

## MARKET PERSPECTIVE

# NetApp INSIGHT 2024: Navigating in the Era of Data and Intelligence

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## EXECUTIVE SNAPSHOT

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### FIGURE 1

#### Executive Snapshot: NetApp INSIGHT 2024 — Navigating in the Era of Data and Intelligence

The NetApp INSIGHT 2024 conference emphasized the transition into the era of data and intelligence, highlighting the importance of intelligent data infrastructure. Keynotes from executives outlined strategies for managing data, leveraging AI, and ensuring robust security. NetApp's vision focuses on unifying data storage, cloud integration, and AI capabilities to empower partners and customers in navigating the evolving technological landscape.

#### Key Takeaways

- NetApp INSIGHT 2024 emphasized the importance of building an intelligent data infrastructure that integrates storage, data management, and AI capabilities to unlock the full potential of data and drive business outcomes.
- NetApp's focus on unified enterprise data storage, cloud storage transformation, robust security, and democratizing AI aims to empower channel partners with comprehensive solutions to address evolving customer requirements.
- Embracing a partner-first culture, providing intelligent proactive support, facilitating seamless data management, leveraging ecosystem partnerships, and recognizing innovation are crucial for fostering a collaborative and innovative partner ecosystem.

#### Recommended Actions

- Develop a strategic data management plan that ensures data readiness for AI, including governance of sensitive data and availability of fresh data to prevent model drift.
- Invest in domain expertise and talent and adopt an agile operating model to facilitate the transition from lab to production, leveraging NetApp's tools and ecosystem support.
- Equip channel partners with comprehensive training, tools, and resources to navigate the evolving cloud landscape, integrate on-premises and cloud-based solutions, and address hybrid cloud and multicloud environments.
- Prioritize security and data protection as key differentiators, providing partners with robust security solutions, clear guidance, and best practices to combat ransomware and other cyberthreats.

Source: IDC, 2024

## NEW MARKET DEVELOPMENTS AND DYNAMICS

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The NetApp INSIGHT 2024 conference was held September 23–25, 2024, in Las Vegas. Thousands of customers and partners gathered to learn how to build an intelligent data infrastructure (IDI) to help power critical workloads and bring your integrated data seamlessly to AI. A key theme of the conference was that we have entered the era of data and intelligence.

NetApp Chief Executive Officer George Kurian's keynote took a look back on 2023. NetApp told its customers and partners that NetApp was the data infrastructure company that integrates intelligence into its technology. In 2023, NetApp also said it is a data-driven leader with a cohesive data strategy that has built the foundation of modern datacenter architecture. The new architecture allows customers to move to modern architecture, such as unified data storage, intelligence services, and solutions that integrate storage services.

Kurian then outlined what has changed in 2024, citing the extensive use of software algorithms and machine learning (ML), which has ushered in a new era of data and intelligence. Kurian said the importance of data, which must be managed, protected, governed, and optimized, has not changed. Data is the foundation of intelligence. Data prominence began years ago as companies utilized data records for insight into data history and trend timelines.

Kurian stated that we are now in the next stage of data analysis, which is matching the capabilities of tools and unifying data to analyze a large data capacity. Industry leaders now view data as a product. NetApp has evolved into an intelligent data infrastructure company, and data is at the heart of everything it does.

Kurian offered four suggestions as to what it takes to win in the era of data and intelligence. First, you must manage your data strategy strategically. NetApp data tools help customers manage their data. Little attention is being paid to data readiness to be AI ready. NetApp suggests that some data can get copied over seven times as data is moved and transformed through the AI journey. Partners can use NetApp to solve the data challenge through the governance of sensitive data and ensure fresh data is available to prevent model drift.

Second is domain expertise and talent. The channel and ecosystem can help scale this area. Third is an agile operating model that allows customers to move from the lab to production. AI can be complicated, costly, and time-consuming, and NetApp can help in the customer journey. Fourth is a data ecosystem that complements your business

ecosystem. NetApp states it will build an intelligent data infrastructure for customers that builds a bridge between AI and data systems.

