

## 2020 Hyperscale-lite Storage Series

# TIERED STORAGE

## Building the Optimal Storage Infrastructure

Fortunately, as data continues to grow exponentially, the selection of data storage technologies has never been more robust. The choice of what storage device to use for which application at a given point in time is a balancing act, making trade-offs between frequency of access (performance), cost, and capacity. “Hyperscale Lite” (HSL) describes large-scale data centers representing the next wave of hyperscalers. Often, they’re Cloud Service Providers (CSPs). Compared to smaller data centers, they face even more severe problems with optimizing every aspect of the storage hierarchy, because cost is often their primary differentiator. Storage tiering has become a key strategy that optimizes the use of storage resources, saves costs and makes the best use of storage technology for each data classification.

The foundations of tiered storage had their beginnings over 30 years ago when disk, automated tape libraries, and advanced policy-based data management software such as (HSM) combined to effectively migrate less-active data to less expensive storage devices. Tiered storage integrates hardware and storage management software to provide a seamless operation, and helps customers realize the huge TCO and ROI economic benefits available from optimized storage implementations. For most data centers, the business case for implementing tiered storage is compelling -- and becomes even stronger as storage pools get larger -- making tiered storage particularly beneficial for HSLs. Today’s storage tiers offer several technologies ranging from ultra-high capacity, low cost storage at one end of the hierarchy to very high levels of performance and functionality and at the other. The non-stop growth of data will require the continual evolution of new, more advanced approaches to tiered storage and management capabilities.



## TIERED STORAGE – A CLOSER LOOK INTO THE STORAGE TIERS

Today’s de-facto standard storage hierarchy is defined by four tiers. The minimal storage tiering system has two tiers, one for frequently accessed data and one for archival data. The more tiers that are available, the more choices administrators have regarding the placement of data, and the more efficiently storage resources can be utilized. Tiers are delineated by differences in four primary attributes: price, performance, capacity and functionality.

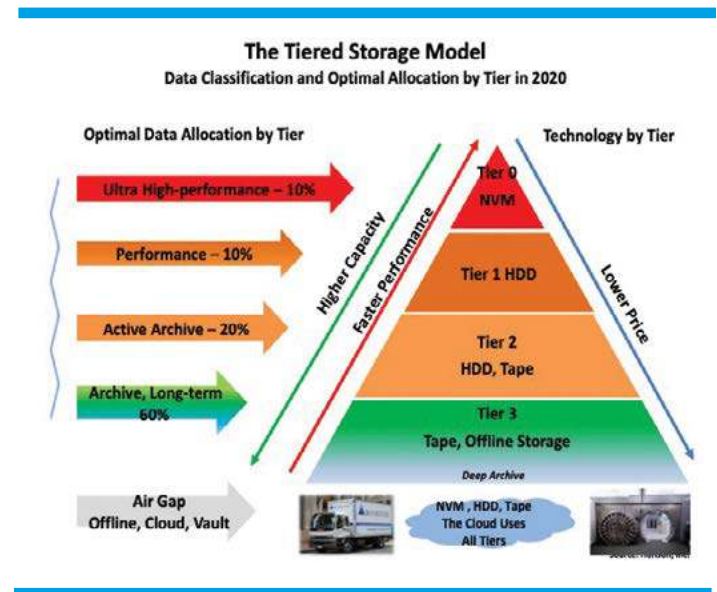
As storage pools grow, an automated tiered storage environment becomes the optimal, most cost-effective storage architecture since:

- 1) manual data movement is complex and time consuming;
- 2) the amount of digital data is continually increasing;
- 3) most data is stored in the wrong storage tier; and
- 4) limited staff resources often leave storage administrators stretched too thin.

The CSP and offline data vault layer represents services which use any—or all—of the four storage tiers.

Leading storage suppliers offer a complete tiered storage portfolio including high-performance NVM (Non-volatile memory), SSDs (Solid State Disk), HDD (hard disk drive) arrays and automated tape libraries to address data requirements throughout its lifecycle. Tape requires far less management and can be vaulted for decades offsite, ensuring archive data is available through an external disaster recovery scenario. The benefits of tiered storage are greatest when the tape tier (tier 3) is used for archival data, as it has a significantly lower acquisition price and TCO compared to other tiers. This is good news since archival data is the largest storage classification.

