IDC MarketScape: Worldwide Multicloud and Hybrid Cloud Management with Automation 2024 Vendor Assessment
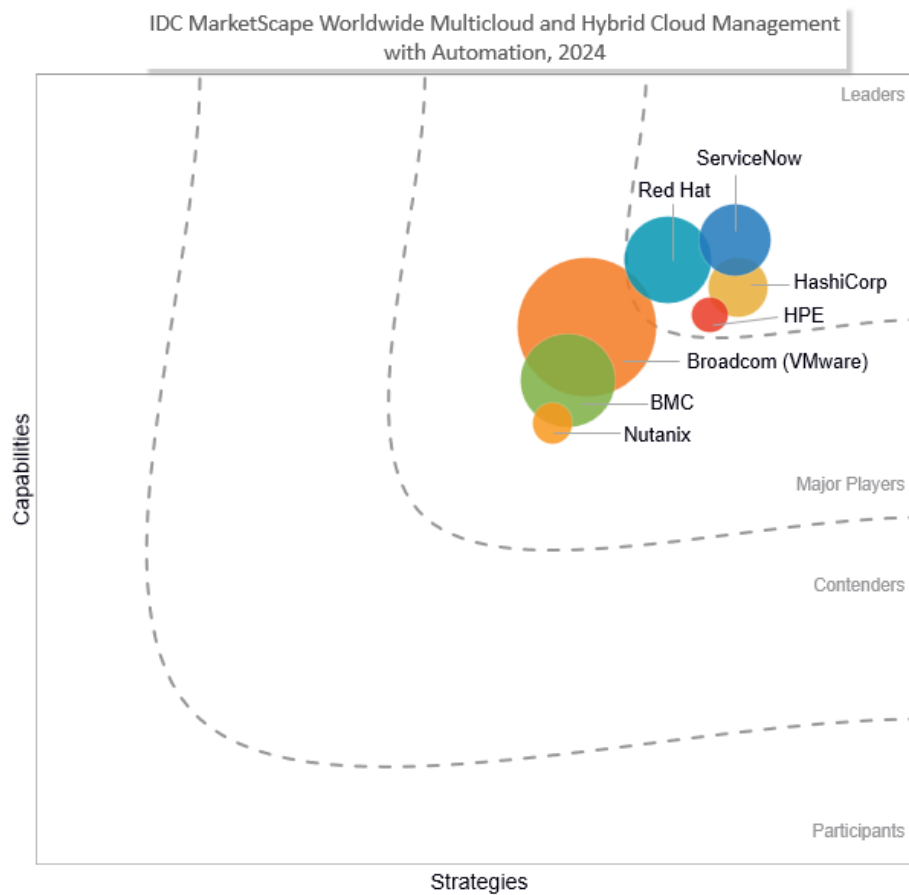
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THIS IDC MARKETSCAPE EXCERPT FEATURES HPE

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Multicloud and Hybrid Cloud Management with Automation Vendor Assessment

Source: IDC, 2024

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Multicloud and Hybrid Cloud Management with Automation 2024 Vendor Assessment (Doc # US52084624). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

The intelligent CloudOps market is a broader software market that includes multicloud and hybrid cloud management with automation. This submarket is the solution covered in this IDC MarketScape. According to an IDC survey in 4Q23, large organizations had a median of three public hyperscalers in active use today. 93% of enterprises deployed more than one public cloud provider and planned to increase spending by 14.3% on cloud IT automation and management tools to handle this added complexity. The market share of the seven largest vendors in this space continues to consolidate. These vendors and several innovative smaller firms were invited to participate in this IDC MarketScape. With the healthy growth for this submarket and IDC's finding that the median number of IT automation solutions has grown to nearly five different products, there are growth and tool consolidation opportunities in this space.

IT teams, including CloudOps, site reliability engineers (SREs), and cloud centers of excellence, increasingly depend on advanced tools to deliver business value. The digital business of today needs resilient day 2 operations with quick resolution times. However, staffing remains problematic as enterprises struggle to fill open IT operations head count. Today's IT automation solutions aim to reduce complexity, increase IT staff productivity, and improve staff work-life balance. The old goal of staff reductions is no longer relevant in most cases.

