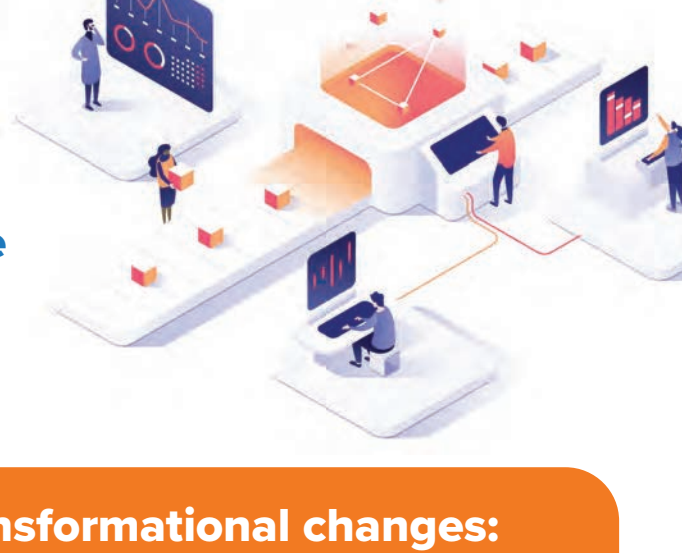


Leveraging Modern Infrastructure to Achieve

Efficient IT Operations of Hybrid Cloud Environments

Digital Transformation is a Top Business Priority Around the World

DX fundamentally changes what is expected of datacenter infrastructure, requiring IT teams to rethink how they are structured and the types of infrastructure best suited for these modern times



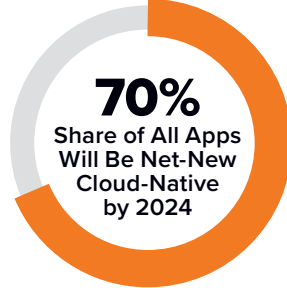
Top goals of IT teams undergoing transformational changes:

- ▶ Increasing operational simplicity and IT staff agility
- ▶ Eliminating dependencies on inefficient/inflexible silos of infrastructure
- ▶ Modernizing applications using DevOps methodologies
- ▶ Building out private clouds that are software defined and highly automated
- ▶ Incorporating hybrid cloud workflows that include public and private clouds

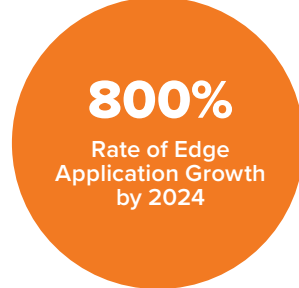
DX changes scale and location of resources/data to be managed



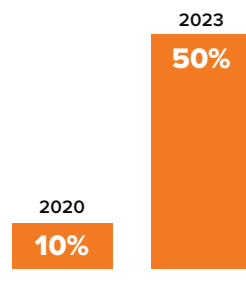
Typical application portfolio to grow 50% in the next two years, a significant proportion of which will be cloud based or cloud connected. Many of the modernized legacy applications will be built using modular development frameworks.



By 2024, net-new production-grade cloud-native apps will increase to 70% from 10% of all apps in 2020, due to adoption of technologies such as microservices, containers, dynamic orchestration, and DevOps.



The number of applications running within edge environments will increase 800% between today and 2024.



By 2023, >50% of new enterprise IT infrastructure deployed will be at the edge rather than corporate datacenters, up from 10% today.

Sources: IDC FutureScape: Worldwide Datacenter 2020 Predictions (#US44747919)
IDC FutureScape: Worldwide Future of Digital Innovation 2021 Predictions (#US46417320)
Market Analysis Perspective: Worldwide Edge Strategies, 2020 (#US46861220)

Global Pandemic Accelerates Transformation and the Need for Modern Infrastructure

The global pandemic has reordered past priorities of businesses and IT teams

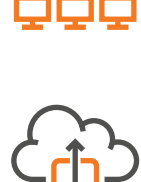
Post pandemic transformation investment priorities:



Source: COVID-19 IMPACT ON IT SPENDING Survey (Survey conducted during 4th June to 15th June period), IDC, June, 2020

Creating a Modern, Agile, and Holistic Infrastructure Environment

Holistic management of cloud, core, and edge has become an imperative



By the end of 2021, based on lessons learned, **80% of enterprises** will put a mechanism in place to shift to cloud-centric infrastructure and applications twice as fast as before the pandemic.



Through 2023, reactions to changed workforce and operations practices during the pandemic will be the dominant accelerators for **80% of edge-driven investments** and business model changes in most industries.



Automated operations will be the key to agility and operational efficiency



By 2024, 75% of the enterprises prioritize infrastructure agility and operational efficiency leading to a 5X increase in the adoption of cloud-native architectures for core business applications.

