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April 12-15, 2010 | Rosen Shingle Creek Resort | Orlando, Florida



Making Business Personal with Storage

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Agenda

- What is Personal Storage
- Where We Are
- Personal Storage & SOHO/SMB
- Where We Are Going
- Essential Guidance






Personal Storage Defined

- What is Personal Storage?
 - External HDD
 - Direct Attached or Networked
 - Desktop, Portable, Ultra Portable
 - Cutoff price of \$750
 - Target market is the home

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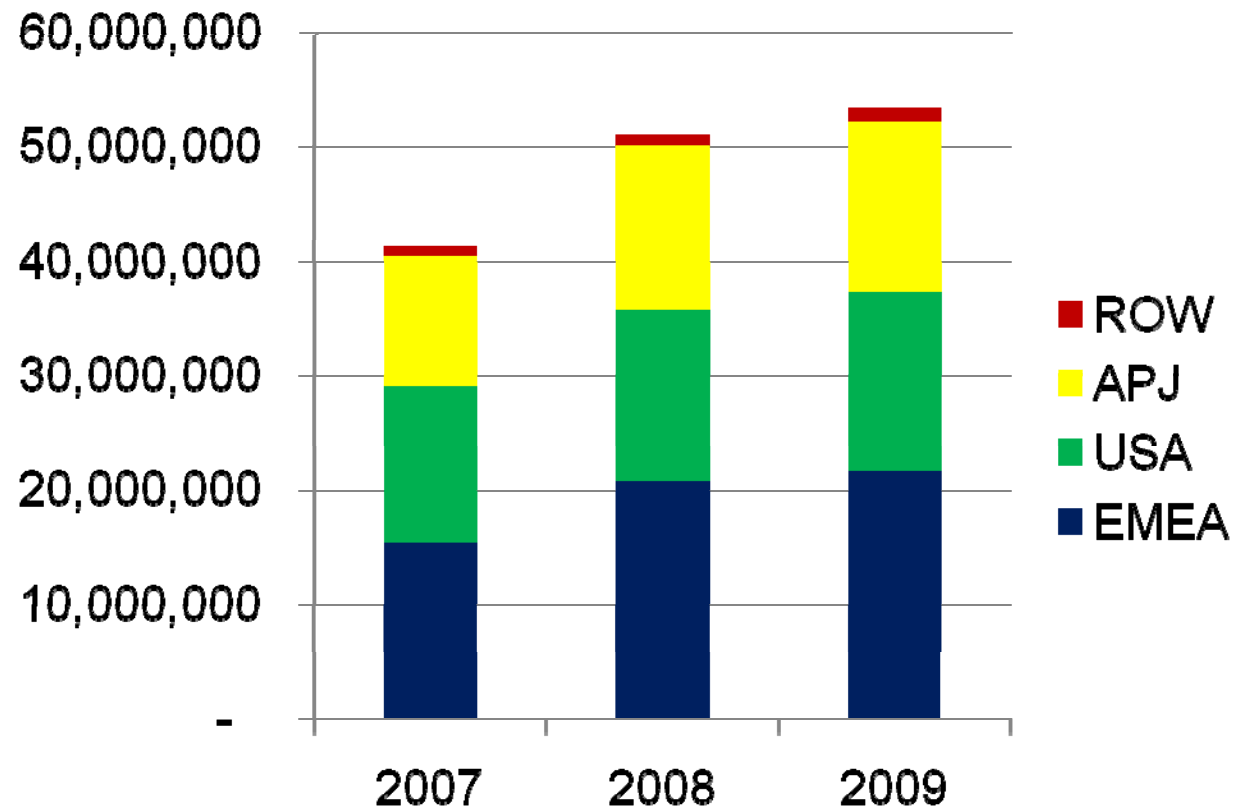


