



MAKING MONEY ON OPENSTACK

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China and Russia are alike!



We love gymnastics!



We love chess!



...and we love money!

*When most people think of OpenStack,
they imagine this...*



*When I think of OpenStack,
I imagine this...*

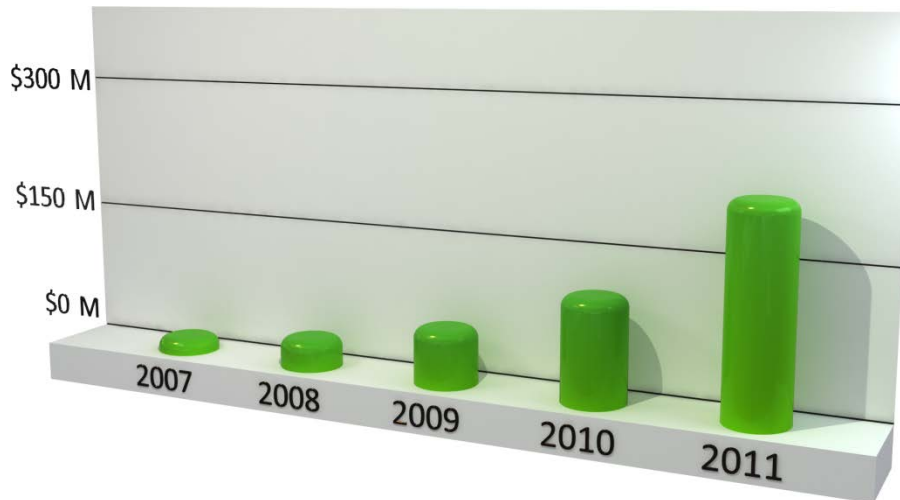
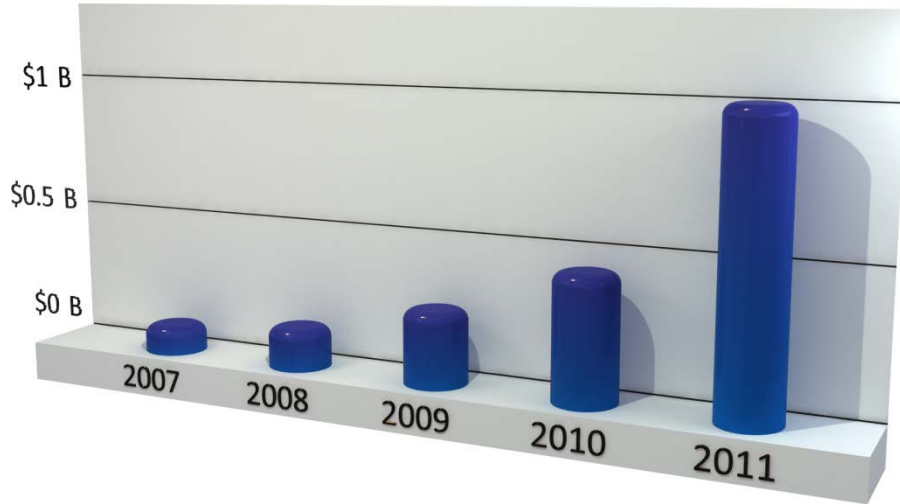


The four questions:

1. Is there \$\$\$ in OpenStack?
2. How much \$\$\$ is there?
3. Why is it easier to get than from “other stacks?”
4. How do you get the \$\$\$?

Is there \$\$\$ is OpenStack?

