VMware expands CloudHealth and vRealize cloud management platforms

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Introduction

VMware is expanding options across its portfolio of cloud management products in an aim to extend its reach and influence among enterprises with active cloud deployments and those taking the first steps in a journey to the cloud. At VMworld 2020, the firm announced major changes across the CloudHealth public cloud management platform and the vRealize hybrid cloud management platform.

451 TAKE

VMware's cloud management portfolio is receiving welcome attention. As the economic effects of COVID-19 continue to shake out across enterprises, maintaining on-premises resources is shrinking in relevance as many organizations continue work-from-home (WFH) policies, with technology companies leading the charge in allowing employees to relocate to less-expensive municipalities. These trends are likely factors in accelerated migrations to cloud, although these migrations rarely happen overnight. VMware's vRealize Cloud Universal aims to address this transition time, with flexible on-premises and SaaS licensing.

On the public and multicloud side, CloudHealth is adding support for Oracle Cloud Infrastructure, which is likely a bigger win for Oracle than an event for VMware, although this likely provides an advantage over Apptio/Cloudability for prospects with a reliance or deployments on OCI. CloudHealth is also becoming the new brand of Secure State, a product that VMware acquired in recent years. It is reassuring that VMware has maintained a clear delineation between CloudHealth and vRealize Suite, since the two products serve different scenarios.
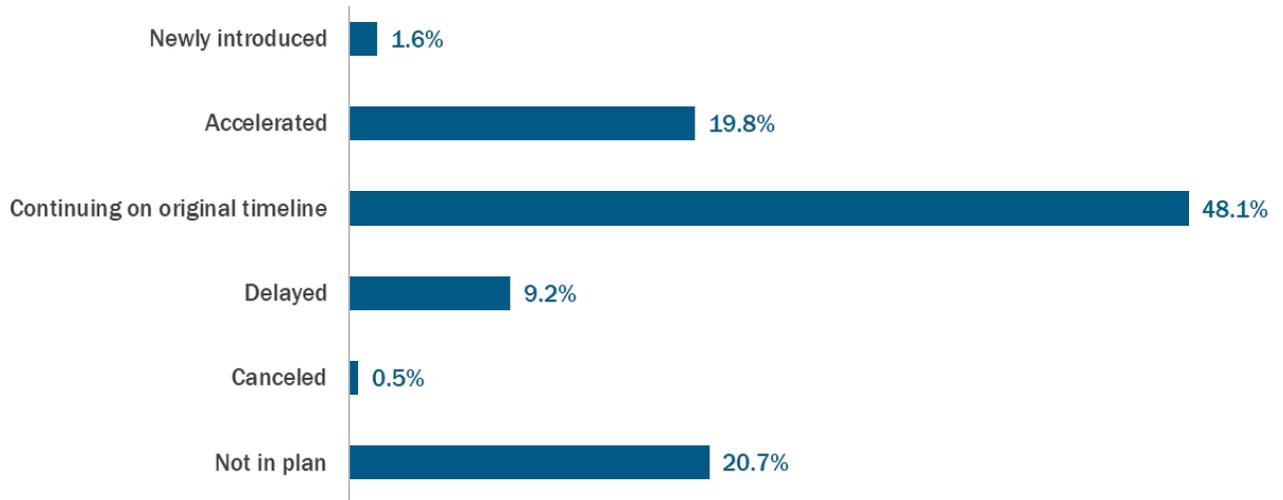
Context

Despite – or perhaps due to – the uncertainties introduced by COVID-19, demand for cloud computing resources is expanding, with over 20% of enterprises accelerating or introducing new plans to migrate workloads to cloud, according to 451 Research's Voice of the Enterprise: Digital Pulse, Coronavirus Flash Survey in June.

Migration of Workloads to Cloud Amid COVID-19

Source: 451 Research's Voice of the Enterprise: Digital Pulse, Coronavirus Flash Survey June 2020
Q: How was the migration of workloads to cloud affected by COVID-19 at your organization?

Category	Value
Newly introduced	1.6%
Accelerated	19.8%
Continuing on original timeline	48.1%
Delayed	9.2%
Canceled	0.5%
Not in plan	20.7%

Sample Size = 368
Base: All respondents

Naturally, the introduction of cloud resources often necessitates some schema to attribute cloud spending to the developers, teams or business units allocating cloud resources; optimize allocation of and spending on cloud resources; and ensure these resources comport with given security and compliance requirements.