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Shipment Growth



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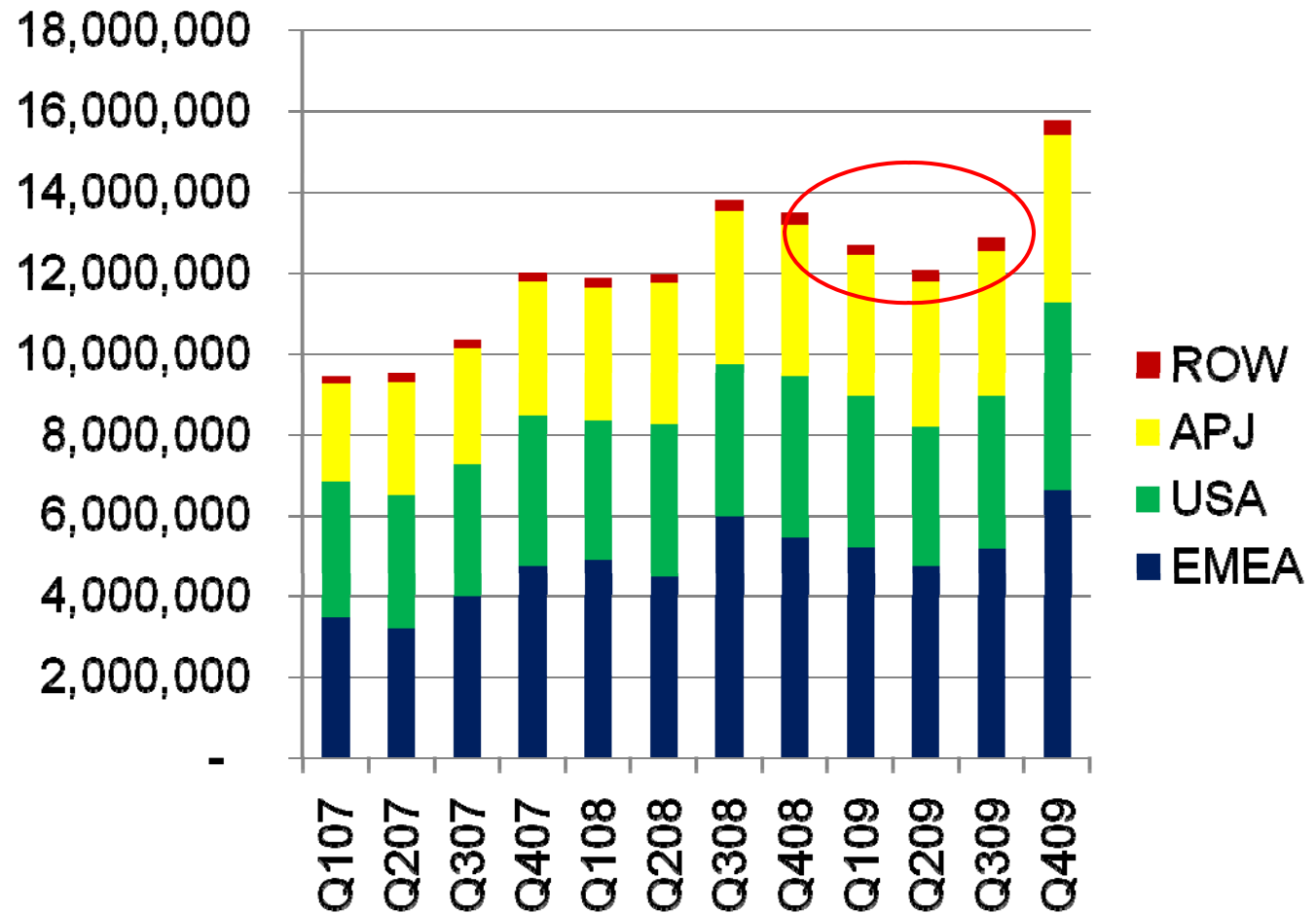