The amount of data stored in 2025 is projected to be ~7.5 ZB according to IDC’s 2019 “Tape and Cloud: Solving Storage Problems in the Zettabyte Era” whitepaper. At least 60% of all data can be classified as archival and it could reach 80% or more by 2025, making it by far the largest and fastest growing storage class... while presenting the next great storage challenge. Most of this data is destined for tape storage or CSPs using tape. Future software and storage developments are on the horizon indicating substantial advancements in price, performance, reliability, capacity, security and throughput capabilities throughout the hierarchy. To further the tiered storage value proposition, the tape industry continues to innovate and deliver compelling new features with the lowest economics and the highest reliability levels. This has established tape as the most cost-effective choice for archiving and tier 3, and supports tape playing a larger role in backup, business resumption and disaster recovery.



### KEY POINT

Storing the right data in the right place at the right time is possible by taking advantage of the tiered storage hierarchy. This is particularly true for fast growing HSLs who can realize the benefits from tiered storage before the implementation task becomes prohibitive.

The Tiered Storage chart below serves as a model to describe the key technology attributes of the four de-facto standard storage tiers.

**Inside the Storage Tiers - The Physical View 2020**

Storage Tier	Tier 0 Ultra-high Performance	Tier 1 Performance	Tier 2 Active Archive	Tier 3 Archive, Long-term
Amount of Data in Each Tier	10%	10%	20%	60% (or more archival data)
Primary Technology and Interface	NVM (DRAM, 3D-Flash SSD, PCM, 3D-Xpoint)	Enterprise disk arrays	Midrange disk arrays – scale out	Tape libraries, offsite data vaults, cloud services
Nominal Access Time	1-10 $\mu$	5-10 ms	5-20 ms	25-121 sec
Data Transfer Rates	550/520 MB/s R/W speed 3,500/2,300 MB/s R/W speed	160-220 MB/s	80-220 MB/s	360 MB/s LTO 400 MB/s Enterprise
Typical File Access	Random/Seq.	Random/Seq.	Random/Seq.	Sequential only
Data Classification Category	I/O intensive, response-time critical, OLTP, ultra high-performance	Mission-critical, OLTP, revenue generating applications	Vital, sensitive, business important applications	Archives, fixed content, big data, reference data, govt. regs, high data rates
2020 est. price *	~\$140/TB	~\$40/TB	~\$30/TB	~\$4/TB
Reliability (BER)	1x10 <sup>17</sup>	1x10 <sup>16</sup>	1x10 <sup>15</sup>	1x10 <sup>19</sup>
Media Life	3-5 years	4-5 years	4-5 years	>30 years
Power rating	3-5 W	6-15 W	6-15 W	Lowest

\*Prices are relative and vary based on a variety of factors. Tape price includes 2.5x compression. See specific vendor for current quotes.

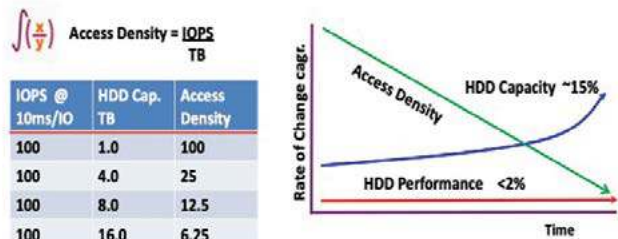
## TIER 0: Ultra High-Performance Storage

Tier 0 is used to store extremely high performance, high IOPs data that needs to be captured, analyzed and retrieved at the highest possible speed. The emergence of Storage Class Memories including Non-Volatile Memory Express (NVMe) and Phase Change Memory (PCM), and newer technologies such as 3D XPoint, are expected to expand tier 0 solutions as the future roadmap for NVM solutions is robust.

The arrival of the NVMe specification that allows an SSD to make highly-effective use of a high-speed PCIe bus in a server has provided a huge boost for further increasing I/O performance. Tier 0 solutions are the most expensive tier on a \$/GB basis, though cost is typically not a major factor for selection. High performance flash SSDs generally require half to a third of the power of HDDs. Hard drives have access times in milliseconds, while SSDs operate in microseconds. Flash SSDs have surpassed HDD technology in areal density with announcements of 2,770 Gb/in<sup>2</sup>. With the transition from single layer to 3D-flash with 64-96 layers (and potentially more), the SSD industry continues to take market share from the HDD industry.

