

CloudGenera quintuples customer base as it focuses on cloud brokers

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22 Jul, 2015

CloudGenera has grown its customer count from 12 to 60 in the past 10 months. With a new focus on the channel, the company is selling its CloudAssist and CloudAdopt platforms to MSPs, SIs and VARs that want to differentiate their offerings while choosing the most appropriate cloud on which to locate their services.

The 451 Take

CloudGenera is making a shrewd move by focusing on the channel - distributors, VARs and SIs want (and need) to be involved in the cloud market, but rather than take on the likes of AWS, they can survive and grow by being the trusted adviser that intermediates between the options and adds value on top. CloudGenera can provide partners with this value by helping to identify opportunities for differentiation through its analytical capability and by determining the best cloud for customers' specific application requirements. Partners should be happy paying a subscription for the comprehensive capability CloudGenera affords, which should give the company predictable, recurring revenue to help it grow and develop further.

Context

Founded in 2012, CloudGenera was initially self-funded by its founder, Brian Kelly, formerly of VMware. The company raised \$1m in funding in June, and claims it turned away an additional half-million-dollar investment. The company has 18 full-time employees, and it reported revenue of roughly \$2.5m in October 2014. At that time, it reported 12 customers using its CloudAssist and CloudAdopt services - this has now shot up to more than 60, growth that the company puts down to a new focus on the channel. Channel customers include HP, Tech Data Corp, Long View Systems,

GreenPages Technology Solutions, Edge Solutions and Skybrid. CloudGenera claims the use of its software drove more than \$30m of incremental cloud sales for cloud providers.

The CloudAssist service is essentially a cloud-comparison tool. Application requirements are input by users by defining the characteristics of a number of dimensions. The tool assesses a range of IaaS providers, such as AWS, Google, Microsoft, VMware, HP and Rackspace, as well as PaaS providers, such as Cloud Foundry and Heroku, against these requirements. The output is a scorecard based not only on the cost per virtual machine, but with a focus on value – it seeks to answer the question: 'Based on the application profile, what is the best compromise between specification and cost when considering internal expenses, such as support staff, as well as less-tangible expenses?' The simple scorecard is available for free, and a full detailed report of about 80 pages is available for each analysis, but only for subscribers at \$5,000 per seat per month.

Initially, the target for this was enterprises assessing their options for cloud services. However, with a new channel focus, the company has seen increased interest from those providers looking to act as cloud brokers: IT distributors, SIs and VARs. These channel partners are adding value by using CloudAssist to identify which cloud best suits their customers' particular needs, rather than just giving them access to a range of options from which they can choose. A key way for brokers to differentiate from cloud providers is by demonstrating independence and helping customers (SMBs and enterprises) choose the best cloud for requirements. From this base, partners can add managed services on top of third-party clouds. CloudGenera claim its CloudAssist service reduces decision-making time by 75%.

The CloudAdopt service represents the other side of the equation: service providers, VARs, and cloud brokers that are looking to understand how to build and architect cloud services that enterprises will want to purchase. It is essentially a modeling platform that allows providers to assess which new configurations, service levels, accreditations, security levels and pricing models will appeal to customers, and to cost and price the service. CloudAdopt is priced at \$15,000 per catalog of services.

The company has strategic partnerships with Intel, where it is focusing on driving adoption of cloud and upgrades from Gen8 to Gen9 processor architectures, and Amazon, where it is focusing on business-case development for existing applications as migration candidates to AWS. The company has also partnered with RISC Networks: CloudGenera's business-case development and financial-analytics capabilities combined with RISC Networks' automated discovery and workload-placement capabilities can provide an automated decision engine based on existing deployments.

The services can be accessed via a SaaS website or via APIs that allow this decision-engine capability to be built into sales and quotation tools. Version 2.5 of the platform is due out in August, and will include improved data analysis and cataloging tools. In the long term, the company would like to add tools to compare the relative value of colocation, regional data providers and private cloud.

Competition

CloudGenera claims its biggest competitor is internal spreadsheets. Cloudamize has similarities to CloudGenera, as does strategic partner RISC Networks. RightScale's PlanForCloud service is able to specify the price of different cloud providers based on a specification, and this has been included and enhanced under the name Cloud Analytics in RightScale's Cloud Management Platform. CloudHealth has the ability to analyze the consumption of multiple cloud services for service management. XOcur has recently hit the market with a cloud-comparison engine, and Krystallize can measure the performance of an application to specify a suitable cloud provider. Other cloud cost-comparison providers include CloudScreener, Cloudability, Cloudbyn, 2nd Watch, Scalr and CloudCheckr.

SWOT Analysis

Strengths

CloudGenera's platform allows a detailed list of requirements to be specified via an API or GUI, and subsequently compares them across providers and platforms, taking into account a range of considerations.

Opportunities

Service providers wanting to act as brokers need to help their customers choose the best cloud for each application's needs.

Weaknesses

There is no means of gathering these requirements automatically from an existing implementation, although this data can be uploaded via APIs by third-party tools, such as those provided by RISC Networks.

Threats

With such rapid growth, the company needs to ensure it has the staff and the plans to keep its SaaS platform operational and its customers supported.

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