

## NetApp—the Next 25 years

NetApp hosted an Analyst Day event on Monday, June 5 in Boulder CO. During the event, several of NetApp's key executives presented their vision of NetApp's short and long-range future.

As CEO George Kurian pointed out, 2017 is a pivotal year for NetApp after 25-years in business. He set the stage for what he described as the biggest set of upcoming product announcements in the history of the company—products that would lay the foundation he said, for NetApp for the next 25 years. The objective now is to significantly expand NetApp's customer base beyond enterprise data center storage buyers by expanding the product portfolio to reach cloud architects, developers, and enterprise business unit executives.

Headlining the event was the announcement of NetApp's first hyper-converged infrastructure product, NetApp HCI, powered by SolidFire all-flash arrays. A relatively new cloud business unit also directed a spot light on new data management software and services product initiatives. This unit has been quietly adding new non-storage customers at the rate of about 100 per month.

NetApp also announced a very significant agreement with Microsoft where NetApp ONTAP will underlie Azure hybrid cloud data services. Developers will be able to build Azure hybrid cloud applications utilizing NetApp ONTAP data services as the result of an engineering collaboration that will facilitate hybrid cloud storage and data management for Azure and Azure Stack going forward.

Additional announcements included:

**ONTAP Select software-defined storage (SDS)**—optimized for new use cases such as remote office/branch office, VMware vSAN with external storage arrays, and availability on an as a service basis from IBM Bluemix. Potential customers can try ONTAP Select via a 90-day evaluation.

**NetApp OnDemand**—consumption model for storage where the infrastructure is NetApp owned but customer managed. When bundled with NetApp managed services, NetApp or NetApp partners provide storage and data management as a service. Note, this was not a new offering from NetApp, rather an official announcement of this consumption model.

**OnCommand Insight (OCI)**—new functions to ease hybrid cloud migration.

## NetApp HCI

NetApp acknowledged the fact that they remained silent while Nutanix and Symplivity (now HPE) garnered the headlines and took share in this fast-growing market space. However, NetApp executives believe that the market is now at a second-generation inflection point defined by greater performance at scale, and QoS control—all enabled by the disaggregation of compute and storage resources which can be scaled and managed independently. They further believe that the NetApp HCI architecture offers greater degrees of flexibility and consolidation of application workloads and the elimination of data siloes that are now common with current HCI implementations.

## Highlights

- NetApp's first hyper-converged infrastructure platform—NetApp HCI
- Partnership with Microsoft Azure for hybrid cloud storage
- Forward progress of NetApp's Cloud Business Unit

Turnkey simplicity is the HCI message to customers. To enhance the out-of-box experience, VMware ESXi and vSphere are preloaded and pre-licensed. And to integrate with existing and future NetApp data management environments, NetApp Data Fabric capabilities such as SnapMirror and OnCommand are also supported. ONTAP Select will run on the HCI platform. Planned GA is targeted for the 4<sup>th</sup> quarter of 2017.

## The Cloud Business Unit

NetApp's Cloud Business Unit was formed shortly after George Kurian took the reins of the company. Anthony Lye, Senior VP and the man he recruited to head it up, has a wealth of experience in cloud computing and software development gained from senior management positions at Oracle and Siebel Systems. Under his guidance, this business unit has grown from zero to 1,500 customers and more than 200PB under management in 18 months, most of whom have never bought NetApp storage. He has reached-out to and secured net new customers that include developers by expanding the product portfolio that has grown to include:

- Cloud Control and Cloud Sync
- AltaVault Cloud
- NetApp Private Storage
- ONTAP Cloud

His team is also now responsible for strategic partnerships with four leading public clouds: AWS, Azure, Google and IBM SoftLayer.

## Evaluator Group Comments

Since the promotion of George Kurian to NetApp CEO two years ago, the company has undergone a transformation that fast-forwarded the company's technological foundation and established greater management efficiency. To those ends he stated that NetApp is now introducing new products at twice its previous rate and at one-third the cost. Solid state storage and cloud data management solutions will now dominate NetApp's future product portfolio. SolidFire was acquired for its advanced solid-state technology and its positioning for new market opportunities, but also because it could form a modern storage management layer within an HCI architecture. In turn, NetApp HCI will form an infrastructure layer for hybrid cloud application deployments as FlexPod CI continues to move forward giving customers both CI and HCI options. The Cloud Business Unit also positions NetApp for new growth opportunities in cloud computing as evidenced by its growing product portfolio and its enviable partnership with Microsoft Azure for hybrid cloud storage.

Data Fabric, announced two years ago, was also mentioned frequently as the primary way NetApp approaches the hybrid cloud. However, connective tissue between data, applications and hybrid cloud management is needed now to now show customers how to integrate the Data Fabric with enterprise hybrid and multi-cloud architectures.

Dave Hitz, NetApp EVP and Founder, hoped that we would come away from the event with two perceptions: first that we see a turnaround and second that we now think of NetApp as data management for hybrid cloud computing—the Data Fabric vision. We do indeed see a turnaround in the making. Net App now needs to accelerate execution on the Data Fabric vision.

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