) providing software support and no other storage services would not qualify. Qualifying companies ranged from hardware manufacturers and independent software vendors to large outsourcing service providers. Although some storage resellers and integrators (for example, Sanz, Forsythe Solutions and Datalink) deliver a level of storage services, they were excluded from consideration because the focus of this Magic Quadrant is on storage OEMs and ISVs. This assessment does not include many additional specialty or regional service providers that proffer varying levels of storage services ranging from consulting to implementation services to managed storage services.

Added

None

Dropped

None

Evaluation Criteria

Ability to Execute

The Ability to Execute score includes ratings on the strength of corporate management; the vendor's offering in terms of execution, including partnerships, functionality, technology, and service and support, and the vendor's overall stability and viability. The offerings are rated on service breadth and maturity, as well as customer satisfaction.

Storage service providers are judged on their ability and success in making their vision a market reality in the following areas:

- **Service** – How complete, competitive and successful are the services offered by the vendor in this market?
- **Overall viability** – What is the likelihood of the vendor continuing to support present services and invest in and develop innovative new services for its customers?
- **Sales execution/pricing** – Does the vendor provide cost-effective maintenance, support and professional service options?
- **Market responsiveness and track record** – Can the vendor respond to changes in market direction as customer requirements evolve?
- **Market execution** – Are customers aware of the vendor's offerings in the market and service programs available to them?
- **Customer experience** – How well does the vendor support its customers? Do customers perceive service value for what they are paying?
- **Operations** – What is the ability of the service provider to meet its goals and commitments in terms of systems, personnel, logistics and service delivery technologies?

Table 1. Ability to Execute Evaluation Criteria

Evaluation Criteria	Weighting
Product/Service	High
Overall Viability (Business Unit, Financial, Strategy, Organization)	Standard
Sales Execution/Pricing	Standard
Market Responsiveness and Track Record	High
Marketing Execution	Low
Customer Experience	High
Operations	Standard
Source: Gartner	

Table 2. Completeness of Vision Evaluation Criteria

Evaluation Criteria	Weighting
Market Understanding	High
Marketing Strategy	High
Sales Strategy	Standard
Offering (Product) Strategy	Standard
Business Model	Standard
Vertical/Industry Strategy	Low
Innovation	High
Geographic Strategy	Standard
Source: Gartner	

Completeness of Vision

The Completeness of Vision score is based on the service provider's value proposition, service technology vision, market presence and growth plans and its fit into enterprise sourcing operations. We rate an offering's likely development in functionality, service and support, and how the vendor plans to keep the offering viable in a challenging marketplace. Leadership in anticipating and addressing evolving market dynamics, such as SaaS, and cloud computing plays a strong part. Storage service providers are judged on their ability to execute in the following areas:

Market understanding – Does the service provider understand the customers evolving needs and translate those needs into services?

Marketing strategy – Does the service provider have a clear set of messages that communicate its value and differentiation in the market?

Sales strategy – Does the service provider have the right combination of direct, indirect, channel and online resources to extend its market reach?

Offering strategy – Does the service provider's approach to service development, deployment and delivery differentiate it from the competition in addressing current and future customer requirements?

Business model – How sound and logical is the service provider's underlying business proposition?

Vertical industry strategy – How well can the service provider meet the unique needs of various market segments such as financial services or government?

Geographical area strategy – How well can the service provider meet the needs of worldwide customers and multinational companies, either directly or through service delivery partners?

Leaders

Leaders are performing well today, have a clear vision of market direction and are actively building competencies to sustain their leadership position in the market. Service providers in this quadrant have a strong worldwide presence, provide a broad range of services, invest in innovative service tools and technologies and articulate a clear vision of current and future customer requirements and storage service solutions.

Challengers

Challengers execute well today, but they have a less-defined view of market direction, and therefore, they may not be aggressive in preparing for the future. Service providers in this quadrant are well invested in people, processes, tools and partnerships required to address a broad range of customer requirements.

Visionaries

Visionaries have a clear vision of market direction and are focused on preparing for that, but may be challenged to execute against that vision because of undercapitalization, market presence, size, scope and so forth.