The keynote highlighted several ideas to consider in the current era of data and intelligence.

The initial idea is the immense potential of generative AI and the rapid advancements in the practical capabilities of AI to understand and analyze data, including unstructured data. This shift has profound implications, as NetApp suggested that 85–90% of enterprise data is typically unstructured. NetApp can ensure its solutions enable partners to help customers structure and analyze this massive amount of unstructured data to derive meaningful insights.

Next, data as the foundation for intelligence is one of the keys to success. Data management, protection, governance, and optimization are key for enterprises to thrive in this new era. NetApp provides guidance and best practices to its channel partners on building robust customer data strategies and infrastructures.

Then there became the need for a cohesive data strategy. NetApp can educate its channel partners on the importance of treating data as a product and building the foundations of a modern data architecture that is flexible, integrated, and scalable. A cohesive data strategy will enable customers to transform the parts of their architecture that need change while maintaining continuity in other areas.

NetApp also emphasizes the importance of intelligent data services like ONTAP that provide visibility, security, and governance over data. Channel partners equip themselves with knowledge and tools to help customers leverage these intelligent data services to unlock the full potential of their data.

Kurian also highlighted the risks associated with AI, such as the potential for wrongful conclusions and data security challenges. NetApp can guide customers and channel partners on best practices for data governance, privacy, and security to ensure customer confidence in AI and data implementations.

By providing this guidance and best practices, NetApp empowers its channel partners to help customers navigate the complexities of the data and intelligence era, unlock the full potential of their data, and drive meaningful business outcomes.

NetApp Chief Product Officer Harv Bhela hosted the day 2 keynote. Bhela highlighted NetApp's vision and innovation agenda across four key pillars: enterprise storage, cloud storage, security, and AI, sharing important takeaways and recommendations for solutions that empower channel partners:

- **Unified enterprise data storage and intelligent services:** NetApp focuses on providing a unified data storage platform powered by a single storage OS and complementing it with intelligent data management, protection, and optimization services. Bhela stated that NetApp has the most robust storage portfolio for the enterprise. NetApp can collaborate with its channel partners on a cohesive, integrated solution, allowing them to deliver a seamless experience to end customers. Providing a unified platform with robust data services can simplify deployment, management, and support for partners, enabling them to focus on delivering value-added solutions.
- **Cloud storage transformation:** NetApp's expansion of cloud storage offerings, with first-party services available across major public cloud platforms, supports various workloads and performance tiers. NetApp is the first company to have first-party services in all three hyperscalers. First-party solutions use NetApp bare metal systems that integrate fully into the hyperscaler cloud.  
NetApp should equip its channel partners with the tools, training, and resources to navigate the evolving cloud landscape. Enabling partners to integrate on-premises and cloud-based solutions can help them address customer needs for hybrid cloud and multicloud environments.
- **Robust security and cyber-resilience:** Bhela stated that security has become a board-level priority, and NetApp storage is the last line of defense. The company focuses on delivering built-in ransomware protection and recovery capabilities, providing customers with peace of mind and a competitive advantage.  
NetApp messaging should prioritize security and data protection as a key differentiator for its channel ecosystem. Providing partners with comprehensive security solutions, clear guidance, and best practices can help them address the growing threat of ransomware and other cyberattacks.
- **Democratizing enterprise AI:** Customers say AI is hard to scale because they have to leverage unstructured enterprise data from multiple sources. NetApp's vision is to enable every enterprise to leverage the power of AI by providing the necessary data infrastructure and intelligent services.  
NetApp invests in educating and empowering its channel partners to deliver AI-powered solutions. This investment in the channel may include providing training, resources, and integration with popular AI frameworks and tools, allowing partners to unlock the value of data and drive innovation for their customers.

Customers look to purchase solutions that fit their enterprise and financial needs. NetApp emphasizes delivering seamless hybrid cloud capabilities, enabling customers to leverage the benefits of both on-premises and cloud-based solutions with consumption flexibility.

NetApp Keystone is gaining momentum, and the company should equip its channel partners with the knowledge and tools to help customers navigate the hybrid cloud landscape, including storage as a service. NetApp states it sees a 0% attrition rate with Keystone, which is a key selling point for partners.

