

ARE YOU BUILDING TOMORROW'S CLOUD ON YESTERDAY'S NETWORK?

Attract and Retain Customers with Ethernet Fabrics and Cloud-Optimized Networks

The sky is the limit for the cloud computing market...

Cloud computing revenue will grow from **\$1.7B** in 2010 to

\$18.7B in 2016

Public cloud adoption by businesses has grown from **11%** in July 2010 to

40% in Jan. 2013

...but small and mid-sized Cloud Service Providers (CSPs) face tough competition for a share of this market.

Cloud computing as a service market consists of

300+ vendors in multiple market segments.

91%

are below \$25M in annual revenue.

CSPs also face major profitability and customer service challenges.

CSPs are running a "race to zero," and smaller CSPs have to keep up.

Feb 2013

Rackspace cuts bandwidth, storage, and CDN pricing by **33%**.

April 2013

Microsoft cuts Azure computing, storage, and bandwidth prices **21-33%**.

June 2013

Google cuts App Engine Storage prices by **25%**.

July 2013

Amazon cuts prices on EC2 virtual private cloud servers by up to **80%**.

CSPs experience customer churn rates of up to **10% per month** versus best-in-class churn rates of **.3% to .6% per month** in other service industries.

Cutting customer churn rates in half can **double customer lifetime value.**

In this competitive market, network performance poses key challenges for CSPs:

LATENCY: Legacy network architectures with multi-millisecond latency can hurt customer service.

COST: CSPs must build networks that can scale without driving up CapEx and OpEx.

FLEXIBILITY: CSPs need the ability to adapt to customers' changing traffic and workload patterns.

SCALABILITY: CSPs that can't scale quickly and reliably risk losing customers.

RELIABILITY: Legacy IT architectures make it impossible to achieve 100% SLAs.

Case In Point: uses Ethernet fabric technology to....



Ethernet fabric technologies and subscription-based services solve these challenges:

- Achieve 100% SLAs.
- Manage 100% annual growth.
- Create a secure, multi-tenant environment.
- Build a future-proof IT infrastructure.

OpEx SAVINGS: Lower power consumption and labor costs.

CapEx SAVINGS: Cut your CSP's up-front capital expenditures.

PERFORMANCE: Sub-millisecond latency.

FLEXIBILITY: Adapt quickly to changing customer requirements.

"The needs of a cloud provider routinely exceed the limits of enterprise-class hardware. Brocade VDX switches allow us to constantly expand our networks without worrying about the limitations of older spanning tree protocols."

- Luke Norris, Founder and CEO, Peak

SCALABILITY: Achieve "infinite scale scenarios" with cloud-optimized networks.

Ethernet fabric technology delivers three-year ROI of **40%** for a typical CSP.

CUSTOMER SATISFACTION: Cut customer churn with a responsive and reliable network.

Learn more at www.brocade.com/csp

Sources: Brocade, 451 Research, VentureBeat, ZDnet, Service Excellence Partners. www.brocade.com

