

## THE LIST

# Current conditions favor virtualization

Computer hardware's growing power calls for effective utilization. The financial downturn supports the trend, since instead of investing into hardware upgrades, companies want to use their current systems to full capacity. But hardware vendors claim that upgrades can only be postponed for a short while and some expect the market to pick up as soon as next year, while others say that in some key sectors demand has been steady.

BY MARTIN KOLÁŘ

**E**conomizing on hardware isn't the only reason for the recent virtualization boom. There are other advantages besides better utilization and increasing performance. Security, better accessibility and the possibility to easily transfer whole operating systems including data and applications to new hardware with no need to modify the system are other reasons why the virtualization trend spread quickly across North America, and the same is expected to happen soon in Europe.

Virtualization is an arrangement where system resources can be approached as a power aggregate disregarding its physical characteristics. The "server" is not limited to its physical form, the computer, but can use the whole group of available resources. Virtualization allows running more virtual servers on only one physical server.

Similar to computer server virtualization, storage can also be tackled with a software solution. "Hardware is important and we don't underestimate its role, however, software is now a crucial product for storage," said Milan Heidrich, CEO of **COMA Zálohovací Systémy**, adding that virtualization helps to interconnect old and new technology and also products from different producers while keeping the advantages of a single administration. It saves power capacity and money. "Software storage solutions can interconnect hard disk fields from different makers into one storage pool with better backup possibilities, faster recovery, replications between branches and so on," Heidrich said.

### Hardware will be needed eventually

Jan Žáček of **DNS**, which belongs to **eD' system Czech** group, said that virtualiza-



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tion can help out in the short term. "Companies can defer their hardware upgrades for half a year or maybe one year, however, utilizing the potential of virtualization is currently a trend to make use of existing resources," he told *CBW*.

According to Martin Hurtík, marketing manager of **Abacus Electric**, the type of client and the purposes for which he uses hardware dictates the time he can afford to wait. "The need for a new monitor is something that can be held off; however, a web hosting company has to buy new servers despite the crisis because they are

essential to secure the smooth operation of their service," Hurtík told *CBW*.

The majority of hardware distributors concur that development on the Czech market more or less parallels the situation in the rest of the world. "We perceive 2008 as a time when the distribution market in the Czech Republic came to be influenced by the worldwide economic situation. The decline in demand that came to light already in the first half of 2008 wasn't dramatic, but the uncertainty by the end of 2008 meant that we didn't reach our planned revenue," Rostislav Jirkal, CEO of **Servodata**, said earlier this year.

Lenka Uzun, marketing manager of **Servodata**, described the current situation. "Even though there was a drop in demand, business is not stagnating. However, compared with the past years when the propensity to invest into IT solutions was on a really high level, we've experienced a certain slump in 2009. ... According to our partners, recovery of the market should come next year," she added.

According to Ivan Habovčík, country manager for the Czech Republic and Slovakia of **American Power Conversion Europe SAS**, the situation on the domestic market is the same as elsewhere and it's impossible to estimate when some recovery will come about. However, Habovčík denies that there would be any significant decline in demand: "The level of demand is satisfactory, but its realization is shifting. "It's common that companies want to negotiate more to reach better contract conditions," he said.

**DNS's** Žáček confirms the trend. "There was a downturn, however, not in high absolute value. We work on extensive projects and solutions and there are plenty of them, but customers are often more hesitant or send many more inquiries to other companies than before. The demand from larger companies is almost the same. Sector of small and medium-size enterprises (SMEs) was hit more by the crisis and the decline in demand is there, but that doesn't really concern our business," he told *CBW*. According to him, it's hard to tell if the recovery has really already been taking place or if the real slump is still yet to come.

According to **COMA's** Heidrich, there are many opportunities despite frugal customers. However he admits that the economic downturn has affected his company: "We are oriented on the industrial and financial sector, and the crisis has had strong impact on both. Banks don't upgrade technologies as they planned, budgets are cut and there has been a pressure on lowering the number of employees. In industry it's even worse, especially the automobile industry, where many projects were halted. However, everyone has to somehow cope with it," he said. ■