

## WHITE PAPER

---

# ROI of Switched Ethernet Networking Solutions for the Midmarket

Sponsored by: HP ProCurve

---

Randy Perry  
August 2009

Abner Germanow

---

### Executive Summary

New generations of network equipment continue to be more reliable than previous generations. Meanwhile, the applications running across the network have become more ubiquitous and more demanding. Underlying this cycle, the network has become much more important to businesses of all sizes — including midmarket firms — and in all industries.

Driven by the financial crisis, midmarket firms are taking a close look at all budget line items. They demand solutions that provide more than sufficient functionality for their current networking needs and also leave plenty of headroom to scale their network in the years to come, in terms of both bandwidth and functionality. At the same time, they want these network systems to be cost effective to deploy and run.

One company striving to address these needs is HP. HP ProCurve networking products include a broad line of LAN core switches, LAN edge switches, and wireless LAN and network security solutions that are all brought together under a unified management suite. To determine the return on investment (ROI) associated with implementation of an HP ProCurve network solution, IDC conducted a study of medium-sized to large organizations with an HP ProCurve implementation up and running in their production environment. IDC estimates that these businesses were able to achieve a 473% ROI; a three-year (discounted) benefit of \$38,466 per 100 users; and payback on their initial investment within 5.7 months.

---

### Network Infrastructure Growth Drivers in Today's Midmarket Environments

The IT industry in general and the networking market in particular are finally showing signs of stabilizing after the financial crisis of late 2008/early 2009. Looking forward, IDC anticipates that networking will rebound more strongly than other areas of IT spending, driven by the fact that the recession has not changed the fundamental reasons for businesses to continue investing in their networks. Major drivers for midmarket firms to continue investing in networking equipment include:

- ☒ **Migration of voice and video to IP.** As businesses look to reduce expenses by adopting technologies such as videoconferencing and voice over IP, the increasing amount of voice and video traffic is creating new challenges for the network. Response times for Web sites or applications of up to a second used to be acceptable, but the human eye and ear can detect delays measured in milliseconds. Simply throwing bandwidth at the problem is insufficient as the mix of application demands on the network rises. Midmarket firms must incorporate new levels of bandwidth and intelligence into their network to handle these more complex quality-of-service requirements.

- ☒ **Growing importance of the network to the business.** While the term "network-based business" may bring to mind images of Amazon, Google, or Yahoo!, the reality is that an increasing portion of the livelihood of businesses across all industries is dependent upon networked applications and communications. Businesses are replacing travel with videoconferencing, handling customer queries over the Internet rather than by phone, and reordering inventory via IP-based supply chain management systems instead of by fax. If the network goes down, it is no longer a minor inconvenience but rather a serious blow to employee productivity and company revenue.
- ☒ **Growth in network endpoints.** Organizations today must deal with growth not only in the number of users on their network but also in the number and types of devices supported. Smartphones, IP phones, IP cameras, RFID readers, point-of-sale devices, and other noncomputing devices are adding traffic and management complexity to the network. One U.S. respondent in the study supports corporate email and Web traffic; voice over IP for all employees; building control, HVAC, and lighting systems; security systems; and hands-on science exhibits over its HP ProCurve network.
- ☒ **Intelligent networks winning over dumb pipes.** Gone too are the days when networks simply had to deliver traffic from source to destination quickly and reliably. A litany of challenges such as supporting a growing application mix with voice and video, enhancing security, deploying WLANs, enabling mobility, and even supplying electricity to a myriad of new end points with Power over Ethernet (PoE) pose functionality and resiliency demands beyond what most of today's midmarket networks can handle. These demands are driving the need to build intelligence into the network to view and control traffic flows, ensure application delivery is aligned with business needs, and mitigate security threats compounded by increased complexities caused by the mix of users and applications supported.
- ☒ **Cloud computing and software as a service (SaaS).** Cloud computing and SaaS are adding new traffic flows to the enterprise network. IT shops now have multiple choices for ways to acquire compute and storage capacity, as tasks that were performed locally on users' PCs or on servers housed in the datacenter can be outsourced to the cloud. The geographic distribution of compute and storage only adds to increased network demands for resiliency, capacity, and control.

One U.S. respondent in the study supports corporate email and Web traffic; voice over IP for all employees; building control, HVAC, and lighting systems; security systems; and hands-on science exhibits over its ProCurve network.

