

White Paper

Building a Business Case with the APTARE ROI Calculator

APTARE delivers fast ROI and hard dollar savings by enabling reclamation of unused storage

The power of reclamation and improving utilization rates translates into substantial dollar savings in addition to quickly paying back your investment in APTARE.

Every storage administrator can reduce storage costs for the organization—and therefore reduce storage chargebacks to internal stakeholders—by increasing utilization of storage and reclaiming unused storage. APTARE StorageConsole Capacity Manager supports this initiative by discovering unused storage that can be reallocated and utilized more efficiently.

Consequently, APTARE StorageConsole Capacity Manager provides a fast and painless return on investment. It not only pays for itself quickly but also provides additional hard dollar savings. The APTARE ROI calculator is designed to help you create a compelling business case to validate your efforts to improve storage utilization and reclaim storage as well as justify the investment in APTARE.

Identifying Storage and Solution Costs

In the APTARE ROI calculator spreadsheet (Figure 1), numbers in blue can be changed to reflect your numbers in a real world environment. The calculator will not only show potential savings but the investment required in the APTARE solution and payback over time.

In the first section, Customer Inputs, you enter the total number of raw terabytes (TB) for your SAN and NAS environments. The example in Figure 1 is using 1,000 TB.

Then you enter the percent of storage you would like to reclaim within your organization. Many APTARE customers aim for at least 10 percent. In this example, we are taking a more conservative approach by targeting 9 percent of storage for reclamation.

The next section of the spreadsheet, Storage Costs, outlines your tiered storage. In the Figure 1 example, we have 25 percent of the storage in Tier 1, 40 percent in Tier 2 and 35 percent in Tier 3. You can change these numbers as you need to reflect the exact mix within your environment.

Next, you enter the total cost of storage per TB per year for each storage tier. This cost includes the expenses for hardware and software acquisition and depreciation; support, maintenance and services; backup including RAID, failover, VTL, tape and DR; data centers; and personnel.

	B	C	D	E	F	G	H	I	J	K
1	Storage Management Suite Payback Calculator									
2	1/8/2013									
3										
4	To calculate the hard dollar savings and payback you can achieve from APTARE's Capacity Manager (CM), Virtualization Manager (VM) and Fabric Manager (FM) solutions, please enter the following information:									
5										
6	Customer Inputs				Quantity		ONLY CHANGE BLUE NUMBERS			
7	Total number of raw TB's of SAN and NAS storage in your company today				1,000					
10	Enter percent of raw storage you would like to reclaim				9%					
11										
12	Storage Costs			Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Total	Blended Cost
13	Enter percent of storage by storage tier.			25%	40%	35%	0%	0%	100%	
14	TB By Tier			250	400	350	0	0	1,000	
15	Enter full cost per TB per year for each storage tier (includes disc, RAID, software, services, maintenance, backup, personnel, data center, DR, etc.)			\$9,000	\$5,000	\$2,000	\$1,000	\$500		\$4,950
16	Yearly storage cost for each tier			\$2,250,000	\$2,000,000	\$700,000	\$0	\$0	\$4,950,000	
17	Reduction in customer blended cost per TB per year									-7%
18										
19	Partner Inputs									
20	Description				To Customer					
21	License Discount				25%					
24	Total price licenses, 12 months S&M, and services				\$275,425					
25										
26	Estimated Customer Investment For Solution									
34	Total customer net license and 12 months support price for 1,000 TB CM and 0 ESX VM and 0 ports of FM								\$250,425	
35	Infrastructure costs: Portal server, data collectors and miscellaneous								\$12,000	
36	APTARE Implementation Services (List)								\$25,000	
37	StorageConsole Administrators		<u>Fully Loaded Cost/Yr</u>	<u>Number of people-Year 1</u>						
38			\$140,000	0.25						\$35,000
39	Total customer investment - Year 1								\$322,425	

Figure 1

Calculating Storage Costs

According to Gartner's IT Metrics from June 2012, the total cost of storage is \$4,876 per TB per year. Based on the spreadsheet, you can compare the blended rate to Gartner's \$4,876 estimate. If you use \$9,000 per TB per year for Tier 1, \$5,000 for Tier 2, \$2,000 for Tier 3, and \$1,000 for Tier 4, you find that a blended rate is \$4,950 per TB per year which is fairly close to Gartner's metrics.