### HDD Scalability Challenges

Performance Gains are Negligible for HDDs



- HDD Performance (Speed) **Not** Scaling With HDD Capacity Growth or Server Speed
- Future HDD Performance Gains are Minimal - if Any
- Access Density Will Continue to Decline as HDD Capacity Increases
- Creates Additional Demand For SSD/NVM (Tier 0) Systems
- Results in HDD Capacity Reductions to Maintain Performance (Short Stroke) – Or Less Active Files

Source: Horizon, Inc.

## TIER 1: Performance Storage

Tier 1 is used for mission-critical data and uses enterprise-class disk systems requiring good performance, high availability with near-zero downtime, and fast Recovery Time Objectives (RTOs) to support customer-facing and revenue-generating applications. When fully featured, these systems can carry lots of functionality at a premium \$/GB price, but this is justified because lower performance or less reliability could directly impact customer satisfaction, business revenues, and corporate viability. Mission-critical data often uses mirrored or double-parity RAID for fast recovery purposes. Looking ahead, disk drives can expect to see minimal performance improvements and face substantial challenges for increasing capacity, though HAMR and MAMR may help provide sustainable capacity growth. Disk is facing scalability (access density) challenges as capacity continues to increase without any corresponding performance (IOPs) improvements. The typical disk will stay in service between 4 – 5 years before replacement.



## TIER 2: Active Archive Storage

This tier includes midrange (nearline) disk storage, addressing less time-critical data at lower price points than tier 1 disk. Tier 2 supports a broad range of major business applications including low-activity databases, active archives (nearline disk and tape combined), backup, email, file systems, batch workloads and ERP (Enterprise Resource Planning). Tier 2 solutions must securely store active business data where sub-second response is not necessarily a requirement, but reasonable response time is still needed. Choosing the optimal tier 2 solutions is normally a balance between cost and performance.

## TIER 3: Archive, Long-Term Storage

Tier 3 storage represents the archival segment which comprises at least 60% or more of all digital data. As most data ages, access activity drops off rapidly and data typically reaches archival status in 90 - 120 days becoming “cold data.” Low cost is the overriding decision factor for tier 3 storage. Fortunately, modern tape has a media life of 30 years or more, making it best suited to address long-term data retention requirements. New tape solutions are arriving that allow for objects and metadata to be efficiently written and read to and from tape in native form. The tape industry has pushed capacity, reliability and media life to record levels surpassing disk drives. Advanced laboratory demonstrations indicate steady advancements with few limitations in tape technology for the decade ahead, while pushing cartridge capacities beyond the 300 – 400 TB range.

### KEY POINT

**Tape is presently the most cost-effective choice for tier 3 data since it has the lowest \$/GB and TCO of any storage option. For HSLs, consider tape when data restore is likely to involve very large volumes of data, data retention is more than 2 years, and the lowest possible cost is a primary consideration.**

## DATA CLASSIFICATION — Understand and Learn Your Data Access and I/O Patterns

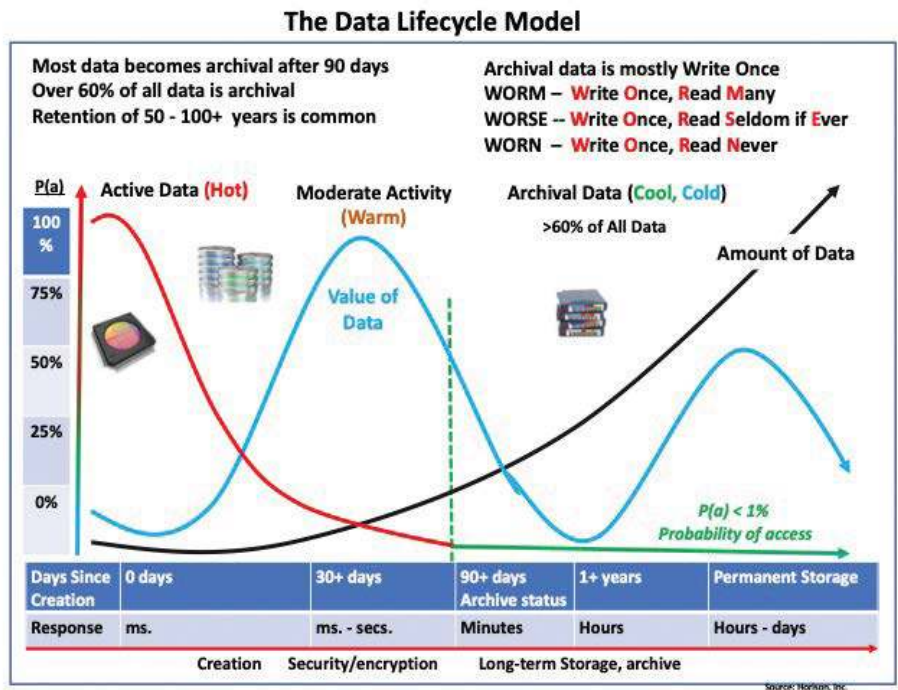
Data classification is key to tiered storage. In practice, data is typically classified into four general categories which are mapped to the storage tier best fitting those characteristics. Classifying data and understanding the I/O characteristics and reference patterns of applications has long been a tedious and often extremely difficult task. The data classification process must be smart enough to enable rapid classification of large volumes of data. With