***Future-Proofing Networks Without Imposing Financial Constraints on Growth***

Motivated by the financial panic, midmarket businesses are looking through their budget line items with a fine-tooth comb. While the strategic importance of the network means that most midmarket firms are not willing to skimp on investing in it, they are nevertheless focusing on identifying solutions that solve their present needs and provide a platform for future growth while avoiding financially encumbering themselves with hefty service and support budget line items for years to come. This is in addition to the general realization that investing to upgrade aging network infrastructures can yield a number of efficiencies and long-term cost savings across the board.

This point was echoed consistently in the interviews performed for this study. In the words of one U.S. interviewee, "HP gave us everything we want without overshooting and without complications we didn't need. And the annual lifetime warranty was a big part of our decision. Annual costs can really eat a budget up."

"HP gave us everything we want without overshooting and without complications we didn't need. And the annual lifetime warranty was a big part of our decision. Annual costs can really eat a budget up."

Standardizing the network using a component-based approach can also help introduce efficiencies and reduce costs. "Having the same switches in all layers of the network streamlines our job," remarked a U.S. IT manager. "Everything is standardized; we don't have to do things differently for different switches, and we carry a reduced quantity of spares."

"Having the same switches in all layers of the network streamlines our job. Everything is standardized; we don't have to do things differently for different switches, and we carry a reduced quantity of spares."

---

## **Overview of HP ProCurve Switched Ethernet Solutions for the Midmarket**

The HP ProCurve network suite is targeted to help midmarket companies adapt to rapidly changing needs with an integrated family of products designed to be scalable, flexible, and adaptive. The HP ProCurve portfolio includes a broad family of wireless and wireline products including LAN switches, wireless LAN equipment, security solutions, and WAN routers brought together under a unified software framework that provides management and security for the entire network.

HP ProCurve products targeted to the midmarket include:

- ☒ **LAN core switches.** These include multilayer, high port density switches designed to provide a unified, secure, scalable foundation for a growing business' core infrastructure. They include multiple choices of Layer 2/3/4 switches in a variety of port densities and chassis configurations and with speeds up to 10GbE.
- ☒ **LAN edge switches.** These include multilayer, high port density switches designed to enable scalable, reliable network edge infrastructures. HP ProCurve LAN edge switches include dozens of separate models spanning managed, unmanaged, and intelligent edge switches in a variety of chassis, port, and bandwidth configurations.
- ☒ **Wireless LAN.** HP ProCurve wireless LAN solutions based on 802.11n wireless technology provide access, management, and security features designed to be flexible and to allow the network to be easily tailored to meet a growing business' changing needs.
- ☒ **Network security devices.** HP ProCurve network security solutions feature virus-throttling technology integrated into a large number of HP ProCurve switches, as well as partnerships through the HP ProCurve Open Network Ecosystem (ONE) designed to provide integration with best-of-breed vendors.
- ☒ **Network management software.** HP ProCurve unified network management software solutions are designed to provide basic to advanced device handling capabilities such as mapping, configuration, and monitoring across wired and wireless networks to improve administrators' productivity and simplify management.

### ***Unified Management Software***

The HP ProCurve unified management software suite provides a common, consistent user interface that enables the administration of both wired and wireless networks, enhancing the efficiency and performance of administering security policies and ensuring performance. HP ProCurve unified management software offerings include:

- ☒ **HP ProCurve Manager Plus 3.0.** HP ProCurve Manager Plus 3.0 is a Windows-based network management application designed to deliver robust and detailed management of HP ProCurve devices. Capabilities include automatic discovery, network mapping, configuration management, firmware updating, monitoring, and troubleshooting HP ProCurve devices. HP ProCurve Manager Plus 3.0 provides

security and extensibility for small to large networks, including remote sites. It offers analysis of network traffic, advanced VLAN management, and centralized policy and configuration management. OpenView NNM integration allows network administrators to monitor multivendor networks.

