

EXCERPT

IDC MarketScape: Worldwide Datacenter Infrastructure Management (DCIM) 2011 Vendor Analysis

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IN THIS EXCERPT

The content for this excerpt was taken directly from the IDC MarketScape: Worldwide Datacenter Infrastructure Management (DCIM) 2011 Vendor Analysis by Katherine Broderick (Doc # 232449). All or parts of the following sections are included in this excerpt: IDC Opinion, In This Study, Situation Overview, Future Outlook, Essential Guidance, and Synopsis. Also included is Figure 2.

IDC OPINION

IT and facilities are simultaneously experiencing unprecedented pressure to keep the business up and running. Over the next five years, new deployment models such as cloud, outsourcing, hosting, colocation, and traditional IT will challenge the datacenter's typical mode of operation. Efficiency, availability, and cost remain as the unattainable balancing act in the datacenter today. To add to this confusion and management conundrum, facilities and IT have not come together as they ought to. It seems that perhaps more than ever facilities goes one way and IT goes the other. It is imperative that as these deployment models permeate datacenter environments there is some level of orchestration keeping power, cooling, space, servers, networking, and storage in equilibrium. Datacenter infrastructure management (DCIM) is meant to perform this orchestration for space, power, and cooling in the datacenter, respective of IT systems' changing requirements. However, the process of choosing a DCIM vendor is becoming increasingly complex as well. In the past two years, over 20 companies claiming some level of capability and strategy have entered the DCIM market. This IDC MarketScape is meant to simplify the process by identifying key success criteria (both for today and for the future) and ranking DCIM vendors against those criteria. Key takeaways include:

- ☒ **There are a number of vendors on the cusp of DCIM.** From computational fluid dynamics (CFD) to structured cabling to pure IT and facilities vendors, there are quite a few companies that can perform part of a true DCIM player's roles. However, IDC believes that the true value of DCIM is in bringing together facilities and IT to address concerns in the datacenter around space, power, and cooling.
- ☒ **DCIM is still rapidly evolving.** Even as IDC was formulating this MarketScape, the landscape was changing. New partnerships, product capabilities, and even the players themselves continue to take shape. However, this is no reason to

wait to adopt DCIM because a lack of knowledge and orchestration in the datacenter is a threat to efficiency and availability daily.

- ☒ **Most buyers and providers need to look for a balance between ease of use and functionality.** Today's DCIM providers' products almost fall into two categories — those that serve the enterprise well but are not easy to use and those that serve the small to medium-sized datacenters and are simple to deploy and manage. Buyers and providers alike need to be aware of this trade-off and plan accordingly.
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IN THIS STUDY

This IDC study uses the vendor assessment model called IDC MarketScape. This research is a quantitative and qualitative assessment of the characteristics that explain a vendor's success in the marketplace and help anticipate its ascendancy.

This study assesses a number of vendors participating in the datacenter infrastructure management market. This evaluation is based on a comprehensive framework and set of parameters that assess vendors relative to one another and to those factors expected to be most conducive to success in this market during the short and the long term.

This study is composed of two key sections. The first is a definition or a description of what characteristics IDC analysts believe make a successful DCIM vendor. These characteristics are based on more than 10 in-depth interviews with DCIM buyers and key analysts' observations of industry best practices and were defined in consultation with many of the leading DCIM vendors in the market.

The second part of this study is a visual aggregation of multiple vendors into a single bubble-chart format. This display concisely illustrates the observed vendors in the DCIM market. The strategies axis represents a three- to five-year span and future perspective, while the capabilities axis represents current product and go-to-market execution.

In this IDC MarketScape, the market revenue of each vendor is indicated by the size of the circle representing the vendor. The plus, minus, and neutral symbols next to each vendor's name in parentheses indicate whether that DCIM seller is gaining, losing, or steadying, respectively, its current market share.

Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions and interviews with market leaders, participants, and end users. Market weightings are based on user interviews and the input of a review board of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions, on the IDC MarketScape, detailed interviews with the

vendors, publicly available information, and end-user experiences in an effort to provide an accurate and a consistent assessment of each vendor's characteristics, behavior, and capability.

