

STORAGE APPLIANCES ADOPTION TRENDS

Storage appliances represent today's enterprise solution to mounting data storage needs, but will adoption among the more than 20 million American small businesses follow suit? As more affordable and robust servers and storage appliances emerge to meet their unique needs, small businesses stand to benefit greatly from new ways to store and share data.

Small businesses still rely heavily on disk space on end-user desktop computers to store shared files. Today, almost half of them use a server or dedicated machine as a common data store for network users and 11% use network attached storage appliances (Chart 1).

The majority of small businesses (53%) see the importance of digital data growing in their future (Chart 2), fueling continuing growth in demand for storage systems. In parallel, the popularity of storage appliances is growing with 22% of small businesses planning to purchase one or more within the next twelve months (Chart 3).

The preferred backup methods among small businesses are external hard disks (43%) and writable CDs or DVDs (29%), indicating that data backup is still a tactical task for this market, often performed by the end-user. Only 10% of respondents already utilize network attached storage as their primary back-up storage (Chart 4).

Compared to anecdotal data, it is surprising that almost half of all respondents use encryption to protect at least some of their data (Chart 5). This reflects a proactive approach in response to growing concerns about information theft and the consequences that privacy breaches may have on the business. Storage appliances with built-in encryption features are particularly well suited to respond to these growing concerns.

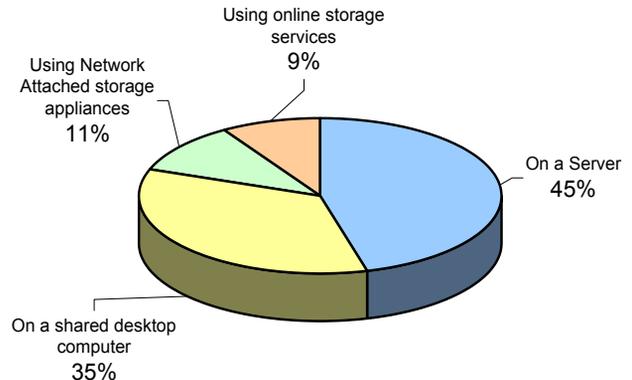
The consensus seems to be that storage appliances are still only marginally adopted in the small business markets, mostly because of cumbersome setup procedures, limited security features and a lack of wireless connectivity (Chart 7).

There is significant potential for deep adoption of this technology, and it is clear that the evolution of these devices has just begun. Storage appliances will play a primary role in the years to come, but small businesses are clamoring for solutions that are simpler, more connected and inherently secure.

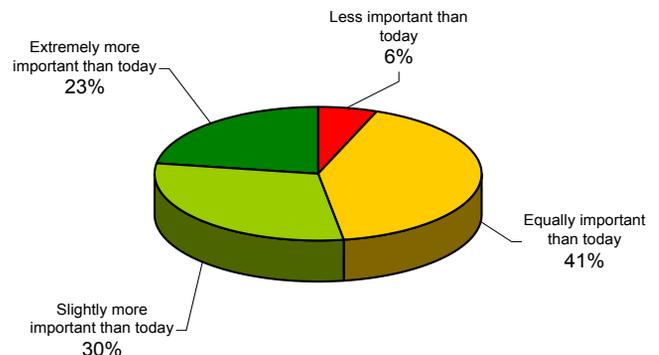
- Andrea Peiro, CEO and Founder, Small Business Technology Institute. Contact him at andrea@sbtechnologyinstitute.org

Data is based on a February 2007 survey of 422 U.S. businesses with 100 or fewer employees. CI 4.77% at 95% CL.

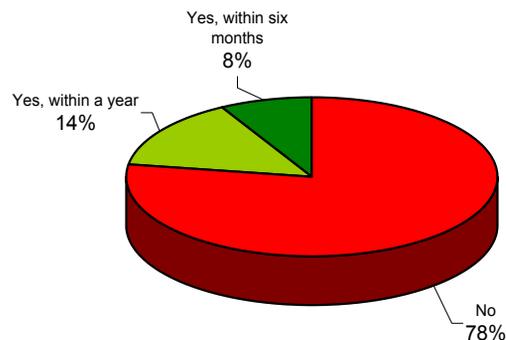
1. How does your company store shared data?



2. Will the function of storing and protecting digital data become more or less important to your company in the next year?

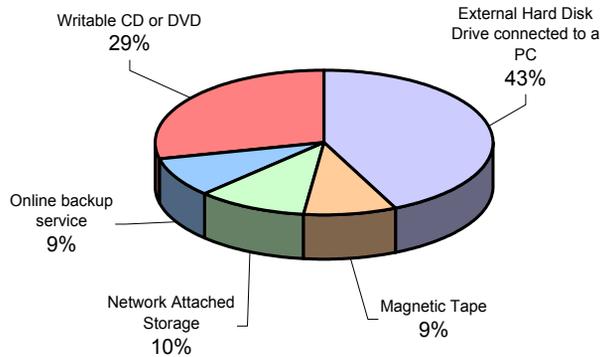


3. Is your company considering purchasing Network Attached Storage appliances in the near future?

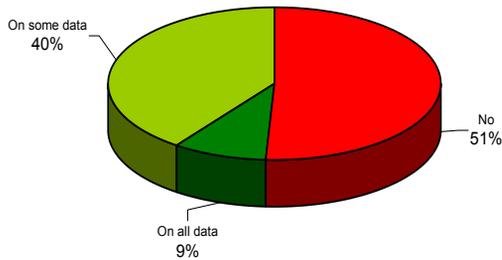


... small businesses stand to benefit greatly from new ways to store and share data.

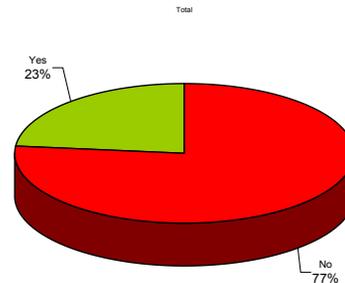
4. What is the primary way your company backs up data?



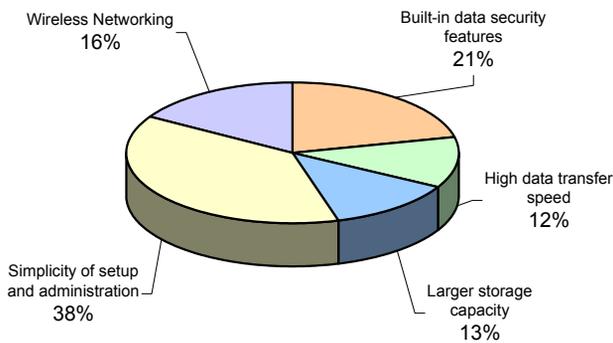
5. Does your company use encryption to protect its data?



6. Is the data stored on your company's notebook computers encrypted?



7. What would you value the most in the next generation of external storage devices?



VIEW THE FREE SNAP INSIGHT WEBCAST
sbtechnologymagazine.org/snap

Learn more about our report sponsor at intel.com/smallbusiness



Snap Insight is a sponsored research service that delivers concise, comprehensive knowledge on the adoption and use of information technology among small businesses. It's the most powerful way for technology providers and market influencers to get the pulse of this dynamic market and raise awareness about the issues that matter.

View the archives or learn about sponsoring an upcoming Snap Insight report
sbtechnologymagazine.org/snap