- ☒ **HP ProCurve Mobility Manager 3.0.** This plug-in module for HP ProCurve Manager Plus provides a single point to plan, deploy, manage, and monitor an HP ProCurve WLAN environment. Seamless integration into HP ProCurve Manager Plus enhances the efficiency of remote management of wireless equipment, while predictive RF coverage maps and the retention of information on deployed WLAN infrastructure streamline costly physical maintenance requirements.
- ☒ **HP ProCurve Identity Driven Manager 3.0.** This plug-in to HP ProCurve Manager Plus dynamically applies security and performance settings based on user, device, location, time, and client system state. Access policies based on standard RADIUS authentication allow administrators to establish automatic VLAN assignments, prioritize traffic, set rate limits, and set group access policies.
- ☒ **HP ProCurve Network Immunity Manager 2.0.** This plug-in for HP ProCurve Manager Plus detects and automatically responds to threats such as virus attacks inside the network. Along with HP ProCurve Identity Driven Manager, HP ProCurve Network Immunity Manager enables dynamic application of policies without requiring IT staff involvement, allows enforcement of dynamic (not static) rules, and enables policies to be pushed out to and enforced by edge devices governing the port on which the user connects, as opposed to requiring cumbersome management from a central location.

All HP ProCurve solutions and products share the foundation of the HP ProCurve Adaptive EDGE Architecture (AEA), an approach that pushes intelligence to the edge of the network, enabling command from the center with control to the edge. This holistic approach is designed to enable enterprises to manage all of their wireless network operations consistently with one another, as well as with their wired network components. Common tools and security policies apply across both wired and wireless infrastructure, by which HP intends to make it easy for businesses to deploy and centrally manage a secure, flexible multiservice network and to realize greater productivity and a better return on investment.

### ***HP ProCurve Open Network Ecosystem***

In 2009, HP launched its HP ProCurve Open Network Ecosystem (ONE) initiative to provide users with an expanded choice of services and applications designed to easily integrate into HP ProCurve networks. HP ProCurve ONE alliance partners include leading hardware, software, and service providers in fields such as security, network optimization, mobility, unified communications, video, and location-based services. Several of the interviewees saw the value of HP ProCurve ONE for midmarket companies, with one U.S. respondent remarking, "ONE makes sense for smaller or medium-sized enterprises looking to take a lot of functionality and put it in one box. It makes sense to invest in modular systems in terms of support and up-front costs."

"ONE makes sense for smaller or medium-sized enterprises looking to take a lot of functionality and put it in one box. It makes sense to invest in modular systems in terms of support and up-front costs."

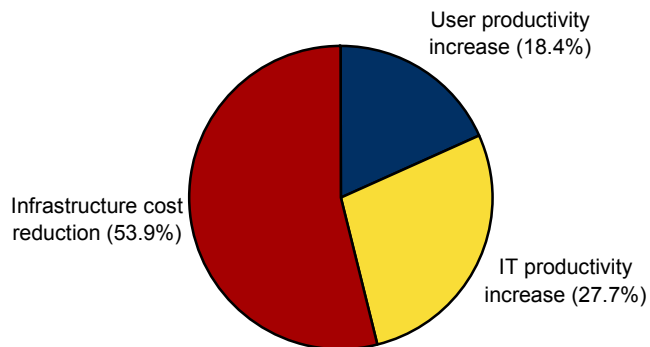
## Benefits Derived from HP ProCurve Deployments

To assess the benefits of implementing an HP ProCurve solution for midmarket customers, IDC interviewed businesses that have deployed and are using HP ProCurve products in production environments. The ROI drivers identified for HP ProCurve fell into three primary areas (see Figure 1):

- ☒ Infrastructure cost reduction
- ☒ IT productivity
- ☒ User productivity/downtime

**FIGURE 1**

Annual Benefits of HP ProCurve Solution per 100 Users



**Annual savings per 100 users = \$16,593**

Source: IDC, 2009

### ***Infrastructure Cost Reduction***

The most significant impact of the HP ProCurve solution was identified to be a reduction in infrastructure costs, accounting for nearly 54% of the total value delivered. This was due to a combination of factors, including:

- ☒ **Purchase cost of the equipment.** Each of the respondents mentioned that a large consideration was the lower purchase cost of HP ProCurve equipment compared with the cost of competitive offerings. "We solicited bids from a number of vendors and quickly established we could do more for our buck with ProCurve," said one European respondent, despite the fact that British pounds — not U.S. dollars — were his medium of exchange. "ProCurve had all the features we required, the TCO was greatly reduced, and the ROI was much more extensive and quicker." Other respondents estimated that the purchase price of HP ProCurve is about half that of solutions from other leading providers.

