

State of the Storage Virtualization Market 2008

Executive Summary

Nothing is more important to IT than information. Rapid storage growth, combined with increasing network complexity and the rising importance of the information itself has made storage management a key focus for IT. Storage virtualization is playing an increasingly important role in meeting this challenge.

The purpose of this study is to look at the state of the storage virtualization market at the start of 2008. We engaged IT professionals at 324 companies in the United States and Europe to participate in this evaluation.

We found the storage virtualization market is poised for rapid growth over the next several years. Interest in cutting storage costs and improving storage resiliency are the most important drivers.

Further, we found IT managers rate heterogeneity and being able to support file-based data as must-have features. And finally, we discovered that the vast majority of companies that have deployed storage virtualization already have achieved some or all of their original goals.

All of these reflect IT's interest in their most precious resource—*information*.



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State of the Storage Virtualization Market 2008: Methodology Overview

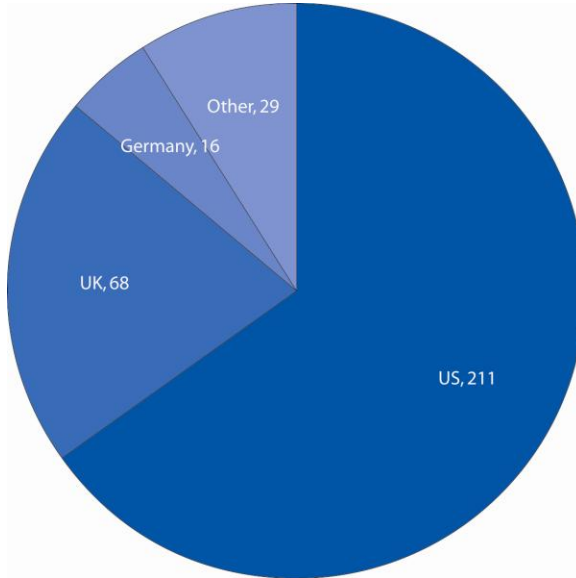
F5 Networks engaged 324 companies in the United States and Europe in February and March of 2008 using an online survey. Each of the companies has more than 1,000 employees. All respondents either work in IT in a staff or management role, or have IT reporting to them.

The study has a confidence level of 95% and confidence interval of +/- 5%.

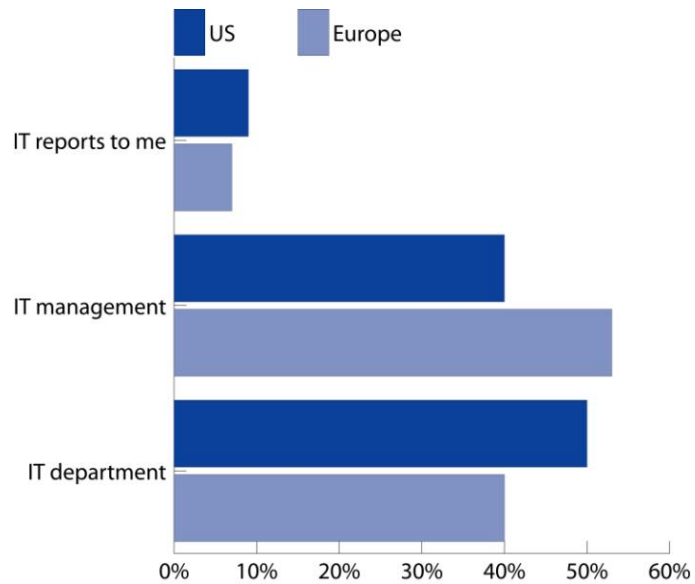


Demographics

The survey included 211 respondents from the United States and 113 from various European countries.



