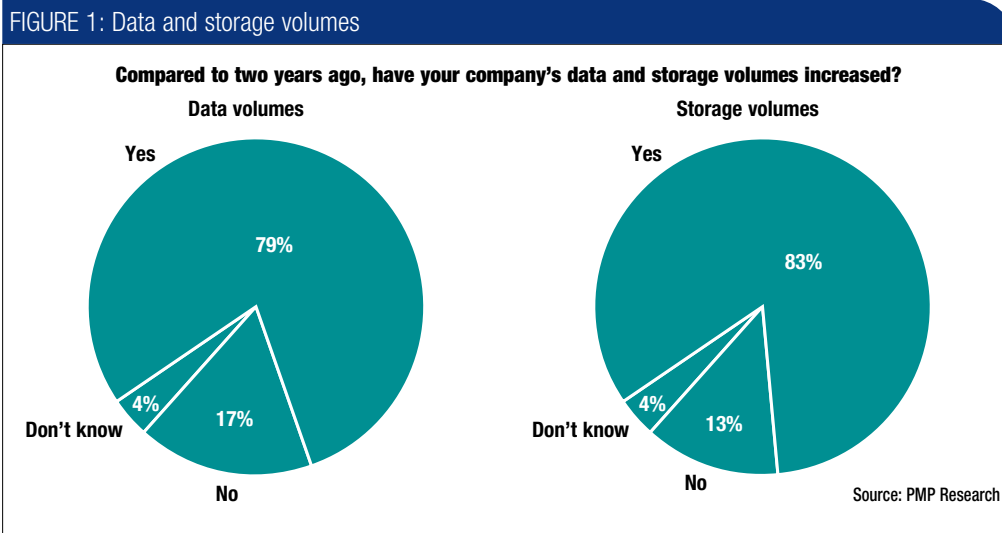


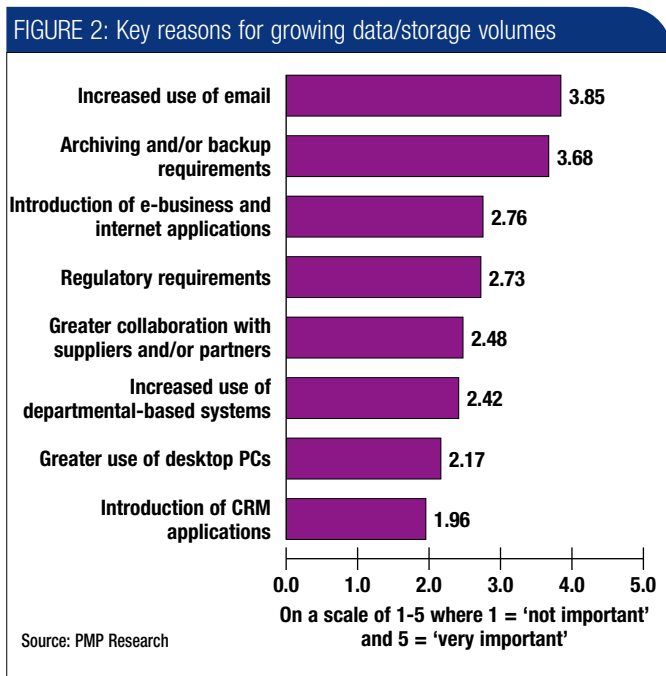
# PUMPING UP THE VOLUME

The rise in data volumes seems unstoppable. Pat Sweet reports on a survey into what companies can do.



When it comes to managing the IT infrastructure, many companies feel they are caught between a rock and a hard place. While it is vital to squeeze the last drop of value out of one of their largest investments, cost cutting can compromise the security and the performance of the business-critical applications on which their organisation may depend for its survival.

When we last looked at infrastructure challenges back in 2004, the most striking revelation was the near universal agreement that data and storage volumes were growing at a dizzying rate. This year's Evaluation Centre survey confirms this trend, with 83% of our sample saying their storage requirements have increased significantly compared to two years ago, and 79% feeling that data volumes have grown substantially as well (see Figure 1).



The fact that these numbers are as high now as they were last time around suggests that many organisations have not been able to keep a lid on the data and storage explosion. For example, one in ten estimate that their requirements in this area have gone up by 150-200% over the past couple of years. One likely cause for this is the simple fact that more PCs, both in the corporate world and in domestic use, equate to more data being passed around.

