Hitachi EverFlex with Cisco Powered Hybrid Cloud: Delivering Exceptional Business Value for Converged Infrastructure-as-a-Service

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Executive summary: It's all about business outcomes

If there's one word that summarizes the challenges that both business and IT leaders face, it's "unpredictability." In a volatile market environment, initiatives put in place to meet today's challenges may be inadequate to meet tomorrow's. In response, companies must build an unprecedented level of agility into their business to achieve sustained viability.

No one likes unpredictability—not leaders, not employees, not customers, and certainly not shareholders. To deal more effectively with unpredictability, an increasing number of companies are pursuing managed services for their IT infrastructure. Done properly, it's a pretty good deal. A managed services provider takes over IT management and offers extremely high levels of service delivery. One of their core capabilities is adapting quickly to IT change, so you can more readily rely on the provider to help you be agile in the marketplace.

The best providers today no longer focus only on the mechanics of delivering outsourcing capabilities around a product or set of products. Instead, their success is measured by how well they deliver on agreed-to business outcomes. Managed services is not just about IT delivery; it's also about sustained business value.

Managed services from Hitachi Vantara and Cisco have a long history of successfully delivering converged infrastructure solutions to global Fortune 100 customers. These solutions not only meet stringent service level agreements (SLAs) but also provide dramatically improved business value to customers and partners alike across focus areas such as technology, financials, and labor. The new infrastructure-as-a-service solution can provide this value spanning the infrastructure by featuring:

- Significant reduction in total cost of ownership (TCO)
- Cloud-like consumption model
- Automation and orchestration featuring artificial intelligence (AI) and machine learning (ML)
- Reduction in risk and human errors
- Simplified customer experience
- Greater observability
- Alert correlation and reduction

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The importance of managed services

Delivering on business outcomes

The strength and continued rise of managed services are driven by companies' needs for IT value propositions that are business outcome-centric and that deliver measurable business value. Today, many companies want to consume IT capabilities very much like electricity or other utilities. Many companies feel less need to maintain a dedicated staff of their own IT technical experts. By shifting complexity and operational burdens to the managed services provider, IT administrators can accelerate their ability to deliver stronger technology solutions in a world where IT is increasingly being used to drive new business value.

In response to market challenges, the popularity of managed services is increasing dramatically. For example, according to research from Canalys, a leading global market research and analysis firm, total IT spending was forecast to grow 3.5 percent globally in 2023, while managed services was predicted to grow much faster—12.7 percent. Ninety-eight percent of providers surveyed expected similar growth to continue. A full 56 percent expected it to grow by more than 10 percent.[1]

The Canalys research identified four key trends in managed services:

- Flexible business models that can adapt to customer needs and market changes
- Helping partners diversify and differentiate
- Collaborating with other partners to solve customer challenges
- An increased pace in moving to recurring revenue models[2]

Cisco research confirms the growth of managed services. Over 1000 buyers were surveyed in 18 different countries and regions around the world. The study found a massive, US$161 billion global managed services total addressable market (TAM).[3]

Meeting today's IT challenges with managed services

Advanced IT capabilities, assets, and tools continue to be a differentiator for companies in the marketplace. However, fewer IT experts are available today for the essential tasks involved in running and maintaining the infrastructure of global enterprises. Whether managing a legacy IT infrastructure or operating new and complex systems, companies face many common operational and business challenges:

- Cutting costs in running and managing IT infrastructure
- Improving operations with automation, greater observability, and data-driven insights across the entire infrastructure
- Avoiding over-provisioning and over-buying of IT assets
- Evolving current IT capabilities to meet ongoing business demands
- Handling lower availability due to fluctuating downtimes
- Enabling in-house expertise and resources to focus on new technologies, systems, and innovations
- Dealing with increasing cybersecurity threats and regulatory compliance requirements that demand robust security measures and continuous monitoring

Failing to meet these challenges has several business implications. Notably, cost and capital expenditures may escalate. Additionally, inefficiencies in technology and resource utilization may arise, stifling workforce innovations and even introducing risks to business continuity. Unforeseen downtime and disruptions can lead to lost revenue, tarnished reputation, missed opportunities, and diminished customer satisfaction.