This study evaluates the seven capable and relevant vendors offering multicloud and hybrid cloud management with automation platforms. Key features, capabilities, and strategies for these vendors and their products were analyzed with several new trends and requirements emerging in the market. These include:

- **Support for hybrid cloud and edge.** A hybrid cloud is a nearly ubiquitous architecture, and what was once considered a transitional approach has become the new standard. Edge is a rapidly growing area for new applications and workloads. By default, it is not in the public cloud or private datacenter. It lacks local IT staff or support, so remote management and automation are essential.

- **AI capabilities.** While generative AI (GenAI) has received considerable attention, many cloud management and IT automation solutions have added machine learning (ML) and AI to their products for years. These capabilities help reduce the noise in alerts and logs while also proactively finding trends and moving workloads.

- **Third-party integration.** Support for other tools is critical. FinOps cloud cost tools are sold separately by vendors or through external connections to other products. Observability is another key integration that helps find and solve day 2 issues quickly via automation. Most vendors in this study offered integration to ITSM solutions so incidents can be opened, tracked, and resolved automatically, including CMDB connectivity.

- **Infrastructure as code (IaC).** CloudOps teams need an IaC solution to deploy new resources and push configuration changes to enable full participation in the DevOps process. By including CloudOps teams in CI/CD pipelines for testing, version control, and Git repositories, enterprises can truly modernize their IT operations.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

IDC invited vendors to participate in this assessment based on the following key criteria:

- The vendor has a cloud management platform and supports public, private, and hybrid cloud architectures.
- IT cloud automation was also essential, including infrastructure as code and day 2 support, to enable CloudOps, DevOps, and SRE teams to support the digital enterprise.
- This IDC MarketScape did not include specific cloud cost (FinOps) solutions or application observability capabilities. However, bonus points were awarded if a vendor's solution included or integrated with either of these capabilities, as this shows a more comprehensive and useful solution for enterprises.
- The vendor's estimated software product revenue of $100+ million for CY23 in the intelligent CloudOps market was estimated in March 2024 and may differ from forthcoming market share documents. Some vendors bundle hardware with software subscriptions. However, only software revenue IDC could identify was included, which may have reduced the bubble size of some vendors that otherwise report higher revenue in this area.

ADVICE FOR TECHNOLOGY BUYERS

Buyers of multicloud and hybrid cloud management with automation software should look for the following attributes, capabilities, and relevant use case scenario support from vendors under consideration:

- **Supports your cloud providers.** As the title suggests, vendors must support the three big hyperscalers to compete in this space. However, adding support for various other public cloud providers means enterprises have additional flexibility and leverage. Nearly every enterprise IDC speaks to is multicloud and hybrid cloud, with a growing number of public providers. A single tool to provision and manage all cloud resources will significantly reduce the complexity facing many IT organizations.
- **Enabled for the future with AI.** AI and machine learning capabilities in cloud management and automation are not new to many vendors in this space. The ones without them are rapidly adding them. Generative AI is new and gets all the media attention. AI plays a critical, unseen role in improving the efficiency of CloudOps and SRE teams by finding anomalies quicker and weeding out false positives. Generative AI can also streamline provisioning and reporting on cloud resources. A more critical use case of GenAI is to speed the development of automation and infrastructure as code by predicting multiple lines of codes or suggesting parameters based on the customer's environment.
- **Don't forget the edge.** The edge is an important use case as companies add new applications and workloads to their company-owned locations outside the datacenter. With limited or no IT support in these areas, a central tool to manage and provision these workloads is essential to maintain resiliency. IDC believes the edge workload growth will outpace private datacenters and public clouds over the next few years.