Premise 1: cloud is BIG \$\$\$



Premise 2: cloud will be open

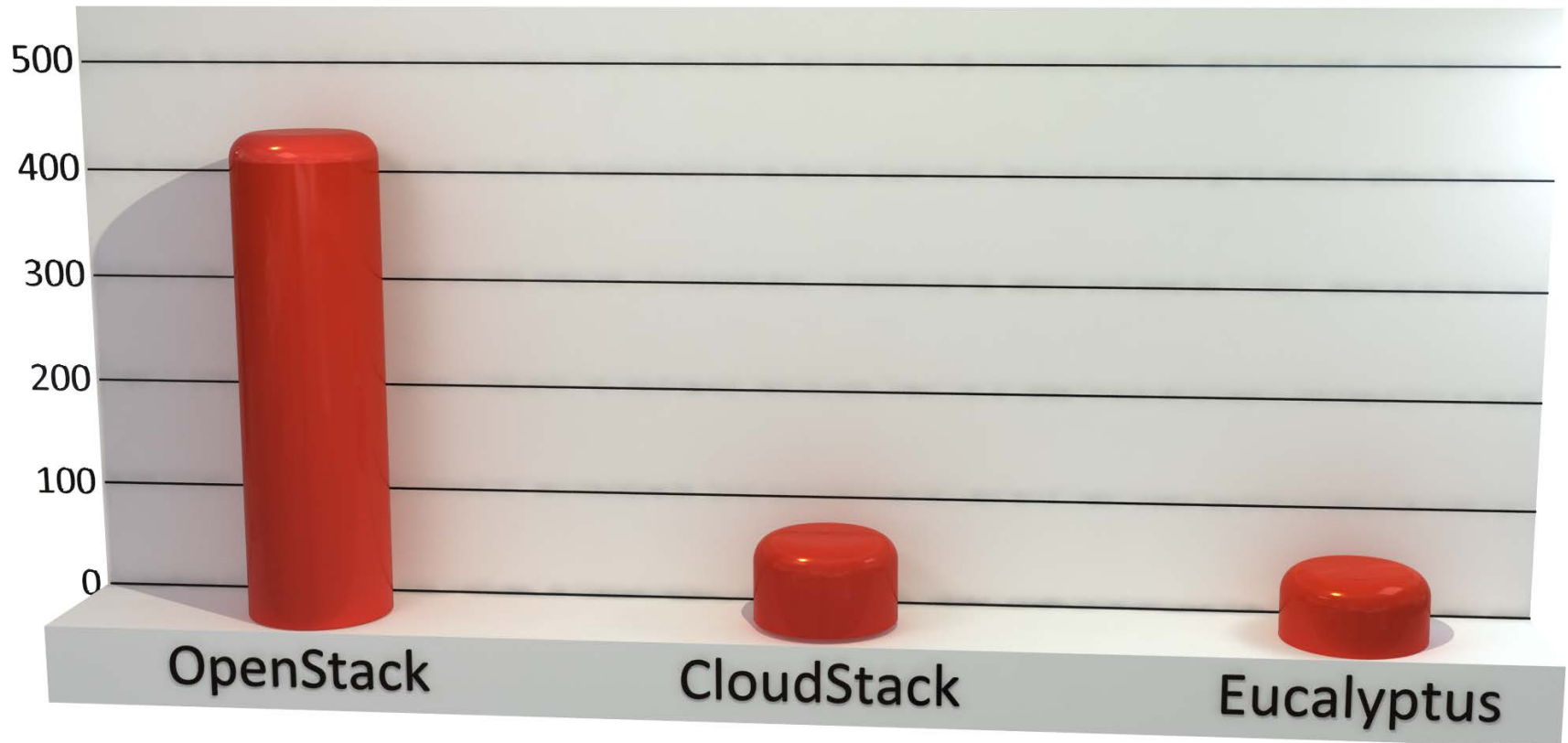
...why...?

...because cloud pioneers show that open is the way! Enterprises will follow in time.



