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Economic Downturn Spurs Virtualization, Unified Communications Growth

Network Instruments' Annual State of the Network Global Study finds three-quarters lack tools and visibility into virtual environments despite surge in technology adoption

Minneapolis, MN – May 4, 2009 – Network Instruments®, a leading provider of innovative analysis solutions for in-depth network intelligence and continuous availability, today released its third annual State of the Network Global Study. The findings show despite experiencing the gravest economic downturn since World War II, three-quarters of companies will have invested in virtualization and unified communications by year's end due to perceived cost savings and quick return on investments.

However, 75 percent of the organizations rushing to roll out new network technologies lack the tools and visibility needed to monitor and troubleshoot performance problems.

The comprehensive study involved nearly 450 CIOs, network engineers, and IT managers worldwide, and explored the economy's impact on virtualization and unified communications as well as the primary challenges in managing these technologies.

The 2009 key study findings include:

- **Virtualization rollouts surging:** Over half of applications will run on virtual machines by 2011
- **Strong embrace of video:** Companies deploying video conferencing to double by 2010
- **IT largely unaffected by layoffs:** 65 percent of network teams haven't or do not expect to experience layoffs
- **Virtually in the dark:** More than half lacked appropriate tools or visibility into virtual environments
- **Largest troubleshooting headache:** 80 percent indicated their chief troubleshooting challenge as identifying the problem source
- **Emerging technology challenges:** 45 percent saw virtualization as the greatest emerging monitoring challenge, followed by unified communications, cloud computing, and IPv6

"While organizations have the right idea investing in technologies that reduce corporate expenses and improve productivity, they're failing to invest in appropriate monitoring tools," said Charles Thompson, product manager of Network Instruments. "This will actually create larger problems that can halt business processes and cause network teams to waste countless hours troubleshooting."

Virtualization

Three-quarters of organizations have virtual network environments. Currently, the majority are running less than 25 percent of applications on virtual machines. This will rapidly increase over the next two years, when the majority of applications will be hosted in virtual environments.

Surprisingly, in spite of the rapid deployment of virtualization, many network teams seem ill-prepared to troubleshoot performance problems. Over one-quarter of respondents cited a "lack of appropriate tools" as the largest troubleshooting challenge they faced in virtual environments. This was closely followed by a lack of visibility and information.

Given these challenges, a majority of firms identified virtualization as the most difficult to monitor when compared to other emerging technologies. This was followed by unified communications (24 percent) and cloud computing (10 percent).

Unified Communications

The majority of companies will implement some form of unified communications within the next 12 months. Over half will have deployed video conferencing and unified messaging by 2010.

VoIP adoption also continues at a strong rate, with 78 percent of companies having deployed in 2009, marking a 12 percent increase over 2008. A surprising increase occurred among the number of companies monitoring VoIP quality. Forty percent of companies monitor call quality compared to 30 percent in 2007.

Performance Management

When asked to identify their biggest network concern, 37 percent of network professionals identified application delivery and performance as their biggest challenge. This marks a shift of duties from the network to application management, which was further demonstrated with more than half of respondents citing applications as the primary source of performance problems.

About the State of the Network Global Study

The study was conducted by Network Instruments to measure the chief performance management challenges of network professionals. The results are based on responses from 442 network engineers, IT directors, and CIOs in North America, Asia, Europe, Africa, Australia, and South America. Responses were collected from March 19 - April 3, 2009, through network technology seminars, interviews, and online surveys.

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About Network Instruments

Network Instruments, a leading provider of innovative analysis solutions, helps organizations and enterprises ensure the delivery of business-critical applications on their networks. The company's monitoring and reporting products provide comprehensive visibility into networks and applications to optimize network performance, speed troubleshooting, and assist long-term capacity planning. Network Instruments solutions provide integrated enterprise-wide reporting and back-in-time investigation capabilities for troubleshooting networks. The company is headquartered in Minneapolis with sales offices worldwide and distributors in over 50 countries. For more information about the company, products, and technology, please visit www.networkinstruments.com.

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