Lessons Learned from Cloud Storage 1.0 (the SSP days)

Nirvanix Business Drivers (from Jim Zierick's presentation)

Explosive growth of unstructured data

Growing complexity of storage environments

Changing economics of hardware and bandwidth

SSP Business Drivers

Explosive growth of data (any and all data)

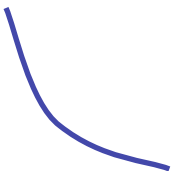Growing complexity of storage environments (a.k.a. SAN)

Changing economics of hardware and bandwidth (a.k.a. the Internet)

What Killed the SSPs?
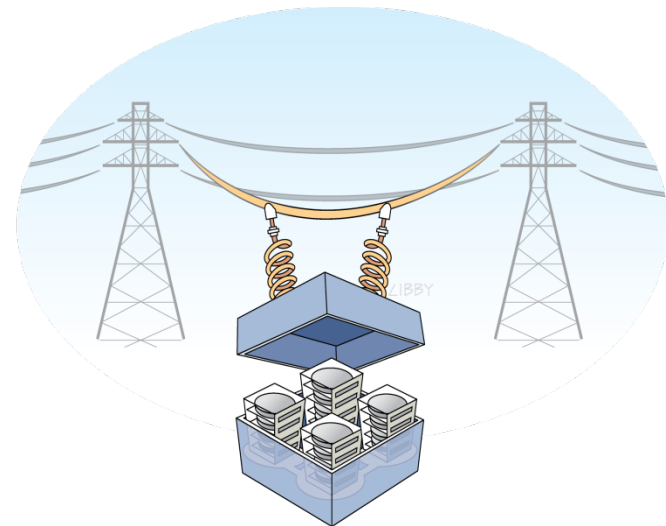
A Recession?

A Poor Business Model?

Both?

SNI - the Storage Utility

"…the first company to focus solely on providing *data storage as a service*. [StorageNetworks is] creating the first global data storage network, allowing...customers to connect to their computer systems, or *"plug in,"* to [StorageNetworks'] network to store and access their data *in much the same way they obtain and use electricity or telephone service*."
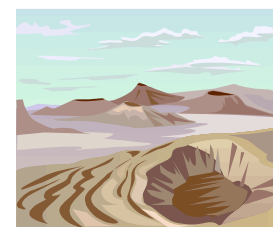
The Trajectory (and Tragedy) of StorageNetworks, Inc.

August, 1998 - Incorporated
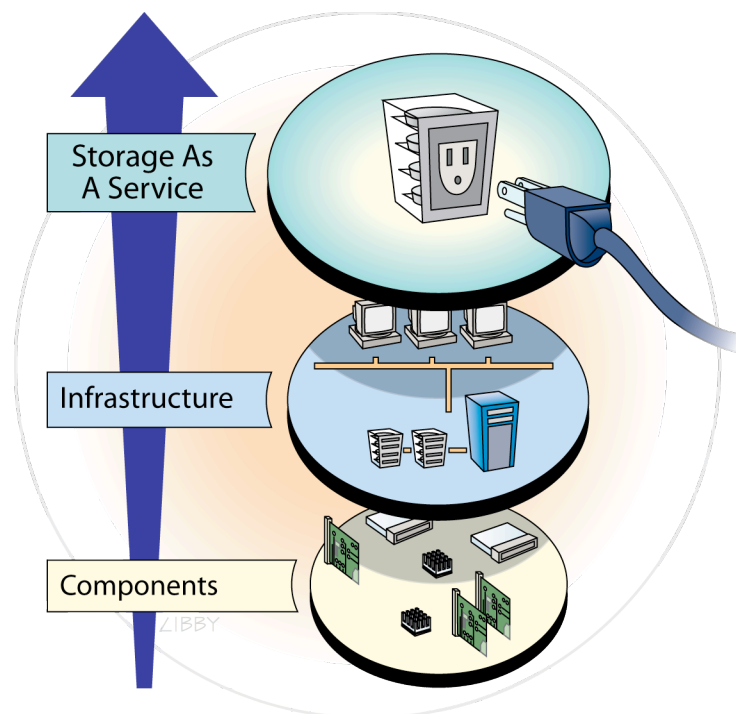
June, 2000 – IPO. Share price soars to $115.00

July, 2003 - Board of Directors approves liquidation plan and termination of remaining employees

December, 2003 - Rocket Software purchases the STORos StorageManager suite of products

