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[The Barbarians Are at the 3PAR Gate](#)

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Hewlett-Packard (“HP”) and Dell are engaged in battle over the acquisition of 3PAR. 3PAR is a small storage company that has innovative technology to handle the amounts of documents, photos, and videos being uploaded to the Internet every day. Just how important is this storage company HP and Dell’s cloud business? Thomson Reuters estimate that 3PAR’s revenue for this fiscal year is \$240 million and HP recently topped Dell’s offer by offering \$1.6 billion for the company. HP’s offer is seven times larger than 3PAR’s revenue and 33% more than Dell’s offer. Many analysts believe that Dell will raise its offer for 3PAR, as Dell is hoping to use the acquisition to strengthen its enterprise data-storage offerings.

Why the mad dash to acquire a small storage company? IDC estimates that spending on cloud-computing services will increase 27% a year to \$56 billion by 2014. And storage, is of course, just one piece of what is needed to outfit data centers required by Internet companies for cloud computing.

This news is not only good for the 3PAR shareholders, but for consumers of cloud computing services as well. Presently, cloud computing is at the top of hype cycle, which means there are a lot of players in the space. In other words, there is a mix of reliable and unreliable players and deciphering the good from the bad can be a daunting task. This is not to imply that 3PAR is an unreliable company, but as larger companies with established reputations begin to buy the smaller players and consolidation occurs in the space, the more reliable cloud computing services will become. The more trustworthy cloud computing becomes in terms of data privacy, maintenance, and support, the more mainstream it will become. Mainstream acceptance of cloud computing is a good thing for business because it will allow companies of all sizes to reduce their IT costs, which will help increase profits.



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