- **Platform approach.** IDC believes a comprehensive tool that integrates all the elements to manage and automate all cloud resources benefits enterprises. The best-of-breed approach can often increase training, maintenance, and staffing costs. In a time of tightening IT budgets and skilled worker shortages, tool consolidation can be a winning strategy to control costs. Over the past few years, cloud management and automation tools have gained essential capabilities, thus reducing the need for multiple tools. This change has reduced the need for a best-of-breed approach. Companies already have numerous IT automation tools, so a separate cloud management and monitoring tool is cumbersome.

- **Integrates easily and often.** While IDC recommends a platform approach for cloud automation, integration with other applications is still essential. ITSM, observability, and FinOps are examples of tight integration necessary for a cloud management and automation solution. These established tools can benefit from automation and shared visibility. Look for adjacencies and tie-ins to a strong portfolio of complementary infrastructure software products. Other vital integrations include identity, cloud access security brokers (CASBs), security information and event management (SIEM), network security, and line-of-business/vertical-specific application platforms for vendor consideration. Since the software does not operate in a vacuum, vendors must go to market with complementary IT software product portfolios or robust integrations and partnerships with key industry players.

- **Automate everywhere.** A comprehensive IT cloud automation solution must support various third-party infrastructure hardware and software. IT teams should aggressively promote automation in private datacenters and public cloud providers. Many vendors offer curated support for automating multiple infrastructure elements, such as firewalls, load balancers, VPNs, LAN, and WAN switches, and virtual server provisioning. Drift monitoring and resolution, as well as workload placement, are other areas IT should focus its automation efforts.

- **Infrastructure as code.** The growth of IaC by IT teams means vendors need to provide this capability or at least partner with a major IaC company. The ability of clouds or SRE teams to fully participate in the DevOps CI/CD process with version control in a Git-style repository means improved effectiveness of these teams. Many enterprises desire a standard platform to manage and automate IaC-enabled cloud resources.

- **Sound strategy and finances.** Enterprises need a future road map and strong product strategy to invest time and money in a new platform. IDC reviewed strategic plans for each vendor's key multicloud and hybrid cloud management areas with automation. Enterprises also want to ensure that their vendor has the financial resources to partner long term.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

HPE

Hewlett Packard Enterprise (HPE) is positioned in the Leaders category in this 2024 IDC MarketScape for worldwide multicloud and hybrid cloud management with automation.

Hewlett Packard Enterprise Company celebrates nine years as an independent, public company later this year after its split from Hewlett-Packard Company in 2015. The split created HPE with a core focus on enterprise business, which includes compute, storage, network, edge, and high-performance

computing software and services. During the early years after the split, HPE sold its outsourcing services division and spun off its non-core software. 2018 was a pivotal year that saw the introduction of HPE GreenLake. This hybrid by-design platform leverages SaaS capabilities to create on-premises private clouds connected to public cloud providers like AWS and Azure through a central console. HPE has continued to build new capabilities such as containers, disaster recovery, and machine learning into the platform. In addition, HPE acquired companies that add value to HPE GreenLake, such as OpsRamp and the recently announced intention to acquire Juniper Networks.

The primary focus of this IDC MarketScape includes the recently combined HPE GreenLake and OpsRamp product lines, plus other historical products already integrated into the HPE GreenLake platform. HPE tells IDC that it has over 31,000 customers using some form of HPE GreenLake today. This success is likely related to many enterprises that remain in hybrid mode for their cloud architecture, with IDC finding up to 67% of workloads running in company-controlled or owned facilities. HPE GreenLake delivers the best of both worlds for these customers that need to automate from the edge of the private datacenter to the public cloud while controlling costs.

Strengths

HPE's strategy to focus on hybrid cloud customers means the company has a large potential market for HPE GreenLake. In addition, its focus on the edge for several years means it is ahead of some competitors in this fast-growing area, which is ideal for automation and simplification. Because HPE GreenLake is an as a service offering, enterprises can get a fully functional edge-to-cloud solution that is secure and flexible to handle a variety of workloads. With a vast partner network, HPE GreenLake can even be offered in a colocation facility, meaning enterprises can move entirely to a private cloud without maintaining datacenter assets. One key differentiator is HPE GreenLake's data management solution portfolio, HPE Ezmeral, which gives companies greater control than the public cloud, where data can spiral out of control quickly.