All either worked in IT or had IT reporting to them:



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The average survey respondent profile was as follows:

United States

- 2,001 - 5,000 employees
- Runs 2 - 5 data centers
- 101 - 250 Tb data center storage
- 11 - 25 Tb outside data center
- 11 - 25 Gb per PC

Europe

- 5,001 - 10,000 employees
- Runs 2 - 5 data centers
- 51 - 100 Tb data center storage
- 1 - 10 Tb outside data center
- 0.5 - 1 Gb per PC

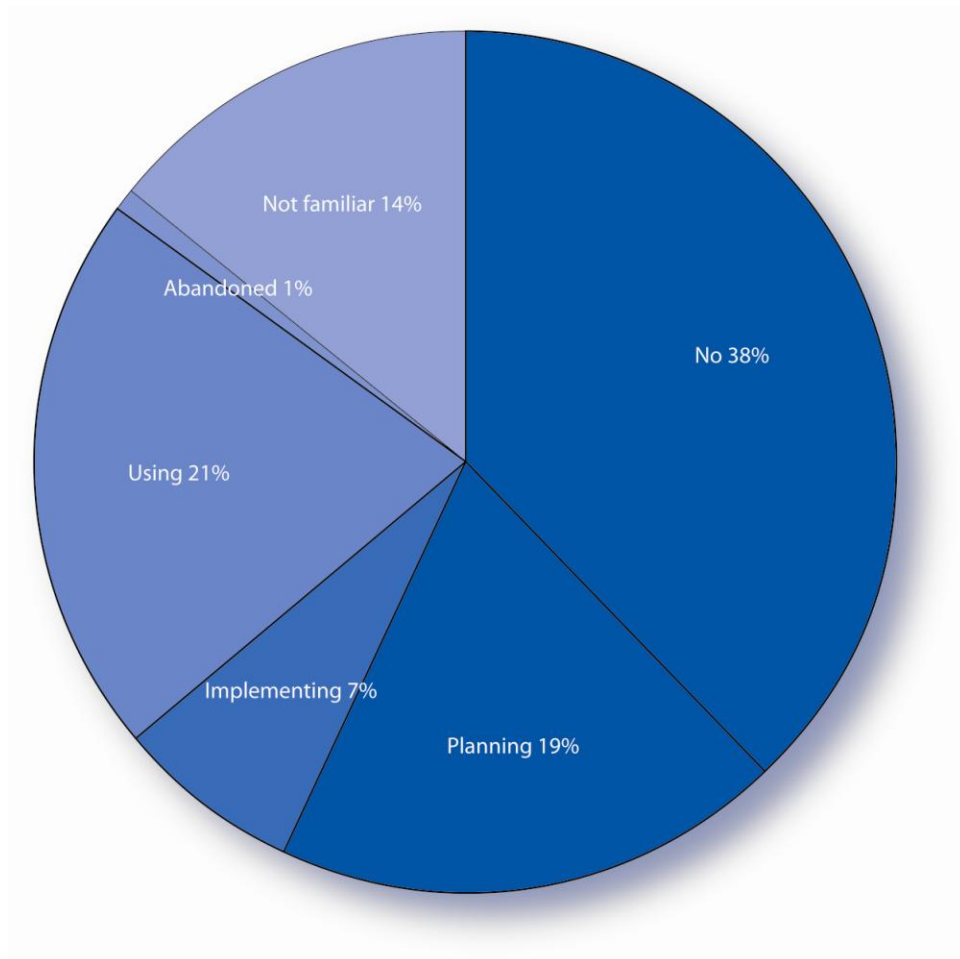


Chief Findings

There were four chief findings in our study.