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Personal Storage Shipments



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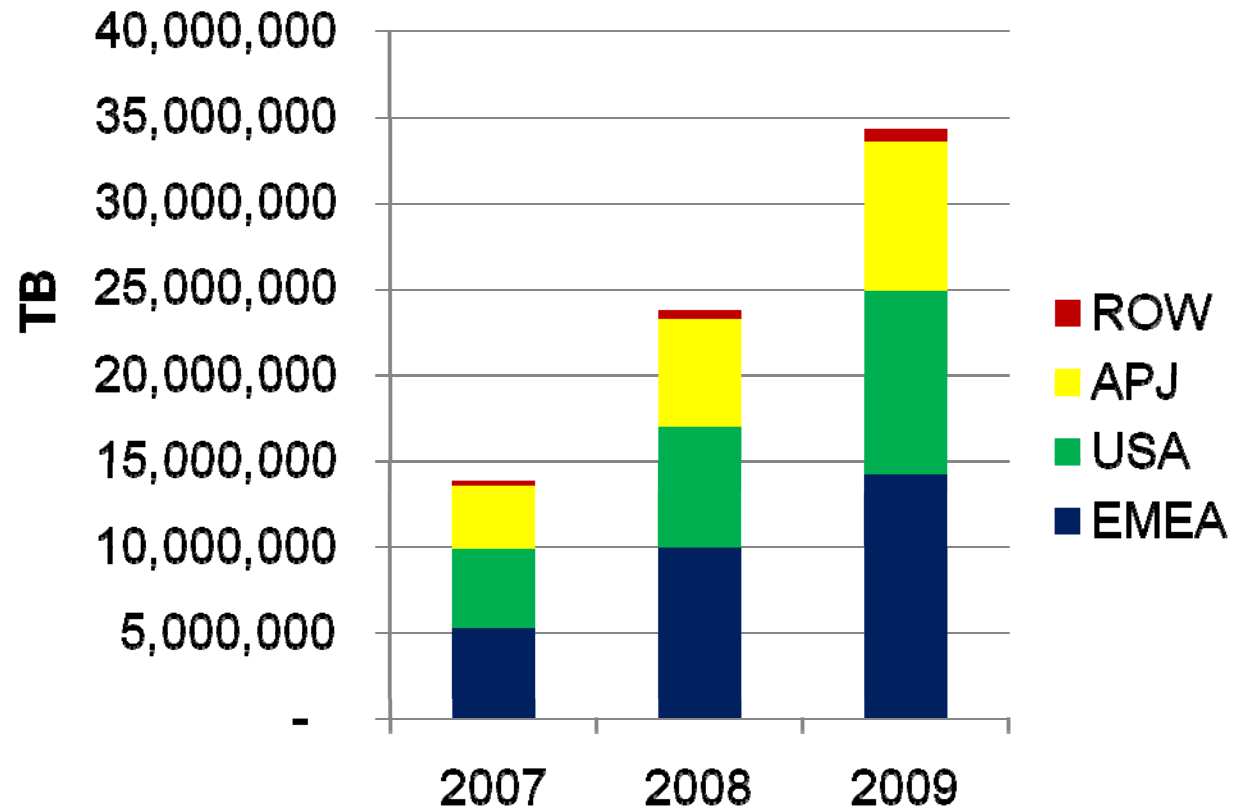


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Capacity Growth



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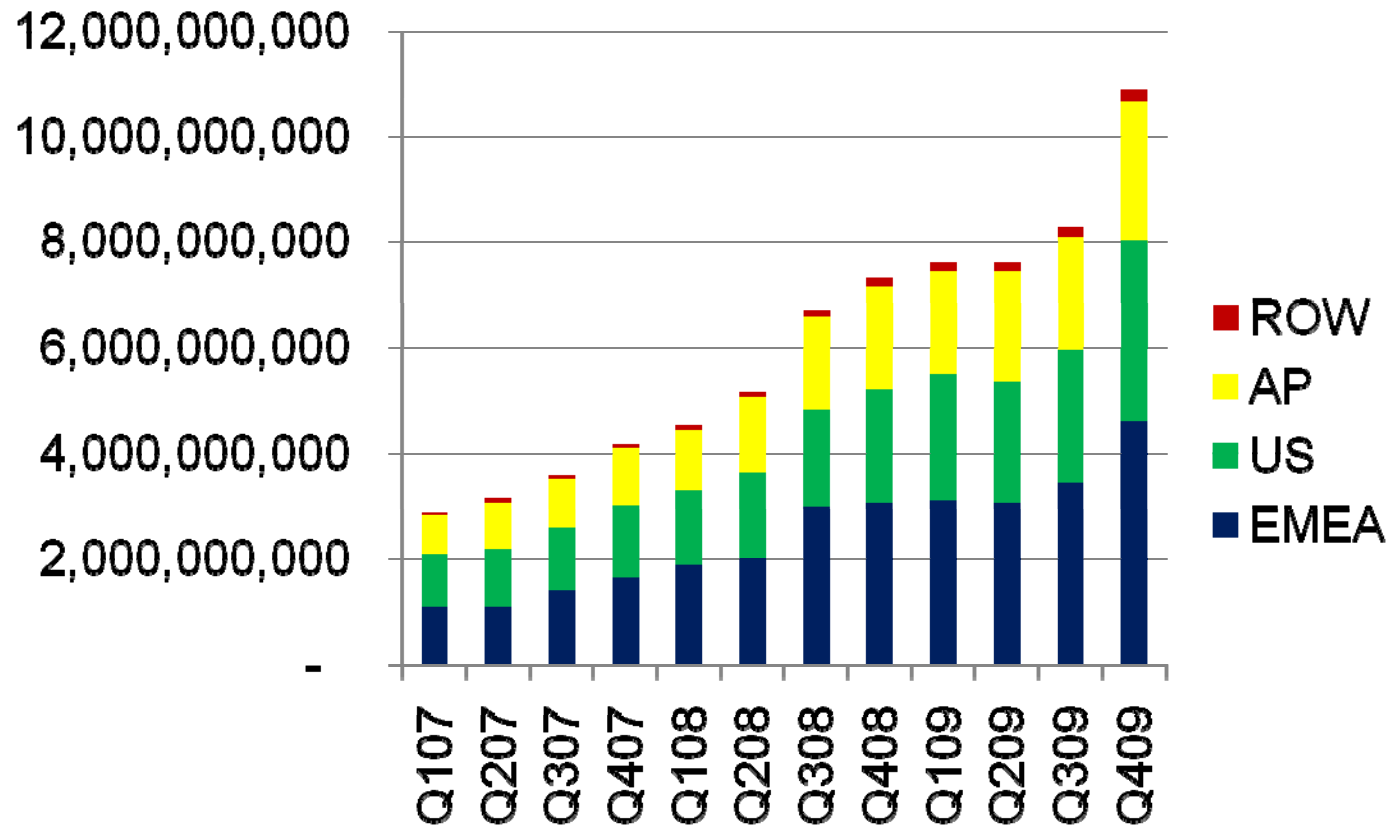


