

REPORT REPRINT

OpenStack Summit Austin, Part 1: Vendors digging in for long haul

AL SADOWSKI

09 MAY 2016

With the Mitaka release, OpenStack continues to gain enterprise and vendor mindshare for private cloud deployments. This report provides highlights from the most recent OpenStack Summit.

THIS REPORT, LICENSED EXCLUSIVELY TO UNITAS GLOBAL, DEVELOPED AND AS PROVIDED BY 451 RESEARCH, LLC, 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 REPOSTED, IN WHOLE OR IN PART, BY THE RECIPIENT, WITHOUT EXPRESS PERMISSION FROM 451 RESEARCH.



©2016 451 Research, LLC | WWW.451RESEARCH.COM

When NASA and Rackspace conceived OpenStack in 2010, it was touted as an open source alternative to AWS. Seventy-five people were present for that first gathering in Austin, Texas. Six years later, and with the 13 releases of the code, over 7,800 people from 61 countries descended on Austin for the 'M-release' OpenStack Summit. OpenStack Mitaka had 2,336 contributors from 345 different companies, and many vendors indicate revenue growth coming from their OpenStack products and services. Part 2 of the OpenStack Austin report will focus on enterprise adoption.

THE 451 TAKE

OpenStack mindshare continues to grow for enterprises interested in deploying cloud-native applications in greenfield private cloud environments. However, its appeal is limited for legacy applications and enterprises sold on hyperscale multi-tenant cloud providers like AWS and Azure. There are several marquee enterprises with OpenStack as the central component of cloud transformations, but many are still leery of the perceived complexity of configuring, deploying and maintaining OpenStack-based architectures. Over the last few releases, processes for installation and upgrades, tooling, and API standardization across projects have improved as operators have become more vocal during the requirements phase. Community membership continues to grow on a global basis, and the supporting organization also depicts a similar geographic trend.

CONTEXT

Much has changed over the last six years, and the software itself is said to be much more stable than at any time prior. It helps that operators like Comcast, Yahoo and SAP are more involved in setting requirements. Rather than highlighting new pet projects, the Austin Summit presenters preached scalability, manageability and user experience. Gone is the Wild West of disparate client interfaces, token formats and API naming conventions. Now project teams are required to adopt standards, but not all are compliant yet. In hindsight, these are obvious requirements that must now be prioritized among project features in future releases, and not something that would have occurred with a benevolent dictator in charge. Rolling upgrades that were once an impossibility with OpenStack now appear to be working as advertised, according to several enterprises and the distribution vendors. Horizontal scaling of Nova is much improved, based on input from CERN and Rackspace. CERN, an early OpenStack adopter, demonstrated the ability for the open source platform to scale – it now has 165,000 cores running OpenStack. However, Walmart, PayPal and eBay are operating larger OpenStack environments.

One of the most important moves for the community was the creation of the OpenStack Foundation in 2012. Giving supporting IT vendors an opportunity to invest in the future of OpenStack – as platinum, gold or corporate sponsors – brought credibility, marketing muscle and developer resources. According to a 451 Research Advisors project, the 'who's who' of IT titans were consistently cited as a reason that enterprises were initially drawn to OpenStack over the past few years. Seeing their competitors listed as supporters also created a snowball effect of new sponsors among the vendor community. In 2012 CloudStack had more enterprise adoption, but it lacked an outlet for supporting vendors to assist Citrix in marketing efforts. If CloudStack created a foundation prior to OpenStack's move, the momentum would have likely stayed with CloudStack. As of the latest Mitaka release, there are 578 companies supporting the OpenStack Foundation and nearly 50,000 community members. In contrast, Citrix recently sold off its CloudStack stake to Accelerite.

While OpenStack may have been conceived as an open source multi-tenant IaaS, its future success will mainly come from hosted and on-premises private cloud deployments. Yes, there are many pockets of success with regional or vertical-focused public clouds based on OpenStack, but none with the scale of AWS or the growth of Microsoft Azure. Hewlett Packard Enterprise shuttered its OpenStack Helion-based public cloud, and Rackspace shifted engineering resources away from its own public cloud. Rackspace, the service provider with the largest share of OpenStack-related revenue, says its private cloud is growing in the 'high double digits.' Currently, 56%

of OpenStack's service-provider revenue total is public cloud-based, but we expect private cloud will account for a larger portion over the next few years.

VENDOR DEVELOPMENTS

As of the Mitaka release, two new gold members were added: UnitedStack and EasyStack, both from China. Other service providers and vendors shared their customer momentum and product updates with 451 Research during the summit. Among the highlights are:

- AT&T has cobbled together a DevOps team from 67 different organizations, in order to transform into a software company.
- All of GoDaddy's new servers are going into its OpenStack environment. It is also using the Ironic (bare metal) project and exploring containers on OpenStack.
- SwiftStack built a commercial product with an AWS-like consumption model using the Swift (object storage) project. It now has over 60 customers, including eBay, PayPal, Burton Snowboards and Ancestry.com.
- OVH is based in France and operates a predominately pan-Europe public cloud. It added Nova compute in 2014, and currently has 75PB on Swift storage.
- Uitas Global says OpenStack-related enterprise engagements are a large part of its 100% Y/Y growth. While it does not contribute code, it is helping to develop operational efficiencies and working with Canonical to deploy 'vanilla' OpenStack using Juju charms. Tableau Software is a client.
- DreamHost is operating an OpenStack public cloud, DreamCompute, and is a supporter of the Astaro (network orchestration) project. It claims 2,000 customers for DreamCompute and 10,000 customers for its object storage product.
- Platform9 is a unique OpenStack in SaaS startup with 20 paying customers. Clients bring their own hardware, and the software provides the management functions and takes care of patching and upgrades.
- AppFormix is a software startup focused on cloud operators and application developers that has formed a licensing agreement with Rackspace. Its analytics and capacity-planning dashboard software will now be deployed on Rackspace's OpenStack private cloud. The software also works with Azure and AWS.
- Tesora is leveraging the Trove project to offer DBaaS. The vendor built a plug-in for Mirantis' Fuel installer. The collaboration claims to make commercial, open source relational and NoSQL databases easier for administrators to deploy.

TRAINING

The lack of trained engineers and operators with the skills to handle production environments based on OpenStack distributions, managed services or other products is a concern for service providers, hardware and software vendors, and enterprises. In some cities, OpenStack engineers can command twice the salary of engineers with experience with a proprietary platform, and can often require twice as many resources in comparison, making the economics of moving to open source not always a better value.

Per the Foundation, there were 4,000 seats of training during the Summit, including some for the first Certified OpenStack Administrator exam. This program was first announced at the Liberty Summit in Tokyo. The exam was created to validate skills and help potential employers identify qualified candidates. The Linux Foundation was among the 20 training partners included. All impacted parties realize the need to increase supply in order to lower TCO.

WHERE TO NEXT?

Whereas the Mitaka release was mainly about manageability and resiliency, the Newton release's main themes are manageability and modularity. The Newton release summit will be in Barcelona in November 2016, and the O-release will be in Boston before the show heads to Sydney.