Finding 1: Market Poised for Growth

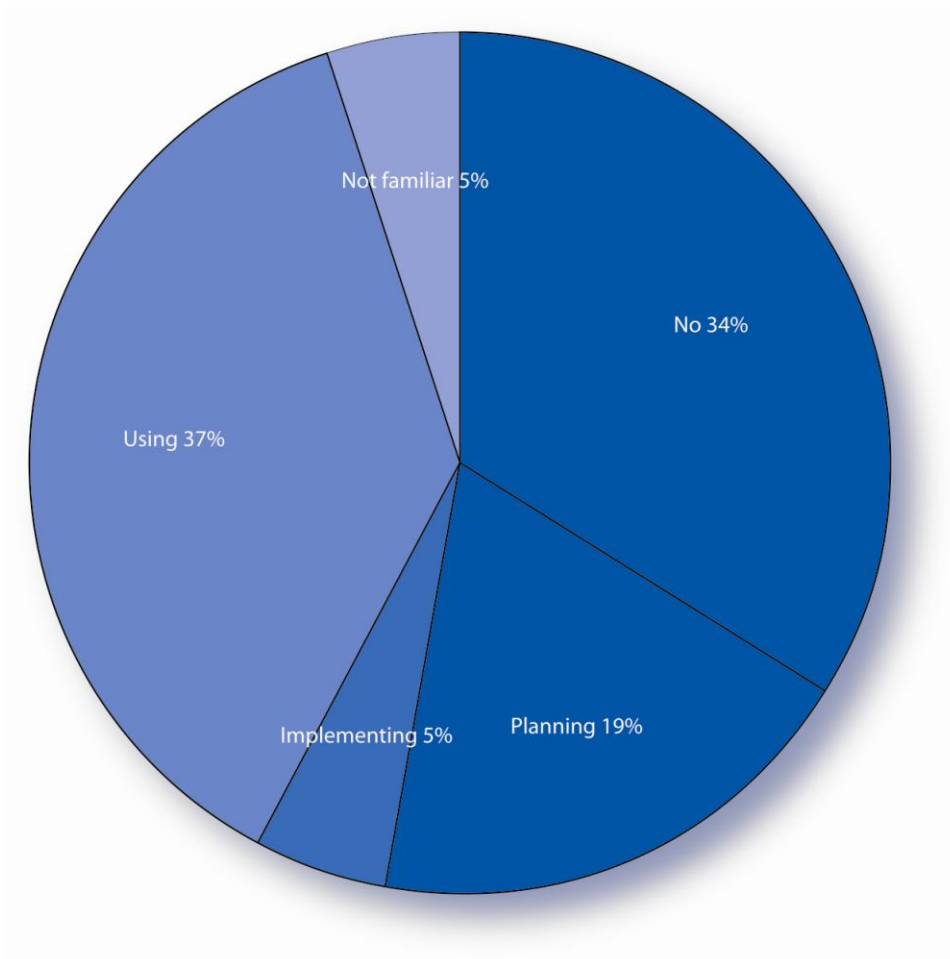
In the United States, 21% of U.S. companies use storage virtualization. However, this is poised to more than double, as 26% are either currently or planning on implementing storage virtualization (on average within 6 to 12 months).



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Europe is ahead of the United States: 37% currently use storage virtualization, with 24% currently implementing or planning to implement (again, within 6 to 12 months on average).

Thus, in Europe the market will grow from 37% to 61% (or by 24%).

