

Bringing the Economics of Pay-as-you-Go, Zadara Storage, Inc. is taking the Cloud to the Next Level through an Architecture Based on Software and Standard Servers Where Customers can Buy Enterprise Storage for the Day or just Three Hours

**Technology
Storage Solutions / Cloud**

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**Nelson Nahum
CEO**

BIO:

Nelson Nahum brings over 20 years of experience in the storage industry in multiple storage software development positions. He is known for creating innovative products and successfully bringing them to the market. Prior to co-founding Zadara Storage, he was a Fellow and Vice President of Software Engineering at LSI Corporation, where he was responsible for an engineering team of over 250 people.

Previously Nelson was CTO and co-founder of StoreAge Networking Technologies, which was acquired by LSI in 2006. At StoreAge, he invented the out of band storage virtualization sys-

tem, building and leading the engineering team to a successful product that was adopted by HP and led to the acquisition of StoreAge by LSI.

Nelson holds multiple patents related to storage systems. Nelson has a B.Sc EE from the Technion, the Israel Institute of Technology.

About Zadara Storage, Inc.:

Winner of Venturebeat, Under the Radar, and Plug and Play's cloud competitions, Zadara Storage offers Enterprise-class storage for the cloud. With Zadara Storage, cloud storage leapfrogs ahead to provide cloud servers with high-performance, fully configurable, highly available, fully private, tiered storage. By combining the best of Enterprise storage with the best of cloud and cloud block storage, Zadara Storage takes the cloud to the next level, enabling Enterprises to migrate mission-critical applications to the cloud. The Zadara Storage team comprises Enterprise Storage professionals who have worked together as a team since 1999. Zadara's founders each have over 25 years of experience in Enterprise Storage and, together with the rest of the Zadara team, have a long track record of success in startups and established companies alike.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine**

CEOCFO: Mr. Nahum, would you tell us the vision when you co-founded Zadara Storage and where the company is today?

Mr. Nahum: Our vision was to provide enterprise storage as a service for customers of the cloud. We are a team that came from the enterprise storage field. We saw that when you go to the cloud there are many missing functionalities, especially on the storage side. We wanted to provide the same reliability and performance and capabilities of an enterprise storage array, but also in the cloud with the economics of the cloud; pay as you go and elasticity to add and to remove and so on. That was the premise of the company. We built a completely new architecture to sustain that, because today's enterprise storage systems are very monolithic and very hard to change. The economics cannot allow one to buy a storage system for three hours. Therefore, we built an architecture based on software and standard servers that allows a customer to buy enterprise storage for the day or just for three hours and they leave. That is the product.

CEOCFO: What were some of the challenges in putting the technology together?

Mr. Nahum: One of the differentiations of our company and team is that they worked for many years together, with a lot of experience in enterprise storage. This was a plus, because we hit the ground running and we could build a team of ten or eleven people from day one. This was really a blessing, because we could put together the system fairly quickly. We started in March of 2011, writing the first line of code, until we released the first product with revenue in May of 2012. In a year and two months we were up and running and getting revenue. That was

a very good thing. I think that in term of challenges it was not the technology. Our challenges would be more - because we came from enterprise storage experience - to convince people that our way of provision storage is the right way to use the cloud. So far we have been very successful with that.

CEOCFO: What is the competitive landscape? Are there many other companies who have attempted to do the cloud storage the way you have?

Mr. Nahum: Yes. That is a good question. There are companies that provide storage to be used by cloud providers. No one really provides the experience of having every user in the cloud to have their own, what we call, Virtual Private Storage Array, VPSA™. Basically every user can have his own enterprise storage array in the same system. Therefore, I would say that, yes, some providers can use other storage systems off the back end of the storage, but no one can offer this additional functionality that every user is a separated and full manager of their storage in the cloud.

CEOCFO: Other than large enterprises, is there a specific type of company or a company with specific needs? Is there a common thread among your clients and customers?

Mr. Nahum: Yes. There are many software-as-a-service companies. The trend is that software-as-a-service companies want to be in the cloud, because it is easier to add new customers with their own premise, as opposed to having them buy a whole lot of hardware and equipment. They basically prefer to run on the cloud so that when a new customer comes in they just do a couple of clicks and they have their system up and running. Now they need something that is very flexible, because they may have a lot of customers and at the same time they need something that helps the performance and security of their application. This is what we provide, enterprise storage in the cloud. We provide the same availability to performance and features of storage that is on premise, but with the capability to create the storage entirely in the cloud

and in one minute, so that if they have a new customer they create the storage and virtual machine and they have the customers up and running in a few minutes or a few hours, as opposed to weeks and months. I would tell any customer or any company that is software-as-a-service, especially ones running databases - one of the many new cases that we see today that need us.

CEOCFO: Is the offering based on the amount of storage? Are there other “bells and whistles” that companies can add on to what you do for them?

