Moving Towards Convergence

The integrated appliance market will change the face of the converged datacenter.

By Shantheri Mallaya & Yogesh Gupta

Integration and operation and better utilization of resources are the key benefits of integrated appliance strategy for enterprises. And obviously the overall savings.”

Integrated appliances, as a combination of server, storage and networking into a single entity, offer an irresistible combination of decreased complexity, through the use of pre-integrated hardware with virtualization and automation management tools. “This helps avoid bottlenecks in design which is a typical problem in designing, setting your own, and chasing different vendors to resolve a problem,” says Jadhav.

THE MARKET SCENARIO
With the dynamic scenario emerging across the IT landscape, the VCE consortium has already geared its wares. However, at least half a dozen vendors are now eyeing the integrated appliance market in a more focused and serious manner.

IBM (PureSystems), Dell (VIS), HP (Matrix One) and Hitachi (CDS) have launched full-fledged product portfolios to deliver a one-stop shop solution for enterprise customers. Their aggressiveness is evident from IBM’s foray in the converged infrastructure space with PureSystems in India couple of months ago. IBM has already bagged its first Indian customer, BBTIP, one of the largest players in real estate.

Hitachi Data Systems’ converged datacenter solution (CDCS) is a single hardware appliance that combines compute, network and storage. Yogesh Sawant, director,
**Open Strategy Works Well For Dell**

*Philip A. Davis, Vice President – Enterprise Solutions Group, Commercial Business Dell APJ is confident of company’s ‘Integrated Solution’ strategy against competition.*

The enterprise market is transitioning rapidly towards ‘integrated appliance’ or ‘datacenter in a box’ with HP, IBM, Oracle to name a few. What is Dell’s value proposition in that space? There are two elements to it; how much is the proprietary stack and how much is the consumption model? People tend to merge both of these, but they are different. Dell’s overall approach is to be open and to offer options to customers at every level of stack.

Most global 500 companies have made huge investments in systems and management tools across complex infrastructure. So, do they want to introduce another pod or an island that is proprietary and manage it separately? Probably not. That’s the difference between consumption models and stacks.

However for the mid-market, putting an integrated appliance as a consumption model will result in savings in time and money. The opportunity to be open, if you choose to consume it across an integrated stack, is different, and the right approach by Dell.

Then what are the offerings by Dell in this space?

Couple of months ago, we launched vStart (Virtual Start) in APJ with three versions viz. vStart 50 (for 50 virtual machines), vStart 100 and vStart 200, mainly aimed at the mid-market. These have storage, networking and compute which are all sized to work together with Microsoft version (HyperV) and VM version. We are not forcing a single HyperV into the market or thirsting it on customers. They can break it down and have a mix and match approach. It is a lot different than IBM PureSystems, Cisco UCS or HP Matrix.

You are less aggressive on large enterprises while your competitors like Oracle or Cisco push ‘integrated appliances’ across the entire segment?

We would like to sell a pre-defined SKU to large enterprises. But they need a bit of uniqueness; a canned approach does not always meet their business demands. We do sell to enterprises like we do to the mid-market, however most of the time we end tweaking the basic SKU.

One reason they (the competitors) sell across the segment could be that they can lock customers on their stack with high margins and high switching costs. This is great for a vendor but terrible for customers. This limits choice and increases cost. In last thirty years, that strategy works for a while and then the market always swings towards Open. Dell is the only major IT company which has built its lineage towards open. Dell is the market always swings towards Open, which we believe is a right strategy.

— Yogesh Gupta

**EMPOWERING YOU**

Working closely with partners becomes a must, and vendors have been talking to partners on the benefits of taking a one-stop-shop solution to customers. Big Blue is working with 50-plus channel partners in its first phase of engagement for Pure System. “IBM came little late,” says VDA Infosolutions’ Jadhav, one such partner. “But it came with bang, taking care of shortcomings in other similar products. The main contrast is it is integrated / tested with industry leading applications which reduce implementation time drastically.”

Joby Thomas, head, Business and Technology Practice at Bangalore’s Vitage Systems- which works with HP for an entire range of solutions, says, “Mid-market customers tend to look at a single appliance more favorably vis-à-vis a multi-vendor solution. Integrated appliances will sell well with smaller customers, who cannot put in the kind of expenditure larger customers can.”

HDS plans to get more than 95 percent of its business in India from its partners. The vendor has organized sessions at partner events in Tier-1 cities including Mumbai.
DELHI AND BANGALORE AS A CURTAIN RAISER FOR CDCS. THE CDCS MARKET IN INDIA IS VERY LARGE, BELIEVES SAWANT, HENCE HDS IS WORKING CLOSELY WITH PARTNERS ON HOW TO FIT THIS INTO THEIR ENTERPRISE PORTFOLIO TO CO-EXIST WITH THE CUSTOMER INFRASTRUCTURE.

REAPING THE BENEFITS
Ankit Desai, director, CDP India, says, “IBM has already given partners a sufficient heads-up with pre-launch webinars, and training, and certification programs. They are engaging with us in a very big way and we are confident of taking Pure Systems to the market.” Mumbai-based CDP India expects at least a 30-40 percent increase in its top line with the addition of PureSystems in its kitty.

With CDCS, Hitachi Data Systems will initially focus mainly on three metros — Mumbai, Delhi and Bangalore — as three ASPs (Tier-I partners) of HDS are located in these cities. Other partners (Tier-I and Tier-II) can also work on project basis if they have adequate expertise needed for CDCS. “Enterprises partners with businesses around SAP, Oracle, and Microsoft can benefit from these solutions. HDS provides the hardware platform which is the common thread,” says Sawant at HDS.

Vitaje Systems, for instance, is now planning to actively look at the converged infrastructure space, since it would help boost top lines and revenue from services. Thomas added that individual vendors with capabilities in this space will definitely give consortiums a run for their money.

CHALLENGES CONTINUE
There is a certain amount of regret that converged infrastructure has not taken off in the manner it should have. Raunaq Singh, SVP, Targus Technologies, says, “The main hindrance to the growth of converged infrastructure as a larger phenomenon could be attributed to the fact that customers tend to have preferences and want to work with multiple specialists, rather than a single generalist.” Singh also points out that vendors such as HP should strengthen their portfolio better in order to give Cisco a better fight.

Integrated systems might be expensive as per market perception at large. But Jadhav of VDA disagrees. “This is a misnomer. If you list down all the components required in a IT set-up including cost of operations, unproductive time due to delays in implementation during deployment phase or in isolation of problem during operation phase, saving in space and power etc and compare with Integrated system. Then one will realize that this (integrated approach) is not expensive.”

Will the cloud be the next step? “Several characteristics make converged infrastructure well suited to cloud deployments. These include the ability to pool IT resources, to automate resource provisioning, and to scale up and down capacity quickly to meet the needs of dynamic computing workload,” says Col. Balwinder Singh, MD of Targus Technologies.

Going forward, solution providers and vendors alike will work together to leverage the integrated/converged platforms towards the cloud model.