Definitions

Datacenter infrastructure management (DCIM) includes planning, management, and optimization software and services for space, power, and cooling within the datacenter. This software and these services typically focus on the intersection of facilities and IT systems to create a datacenter-wide view. For a product to be considered DCIM, it must see at least one component on the IT side (virtual machines, server, storage, network equipment) and one component on the facilities side (cooling, power distribution unit [PDU], uninterruptable power supply [UPS], sensors, generators), although it may see many more than one on each side. This market does not include proprietary software whose singular goal is the monitoring of a single product. Within this market, revenue may be recognized for services or software:

- ☒ Software revenue is revenue associated with the purchase of packaged software itself. Therefore, the software revenue data includes license, lease, "as a service," and subscription-based revenue of packaged (not custom) software for the purposes of datacenter infrastructure management. Revenue is counted in the calendar year that it is recognized. An example of software that is not counted would be software sold as part of the hardware. In other words, if a computer room air conditioner (CRAC) is sold with some product-specific software on board, this is not considered DCIM.
- ☒ **Services revenue** is revenue associated with scoping, deploying, updating and supporting the software. Services revenue does not include consultative services for datacenter design or other services not in direct support of the software or the sale of the software.

This market is considered to be a competitive market that represents a portion of revenue in existing IDC software functional markets (see *IDC's Software Taxonomy, 2010*, IDC #222023, February 2010). DCIM represents a portion of the following existing software functional markets:

- ☒ Enterprise asset management
- ☒ Change and configuration management
- ☒ Event management

Under *IDC's Worldwide Services Taxonomy, 2011* (IDC #226877, March 2011), DCIM's corresponding services are considered to be a cross-functional solution services market, not a foundational market. These services fit under the datacenter site and facilities services.

For a product to be considered DCIM, it does not need to monitor or report on all of the disparate systems in the datacenter. At a minimum, DCIM needs visibility into metrics and statistics generated by at least one of the following IT systems:

- ☒ Servers
- ☒ Storage
- ☒ Network equipment
- ☒ Virtual machines

DCIM also needs visibility into metrics and statistics generated by at least one of the following facilities systems:

- ☒ PDU
- ☒ UPS
- ☒ Cooling
- ☒ Sensors
- ☒ Generators
- ☒ Racks

SITUATION OVERVIEW

Datacenter infrastructure management has been around in the datacenter for a few decades; however, it is just recently that the market has ballooned with new players employing innovative approaches to facilities and IT management within the datacenter. This explosion in activity over the past two years has caused reverberations throughout the IT, facilities, building management system (BMS), and consulting services markets. DCIM is currently an emerging and fast-moving market with lots of disparate components.

Introduction to DCIM

DCIM is really about bringing together the worlds of facilities and IT in a software solution that stresses availability, efficiency, and cost savings. There are many reasons datacenter managers would choose to employ DCIM in their datacenter(s):

- ☒ **Availability.** In IDC studies of datacenter managers and their behavior, availability is often the key driver for decision making. The truth is that if a server, system, or datacenter goes down, the managers' employment is in jeopardy. Anything, whether software, hardware, or services, that can help managers obtain more uptime is something they would be interested in.
- ☒ **Efficiency.** Although green IT and carbon emissions are considered driving forces in the datacenter these days, IDC pushes datacenter managers and the general DCIM market to consider efficiency in a broader context. Of course efficiency does apply to energy, but there are equal concerns around efficiency in terms of people, processes, operations, costs, and the business. In many cases, the broader use of the term efficiency resonates more with datacenter operators than a stricter focus on carbon and green IT.

- ☒ **Cost savings.** DCIM has the potential to save datacenter operators millions of dollars in terms of time, energy savings, downtime, inefficient workflows, deferred capital spending on retrofits and new construction, and myriad other ways. The business case always must be made for a new or upgraded purchase. As with any other product or service, DCIM needs to hit the mark here to succeed.

FUTURE OUTLOOK

IDC MarketScope: Worldwide Datacenter Infrastructure Management

The IDC vendor assessment for the datacenter infrastructure management market represents IDC's opinion on which vendors are well positioned today through current capabilities and which are best positioned to gain market share over the next three to five years. Positioning in the upper right of the grid indicates that vendors are well positioned to gain market share. For the purposes of discussion, IDC divided potential key strategy measures for success into two primary categories: capabilities and strategies.

