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Inspire the Next

Hitachi Vantara heralds Flexible Finance, Customised SLAs, as Business eyes "Better than Cloud" flexibility

Like it or loathe it, the cloud has changed the IT procurement game. Businesses see the ability to wash their hands of their own data centres/hardware stacks and run applications on a pay-per-use basis, in someone else's well maintained and generally resilient infrastructure.

For many, of course, upgrading their IT systems is far from this simple however: regulatory requirements, the existence of mission critical applications running on entrenched hardware ("if it ain't broke, don't fix it") or a mix of deployments is still simply "hands-on" cultural demands mean typically more common than "all-in" shifts to SaaS or IaaS. Yet business leaders eyeing system modernisation, cloud or no, still want to avoid lock-in and to improve agility: even for services or systems running from their own dedicated sites.

Their eyes are, in no small part, on avoiding unnecessary capital expenditure, but also on the extent of the great unknown: for many CIOs, after all, it is still unclear just what kind of on-premises presence (servers, storage, etc.) is going to be required as they assess the balance of their hybrid footprint – and indeed quite what their cloud bill is going to be; poorly managed, the cost of running applications in the cloud can catch businesses by surprise.

To the surprise of some CIOs, what they can get is actually far more flexible than they may have imagined – with vendors going out of their way to offer hugely adaptable packages; built around consumption-based models that let customers commercially align technology expenses with enterprise usage: in short, to pay only for the services they use.

REALIZE THESE BENEFITS

A Smarter Way To Consume

Consumption-based pricing for a pay-as-you-go approach for your data center investments

