New Services Boost StorageTek's Services Ante

With the formal announcement of two services, StorageTek seeks to champion vendor-neutral multivendor support and add to its professional services capabilities. The two newly announced services include multivendor hardware break/fix support and a remote monitoring and management service for customer storage environments.

The first of StorageTek's newly announced offerings is Enterprise Support Services, which provides support for multivendor storage, including software and hardware service and vendor management. The second is Remote Managed Storage, a 24/7 monitoring and problem resolution service, which is delivered through an operations center StorageTek purchased from Storability last year.

StorageTek's managed storage offerings include the following:

- Storage infrastructure services
- Management of tape backup and restore
- Management of disk and volume services

Upon engagement, StorageTek assesses the efficiency of a customer's storage infrastructure by connecting to a centralized storage operating center in Southboro, Massachusetts. Using remote tools, StorageTek analyzes a customer's storage infrastructure and applies corrective action, coordinating with storage operations support as well as other third parties that the customer has contracted with to provide support services as needed for hardware and software support.

Gartner Dataquest Perspective

StorageTek has been a quiet giant among storage service providers. Even though the company generated $764 million in storage service revenue in 2002 and 2,300 service employees, the company’s leadership role in storage services is not always recognized because 90 percent of service revenue is related to product support services. The newly announced services clearly show that StorageTek aims to increase the percentage of service revenue not directly tied to supporting its own products.

StorageTek tape products coexist with disk devices, servers and mainframes from all vendors. Over time, the company has assumed hardware maintenance responsibilities for a large number of these "adjacent" devices, including EMC arrays, Sun and Hewlett-Packard servers, and IBM mainframes. The company’s March announcement simply formalizes services it had previously offered on an ad hoc basis.
Similarly, the announcement of remote monitoring and management services is just a formalization of a service offering StorageTek has been providing since the company acquired Storability’s operations center in Southboro, Massachusetts last July. Until now, StorageTek has provided remote monitoring and management services to about a dozen former Storability customers. Now, the company hopes to quickly ramp up the subscriber base through sales to its extensive installed base.

Gartner Dataquest believes that, although remote monitoring and management services for storage may be ready for prime time, the market may not be ready for them. A recent Gartner survey of small and midsize businesses (SMBs) indicated only lukewarm support for such a service, with only 14 percent of respondents indicating that they were “somewhat” or “very” interested in such a service (see Figure 1).

**Figure 1**
**Interest in Managed Services**

Further evidence of a lack of strong market demand can be seen in the experience of StorageNetworks and Storability. Both companies actively promoted remote monitoring and management services for storage but neither was able to generate a great deal of business. Subsequently, both customers exited the business. (Storability and StorageNetworks switched their business models to try to become independent software vendors.)
Of course, neither StorageNetworks nor Storability had the market presence, install base and viability that StorageTek brings to the table. Many companies reluctant to hand the keys to their storage environments over to a startup will have far less trepidation about doing so with a large, established vendor with a proven track record in the market.

Through its remote monitoring and management capabilities, Gartner Dataquest believes StorageTek is well positioned to help companies actually reduce IT-related spending by reducing management costs, increasing efficiencies and wringing more value out of existing storage infrastructures. Even so, Gartner Dataquest also believes that a great deal of missionary work and market education will be required before customers understand the value proposition of remotely delivered storage monitoring and management.

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This document has been published to the following Marketplace codes:

ITSV-WW-DA-0187

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