



Data Centre and Virtualization

Economic Certainty in an Uncertain Economic World

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Biography

Dave Nicholson is the Field Chief Technology Officer for the Americas at Infinidat (www.infinidat.com)

His extensive experience extends across three decades in various roles of leadership, including Chief Strategist, Emerging Technology Products Division, EMC; VP and CTO, Cloud Business Group at Oracles; and GM, Cloud Business Development at Virtustream.

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Abstract

Business and information technology leaders across the globe continue to seek to transform their organizations digitally. However, as the author of this article explains, innovation has a price, especially when it comes to trying to balance the leveraging of new technological innovation in support of the company's mission with keeping the lights on, which naturally requires cost control. This balancing act is arguably tougher now than it has been in decades.

Introduction

Widespread economic uncertainty, tightening budgets, and increasing pressure to rethink information technology strategies within organizations – due to more stringent requirements for positive return on investment (ROI) and a shorter payback period on new technology deployments – have put capital expenditures (CAPEX) and operational expenditures (OPEX) into a more intense spotlight within enterprises.

Economic uncertainty is no exaggeration. In January 2023, the World Bank cut its 2023 global economy growth outlook from 3% to 1.7% and downgraded its



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prospects for the U.S. economy, which it forecasts could grow by a meagre 0.5%, a downgraded estimate that is one of the weakest paces of growth in decades.

“Global growth has slowed to the extent that the global economy is perilously close to falling into recession,” the World Bank said in a statement, citing the “unexpectedly rapid and synchronous” global monetary policy tightening by central banks as a key factor in the slide into economic woes.

Yet, enterprise technology decision-makers and buyers don’t see the worsening economic uncertainty as a sole reason to totally pull back on business value-centric technology investments. The world has changed considerably since the last two major economic downturns, and one of the changes is the proliferation of digital transformation as a driver to survive and thrive with competitive advantage – even during economically uncertain times.

In a recent IDC poll of corporate technology managers, 82% said they expect a recession in 2023. However, 62% indicated that their technology spending in 2023 will be similar (or higher) to 2022¹. Although many companies are re-working their tech spending plans, information technology is at the core of many companies’ operations and important for conducting business and supporting revenue growth.

“Through a series of in-depth customer interviews and a methodology for determining business value, IDC’s analysis found that these companies realized significant value from the offering, with annual average benefits per organization of \$1.29 million (\$166,700 per PB), a 162% five-year return on investment (ROI), and payback within 11 months.”

The Business Value of Infinidat Storage
IDC Report

The issue at hand is for enterprises to get a positive ROI within a year on an enterprise-grade technology deployment. This is a reflection of the interactions and important conversations that CIOs, CTOs, CISOs and other IT leaders are having with CFOs and finance departments. The CFO mindset puts the emphasis on business value.

IDC conveyed the crux of it in two sentences: “IDC research shows that organizations plan to continue to invest in server, storage, and network hardware



despite the challenging economic climate. However, tightening budgets mean that many will face pressure to achieve a quick return on their investments.”

As a leader in enterprise storage solutions with more than 25% of the Fortune 50 in our customer base, Infinidat is addressing the enterprise storage aspect of this technology investment requirement in the enterprise market. We’re laser-focused on storage, and because of it, enterprise customers benefit financially from it. We’re not involved in everything to do with enterprise infrastructure. We’re one piece of a much larger IT solution. Yet, where we fit, we deliver dramatic technical and financial benefits.



Return on investment (ROI)

The internationally renowned analyst firm IDC, one of the leading analyst firms in the world, did a series of in-depth interviews of Infinidat customers and applied a systematic methodology for determining the business value of technology. IDC’s analysis found that Infinidat customers realized a payback of only 11 months, an annual average benefits per organization of \$1.29 million (%166.7K per PB) and a 162% five-year ROI².

Ponder that fact – only 11 months for an Infinidat enterprise storage solution to pay for itself. Not only will the CFO love it, but what it also means is more efficient



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storage management at lower CAPEX and OPEX, while deploying the resources needed for business operations in service of the customer's mission.

By staying in our lane in the world of information technology, we earn the trust of the IT champions who are responsible for bringing data storage to the table. We have the credibility and the longevity to make a real difference in the way enterprise customers gain a positive ROI from enterprise storage, ultimately seeing their purchase of an Infinidat system pay for itself in a timeframe that is much to the delight of CFOs.

Let me share the inside story with you. It will become clear how using Infinidat's storage solution can pay off for you.

Reducing CAPEX and OPEX increases economic certainty

In the midst of economic uncertainty, it is natural to seek out economic certainty as an anchor to weather the storm of upheaval and the financial resetting of an organization. One of the attributes of this economic certainty is having a positive ROI within a year of buying much-needed technology, such as enterprise storage.

That should be music to a CFO's ears. IT leaders have the opportunity to proactively share this perspective of "the positive ROI of storage" with their CFOs, the Finance departments, and the procurement team – and it's independently backed by the well-respected analyst firm IDC, who did the analysis.

IT teams do not need to be caught flat-footed or wavering at a time of economic uncertainty; they can actually contribute to the changing environment with a degree of economic certainty that could save the organization millions of dollars over time. Of course, companies must have systems that meet the performance, availability, scalability, and cyber storage security requirements, but they often face cost and scaling challenges in updating the data infrastructure as data volume increases exponentially. Densely consolidating workloads does increase cost savings, but it all goes back to balancing cost, performance, cyber storage resilience, and availability at scale.

To strike this balance, Infinidat has developed a unique strategy in the storage industry for lowering the cost of enterprise storage while delivering high performance, 100% availability, large enterprise-grade scalability, and cyber storage resilience. In fact, Infinidat is so confident in his technical solutions architecture and delivery that it provides guaranteed SLAs for performance, 100% availability, and cyber storage resilience.

Our enterprise storage solutions run on commodity hardware and industry standard components that are validated by us. At Infinidat, we don't build custom hardware. Everything is software defined storage – based on our InfuzeOS architecture³. We don't have the costs associated with engineering custom hardware. In other words, we have a lower cost basis that we can pass on beneficially to customers.

The way Infinidat does deliver on its value proposition is to blend DRAM and flash caching layers on the front-end with high-capacity HDDs on the back-end, while



leveraging deep learning Neural Cache algorithms, which eliminate the costs of human intervention and human errors. It lowers the overall cost of system ownership. We don't have to send technicians out to fix things. We deliver OPEX without human intervention. Infinidat also provides significantly improved data compression, with high value at low cost.

The cost efficiency of Infinidat's solutions makes it possible for large enterprises to buy large solutions to fit their performance and capacity requirements – and continue to provision the business. For higher performance applications and workloads, we configure the controllers full of DRAM and stuffing them full of SSDs that are unprotected for caching. We are also offering flexible consumption models, while delivering a system in a fully configured design.

In conclusion

Infinidat's "superpower" is delivering a combination of economics, performance, cyber storage resilience, and availability at scale, like no one else – without compromise. This is at the root of providing a level of economic certainty for an enterprise technology investment, despite the vicissitudes of macroeconomic factors.

Economies will always go up and down, but you'll always need enterprise storage as part of an overall solution that our channel providers deliver. That's one certainty you can count on. The challenge of it speaks to the fact that technology investment needs to be better aligned with business value, and now you can get a positive ROI of payback on a new technology investment in 11 months. That's a formula for happier CFOs, CIOs, CISOs and CTOs. When it comes to enterprise storage, enterprises don't have to break the bank anymore. Times have changed.

Reference

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