



HYALTO

Build your own sandbox for growth

WHITEPAPER

In a multi-cloud world, it has become a competitive necessity, even a matter of survival, for MSPs to become trusted brokerage partners for their enterprise clients.

They can't depend on cloud service providers to give them the 'universal remote' or 'single point of data/single pane of glass' they need to effectively do so, no matter how much talk there is about "partnerships" and "ecosystems" across the industry.

Introduction: Where is the cloud market going?

It may not have been the Summer of Love in the cloud computing space, but the common theme at the season's seminal industry events for 2019 has certainly been one of collaboration and partnership. At least, within the confines of the big vendors' respective sandboxes.

The enterprise cloud is inherently collaborative, not because real or would-be competitors rush to cooperate, but because the prevailing trend among their customers demands it. Enterprises pick, choose and swap from among various vendors to find the best combination of services, capability and flexibility to get the job done, a cost-effectively as possible. Cost, more often than not, trumps other worthy considerations like data security, sovereignty and backup.

Some cloud vendors understand this multi-cloud approach is likely to continue and seek partnerships that will make life easier for MSPs and their enterprise clients alike. They aspire to be "the Switzerland" of the cloud market. Others grit their teeth and bear it, certain that, over time, the cloud strategies for most enterprises will mature to the point where they will settle with one dominant cloud provider. They intend to be that dominant force and embrace partnership only so far as it serves their agenda.

Which perspective will prevail? Only time will tell. For any MSP caught in the middle, the best offensive and defensive strategy is to keep its options open.

What did we glean from some of the big names in cloud during the summer of 2019? What does this mean for MSPs looking to equip their businesses with the capabilities to prosper in a multi-cloud world?

Part 1: Recon from the trenches

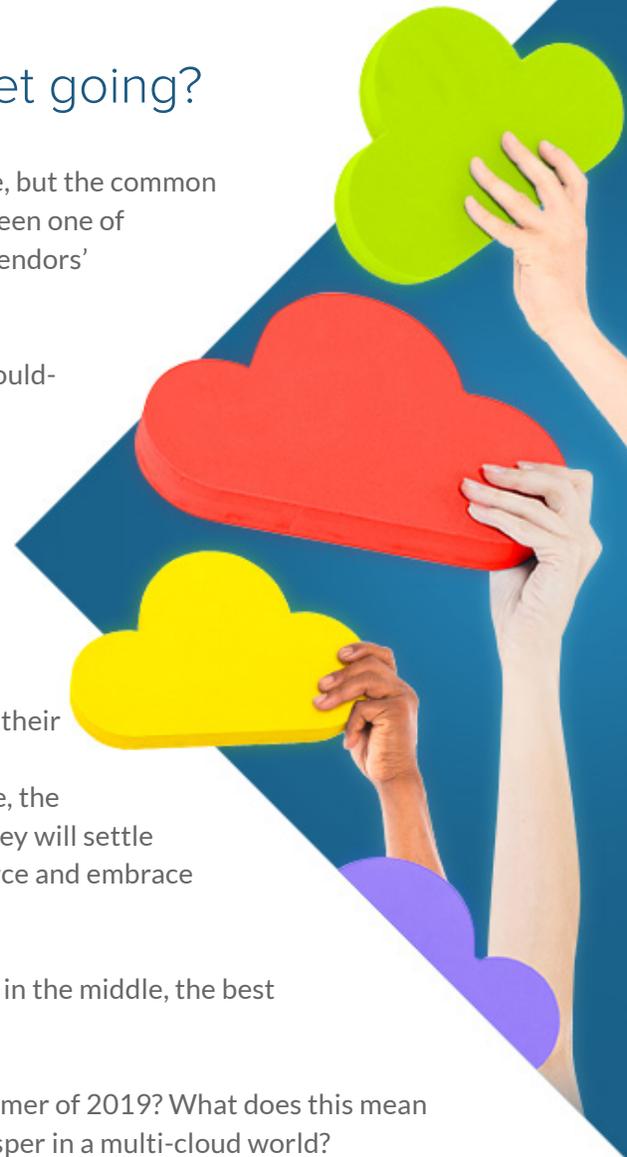
We began at VeeamON in May ...

Veeam has around 60,000 partners in its ecosystem, including MSPs, resellers, distributors and companies like HyAlto. Co-founder Ratmir Timashev boldly predicting the company will hit US\$2 billion in revenue within five years. That will represent a significant acceleration in growth, considering it took Veeam almost 13 years to reach its first \$1 billion.