[1] 2023: The Big Shift to Managed Services, Cisco, September 2023
[2] 2023: The Big Shift to Managed Services, Cisco, September 2023
[3] Cisco Powered Services Overview for Partners

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Achieving measureable business impacts

For an increasing number of organizations, a managed services approach to running their IT infrastructure is an important part of their efforts to improve service performance, maximize operational cost efficiency, support profitable growth, accelerate time to market while maintaining security and control, and deliver measurable business impacts.
(For more service-based outcomes, see Figure 1.)

In addition to numerous operations benefits, Hitachi Vantara Managed Services deliver distinctive business outcomes:

- Achieve better ROI for agreed-to results with upfront, predictable unit pricing for flexible usage.
- Increase cash flow for business priorities.
- Enhance cost management by achieving a thorough understanding of service delivery and consumption, leading to more predictable expenses.
- Free up IT staff to focus on strategic initiatives and deliver a superior customer experience.
- Improve business agility introducing new capabilities and services more rapidly.
- Attain service delivery innovation by leveraging emerging best practices and solutions collaboratively developed and applied by Hitachi Vantara and Cisco to drive continuous improvements.
- Narrow the technology consumption gap between new technical functions and features and the actual usage by customers, optimizing the efficiency of deployed infrastructure.

Figure 1 Service-based business outcomes from Hitachi Vantara Managed Services

Hitachi EverFlex with Cisco Powered Hybrid Cloud

What we do

Bringing together Cisco compute, networking, and software with Hitachi technologies and services to deliver a world-class managed services experience, we enable businesses to capitalize on the benefits of on-premises and cloud environments through a hybrid cloud solution that brings together industry-leading technology with SLA-backed service delivery.

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Taking a hybrid cloud managed services approach means that Hitachi Vantara, powered by Cisco® technologies, assumes responsibility for maintaining a range of hardware, software, processes, and functions of your IT infrastructure, backed by contractually agreed-to service levels, metrics, and consumption-based pricing.

The key aspects here are the people and expertise. Supported by deeply knowledgeable solution and technology experts, and by advanced IT management tools and capabilities, Hitachi Vantara provides a range of services, including:

- Monitoring and alerting, capacity management, provisioning, and IT change management.
- Continuous improvements and innovation by applying automation and AI/ML technologies, and by leveraging leading practices.
- Use of predictive analytics of operational data to drive innovation and streamline delivery.

The service offers flexibility in deployment and is tailored to meet your unique needs. Different models are available for different business needs (see Figure 2).

The service also includes a broad range of standard features and options, and typically provides greater TCO reduction than traditional IT services and staff. This empowers businesses to concentrate on crucial initiatives, save money in the long run, and reallocate resources to strategic initiatives.

Where is the concrete evidence? A Forrester Total Economic Impact report quantified the benefits of consuming Hitachi Vantara Managed Services. They found that these services provide $25.88 million of value over six years compared with costs of $8.25 million, translating to an ROI of 214 percent.[4]

Delivering a cloud-like experience

Hitachi Vantara and Cisco's hybrid cloud solution can enable a cloud-like experience whether on-premises or in the cloud. The result is better data availability, hybrid cloud observability, and better operational and infrastructure efficiency, including the enablement of hybrid cloud automation.

The value to the business is increased agility, cost-efficiency, and operational excellence, which can ultimately contribute to improved competitiveness and profitability.

Figure 2 Options for consuming Hitachi EverFlex with Cisco Powered Hybrid Cloud

[4] The Total Economic Impact™ of Managed Services From Hitachi Vantara for XaaS (Forrester report)

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Benefits of Hitachi EverFlex with Cisco Powered Hybrid Cloud

Companies in search of leading managed services solutions have multiple desires and goals. Many need more cash flow available for business priorities or are looking for a significant reduction in TCO—often by as much as 30-40 percent. In certain scenarios, IT departments are required to elevate service levels and must improve the efficiency of IT operations and resources, cost-effectiveness, and predictability to stay within budget constraints. Here are the operational efficiency and cost reduction benefits:

- Achieve a fast and efficient operational transition, enabling a more effective business transformation.
- Streamline or eliminate time-consuming and resource-intensive tasks associated with technology updates and with maintaining a full-time IT staff and ensuring their continuous skills development.
- Achieve greater optimization, make smarter decisions, and provision faster.
- Reduce expenses: Pay based on consumption—agreed-to outcomes backed by contractual SLAs. Results include:
  - 40 percent reduction in TCO through infrastructure as-a-service (IaaS)
  - 30 percent cost savings in storage and backup
  - 5x improvement in time to provision
  - 42 percent outsourcing cost reduction

