Market Development

Adaptivity off to a good start, even better forecast for 2009 with hybrid clouds

Event summary

- Adaptivity has reported a solid first year and forecasts 100% growth for 2009. Hybrid cloud computing is seen as the logical endpoint for combined virtualization, utility, service-oriented architecture and real-time infrastructure.

- The company is moving beyond consulting and hopes to expand its market reach by white-labeling its offerings (or at least seeing private-labeling by multiple parties) as well as selling them directly.

- Adaptivity's portfolio of playbooks is essentially DIY for enterprise architects looking to transform their infrastructure computing.

The 451 take

Adaptivity is about more than consulting; it has been selling licenses libraries and models assembled with expert help over the last few months. It started in home territory by selling consulting to FSI organizations, but is diversifying nicely. It did $4m in revenue in 2008, its first year of operation – 20% from licensing and the rest from consulting. Half came from global markets, with 30% in FSI. It will be 28-strong by March (with a handful of staff in the UK by summer) and hopes to increase revenue to $10m in 2010. One-quarter of its work is turning silos into shared infrastructure; 50% is based around datacenter transformation (typically extracting better utility from and reducing cost of IBM and HP estates).

Details

As it grows, **Adaptivity** is looking to elevate its existing partnerships onto more strategic footing to give it global scale. Partners include **Cisco**, which uses Adaptivity as an expert in the financial services industry, and **Unisys** rolls up Adaptivity in its Real-Time Infrastructure stack alongside companies such as **Scalent Systems**, **Enigmatec** and **Tideway Systems**. Adaptivity's libraries are used by Unisys in its datacenter design and blueprinting offerings. It has other partnerships in development with integrators in the Asia/Pacific region. At the same time, Adaptivity wants to expand its market reach by white-labeling its offerings (or at least seeing private-labeling by multiple parties) as well as selling them directly.

The Adaptivity Transformation program has three key offerings – IT Physique, Datacenter Physique and Cloud Physique – with an ERP-for-IT offering in the pipe. The core components of each are Next Generation Business Platform, Next Generation Datacenter and Enterprise Cloud Operating Model, respectively, plus an application that manages the library and process. The application wizard can access some 1,900 tools, operating models, playbooks, execution blueprints, best practices and case studies. Some 50-60% is foundational work common to each offering. While it is designed to be used without consulting, Adaptivity's high-end design experience is its value-add here.

Competitive landscape

Adaptivity's raison d'etre is enterprise strategy, which means full-service shops, including **IBM, HP, Accenture, Capgemini, Atos Origin** and **CSC**, are still the high-order competition (although it is not seeking a role placing consultants inside organizations). Its technology partnerships reflect the tools Adaptivity's founders have used successfully in previous roles; however, it will need to avoid exclusive arrangements for using its portfolio as it seeks to scale.

Adaptivity sees two key trends in 2009: the need for holistic virtualization (business-aligned virtualization from the top down) and proper management of the virtual operating environment (enabling resources to 'right size' their virtual-machine cluster capacity). Service level management, runtime orchestration and on-demand provisioning of resources will be the key activities that support this.

Service Oriented IT Requires ADAPTIVITY[SM]