DELL EMC AFA QUARTERLY REVENUE UPDATE BLOG

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As legacy storage platforms come up for refresh, enterprises are increasingly deploying All-Flash Arrays (AFAs) as general purpose storage platforms to house a variety of mixed workloads. As flash costs continue to plummet, the single biggest historical reason organizations have given for not deploying flash – cost – becomes less and less of an issue. Storage efficiency technologies IDC considers critical in AFAs intended for mixed workload consolidation – inline deduplication and compression, thin provisioning, space-efficient snapshots and clones, and delta differential-based replication – have helped to further eradicate any cost concerns about general purpose flash deployments. In 2015, the AFA market crested $2.9B in revenue, growing 93.3% over the previous year. IDC expects the AFA market to grow at a 21.4% CAGR through 2020 to hit $7.74B in revenue. At that point, AFAs should be driving over 70% of all primary storage spend. When it comes to enterprise storage technology refresh, if customers are not looking at all-flash for primary workloads, they should be.

MARKET SHARE BY REVENUE OF TOP 5 AFA VENDORS IN Q216

Rank	Vendor	2Q 2016	Q216 Mkt Share	2Q16 YoY Growth	2Q16 QoQ Growth
1	EMC	$422.9	40.0%	123.7%	71.9%
2	NetApp	$169.0	16.0%	300.6%	-6.7%
3	HPE	$146.4	13.8%	87.4%	48.8%
4	Pure Storage	$121.3	11.5%	80.0%	1.6%
5	IBM	$91.8	8.7%	5.7%	36.1%
	Others	$106.66	10.1%	32.6%	29.0%
	Total	**$1,057.9**	**100.0%**	**94.5%**	**33.1%**

IDC's latest Tracker release (September 2016) indicates that with the exception of Pure Storage, the top 5 market share spots by revenue belong to established enterprise storage providers, indicating a market that is moving quickly towards maturity. In the Worldwide External Enterprise Storage Systems Forecast, 2016 – 2020: AFA Market Still Continues to Significantly Outpace Overall Enterprise Storage Growth (IDC #US41581116, July 2016), IDC discusses the hot AFA market, identifies evolving customer requirements, and explores critical vendor success factors. Over the forecast period, Hybrid Flash Arrays (HFAs) will grow at only a 1.9% CAGR and all hard disk drive-based arrays will decline at an 11.2% CAGR. With this outlook, it is more important than ever that enterprise storage vendors be committed to an all-flash strategy for primary storage and offer a broad portfolio that spans a variety of different customer requirements, workloads, and desired consumption models.

As IDC forecast in earlier commentary on the AFA market, 2016 has seen a significant expansion in all-flash offerings from the major enterprise storage providers. Dell EMC alone has five AFAs generating revenue now, with all-flash configurations of other systems like scale-out NAS and hyperconverged available as well. The top 5 AFA market shareholders also offer a variety of different all-flash platform types, targeted for different requirements. New markets which are additive to the primary flash market, such as big data flash and rack scale flash, are emerging as well and seeing revenue for the first time in 2016. Evolving technologies like 3D NAND flash, PCIe/NVMe, and NVDIMM (e.g. Intel's 3D XPoint product) as well as continuing cost decreases in flash technology will drive significant changes in the all-flash markets over the next two to three years.

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