

HP Makes a Big Play with new Blades

Introduction

When a major company, such as HP announces plans to move forward in an important market segment, it's wise to pay attention to what they are doing. HP has done just that with major, and with what we view as significant, moves in the blade arena.

HP's position in the blade world

With its number one market share, HP leads the blade industry market segment. It has shipped more than 3 million blades and delivered more than 8 million Virtual Connect ports. It has more than 20 years of experience in blade technology. During this time, HP repeatedly exhibited innovation in servers, storage, networking, and management software to maintain its industry leadership.

HP's view of the industry

In HP's opinion, the pressures building on IT are caused by a number of environmental changes. First, HP believes that the speed of business change today is accelerating. The resulting pressures on the business flow through to IT. (A view supported in a recent IBM CEO survey which showed that CEOs believe that technological change will have a major impact on their business.) Both companies agree that technological change is also accelerating.

The next driving force on IT is the result of data center growth. The cost of meeting increasing demands for additional floor space, along with the increasing expense of energy puts additional stress on already stretched and constrained enterprise budgets.

Last is the explosion of mobile devices. HP (and others) point out that over the next several years the number of devices on enterprise networks will rise on average to more than six per person. This combination of factors is forcing fundamental change in the industry as it struggles to meet current demands for additional capacity. HP's blade offerings are positioned to address these challenges.

Blade Performance Improvements

HP announced their move to a new generation of blade architecture. Let's examine some of the features of the new blade enclosures, the c3000 and the c7000. The c3000 is the smaller of the two at an entry list price of \$4,779 US versus a c7000 entry price of \$16,056¹. The c7000 has twice as many (8) drive bays as the c3000. The new HP c7000 Platinum Enclosure offers a 40% increase in network bandwidth and doubles available storage bandwidth capacity. The 3R 24GB DIMM memory is 25% faster than the previous generation, a significant HP innovation. Additional network speed comes in the form of an Ethernet switch with 40GB downlinks directly to the server and is available only with the new HP c7000 Platinum Enclosure.

Many customers support large numbers of virtual workloads on their blades today. HP's efforts to increase overall blade speed and performance will help the continuing escalation of workload

¹ These are samples from the HP website. Pricing is for basic models expect to add more as the blades are configured.. See more details at: <http://h71016.www7.hp.com/dstore/AdvancedSearch.asp?oi=E9CED&BEID=19701&SBLID=>

virtualization and even more virtualized environments. HP has clearly put together a strong, comprehensive package of performance improvements with these new blades.

Other improvements

Other key improvements appear in HP's new Blade architecture. HP and its customers recognize the increase in staffing needed to operate today's larger datacenters. Customer can track these new server locations remotely; eliminating manual asset tracking frees staff to focus on other, more productive activities. Power management tools reduce unplanned outages by ensuring that systems are getting the right amount of power.

HP also announced HP Virtual Connect Version 4. It connects to existing networks to perform bandwidth optimization and real time network flow monitoring. HP's Virtual Connect automates the integration with VMware ESX, eliminating error prone manual efforts. As a result, HP expects to reduce the time for integration by approximately 80%.

HP also announced a new blade² to support workstation users. This blade supports high density 3D graphics and 8 GPUs per blade. Supporting 4 times more users per workstation, HP estimates that this blade has the potential to reduce costs by up to 60%. It is worth noting that HP says that this blade is unique in the industry.

Note that we have not attempted to cover all of HP's February announcements. We recommend visiting HP's web site (<http://welcome.hp.com/country/us/en/welcome.html>) to get more information about other announcements, as well as to get more details on the Blade features discussed here.

Summary

HP's recent announcement about the company's financial performance was not particularly impressive. To change that story and move forward, it is critical for HP to set out on a new path with attractive products. We see significant potential in this set of blade announcements to be the first step on that new path. **IF** HP continues innovating and moving forward, we expect to see a strong turnaround for the company.

We were impressed by the comprehensiveness of the architectural enhancements from HP as documented in the product details. This announcement shows HP doing a better job of identifying the unique strengths of its new products in announcements. For all products they need to present information that reflects their strengths in terms that resonate with their audience.

That said, HP's new blade architecture does offer strong benefits to its customers. In our view, HP's announcements should provide the data that documents their understanding of the needs and wants of their customers and how HP will satisfy those needs. In short, provide the ammunition to stay on top of the heap in the blade marketplace. If they continue to innovate and effectively communicate their message, their competitors will have to scramble to keep up with let alone match what HP delivers.

² The name of the blade is (a bit of a mouthful), it is the "HP ProLiant WS46C workstation server blade" We suppose that the name was created by the same group that named the new HP memory "The 3R 254GB DIMM memory".

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