

Swamped in data - but SMEs unable to see the wood for the trees when it comes to storage provision, warns Zycko

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- * 74% of UK SMEs currently swamped by growing data volumes
- * Almost half of SMEs confused by the complexity of technology solutions available
- * Three quarters resort to established brand names, risking proprietary lock-in and punitive costs, because of a lack of in-house skills or reliable independent advice

2 June 2005 - As volumes of data continue to rocket, SMEs remain hesitant about SAN storage provision, delaying purchasing decisions because of a lack of easy to implement solutions tailored to address their specific needs and a scarcity of reliable independent advice, according to recent research conducted by Vanson Bourne amongst 200 IT managers in small to medium sized businesses.

The research, conducted throughout April 2005 on behalf of leading networked storage distributor, Zycko, provided a detailed overview of the storage concerns currently faced by UK SMEs and highlights the value proposition of pre-packaged, open system SAN solutions able to resolve business problems without exposing the sector to further headaches.

Figures suggest that almost three quarters of those questioned feel swamped by vast volumes of data created by business processes, while 90% felt pushed into purchasing additional storage technology by a growing pressure to address potential disasters or business failures. Despite this, a host of concerns, including the perceived complexity of storage technology, a lack of in-house expertise and the need for reliable independent, objective advice are holding such companies back from making any definitive decision to address storage problems head on.

As ever, budget constraints play a role, with 76% of SMEs claiming that finances were a factor in their decision. However, many of those questioned (41%) claimed that the need for a fully supported, packaged solution was delaying their purchasing process, while a further 32% cited a lack of in-house expertise as being the primary barrier to their adoption of storage solutions.

With a shortage of in-house resource at the SME level, the research suggests that it is more important than ever to ensure that this sector is able to feel confident about purchasing decisions, with almost a third admitting that the most important factor to them was a need for vendor neutral, independent advice.

Says David Galton-Fenzi, Group Sales Director at Zycko: "We have witnessed a growing hesitancy on the part of SMEs to take the plunge when it comes to storage related decisions. Because of traditional storage models which have seen users locked-in to one vendor, often experiencing punitive costs when adding extra resource, storage can be seen as an expensive investment. A major factor seems to be linked to previous experiences of being over promised or mis-sold point technology rather than solutions, which

leaves businesses locked into relationships with expensive proprietary providers or saddled with expensive solutions which simply don't address their problems.

"The complexity and vast range of technologies available today means that the majority of SMEs without dedicated IT departments are simply left baffled and unable to differentiate between providers and products - with little in-house expertise to guide them towards the right decision.

"Consequently, they either hesitate about making a procurement decision to resolve escalating data storage problems or end up locked-in to a proprietary system from larger vendors simply to avoid integration concerns. The way forward is the adoption of open system, bundled SAN solutions from best-of-breed technologies and specialist providers, confident that in-depth industry knowledge has been used to select the best-of-breed products for them."

The research results suggest that this lack of in-house resource is leading to an inability to plan ahead when it comes to storage provision. Rather than being able to address future storage needs, 86% of SMEs are stalling purchase until they are forced into a 'panic-buy' situation to address immediate business needs. Independent advice from storage specialists with a proven track record of working with SMEs to implement non-vendor specific solutions was cited by an overwhelming majority (92%) as a missing link in the decision process.

Galton-Fenzi continues: "In order to improve IT efficiency, SMEs need to take control of their storage problem rather than throwing additional disk capacity or more tape at the problem. The resulting management costs of this strategy will be crippling for medium sized organisations, as would a business failure with no recovery plan in place.

"Businesses of this size have neither the time nor resource to invest in learning the skills needed to understand that vast and often complex range of technologies on offer. As 92% of firms stated, they are strongly focused on the end result – a solution which addresses their problems, be it effective disaster recovery, managing increased volumes of data or addressing the increasing issue of compliance, and they want that solution from a trusted provider who can demonstrate experience and knowledge of their problems. Fears and inactivity due to a lack of confidence in decisions could have a negative impact on the storage market as well as preventing investment in effective data storage solutions."

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About Zycko

Zycko is a value-add distributor for best of breed open-system IT infrastructure products - from corporate networks to storage architectures to communications - through a channel of resellers, systems integrators and service providers.

Zycko is privately held and has been profitable since inception in 2000, when the company's original charter was to market data networking accessories to resellers as a wholesale distributor. Zycko now employs over 150 staff, serving over 3000 resellers around the world from seven offices on four continents. The company now enjoys an annual turnover of more than \$100m.

Zycko's provision of cost-effective IT products and logistics management is supported by vital industry services such as technical support, custom configuration, education and marketing support. These combined factors make Zycko the channel partner of choice.

Zycko's strategic partner base includes world-class companies such as Agilent, CommVault, Edgewater, HDS, MGE, Polycom, Riverbed, and StoreAge.

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