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Personal Storage Capacity



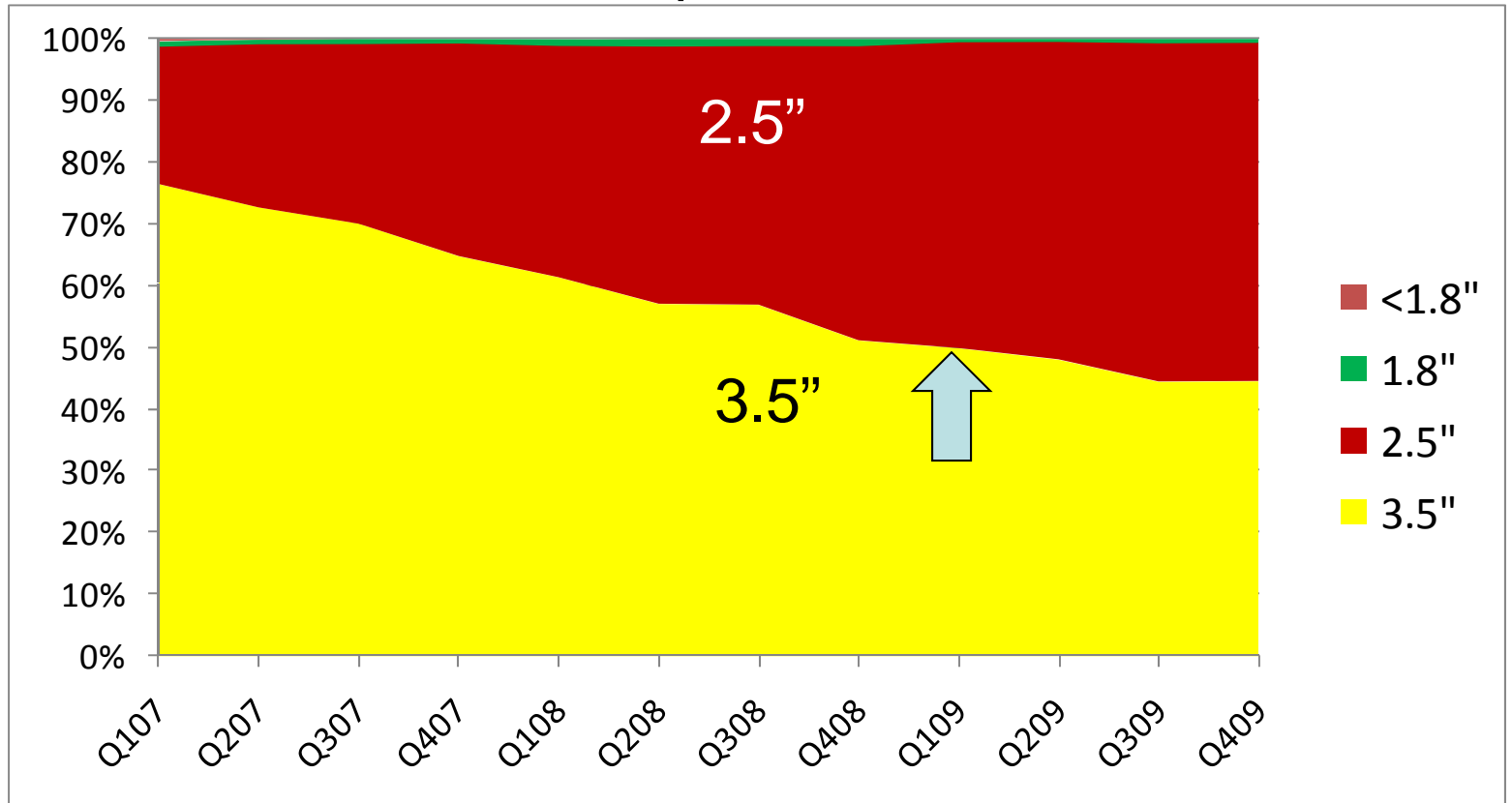


Current Metrics

- Average capacity across all types of personal storage is increasing
 - Desktop has historically been the fastest growing
 - Portable is catching up as our life “shrinks”
- \$/GB of portable storage (2.5”) is closing in on desktop storage (3.5”)

Form Factor

WW Shipments



- 3.5" accounted for 44.5% of WW units shipped in 4Q09
- 2.5" accounted for 55.0% of WW units shipped in 4Q09



The Business Effect





The Emergence of SOHO/SMB

- At all levels, content creation is increasing and content deletion is slowing down
- Business regulations and practices are filtering down
- Personal habits are filtering up



SOHO & SMB Storage Requirements

- Differ from Enterprise
 - IT Budget
 - IT Department / IT Knowledge
- Differ from Consumer
 - Capacity Needs
 - Feature Requirement



The Potential SOHO/SMB Storage Market

- SOHO & SMB storage market is likely somewhere between the Personal Storage market (\$6.3B in 2009) and the Ext. Enterprise Storage market (\$18.1B in 2009)
