Virtuozzo hones its focus on HCI to power service providers and medium-sized enterprises

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The supplier of virtualization and software-defined storage appointed new CEO Alex Fine earlier this year and is now focusing its strategy on offering hyperconverged infrastructure to the service-provider and enterprise markets.

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Introduction

Virtuozzo has been a supplier of virtualization and software-defined storage (SDS) in one form or another for 19 years. The company's latest focus is capitalizing on the hyperconverged infrastructure (HCI) market with the launch of its Virtuozzo Infrastructure Platform (VIP) to expand beyond its established virtualization and SDS products. To execute on this goal, it has also appointed a new CEO who has previous experience with Virtuozzo's virtualization technology.

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The HCI space has been one of the more active markets in infrastructure, and fierce competition has developed, with most vendors attacking emerging use cases around edge. Working in Virtuozzo's favor is its established customer base with service providers. For the vendor, placing more emphasis on HCI is a natural fit given its track record of virtualization and containerization development and the importance of those technologies to HCI platforms. While there may be varying levels of interest when it comes to leveraging HCI as application container infrastructure (36% of organizations use HCI to support emerging technologies, but it's still early days in this sector), Virtuozzo's previous focus on system container virtualization and its support for application containers with VIP shows that it's ready to take on emerging workloads and not just data being generated outside of core datacenters at the edge. However, the company must work hard to carve out its own turf in the contested enterprise segment.

Details

Seattle-based Virtuozzo, with more than 80 developers and a global sales, engineering, operations and support presence, started under the banner of SWsoft. In 2007, the company acquired Parallels and used the target's branding until 2015, when its virtualization business rebranded as Virtuozzo, followed by it becoming its own independent company. The vendor currently has an ecosystem of over 450 partners worldwide and its headcount is about 120 and growing. In January, Virtuozzo appointed Alex Fine, who previously served in roles at Parallels, Odin, Ingram Micro and CloudBlue, as CEO in an attempt to grow its HCI business.

The company's portfolio includes Virtuozzo 7 (a virtualization and SDS platform that includes Virtuozzo Containers), Virtuozzo Infrastructure Platform (HCI), Virtuozzo Storage (SDS) and ReadyKernel (a security patch technology for various Linux operating systems). Virtuozzo 7 is also available via the AWS marketplace. The firm devotes much of its attention to the Virtuozzo Infrastructure Platform, and with good reason given the steady growth in HCI adoption. Our Voice of the Enterprise: Compute Infrastructure, Workloads and Key Projects data shows that 32% of customers currently have HCI in use, with another 12% in trials or proofs of concept. Additionally, our Voice of the Service Provider survey indicates that 41% of respondents (in this case infrastructure-based service providers) deploy some form of HCI.

Virtuozzo Infrastructure Platform
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Figure 1: Adoption of hyperconverged infrastructure
Source: 451 Research, LLC

Source: Voice of the Enterprise: Compute Infrastructure, Workloads and Key Projects 2019
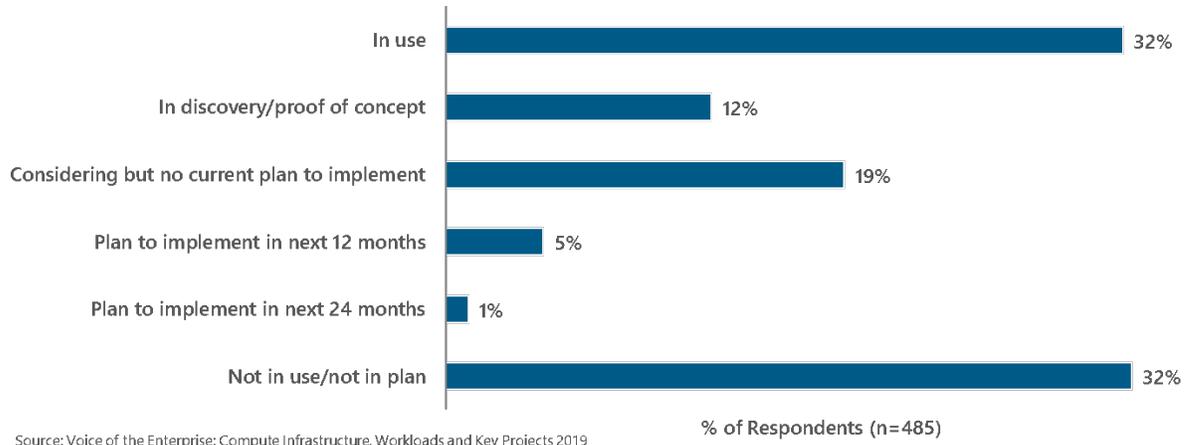
Virtuozzo aims to provide customers a cost-effective alternative to more established HCI specialists without the complexity of their platforms. Virtuozzo Containers (also referred to as system containers to differentiate from application containers) are popular among service and hosting provider customers because of their high density and isolation. The company's customer base currently is heavily weighted toward service providers (90% of its base), with enterprise clients making up 10%. Virtuozzo asserts that this ratio will shift over time as it builds out its sales channel – however, the market is difficult to expand in as the landscape is full of incumbent HCI vendors (e.g., VMware and Nutanix) as well as smaller rivals such as Pivot3 and Scale Computing.