

REPORT REPRINT

CloudBolt targets hybrid opportunity with cloud governance, optimization after Kumolus pickup

SEPTEMBER 10 2020

By William Fellows

The opportunity for remaining independent cloud management platform vendors is all about adjacency: expertise in generic cloud management tasks are table stakes. After its second acquisition of the year, CMP supplier CloudBolt is going deep into cloud cost, security and compliance. It's positioning for a broader role in supporting hybrid clouds.

THIS REPORT, LICENSED TO CLOUDBOLT, DEVELOPED AND AS PROVIDED BY 451 RESEARCH, LLC, WAS PUBLISHED AS PART OF OUR SYNDICATED MARKET INSIGHT SUBSCRIPTION SERVICE. IT SHALL BE OWNED IN ITS ENTIRETY BY 451 RESEARCH, LLC. THIS REPORT IS SOLELY INTENDED FOR USE BY THE RECIPIENT AND MAY NOT BE REPRODUCED OR RE-POSTED, IN WHOLE OR IN PART, BY THE RECIPIENT WITHOUT EXPRESS PERMISSION FROM 451 RESEARCH.

451 Research

S&P Global

Market Intelligence

Introduction

CloudBolt is going deep into cloud cost, security and compliance after its second acquisition of the year – that of Kumolus. The cloud management platform (CMP) supplier is positioning itself for a broader role in supporting hybrid clouds.

451 TAKE

The opportunity for the remaining independent cloud management platform vendors is all about adjacency: expertise in generic cloud management tasks are table stakes. CloudBolt's latest acquisition of Kumolus provides a SaaS offering that brings continuous cloud optimization around cost, security and governance – in addition to the integration and additional VMware vRealize Automation expertise that its recent SovLabs acquisition brought. This also raises the target buying persona for CloudBolt within organizations to the CIO/CTO/CFO/CISO level. Its investor Insight Partners is sure to be putting additional opportunities in front of it, whether for sectoral or regional expansion, or functional enhancement. Clearly, the ambition is for CloudBolt to mature organically and via M&A to become more than a CMP provider, and target the broader hybrid cloud opportunity.

Context

CloudBolt recently acquired Melbourne, Australia-based Kumolus Holdings for an undisclosed amount, which provides 'day 2' operations and continuous optimization as a SaaS service for AWS and Azure environments. Governance, in the shape of automated compliance and security, has become as important to CloudBolt customers as its VMware vRealize capability and other cloud management features.

Having looked, via Insight Partners, for an acquisition in the space for some time, CloudBolt considered a number of options before settling on Kumolus, which not only brings the technology but also an APAC operation and a fast-track route to growth in that market.

Technology

The SaaS-based Kumolus cloud management platform includes discovery and visualization of cloud environments, automated cost management, and the ability to continuously enforce security posture and compliance. Chief benefits claimed are reducing cloud spend by up to 60% while meeting regulatory compliance standards such as CIS and PCI-DSS. The key capability – and the first point of integration between CloudBolt and Kumolus – is the latter's visualization layer, which enables users to see security issues and vulnerabilities, such as red/orange/green reports on PCI parts.

It also provides continuous optimization and remediation, suggesting rightsizing resource usage. Together, these support NoOps and FinOps personas, the company believes. Kumolus has customers in Australia, India and Singapore – partners include NEC Australia, Advent One, and many others. It has AWS Cloud Management Tools Competency status, and is an APN partner. Server management vendor Avigna Capital (Singapore) made an undisclosed investment in Kumolus in January 2020.

Business model

CloudBolt, based in North Bethesda, Maryland, provides self-service IT and DevOps for enterprises deploying hybrid cloud environments. CloudBolt was founded in 2012. It raised \$1.5m in private funding from B7 founder Peter Thorp (originally CloudBolt's CEO), and raised a \$2.1m convertible note in Q3 2015. As one of the few remaining independent cloud management platforms in the market, CloudBolt landed a \$23m series A round of funding in 2018 from Insight Partners, which also funded the acquisitions of SovLabs and Kumulos. CloudBolt appointed Jeff Kukowski CEO in April.

Kukowski was formerly CEO at SecureAuth, while Patrick Malaperiman arrived as a new VP of sales in EMEA, based in London. CloudBolt does 30% of its business outside North America – 70% of its business goes through the channel, a figure it's seeking to increase. 451 Research estimates CloudBolt is nearing \$20m revenue – we anticipate Kumulos brings a single-digit percentage uplift to this. The addition of Kumulos' 50 staff (mostly engineers) brings CloudBolt to 170 employees, and takes its customer count beyond 160, including a significant number of new MSPs.

Competition

The end of general support for VMware vRA 7.x is approaching. SovLabs brought CloudBolt an 'easy button' for VMware customers that are looking to migrate to vRA 8. The Kumulus addition enables CloudBolt to better target accounts without vRA. VMware vRealize Automation is competition as well as opportunity. Other competitors are RedHat CloudForms, Morpheus Data, Snow Software and Turbonomic.

SWOT Analysis

STRENGTHS

CloudBolt is adding new capabilities at a clip as it extends beyond basic cloud management, responding here to customer demand for governance as efficiency, security and automation become more important than ever, and priorities are reframed for the rest of the year.

WEAKNESSES

As the conversion from on-premises to hybrid clouds and hosted environments gathers pace, the market for tools that can help enterprises navigate their journeys through these environments is growing and heating up. CloudBolt is one of the few remaining independent 'full service' cloud management vendors, but will need to accelerate in a market with many larger competitors.

OPPORTUNITIES

The CMP market has ignited on the industry replatforming to hybrid IT, multi-cloud and cloud-native, and deals continue to be printed. The question is when CloudBolt will gather the necessary momentum and customer base to become prey rather than hunter.

THREATS

The market remains very fragmented, with customers facing a massive amount of vendor options for cloud management and automation across the spectrum of operations and development. The key to success will be finding the right combinations, and operationalizing them to deliver the benefits as advertised by their suppliers – speed, scale, agility and cost.