

Service solutions providers –  
changing landscape, new challenge

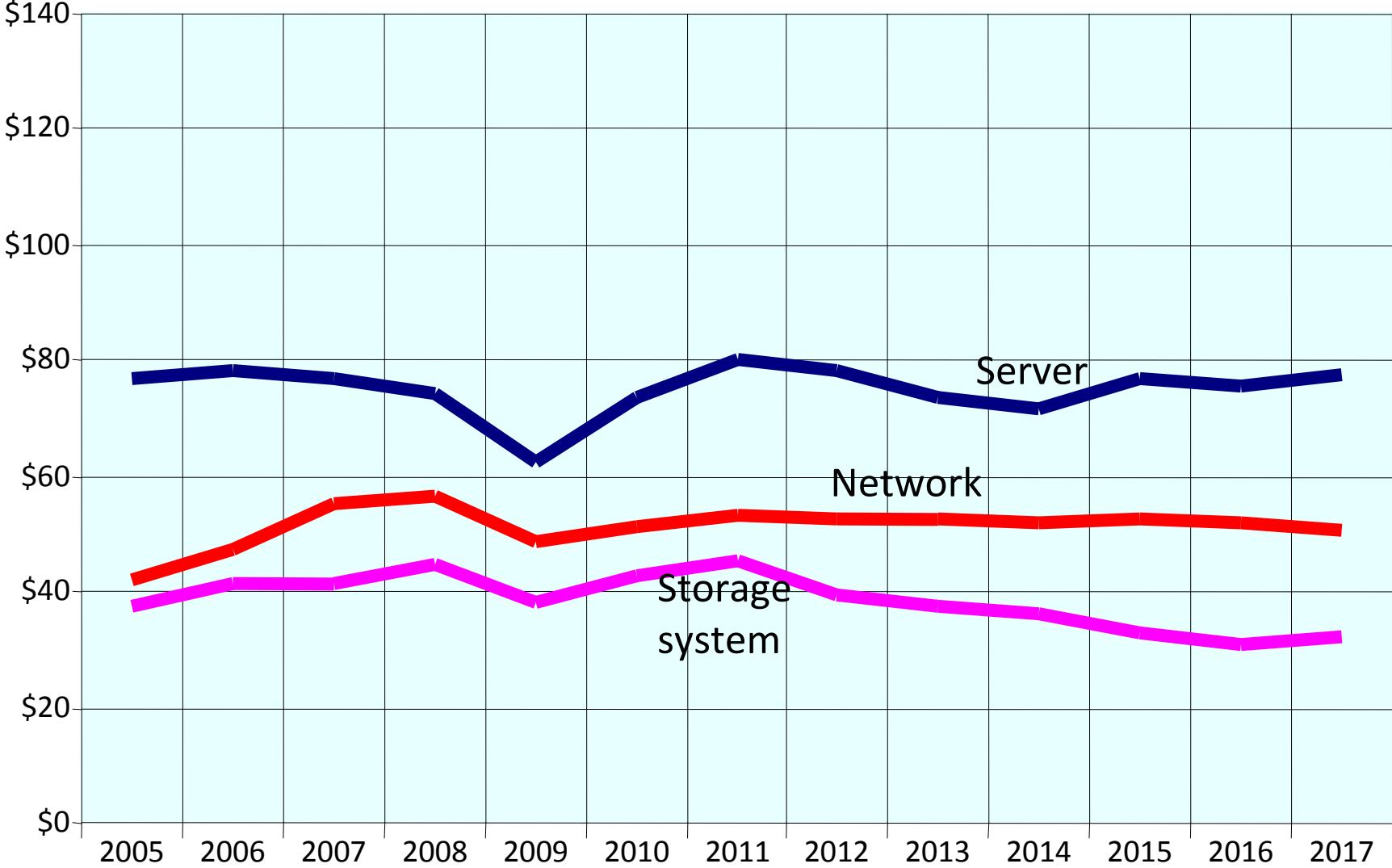
*plus ça change, plus c'est la même chose*