Niche Players

Niche Players focus on a particular segment of the client base, as defined by characteristics such as more-focused service portfolios, a specific geographic delivery capability, or dedication to a more limited product set. Their ability to outperform or be innovative may be affected by this narrow focus. Inclusion in this quadrant does not reflect negatively on the service provider's quality of service or service value within the more narrowly focused service spectrum.

Vendor Strengths and Cautions

Brocade

Strengths

- Focus on SAN-fabric related services
- Managed SAN services
- Increased professional service (PS) capabilities through the acquisition of Strategic Business Systems (SBS)
- Intentions to extend multivendor and managed services capabilities
- Distance storage networking services
- Service now one of four Brocade divisions

Cautions

- Service growth targets will require more acquisitions.
- Integration of current and future service company acquisitions
- New service organization and management team
- Limited multivendor support – mitigated by SBS acquisition
- Few storage services beyond fabric and distance replication – mitigated by SBS acquisition
- Managed services limited to network

CSC

Strengths

- More than 25 petabytes of storage under management
- Strong tiered approach to managed storage
- Automated customer assessment tools
- Storage services “catalog” approach for service alignment and consistency
- Government focus should lessen impact of any recession-related spending downturn.

Cautions

- Onaro deployment for storage discovery and monitoring still in the early stages
- Low customer awareness of services “catalog”
- Growing dependence on offshore labor pool for North American customers

Dell

Strengths

- Dell commitment to constant improvement and operational excellence
- Strong service partnerships
- Low cost of service delivery reflected in pricing
- Recent service acquisitions (Network Storage) increase professional services capabilities.
- New emphasis on professional and managed services
- Flexible maintenance service portfolio

Cautions

- Partner for managed storage services
- Heterogeneous support limited to Dell ecosystem of vendors and partners.
- Software support on resold software
- Integration of acquisitions, particularly EqualLogic
- Limited direct storage professional services offerings
- Limited worldwide service capabilities
- Limited authorized service certifications for channel

EDS

Strengths

- More than 35 petabytes of storage under management.
- Storage rationalization assessments extended to nonoutsourcing customers.
- Price and cost control through standardization of infrastructure and processes, as well as direct presence in low-cost geographical areas
- Tiered utility-based storage offerings
- Agility Alliance influences technology partners (EMC, Sun Microsystems and so on) product and service development

Cautions

- Management turnover in services
- High cost of service delivery
- Focusing on large (\$100 million or more) contracts
- Shift toward application services limit “storage-centric” engagements
- Reactive vs. proactive market strategy and culture
- Impact of acquisition by HP on agility alliance relationship with EMC

EMC

Strengths

- Leadership position in storage hardware and software market drives service opportunities
- Integrated storage and security (RSA) professional services practice
- New SaaS and cloud computing focus
- Improved reseller-delivered PS practices
- Information life cycle management services
- VMware installations driving storage professional services opportunities

Cautions

- E-support tools difficult to use; EMC is revamping them
- Lack of experience as SaaS provider
- SaaS storage infrastructure is not replicated for business continuity and disaster recovery (BCDR)
- Quality of customer support no longer superior to competition
- Beginning to enter consumer space without a clear multi-tier service delivery strategy

Hitachi Data Systems

Strengths

- Stable storage services management team
- Partnering strategy for professional services delivery
- Customers regard products as highly reliable
- Improved partner professional services programs for midrange products
- Support tool development and deployment
- Quality of professional services engagements

Cautions

- Remote managed services limited to Europe, the Middle East and Africa.
- Changed break/fix service delivery partner in North America
- Limited storage security services and no offerings
- Heterogeneous support limited to Hitachi Data Systems ecosystem of vendors and partners
- VMware expertise but no dedicated server virtualization practice
- Dependence on data migrations and storage service residencies for revenue growth

HP

Strengths

- Integration of e-support tools across servers and storage platforms
- Large ecosystem of loyal value-added resellers and system integrators, most providing varying degrees of service and support
- Global presence and relatively consistent worldwide support
- Multivendor support capabilities
- Focus on data center services including “green” initiatives
- Growing outsourcing practice