The purchase of OpsRamp gives HPE GreenLake much improved day 2 operations capabilities. These expanded capabilities include AIOps and intelligent automation, which were missing recently. OpsRamp also offers affordable observability solutions across the hybrid cloud that can add real value to enterprises unwilling to pay for a separate, expensive observability platform.

HPE is one of the larger vendors in this study from a revenue standpoint. With slow, steady revenue growth in the past few years, enterprises can be assured that HPE is here for the long haul. Positive EBITDA since the 2015 split from Hewlett-Packard Company means it has the cash to continue making strategic acquisitions, adding to GreenLake's capabilities.

Challenges

HPE GreenLake can be more expensive than traditional hardware infrastructure purchasing, which doesn't typically include hybrid cloud platform services (IAM, device subscription, and cost analytics) that are tested and preconfigured software and support HPE GreenLake. Customers looking to build their own private cloud from the ground up should consider all possible cost elements of other solutions and compare them against transparent HPE GreenLake's costs.

HPE offers a wide range of flexible service offerings called HPE GreenLake Management Services (GMS). Customers can get remote monitoring, management, and optimization through GMS. It is important to note that this is not a fully outsourced managed solution. Most HPE GreenLake customers handle their own security and data management using HPE GreenLake's software, but enterprises

must ensure they keep these skills in-house. HPE does not provide infrastructure as code for DevOps teams in its HPE GreenLake product. While OpsRamp offers unified observability across the hybrid cloud and for both traditional and cloud-native apps, HPE relies on partners like Terraform, Puppet, or Ansible to provision automation.

Consider HPE When

Companies planning to operate in a hybrid architecture model for years to come may want to consider HPE GreenLake. As companies modernize applications and deploy new workloads at the edge, HPE GreenLake's value will increase. Organizations looking for the benefits of the cloud, including as-a-service payments and on-demand flexibility while maintaining some control locally, should consider HPE.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

Multicloud and hybrid cloud management with automation is a technology submarket category of the intelligent CloudOps functional market. Software products in this submarket combine to enable enterprises to manage any cloud resource, provision new resources, and automate IT operations tasks into a single software platform. By definition, these solutions must support multiple clouds and

infrastructure-related resources. The edge is a growing area of investments and new workloads, so this capability was also included. Vendors may bundle cloud management or automation software with hardware or infrastructure-as-a-service subscription. IDC breaks out and only includes software revenue for this IDC MarketScape when reviewing these elements. Observability and cloud cost optimization products are important aspects that integrate with multicloud and hybrid cloud management with automation platforms but are not required to be included as they are part of separate IDC MarketScape documents.

LEARN MORE

Related Research

- *AI in IT Operations: Maximizing Efficiency of the Digital Business* (IDC #US51939724, March 2024)
- *IDC's Worldwide Intelligent CloudOps Software Taxonomy, 2024* (IDC #US51839924, February 2024)
- *Market Analysis Perspective: Worldwide Intelligent CloudOps Software, 2023* (IDC #US49903423, September 2023)
- *Worldwide Intelligent CloudOps Software Market Share, 2022: Robust Growth Continues for Vendors* (IDC #US51106423, August 2023)
- *Organizations Report Multiple IT Automation Solutions in Use Today* (IDC #US50859423, June 2023)

Synopsis

This IDC study represents a vendor assessment of the multicloud and hybrid cloud management with automation software market through the IDC MarketScape model.

"Enterprises need a solution to the complexity of supporting the digital enterprise with its growing number of new applications spread across multiple public and private clouds. A platform approach to cloud management, monitoring, and automation enables IT teams to more efficiently and effectively support these complex environments," says Jevin Jensen, research VP for Intelligent CloudOps, IDC. "Standardizing and consolidating multiple IT automation solutions reduces training and maintenance costs while increasing the adoption of automation, which improves resiliency."

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology, IT benchmarking and sourcing, and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly owned subsidiary of International Data Group (IDG, Inc.).

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