*Martin Hingley, ITCandor*

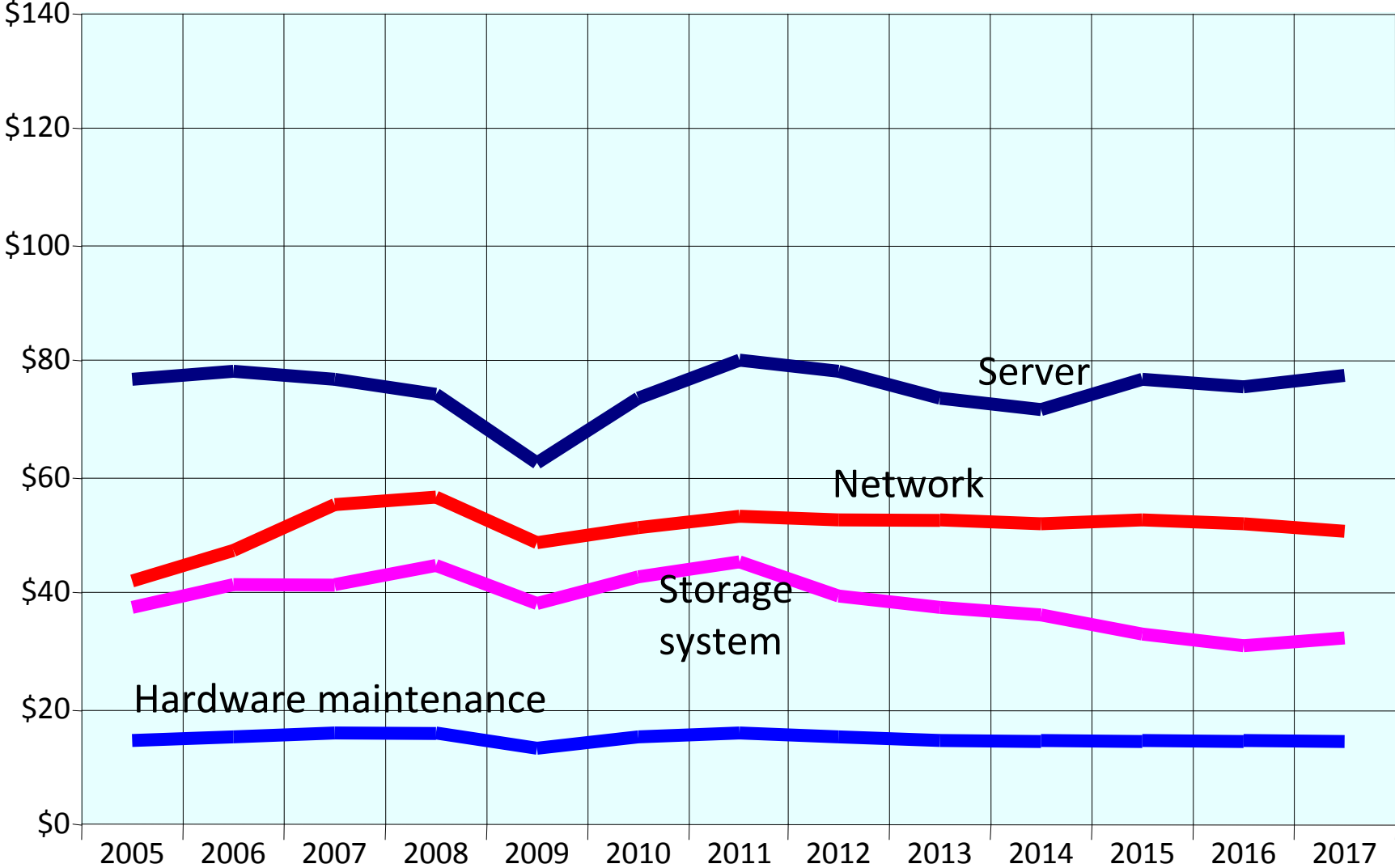
# Agenda

- The data center market
- The leading suppliers
- New forecast parameters
- The 2026 landscape

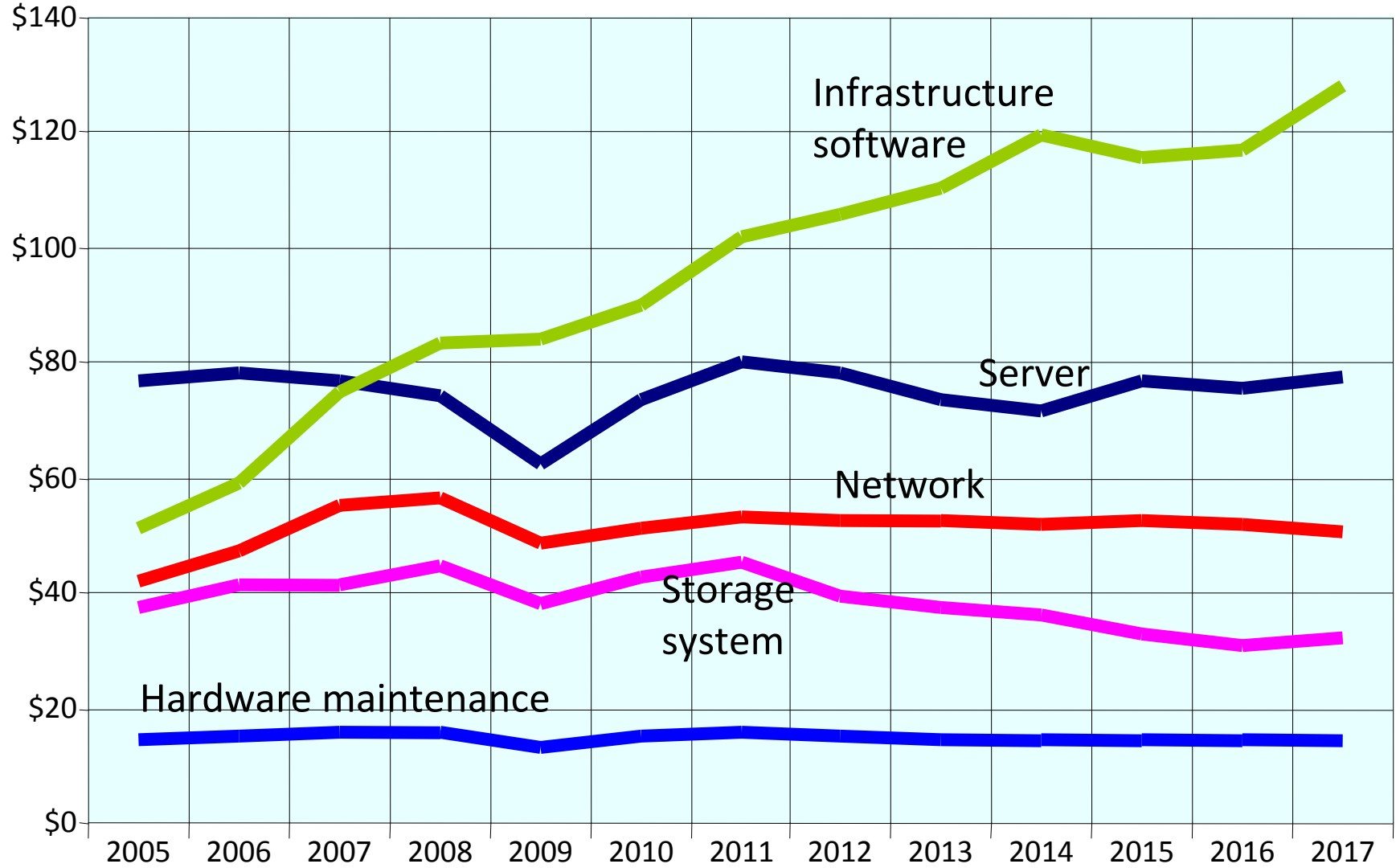
# Data center spending (\$ billion) by offering and year – 2005-2017