"ProCurve had all the features we required, the TCO was greatly reduced, and the ROI was much more extensive and quicker."

- ☒ **Zero maintenance and support costs.** Another factor respondents overwhelmingly cited as being very attractive is the zero-cost lifetime warranty that comes with much of HP ProCurve's equipment. (Please reference the HP Web site for warranty terms and conditions.) This warranty support includes firmware updates and bug fixes. Organizations not only were able to free up the portion of their IT budget that would otherwise have been tagged for this expense but also were saved the time and hassle of dealing with support paperwork. "With ProCurve, there's no real ongoing costs for us apart from powering them up," stated one European interviewee. "It was a win-win for us."
- ☒ **Long product life span enables deferment of capital costs.** With the HP ProCurve lifetime warranty, combined with the longevity of the product, several of the interviewees had HP ProCurve switches that were in active operation for 10 or more years. This allowed them to step down previous-generation top-of-the-line switches into less demanding roles, thereby deferring capital outlays for new equipment. "We have a ProCurve 5300 that used to be our core switch and is now the access layer router in one of our buildings," said one European respondent. "And we still have a 10-year-old ProCurve 4000 that was the core switch before the 5300, and it's still in production as a media converter. The lifetime warranty lets us do that."
- ☒ **Standardized components reduce size of spares pool.** Respondents commented that by standardizing on HP ProCurve throughout their network — at the core, distribution, and access layers — they were able to reduce the variety of components in their spares pool and therefore carry fewer of them. One U.S. respondent estimated that this saved him over \$10,000 in capital costs.
- ☒ **Quality of service and convergence.** A number of respondents implemented HP ProCurve networks while upgrading their networks to provide appropriate quality of service for voice and video traffic as part of an overall strategy to move voice and video to IP. These companies were able to save the costs associated with running these separate networks.
- ☒ **Power over Ethernet (PoE) benefits.** Several respondents mentioned that switching to PoE with HP ProCurve reduced the number of pieces of equipment in their infrastructure and the overall power draw. While respondents typically don't measure power consumption down to the level of individual switches, one respondent estimated that PoE was saving him approximately 20% compared with the power draw that would be required using external power sources.
- ☒ **Consolidation of switches.** Several respondents consolidated switches and even networks along with their HP ProCurve implementation. One Asia/Pacific respondent went from 70 switches to 40 switches after installing HP ProCurve.
- ☒ **Facilities savings due to reduced physical footprint.** Consolidating switches and increasing port count allowed respondents to reduce the physical footprint required by their switches. One respondent was able to increase port density by a factor of three after the upgrade to HP ProCurve.

"With ProCurve, there's no real ongoing costs apart from powering them up. It was a win-win for us."

"We have a ProCurve 5300 that used to be our core switch and is now the access layer router in one of our buildings. And we still have a 10-year-old ProCurve 4000 that was the core switch before the 5300, and it's still in production as a media converter. The lifetime warranty lets us do that."

## ***IT Productivity***

Improved productivity in IT operations amounted to about 28% of the primary benefit. The IT managers interviewed said that centralizing and automating their network management operations allowed their IT staff to spend less time on a variety of network management areas. Key items mentioned by respondents include:

- ☒ **Less spending on implementation and rollout.** A common theme among the respondents was how smoothly their HP ProCurve implementations and rollouts went. Most were able to perform their implementations with in-house staff, requiring little or no external consulting or professional services hours. Facilities buildout was typically the gating factor in implementation timelines, with most respondents saying their actual switch deployment was very straightforward and quick. One European organization stated, "We started our switchover at 4:30 on Friday afternoon and finished by 7:00 that night. We were prepared for it to take the entire weekend, but it all went so smoothly."
- ☒ **Streamlined ongoing network management.** Respondents credited a number of features in the integrated management software that streamlined ongoing network management, including the ability to quickly set up and manage user IDs and to publish user access rights to the wireless network through Active Directory. One Asia/Pacific respondent stated, "Now we are a lot more efficient. We can get connections done in 10 minutes that might previously have taken an hour."
- ☒ **Efficiency due to improved visibility.** One Asia/Pacific respondent credited HP ProCurve Manager with giving him a view of the entire network at a glance. He stated that it allowed his team to be more efficient by requiring fewer people onsite to manage the network.
- ☒ **Streamlining operations by leveraging modularity.** Having switches based on common software and hardware modules in all layers of the network streamlined several respondents' operations because they did not have to staff up with expertise on multiple different switch technologies. The reduction in complexity allowed them to implement changes faster and more flexibly accommodate user requests.
- ☒ **Simpler management and maintenance of VLANs and application networks.** Several respondents manage virtual LANs and application networks, and these interviewees credited HP ProCurve with greatly simplifying this task.

