RESEARCH NOTE

NetApp Insight 2024: Making Waves with AI

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What is Covered in this Article:

- NetApp Insight 2024 conference highlights the company's ambitious AI strategy, focusing on intelligent data management.
- NetApp is focused on streamlining data management through infrastructure and tools that enhance data governance, accessibility, and integration with AI capabilities.
- NetApp introduced high-performance ASA A-Series block models and FAS Hybrid, improving price performance delivery.

The News: NetApp announced a new offering for AI, including their visionary disaggregated infrastructure, plus new models for their core files and block systems, the ASA and FAS.

NetApp Insight 2024: Making Waves with AI

Analyst Take: The NetApp Insight 2024 conference showcased the company's ambitious AI strategy, unveiling significant advancements in their data infrastructure offerings aimed at the way businesses manage and utilize data. With an emphasis on intelligent data management, NetApp aims to address the inherent challenges organizations face in the AI landscape, positioning themselves as a pivotal player in the modern data era.

The AI Strategy Unfolded

In his keynote address, CEO George Kurian emphasized the transformative journey of data management, describing it as the "third stage of modern data." As Kurian noted, this stage transcends beyond the first and second phases of technology where we computerized records and developed decision-making systems on longitudinal history trending; it aims for a unified and extensive data ecosystem capable of generating differential insights. Kurian outlined the key challenges associated with AI data management, which include finding, preparing, and normalizing data, as well as governance, freshness, and unification of data sources.

Kurian remarked in the morning analyst session that those firms with quality data are well on their way to AI deployments, while others are years behind. This sentiment underscores the urgency for businesses to enhance their data quality and accessibility as they prepare to harness the power of AI.

To overcome these challenges, NetApp is committed to delivering what Kurian describes as "the best intelligent data infrastructure for AI." Some of their vision and infrastructure are being delivered today, with payload rolling out in mid-2025. Acknowledging that up to 80% of an organization's time is spent on data quality and conditioning, NetApp's mission is to simplify this process. Their strategy revolves around three core transformations:

1. **Understand and Manage:** Providing tools and insights to better manage data assets.
2. **Bring AI to Your Data:** Integrating AI capabilities directly with data infrastructure.
3. **Deliver Efficiently:** Streamlining data processes to maximize efficiency and effectiveness.

Key Announcements

As a teaser on Day 1 of the conference, NetApp demonstrated this transformation with NetApp BlueXP and their "Data Explorer." The demo illustrated several technology developments that were then more defined in the following day with their vision of a disaggregated infrastructure built on ONTAP. These included:

1. **Global Metadata Namespace:** Users can view and manage data at a high level, allowing for a seamless global overview of data assets.
2. **Natural Language Search:** A sophisticated system that enables users to search for data using natural language queries. For instance, a user could easily find all files related to a specific topic.
3. **File Management and Classification:** The interface allows users to inspect file information, permissions, and previews effortlessly. All with privacy and permission access controls that remain with the data wherever it goes.
4. **Integration with AI:** The demo showcased the integration with vector databases for Retrieval-Augmented Generation (RAG), enabling users to create dynamic data collections that can be updated continuously using SNAPDiff and ensuring that the AI training data remains relevant.

The disaggregated system, based on WAFL, carries forward the power of ONTAP, plus new technology to support the independent scaling of compute and storage nodes with high speed ethernet access and a global namespace. They will also bring in block, file, object, and eventually key value protocols. Plus the system will integrate with the vector database. This is a very aggressive undertaking. Thus, while it highlights NetApp's understanding of the complexities surrounding data management in the AI domain, can they deliver on this ambitious vision?

In recent years, NetApp has stayed away from rolling out technology until it is within a quarter of GA. In this case, some of the technology is available now (for instance the data management with classification, privacy, governance, etc.) and some such as the disaggregated infrastructure is in the hands of very selected customers with early testing. They expect to roll out the new system in the summer of 2025. This is all to say, invest in ONTAP, BlueXP, on premises, or in the cloud and their Intelligent Data Infrastructure.

Established Reputation in AI/ML

NetApp has built a robust reputation for servicing clients with large file systems and AI/ML requirements across various demanding industries, including media, pharmaceuticals, healthcare, and electronic design automation (EDA). Their commitment to innovation was further evidenced by the introduction of the NetApp AIPod in March 2024, along with several new collaborations and products announced in September:

- NetApp AIPod™ with Lenovo for NVIDIA OVX
- NetApp AIPod with NVIDIA DGX and A90
- NVIDIA SuperPOD with BeeGFS and NetApp E-Series
- Retrieval-Augmented Generation for FlexPod AI Reference Architecture
- NetApp GenAI Toolkit for Google Cloud
- Domino Labs Partnership, with ONTAP

Their AI/ML also includes their hyper-scaler offering, where their first-party ONTAP offerings with AWS, Azure, and Google are integrated with hyper-scaler AI platforms such as (respectively) Bedrock, Gen AI Toolkit, and Vertex.

Expanding the Enterprise Storage Portfolio

In addition to their AI advancements, NetApp introduced the high-performance ASA A-Series block models, boasting performance improvements of 50% to 108% compared to previous models. These models are designed for easy out-of-the-box deployment and are competitively priced—claiming 25% to 50% less than offerings from competitors such as Pure FlashArray and Dell PowerStore. While individual performance results may vary, the substantial performance and price claims warrant attention from potential clients.

NetApp also refreshed their FAS series, highlighting that despite industry narratives proclaiming the death of HDDs, a significant portion (over 60%) of their customer base still utilizes FAS systems. Many organizations are transitioning to the C-series with QLC technology, yet the hybrid models remain popular for backup and cold storage solutions, indicating a continued demand for versatile storage options.

What to Watch:

The NetApp Insight 2024 Conference positioned the company as a leader in the evolving landscape of AI-driven data management. With a clear vision for simplifying the complexities of data preparation and governance, coupled with a robust portfolio of high-performance storage solutions, NetApp is poised to support organizations on their journey to becoming data-driven enterprises. As they continue to innovate and expand their offerings, the promise of intelligent data infrastructure remains a pivotal aspect of their strategy, aiming to meet the ever-growing demands of modern businesses.

We expect to see others move in this direction to support the AI market, but tackling the technology will take time. It is also to be seen how customers embrace a solitary vendor vs vendors for the management of AI data and the requirements that will be faced.

See the complete press release on NetApp's website.

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Other insights from The Futurum Group:

NetApp Updates Storage Portfolio with a Focus on AI
NetApp Q1 FY25 Financial Results Showcase Strong Growth in Cloud and Flash Storage Segments
NetApp Announces NVIDIA Collaboration for Secure Generative AI RAG

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Camberley brings over 25 years of executive experience leading sales and marketing teams at Fortune 500 firms. Before joining The Futurum Group, she led the Evaluator Group, an information technology analyst firm as Managing Director.

Her career has spanned all elements of sales and marketing including a 360-degree view of addressing challenges and delivering solutions was achieved from crossing the boundary of sales and channel engagement with large enterprise vendors and her own 100-person IT services firm.

Camberley has provided Global 250 startups with go-to-market strategies, creating a new market category "MAID" as Vice President of Marketing at COPAN and led a worldwide marketing team including channels as a VP at VERITAS. At GE Access, a $2B distribution company, she served as VP of a new division and succeeded in growing the company from $14 to $500 million and built a successful 100-person IT services firm. Camberley began her career at IBM in sales and management.

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