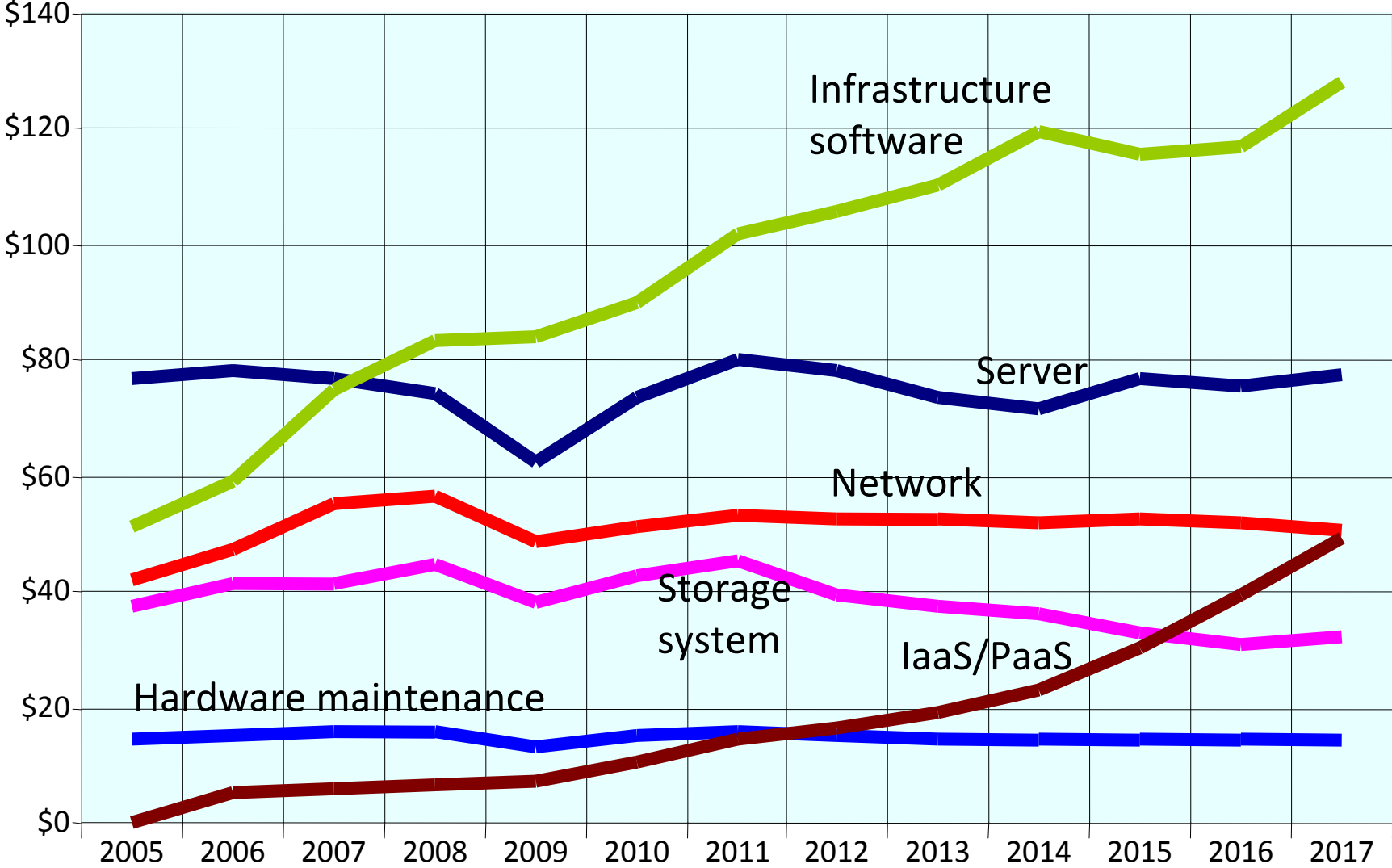
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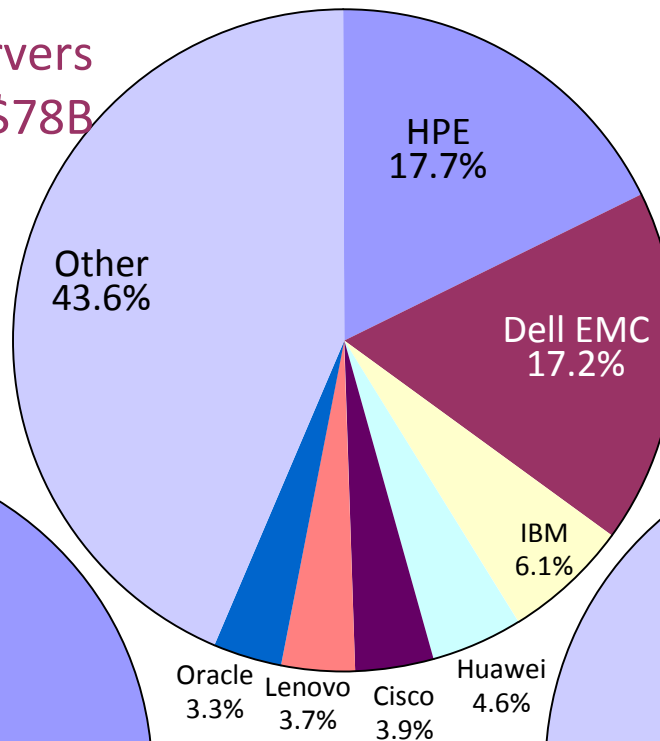