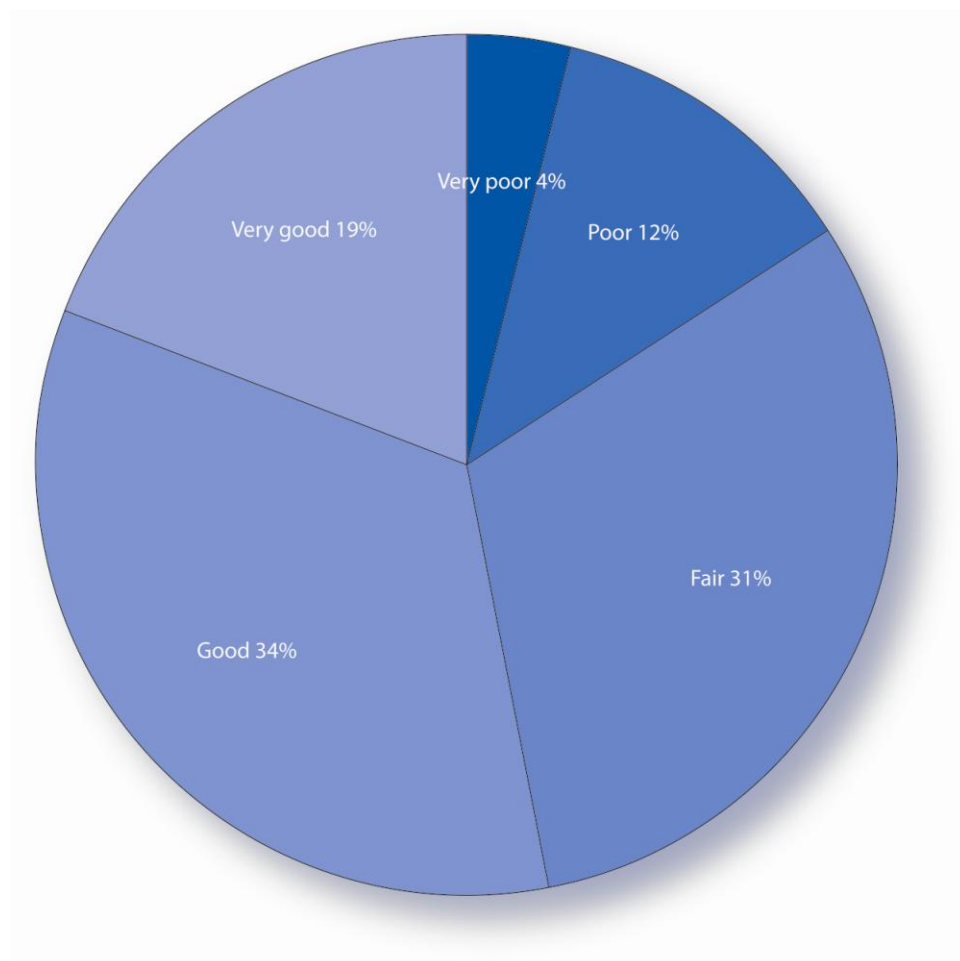


Finding 2: Cost and Resiliency Primary Drivers

Regardless of whether they are planning, implementing, or using storage virtualization, companies reported the same objectives—reduce cost and lessen the impact of storage failures.

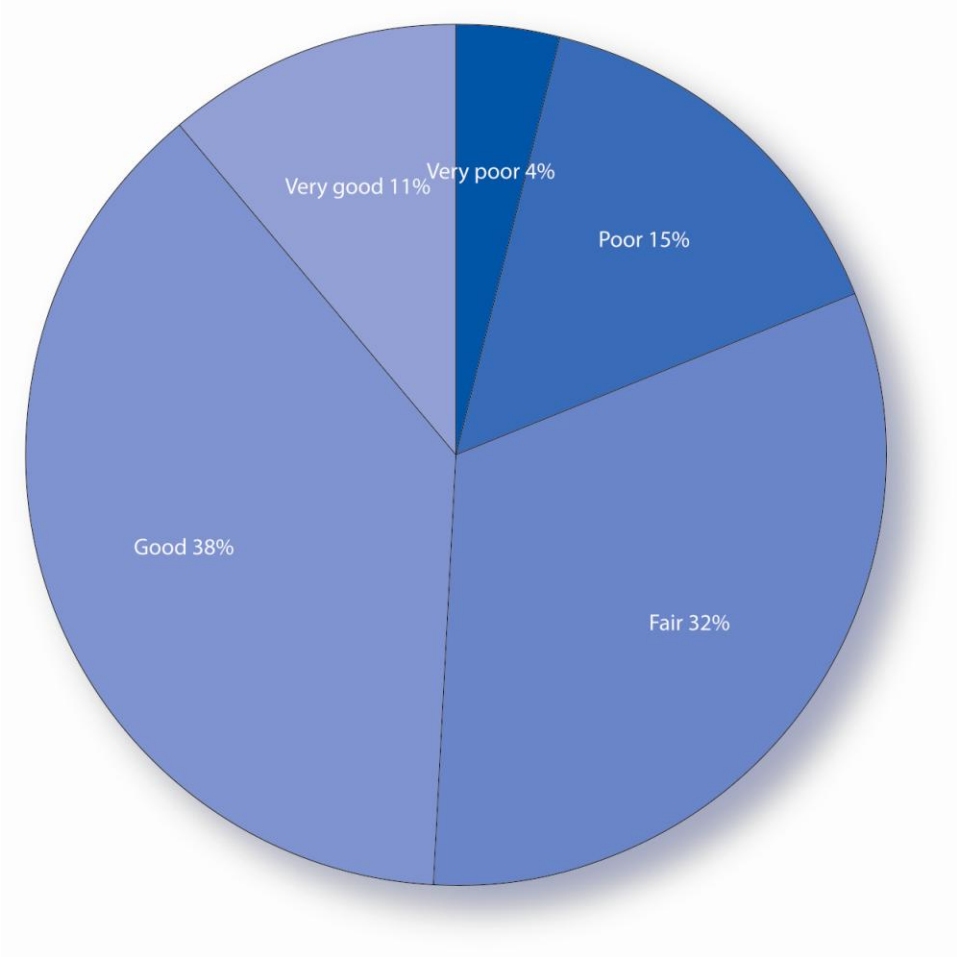
Reducing cost makes sense when you consider their environment. First, storage is an expensive asset to manage. In the United States, companies spend 20% of their time managing storage. In Europe the amount is 10%. Based on median IT budgets, this represents a labor expense of \$26 million in the United States and \$19 million in Europe.