an understanding of I/O activity and access patterns, you can tailor the storage solution to the application. Learning about or characterizing data access patterns, while extremely important, is not enough. The characteristics of the storage infrastructure itself, both hardware and software, must be understood as well. Look for AI to improve this process in the near future.

Tiered storage can be effectively managed at a much lower cost by deploying advanced tools that move, migrate, protect, deploy global namespaces, add metadata, and respond to changing lifecycle needs of the data. Three consistently observable profiles have evolved that improve understanding of data behavior over its lifecycle.

See chart to the right:

- 1) **THE PROBABILITY OF REUSE** of most data declines as the data ages
- 2) **THE VALUE OF DATA** to a business can change over time based on a variety of circumstances
- 3) **THE AMOUNT OF DATA** increases as it ages, since more data is being kept for much longer periods of time than ever before, and older less active data is pushed into tier 3 status



Since data has become the most valuable asset for many businesses, managing and protecting data throughout its lifetime has become their most critical storage management task. With or without sophisticated tools, most organizations should be able to identify their most critical applications and have a clear understanding of the value they provide to the success of the business. In the past, tiered storage implementations have often been limited due to:

- 1) **Lack of automated data classification capability and limited deployment of data mover tools**
- 2) **Lack of support for heterogeneous server and/or storage environments (siloeed systems)**

## KEY POINT

For CSPs and HSLs the cost of storing low-activity and archival data on spinning HDDs will quickly spiral out of control as data piles up and retention periods can be forever.



## A CLOSER LOOK AT DATA CLASSIFICATION BY TIER

Data classification aligns data with the optimal storage tier. If data classification software and tools are not readily available, the classification table below can serve as a simple starting point to begin the classification process by mapping the required data characteristics for a given application to the optimal tier. When classifying data, ask yourself:



- 1) **How fast (the performance requirement) do I need to access the data?**
- 2) **How long do I need to retain data?**
- 3) **How will unstructured data be managed?**
- 4) **How soon do I need the data back if lost, damaged, or inaccessible?**
- 5) **How secure does it need to be? (How critical is this data?)**
- 6) **What regulatory requirements need to be adhered to?**

CLASSIFY APPLICATIONS BY STORAGE CLASS AND TIER	
<b>Ultra-High Performance</b>	High performance databases, operating system files, OLTP, reservation systems, indices, logs, roll files, directories, system catalogues, HPC and scientific applications, real-time analytics/simulation, database acceleration, any data that demands the highest levels of I/O performance (IOPs), artificial intelligence and machine learning
<b>Performance</b>	Mission critical databases, tele-medicine, online financial systems, navigational system for a spacecraft, reservation systems, ATM, Point of Sales, virtual machines, police, military and national security systems, railway/aircraft/transportation operating and control systems, electric grid and power systems, nuclear reactor controls
<b>Active Archive</b>	Business-critical applications, Internet applications, data protection/backup/recovery, security systems, surveillance, image capture and retrieval, application development and test, data warehousing, ERP, big data, mobile devices, edge devices, BC/DR
<b>Archival, Long-term Storage</b>	All long-term data retention, archive and backup, big data yet to be analyzed, compliance data, GDPR, medical records, photos and images, e-mail history, documents, unstructured files, scientific, video, movies, audio, collaboration, social media history, archive cloud applications, video surveillance and security system history and archives, off-site media storage, remote data vaults, BC/DR

## ARTIFICIAL INTELLIGENCE (AI) AND METADATA TO IMPROVE DATA CLASSIFICATION

If data is the new currency, then storage is the new bank. IT staffs are under increasing strain as the volume and complexity of managing daily workloads defy the traditional approach of simply adding more drives when capacity is maxed out. Furthermore, data will have to be analyzed, tagged (using metadata), processed and subjected to other processes in order to effectively support analytics and the real-time applications that drive productivity. Organizations will need to dynamically migrate, recall, replicate and mirror data across increasingly complex and geographically dispersed tiered infrastructures -- no simple task.

