

REPORT REPRINT

OpsRamp is breaking new ground for IT operations management

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By delivering SaaS-based IT operations management with a specific focus on hybrid IT, multi-cloud discovery and monitoring, OpsRamp can innovate at the speed of SaaS. The company is rapidly building out its AIOps and cloud-native capabilities.

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Summary

By delivering SaaS-based IT operations management (ITOM) with a specific focus on hybrid IT, multi-cloud discovery and monitoring, OpsRamp can innovate at the speed of SaaS. The company is rapidly building out its AIOps and cloud-native capabilities. The Winter release of OpsRamp provided new impact visibility and service context, AIOps for proactive IT operations, cloud-native monitoring and cloud event monitoring.

451 TAKE

As it builds out its machine learning and cloud-native capabilities, OpsRamp is bridging the old world of IT operations management to the new. It is hoping to swap out laggard incumbents still rotating to 'the new' and leaving their installed bases vulnerable as they seek modern ITOM platforms. But more importantly, OpsRamp is aiming to embed itself in the cloud and services-driven era to address the future opportunity for continuous optimization.

Technology

The new capabilities in the October release of OpsQ (operational quotient – to increase the ability of human operators to deal with alert floods) included topology, co-occurrence and clustering-based correlation to deliver context and insight for admins to take action – or what the company calls 'service-centric AIOps.' Now, application topology maps can provide end-to-end topological dependency relationships for 40+ enterprise applications. Hypervisor topology maps deliver discover VMs, hypervisor servers and clusters in VMware vSphere and KVM environments and their underlying relationships.

The service map's UI identifies underlying resources behind an IT service outage so that operations teams can home in on the right course of action to restore services. Auto-incident creation and routing through alert escalation policies is designed to enable IT teams to auto-assign incidents based on prior alert, incident and notification data. Correlating alerts that are related to the same issue enables the product 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.

OpsRamp's alert inference models can be augmented with user-provided training data to bootstrap pattern recognition and identification. Alerts that flap only occasionally can be filtered out, and alerts that flap repeatedly with frequency-driven alerts can be escalated. Going forward, the vendor's machine learning will be geared toward forecasting while users with data analytics skills can tweak the way OpsRamp weights the data that feeds its machine learning engine to improve the success.

The company continues to build out the technologies that establish cloud-native domain expertise. It can now discover and monitor Kubernetes environments across on-premises and cloud services such as Azure Kubernetes Services, Google Kubernetes Engine and Amazon Elastic Container Service for Kubernetes. OpsRamp can aggregate, correlate and escalate events from AWS offerings such as AWS Health, ECS, Redshift, Database Migration Service and CloudWatch.

Business model

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

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OpsRamp has since begun building a direct sales force to pursue enterprise customers. It claims 1,800 customers, including enterprises as well as organizations of all sizes that are sold to through partners. The company reports that many customers start with contracts valued at \$100,000, with some over \$1m annual recurring revenue. Given the very large size of its customer base, we estimate that most customers spend significantly less. We estimate revenue to be north of \$5m. 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 in late 2018.

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 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 offering from the likes of Moogsoft or BigPanda, although we view those firms' 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

To accelerate the position it has achieved in the market, both in terms of portfolio development and operations, OpsRamp should have no difficulty securing new funding when it needs to. Continued investment in its machine learning and cloud-native capabilities, go-to-market efforts, expansion of its enterprise sales team, and new hires in sales and marketing signal its ambition. We'll also be looking for change accelerators in its partner and channel programs.

WEAKNESSES

A key challenge remains to become known in the market and to establish the company's credibility as a destination for hybrid IT operations management and cloud. As its continues to build out its cloud expertise, OpsRamp will need to bring an economic dimension to ITOM, either by integrating/partnering or building/acquiring a cloud spend optimization asset.

OPPORTUNITIES

Discovering the topology of an application, tagging it to a service, having the infrastructure provisioned automatically whether it's on-premises or in the cloud and then monitoring and managing it brings a whole new expectation for ITOM compared with what has existed so far.

THREATS

A key question is how forensic OpsRamp wishes to be in cloud-native. Whether it wants to go down the road of cloud-native observability, for instance - which is not so much AIOps. Cloud-native environments with microservices in containers, service-mesh fabrics and a multitude of other constructs have 10 times or more the number of dependencies vs. monolithic architectures.