

Adaptivity designs for Intel ODCA and cloud, strikes OEM deal with HDS and bags funding

Analyst: William Fellows

Adaptivity is launching a version of its enterprise IT design software that supports **Intel's** Open Data Center Alliance (ODCA), Cloud Builders program and Cloud Vision 2015 strategy. It has also landed an OEM deal for the design software from **Hitachi Data Systems**. The startup recently raised its first round of institutional funding worth \$10.2m in total.

The 451 take

If your IT spending is north of \$100m annually, Adaptivity figures there's likely to be enough change going on for its blueprinting software to be useful in codifying and automating enterprise architecture as well as electrical-engineering processes. Supporting Intel's ODCA will be a useful way to target datacenter designers seeking to extend into cloud. The company has executed impressively in transitioning from consulting to selling code. Some of its enterprise end users in financial services and insurance are supposedly close to becoming reference customers for Adaptivity, which should help it get traction in the marketplace.

Context

Adaptivity's Blueprint 4IT Lifecycle Suite enables IT design decisions to be integrated as repeatable actions across an enterprise's technology build and deployment lifecycle. The software collects an organization's requirement and design process and embeds it in a blueprint. It offers a repository of blueprint templates, a knowledge database, blueprint analytics and a blueprint development kit.

Having codified the expert knowledge of its founders, Adaptivity began selling its IT Planning Studio tool (originally called Modeling) that is similar in approach to **IBM's Lombardi Software** business process management tool, with an emphasis on a top-down approach with non-functional aspects such as priorities, key performance indicators and workload quality. Next came Design Studio, adding the ability for bottom-up importing of runtime system data from management and monitoring tools such as **CiRBA** as well as CMDBs, and run-scoring routines against it. In beta is the Lifecycle Manager tool for linking to ITIL and The Open Group Architecture Framework, service governance tools and CMDBs. Support for The Control Objectives for Information and related Technology will follow.

The Design Studio tools pass data to a design engine with rules and knowledge databases and algorithms, vertical industry benchmarks and an enterprise capability framework. Data is

integrated and output processed via a graphics server to generate blueprints. The blueprints can be provided within the context of a playbook, architecture and engineering considerations, bill of materials, or governance and audit. While Design Studio offers an AutoCAD-like design functionality at the front end, it doesn't specify particular products, unless the customer asks it to.

Open Data Center Edition

The new Design Studio: Open Data Center Edition will contain reference architectures and usage models for creating Intel-based applications for the cloud based on Intel's Cloud Builders reference architecture. This specifically supports Intel's Cloud Vision 2015 and ODCA. Adaptivity believes Design Studio can provide what's effectively a cookbook, right down to a bill of materials, for ODCA designs within Intel's Cloud Builders program.

Adaptivity anticipates that other IT vendors and service providers targeting cloud creation and cloud enablement on Intel will license their own custom versions of Design Studio as a sales tool. In addition, the company plans to create a portfolio of Design Studio capabilities and offerings capitalizing on ODCA. Adaptivity says it will offer the ability for end users to buy versions of Design Studio that target specific hardware and/or software deployment environments.

HDS has licensed Adaptivity's Design Studio for creating blueprints for applications deployed on its systems.

Business

Adaptivity has raised its first series A round of institutional funding from **Noro-Moseley Partners** and **Intersouth Partners**. The capital will be used to accelerate development of its suite and build out sales and marketing. The two backers, which are also investors in firms such as **Virtustream**, have contributed \$7.2m while a third, as yet undisclosed strategic partner will bring the round up to \$10.2m.

Adaptivity continues to forecast that it will be at a \$10m annual revenue run rate this fiscal year. The company claims 26 clients paying it term or perpetual license fees, and it says 69% of its revenue is from license sales, with 20% from services. Two-thirds of the Adaptivity's business is in the US, 25% in the UK and the rest mostly in Japan. Direct sales to large enterprises accounts for 50% of its business, while 30% is OEM (Intel, HDS), and 20% from systems integrators (SIs) such as **Unisys**. Adaptivity reports that 60% of its business is in financial services, with other sales in manufacturing, logistics and healthcare. Its tools are used primarily to resolve complex and messy deployments in order to free up budget, and to roll out net new services.

Competition

Adaptivity believes its key differentiator vs. the rest of the market is enabling firms to plan and implement with an unprecedented degree of precision to ensure that desired system outcomes are achieved. All SIs offer IT design and system specification, mostly skewed

toward designs that they themselves would create and deploy. **IBM Global Services** is probably Adaptivity's closest rival. Other datacenter design functions are offered by **Hewlett-Packard, Dell, Fujitsu** and **Siemens**, while Intel, Unisys and HDS are already partners. Integrators include **Accenture, CSC, Capgemini** and **Atos Origin**. However, Adaptivity considers its tools complementary to all of these in many ways, since in any engagement where they may be used for design instead of one of these vendors' offerings, they're still as likely to win the resulting business of implementing the designs.

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