Convirture expands beyond OSS virtualization to multi-cloud, vSphere

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Convirture is expanding its business beyond open source hypervisors to provide multi-cloud and mixed-environment support, including VMware. The company's new ConVirt Enterprise Cloud is meant to manage physical, legacy and HPC resources as well as virtualized and cloud environments. The move makes Convirture a more realistic option for more enterprise and service-provider customers, but it also pits the company against new categories of competitors.

The 451 Take

Convirture has benefited from being tightly associated with Linux and open source hypervisors Xen and KVM as well as serving as the open source alternative to VMware's proprietary virtualization. The company may find new challenges as well as opportunities in adding multi-cloud and VMware support to its enterprise strategy, but we think its mixed-hypervisor and mixed-cloud vision matches what enterprise customers are doing with their mixed environments.

Context

Convirture has spent the past two years building up its virtualization management business based largely on open source hypervisors Xen and KVM, which are used primarily with Linux. The company is now focused on growing its enterprise customer count with datacenters that span multiple hypervisors and clouds, including private, hybrid and closed source ones. Founded in late 2006, Convirture has about 20 employees. The company is angel funded and says it has cash on hand, but may seek VC funding to accelerate growth.

Products

Convirture's offerings are all based on its open source virtualization software, ConVirt, which over three versions has been downloaded more than 75,000 times. ConVirt 3.0, which added high availability, scalability and automation, is also aided by its inclusion and integration with major Linux distributions, including CentOS, Debian, RHEL, SLES and Ubuntu.

The company now offers three products, headlined by its enterprise push with ConVirt Enterprise Cloud. It provides ConVirt Open Source for free and ConVirt Enterprise – which features automation, high availability, backup and restore, dynamic workload management, role-based access control and more – via subscription.

ConVirt Enterprise Cloud is intended as a single management tool for virtualized, private and hybrid cloud infrastructure so enterprises and service providers can consolidate the management of their varied resources. With current support for SLES 11 SP2, Ubuntu 12.04 LTS and the latest versions of Amazon, Eucalyptus and OpenStack clouds, Convirture plans to add support for CloudStack by the end of 2012. ConVirt Enterprise Cloud, which the company plans to expand for other clouds as well, also features virtualized-to-cloud conversion, virtual datacenters, multi-tenant security, high availability, workload management, resource quotas, public IP management, definable service offerings and an end-user console.

To further expand beyond open source hypervisors, Convirture is also adding support for VMware vSphere in its products. The company claims that this places it more in a systems management category and while we would still consider it primarily a virtualization and cloud provider, its vSphere support does expand its market to include those relying on VMware and others for systems management.

Customers

Convirture's customers are spread geographically throughout North America, EMEA, Latin America and Asia-Pacific. The company has more than 1,000 customers with mostly SMB users, but also boasts a growing list of large enterprise clients.

Convirture says some key enterprise use cases are driving its product and direction. Mostly, its customers are large enterprises in the retail, telecom, academia, government and defense sectors that are moving gradually through a multistep change from physical datacenter to virtualization and then to cloud computing. This means that cloud-based operations and management of infrastructure and applications is also done in a measured pace, though we do find that most

enterprises are interested in broader, wholesale change eventually.

We agree with Convirture's contention that enterprise IT is and will remain mostly a matter of mixed environments. This means management and control of physical infrastructure, including legacy and HPC, as well as cloud computing and virtualized resources. The company claims that it's better positioned and capable of handling this mix of resources compared with a cloud vendor that is focused only on cloud infrastructure or applications.

Competition

With its open source focus, Convirture's primary competitors have historically been VMware, Microsoft, Citrix and others with their own proprietary hypervisors, virtualization and cloud offerings. That competition still exists for Convirture, but ironically, as it moves beyond open source hypervisors and multiple clouds, it will be competing more with fellow open source providers such as Red Hat, SUSE and Eucalyptus Systems, though it integrates with SUSE and partners with Eucalyptus. The company's multi-cloud focus may also mean competition with single cloud providers, particularly Amazon, though we see Convirture and its enterprise strategy leveraging Amazon as much as competing with it. Convirture's vSphere support will mean more competition with VMware and systems management providers such as Hewlett-Packard, IBM, BMC, CA Technologies and Zenoss. Additional cloud rivals include Abiquo, Cloudscaling, Joyent and Nimbula.

SWOT Analysis

Strengths

Convirture benefits from its connections to Linux and serving as an open source alternative to proprietary virtualization in the enterprise.

Weaknesses

The company remains relatively small amid much larger players in enterprise virtualization and cloud.

Opportunities

Convirture is well-positioned to serve enterprise customers as they transition from multi-OS and multi-hypervisor environments to multi-cloud implementations.

Threats

Linux or cloud computing providers may try to supplant Convirture with their own multi-hypervisor support.