

## Convirture creates cloud path from open source virtualization

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**Convirture**, a commercial supporter of the alternative to **VMware** virtualization – typically Linux and Xen or KVM open source hypervisors – is making the case for cloud computing made easy through virtualization. Basically, Convirture argues that if an organization has virtual infrastructure or virtual applications in just some of its overall IT, it is already on its way to the cloud. Its latest software, ConVirt 3.0, features simple migration of virtualized server, storage, networking and other resources to cloud operations, with an option for **Amazon** EC2. Its move into the cloud should help grow its channel, customers and reach, but it will also step up the competitive environment for the company.

### The 451 take

We've long thought Convirture was in a fairly unique position to benefit from the use of VMware alternatives in open source: Xen and KVM hypervisors. Partnerships with the likes of Red Hat, Canonical, Eucalyptus Systems and OpenStack all help reinforce the viability of Convirture's open source virtualization and cloud computing offerings. Its efforts in cloud computing will mean more competition with other cloud OS players. Additionally, this may intensify competition with Linux providers making the same cloud moves, but we also see Convirture as a likely acquisition target for one of them, particularly Red Hat.

Open source virtualization specialist Convirture says that after more than a year of growing its community and selling its product, it now has SMB and larger enterprise customers in multiple geographies, primarily North America and Europe. Convirture provides both free and paid-for versions of its ConVirt virtualization management software, which supports Linux and Xen or KVM. Convirture reports about 5,000 production deployments of its software, with a growing number of paying customers, which numbered about 2,500 in 2010. The company credits growth to its channel and partners, about 10 of which help Convirture resell its software and services, particularly in European and Asian markets.

Although it expected to face the typical monetization challenges of providing free and paid-for versions of its open source software, Convirture reports more greenfield business than conversion from free to paid use. In its latest version, ConVirt 3.0, the message and strategy are a mix of virtualization and cloud computing, with Convirture arguing that the OS, hypervisor, compute and operations model of virtualized infrastructure is a step to cloud computing for those already utilizing it. Convirture's paid products, ConVirt Enterprise and ConVirt Enterprise Cloud, provide enhanced scalability and automation features, including high availability via virtual machine and physical server failover, dynamic workload management, backup and recovery, access control, alerting, and integration.

One key capability of the software is management of virtualized datacenter and enterprise cloud resources from a single source, Convirture says. The company says ConVirt Enterprise Cloud allows an organization to pick and click parts of its virtual infrastructures – whether server pools, storage, networks or templates – intended for cloud operations, and the software handles the transition. This includes the option of integrating with Amazon EC2 for additional capacity.

In addition to its ties to the popular Xen and KVM open source hypervisors, Convirture has also grown through partnerships with other key open source players in enterprise virtualization and cloud computing. This includes Ubuntu backer **Canonical**, **Eucalyptus Systems**, **OpenStack** and **Red Hat**. Having run on angel funding thus far, Convirture says it is profitable, but still small, so it is now contemplating VC. The company has just fewer than 20 employees.

## Competition

Given that it is providing enterprise, midmarket and SMB users, as well as channel partners, with virtualization management software, Convirture's largest competitor is undoubtedly VMware. Like others, Convirture says it is benefiting from additional interest and business following VMware's licensing and pricing changes. **Microsoft**, another reported beneficiary of VMware's pricing changes, is also a competitor for Convirture, since Hyper-V is another prominent hypervisor option for enterprise and SMB users.

Convirture also faces competition from fellow supporters of open source hypervisors, such as **Citrix** and its XenServer. Competition from Citrix has also increased, given its acquisition of cloud OS provider Cloud.com and ongoing support for OpenStack. Other cloud OS competitors that cross over with Convirture include **Abiquo**, **Cloudscaling**, **Joyent** and **Nimbula**. There may be some competitive friction between Convirture and Linux providers, such as Canonical, **SUSE** or Red Hat, since these Linux providers support Xen, KVM, virtualization and cloud computing on their own, although Canonical and Red Hat are among Convirture's primary partners. Unpaid use of Linux and open source hypervisors is also a factor for Convirture, but it is helped by customer expectations to pay for cloud computing.

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