For VMware, this comes as welcome news. The internally developed vRealize Suite and acquired CloudHealth businesses represent increasingly important segments of its business – CloudHealth is claimed to manage a total of $12bn in cloud spending across 10,000 public cloud customers while vRealize claims to have over 41,000 hybrid cloud customers.

Changes to CloudHealth

The marquee change announced at VMworld is likely the general availability of Oracle Cloud Infrastructure support in CloudHealth, allowing resources on Oracle Cloud to be viewed and managed alongside AWS, Google Cloud and Azure resources, as well as on-premises resources. CloudHealth supports cost/usage visibility into Oracle Cloud's monthly flex and pay-as-you-go billing options. This was a customer-driven change for CloudHealth, and while only a subset of CloudHealth subscribers are likely to use this functionality, the addition of Oracle Cloud Infrastructure support is likely a bigger deal for Oracle than VMware, insofar as this support legitimizes or bolsters visibility of Oracle Cloud.

VMware Secure State – a multicloud security product that came into the VMware fold through the acquisition of CloudCorio – has been moved under the CloudHealth banner, adding support for Google Cloud for visibility and control, in addition to supporting newer features in AWS and Azure, including Kubernetes and serverless functions.

VMware also touted changes in service that involve decentralizing management of cloud resources, with CloudHealth FlexOrgs permitting the creation/delegation of suborganizations up to 10 levels deep, with inheritable/cascading permissions – all of which can be managed via an API. This functionality was touted as providing access to only the data relevant to a business unit and making it easier to manage assets across distributed organizations.

Changes to vRealize Suite

VMware is continuing to emphasize the use of AI to analyze an operating environment and performance metrics, and is adapting resource allocations to meet user-defined KPIs. Functionality for this has been available in private beta since the start of 2020, with monitoring and optimization of vSAN performance named as the first use case of vRealize AI Cloud.

VMware is also iterating its license model. The firm started this pivot in 2019 with flexible on-premises and SaaS licensing, and expanded on this at VMworld 2020 with the introduction of vRealize Cloud Universal. It is integrating the products in the vRealize Suite with their cloud counterparts, adding vRealize AI Cloud and VMware Skyline, as well as additional capabilities for cloud federated analytics and cloud federated service catalog included in the offering.

VMware also introduced network assurance and verification to vRealize Network Insight, incorporating functionality gained through the acquisition of intent-based networking firm Veriflow in August 2019. This provides a visualization of physical and virtual network topology, as well as the ability to see the impact of uncommitted changes and ensure these changes are compliant with business policies before application.

Competition

451 Research identifies three principal categories of commercialized CMPs, organized by the proximity of their relationship to the customers of the cloud platforms they service: first-party services, offered by the public cloud platforms themselves; second-party platforms, offered by physical and virtual (software) infrastructure vendors; and third-party platforms, the independent (vendor-/cloud-agnostic) products.

VMware vRealize Suite, as a product that integrates the vSphere virtualization platform, constitutes a second-party platform, and competes directly against Cisco CloudCenter, HPE GreenLake, and Red Hat OpenShift and OpenStack, among others.

CloudHealth, which has no hard dependencies on VMware's virtualization offerings, constitutes a third-party platform under this schema. CloudHealth competes principally with Apptio Cloudability, Flexera RightScale, CloudCheckr, Densify and Turbonomic, among others.

Both compete against the native first-party tooling offered by the cloud platforms themselves. More information is available in 451 Research's Meditations on the Next Decade of Cloud Management Platforms Technology & Business Impact report.

SWOT Analysis

STRENGTHS
VMware offers products applicable to an array of deployment or migration scenarios, giving the firm an appearance of versatility.

WEAKNESSES
Abstraction used in second- or third-party cloud management platforms can complicate use of the newest features of public cloud platforms, particularly for cloud-native services.

OPPORTUNITIES
As cloud migrations accelerate due to COVID-19, VMware can effectively pitch a solution that fits a need, rather than one that dictates a specific method or change to a business process.

THREATS
As workloads move increasingly to containers and other cloud-native technologies, closing a deal on orchestration software above what a public cloud provider offers natively/freely may be difficult for the budget-conscious.