Premise 3: OpenStack won open cloud wars

Average # of developers in an IRC channel as of 6/18



Premise 3: OpenStack won open cloud wars

OpenStack is the #2 FOSS foundation

1. The Linux Foundation = \$9.6M
2. Openstack = \$6M
3. Mozilla Foundation = \$1.9M
4. The Apache Foundation - \$0.53M

Premise 3: OpenStack won open cloud wars

3. OpenStack is the fastest growing open source project in history... 180+ organizations, 3000+ developers



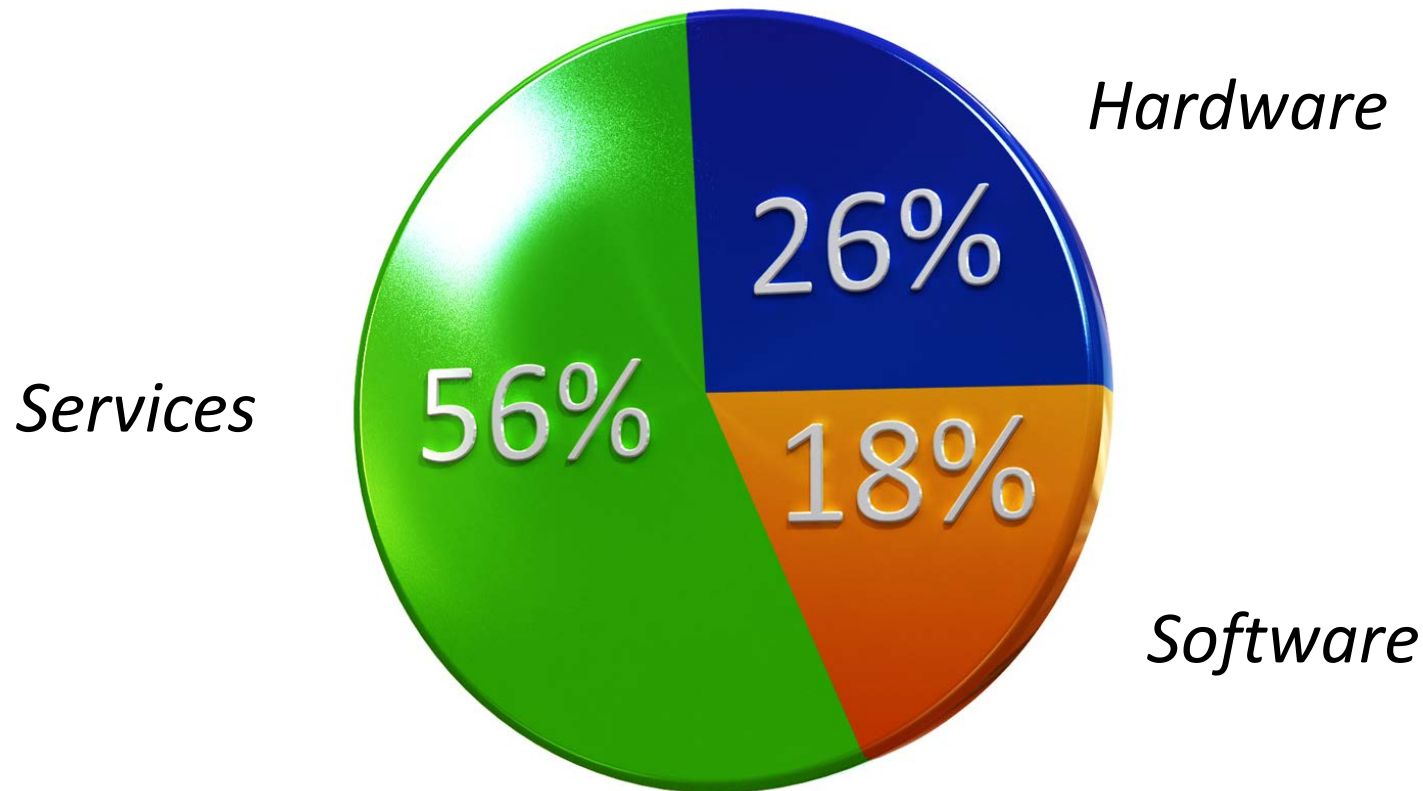
- IaaS technology is disrupting a huge infrastructure software market
- Open source cloud is not a “cheap alternative” to proprietary, it is the dominant standard in IaaS market
- OpenStack is the unchallenged leader in open source IaaS

How much \$\$\$ is there?

How big is OpenStack market?

Market: Total amount of IT spending influenced by OpenStack.

Revenue Streams: Hardware, Software, Services



Top down way to analyze

- VMware owns 59% of the market
- VMware license revenue for cloud infrastructure is 1.6B in 2011
- Total market for cloud infrastructure software is 2.7B
- Including hardware and services \$15B
- Growing at 30%

OpenStack is disrupting a \$15B market.

Nobody knows the exact market size, but everybody knows that the market is...



Very Nice!

*Why is it a better investment
then “other stacks?”*



vmware®

EUCALYPTUS

cloudstack



OpenStack was built for the community

OpenStack is the enabler for community innovation....

- Started by a community
- Developed by a community
- Marketed by a community
- With the goal of enabling participants to add value and build money

Alternatives are for the founding vendor

Alternatives, are vendor driven projects:

- Started by a single vendor
- Developed by a single vendor
- Marketed by a single vendor
- With the goal to create a veil of “no vendor lock-in”



How do you get the \$\$\$?

The Ecosystem

OPENSTACK CAMPS

System Integration



Support



Software



Hardware



OPEN BUT HARD:

- Harder to deploy/adopt
- Easier to sell
- Low risk – Low reward

PROPRIETARY BUT EASY:

- Easy to adopt
- Harder to sell
- High risk – High reward



PROS

- Aligned with enterprise buying patterns
- Can sell through channel
- Leveraged business model

CONS

- Hard to penetrate the market
- Significant upfront R&D investment

KEY PLAYERS



iPhone of OpenStack



Best price-performance with commodity components



The Incumbents



PROS

- Can be less R&D then appliance
- Hardware vendors can be a channel
- Leveraged business model

CONS

- Enterprises are used buying VMWare, not cloud
- Still need to invest in brand; VARs don't create demand
- OpenStack is free, no?