Providing guidance on data mobility, workload migration, and infrastructure optimization can empower partners to deliver tailored solutions that meet the evolving needs of their customers. NetApp empowers its partners to deliver innovative, secure, and efficient data infrastructure solutions by aligning their channel strategies with key ideas. By fostering a strong, collaborative ecosystem, NetApp can drive growth, enhance customer satisfaction, and maintain a competitive edge in the rapidly evolving technology landscape.

Bhela identified where to innovate using two underlying principles. The first principle is that NetApp is one architecture and platform. When customers invest in the platform, the goal is to keep adding value. Whether extending unified storage, block, capacity flash, cloud, intelligent data services, built-in anti-ransomware, or AI built-in to bring AI to their data, NetApp is looking to deliver a return on investment for its customers.

The second principle is that the world is changing quickly, and customers need NetApp to provide a rapid pace of innovation. Customers look at NetApp to provide the speed of innovation necessary to achieve a competitive advantage with their data.

NetApp President Cesar Cenuda hosted the keynote for day 3. Cenuda provided an overview of the past few days, where day 1 focused on the power of intelligent data infrastructure, day 2 focused on accelerated innovation through NetApp products, and day 3 focused on customers and empowering customer success with partners.

A few key takeaways include the following:

- **Embrace a partner-first culture:** NetApp's emphasis on a "partner first" mindset is the best to emulate. NetApp can foster stronger, more productive relationships by deeply engaging with partners, understanding their needs, and cocreating solutions. This partner-first culture translates to better alignment, increased partner loyalty and, ultimately, more successful joint customer engagements.
- **Provide intelligent, proactive support:** NetApp's use of tools like Active IQ and BlueXP to anticipate customer needs and provide proactive support is a model

worth replicating. NetApp invests in predictive analytics and AI-powered platforms that enable partners to deliver exceptional, personalized customer experiences. AI-powered platforms improve satisfaction, streamline operations, and reduce costly reactive support.

- **Facilitate seamless data management:** The ability to unify data storage, access, and intelligence is a key differentiator. NetApp equips partners with solutions that simplify data management across on-premises, cloud, and hybrid environments. Simplified data management empowers partners to build robust, future-proof infrastructures that address evolving customer requirements around data security, governance, and analytics.
- **Leverage ecosystem partnerships:** NetApp's collaborations with hyperscalers, AI leaders like NVIDIA, and specialized ISVs demonstrate the power of a robust partner ecosystem. NetApp actively cultivates such partnerships, enabling partners to access a wider range of complementary technologies and deliver more comprehensive, integrated solutions.
- **Recognize and reward innovation:** The Partner Innovation Award showcased by NetApp is an excellent way to incentivize and celebrate partner success. NetApp could implement similar programs that identify and showcase partners driving transformative initiatives. Partner incentives motivate partners and provide valuable best practices and success stories for the broader ecosystem.

By implementing these strategies, NetApp can empower its channel partners to thrive in the era of intelligent data infrastructure. Fostering a collaborative, proactive, and innovative partner ecosystem will be crucial for vendors to stay ahead of the curve and deliver exceptional value to customers.

NetApp held a Partner Executive Session in conjunction with INSIGHT 2024. Jenni Flinders, NetApp senior vice president, Worldwide Partner Organization, hosted the session and communicated to partners that NetApp is an intelligent data infrastructure company that sets them apart from its competition.

NetApp has articulated a vision for IDI that integrates its core storage and data management capabilities with emerging workloads like AI, cloud, and security. By anchoring IDI on the ONTAP platform, the company is positioning it as a unifying architecture that spans on-premises, private, and public cloud environments.

Using IDI with ONTAP aligns with the reality that most enterprises have a hybrid IT landscape and need a consistent way to manage data and applications across different infrastructure footprints. The challenge for partners will be to fully understand and be able to articulate the IDI value proposition to customers. NetApp provides the building blocks, but partners must invest in training, solution development, and go-to-market strategies to bring IDI to life.



