

Networking: Storage-software sales soaring

July 25 2005

Sales last quarter rose substantially at major developers of networking and storage software -- SAP, EMC and Microsoft, among others -- as companies purchase software to maintain the privacy of customer and patient records and comply with government mandates, experts told UPI's Networking.

"Several things are driving this trend, but mostly increased regulation is fueling compliance," said Carol Arnold, a spokeswoman for AmeriVault in Waltham, Mass., a maker of data-protection products. "Components of Sarbanes-Oxley, SEC 17a and others call for increased and better storage."

AMR Research in Boston, an IT consultancy, recently released findings indicating that U.S. companies alone will spend \$15 billion on technology products this year to comply with new government regulations intended to reduce corporate fraud and mismanagement -- frequent conditions during the stock market dot-com bubble of the late 1990s. Late last week Microsoft reported its fourth-quarter earnings had increased by 38 percent and overall sales rose at the highest percentage rate in nine months. Net income increased to \$3.7 billion from \$2.69 billion a year earlier, the company said in a statement. Sales for the quarter rose 9.4 percent to \$10.16 billion. More than \$2.5 billion of those sales came from enterprise -- or company-wide network -- software contracts.

SAP AG in Berlin, the German database software maker, said late last week its second-quarter sales were up by 16 percent. Net profit at the

company rose to \$351 million, including market-share gains against rival Oracle.

EMC Corp. in Hopkinton, Mass., a maker of storage technology, reported last week its earnings increased 52 percent for the second quarter, which ended in June. The company earned 12 cents a share, or \$293 million, last quarter, an increase from \$193 million a year earlier, and overall sales increased 19 percent to \$2.34 billion from \$1.97 billion. EMC also released what purportedly is the fastest and most scalable high-end storage array in the world, capable of providing leading functionality while scaling to one petabyte (1,024 terabytes) of capacity, demonstrating it expects the trend to continue. Technology development likely will continue to fuel the trend for years to come -- beyond the basics required in the federal regulations. According to Greg Hartzog, who leads the storage practice at Optimus Solutions, an IT consultancy in Norcross, Ga., more than 90 percent of document-storage management today is done using Microsoft Excel spreadsheets. Furthermore, current storage-management systems do not offer much more than Excel, he said. Storage-management software tells how much a disk is being used by a server and how much storage is allocated to which server, Hartzog explained, but you cannot tell what drive letter goes to what disk array. In the future there will be more integration between disk arrays and servers. Network attached storage -- also known as NAS -- will be the next technology trend to enhance the ability to store information. This includes NAS gateways, disk arrays, disaster recovery, storage area network switches, Internet Protocol storage area networks and the like. "NAS heads today don't interoperate with other vendors; in the future, the NAS end will interface into other vendor's boxes," Hartzog said. Other network-related trends currently fueling corporate growth include Voice over Internet Protocol and network security. "Whether IT companies like Microsoft are directly involved in these advanced technologies, or are simply supplying additional software and hardware for the expansions these technologies

are driving, the end result is the same -- growth," said Frank Kobuszewski Jr., vice president of technology solutions at Cxtec in North Syracuse, N.Y., a reseller of information technology.

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