Cautions

- Storage services spans three service organizations within HP
- Lack of coordinated sales focus between product and service could limit PS opportunities
- Lack of service vision articulation
- Narrow experience in mainframe environments
- Cost containment initiatives limit service investment opportunities.
- Challenges associated with EDS integration after acquisition

IBM Global Technology Services

Strengths

- Unmatched size and worldwide scope of storage service delivery capabilities
- Strong vertical industry focus
- Outsourcing leadership – 40 petabytes under management
- Alignment of managed backup with BCDR facilities for midrange customers
- IBM research scientists’ alignment with storage services

Cautions

- Integration of service acquisitions into storage services organization
- Through IBM acquisition Novus Consulting is no longer “vendor neutral”
- Managed services frequently viewed as precursor to outsourcing
- Often “bundles” solutions services with hardware and software, frequently masking true service costs
- Focusing on outsourcing as a whole sometimes limits the focus on individual storage issues

NetApp

Strengths

- Greatly expanded focus on professional services
- Robust e-support and self-support tools
- Market leader in storage service revenue growth
- Focus on storage services associated with server virtualization
- Continued services revenue growth and strong service margins
- New channels program for professional services delivery through authorized partners

Cautions

- Heterogeneous support limited to NetApp ecosystem of vendors
- Growing, but limited, internal professional services capacity
- No managed services outside of residencies and managed operations
- Significant reliance on partners for service delivery; Emerging programs for partners to sell and deliver NetApp Services

Sun Microsystems

Strengths

- Strong e-support and self-support tools
- Integrated servers and storage support offerings
- Multivendor service partner strategy
- Data center support capabilities including mainframe
- Remote storage administration services

Cautions

- Continued service management turnover and service organizational consolidation
- StorageTek customers continue reporting quality of customer support service slipping since being acquired by Sun
- Spare parts problems in 2007; Sun says these have been corrected

Symantec

Strengths

- Focus on data center services
- Stable and seasoned services management team
- Security and risk management heritage and tools

- Service delivery partner and acquisition strategy
- Commitment to SaaS and managed services

Cautions

- Focus on software only. Dependence on partners for hardware aspects of solutions
- PS expanding to business requirements, but still tend to be highly product-focused
- “Residency” revenue in jeopardy if IT cost-cutting becomes prevalent.
- Multivendor interoperability but no multivendor support
- New to managed storage services

Vendors Added or Dropped

We review and adjust our inclusion criteria for Magic Quadrants and MarketScopes as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant or MarketScope may change over time. A vendor appearing in a Magic Quadrant or MarketScope one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. This may be a reflection of a change in the market and, therefore, changed evaluation criteria, or a change of focus by a vendor.

Evaluation Criteria Definitions

Ability to Execute

Product/Service: Core goods and services offered by the vendor that compete in/serve the defined market. This includes current product/service capabilities, quality, feature sets, skills, and so on, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

Overall Viability (Business Unit, Financial, Strategy, Organization): Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood of the individual business unit to continue investing in the product, to continue offering the product and to advance the state of the art within the organization's portfolio of products.

Sales Execution/Pricing: The vendor's capabilities in all pre-sales activities and the structure that supports them. This includes deal management, pricing and negotiation, pre-sales support and the overall effectiveness of the sales channel.

Market Responsiveness and Track Record: Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

Marketing Execution: The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional, thought leadership, word-of-mouth and sales activities.

Customer Experience: Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements, and so on

Operations: The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

Completeness of Vision

Market Understanding: Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen and understand buyers' wants and needs, and can shape or enhance those with their added vision.

Marketing Strategy: A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the Web site, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling product that uses the appropriate network of direct and indirect sales, marketing, service and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

Offering (Product) Strategy: The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature set as they map to current and future requirements.

Business Model: The soundness and logic of the vendor's underlying business proposition.

Vertical/Industry Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including verticals.

Innovation: Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

Geographic Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.