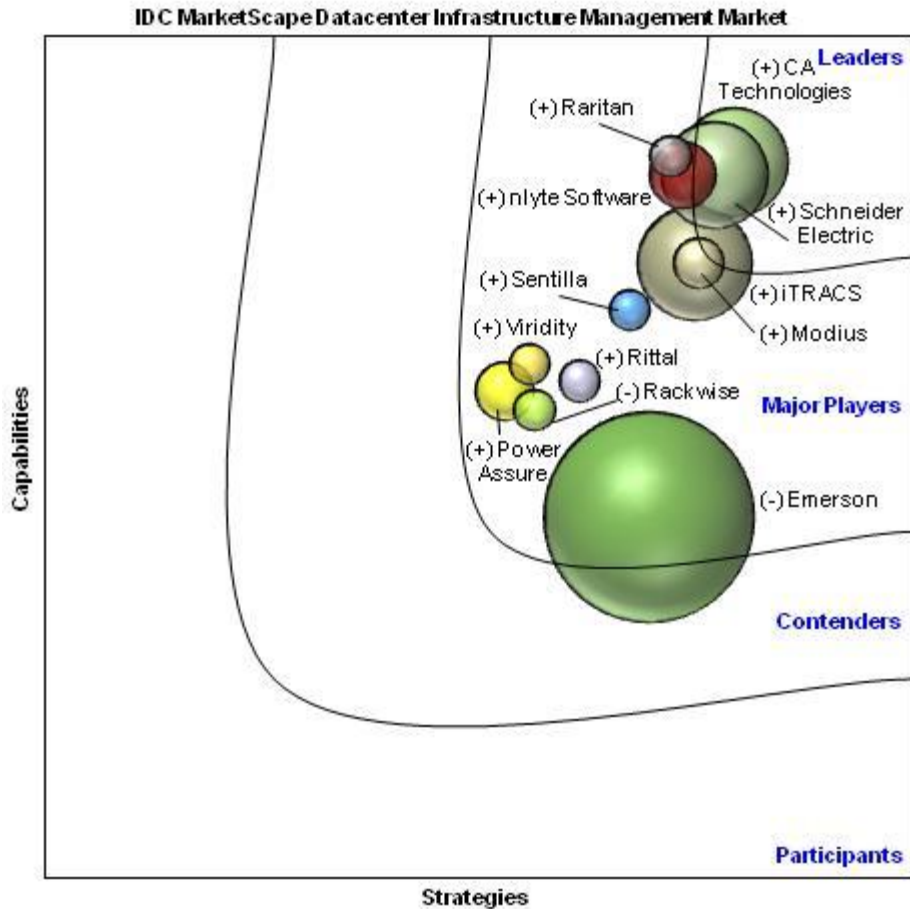
Positioning on the y-axis reflects the vendor's current capabilities and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and the product today, here and now. Under this category, IDC analysts look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis or strategies axis indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level strategic decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the future, in this case defined as the next three to five years. Under this category, analysts look at whether or not a supplier's strategies in various areas are aligned with customer requirements over a defined future time period.

Figure 2 shows each vendor's position in the vendor assessment chart. A vendor's market share is indicated by the size of the bubble, and a (+), (-), or (=) icon indicates whether or not the vendor is growing faster than, slower than, or even with, respectively, overall market growth.

FIGURE 2

IDC MarketScape: Worldwide Datacenter Infrastructure Management Vendor Analysis



Source: IDC, 2011

Vendor Summary Analysis

iTRACS

iTRACS, founded in 1987 and headquartered in Oak Brook, Illinois, was initially focused on connectivity and asset management. In October 2009, iTRACS introduced its Converged Physical Infrastructure Management™ (CPIM™) solution with interactive 3D visualization. Visibility is both 3D and real time within CPIM and this visualization capability is a significant strength and differentiator of the iTRACS solution. It helps turn complex data about interconnectivity into meaningful and actionable information that can be used for knowledge-based decision making. In addition to viewing the current spatial relationships of all assets, the product offers the

ability to view future relationships. The visual and predictive “what if” capability is a powerful tool for risk avoidance, forecasting and capacity planning.

iTRACS emphasizes the analytics and management toolset of its CPIM solution. With CPIM, users can dynamically manage physical assets via comprehensive toolkits and automated workflows, thereby eliminating manual steps which often can induce errors and delay problem resolution. The visibility provided via CPIM as well as its analytic and management capabilities allow users to optimize many aspects of their data centers including power, space and asset lifecycles.

iTRACS has a global user community with installations throughout North America, Western Europe, Eastern Europe, the Middle East, Asia Pacific, and Japan. The product is licensed for on premise use and primarily sold through a direct sales force. iTRACS will offer commercial terms for clients who are seeking SaaS-like economics. The company has experienced year-over-year top line revenue growth for its past two fiscal years. In Fiscal 2011 (ending September 31, 2011) iTRACS recorded top line revenue growth greater than 40%.

According to IDC analysis and buyer perception, iTRACS is an IDC MarketScape Major Player worldwide. The company performed well in criteria regarding business strategy and capabilities — in particular, its innovation, funding, and employee management scored high. IDC finds that iTRACS provides a very capable product that fits well with larger, more advanced datacenter environments. It has very talented employees, great marketing, and a sound financial base.

iTRACS employs a four-phase methodology when working with clients. The methodology is known as iTRACS Customer Value Lifecycle™ - Value Enabled™ and the four phases within are identified as Discover, Plan, Empower, and Optimize with the term Value preceding each name. Each phase builds on prior steps with the goal of creating a continuously expanding cycle of strategic business impact. IDC believes that this comprehensive approach does provide the basis for the holistic view of the management of the physical infrastructure. It offers a means to converge people, processes, and technologies and ensures that all stakeholders can access the same information in real time and that the information is actionable.

