bizcommunity

Paying less and paying later for data storage is key for businesses

The current financial crisis is forcing businesses to re-evaluate their decisions and look to flexil financial and consumption-based data storage models to survive. As markets shrink, organisations will be competing for a piece of a smaller pie, and successful businesses will be t ones that manage to optimise internal efficiencies and be first to market.

By Hayden Sadler 15 Apr 2021

It really comes down to paying less and paying later. Those are the two directives embraced by any business that wants to thrive, or even just survive the current storm. This is where elastic pricing, which incorporates a Capacity on Demand (COD) model for data storage becomes a game-changer. It's all abou getting the benefits and agility of the public cloud with your on-premises environment.

The usual bottleneck

An on-premises environment is always made up of compute, networking and storage components. Compu is usually virtualised and easily scalable. Furthermore, networking doesn't scale that often so it's not a significant problem. However, data storage has physical properties.

Together with the performance component there is a limit to how much you can virtualise your data storage solution. Eventually, the organisation will need more capacity and if it cannot guarantee that capacity will be available in time, the business cannot grow. This is where the problem lies.

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Eran Brown 24 Jan 2020

Historically, many organisations were better off pre-buying a large amount of spare capacity just to ensure instant availability. However, that was pre-Covid-19 and the current financial woes mean that operations no have to be extremely lean.

COD allows vendors to provide customers with much more capacity than they need. However, an elastic pricing model takes this approach to new heights, enabling COD and ensuring companies will only have to pay for the additional storage they use when they use it.

Desperate times are consequently forcing organisations to re-evaluate their decisions. This is what's drivir companies to look at innovative consumption models that will suit their business needs. Yet, the companie that survive the current storm will emerge stronger, larger and more efficient with a bigger customer base, and will be better positioned to compete and fend off the competition.

Agile and frugal

Now is the time for organisations to tighten their belts, cut back on any unnecessary outlay yet still be agile business. Elastic pricing promotes agility and flexibility as organisations never have to prepay for anything they are not using.

An elastic pricing model also takes away the risk associated with developing new applications; a process that entails creating a minimum viable product, testing it and establishing how the market reacts to it.

When you test your application, you must account for the possibility that it might become an overnight success. Here, the dilemma is if your application quickly receives an overwhelmingly positive response an the organisation is unable to respond fast enough at scale. The business could lose customers and will be powerless to gain them back once they've had a bad customer experience.

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Elastic pricing mitigates this risk allowing businesses to scale without waiting for any hardware to be delivered. It also enables the project to grow (or die) without additional expense to the customer.

Elastic pricing is the ideal model for companies that need to revisit their past decisions and warns that iner is a dangerous path to follow right now. Companies that hope to carry on with business as usual are doom to fail and must look towards the right data storage provider in order to succeed.

ABOUT HAYDEN SADLER

Country Manager - South Africa at Infinidat
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