

## REPORT REPRINT

# OpsRamp's winter release highlights new AIOps capabilities

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### Introduction

OpsRamp's 'four seasons' release cadence sees the introduction of a winter 2020 update. The top line is that there are new AI-augmented (AIOps) capabilities, including the OpsQ Recommend Mode plus an OpsQ Bot, visualization of alert seasonality patterns and alert stats widgets.

### 451 TAKE

Confidence levels are rising at OpsRamp where new funding, sales momentum, AIOps-driven portfolio buildout and a target audience of vulnerable legacy IT operations vendors is enabling it to target the growing complexity of IT infrastructure. Enterprises that are re-platforming to cloud and hybrid IT environments are seeking modern ITOM approaches.

### Product

The OpsRamp summer 2019 release introduced OpsQ Observed Mode to showcase machine learning models for event management. Recommend Mode provides first response and alert escalation policies. When IT teams switch on Recommend Mode, they can view suggested actions (such as suppress alert or convert inference into an auto-ticketed incident) within the alert itself rather than having to review each alert to figure out the next step. New visualization improves the ability for customers to examine the patterns OpsQ has observed in order to reduce seasonal and recurring alerts using time- and attribute-based suppression. An alert stats widget provides a real-time view of event volume at each stage. In addition, there are 19 new multicloud monitoring integrations for Amazon Web Services (AWS), Microsoft Azure and Google Cloud Platform (GCP). The winter release adds new features for Windows agentless discovery, synthetic transaction monitoring and new alert integrations. Customers can now ingest events via webhooks from Dynatrace, Logz.io, Prometheus, Slunk and Zabbix.

### Business model

Based in San Jose, OpsRamp was founded in 2014 and has more than 250 employees. In 2017, it raised \$20m in funding from Sapphire Ventures, while the \$37.5m it recently received from Morgan Stanley plus existing investors Sapphire and Hewlett-Packard Pathfinder takes its total funding to \$57.5m. Prior to the Sapphire investment in 2017, most of the company's customers came in through MSP and reseller partners. Since then it has built out a direct sales force to pursue enterprise customers. OpsRamp sells to enterprises with \$250m+ revenue and MSPs, especially where complexity and legacy takeout programs are underway and hybrid IT/cloud adoption is accelerating.

In 2019, OpsRamp claimed to have 1,800 customers (most in the US), including enterprises as well as organizations of all sizes that are sold to through partners. The company reported that many customers start with contracts valued at \$100,000, with some over \$1m annual recurring revenue. In 2019, we estimated revenue to be north of \$5m. The company claims annual recurring revenue is now growing at 100%. It's recently built out its leadership team, appointing former Okta and Nimble executive George Bonser as VP EMEA sales and former Rubrik and Nimble executive Brian Hartwell as VP channel sales. It's also deepening its strategic relationships with systems integrators and its indirect channel in Japan. It's selling primarily to head of infrastructure, bot products and CTO roles and works directly with IT ops. Monitoring is always the initial use case.

### Competition

OpsRamp faces competition from point products in monitoring, event analytics and incident management, as well as offerings that serve all or part of the ITOM promise. In monitoring, it competes with infrastructure monitoring vendors such as Datadog, ScienceLogic, Zabbix and LogicMonitor. Because OpsRamp customers can ingest some data from third-party tools like APM products, it can be used for event analytics. The company also offers some incident management capabilities and as such, some customers might use OpsRamp instead of an event and incident management offering from the likes of Moogsoft or BigPanda, although we view those companies' products as fuller featured.

The most important rivals to OpsRamp, however, are those that have similar aspirations of delivering a broad suite of capabilities that serve IT operations practitioner and executive use cases. We see providers such as Zenoss, FixStream and Centerity falling into this category. The traditional players in this space are IBM, CA Technologies, BMC, Microsoft and Micro Focus (Hewlett Packard Enterprise), which are slowly rotating toward hybrid/cloud IT.

### SWOT Analysis

#### STRENGTHS

The winter release of OpsRamp software is focused on using AIOps techniques to get to the root cause of problems more quickly and remove complexity. OpsRamp's SaaS-native approach to hybrid IT, multicloud discovery and monitoring means innovation does not have to wait for legacy releases to catch up with current development cycles.

#### WEAKNESSES

We think there remains a significant opportunity to bring an economic dimension to ITOM, either by integrating/partnering or building/acquiring a cloud spending optimization asset.

#### OPPORTUNITIES

Because chaos is the norm in the current state of enterprise IT re-platforming, OpsRamp says there is rising interest in the modernization of IT operations management. OpsRamp's opportunity is to embed itself in the cloud and services-driven era to address the future and long-tail opportunity for continuous optimization once the chaos is controlled.

#### THREATS

OpsRamp has foregrounded cloud native as its direction of travel and will need to credential its approach as this sector comes alive with companies targeting enterprise re-platforming to microservices, containers and Kubernetes at scale, requiring sophisticated observability.