The CPIM product, more than iTRACS competitors' products, is reliant on services. It was this difference that led to iTRACS scoring lower in this evaluation in criteria about offering strategy and capabilities — specifically its delivery model and cost competitiveness. IDC finds that creating a visualization and inventory as detailed as iTRACS' takes time and work, but it is worth it for many datacenter operators. One reason is data integrity. IDC recognizes that data integrity is critical to the effectiveness of any DCIM tool in managing physical infrastructure. When data integrity issues (poor or incomplete data) are not handled efficiently, it can affect implementation cycles and exacerbate professional services costs. The Customer Value Lifecycle™ methodology has been created by iTRACS to mitigate this risk and ensure that deployment is event-free and cost-effective. As a result of the methodology, the customer exits deployment with complete data integrity and related professional services costs are effectively managed. iTRACS is partnering with regional and global systems integrators to expand its professional services capabilities for clients.

IDC anticipates that iTRACS, building on its current capabilities in analysis, management, visualization and connectivity, will evolve over the next few years.

ESSENTIAL GUIDANCE

Advice for Datacenter Operators and Buyers

Guidance for IT and facilities groups considering using DCIM software or deciding which vendor to choose is as follows:

- ☒ **Internal audit first.** This is important to figure out holes in the current internal toolset and what is most needed. Are the attributes outlined in this document important to your organization or not? What would the payoff of each attribute be for your organization, as opposed to "neat" or a "nice to have"?
- ☒ **Get facilities and IT together for the DCIM effort.** Bringing the two groups together can help for funding the purchase, increasing availability, and making sure that the datacenter is getting the most out of DCIM software. It is also a best practice for IT and facilities to work together in the datacenter so that IT is aware of the power and cooling it is using and facilities is aware of the IT it is supporting.
- ☒ **Balance the breadth and depth of the offering versus ease of use and ongoing maintenance.** IDC found in its MarketScape research that many vendors can perform amazing functionality and comprehensiveness, but the ongoing maintenance and back-end work is considerable. On the other hand, if the IT and facilities groups are looking for basic features and functionality, that can be performed by some DCIM vendors with little services and ongoing maintenance costs.

Advice for DCIM Providers

Guidance for DCIM vendors considering their long-term strategy and efforts to gain market share is as follows:

- ☒ **Make DCIM easy to use, deploy, and maintain.** If the DCIM product is geared toward small and medium-sized datacenter environments, it is vital that DCIM vendors make the purchase, setup, and ongoing maintenance simple. On the other hand, if DCIM will be used to automate and control a complex environment in real time, be prepared to offer services with the product itself to provide an easy setup for the in-house IT department. Ongoing maintenance in the form of services is not appreciated by datacenter operators and buyers.
- ☒ **Be prepared to educate during the sales process.** Many customers are still discovering the power of DCIM and what its capabilities are. Vendors need to be prepared with education materials as well as competitive positioning. Proof of concepts is still common in the DCIM market, and that is an indicator to IDC that DCIM is still in the early-adopter stage. IDC heard more than one horror story during the IDC MarketScape vendor assessment process from buyers around the

vendor not educating them enough on naming conventions and "rack and stack" procedures.

- ☒ **Know where your company stands among the competition.** The DCIM market is bubbling with activity, and new competition is entering the market regularly. In addition, IDC is seeing many new partnerships and acquisitions. This turbulence is making DCIM vendors' knowledge of their surroundings vital. Customers' first concern will be to learn more about DCIM, and their second concern will be why they should go with one vendor versus another.

Synopsis

This IDC study introduces the vendor assessment model called the IDC MarketScape to the worldwide datacenter infrastructure management (DCIM) market. The methodology behind this model uses both quantitative and qualitative assessments of vendors' characteristics that explain success in the marketplace and can help anticipate vendors' ascendancy. This study covers a variety of vendors that provide DCIM software and solutions. This evaluation is based on a comprehensive framework that assesses vendors across a wide variety of technical and operational criteria, weighted by factors IDC believes are the most influential today and will be the most influential over the next three to five years.

"Datacenter infrastructure management is rapidly evolving within the datacenter and is expected to increase uptime, cut utility bills, and reduce waste. Today's internal datacenter operators and service providers are being pushed to compete with each other in terms of availability, cost, and efficiency. Datacenter infrastructure management software and services can help achieve this trifecta simultaneously and keep the datacenter in continual balance," said Katherine Broderick, senior research analyst, IDC's Enterprise Servers and Datacenter Trends.

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