REPORT REPRINT

Morpheus' CMP enables users to create a workflow from multiple cloud services

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Pulling multiple third-party technologies into one workflow is Morpheus Data's core value proposition. It can take advantage of existing discovery tools and set guardrails – and rather than being infrastructure-focused, is application-centric with support for complex hybrid application blueprints and service-aware features. It is also focused on developer needs, with some 500 API/CLI commands available to customers.

THE 451 TAKE

The cloud has moved beyond being simply a technology, and has transformed into a way of doing business. There is a massive land grab underway as all industries and public agencies convert to multi-cloud and hybrid architectures. We believe that the more effective a company is in supporting this transformation journey, the more right it will have to play in the ongoing (and long-term) management and optimization of deployments designed to ensure the cloud works 'as advertised.' Morpheus is one of the few remaining independent, full-service cloud management platform shops out there, following the consolidation we've seen in the last year or so.

CONTEXT

In Morpheus' view, the world has transformed from orbiting around virtualization and has rotated to the new: automation and orchestration of hybrid IT application lifecycles. In many cases, it finds application development teams have bypassed infrastructure operations as a result of long wait times; but in doing so, have ended up with cloud complexity, security holes, and lots of products that don't work together – this is its opportunity.

TECHNOLOGY

Morpheus provides multi-cloud orchestration with analytics, governance, automation and operations lifecycle support, and claims some 75+ out-of-the-box third-party integrations. It has recently added support for Alibaba, Oracle, T-Systems Open Telekom Cloud, AWS GovCloud and vCloud Director clouds. Also included is network automation and SDN support for Cisco ACI, VMware NSX, and OpenStack Neutron.

It has added Bluecat, phpIPAM and Infoblox for IP management; load balancer integration into F5 enabling virtual servers, nodes, and pools to be created, edited, and deleted directly to save time; global search of all connected clouds and infrastructure; enhanced automation for Kubernetes; blueprint support for Terraform and Microsoft ARM; and Azure native scaling. It also expanded storage integrations in 2018 with Zerto and Veeam, object and CIFS/NFS integration into blueprints, backup and migration; and support for Ansible Tower and Ansible Vault.

BUSINESS MODEL

Morpheus' technology was originally an internal management mechanism at private equity firm Bertram Capital, which had scoured the market for the tools it required, and ultimately embarked on its own development effort. The tool was productized and spun into a wholly owned entity, Morpheus Data. The toolset is now referred to as the Morpheus cloud management platform. Morpheus is still used by the Bertram's portfolio companies. However, 50-person Morpheus says it now has more than 100 customers outside of Bertram, including McDonald's, BlackRock, QuickenLoans and AstraZeneca.

It's adding staff in the UK, Germany and the Nordics – 40% of EMEA revenue is now MSP-based, and it is on Dell's price list in EMEA. It also has joint sales engagement with Hewlett Packard Enterprise, and is expanding relationships with larger global systems integrators. While 90% of revenue is channel-driven, it's aiming for 100%. We estimate revenue to be north of $10m. Channel partners include Computacenter, WWT, Trace3, SHI, Technologent and Pivot Technology Solutions. It has three pricing tiers, and says average sales price is now $100,000 and up, including a number of seven-figure deals.

Key target sales plays with partners include self-service provisioning with ServiceNow hooks; CI/CD enablement via configuration management integration; competitive take-outs of unused vRealize Automation and Cisco CloudCenter; cloud overlay for converged and hyperconverged offerings such as Nutanix or Dell vxRail; and bare-metal server integration for Cisco UCS and HPE Synergy.

COMPETITION

Morpheus is focused on larger enterprises, which may also be looking at VMware vRealize or RedHat Cloudforms; but it believes it offers greater strength as a faster-to-deploy and 100% vendor-agnostic option. Independent cloud management players include Scalr, CloudBolt, DivvyCloud, Embotics, Abiquo, Platform9, Quali, InContinuum, HyperGrid, Accelerite and Rackware.

Other firms that play here include HPE OneSphere, Huawei CMP (FusionBridge), Micro Focus Hybrid Cloud Manager, CA Cloud Service Management, BMC Cloud Lifecycle Management, DXC Technologies Agility, Accenture Cloud Platform, Capgemini Cloud Choice, Atos Canopy, Fujitsu Cloud Services Management/UShareSoft, NTT CMP, Cisco Cloud Center, Oracle Management Cloud, IBM Cloud Management, Microsoft Operations Management Suite, Red Hat CloudForms, VMware vRealize, AWS Cloud Management Tools, Google Stackdriver, Alibaba Cloud Monitoring & Management, CenturyLink Cloud Application Manager, Tech Mahindra Cloud Aggregation Platform, Wipro ServiceNXT, Cognizant Cloud360, HCL DRYiCE Mycloud, Infosys Managed Cloud Platform, TCS Consult and Architect, Applications.

SWOT ANALYSIS

STRENGTHS
Every company is becoming a service provider – seeking to better engage with customers, partners and suppliers with new digital services, and to compete in the digital economy. As such, every company will need to raise its software IQ to support this – software is the new hardware in the digital economy. Becoming a software company is tough. Access to developer resources is now as much of a limitation as access to capital. Morpheus can demonstrate capability here, bringing Dev and Ops together.

WEAKNESSES
The conversion to using the cloud is happening because it is faster, not cheaper, than conventional IT. Companies can respond more quickly to changing customer needs. The game at the moment is in delivering managed services to support this conversion by mitigating the cost, complexity and disruption – and providing governance (ongoing management, optimization security and control) in a 'cloud native' context. Morpheus' challenge is how to best maximize this opportunity via partnership, acquisition or organic growth.

OPPORTUNITIES
There are lots of cottage industries in cloud management – vendors focused on specific point capabilities such as management of advanced reservation, for instances. Morpheus is positioned for hybrid IT orchestration and DevOps self-service, aiming to take the sting out of the expense and complexity associated with hybrid cloud architectures and application lifecycles.

THREATS
There is a feeding frenzy for cloud management assets; however, most of the high-value take-outs have been for companies that have some specific expertise to bring to an acquirer's portfolio. The question is whether Morpheus' 'full service' approach will be valued more highly by an acquirer than any of the specific expertise it brings.