Client success stories: Delivering positive business outcomes with leading companies around the world

Hitachi EverFlex with Cisco Powered Hybrid Cloud have demonstrated a high degree of value with customers:

- For a utilities provider, we built a pay-as-you go hybrid cloud IaaS solution providing end-to-end digital transformation. Full automation resulted in a 5x improvement in time to provision workloads.
- For a consumer products company, we created a pay-as-you-go IaaS service covering storage, compute and back-up. The result was a 40 percent reduction in TCO.
- For a major national bank, we offered managed services for block/object storage with 100 percent SLA achievement over seven years. Benefits included a 7x capacity management increase and zero outages. The client also realized improved protection, tape backup replacement, and monitoring of storage and infrastructure.

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Joint managed services offerings from Hitachi Vantara and Cisco

Distinctive as-a-service offerings

Hitachi Vantara and Cisco offer several distinctive joint IaaS offerings and capabilities with hybrid cloud managed services:

Compute as-a-service: Subscription-based infrastructure solution that allows organizations to access compute resources (bare metal, virtual machines, containers, etc.) on demand without the need to invest in their own physical infrastructure.

- This includes a managed container/Kubernetes platform featuring industry-leading solutions such as Cisco Unified Computing System™ (Cisco UCS®) and Cisco Intersight®. It allows users to take advantage of management efficiencies and built-in infrastructure automation solutions which greatly expand the offering's reach while improving overall platform stability.
- **Storage as-a-service (StaaS)**: Subscription-based storage solution that allows organizations to access and use storage resources on demand without the need to invest in a physical storage infrastructure.
- **Data protection-as-a-service (DPaaS)**: Subscription-based service that provides businesses with comprehensive data protection and disaster recovery capabilities.
- **Network as-a-service (NaaS)**: This service is directly consumed in concert with either the CaaS or StaaS offerings. Managed networking is delivered on a consumption basis with Cisco networking equipment featuring top-of-rack Cisco Nexus® switches, fabric interconnects, and SAN fabrics via Multilayer Director Switch (MDS) switches.

Flexible consumption of commercial options

Hitachi Vantara's hybrid cloud solutions are now distinguished by being third-party certified as a Cisco Powered Hybrid Cloud service. Hitachi Vantara incorporates its market-defining EverFlex managed service capabilities, significantly differentiating it from the competition in several ways, including:

- **Pay-per use elastic consumption:** Expanding EverFlex offerings using Cisco technology provide a flexible, as-a-service solution with cloud-like consumption for hybrid and on-premises solutions.
- **Performance and SLAs:** Hitachi Vantara reliability engineering brings a long history of successfully delivering services to customers that are scalable, with high service levels, no unplanned downtime, and the flexibility to respond to business changes–all backed by Hitachi Vantara's 100 percent data availability commitment. SLAs of 99.99 percent or higher achieved across the entire stack instill customers with confidence and trust in these solutions for their critical applications.

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Conclusion

Distinctive, measurable business benefits from Hitachi EverFlex with Cisco Powered Hybrid Cloud

Companies face a host of challenges as they look to deliver greater business value from IT. Budgets are typically flat or diminishing year on year. Total cost of ownership is rising. Data costs are rising more than 200 percent per annum. Business systems and operating models continue to be complex.

What's different about the Cisco-Hitachi Vantara alliance? We offer a well-rounded combination of networking and storage capabilities, delivering a cloud-like experience whether on-premises or in the cloud. While competitors focus mostly on flexible IT consumption models, the Cisco-Hitachi Vantara alliance expands on that limited goal by providing a more tightly integrated and comprehensive solution that spans networking, compute, and storage, offering a holistic approach to hybrid cloud solutions. The emphasis on interoperability and performance optimization, as well as the inclusion of managed services, further positions the alliance as a robust and competitive option in the market.

Our services provide an answer to the unpredictability of today's marketplace and technology environment. We provide predictable availability, enhanced security, greater business agility, and cutting-edge innovation to meet the demands of a rapidly changing marketplace.

Call to action

To learn more about these Hitachi and Cisco managed solutions, please visit our alliance web site.

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