Sources: IDC FutureScape: Worldwide IT Industry 2021 Predictions (#US46942020)
IDC FutureScape: Worldwide Future of Digital Infrastructure 2021 Predictions (#US46470820)

Types of Infrastructure That are Key to a Modern Datacenter



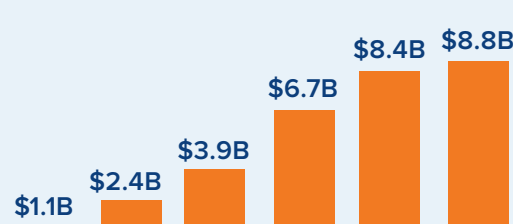
Must be a platform that is cloud-centric, supports autonomous operations, and enables ubiquitous deployment

Hyperconverged Infrastructure (HCI) has become the platform for on-premises cloud operations

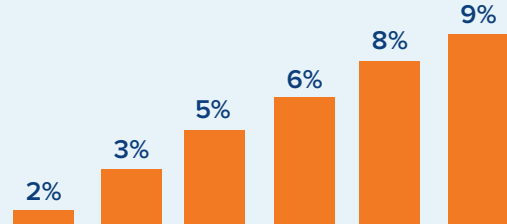
HCI has gone from a \$1B market in 2015 to an \$8B market in 2020

During that time, HCI share of core enterprise infrastructure spending has increased to 8.9%

Global Hyperconverged Systems Market Revenue (\$B)



Hyperconverged Systems Share of Core Enterprise Infrastructure Spending (%)



Source: IDC's 3Q2020 Quarterly Converged Systems Tracker (December 2020) & Custom IDC Market Data

IT teams place high priority on automation and orchestration tools and accelerate planned shifts to these tools

Respondents scaled 0-10 on the importance of automation and orchestration tools. Where 0 = not important at all and 10 = extremely important.

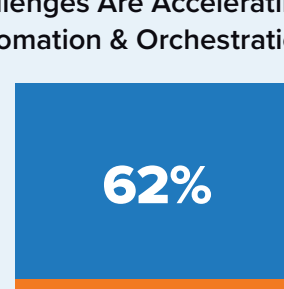
■ 7 – 10 ■ 4 – 6 ■ 1 – 3 ■ 0

Automation & Orchestration Tools Considered a Very Important Investment



Q. How important is Automation/Orchestration for your IT organization or investments over the next two years?

2020 Challenges Are Accelerating Adoption of Automation & Orchestration Tools



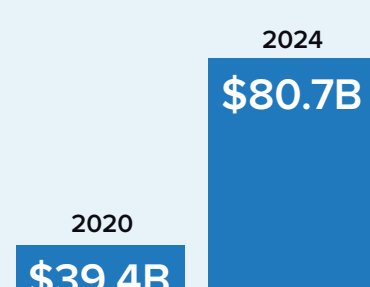
Q. As it relates to shifts to better automation & orchestration tools, what have been the major impacts to your IT and cloud strategy from the COVID-19 outbreak so far?

Source: 3Q20 Cloud Pulse Survey, September 2020, IDC

Holistic management of heterogeneous infrastructure

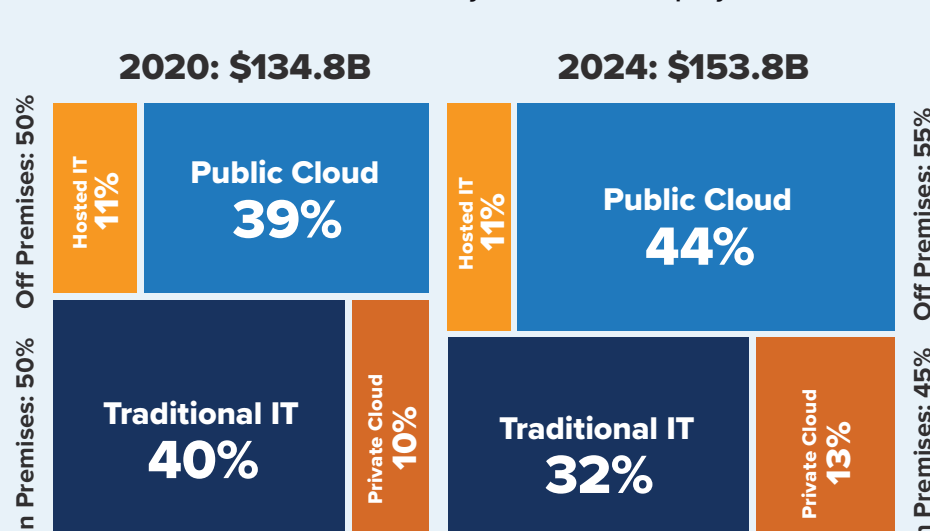
Market Value for Edge IT Hardware Market

20% CAGR



Source: IDC's Edge Spending Guide Forecast, July 2020

Distribution of IT Infrastructure by Location & Deployment Model



Source: IDC's 2Q2020 Quarterly Cloud IT Infrastructure Tracker (September 2020)

Expectations of today's infrastructure solutions are changing rapidly

Modern infrastructure solutions must align with the new realities driven by the need to digitally transform as well as unforeseen outside forces such as the current global pandemic. Today's infrastructure must enable a shift towards holistic IT operations and support the rapid, ubiquitous delivery of innovative technologies, no matter the location.



Message from the Sponsor

Hitachi HCI solution helps customers maximize hybrid-cloud strategy for best application SLAs while optimizing their virtualized data center. Market-proven Hitachi Unified Compute Platform HC solution accelerates time to production by up to 80% and simplifies day 0-2 operations including life-cycle management with advanced automation and intelligence.

[Discover Hitachi's HCI Solution](#)