- It's a relatively untapped market
 - Higher capacity personal storage products
 - Stripped down versions of enterprise products
- The market wants an easy to use, feature rich product at a price point of \$5000 and under.





The SOHO/SMB as a Game Changer

- Performance and features are more a necessity instead of a nice to have
 - USB 3.0 & Networked
 - Software features
- Need for storage to survive in rougher working conditions
 - SSD based products
 - Back-up and recovery software
- New technology or strategies to meet their needs
 - Networked solution
 - Cloud storage





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The Future of Personal Storage



Future of Personal Storage

- USB will continue to dominate in the near-term
- Networked storage has the potential to take-off as the digital home is realized
- It will be more than just personal – SOHO & SMB will become a component of non-enterprise storage

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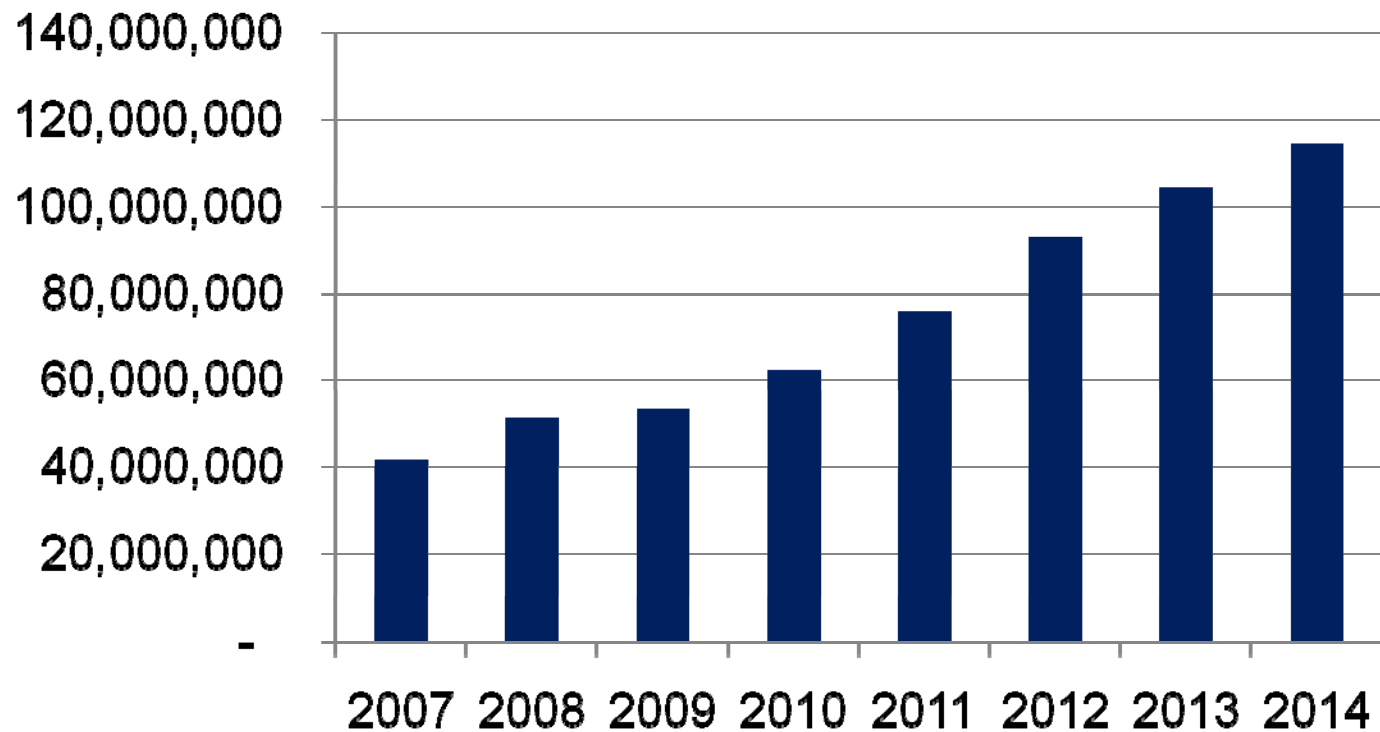
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Personal Storage Growth