To look at this trend in-depth, we asked our sample to rate the key reasons for the increase in data and storage volumes, using a scale of 1 to 5 where 1 indicates 'not important' and 5 is 'very important'. As Figure 2 shows, the results point the finger at one particular development – the widespread adoption of email (3.85). This is viewed as having much greater impact than either the growing numbers of desktop PCs (2.17) or the introduction of more departmental-based systems (2.42).

The rise in e-business and internet applications is seen as playing a part (2.76), along with the demands of new regulatory requirements (2.73) and the push towards greater collaboration with suppliers (2.48). But the major factor in pushing up data volumes is the switch from paper to online email communication, which has brought with it a surge in archiving and backup requirements (3.68).

There are also signs that this problem is unlikely to go away in the near future. Increasingly powerful and complex computer models gobble up resources in many organisations, while individual respondents highlight the issues around the storage of photographic and drawing images, and the increased use of scanning, as many companies seek to put their 'back catalogue' of corporate information onto their central database.

However, organisations are not simply standing by powerless as data and storage volumes head skywards. The majority (69%) report that they have already tried to rationalise the number of servers they have, for instance, and the same proportion (69%) plan to do so in the future.

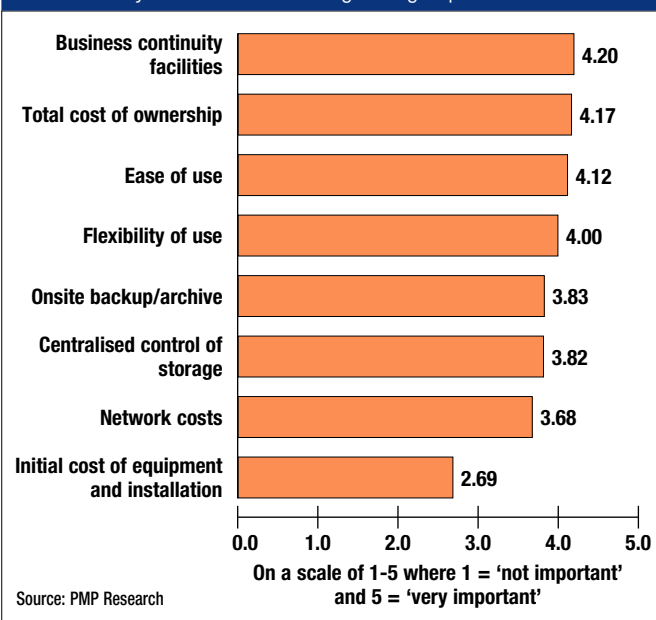
The reasons for doing this are topped by the desire to improve business continuity and disaster recovery planning (cited by 73%), along with the need to cut costs (71%) and improve management controls (71%). A significant proportion are also looking to centralise storage and network requirements (60%) as a way of making infrastructure management simpler and more responsive.

These aims are reflected in the way companies select new storage options. We asked the sample to rate the importance of various factors when it comes to choosing storage, again using a scale of 1 to 5 where 1 is 'not important' and 5 is 'very important'. The results, shown in Figure 3, make it clear that business continuity facilities are a key consideration (4.20), along with total cost of ownership (4.17). Companies are also concerned about ease of use (4.12) and flexibility (4.00), but the upfront cost of any storage system is a much more minor factor in the buying decision (2.69).

As one individual reply makes clear, "reducing total cost of ownership is of paramount importance", along with removing possible failure points. Storage needs to be reliable, but not at any cost.

Companies are also cracking down on improper or inappropriate email use, with 73% taking active steps to control the situation. The most popular option is to introduce archiving and backup guidelines (36%), along with limiting the size or number of attachments allowed (25%) and restricting employees' personal use (14%). Many also report setting limits on mailbox size.

**FIGURE 3: Key concerns in selecting storage options**



Two-thirds (67%) are adopting similar policies and procedures in relation to applications such as instant messaging. There is a fairly even split between those who favour gaining greater control using internal processes alone (53%) and those who use specialist software such as email storage management packages (44%).

When it comes to getting a better grip on storage and other infrastructure requirements, some companies are starting to use financial inducements to encourage better behaviour. Currently, around a third (29%) operate a chargeback system for IT services whereby user departments pay for particular services or pay a charge for additional services, and another quarter (24%) intend to go down this route in the next couple of years.