The cost per TB per year can range widely by tier. Enterprise Strategy Group (ESG) estimates the cost for Tier 1 storage would range between \$8,000 and \$12,000 per TB per year with \$10,000 as the most likely cost. ESG also estimates that Tier 2 would cost \$4,000 to \$8,000 per TB per year, Tier 3 would cost \$2,000 to \$4,000 per TB per year and Tier 4 would cost between \$1,000 and \$3,000 per TB per year.

At the bottom of the Storage Costs section, you see a line for "Reduction in customer blended costs per TB per year." This number reflects the fact that storage costs go down every year. While the cost of the actual hardware is becoming an increasingly smaller piece of the actual ownership, you still want to take that cost reduction into account. In the Figure 1 example, we used a 7 percent reduction per year, and that percentage of reduction can be adjusted accordingly.

When you purchase storage of this size, there is usually some sort of associated discount. In the next section, Partner Inputs, you enter the license discount. In the Figure 1 example we assigned 25 percent as a license discount, making the investment in APTARE plus 12 months of support, maintenance and services about \$275,000 on a net price basis.

In the next section, Estimated Customer Investment For Solution, you enter additional costs that you would experience as a result of owning the APTARE solution. By adding up all these costs, you can calculate a payback. Some of these costs might include infrastructure. You would probably need about \$12,000 for a portal server, data collectors and other miscellaneous IT costs. There may also be some implementation services, estimated in the Figure 1 example at \$25,000.

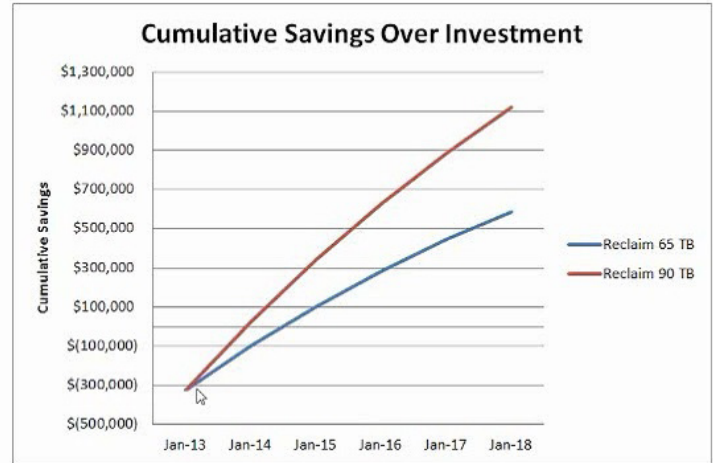
You would also need someone within the organization to serve as administrator for the overall solution. We estimate personnel requirements to be about a quarter of a person. In this example the cost per person is \$140,000.

With all these expense entered, the total first-year cost of ownership is about \$322,425. Now you can look at the results.

Calculating ROI and Hard Dollar Savings

Reclaiming storage is the gift that keeps on giving. According to the calculator, reclaiming 65 TB or 6.5 percent of your total raw storage in the first year allows you to recoup the cost of the APTARE solution in less than one year. If you are able to improve your utilization rate in the process, you will continue saving year after year. For example, in five years you would have a cumulative net savings of \$585,000 on top of the return on investment in APTARE.

If you can reclaim your target goal of 9 percent or 90 TB of storage your total hard dollar savings would be \$123,075 in the first year in addition to a complete return on your investment in APTARE. Over five years, you will have a cumulative savings of more than \$1.1 million after the return on investment in APTARE.



Justifying the Cost

The power of reclamation and improving utilization rates translates into substantial dollar savings in addition to quickly paying back your investment in APTARE. The APTARE ROI calculator not only shows justification for your APTARE investment, but also illustrates how hard dollar savings of a million dollars can be achieved in just a few years.

Visit APTARE.com today to learn how you can make your backup environment more efficient.