

# STEC set to ride enterprise SSD wave

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Posted by: Dave Raffo

While most storage vendors have tempered expectations for early 2009, STEC is predicting a healthy expansion of its solid state drive (SSD) business for enterprise storage arrays.

STEC Thursday predicted its ZeusIOPS product for enterprise storage will command more revenue for the first six months of this year than it did in all of 2008. And STEC beat its projection of \$50 million for 2008 by realizing \$53 million in ZeusIOPS revenue.

If you've been following the storage industry lately, STEC's optimism should be no surprise. Storage vendors have been lining up to offer ZeusIOPS SSDs in their arrays. EMC, Hitachi Data Systems, Sun, IBM, Hewlett-Packard and IBM are on board. Most of those vendors are just getting started. EMC, the first storage vendor to partner with STEC, sold every SSD it had last year according to EMC CEO Joe Tucci.

According to an STEC SEC filing, EMC accounted for 15.2% of STEC's \$227.4 million total revenue last year, which would put EMC's piece of STEC revenue to \$34.6 million. That's the bulk of ZeusIOPS sale.

As Beth Pariseau's story on SearchStorage today reveals, SSDs will remain a niche product in storage arrays until the cost comes down and management features improve. But sales will obviously get a boost this year from having more vendors pushing it.

STEC didn't give many other details about its customers during its earnings conference call Thursday and has yet to officially confirm IBM or HP as OEM partners, but CEO Manouch Moshayedi did say ZeusIOPS revenue was split about evenly among Fibre Channel, SAS, and SATA interfaces.

Moshayedi also said STEC is cutting back on its DRAM product to concentrate on SSD for enterprise storage.

"ZeusIOPS is where we're really putting all our emphasis," he said.

Moshayedi doesn't seem to expect a thaw in STEC's relationship with Seagate now that the drive makers have dropped their lawsuits against each other. When asked if STEC might see Seagate as a partner, Moshayedi gave Seagate a cold shoulder.

"I think I am doing quite well by myself, without needing anyone else," he said. "Our ZeusIOPS business is going through the roof. So I don't need anyone else to help me with that. I've got the best customers in the world wanting my ZeusIOPS. Our ZeusIOPS is known to be the best drive out there. Everyone is trying to copy it. They have tried for two years, they have failed. And I think we will continue on just trucking with this product for the next few years until something else comes along."