However, there are limits to this approach. While companies are increasingly comfortable with the concept of making users pay for what they use, they shy away from imposing a

## SURVEY STATISTICS

For this survey we asked a broad cross-section of companies for their opinions on a range of business continuity and IT infrastructure issues. The sample were weighted towards larger organisations, as they often face the biggest challenges in both storing and protecting vital corporate data. Around half the sample have a turnover greater than £100 million, with 11% falling into the £100 million to £150 million bracket and 28% in the £150 million to £1 billion range.

While manufacturing (20%) and the public sector (18%) are particularly well represented, the industry background of our respondents is highly diverse. The financial services sector accounts for 6% of the sample, but there are also representatives from construction (6%), publishing (4%), telecoms (4%), education (4%), retail (2%) and chemical & pharmaceutical (2%).

fine if agreed volumes or service levels are exceeded – just 12% say they would levy a financial penalty in such situations.

Other avenues to explore include limiting the amount of storage on offer to particular users or departments. At present, around one in five organisations (19%) assign fixed storage allocations to specific groups, with a quarter (25%) saying this is something they may well consider in the future. Again, only a minority (14%) seek to extract a financial payment if such agreements are breached.

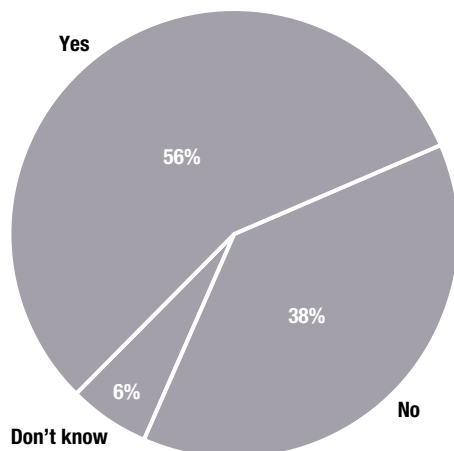
Getting a handle on IT usage in this way is vital if companies are to plan their investment in their systems and security sensibly, taking into account many more factors than just the purchase price of the necessary equipment. This is a theme which is explored in more detail in the accompanying Expert Opinion article which looks at IT governance – that is, the principles and processes which organisations need to consider in order to create and maintain an IT infrastructure which closely matches their business needs.

This is one of the fundamental aims companies have when they plan their IT systems. And we asked our sample to rate the importance of various goals using the 1 to 5 scale, where 1 represents ‘not an important aim’ and 5 is a ‘very important aim’. The results put IT security right at the top of the agenda since ‘keeping data safe and secure’ heads the list (4.57), followed by the desire to make the IT infrastructure more responsive and flexible to meet new business demands (4.25).

Companies also want to make their IT infrastructure easier to monitor and maintain (4.17) and to reduce maintenance and running costs (4.03) – but significantly reducing the costs of the IT infrastructure in terms of investment in new hardware and software comes bottom of the scale (3.48).

FIGURE 4: Impact of terrorism

**Have recent events such as terrorist attacks made your organisation more aware of business continuity and security issues?**



Source: PMP Research

With so much corporate data now held in IT systems, IT security is widely acknowledged as a critical business issue – 69% of the sample rate the need to keep data secure as their top priority when it comes to making infrastructure decisions. In addition, the research shows that half (56%) feel recent events such as terrorist attacks have made their organisation more aware of business continuity and security issues (see Figure 4).

However, companies are not necessarily acting on these fears. Some have purchased additional specialist packages to protect their systems, while 56% have recently bought intrusion detection software and 7% have added forensic monitoring applications. Most continue to rely on passwords as their primary protection for the use of PCs or specific applications (61%). Although a significant proportion (39%) report that they are supplementing this approach in some way, none are currently using new technology such as smart cards to protect sensitive data.

In addition, only a third (36%) report that they regularly conduct risk assessments to pinpoint those applications or business areas which could be most vulnerable to breaches in IT security. Another third (29%) carry out such an audit, but no more than once a year, while the remaining third (27%) take no action at all.

In contrast, suppliers' messages about the possible perils and costs of using illegal software have been received loud and clear – 94% of companies say they have procedures in place to assess their software licensing requirements.

## Regulation

There has been a steady increase in recent years in the amount of UK and European legislation covering data privacy and corporate governance, all of which has emphasised the need for companies to be able to demonstrate clearly and transparently exactly how they are keeping corporate data secure.

