Knocking on SAN's Door – Cisco Walks In

Analyst: Michael Fisch

The SAN equipment market is poised for a change. This is an important and growing industry that includes the switches and routers for connecting servers to consolidated, networked storage. Two vendors have historically owned most of the market – Brocade and McData – but enterprises should be aware that a relative newcomer is poised to take a major position. That would be Cisco, and it is really a matter of time before it gets there. Here's why:

- **Cisco already offers a solid set of high-end products.** The *MDS 9000* series of directors and fabric switches support multiple protocols (Fibre Channel, iSCSI, FCIP), scalability to 256 ports per chassis, network-hosted applications, and advanced management and diagnostics like VSAN, SPAN, QoS, and advanced security. Some of these capabilities lead the industry, and others are on par with the established vendors. It is clear that Cisco does not intend to be a follower at the fringes but, instead, to be a leader through innovation.

- **Cisco is committed to this market for strategic reasons.** It sees storage networking as an integral part of its long-term vision to deliver the *intelligent information network.* This will be a "network of networks" that interconnects and unifies different technologies (Ethernet, Fibre Channel, optical, wireless, ATM, etc.), applications (data, storage, voice, video, etc.), and providers (public and private). The real value of such a network arises from end-to-end integration, value-added services, and centralized management and security, which would require Cisco to be intimately involved at all points. Since storage is a large and growing part of enterprise networks, Cisco needs to be a player there to fulfill this vision completely. So, it has motivation to invest and stay the course.

- **Cisco brings a unique value to the table.** Cisco is relatively new to SANs, but it has a lot of experience in data networking that it can exploit. MDS 9000 series features like VSAN, QoS, and SPAN are unique in storage networking but actually originate from Cisco's data networking product lines. This reservoir of innovation is an advantage, as is Cisco's vision for the intelligent information network. While other vendors are focused on storage networking for the most part, Cisco can paint a compelling picture of progressive synergies leading to eventual convergence between SANs, LANs, and WANs. Forward thinkers among enterprises can see the business value of a converged network in terms of economies of scale in management, security, and asset utilization as well as the ability to deliver better network services overall. Futures are futures, admittedly, but this kind of vision from a company like Cisco lends to its credibility as a long-term partner for networking, including storage.

- **Cisco has a large market presence.** Cisco's brand and sizable enterprise sales force with executive-level contacts will help create demand for its storage networking products. For fulfillment, it has entered into OEM agreements with IBM, EMC, HP, HDS, and NetApp, which together represent the majority of enterprise storage sales. Cisco has in place a good channel to market, and it is now a matter of execution on the ground.

For any vendor, entry into a new market is a matter of having the will and the means, and it appears that Cisco has both. This requires enterprises to consider Cisco because a SAN is an infrastructure decision that you will build upon and evolve, as data inevitably grows and application requirements change. So planning and purchasing decisions should be made in light of current offerings and vendor positions, of course, but also reasonable expectations of what is to come. Regardless of which vendor you might choose, it is reasonable to say Cisco will be a major player in storage networking.

About The Clipper Group, Inc.

The Clipper Group, Inc., is an independent consulting firm specializing in acquisition decisions and strategic advice regarding complex, enterprise-class information technologies. Our team of industry professionals averages more than 25 years of real-world experience. A team of staff consultants augments our capabilities, with significant experience across a broad spectrum of applications and environments.

➢ *The Clipper Group can be reached at 781-235-0085 and found on the web at www.clipper.com.*

About the Author

Michael Fisch is Director of Storage and Networking for The Clipper Group. He brings over eight years of experience in the computer industry working in sales, market analysis and positioning, and engineering. Mr. Fisch worked at EMC Corporation as a marketing program manager focused on service providers and as a competitive market analyst. Before that, he worked in international channel development, manufacturing, and technical support at Extended Systems, Inc. Mr. Fisch earned an MBA from Babson College and a Bachelor's degree in electrical engineering from the University of Idaho.

➢ *Reach Michael Fisch via e-mail at Mike.Fisch@clipper.com or at 781-235-0085 Ext. 25. (Please dial "1-25" when you hear the automated attendant.)*

Regarding Trademarks and Service Marks

The Clipper Group Navigator, **The Clipper Group Explorer**, **The Clipper Group Observer**, **The Clipper Group** *Captain's Log,* and *"clipper.com"* are trademarks of The Clipper Group, Inc., and the clipper ship drawings, *"Navigating Information Technology Horizons"*, and *"teraproductivity"* are service marks of The Clipper Group, Inc. The Clipper Group, Inc., reserves all rights regarding its trademarks and service marks. All other trademarks, etc., belong to their respective owners.

Disclosure

Officers and/or employees of The Clipper Group may own as individuals, directly or indirectly, shares in one or more companies discussed in this bulletin. Company policy prohibits any officer or employee from holding more than one percent of the outstanding shares of any company covered by The Clipper Group. The Clipper Group, Inc., has no such equity holdings.

Regarding the Information in this Issue

The Clipper Group believes the information included in this report to be accurate. Data has been received from a variety of sources, which we believe to be reliable, including manufacturers, distributors, or users of the products discussed herein. The Clipper Group, Inc., cannot be held responsible for any consequential damages resulting from the application of information or opinions contained in this report.