"The opportunities are tremendous for Veeam and for our partners," he told the VeeamON crowd. "This is the next stage of our evolution."

Veeam is basing that rosy outlook on the fact that fully 90 per cent of enterprises are expected to have a multi-cloud strategy in place to handle their data, IT and computing needs within the next three years.

Veeam's particular slice of that market, cloud data management, is on a strong growth curve. In fact, [Veeam recently quoted IDC Research Director Phil Goodwin](#) as stating that "the overall cloud-based data-protection-



as-a-service market is growing at a 16.2 percent CAGR (compound annual growth rate), much faster than the 3.4 percent CAGR for traditional data protection and recovery software. Veeam continues its strong market growth in both segments by continuing to offer new products and services matched to the rapidly evolving cloud and on-premise requirements.”

Next, ConnectWise’s Explore partner conference ...

ConnectWise exists to help MSPs be successful. It has built a unique ecosystem around an award-winning business management platform that automates the full lifecycle of technology service delivery, from sales and service to project tracking and back-office functions. ConnectWise claims some 25,000 partners in more than 65 countries. Many of these MSPs provision services from current HyAlto partners VMware and Veeam for their enterprise clients.

Given their respective value propositions, it’s obvious where Veeam and ConnectWise fit into the broader cloud market. Partnership with the big three public clouds – Amazon Web Services, Microsoft Azure, Google Cloud – comes naturally. This also applies to VMware with its private cloud services. In fact, in the past year, it has extended partnership agreements with all three public clouds, most recently, Google.

Then Microsoft Inspire ...

Then there is Microsoft. At its July Inspire conference in Las Vegas, CEO Satya Nadella hyped the partnership model.

Meanwhile, Gartner noted in its [2019 Infrastructure-as-a-service magic quadrant](#) that “Microsoft has a unique vision for the future that involves bringing in technology partners through native, first-party offerings such as those from VMware, NetApp, Red Hat, Cray and Databricks.”

Part 2: Switzerland versus imperial ambitions

“Cloud services are definitely shaking up the industry,” Sid Nag, research vice president at Gartner, said in the 2019 Infrastructure-as-a-service magic quadrant report.

It’s a reality that the public cloud providers can’t ignore.

Sid Nag, research vice president at Gartner

“At Gartner, we know of no vendor or service provider today whose business model offerings and revenue growth are not influenced by the increasing adoption of cloud-first strategies in organizations. What we see now is only the beginning, though. Through 2022, Gartner projects the market size and growth of the cloud services industry at nearly three times the growth of overall IT services.”

[Google Cloud CEO Thomas Kurian has been quoted](#) as saying (or blogging) that Google Cloud must “meet customers where they are, not where we happen to think they should be.” And with regard to the recent VMware partnership, that, “Both Google Cloud and VMware believe that customers want to run workloads in the cloud that works best for them. At Google Cloud, we are committed to offering solutions that let our customers to do just that.”

In fact, [VMware has been characterized as the “Switzerland”](#) of the hybrid/multi-cloud market – the go-to partner for the big public cloud providers as they work to migrate customers’ workloads from on-premises platforms.

Microsoft has expressed the same play-nice sentiments as Google, with the need to balance customer wants with its own self-interest.

On the other hand, [John M Clark, a cross-domain solutions architect at Microsoft, wrote in a October 2018 blog post:](#)

“We believe over time, organizations will most likely embrace and choose a primary cloud provider and stick with them to leverage the services and ecosystem fully. Especially as applications are modernized or re-factored to take full advantage of that cloud’s PaaS (Platform as a Service), FaaS (Function as a Service) and SaaS (Software as a Service) capabilities.”

His rationale is reasonable, considering the headaches that frequently arise with a multi-cloud strategy. There are horror stories aplenty about cloud-sprawl, unexpected overage charges, poor performance and security risks. The complexity of managing different services from different providers and ensuring they actually provide the much-touted benefits, instead of creating more headaches than they solve, is a material issue for enterprises across the board.

Part of the problem obviously rests with cloud providers themselves, caught in that tug-of-war between what their enterprise customers want and need, and their respective self-interest when it comes to developing a truly viable “universal remote” or “single pane of glass” with which to efficiently manage workloads running in different (and competing) clouds.

Where does this leave their enterprise customers and the MSPs caught in the middle?

