

NetApp Discontinues SMB Storage Line

DATE: 2009-02-06

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NetApp's decision to kill off its StoreVault product, targeted to the SMB market and sold through NetApp's channel partner solution providers, is raising eyebrows across the industry, and opening up opportunities for the storage giant's competition.

In tough economic times, it's not unusual for vendors to reevaluate their product lines and eliminate those that aren't performing well. But Network Appliance's decision to kill off its StoreVault product, targeted to the SME market, is raising eyebrows across the industry, and opening up opportunities for the storage giant's competition.

The StoreVault product line was launched in 2006 as a channel-only, small and medium enterprise-focused line. The S550 product was launched in April 2008, and in September 2008, NetApp changed the name to the S Family, and made the line more widely available to mainstream storage customers.

However, rumors began swirling when NetApp did not upgrade the products' functionality to include, for example, support for Windows Server 2008.

Paul Clifford, President and Founder of the Davenport Group, says he was surprised to learn the S Family products would be discontinued, but that in hindsight, he saw hints that the move was coming.

"There were indicators in the past, most obviously with upgrades that needed to happen with the product that they kept pushing off," Clifford says. He adds that despite these indicators, he's not entirely sure why the decision was made, considering the popularity of the product among solution providers.

"I just don't know what brought this about. The StoreVault was targeted to a broad-based customer segment and it was very successful for them," he says. Clifford adds that one possible reason for announcing end-of-life for the S family was the lack of a clear upgrade path from the S Family to higher-end NetApp storage products.

"There wasn't a clear upgrade to a lot of their other products, which was clearly a problem for end-customers and solution providers," Clifford says. "There wasn't a seamless migration path, which meant some customers got stuck."

Bruce Kornfeld, vice president of marketing for storage vendor Compellent, says many companies that sell to the midmarket use a go-to-market strategy that involves a mix of direct and indirect sales.

The StoreVault/S Family line was an attempt by NetApp to compete more aggressively through the channel, but that having to maintain technical support, bug fixes and ensure interoperability quickly became overwhelming.

"It's expensive to maintain a product line, and it seemed like solution providers were annoyed that it wasn't meeting customers needs – especially when the upgrade path was stalled," says Kornfeld.

Julie Parrish, NetApp's vice president of worldwide channel sales, says NetApp will focus resources on the vendor's FAS2000 platform, and will release "channel-only FAS2020 NetApp Select Bundles that will provide our MSE customers with enterprise level performance at a mid-market price point along with easier ordering options," Parrish says. She adds that NetApp will continue to support the current S family customer base into 2012.

By consolidating this product platform, NetApp solution providers will have what Parrish calls a more "market-competitive set of products based on NetApp's unified storage architecture," and also a more seamless upgrade path to higher-end NetApp storage products as customers' businesses grow.

But Clifford believes many NetApp solution providers won't see it that way, and will instead look to other vendors. He says many solution providers will feel betrayed after investing time and resources to deliver solutions based on the S family, and won't want to take a chance that NetApp will burn them again.

"The cost and time inherent in the process of building a new client, convincing them that certain products are the best fit for their needs is extensive,"

Clifford says. "If you went through all that only to have them discontinue the product – that's just unbelievable," he says.

Kornfeld says solution providers were shocked when the product was eliminated, since they'd invested so much into driving sales to their customers.

"It's like, 'I have this product now – I paid for hardware, software, maintenance, and now you're telling me I have to rip and replace?'" Kornfeld says.

Of course, this decision does open up avenues for Clifford's firm to go after disgruntled NetApp customers who are looking for an alternative vendor, such as Compellent, with whom the Davenport Group partners.

"I can tell you that these customers will have a disinclination to go back to a vendor that's burned them," Clifford says. "That said, we do see this as an opportunity and we will be putting plans together to identify some that client base and reach out to them," he says.