WW Shipments



CAGR = 16.5%

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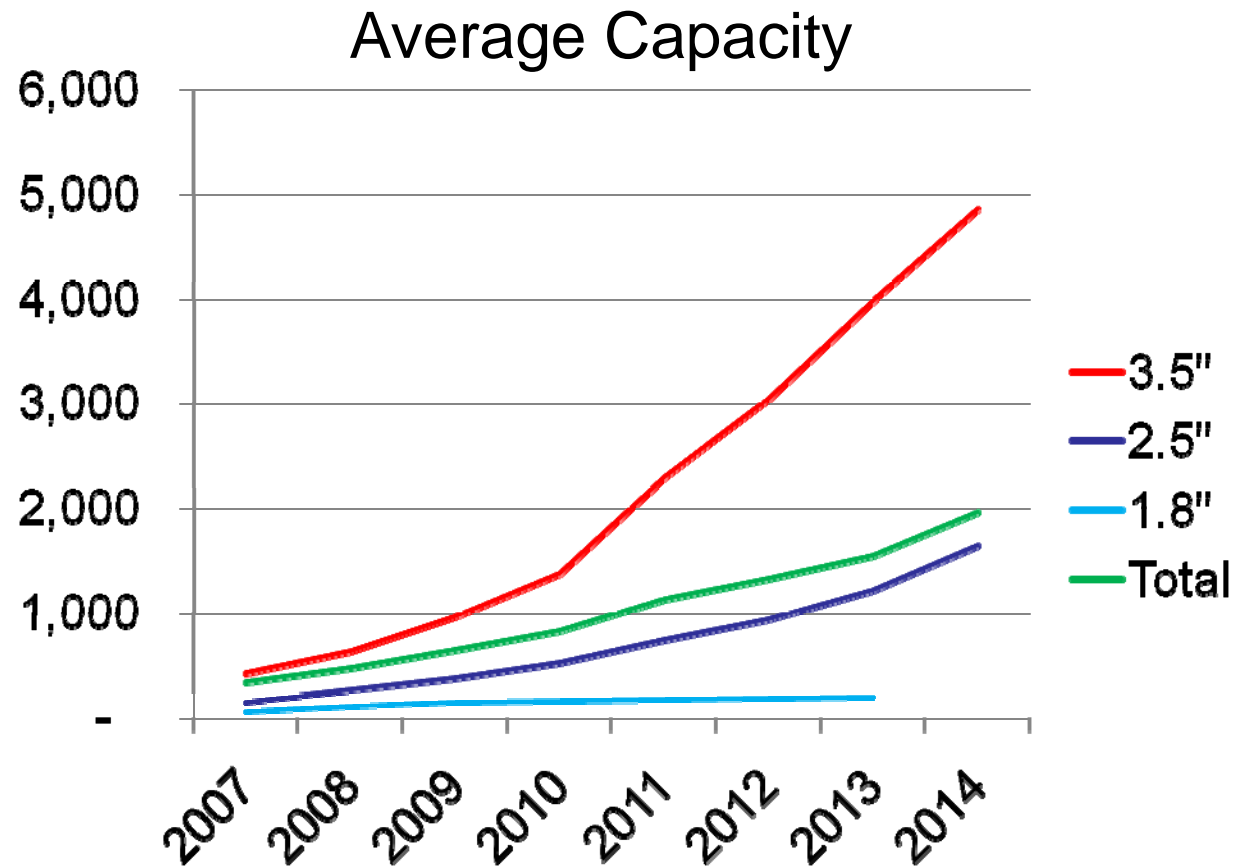