"We started our switchover at 4:30 on Friday afternoon and finished by 7:00 that night. We were prepared for it to take the entire weekend, but it all went so smoothly."

"Now we are a lot more efficient. We can get connections done in 10 minutes that might previously have taken an hour."

In a number of situations, respondents were able to reduce the full-time equivalent (FTE) headcount required to manage and maintain their networks, redeploying staff to more strategic and productive tasks (see Table 1).

**TABLE 1**

## Networking Metrics Analysis

	Prior to HP ProCurve	With HP ProCurve
Networking budget per user	\$692	\$242
Users per networking staff	6,316	8,128
Networking devices per FTE	197.7	207.4
Annual downtime hours	16.0	1.0

Source: IDC, 2009

Other respondents pointed out that while they did not reduce their network management staff after implementing HP ProCurve, the ease of installing and maintaining the technology allows them to perform network administration with fewer senior engineers and to even use trainees, rather than more highly skilled IT network engineers who have a higher labor rate. "The intuitive nature of the HP product means it's not hard to take a regular PC or server tech and train him up on ProCurve," stated one U.S. respondent. "I can have a single tech doing the network, desktop, and server support, which makes my organization much more efficient."

***User Productivity/Downtime***

Respondents described a dramatic decrease in network downtime after implementing HP ProCurve, resulting in an increase in user productivity. Companies that rely on the network for business-critical or revenue-generating operations also cited reduced risk of failure as a key benefit. "HP ProCurve is a lot better than our old network; it's very stable," said one respondent. Another pointed out the advantages of distributed network design, stating, "With our new distributed network design, outages are more limited in their impact. In other words, they are more limited with ProCurve than they would be otherwise."

***Conclusion: Optimizing the Networking Environment with HP ProCurve***

The net result of deploying an HP ProCurve network solution was found to be the ability to optimize the networking environment, lowering the cost of providing switched Ethernet and wireless networking services while improving the quality of those services. While the specific results would vary by items such as network size, applications supported, network topology, and mix of wired/wireless infrastructure in the networking environments, IDC estimates that the companies in this study would have had average annual networking costs of \$692 per user without HP ProCurve. With the HP ProCurve solution, they averaged \$242 in annual networking costs per user (see Figure 2).

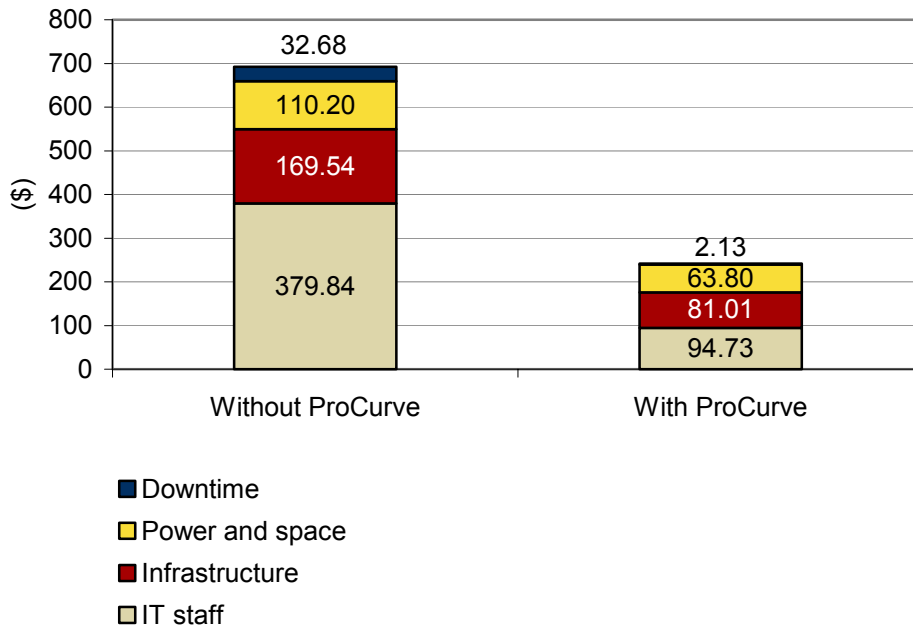
"The intuitive nature of the HP product means it's not hard to take a regular PC or server tech and train him up on ProCurve. I can have a single tech doing the network, desktop, and server support, which makes my organization much more efficient."

