

Gartner: 18.4% Integrated Systems Revenue Growth for 2018

Written by Alice Marshall
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According to Gartner, global integrated systems revenue is to reach \$12.3 billion in 2018-- an 18.4% increase over the \$10.2bn of 2017, with hyperconverged integrated systems (HCIS) seeing the strongest growth.

Integrated systems combine server, storage and network infrastructure with management software handling the provisioning and management of the combined unit. It derives the benefit of an architected design and deployment of integrated compute, storage and memory infrastructure.

Table 1: Integrated System Revenue by Segment, Worldwide, 2017-2019 (Millions of USD)

	2017	2018	2019
Hyperconverged Integrated Systems	2,823.70	4,376.80	6,346.30
Reference Architecture	3,125.60	3,406.90	3,611.30
Integrated Infrastructure Systems	2,489.20	2,613.60	2,718.20
Integrated Stack Systems	1,723.20	1,637.00	1,555.20
Total Integrated Systems	10,161.70	12,034.40	14,231.00

Source: Gartner (March 2018)

"The majority of integrated systems replace existing infrastructure, which is great for cost, agility and consolidation of IT and efficiency metrics," the analyst says. "When implementing this as part of a digital business initiative, however, IT organisations must look at how the potential savings of capital expenditure (capex), may be offset by potential shifts in operating expenditure (opex)."

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Gartner adds infrastructure and operations (I&O) leaders must shift thinking when evaluating integrated systems-- after all, next-generation systems are flexible, AI-enabled, software-driven solutions able to meet the requirements of digital business. As for trends affecting the integrated systems market, the analyst points out 30% of organisations due for an integrated infrastructure system (IIS) refresh will shift to newer, more flexible and cost-effective alternatives, such as reference architecture and HCIS.

HCIS supports wider datacentre uses, being a platform with shared compute and storage resources based on software-defined storage, software-defined compute, commodity hardware and a unified management interface. Edge infrastructure should also drive HCIS adoption, while the NVMe protocol for flash storage finds use in HCIS thanks to better IOPS, smaller footprints, lower latency and power consumption. Gartner predicts NVMe will account for 5% of HCIS spending by 2020, up from zero in 2017.

Reference architecture is the 2nd largest revenue contributor in the 2018 integrated systems market. It provides documented representation, such as a blueprint, document model or graphic, showing "how things fit together" to address a specific business need or opportunity, as well as a "common vocabulary" for the understanding of implementation options, integration requirements and areas of customisation. The analyst says big names such as Dell EMC, Cisco/NetApp, Pure Storage and IBM drive customer acquisition in this space.

Meanwhile integrated stack systems (comprising server, storage and network hardware integrated with application software) are slowing down, primarily due to the shift to cloud-centric strategies by major providers. As a result, 20% of organisations due to an integrated stack refresh will move to cloud-based alternatives by 2020.

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