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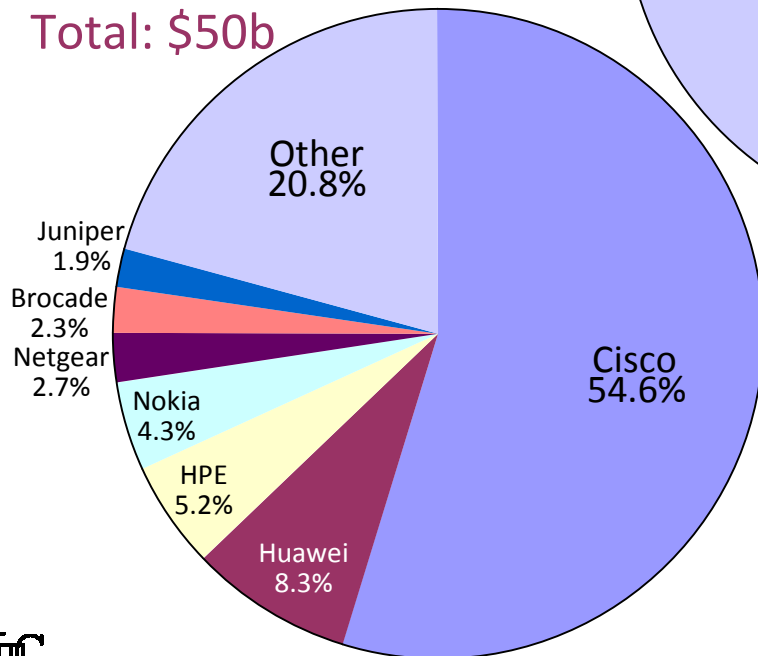