Mr. Nahum: Yes. We try to mimic the same capabilities that the customer would have with enterprise arrays on-premise. It is not just the amount of storage. This is one of the differentiators. With the classical cloud storage, it is the cloud provider who needs to manage the entire system, and they go to the lowest common denominator and then everyone gets the same

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- Nelson Nahum

thing. In our case each customer can decide. Sometimes they need a lot of capacity at a lower cost or sometimes they need very high performance with less capacity at a higher cost. Therefore, we allow the customer to decide which kind of storage they want, if they want fast or inexpensive, as well to have the full management of their storage. So, yes, we provide more options than just the capacity.

CEOCFO: Are there features that you would like to add or that you are working on adding? Is the product set as it is?

Mr. Nahum: No. we continue to work even though we have capabilities that are much better than other storage in the cloud today. We continue to work towards more and more enterprise functionality. For example, in a couple of months we will release a new version that will allow a customer to replicate the full storage from one region to the other. If in the case of Amazon, a customer of Amazon can have a

cloud system on the east coast and a cloud system on the west coast, we will replicate the storage between the east coast and west coast and if there is a hurricane coming on the east coast, the customer could decide very easily to switch the whole compute environment to one on the west, continue to run it in the west for a couple of days and when the hurricane is over go back to east. Therefore, this is a very unique functionality that no one else has in the cloud today.

CEOCFO: When you speak with a potential customer do they “get it” right away? Is there a “light bulb” moment when they realize what you are offering and how it is different?

Mr. Nahum: Yes. Enterprise customers, especially the ones that are familiar with storage systems, the light bulb just goes on right away and they say, “I did not know that this is possible in the cloud.” Especially with the ones that are familiar with storage systems.

The ones that are smaller and are not very familiar with storage systems, people that are not familiar with enterprise storage need to have more of an explanation of what we do and why it is

needed. However, one of the advantages of running in the cloud is that it is very easy to try. They do not need to buy anything. They do not need to commit. They go to our website and they create the storage array. They connect it to their application in the cloud or they can run some new applications in the cloud and look at the performance and features. We provide extremely good support. We came from the enterprise storage business where support is very important. We work with them before the purchase, but it is so easy to try that it makes our life much simpler. That is because we can say that all you need to do is to spend two or three hours and see how it is working.

CEOCFO: How do you reach potential customers?

Mr. Nahum: That is an interesting question. We do a lot of online marketing. We use social networks. We also do more classical marketing like trade shows. We are in those especially enterprise cloud conferences.

Those are the activities that we do, as well as we get referrals from the cloud providers. Some of the cloud providers tell a customer that they need bigger storage and they really cannot use their native storage and they bring the customers to us. This was in particular the case with a very big customer of ours.

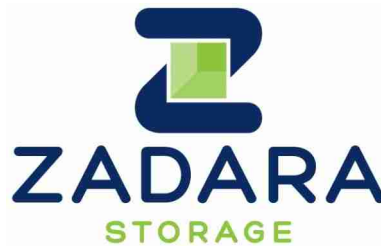
CEOCFO: How is business today?

Mr. Nahum: Business is very good. We are growing. Our main target is to show that this is a unique product. No one else is doing storage in this way. We need to show the value. We need to have proof and reference customers. The first year of business is critical to our success and we are achieving that. We have names that are Fortune 50 companies that are using our storage system, things that we never dreamed that would be possible just a few months after launch. We are acquiring customers at an increasing pace from quarter to quarter.

CEOCFO: Why should investors and people in the business community pay attention to Zadara Storage? What makes you a special company?

Mr. Nahum: I think that the world is changing, especially with the cloud. The cloud brings the economics of pay-as-you-go and pay-as-you-use and also brings new challenges of scalability. You need to have multi-tenancy and you have a lot of customers using the same equipment without interfering with one another. Therefore, I would say that the cloud community and from people and businesses that are looking to use the cloud, I think that the main thing that we provide is that we understand how the enterprise uses storage and we are taking the same attributes of the traditional enterprise storage, but applying it in a different architecture to the cloud. Basically, we have the new scalability needed. Now we need to scale to hundreds or thousands of servers. We have the capability to create things on the fly and charge per

hour instead of big capital expenses. That is our main value. You see that the whole industry is going to “as-a-service” as much as they can, including storage. In order to go to “as-a-service” you need a different architecture. With classical arrays, it is extremely hard to make them “as-a-service.” It is expensive and they cannot scale to the size of the cloud and are designed for only one customer. They are single-tenant, that is the other thing. In the traditional world every customer would have a big storage system per one customer. One customer tasked with security and all the administration. In the cloud there are multiple customers, many customers, hundreds of them, thousands of customers using the same storage system. How you achieve this sharing without exposing a security breach or performance degradation is the main challenge. We cannot completely, but they are allowed to do that.



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