

Software as a Service Business Analytics Platform for Delivering Information Technology helping Companies Determine Solutions and Suppliers for their Cloud Computing Needs



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CEOCFO: Mr. Kelly, what is the idea behind CloudGenera, Inc?

Mr. Kelly: At CloudGenera our business is really focused on helping companies modernize their approach to information technology. We see a challenge in the industry today that is being brought about by this trend towards cloud computing. Customers are paralyzed by all the options. There is too much complexity. There is too much variability in terms of what technology platforms, what technology providers they can leverage for their business and they are seeking simplicity. They are seeking an agnostic, unbiased opinion that can help guide them towards digital transformation. Therefore, our business exists very similar to how Google Search makes it easy to find content on the internet. CloudGenera's algorithms are a software platform, which we deliver as Software as a Service. It helps companies determine the vast suppliers to support their investments in cloud computing.

"In fact, the technology provides real time virtualization into what the market can offer. Therefore, for many of these organizations our subscription pays for itself in spaces by being able to repurpose the precious enterprise architect and business analyst research head count towards things that drive innovation for your business and not just keep it current on the ten thousand changes Amazon made this month. Let the CloudGenera automation and software solve that for you, so that you can focus on problems that are core to your business."- Brian Kelly

CEOCFO: Are people skeptical that you are unbiased? Do people sometimes question whether anyone is really neutral these days?

Mr. Kelly: I think it is a very fair question. It is not something that is foreign to us. The way products and technology have been historically sold has been with sort of a heavy handed sales motion; a lot of face to face interaction. As we saw the explosion of digital marketing today, everyone assumes that someone has an ulterior motive or agenda. One of the beautiful things about our business model, one of the things that gives people comfort that we are unbiased and agnostic, is that we do not make any money off of the decisions that you make. Therefore, if you decide to move to a new provider, that is okay. If you decide to stay where you are and potentially modernize that, that is also okay. One of the things that usually gets people really comfortable with the fact that CloudGenera is agnostic and unbiased is that our outcomes sometimes say, "do not do anything. You are in the best position right now for the types of problems you need to solve and the types of technologies you are using." That is usually quite refreshing and something that gives people confidence

to say, “Hey, if they do not have an agenda to sell something on the back end of this and their whole purpose is to help me make better decisions then I can take the next step to trust in the output of their software”.

CEOCFO: *How does a company interact with CloudGenera?*

Mr. Kelly: We have a pretty diverse “go to market” in that companies can come directly through our website. They can subscribe to our software and by subscribing to the software they can get access to both our content as well as our intellectual property that helps them model their application portfolio and guide it towards the best execution venue. In addition to that online in a way that they can interact both with our experts and interact with our software to make better decisions, CloudGenera also has relationships with two of the largest global technology distributors in the form of Arrow Electronics and the newly formed entity of Tech Data and Avnet. Therefore, whether they prefer to work through trusted third parties who have been advising them on their technology decisions and that is their route to get access to the software or whether they want to come directly to our ecommerce channel, we can serve them both in a self-service as well as an assisted service manner.

CEOCFO: *What does a company need to know to get the best outcome from you? How do you help a company walk through the steps so they even know what to look for and make it easy?*

Mr. Kelly: Yes! “Today, making cloud decisions is too much work, it is too complicated!” I love the question! It starts with understanding where the customer is in their journey. Some companies need to define a strategy. Some companies need to defend or to optimize a strategy. A third set of companies; they have the right strategy, but now they need to drive adoption of that strategy. They have got to get their development communities following the standard and the governance and the policies they are trying to establish. Therefore, depending on where customers are in that maturity curve, we ask them different things. If you are just trying to define a strategy we would ask you just the basic aspects of how you operate information technology today and how you leverage it. Therefore, think the simple kind of high level constructs of the demographics of where the people live that access the infrastructure, the type of service level that you expect from the technology. How much of that technology do you want managed on your behalf? Do you have concerns about security that would govern your data? Data sovereignty is a big concern for companies moving to the cloud, making sure that if they are going to take advantage of a new opportunity that it does not put them at a high level of risk. With that high level, organizational understand of what is important to them around demographics, service levels and security; we can bring a Day Zero value to show them what is representative of like companies that we have worked with in the industry. They do not have to do a lot of deep discovery or elongated analysis to be able to get a visualization of the right mix of on premises as well as off premise investments in cloud, using representative applications and workloads that CloudGenera knows to be the best practices based upon our entire work in the industry. For companies that are early in their journey that is the way that we can this something simple and that is not overwhelming. For companies that are a little more mature, we will take a little bit deeper dive into what powers their information technology organization. What vendors do they have standards around for operating systems, for middleware, for software packages? What platforms do they like to run on in terms of hardware platforms, virtualization platforms or now an emerging trend around containers? We will also speak to them about their economics of operating information technology; labor rates for the different roles that support their organization. Therefore, something that is usually accomplished in a handful of hour to two hour workshops; we will get that deeper level view of what is important to their business and that will then allow us to begin to describe applications that are personalized for that customer, using their data, not CloudGenera’s data. It is also how we can open up a process that is pulling data from their existing systems of record into our software to accelerate their visualization of what projects are really good projects for cloud, which ones are going to set us up for good learning and good success that we can build a perpetual motion of digitizing our businesses operation and transitioning into a cloud operating model.