SLA backed Services

Guaranteed availability of IT services backed with SLAs from Hitachi Vantara

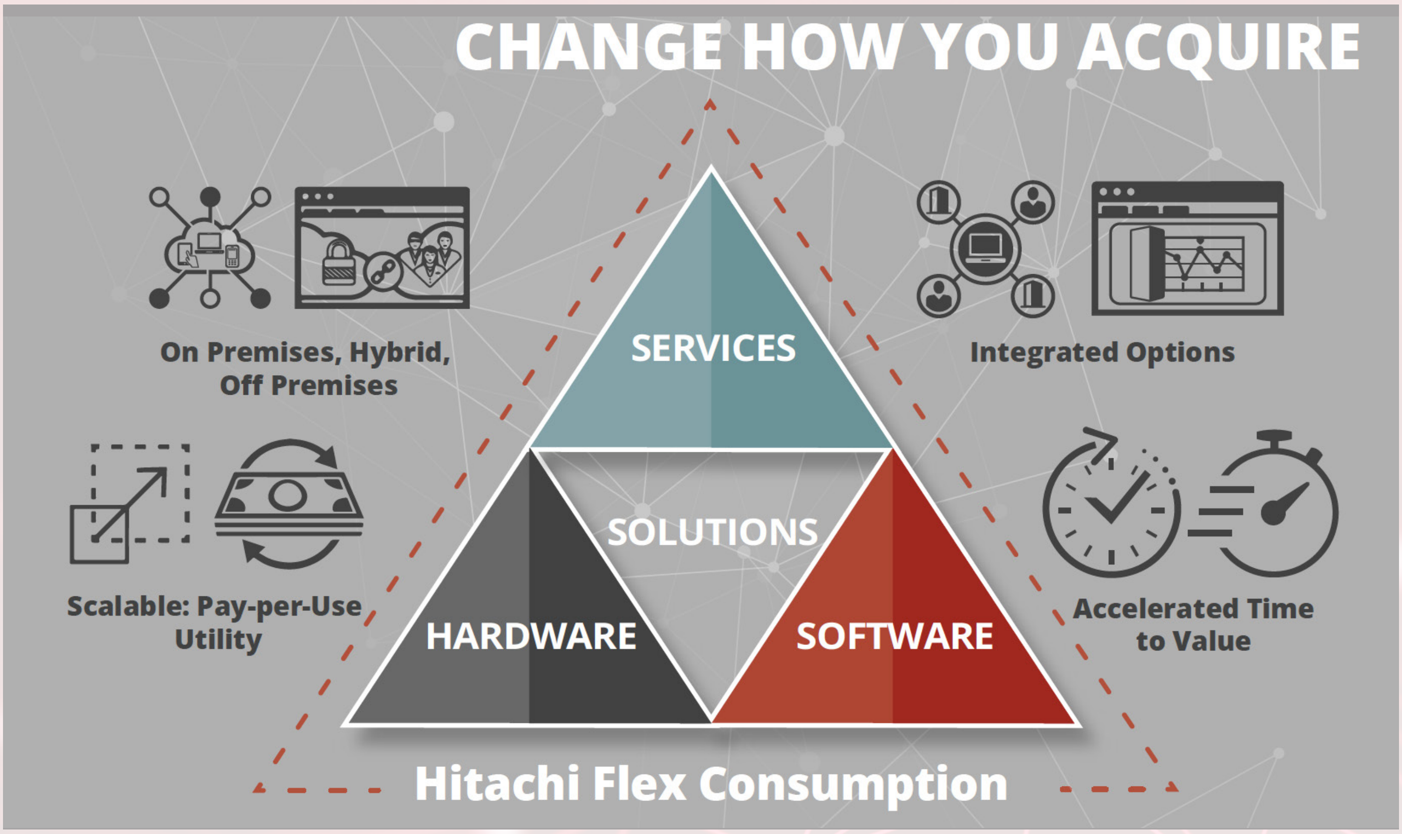
Aligns Cost to Business Need

Scale up or scale down as business demands change to keep IT costs in line with what the business needs

Hitachi Vantara, which offers a sweeping array of products and services based on this kind of consumption, says CIOs are often surprised at the flexibility available to them. It rolled out Hitachi Flex Consumption in 2019 and says it has seen a surge of interest as awareness grows of the depth of its offering – which spans everything from storage products to remote monitoring services to fully managed IT service delivery.

The ability to adjust Service Level Agreements (SLAs) has been centrally to that popularity. As product manager Neil Lewis told Computer Business Review (CBR): "We have a standard set of SLA's covering availability and service management - however our flexible approach allows us to offer back-to-back SLA's (where appropriate) with our customer.

"As an example a global IT system integrator (SI) who provides IaaS to their end customer may contract for storage as a service from Hitachi – we could adapt our SLAs, in terms of measurement, thresholds, and penalties to map 1:1 to the SI's customer agreement. This would provide a seamless and low risk means of the SI providing storage services to their end customer. Our as-a-service offerings are very popular in the global integrator community for this reason, 50% of all systems deployed are via a partner under this type of agreement."



Hitachi Vantara, of course, is not alone in offering this kind of pay-per-use style of procurement for customers, but it does do something compellingly different in meeting customers on what they need with very bespoke commercial offers.

As Neil Lewis explains: "This could be an asset buy out of Hitachi or non-Hitachi kit, or the Hitachi funding of the transformation required to get to future mode of operation. We have a comprehensive IT economics function which we use to build a current mode of operation cost forecast, to enable a comprehensive business case for change to be built.

That can extend to buying customers out of existing deals: "We have an appetite to grow our customer base in the right verticals and strategic areas of interest, to do this we are open to buying back assets from other vendors in order to create a compelling business case for change. As an example a customer with 50 assets providing a federated IT landscape where there was a business case to consolidate to bring about savings may be constrained by the fact there is two-years' depreciation remaining on the current assets.

"There is clearly a case for change, as the saving resulting from consolidation is 40+ percent, however the write down (in-year) of the existing assets would be unpalatable. He adds: "Hitachi could buy back those assets for the customers NBV therefore removing the obstacle to change, deploy new consolidated systems and smooth transformation costs over the term of a new agreement delivering a saving from day 1 of the new term."

The ability for customers to come to a vendor and have this kind of service laid on for them may make eyeballs pop out in some quarters, but these are changing and competitive times, and to succeed companies like Hitachi Vantara need to evolve.

As Neil Lewis notes: "Many customers are planning an eventual migration to the public cloud, however the timing for this is often unclear and the level of application change needed to support is also uncertain. During this period of uncertainty there is still a need to maintain an enterprise datacentre which is often supporting more workloads than ever before.

"Our approach to this is two-fold: firstly, technically providing solutions which offer some of the public cloud type attributes of self-service, automation and mode-2 operations, therefore providing the public cloud experience on-premises. Secondly our flexibility commercially allows the customer to support not only ramp up of workloads on a flexible basis but also ramp down. Therefore in two to three years, when their cloud strategy delivers migration of on-premises workloads to the public cloud, the costs for the on-premises landscape will reduce freeing up spend for the public cloud usage."

Nothing here, in short, is a zero-sum game. And getting the right package simply starts with opening a conversation.