Despite this, the impact on IT infrastructure seems limited. Whilst the majority (58%) highlight regulatory requirements as an area of concern, only 29% plan to introduce new software to deal with the situation. Of the remainder, 19% do not believe the legislation is having this effect (see Figure 5).

There is growing interest in handing over responsibility for some or all of the organisation's IT infrastructure and business continuity requirements. Half of those polled (53%) already make some use of managed services or outsourcing suppliers in this area, and 13% are contemplating such a move (Figure 6).

However, the overall findings from this year's survey suggest there is unlikely to be a headlong flight towards using a third party to manage infrastructure and business continuity needs. Most companies are well aware of what they need to be doing in this area and, much more importantly, are taking a strategic view of how to accomplish their goals cost-effectively.

Virtually all (91%) now report that they have someone responsible for overseeing all investment and performance in systems, and in two-thirds of cases (64%) this is a board-level appointment.

IT infrastructure management issues and business continuity concerns have moved right up the corporate agenda. The spiralling cost of data storage has played a prominent part in this, but our survey shows companies are taking a much closer interest in more than just the initial price tag of any new equipment and systems.

This emphasis on total cost of ownership, coupled with attempts to rationalise their IT infrastructure whilst maintaining the

FIGURE 5: Impact of privacy/governance laws

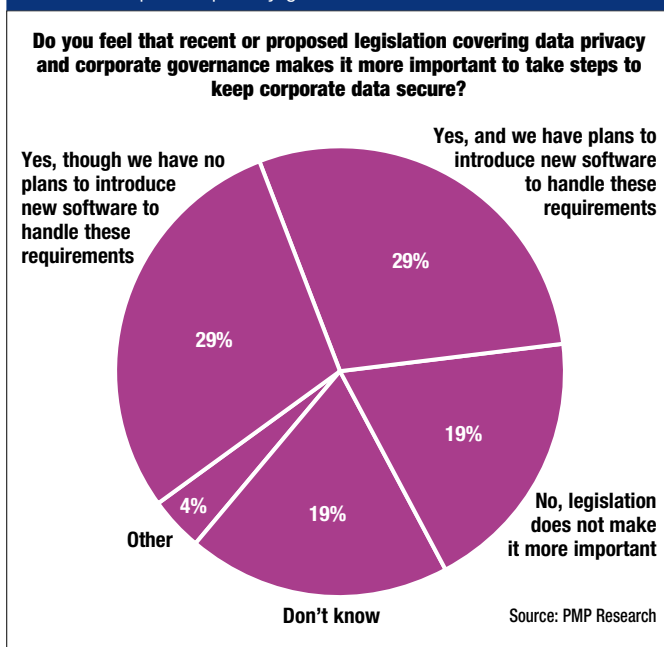
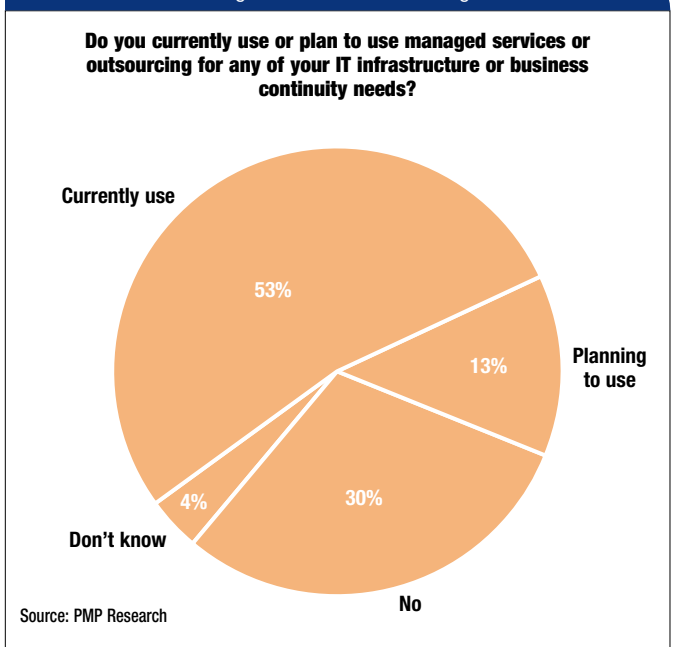


FIGURE 6: Use of managed services/outsourcing



same focus on security, bodes well for the future. Organisations are starting on the path away from the avalanche of data requirements towards a more measured route, designed to ensure maximum business value from any IT investment.

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