CEOCFO: *Who are you typically working with at an organization?*

Mr. Kelly: Excellent question, again! You are hitting all of our high marks of how we think about the business! When you look at the audiences we serve, there are really three main audiences inside an organization that we serve. From the CIOs chair, we will help her visualize her portfolio, what should move, what should modernize and what she should do nothing with. We will help her visualize the right mix of services providers inside her data center operations and inside other people’s data center operations and if it makes sense in software as a service or multitenant public clouds. We will also help her visualize how she can optimize her spend to begin to move more from seventy percent of her budget being targeted to maintenance and keeping the light on and more of that budget being targeted to innovation, so that they can be more agile and responsive to the business. The CIO audience is usually one where we capture immediate traction. That is because for the first time they have something that is actionable in less than thirty days and make cloud simple for them. Another audience that we serve is the CFO. We are seeing this trend as more CIOs move from providers of technology into brokers of technology services that they are aligning more closely with the sourcing and the finance function and the accounting functions inside the enterprise. Therefore for them, whether it is getting control over Amazon

spend or Azure spend, making sure they are getting the right unit economics in place to balance their investments inside their data center verses outside their data center, getting into rich analysis around a finance specific consideration of how many of my dollars flow into capitalizable expenses verses operation expenses. There is a big shift that has nothing to do with bits and bytes, but has everything to do with dollars and cents as you move from the old way of operating IT to the cloud operating model; that audience usually gets huge benefits out of being able to visualize what cloud economics mean to them. In the third trend, which is fast emerging for an audience we serve inside an enterprise, is the Chief Data Officer or the Chief Information Security Officer. These folks are having to establish policies and governance around where their businesses data can live. Right now, from our perspective, from our chair and what we see as an agnostic, independent third party, there is a war going on for your data right now. Not since the late 1970s, early 1980s into the 1990s, when Oracle database took over the world has it been clearer that there is a war going on to buy your data and to get it into someone else's infrastructure. Look at the trends with Amazon and Azure and Google and IBM. There is a reason they are making it super cheap and super easy to move your data up there. Therefore, for that Chief Data Officer to be able to move into an engine like CloudGenera's and to be able to see their concerns reflected across how the providers can meet those; they can very quickly establish process and governance to make sure they do not end up on the front page of the Wall Street Journal for the wrong reasons. Those are the three audiences we serve; the CFO, CIO and CDO.

CEOCFO: *Would a client work with you over time so they may look to make a move on something today and six months from now? Once they subscribe to your service do they tend to continue to take advantage of your expertise?*

Kelly: Yes. It is not really a project based solution. It is more of a recurring platform to power and optimize your ongoing decisions around where you are investing your time and money around information technology. In fact, the technology provides real time virtualization into what the market can offer. Therefore, for many of these organizations our subscription pays for itself in spaces by being able to repurpose the precious enterprise architect and business analyst research head count towards things that drive innovation for your business and not just keep it current on the ten thousand changes Amazon made this month. Let the CloudGenera automation and software solve that for you, so that you can focus on problems that are core to your business. The other thing is that it is a very dynamic market. There are so many changes happening, not just in the public cloud options that are available to you, but also in the different ways you can leverage infrastructure and platforms and applications inside a data center. What we are seeing is a very high need for leveraging this software throughout the lifecycle of the applications that power your business. We have been very fortunate to have some very large Fortune 500 and now Fortune 5 clients with multiyear commitments to the platform, so that they can always have, at their fingertips, access to what the market can offer, maps to their needs and that way determine the best cloud solution fit for their business.