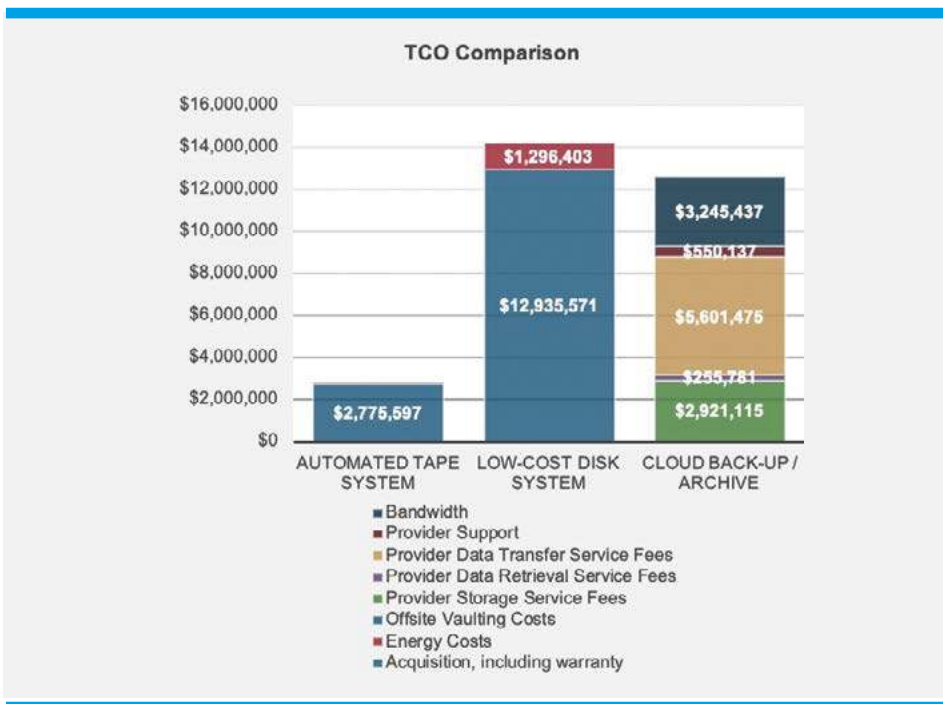
Tiered storage and data management are eager to get a full dose of intelligence – meaning AI (Artificial Intelligence). Artificial

intelligence is the theory and development of computer systems to perform tasks that normally require human intelligence such as visual perception, speech recognition, decision making, and data management in the near future. AI is poised to improve data management by gathering large amounts of information about how the data is used. Who access it? How often is it accessed? What kind of file is it? What type of data does it contain? By gathering this information, learning algorithms can start to create predictive models describing how the data will most likely be used in the future, and to place data in the optimal tier. The storage industry is anxious for AI tools, but they won't suddenly appear - rather they will evolve and improve their capabilities over time. They can't arrive soon enough.

# ACQUISITION COST AND TCO COMPARISONS FOR A TIERED STORAGE IMPLEMENTATION

The example below compares the initial acquisition cost of 10 PB of storage for various tiered storage scenarios. The average selling prices (ASPs) are calculated from 2020 projections for each tier, and serve only as an example since prices can vary widely. Businesses should input their own respective storage cost metrics or use actual price quotes from your storage vendor(s) to determine costs for a specific tier. The two disk tiers are combined and averaged for simplicity. The percentage of data in each tier uses the industry averages from the Data Classification Model described earlier.

