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OpenStack, VMware join forces, but to what end?



by Editors, SearchCloudProvider.com

In its decision to join OpenStack, VMware validated open cloud -- at least symbolically. Our editors dissect the news in this weekly podcast.

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Although OpenStack is the antithesis to proprietary cloud-building platforms, few industry experts were surprised by [VMware's recent decision to join the OpenStack Foundation](#) and contribute to the open source project's development. Its recent \$1.2 billion acquisition of [software-defined networking startup Nicira Networks](#) reflected VMware's desire to expand its image beyond server virtualization, and some experts say OpenStack is the [next logical step](#).



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In this week-in-review podcast, site editor [Jessica Scarpati](#) and news writer [Gina Narcisi](#) dissect the news on SearchCloudProvider.com for the week of Sept. 10. Tune in as they review the following:

- How VMware's contributions to the project could affect the future of OpenStack-VMware cloud interoperability;
- What VMware stands to gain from the OpenStack community; and
- How VMware's acquisition of Nicira plays into its role with OpenStack.

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The following is a transcript of the podcast.

Jessica Scarpati: You're listening to CloudCast Weekly, a podcast by SearchCloudProvider.com. I'm Jessica Scarpati, site editor of SearchCloudProvider.com. With me today is our news writer Gina Narcisi. Thank you for joining us, Gina.

Gina Narcisi: Thanks for having me, as usual, Jessica.

Scarpati: We're here as always to go over this week's news on the site. Gina, you had a really great story this week about VMware's decision to join the OpenStack Foundation, so why don't you take it away?

Narcisi: Sure. As many people already know, VMware has sort of jumped on board with OpenStack. While it seemingly has come as a surprise to many, I talked to a few analysts who feel like it really shouldn't be that surprising given the recent acquisition of Nicira and that they're really trying to break into this networking virtualization sort of like they were big into server virtualization. So the move to OpenStack seems like a logical next step for the company.

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I talked to a few analysts about what, potentially, [VMware will bring to OpenStack](#), and while it's not likely they're going to change any of their proprietary software or VCloud at all, it seems like they are going to bring their expertise to the table. They actually put a bid in to become a Gold member within the OpenStack Foundation.

f Their bid hasn't been accepted yet, but it should be shortly and, honestly, it just seems to many that the move to join OpenStack was kind of, "If you can't beat them, join them." And they're starting to realize that "closed" isn't the way to be in the cloud. People want openness. People want options and flexibility between cloud providers, so they're really getting on board with that.

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in Scarpati: There are two things, I guess, that I kind of found interesting here related to that last point. One being -- a few of the analysts talk about it in here -- the suggestion that VMware's just doing this for marketing PR purposes. They just want to appear that, "Yes, we're on board with Open Cloud," because it just sounds great.

✉ The other thing that I thought was interesting was that VMware has such a huge install base that I wonder how much they do need to join them, like you said, "If you can't beat them, join them," how much they need that, because they already have such a deep reach into enterprises and service providers.

Narcisi: Yeah, basically the second part of that, just because they have such a deep reach on the server virtualization part, basically it seems like analysts think it might be a move to actually sort of mature their Nicira acquisition and become a leader in that space, as well, because that's sort of new for them but also an expertise they could definitely bring to the table in OpenStack, as a lot of traditional networking vendors are starting to join OpenStack.

The other part you mention about a marketing ploy, it could be. The analysts definitely touched upon that. It could be a strategic move, but I also talked to someone who mentioned that joining OpenStack at first might actually take money out of their pocket. I don't know. It's not definitely for more customers or anything right away, but it could grow into that, I guess.

Scarpati: Yeah, when I was looking into the Gold membership and what that is, because there are only a few sponsors who make that cut, right? The gold membership is the second tier from the top, and according to the OpenStack Foundation, the Gold members have to commit a quarter of 1% of their total revenue. There's a cap on that -- \$200,000. In VMware's case their total revenue is close to \$4 billion, so about \$1 million. They obviously got the good end of the deal. They're hitting the \$200,000 cap.

There's obviously a big financial commitment there, and the benefits of being a member are sort of interesting to look at, too, because they pretty much all have to do with branding and marketing. If you're a Gold member versus a Platinum member, you're allowed to use the OpenStack logo a certain way and display it next to your name. Any company that's going to sponsor something like this is, of course, partially doing it for . . .

Narcisi: Definitely. I guess it is yet to be seen what this exactly brings VMware, but it should be interesting.

Scarpati: Great. Well, Gina, thank you, as always, for joining us.

Narcisi: Thank you.

Scarpati: That is all that we have for this week. Be sure to check out all of the articles we talked about and more at [SearchCloudProvider.com](#). Thanks again, and we'll see you next week.

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