OpsRamp keeps up with the competition, investing in ML, Kubernetes monitoring

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OpsRamp is one of a handful of vendors in the application and infrastructure performance market to recently roll out new capabilities built on advancements to their machine learning technologies. The latest update indicates it is keeping a close eye on the needs of modernizing businesses.

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Summary

OpsRamp is one of a handful of vendors in the application and infrastructure performance market to recently roll out new capabilities built on advancements to their machine learning technologies. Those updates and others in its latest release indicate OpsRamp continues to expand the breadth and depth of its capabilities.

451 TAKE

OpsRamp offers a long list of capabilities that address the needs of enterprises that are modernizing their IT environments, employing hybrid and increasingly complex systems. We think OpsRamp faces some challenges in that its range of capabilities doesn't neatly fit under any modern, established product category. OpsRamp could be considered to offer a modern ITOM product, although the ITOM category has long been ill defined and we seldom hear from businesses that are looking specifically to buy a product they call ITOM. However, we do hear from businesses that want to solve alert fatigue and tool sprawl issues, and get clear visibility into complex IT environments, and these are key problems that OpsRamp addresses. We like the machine learning investments from OpsRamp and its commitment to supporting the kinds of integrations its customers need.

Context

Based in San Jose, OpsRamp was founded in 2014 and now has 250 employees. In 2017, it took $20m in funding from Sapphire Ventures and reports that the investor has regularly made introductions to enterprise customers. Prior to the investment, most of OpsRamp's customers came in through MSP and reseller partners, of which it claims 200 including 2nd Watch, NTT DATA, Fujitsu and NEC.

OpsRamp has since begun building a direct sales force to pursue enterprise customers. It claims 1,800 customers, including enterprises as well as companies of all sizes that are sold through partners. OpsRamp reports that many customers start with contracts valued at $100,000, with some over $1m ARR. Given the very large size of its customer base, we estimate most customers spend significantly less.

Most OpsRamp customers are based in the US, with some in Japan and the potential for growth in EMEA, where the company opened a sales office late in 2018.

Products

OpsRamp's winter release has some important new capabilities. The company continues to develop new machine learning-driven capabilities, including one that automatically routes incidents to responders based on historical patterns. OpsRamp is also now correlating alerts that are related to the same issue. Those capabilities build on existing analytics that OpsRamp already offered, including to automatically reduce alert volumes by eliminating alerts that the system has learned aren't meaningful because, for instance, an anomaly happens every week at the same time and doesn't require a response.

We like that OpsRamp is planning to offer some transparency into its machine learning engine. Later this year, customers will be able to see how accurate OpsRamp is when employing machine learning for forecasting and other capabilities. Users with data analytics skills can tweak the way OpsRamp is weighting data that feeds its machine learning engine in order to improve the success. New customers can also add training data in order to realize the benefits more quickly of using OpsRamp.

OpsRamp also continues to analyze data it collects across all its customers to learn patterns that can inform its algorithms. We see the ability to learn based on the large volume of data collected across customers as an important capability that will allow vendors to deliver powerful capabilities in the future and as such, we think OpsRamp is heading in the right direction by recognizing the value of customer data.

OpsRamp continues to build out the technologies that it can monitor, this time delivering Kubernetes monitoring in both on-premises environments as well as for workloads running in Azure Kubernetes Services, Google Kubernetes Engine and Amazon Elastic Container Service for Kubernetes.

It also enables some automation, although currently by allowing customers to kick off scripts. We find that businesses would like their monitoring tools to integrate with automation tools they're already using, and OpsRamp reports that it is working on integrations with some such tools.

Product positioning

The ability to understand the relationship across the many elements that make up a modern application is more important than ever, given the growing complexity of most application environments. We think that a product that can tie together insight about all the components of a modern application and enable quick action when problems occur is useful both to responders trying to troubleshoot and solve performance problems as well as senior-level executives. Those executives are interested in a broad understanding of the entire IT estate in order to support long-standing functions like capacity optimization and cost analysis as well as the emerging interest in understanding the relationship between application performance and the business.

We are seeing different approaches to supplying these functions to businesses. On one hand are vendors like OpsRamp that started out with a vision of delivering an array of functions including monitoring, discovery, capacity management, incident management, configuration management and alert correlation. On the other are vendors that started with one specialty – like infrastructure monitoring or log analytics – and now are expanding horizontally. Some of the vendors in this second category are beginning to recognize that they are or will be in the position to begin supporting some common use cases that once fell under the ITOM umbrella, such as event analytics tied to incident management, and topology mapping.

The challenge for OpsRamp, as well as for other vendors that are piecing together broad suites of capabilities, is articulating its offering and the needs it meets without being tied down by the old-school connotations that often come along with calling an offering 'ITOM.' One approach OpsRamp has taken to address this challenge is to break down its offering into functions that appeal to specific users and that it can sell more easily than a broad ITOM platform. We like this approach and OpsRamp reports that it has worked in terms of speeding up the sales cycle, introducing new customers to the OpsRamp infrastructure-monitoring capabilities and then opening the door to expand into other functions. We think OpsRamp has good opportunity to land with its event and incident management capabilities, since it already has strong capabilities here and because these market segments are ripe for disruption.

Competition

OpsRamp faces competition against point products in monitoring, event analytics and incident management, as well as products that serve all or part of the ITOM promise. In monitoring, it competes against infrastructure-monitoring vendors including Datadog, ScienceLogic and LogicMonitor.

Because OpsRamp customers can ingest some data from third-party tools like APM products, it can be used for event analytics. It also offers some incident management capabilities and as such, some customers might use OpsRamp instead of an event and incident management product like Moogsoft or BigPanda, although we see those products as fuller featured.

The most important competitors 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 vendors including Zenoss, FixStream and Centerity falling into this category.

SWOT Analysis

STRENGTHS

OpsRamp was forward thinking from the start, offering a SaaS deployment model and investing in machine learning-driven capabilities early on, allowing it to keep pace with other forward-looking vendors.

WEAKNESSES

With a broad suite of capabilities, OpsRamp faces some positioning challenges and competes with a long list of vendors across categories.

OPPORTUNITIES

With its broad suite of capabilities, OpsRamp can help its customers solve difficult problems resulting in alert fatigue and tool sprawl issues.

THREATS

In some sectors like infrastructure monitoring, OpsRamp is competing against vendors that have invested heavily in marketing and thus have better name recognition, leaving OpsRamp in a position of a lesser-known vendor.