# 2017 market shares – server, storage system, enterprise network

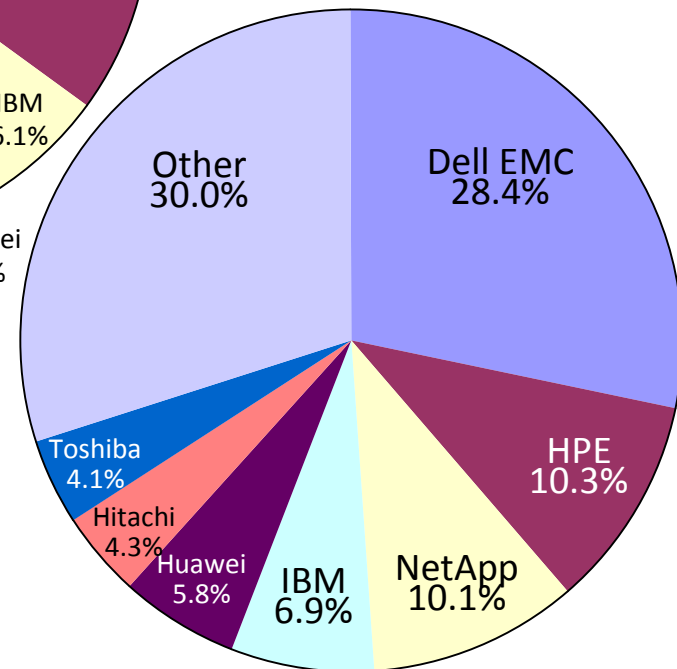
Servers  
Total: \$78B



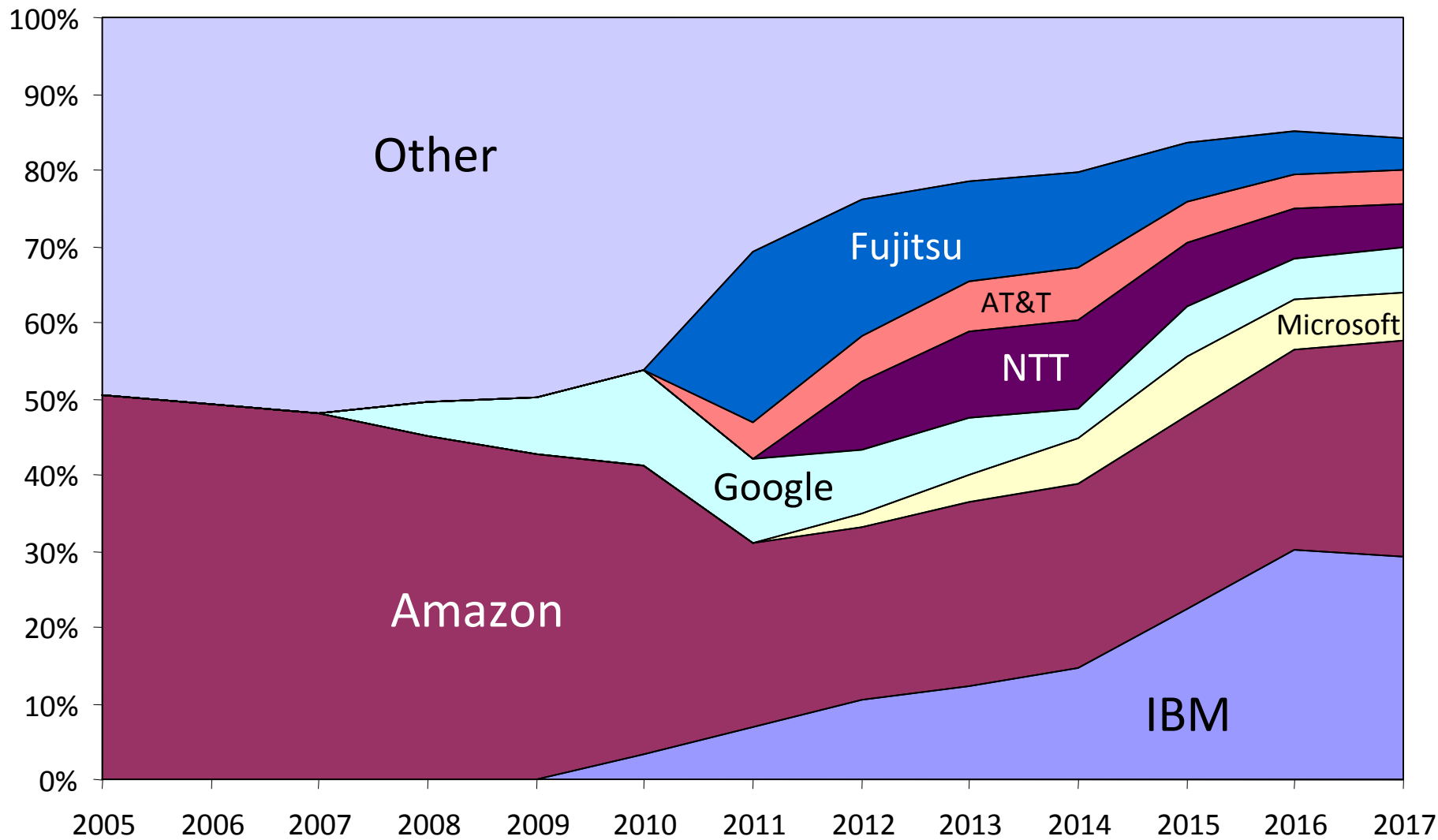
Enterprise networks  
Total: \$50b



Storage systems  
Total: \$32b

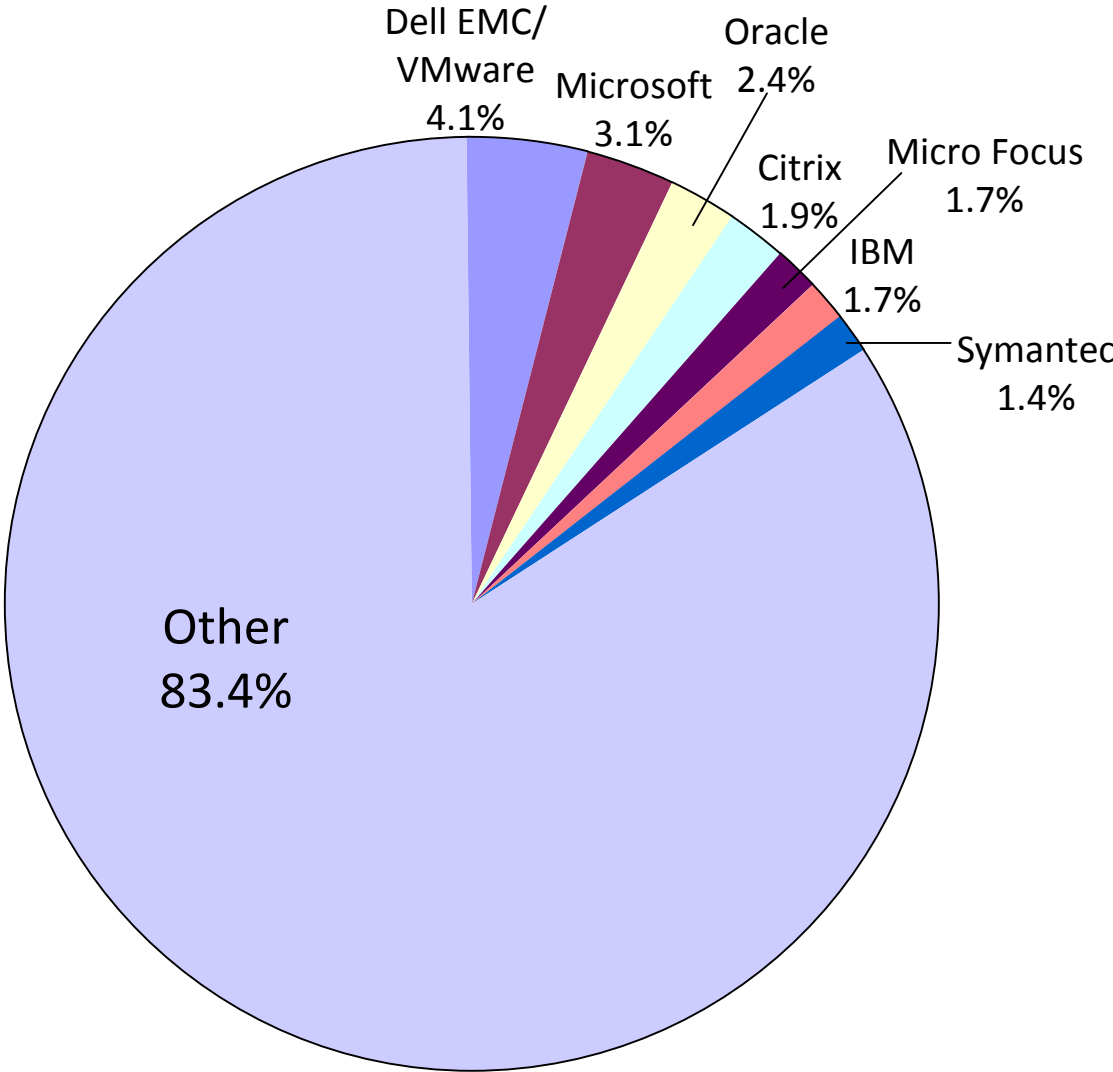


# Evolving cloud service (IaaS/PaaS) market shares – 2005-2017





# 2007 Infrastructure software market share – total: \$130 billion



# Cisco

- Organisation
  - Unreformed
- Offerings
  - The dominant enterprise network supplier (54.6% share)
  - A weak CSP
  - Anti-network consolidation
  - ACI is not SDN
- Strategy
  - Upstream partnerships
  - UCS in CI and HCI systems including Dell EMC vBlock, NetApp Flexpod, IBM

# HPE

- Organisation
  - Restructured - separated from non-data center activities
- Offerings
  - The leading server supplier (17.7% share)
  - Server, storage, networks, maintenance
  - A weak CSP
- Strategy
  - Protect the installed base
  - Maintain channel breadth, especially internationally
  - Supply the CSPs – especially smaller and regional ones (Cloud 28+)

# Dell EMC

- Organisation
  - Restructured – privatised and doubled with EMC
  - Pivotal, RSA, SecureWorks, Virtustream, and VMware in stable
- Offerings
  - The leading storage system (28.4%) and strong second server supplier
  - Storage systems, servers, network, maintenance
  - Virtustream as CSP
- Strategy
  - Better together, improve attach rates
  - Supply hardware to the CSPs