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Personal Storage Growth



Form Factor

The ultra-portable 1.8"

- Performance issues still rate it behind 3.5" or 2.5" FF,
- Continued low adoption rates due to high prices and performance
- Minimal footprint & ease of portability are highly attractive characteristics

Portable 2.5"

- Slowly taking over market share (55% market share in Q409)
- Key benefits include: Smaller footprint, bus power, and lower power/cooling requirements
- USB 3.0 portable products already announced and capacity is closing the gap with 3.5"

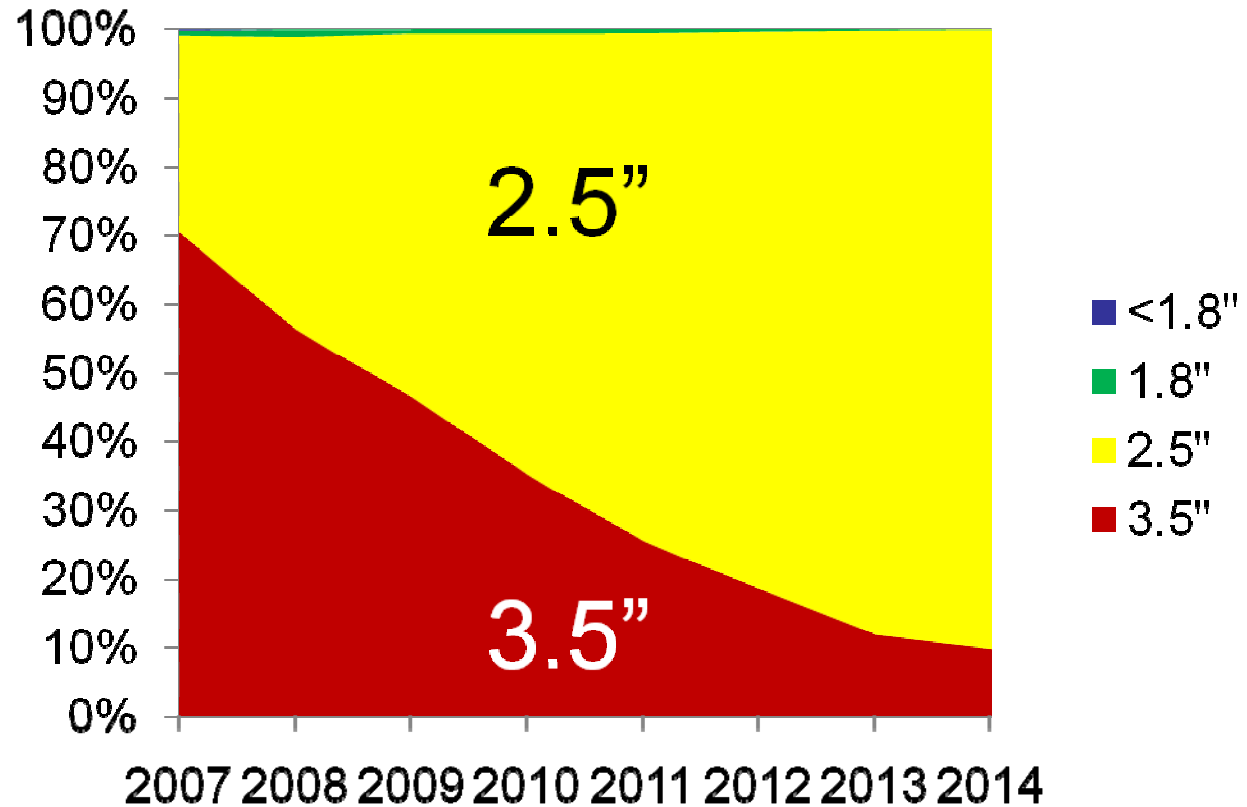
Desktop 3.5"

- Still reigns supreme in terms of capacity
- More feature oriented as portability is not a restraint
- The home for network



