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CloudBolt acquires SovLabs to simplify hybrid cloud integrations

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By William Fellows

Cloud management platform supplier CloudBolt Software, based in North Bethesda, Maryland, is acquiring Norcross, Georgia-based codeless integration and VMware vRealize Automation specialist SovLabs. SovLabs could enable CloudBolt to leverage the opportunity presented by solving integration complexity across multi-service cloud deployments.

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Introduction

Cloud management platform supplier CloudBolt Software, based in North Bethesda, Maryland, is acquiring Norcross, Georgia-based codeless integration and VMware vRealize Automation (vRA) specialist SovLabs. Terms of the deal were not disclosed. CloudBolt claims the acquisition doubles overall customer count to 160 and number of employees to 140. The products will be sold separately for now, but the idea is to offer an appliance model that can turn on and off the capabilities in both. Additional acquisitions are anticipated.

Snapshot

Acquirer	CloudBolt Software
Target	SovLabs
Subsector	Cloud management, integration
Deal value	Undisclosed
Date announced	2-Jun-20

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The opportunity for remaining an independent cloud management platform vendor is all about adjacency: expertise in generic cloud management tasks, plus some set of value-added activities, be it security, financial insight or developer enablement. With CloudBolt's acquisition of SovLabs, it's clear that Insight Partners is aiming to develop just such an asset in its cloud management investment. SovLabs enables CloudBolt to rotate toward the opportunity presented by solving integration complexity across multi-service cloud deployments. Initially focusing on a significant installed base of vRA customers that CloudBolt believes are an opportunity for it as VMware transitions between versions of the product in an upgrade cycle, it will also address applications for infrastructure-as-code, ITSM and container management that are becoming enterprise institutions. This is not the end game but rather a first move.

Deal details and rationale

CloudBolt will use SovLabs' codeless integrations to help its customers and vRA customers reduce the cost and risk of custom coding automation workflows required by tools that are becoming standard in the enterprise such as Terraform, Kubernetes and ServiceNow. In hybrid and multi-cloud deployments, organizations face challenges around automating infrastructure deployments and typically use custom code, custom scripts and custom integrations to mesh infrastructure with these applications.

451 Research found that 68% of enterprises executing digital transformation initiatives declare hybrid cloud (integrated on-premises systems and off-premises cloud/hosted resources) to be an explicit IT strategy.

Terms of the deal weren't disclosed.

CloudBolt says that while customers are seeking to take the complexity out of using multiple clouds, they are also trying to wrangle multiple back-end tools such as Hashicorp Terraform for infrastructure-as-code, Kubernetes for container orchestration and ServiceNow for IT service management and must typically integrate them with vRA with custom code. To meet what it sees as a growing need and opportunity for tools that can automate vRA integration, CloudBolt has acquired SovLabs, which provides codeless integration technologies for this.

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The specific initial opportunity for the combination is, they believe, the end of general support for vRA 7.x, which is approaching, and serving customers that are looking to migrate to vRA 8 or invest in alternative cloud management capabilities. More generally, they see hybrid cloud as delivering significant automation challenges that they can address. The target market includes a claimed 6,000 vRA customers across the US and Canada alone. It opens further opportunities for SovLabs with users running ServiceNow and Terraform.

CloudBolt believes the combination will deliver cloud management, 'reimagined' via three principal activities. The first is 'build,' with SovLabs' codeless integrations enabling enterprise IT teams to publish their own services to centralize automation of IT resources and extend them for use by multiple tools and policies. The second is 'deploy,' whereby owners of different cloud management tools, whether CloudBolt, vRA, Terraform, Kubernetes or ServiceNow, will be able to consume those services. This is designed to deliver faster infrastructure provisioning and reduction of custom code. The third is 'govern,' by using CloudBolt's portfolio of cost management and governance tools to better visualize, secure and optimize workloads and containers across environments.

Target profile

SovLabs was originally a product within the Sovereign Systems integrator/reseller business – a company was founded around it in 2015 and spun off in 2018 before Sovereign's subsequent rollup with Data Blue, Link and Platform consulting into AHEAD, a \$1.3bn digital platform creator. Its key expertise is helping customers accelerate vRA projects and eliminating integration costs. It can simplify blueprints and integrations in vRA through software-defined templates, policies and configurations. SovLabs has a global reseller deal with F5 Networks.

Acquirer profile

CloudBolt provides self-service IT and DevOps for enterprises deploying hybrid cloud environments. 451 Research forecast CloudBolt would do around \$20m revenue in 2019, with some 70% of business going through the channel. 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 SovLabs acquisition. 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.

CloudBolt recently released version 9.3 of its cloud management platform, supporting some 20+ private and public cloud environments through a single pane of glass. It claims improved self-service capabilities (such as support for Cisco UCS), accelerated networking and provisioning (SolarWinds IPAM integration) and additional integrations (e.g., Veeam).

The company says it experienced a one-month blip in business due to COVID-19 but that it is picking up again, with renewed interest in automation and the ability to self-serve security and compliance. While CloudBolt has lost a couple of customers, it believes more than two-thirds will be ongoing engagements. Now, 50% of its business is done in the technology and financial services industries, with healthcare and government opportunities in the pipeline. It does about 80% of its business in the US.

Competition

VMware vRealize Automation itself will be the key competition as well as opportunity. Other competitors are RedHat CloudForms, Morpheus Data, Snow Software and Turbonomic.