"**From an IT perspective, the cost/benefit analysis of outsourced utility storage is not as great as it was two years ago. The precipitous drop in the price of storage means it is just as cost effective for companies to manage their storage in house, rather than outsource it.**"
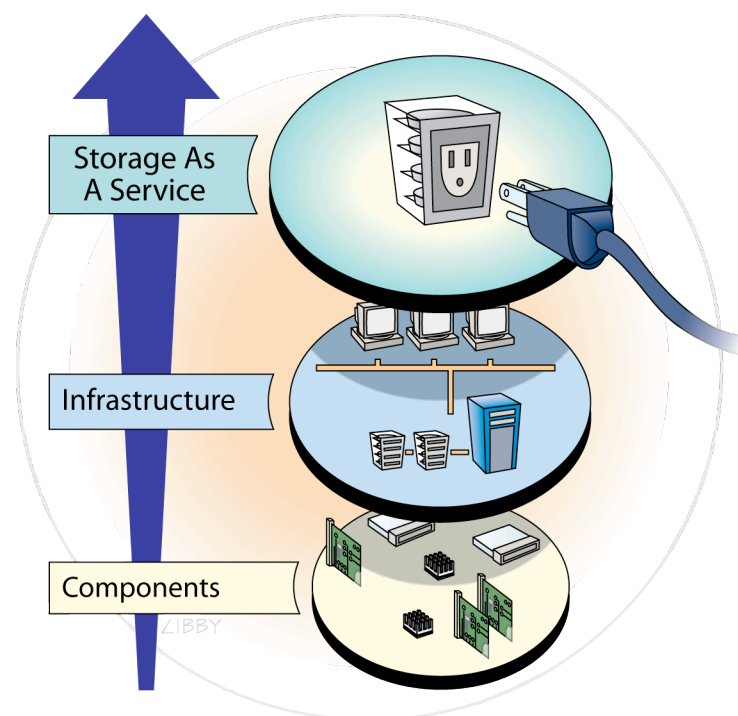
Gerard Keena, Diablo Management Group, on sale of StorageWay assets to Cable & Wireless for $2M, July, 2002

Storage As A Service

Infrastructure

Components

Could we be reading this epitaph two years from now?

"From an IT perspective, the cost/benefit analysis of public cloud storage is not as great as it was two years ago. The precipitous drop in the price of cloud storage infrastructure means it is just as cost effective for companies to manage their storage clouds in house, rather than outsource them."

Joe CEO, Defunct Cloud Storage Company, July, 2011

Storage As A Service

Infrastructure

Components

The Curious Case of ENRON the SSP

ENRON presented itself to users as an SSP and as an aggregator of SSP storage capacity to SSPs

Storage is fungible

fun · gi · ble [fuhn-juh-buhl] –adjective

being of such nature or kind as to be freely exchangeable or replaceable, in whole or in part, for another of like nature or kind
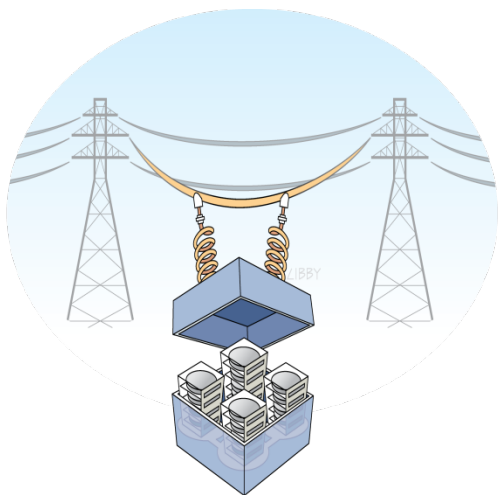
User data stored in ENRON's SSP "cloud"

The Smartest SSP in the Room?

What do Storage Buyers Really Want?

OR

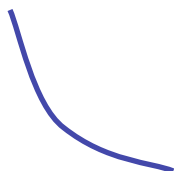# Arsenal Digital – Up, Up and Away

December, 1998 – Incorporated as Usendit.com

June, 2000 – Changes name to Arsenal Digital Solutions

August, 2003 - Offers SNI customers free data migration path

December, 2007 - IBM offers to acquire Arsenal Digital (3,400 customers, 20 PB of data under management)
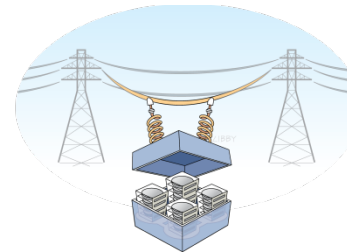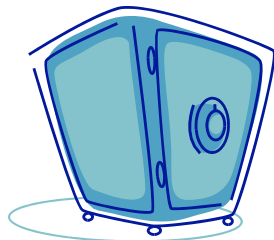
As Usendit:

"… digital file management applications and storage utility services, enabling customers to cost-effectively and securely send, store, share and mine large digital files over the Internet."

As Arsenal Digital:

"…a comprehensive and flexible suite of data protection, business continuity and regulatory compliance services."

Lessons From Cloud Storage 1.0

- **Storage is more like a bank than a utility**
  - How do I know this is secure?
  - How do I get my data back if you belly-up?
- **It is better to be focused than to be any storage to all people**
  - Vertical industry focus
  - Application focus
- **A red flag should appear when**
  - A vendor changes its business model mid-stream
  - The cost structure can't support a *sustainable* profit model

So…..

Is cloud storage a fundamentally new technology or just a new way to play an old game?