MELILLO CONSULTING

MARKET INSIGHTS
WHITE PAPER

5 REASONS BUSINESSES ARE CHOOSING STORAGE-AS-A-SERVICE

As the economic landscape grows increasingly fiercer, IT departments need to find ways to do more with less. They are charged with cutting costs in response to the inflationary environment, while staying on top of—and pulling value from—the prolific volume of data that continues to pour in daily. Storage-as-a-Service offers a viable approach to address the competing demands to power business growth.

Recent global economic developments are disrupting organizational goals and stunting business growth. In the U.S. alone, growth is projected to drop to 0.5% over the course of 2023, representing the weakest performance outside of official recessions since 1970.[1] To support continued growth amid the volatile economic environment, budgets are getting tighter, forcing businesses to look for new ways to cut back.

Storage infrastructure is among a business's most costly line items. According to Enterprise IT expert and Author Stephen J. Bigelow, "a data center facility represents the single largest and most expensive asset that the business will possess—both in terms of capital investment and recurring operational expenses." [2] Meanwhile, massive amounts of data (largely unstructured) are being generated every day —with no signs of slowing. In fact, by 2025, unstructured data will account for 80% of all data, according to IDC estimates.[3]

The surge in data volume is becoming overwhelming and IT leaders are struggling to keep up, particularly as they're expected to do more with less. ESG research revealed that 95% of IT decision-makers say data complexity is a critical hindrance to business success.[4] Sixty-eight percent believe the complexity of their IT environment slows down operations and digital initiatives, while 74% say their data management capabilities can't keep pace with business requirements.[5]

IT DECISION-MAKERS RESPONDING TO MARKET PRESSURES:

95% say:
data complexity is a hindrance to business success.

68% say:
complexity of IT environment slows operations & digital progress.

74% say:
data management capabilities can't keep pace with business requirements.

To stay competitive and grow despite the economic downturn, IT leaders need to do more with less. They need a better way to manage the volume of data, make better use of their in-house resources, and keep up with evolving technology like AI and ML—all while keeping costs down. For many businesses, the answer lies in a Storage-as-a-Service (STaaS) approach that leverages a pay-as-you-go model to store and make sense of their business data.

In this paper, we'll explore the role Storage-as-a-Service plays in helping businesses maintain their competitive advantage in today's volatile business environment.

STORAGE-AS-A-SERVICE—AN OVERVIEW

AHPE defines Storage-as-a-Service as a way for organizations to manage storage capacity and workloads without the overhead costs of upfront capital for storage hardware and software or staff time. When a business subscribes to storage services, it accesses and uses a vendor's storage infrastructure on demand.

STaaS is growing in adoption, and it's expected to pick up steam in the years ahead. According to Gartner, by 2025, 59% of global corporate enterprise-grade storage petabytes (PBs) are projected to be consumed off-premises as part of a managed STaaS hybrid IT multi-cloud initiative.[6]

5 REASONS BUSINESSES ARE TURNING TO STORAGE-AS-A-SERVICE:

1. Cost savings

As with any as-a-service offering, the pay-as-you-go model offers a more affordable way to install and maintain physical infrastructure. With the ability to pay only for the storage as needed, Storage-as-a-Service eliminates the hardware costs required to maintain a business's storage facility while reducing costly disaster recovery risks in a cost-effective model.[7] By buying capacity as needed via the cloud, IT leaders can better rationalize OPEX storage spending with predictable pricing vs. the capital-intensive upfront cost of on-premise infrastructure.[8]

2. Flexibility to scale without overprovisioning

Pay-per-use storage gives businesses the flexibility to shift their consumption to meet fluctuating demands. “The flexibility to add more storage space to your system brings added value to handling your diverse workloads and ensures that your infrastructure can endure the data requirements of the future,” says infrastructure solutions specialist Darren Gourley. “It allows you to accommodate additional workload volume without having to modify the entire infrastructure.”[9]

3. Data protection and security

STaaS securely stores a business’s data across redundant servers to protect it from man-made and natural disasters. “If the primary IT resources are disrupted or damaged, cloud-based resources—configured for DR—can quickly recover applications, virtual machine images, files and databases,” says Paul Kirvan, independent IT consultant and auditor.[10] Plus, with continuous monitoring and access to the latest security tools, STaaS providers an increased level of security to further protect a business’s data.

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4. Efficiency and productivity

STaaS lets a business store more data, serve more users, and adapt to technological advancements—while boosting app performance. “Storage-as-a-Service can improve application performance compared to traditional on-premise storage solutions,” says Dataconomy’s Kerem Gülen. “The provider manages and maintains the storage infrastructure, ensuring its availability and performance, so the customer can focus on their core business activities.”[11]

5. Digital transformation for increased focus on business innovation

By offloading storage management to a STaaS provider, internal resources can focus more on the business objectives that drive greater value to the business. “[By adopting STaaS], IT managers and administrators are freed up from data and storage management functions, while being equipped with the data and system intelligence to grow their business,” says Digital Transformation Strategist Sanjay Agrawal. “This also enables the CIOs to shift their focus to innovations for the business without worrying about IT management or the implications of business expansion on their data management,” he adds.[12]

THE FUTURE OF STORAGE IS STAAS:

According to Gartner, by 2025, more than 70% of corporate enterprise-grade storage capacity will be deployed as consumption-based service offerings—up from less than 40% in 2020.[13] The STaaS market as a whole is expected to surge at a CAGR of 16.4% between 2020 and 2030, according to FMI research. "STaaS solutions will see outstanding demand," according to the report. "Its sheer cost benefits and ease in maintaining documentation and transactions is expected to make it a part of every business in the near future. STaaS is projected to create a disruption by breaking down IT expenditures, simplifying storage management, and reducing capital expenditures."[14]

With the ability to manage storage capacity and workloads in a pay-as-you-go capacity, STaaS offers a zero-touch, set-it-and-forget-it experience, while helping businesses keep pace with soaring data growth, reduce costs, and stay ahead during challenging economic times.

With HPE Storage-as-a-Service solutions from Melillo, IT leaders can manage storage capacity and workloads in a pay-as-you-go capacity. Offering a zero-touch, set-it-and-forget-it experience, STaaS helps businesses manage and make sense of its massive data volume while keeping costs down to stay ahead during challenging economic times.

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ABOUT THE AUTHOR

Melillo Consulting is a technology solution provider that helps organizations power their business through technology. With a full range of complete IT solutions that address customers' on-premises, hybrid, and cloud needs, Melillo offers advanced expertise in infrastructure, development, security, and data management. Backed by a team of seasoned IT solution architects, expert delivery consultants, and project management pros, Melillo offers an unsurpassed level of expertise that positions customers for success. Contact Melillo to discuss your approach to the hybrid cloud at getinfo@mjm.com.

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