Part 3:

The cloud tug-of-war isn't likely to end any time soon

Michelle Bailey, global VP, GM and research fellow for data centre and cloud at market research firm [IDC](#), spoke at the [IGEL Disrupt conference in February 2019](#) about the business pressures enterprises face that keep their workloads split between public clouds and on-premise resources.

She noted how multi-cloud implementations currently account for 64 per cent of cloud adoptions, single-cloud adoptions just 28 per cent and hybrid cloud adoptions, seven per cent.

But ... 81 per cent of the organizations surveyed by IDC reported that they had repatriated workloads from public clouds to on-premises private cloud, hosted private cloud, or on-premises non-cloud infrastructures. Bailey forecast this figure will rise to 85 per cent in 2019. In addition, respondents to IDC said about 50 per cent of their public cloud applications will move to private cloud or on-premises infrastructures over the next two years.

How eager are enterprises to take advantage of multiple cloud services? The kind of cybersecurity headaches which executives are creating for their IT teams may be some indicator. [A recent study from Symantec Corp.](#) surveyed 1,250 security decision-makers across the globe. It found that more than 53 per cent of computing workloads from enterprises have moved to the cloud. An overwhelming 93 per cent of those surveyed reported that they had issues keeping tabs on all of their cloud workloads and only 27 per cent believed they were capable of addressing all cloud security threats.

Symantec's director of product marketing, Robert Arandjelovic, attributed this to executives pushing for cloud implementation for fear of losing competitive advantage while sidestepping the opinion of their security experts, coupled with the fact that new cloud services can be deployed without having to involve the traditional internal IT department.

You can take these numbers to the bank

Consider this against the market data from Gartner. The worldwide public cloud services market is projected to grow 17.5 percent in 2019 to total US\$214.3 billion, up from \$182.4 billion in 2018.

The fastest-growing market segment continues to be cloud system infrastructure services, or infrastructure-as-a-Service (IaaS), which is forecast to grow 27.5 percent in 2019 to reach \$38.9 billion. This follows 31.3 per cent growth for IaaS in 2018. Cloud application infrastructure services, or Platform-as-a-Service (PaaS), is second at 21.8 percent, while Software-as-a-Service (SaaS,) will continue to hold the largest share of the market at US\$94.8 billion, with more modest year-over-year growth of 18.5 per cent.

So, ask yourself ...

Which begs the question for any MSP – is your business growing at the same pace as the industry average? If not, why not?

And further to that Symantec report, what could you do to help your enterprise clients better manage and track all those cloud-based workloads?

Conclusion:

Don't just line up to play in somebody else's sandbox

There is tremendous opportunity for MSPs within the partner ecosystems of Veeam, VMware, ConnectWise and the like. By the same token, the best way to hedge one's bets with the big public cloud vendors is for an MSP to position itself as a reliable brokerage and one-stop-shop for *as many of them as possible*.

But how? Consider the following:

- If the needs and desires of your enterprise clients is increasingly multi-cloud, the headaches that come with managing cost, consumption, billing and security are very real and could be materially harmful if not handled well.
- However market pressures may be forcing them to partner with rivals, no cloud service provider has yet come up with a universal remote or single pane of glass that can cost-effectively, reliably and comprehensively manage the multi-cloud. They arguably have little incentive to do so. And even a larger MSP can find it punitive to DIY their own solution for their enterprise clients (or for their own back office, where staff struggle to accurately and efficiently track usage for billing purposes).
- Competitive sandboxes between cloud vendors make it all but impossible for your enterprise clients to gain the data-driven insight to understand how they can optimize their cloud usage and cut their bill and mitigate their security risks.
- The traditional MSP business model of committing clients to fixed term contracts with on-premise installations is an increasingly antiquated business model. How can you adopt the same flexible service model as AWS, Azure or Google, with the data-driven tools that enable you to deliver better service, take advantage of growth and upselling opportunities, and avoid leaving money on the table?

An MSP is well-advised to take matters into its own hands, with a cloud monetization partner that is truly agnostic, and on good professional terms, with cloud service providers from across the market.

We have the answer

At HyAlto, we are partnering with leading cloud vendors and building a cloud monetization platform that will serve as that single dashboard. Automated, cloud agnostic and scaleable, HyAlto is designed to provide MSPs and their enterprise clients alike with a single pane of glass/single point of data with which to master the multi-cloud and reap the rewards.

HYALTO

Free trial available

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