Reducing the impact of storage failures makes sense when you consider only 53% of U.S. firms rate their disaster recovery plans as being good or very good.



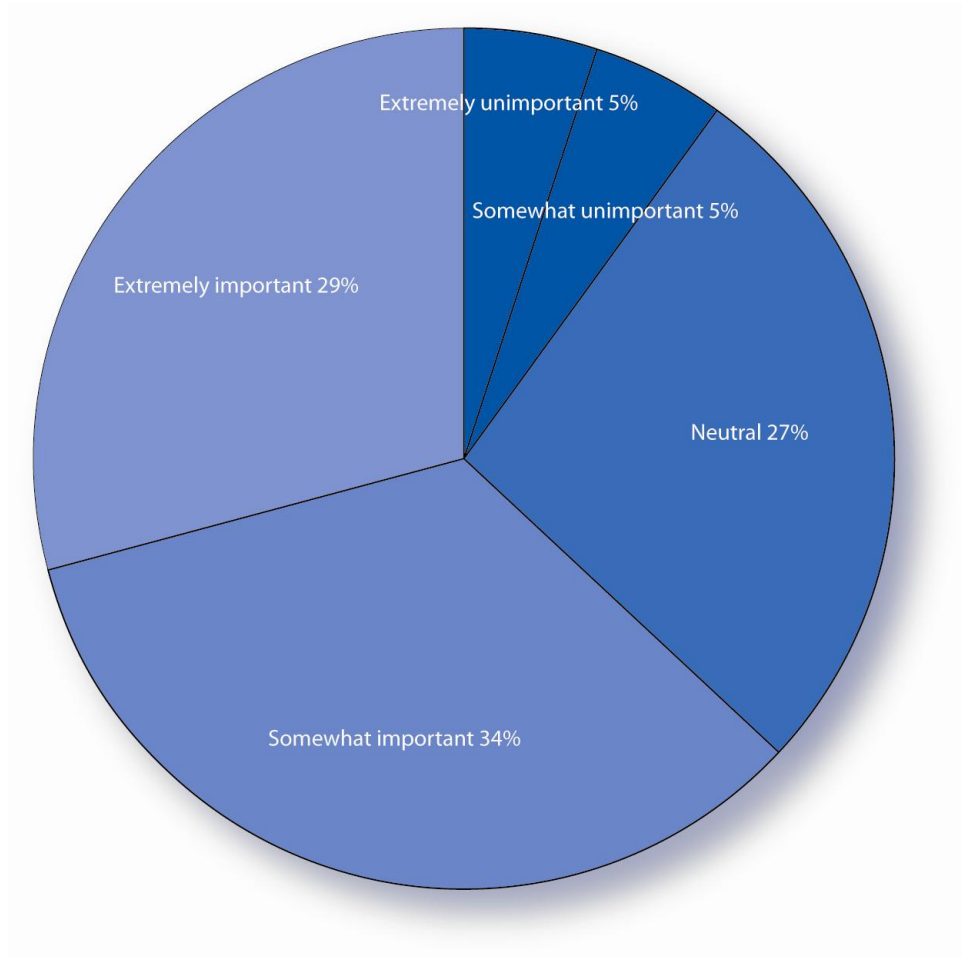
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In Europe, confidence is even lower at 49% (good or very good).