"HP ProCurve is a lot better than our old network; it's very stable."



**FIGURE 2**

Annual Networking Costs per User



Source: IDC, 2009

Reductions in networking costs per user include:

- ☒ **IT staff.** The annual cost of IT staff was reduced from \$379.84 per user to \$94.73 per user. This represents savings in the IT staff required to directly support networking hardware and end users.
- ☒ **Infrastructure.** Annual infrastructure costs were reduced from \$169.54 per user to \$81.01 per user. This includes the costs of purchasing and maintaining networking hardware and software.
- ☒ **Power and space.** Power and space costs were reduced from \$110.20 per user to \$63.80 per user due to lower cost per kWh for power and HVAC, as well as the per square foot costs of leasing commercial datacenter space.
- ☒ **Downtime.** Annual cost of unplanned downtime was cut from \$32.68 per user to \$2.13 per user by reducing lost user productivity from network downtime events as well as security incursions.

## ROI Analysis

### Survey Demographics

IDC based its ROI analysis on interviews with 10 medium-sized to large organizations that are using HP ProCurve in production deployments. Some are new HP ProCurve deployments, while others are upgrades or significant network expansions by long-term HP ProCurve customers. All have been running for a sufficient period of time to provide perspective on how the product has made an impact on their bottom line.

The organizations interviewed are located in North America, Europe, and Asia/Pacific and are predominantly midmarket businesses with an average of 12,749 users; 2,676 access points; and 1,446 networking devices (see Table 2). The interviews explored the companies' business initiatives and assessed the benefits and costs associated with implementing HP ProCurve switched Ethernet networks.

These interviews were supplemented by information from the IDC Business Value Database with information collected from over 3,000 companies in 43 countries and over 25 industries. The information from the IDC Business Value Database was used to validate these interviews to extrapolate the business value drivers to a general business audience.

<b>TABLE 2</b>	
Study Demographics	
Metric	Value
Users	12,749
Access points	2,676
Networking devices	1,446
Geographies	North America, Europe, Asia/Pacific
Industries	Education, hospitality, public sector, museum, healthcare

Source: IDC, 2009

***Results of ROI Analysis***

The bottom-line analysis that all companies should perform when considering changing or upgrading their network infrastructure is whether the cost-saving benefits of the upgraded infrastructure will outweigh the costs associated with implementing the new infrastructure. In this study, IDC found that respondents who implemented the HP ProCurve solution were able to realize a 473% return on their initial investment, achieving a three-year (discounted) benefit of \$38,466 per 100 users and a payback period of 5.7 months (see Table 3).

**TABLE 3**

## ROI Summary per 100 Users

Category	Value
Three-year (discounted) benefit	\$38,466
Three-year (discounted) investment	\$6,717
Net present value	\$31,750
ROI	473%
Payback period	5.7 months
Discount rate	12%

Source: IDC, 2009

***IDC's ROI Methodology***

For this ROI project, IDC worked with HP to determine the interview process and guide. HP provided the names of the companies to interview.