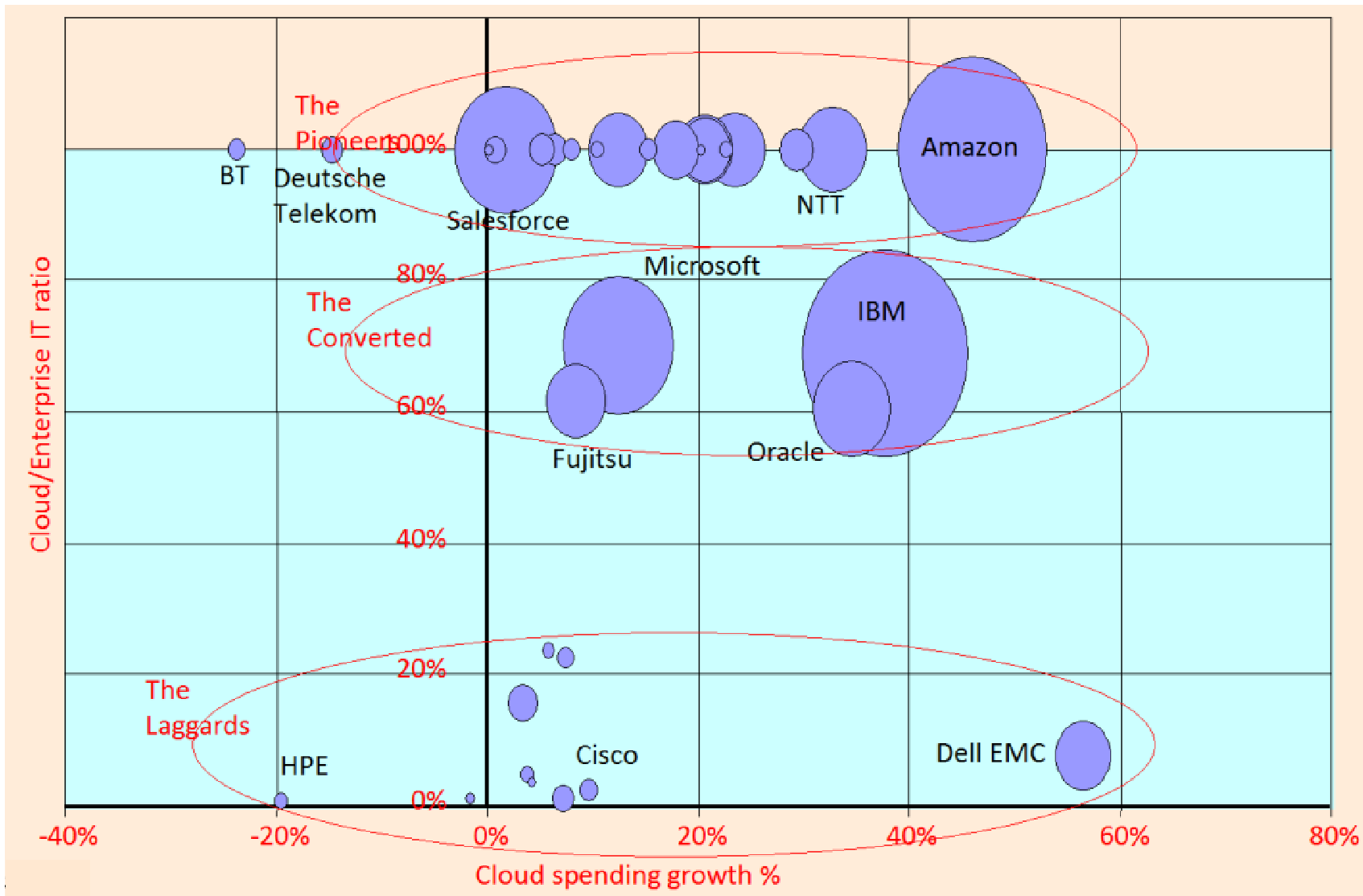
# IBM

- Organisation
  - Restructured – ditched x86 servers, chip fabrication to become CSP
- Offerings
  - Mainframe, Power servers, storage, services, database and TP software, maintenance
  - Joint-leading CSP with AWS
  - Watson AI, BlueMix PaaS, Blockchain
- Strategy
  - Create future systems (Quantum computing, new encryption, storage, etc.)
  - Get traditional outsourcing contracts closer to pay-as-you-go

# Amazon

- Organisation
  - Single offering in cloud services
  - Not long an IT supplier
- Offerings
  - The joint-leading CSP
  - Lots of AWS services – not all customers ‘all out’
- Strategy
  - Build out international data centers
  - Partner with VMware and enterprise suppliers
  - Exploit the Cap Ex to Op Ex shift