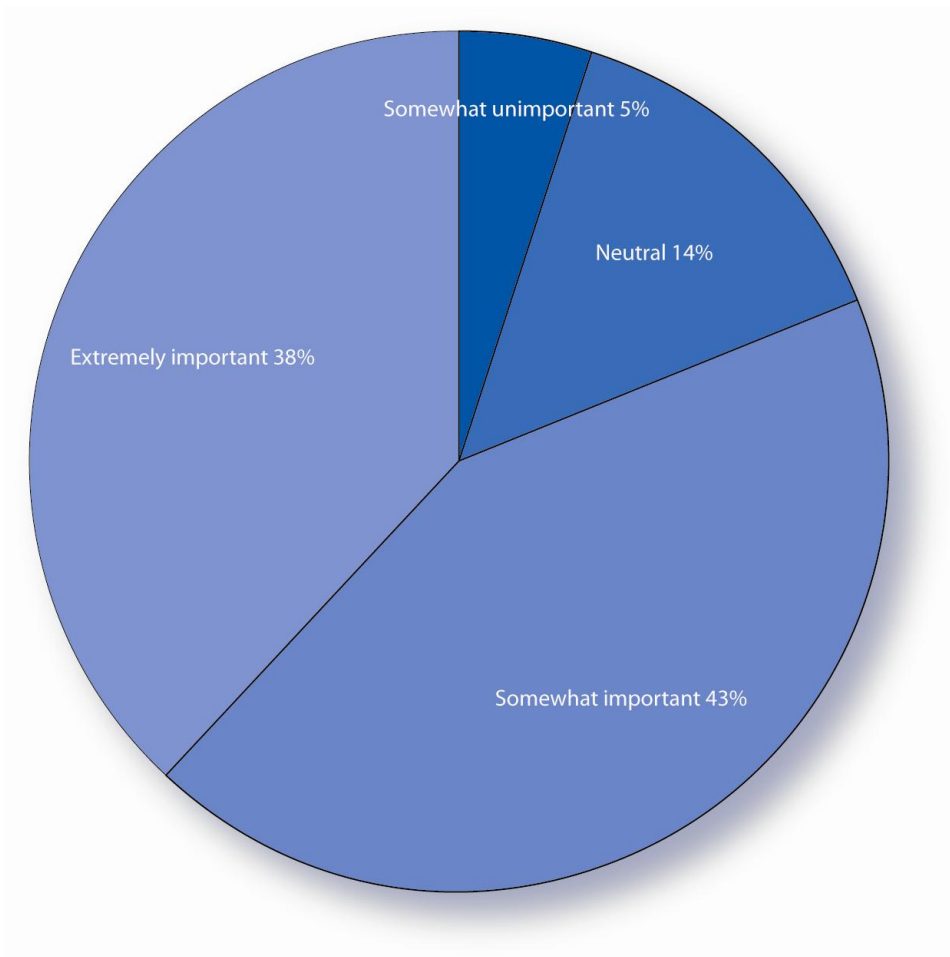
Finding 3: Heterogeneity and File-Based Storage

When shopping for storage virtualization solutions, companies are looking for two key features. Most respondents cited the need to handle a heterogeneous storage environment. In the United States, 63% of those planning to implement storage virtualization said heterogeneity was somewhat or extremely important.



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In Europe that number was even higher, with 81% of those planning to implement storage virtualization saying heterogeneity was somewhat or extremely important.



Secondly, most respondents said handling file-based data is critical. In the United States, 78% of those planning to implement storage virtualization said they need their solution to handle file-based data. That number was 71% in Europe.

Finding 4: Successful Deployments

When asked which of their initial key goals had been realized, 86% of U.S. and 93% of European companies using storage virtualization said they had achieved at least one major goal.