IDC uses a three-step methodology for conducting ROI analysis:

1. **Measure the benefits.** In this study, the benefits come from the following areas:
  - ❑ **IT infrastructure cost reduction** — direct costs that include IT staff labor reduction, hardware cost reductions (for purchase and deployment of incremental network infrastructure components), and reduction in service and support licensing costs
  - ❑ **IT productivity increases** — time savings from more efficient IT operations, which enable the reallocation of IT staff time from support tasks (network troubleshooting and maintenance) to higher-value activities such as supporting new business applications or technology initiatives
  - ❑ **End-user productivity increases** — increases resulting from the decrease in network downtime due to fewer downtime incidents and improved mean time to resolution (MTTR)
2. **Ascertain the investment profile** made in the purchase and implementation of the solution and the associated training and maintenance costs. To get an accurate assessment of the investment in deploying HP ProCurve, IDC asked for the deployment, setup, upgrade, and maintenance costs, as well as the total cost of the services and training. This investment included the loaded costs of any incremental staff required.
3. **Calculate the payback period and ROI** for the deployed solution by conducting a depreciated cash flow analysis of the benefits and investments over a three-year period. From the results of the interviews, IDC was able to calculate the average payback period and rate of return from investing in the HP ProCurve

solution, as well as the net present value of the savings. IDC bases its calculations on a number of assumptions:

- ❑ IDC uses a 12% discount rate in the ROI analysis to account for risk and to ensure a conservative analysis.
- ❑ Because IT solutions require a deployment period, the full benefits of the solution are not available during deployment. To capture this reality, IDC prorates the benefits on a monthly basis and then subtracts the deployment time from the first-year savings.

### ***Note on Exchange Rates***

The organizations interviewed for this study came from a variety of regions around the world. All investments and benefits were gathered in their local currency, then changed into U.S. dollars at current exchange rates. All figures used in this document are provided in U.S. dollars.

---

## **IDC Analysis: Challenges and Opportunities**

HP ProCurve faces the following challenges and opportunities with respect to its switched Ethernet solutions:

- ☒ **Value proposition highly tied to low price/free lifetime warranty.** The customers interviewed for this project were universally enthusiastic about both the up-front cost advantage of their HP ProCurve equipment and the free lifetime warranty available on many HP ProCurve products, which translates into zero annual maintenance fees. This presents HP with a great opportunity to compete at an extremely attractive price point for the midmarket. But there is a danger to HP in that tying the value proposition too closely to this low-cost story may constrain HP ProCurve in customers' minds strictly to the midmarket and may limit its ability to serve customers whose businesses suffer immensely from even very limited downtime and value support costs as catastrophe insurance. Further, a number of competitors have in place or are currently experimenting with various forms of lifetime warranties, which could erode HP's advantage in this area. HP should continue to evolve its support model and offerings to provide greater flexibility and choice. Recent HP ProCurve changes to move from "device-centric" to "network-centric" support highlight HP's continued experimentation with network support.
- ☒ **Building and fully leveraging the HP ProCurve ONE initiative.** IDC believes that the launch of HP ProCurve ONE was an important step toward integrating a broader range of advanced functionality into the HP ProCurve platform and making it more accessible to the midmarket. If HP can fully deliver on the vision for HP ProCurve ONE, IDC believes it will be able to gain further traction with midmarket companies. The challenges IDC sees with the HP ProCurve ONE initiative are twofold: HP must continue to simply increase awareness in the marketplace, as approximately half of the respondents interviewed were not yet familiar with the initiative, and HP must broaden the solutions and partners associated with the program to more fully cover the spectrum of midmarket businesses' networking needs.

---

## **Conclusion**

As networks become more reliable and businesses depend on them for more of their core business needs, it is important for IT managers to put into place networking equipment that not only meets or exceeds their current needs but also provides the scalability to meet bandwidth and functionality demands down the line. Driven by the economic downturn, businesses are not slashing budgets outright but rather are taking a more holistic view that requires investments to be competitive on the initial purchase price, as well as avoid financially encumbering the business in the future.

In a study of midmarket organizations that have implemented HP ProCurve in a production environment, IDC found that most believe that HP ProCurve provides more than sufficient functionality for their current needs and the scalability to grow into the future. With the lifetime cost of ownership advantages of HP ProCurve, companies feel they have achieved investment protection and will be better able to grow their network as their needs change. IDC estimated that these organizations were able to achieve a return on their investment of 473% and a payback period of 5.7 months.

---

## **Copyright Notice**

External Publication of IDC Information and Data — Any IDC information that is to be used in advertising, press releases, or promotional materials requires prior written approval from the appropriate IDC Vice President or Country Manager. A draft of the proposed document should accompany any such request. IDC reserves the right to deny approval of external usage for any reason.

Copyright 2009 IDC. Reproduction without written permission is completely forbidden.