Form Factor

WW Shipments



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Dynamics to Watch

&

Essential Guidance





Bigger, Faster, Stronger

- USB 3.0
 - Potential to replace 1394 and eSATA
 - Announced 3Q09 & playing to prosumers by shipping with a USB 3.0 PCI card adapter
 - True market transition will not become feasible until PC's start to ship with embedded USB 3.0
- Higher Average Capacity
 - 2 TB drive standard for 3.5"
 - 1 TB drive standard for 2.5"



The Future Looks Cloudy

- Timeline for mass adoption of Cloud computing is still undefined
- The purpose and function of Cloud Storage remains a mystery to most end users
- Consumer education is still a work in progress
- Consumer confidence in this technology needs to be established
- Excellent potential as to be used extensively by consumers
 - Secondary & off-site back-up and archiving
 - Primary storage, especially in the case of netbooks, mini notebooks, cloudbooks, tablets, slates, etc.

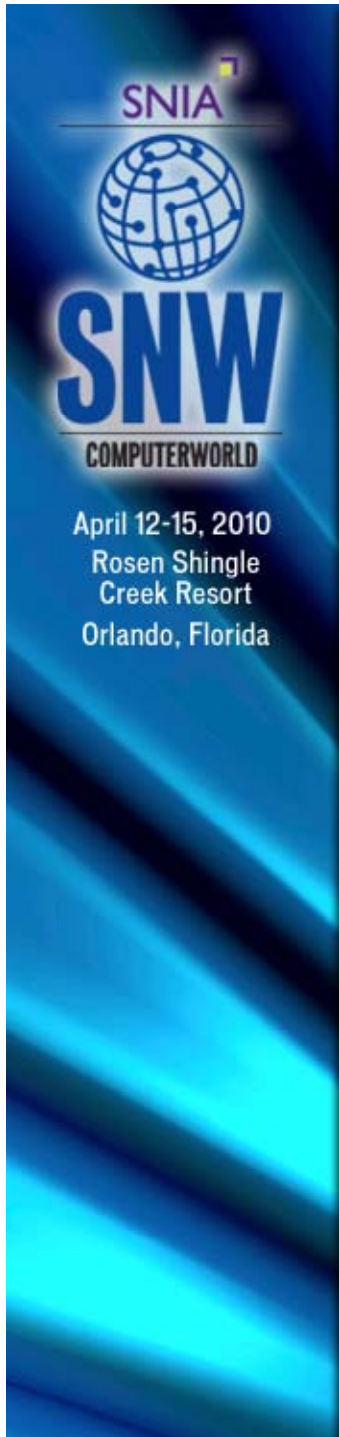


Business Opportunities

Emergence of SOHO & SMB as a viable storage market

- Higher capacity requirements than consumers
- Require more advanced features (NAS, RAID, auto back-up, recovery SW, encryption, etc.)
- Price point similar to the consumer, with a bit more flexibility
- Ease of use is still a must as dedicated IT staff is minimal
- More willing to adopt new technology if it meets their business needs





Essential Guidance

- Keep it simple – Most consumers, SOHO, and SMB's are their own IT departments
- Consumer education is key – Promotes confidence and technology adoption
- The realization of the digital home - Convergences between personal computing storage needs and media & entertainment storage needs
- The SOHO/SMB space needs to be addressed – Cobbled together solutions are obsolete. Need solutions targeted at their needs.



Thank you

Questions?

Shoot me an e-mail at:
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IDC Cross Talk IT Community

Community Goal:

- To create a forum for IT and business professionals to discuss technology issues within the context of their business

Features Include:

- Networking – Invite, Find and Interact with Analysts and Other Members
- Global Analyst Blogs and Videos
- Discussion Forums
- Live Chat
- Polls
- Events Calendar
- Resource Library/ Complimentary Research

The screenshot shows the IDC CrossTalk IT Community website. At the top, there is a navigation bar with links for 'IDC.com', 'About', 'Blogs', 'People', 'Events', and 'Groups'. A search bar is located on the right. Below the navigation bar, the main header features the 'CrossTalk IT' logo and the tagline 'Where Business and IT Professionals Connect'. A secondary navigation bar includes 'Summary', 'About', 'Members (1094)', 'Resources (3)', and 'Search'. The main content area is titled 'Recently Active Members' and displays a row of member profile pictures. Below this, there is a section for 'IT Governance & Executive Strategies Blog' featuring two blog entries. The first entry is titled 'IT Governance: Signs of IT Revival and a Call for...' and the second is 'IT Governance: Budget Cuts, Long-Term Trends and...'. To the right of the blog section, there are promotional buttons for 'Join our community' and 'Follow Us on Twitter', along with a 'Bookmark & Share' section.