TOTAL CAPACITY	EX: Acquisition Costs for 10PB Capacity			
STORAGE TIERS	TIER 0 (SSD)	TIERS 1&2 (DISK)	TIER 3 (TAPE)	TOTAL
<b>Optimal data allocation % by tier</b>	10% (1PB)	30% (3 PB)	60% (6 PB)	10 PB
<b>ASP/TB by tier (2020 est. price)</b>	\$140.00	\$40.00/\$30.00 (assume \$35.00)	\$4.00	NA
<b>Total 10 PB price per tier if all data on each tier</b>	\$1,400,000	\$350,000	\$40,000	NA
<b>Total optimal price (SSD and disk tiers only)</b>	10% \$140,000	90% \$315,000	0%	100% \$455,000
<b>Total optimal price (SSD, disk and tape)</b>	10% \$140,000	30% \$105,000	60% \$24,000	100% \$269,000 (-41%)



## TCO KEY ASSUMPTIONS 20 PB of storage

- 30% CAGR
- 12% of data retrieved year
- LTO 8 Cartridge Price of \$112.25
- Technology refreshed in 5 years
- Energy cost of \$.105 based on commercial cost per US Energy Information Agency
- TCO includes acquisition, energy, maintenance, cloud storage, network and technology refresh costs
- Tape TCO includes cost of fully automated (robotic) tape library and drive systems

## 10 YEAR TCO RESULTS

- **Tape Savings versus Disk Storage – 80%**
- **Tape Savings versus Cloud Storage – 78%**

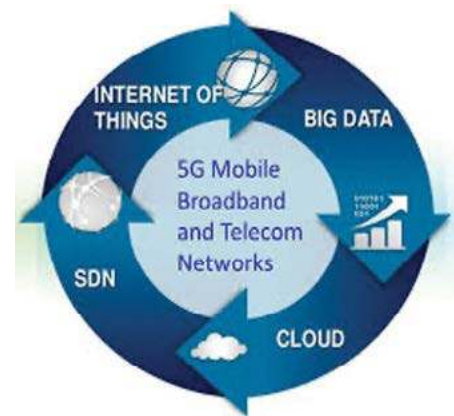
The more data that can move to tape (tier 3), the greater the cost savings over an all-disk approach. If 10 PB was stored in tier 1, the total cost would be \$1,400,000. If 10 PB was stored completely on the two disk tiers, the cost would be \$350,000. By including the tape tier to optimize costs, the cost would be \$269,000 -- reducing the cost by \$186,000 or 41%. Moving as much data as possible to the tape tier (3) pays the largest economic dividends. The real cost (TCO) benefits of tiered storage increases over subsequent years as the operating expenses all quickly dwarf the upfront costs to purchase and deploy. Any way you look at it, the larger the storage pool, the greater the tiered storage benefits become. For TCO comparison, the chart below compares automated tape, low-cost disk, and the cloud for tier 3 storage.

## KEY POINT

**The archive data TCO for tape is much lower than HDDs or HDD based cloud services. For HSLs who are also CSPs, incorporating tape into cloud storage offerings yield the lowest client pricing models.,**

## THE DATA AVALANCHE IS UNDERWAY

Even as CIOs struggle with the exploding growth of disk farms, many continue to maintain expensive disks often half-full of data with little or no activity for years. Obviously, as data center storage farms grow, few can afford to sustain this degree of inefficiency, and the value of tiered storage is evident. The unknown magnitude of the Internet of Things (IoT), the big data pile up, mobile applications, surveillance, social media, and countless new tele-health requirements resulting from the global Covid-19 pandemic push data growth at over 25% annually. The IoT, coupled with the arrival of 5G networks which are ~20x faster than 4G, promises to enable countless data generating end points that may number in the billions and trillions.



## CONCLUSION

**An effective tiered storage strategy has to balance storage costs, data lifecycle management practices, and storage technology priorities with storage performance. For HSLs, the optimal choice is to take advantage of a multi-tier storage system that automatically migrates your data to the most cost-efficient (TCO) tiers of storage. Clearly, today's storage management challenges for HSLs will only get larger and more complex. The long-standing goal of delivering on the promise "to have the right data - in the right place - at the right time" can finally become a reality. For the growing number of HSLs, building a tiered storage strategy may still be optional, but that won't be the case for much longer.**

Horison Information Strategies is a data storage industry analyst and consulting firm specializing in executive briefings, market strategy development, whitepapers and research reports encompassing current and future storage technologies. Horison identifies disruptive and emerging data storage trends and growth opportunities for end-users, storage industry providers, and startup ventures.