# Cloud v Enterprise IT – pioneers, converted and laggards

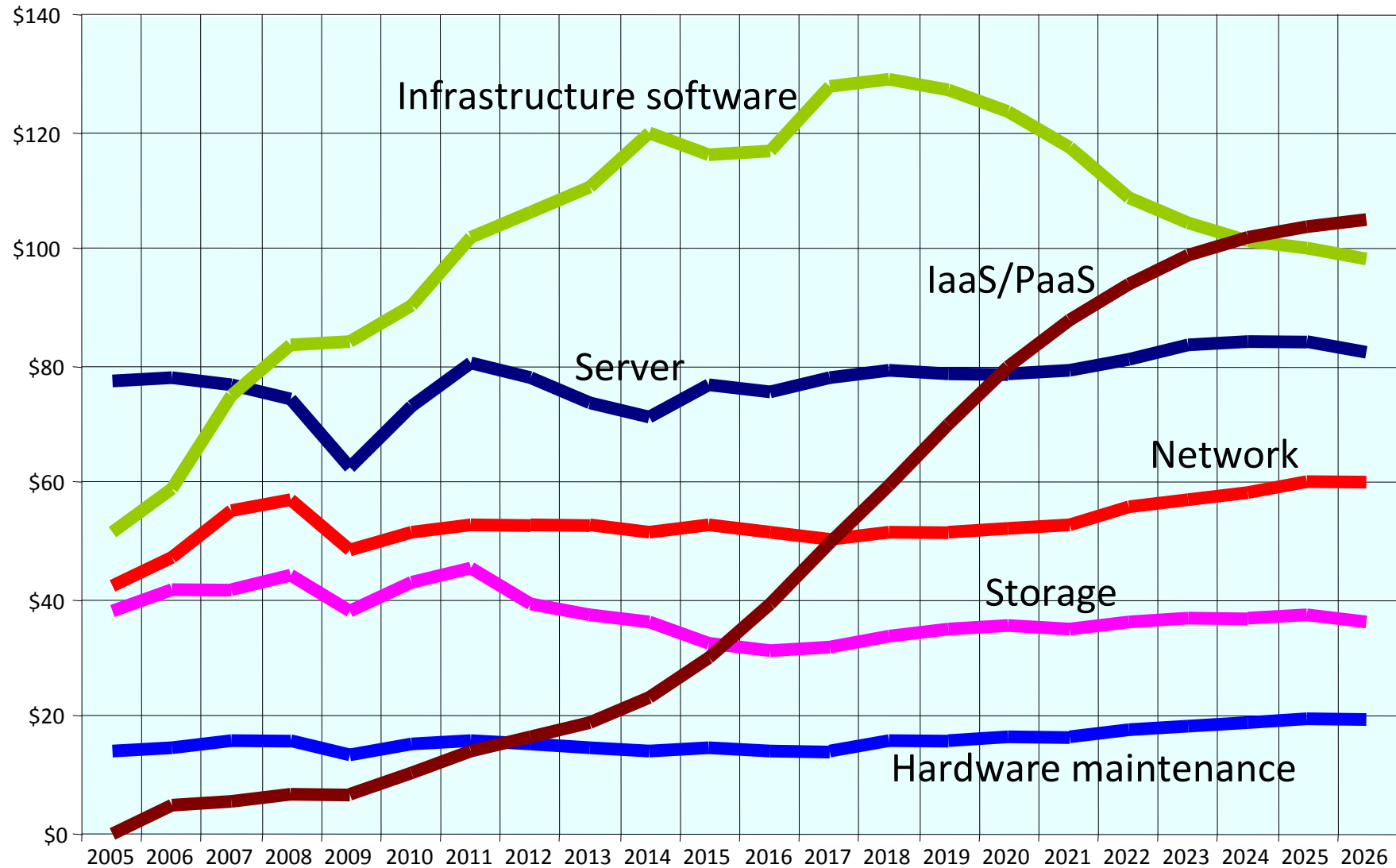


# New forecast parameters

- Vendor consolidation – will continue especially among component suppliers creates stochasticism
- New nationalism – lower tax rates in the US, trade wars, Brexit, Catalonia, etc.... requires new 'glocal' thinking
- Data protection - GDPR and similar laws will limit digital exploitation
- Security vulnerabilities - Spectre, Meltdown and others require extra processing
- Centralisation – economies of scale based on easier, reliable comms
- Cap Ex v Op Ex – varies with the state of the economy
- Skills and generations – making things less technical (CI, HCI, cloud, etc.)



# Data center spending forecast (\$ billion) by offering and year – 2005-2026



## *plus ça change, plus c'est la même chose*

- New things
  - The largest CSPs 'make' their own systems
  - The rise of regional/country cloud suppliers, who use more standard hardware
- The same
  - Cisco, HPE, Dell EMC, IBM and others will continue to produce hardware to service

# More information

- Visit [ITCandor.com](http://ITCandor.com)
- Contact [info@itcandor.com](mailto:info@itcandor.com)

The screenshot shows the ITCandor website with a navigation menu (Home, Blog, Press, News, Methodology, Offerings) and a prominent orange banner for 'Cloud Service'. The main content area features a blog post titled 'Servers – new processor growth and the American bias' dated April 9, 2018. Below the title is a line chart titled 'Server revenues (\$US billion) by region – 2005-2017'. The chart tracks three regions: Americas (blue line), EMEA (red line), and Asia Pacific (magenta line). The Americas region shows the highest revenue, peaking around \$300 billion in 2017. EMEA and Asia Pacific follow, with EMEA reaching approximately \$280 billion and Asia Pacific around \$240 billion by 2017. A sidebar on the right includes a newsletter subscription form, a 'Categories' dropdown menu, and a 'ITCandor tweets' section featuring a tweet from @mHingley about IoT devices. A search bar is also visible at the bottom of the main content area.

Year	Americas	EMEA	Asia Pacific
2005	280	220	200
2006	290	230	210
2007	280	220	200
2008	240	180	160
2009	260	200	180
2010	280	220	200
2011	290	230	210
2012	280	220	200
2013	290	230	210
2014	280	220	200
2015	290	230	210
2016	280	220	200
2017	300	280	240