Flinders shared that the partner opportunity includes the \$30 billion addressable services market based on the ~4.5–5x services multiplier for every \$1 of NetApp products sold. NetApp identifies this as a net-new economy for partners. This opportunity represents a significant expansion of the traditional storage opportunity, driven by growth areas like AI, VMware, and cloud-native workloads. The challenge will be for partners to capture this broader set of workloads and monetize them effectively. Partners must build the right skills and offerings to realize this potential.

NetApp emphasized the importance of partners leading innovation and solution development. This process includes security, AI, and cloud transformation — where partners can leverage NetApp's technology to create differentiated offerings. The challenge will be for partners to proactively drive this innovation rather than waiting for NetApp to dictate the road map.

Flinders stated that the ecosystem of NetApp could capitalize on the opportunities outlined at INSIGHT 2024 by fully embracing the IDI vision, expanding its solution portfolio, and driving partner-led innovation. Partners investing in IDI will be well positioned to grow their business and deliver greater customer value.

The key ideas presented at the INSIGHT 2024 event by NetApp provide valuable insights to empower its customers and channel partners and drive mutual success. The overarching theme centered on building an "intelligent data infrastructure" — a unified platform combining storage, data management, and AI/analytics capabilities. This approach enables partners and customers to unlock the full potential of their data, accelerate innovation, and deliver better business outcomes.

## IDC'S POINT OF VIEW

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To help channel partners succeed in this era of data intelligence, NetApp should offer comprehensive training and resources on the keys to success, including:

- **Data strategy and organization:** Educate partners on the importance of a cohesive data strategy, treating data as a product, and building a modern data architecture. Help partners dedicate resources to mastering the IDI story by building technical capabilities to ensure that sales and services teams are equipped to position IDI as a strategic platform, not a storage refresh.
- **Agile operating models:** Provide guidance on implementing agile approaches to test, learn, and adapt AI and data initiatives. Guide partners in assessing their current portfolio and identifying workload gaps. Demonstrate to partners how investing in expertise to close the gaps around data management, AI/ML infrastructure, and cloud migration will be critical to unlocking service multipliers.

- **Complementary data ecosystems:** Help partners understand the value of building data ecosystems that complement their customers' business ecosystems. NetApp can encourage partners to collaborate early and often with geo leaders and sales teams to identify joint account planning and co-selling opportunities.
- **Data governance and security:** Equip partners with knowledge and tools to ensure robust data governance, privacy, and security practices. Engage directly with NetApp product and engineering teams, and communicate new capabilities that address evolving customer needs.

A key ingredient in the success of AI is the move from a lab environment to a production environment. IDC research shows that many proofs of concept have started, but a less-than-optimal number have moved into production. NetApp can help deliver AI into production through the partner ecosystem. NetApp has the technology stack and must equip partners with the right tools to help partners enable customers.

Key factors that slow AI's movement to production are data quality and integration challenges, compliance and security concerns, cost and resource constraints, and lack of governance. NetApp can help partners address these challenges through strategic road maps, collaborative channels, ecosystem teams, and clear communication.

## LEARN MORE

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### Related Research

- *Infrastructure Channels Leadership Council, 2024 — The Tech Buyer Journey* (IDC #US52489024, August 2024)
- *Partnering: Strategic Vendors and New Vendors* (IDC #US52318824, June 2024)
- *2024 Channels and Alliances Predictions* (IDC #US50885824, March 2024)

### Synopsis

This IDC Market Perspective discusses the NetApp INSIGHT 2024 conference in Las Vegas and emphasizes the era of data and intelligence, focusing on building intelligent data infrastructures to support critical workloads and AI integration. CEO George Kurian highlighted NetApp's evolution into a data infrastructure company, stressing the importance of managing, protecting, governing, and optimizing data. He outlined four key strategies for success: strategic data management, domain expertise, agile operating models, and a complementary data ecosystem.

"Unlock the era of data and intelligence with NetApp's unified data infrastructure, transforming AI readiness and driving innovation for a competitive edge," said Jeff Newton, research director, Infrastructure Channels & Ecosystems, IDC.



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