CEOCFO: *How do you stay ahead of what is available? How do you constantly evaluate and what is the process so that you have got the latest information?*

Mr. Kelly: I would love to answer the question two ways. The first I will start with; CloudGenera is built on a customer first mindset. Therefore, we prioritize public cloud providers that we look after as well as the architectures that you can run in your data center and the different suppliers that power those architectures based upon the feedback from the thousand plus active subscribers that we have working within the platform today. That is kind of at the macro level. How do we decide who we should focus on? The second way I would answer it; the second part of the question is how do we stay current on something that seems like a snowball rolling down a hill faster than you could run in front of it. That is some of the core of our intellectual property and the core of our smarts as an organization. We have invested in a data framework that automates the ingestion of much of the quantitative data. Think the configurations of technology; think the pricing of that technology, think how it bundles with services to deliver a solution. Those things we can automate, both pulling them into our platform, analyzing them, quality assuring them and then publishing them for our customers to consume. That is how we can stay on top of the tens of thousands of changes that can happen just within a single provider and then span than that across the globe in a multitude of different currencies. That is one of the biggest benefits of how we have built our platform. The other piece, the qualitative piece, this is equally hard, but from a different lens. There is certain information that you cannot automate. Think of the quality of service and the experience that you can get from these different these different suppliers, the service levels they can deliver, the security compliant privacy regulatory governance that they can put in place. That is where part of what powers CloudGenera's subscription is a cloud research team. Think MIT grads, Intel fellows, people who have built the largest private clouds in the world, people who moved some of those early adopters into large scale adoption of public cloud. This team is interfacing with the network of suppliers, both public and private, and documenting those things on an ongoing basis so that you do not have to. If you were a CIO would you prefer to have an agnostic, unbiased third party who is continually in contact with the people who are producing these products and validating what these people can do around their products or would you want to be on a plane bee-bopping

around the country to go to these briefing centers to get marketed to, without actually getting the detail and the data behind what can actually be done. Through that mix of our qualitative experts and the investment we make there and that labor so the enterprise does not have to, plus our automations which can stay in front of the avalanche of data that is changing every month; that is how we stay in front of this for the enterprise. Again, that is a big part of our value; it is the subscription that folks leverage to get access to our offer.

CEOCFO: How do you take into account the ease of switching over or the degree of difficulty? How do you help ease fear of change?

Mr. Kelly: I will answer this one a couple of different ways. First, behavioral science is a big part of what powers the design of our software. One of the challenges that we say very early on was that the move to cloud; this is a journey that does not have a destination. Unlike virtualization, where people consolidate a footprint inside a physical enclosure that they control; cloud is really the erosion of the perimeter of where your workloads run as a business. That is especially as we see most companies moving to HyperCloud, as is becoming the case. In that context CloudGenera is the only company. In fact Intel recently evaluated almost a couple dozen companies; over a dozen but under two dozen companies, and they looked at companies that could help businesses build discipline around making these very tough decisions around where to place their workloads. I am proud to say they selected CloudGenera as the number one company in this space. That is because we can drive consensus faster than the manual methods. That is because we have virtualization for the CFO to address their concerns about financials. We have virtualization for the Chief Data Officer and the Chief Information Security Officer, so that they can make sure that they are part of the process and the governance for the business. We have those visuals for the CIO and for their architect and for their operators to prove the configurations, the technology and the service levels that you would expect. Therefore, really what our software is going, not just through the automation, but through the virtualizations and recently, on June 5th, we announced a new addition to both our mobile decisioning and browser decisioning additions with cloud assist. We are helping to bring these different audiences together in a way where, again, each of their concerns are addressed and thereby they feel like they are part of the process and they are not going to be the inhibitor, because their input was not taken. We have this balance between the business and the technical and understanding the concerns of the different audiences and that is how we can help folks drive this change inside their businesses.

CEOCFO: Why choose CloudGenera?

Mr. Kelly: The reason why you want to use CloudGenera is, first and foremost, because we are independent. We are agnostic and we are unbiased to the outcome. We are the best in class organization for driving cloud transformation. That is, at its core, why folks look to us as opposed to other providers of decisioning analytics. The other piece I would share is that while we are in a unique position as a company in terms of the innovation we have created in our technology, when people look at the manual method they are not going to trust a third party and they are going to do it themselves. The spreadsheet is hard. The spreadsheet is impossible to maintain and keep up with when you look at the multitude of options that are available to you. Therefore, the automation is key. To summarize, it really is all about being independent, agnostic and unbiased, coupled with the fact that we can automate what you would have to do manually.

