



NEWS RELEASE

NetApp's 2023 Data Complexity Report Reveals Urgent Need for Unified Data Storage

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SAN JOSE, Calif – October 18, 2023 -- NetApp® (NASDAQ: NTAP), a global, cloud-led, data-centric software company, today released the [2023 Data Complexity Report](#) a global report that explores companies' growing needs for unified data storage. The report found that 98% of organizations are in the middle of their cloud journey, with three out of four reporting workloads stored on-premises, highlighting the need for a unified approach to hybrid multi-cloud architectures and continued innovation in both on-premises all-flash storage and public cloud storage to enable AI adoption at scale.

"Enterprises face a complex technology landscape fraught with security risks and pressures to keep up with emerging technologies like AI while reducing environmental impacts," said Sandeep Singh, Senior Vice President and General Manager of Enterprise Storage at NetApp. "The Data Complexity Report underscores that amidst this complexity, innovative cloud-enabled Flash storage solutions are needed to address the evolving demands of AI, enhance efficiency, and bolster resilience against the escalating cyber threats within the data ecosystem."

Cloud Adoption: Organizations are in the Middle of Their Journey

Migration to the cloud hasn't been a linear journey for many businesses, according to the report. Of all tech executives with plans to migrate workloads to the cloud, three out of four still have most of their workloads stored on-premises. However, AI adoption is the biggest driver for cloud migration, and cloud is a major enabler for AI adoption. Seventy-four percent of respondents said they're using public cloud services for AI and analytics. Tech executives globally (39%) say their top need for Flash innovation is to optimize AI performance, cost and efficiency.

AI is Driving Further Need for Cloud Adoption

The enterprise continues to embrace AI, with 72 percent of respondents already using generative AI and 74 percent leveraging public cloud AI and analytics services. However, AI deployment comes with its own set of complex challenges. According to the study, data security (57 percent), data integration (50 percent), and talent scarcity (45 percent) persist as barriers.

Meanwhile, IT leaders continue to make a case for more funding, as nearly two-thirds (63 percent) of AI budgets come from new funding rather than reallocated budgets, and 65 percent of C-suite and IT leaders expect to engage new vendors as AI's influence within their infrastructure expands.

Data Security Concerns Cause Further Complexity

Security threats continue to loom large among C-level executives and IT decision makers in the era of AI. According to the report, 87 percent of C-suite and board members cited ransomware as a high or top priority, while more than half of C-suite and board-level executives (55 percent) stated ransomware attack mitigation as the top priority in their company. Forty percent of respondents ranked security threats and data privacy among the top causes of complexity in their storage infrastructure.

Further, nearly half (48 percent) of respondents also predicted that it would take days or weeks for their company to recover from cyberattacks, representing a potentially devastating risk to their business.

"Cyberattacks are only intensifying and C-Suite and board-level executives recognize the critical need to both protect against these attacks while being prepared to recover from ransomware should one succeed", said Jeff Baxter, Vice President of Product Marketing at NetApp. "While ransomware protection requires a cyber-resilient full-stack architecture, leaders are increasingly demanding storage vendors that offer guarantees for recovery of data after a ransomware attack."

Sustainability is a Top Concern in Technology Innovation

Reducing environmental impact is no longer a nice-to-have – it is now informing key technology decisions in the enterprise. According to the study, 83 percent of respondents cited sustainability as an important deciding factor when choosing storage vendors. Further, more than half (50 percent) recognize that reducing energy and carbon footprint is central to responsible AI, while 84 percent agree that reducing their company's carbon footprint is an important part of sustainability initiatives.

These Challenges are Uniquely Addressed by Cloud-Enabled Flash Storage

Looking to the future of Flash storage, the impact of AI on both buying decisions and expectations for innovation is undeniable. According to the study, 39 percent of respondents want Flash storage solutions that optimize AI performance.

Security and data privacy are also top of mind when it comes to storage innovation. Sixty-one percent of tech executives cited either data security or data privacy among their top choices for where they want to see Flash storage design breakthroughs in the next three years.

Sustainability was a third area of expected innovation with calls for more energy efficient hardware and software and automated recommendations for reducing energy and co2 topping the list.

"Modern workloads demand Flash storage built for speed, scale, security, and sustainability," added Singh. "More than ever, we must prepare for an environment capable of integrating seamlessly with AI, sparking the need for technology leaders to drive innovation and rethink everything."

Methodology

NetApp partnered with Wakefield Research to conduct a quantitative research study from September 29, 2023, to October 5, 2023, among 1,000 C-levels, tech and data executives at businesses in 6 markets: US, EMEA (France, Germany, the UK), and APAC (India, Japan).

Additional Resource

[2023 Cloud Complexity Report](#)

About NetApp

NetApp is a global, cloud-led, data-centric software company that empowers organizations to lead with data in the age of accelerated digital transformation. The company provides systems, software and cloud services that enable them to run their applications optimally from data center to cloud, whether they are developing in the cloud, moving to the cloud, or creating their own cloudlike experiences on premises. With solutions that perform across diverse environments, NetApp helps organizations build their own data fabric and securely deliver the right data, services, and applications to the right people—anytime, anywhere. Learn more at www.netapp.com or follow us on Twitter, LinkedIn, Facebook, and Instagram.

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