KEY PLAYERS



OpenStack for massive scale / webscale



OpenStack for the enterprise; VMWare killer



Swift for SaaS Vendors



Easy to install OpenStack for everyone



PROS

- Leveraged business model
- Full use of OpenStack momentum
- Aligned with how enterprises buy open source

CONS

- Battle against incumbents
- Must have a brand
- Isn't trivial to just sell support

KEY PLAYERS



Support is what we do



We own the cloud



We own the enterprise



We own mission critical apps



PROS

- Start monetizing with minimal investment
- Learn while making money
- Full use of OpenStack momentum

CONS

- Business scales linearly
- Will commoditize long term

KEY PLAYERS



#1 SI in the OpenStack Ecosystem

hastexo!

Small but smart;
we know HA



Infosys®

The Incumbents



“It’s Complimentary” camp

OpenStack as an enabler for selling core product / service



The Mirantis Story

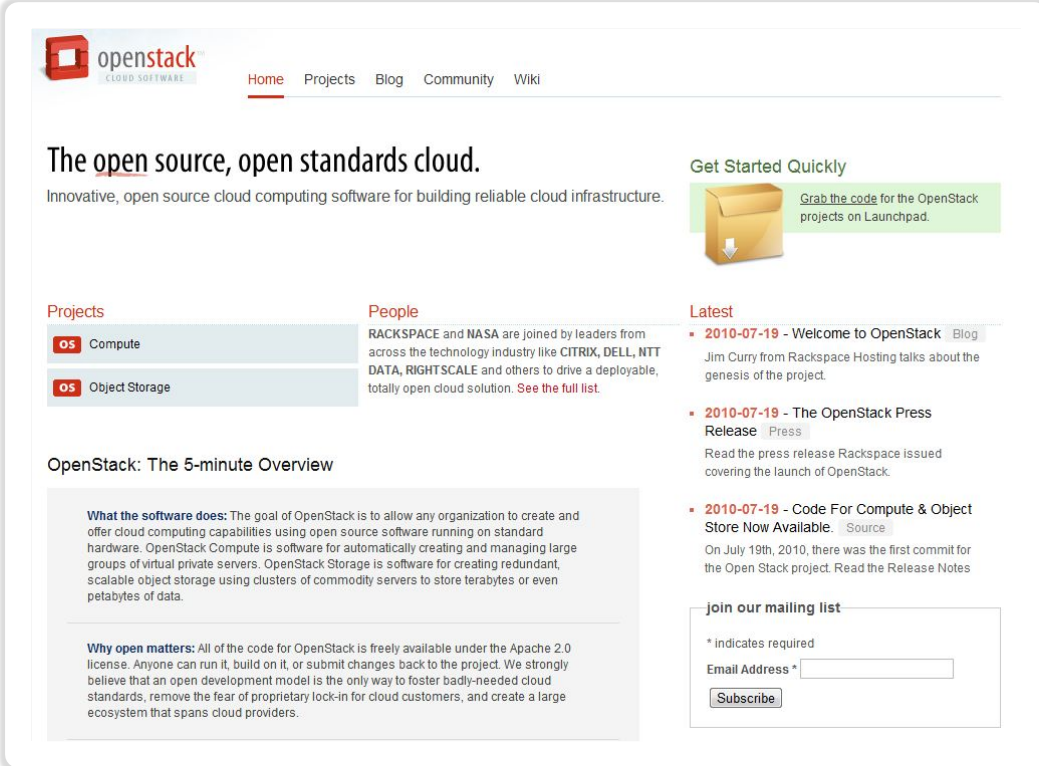
The Mirantis Way

Once upon a time we were a software engineering company that did a little bit of everything....



The Mirantis Way

The day OpenStack was announced, we decided to research it further and build a private cloud for our internal IT



The screenshot shows the OpenStack website homepage. At the top left is the OpenStack logo with the tagline "CLOUD SOFTWARE". To the right of the logo is a navigation menu with links for "Home", "Projects", "Blog", "Community", and "Wiki". The main heading reads "The open source, open standards cloud." followed by the subtext "Innovative, open source cloud computing software for building reliable cloud infrastructure." Below this, there are several sections: "Get Started Quickly" with a button to "Grab the code for the OpenStack projects on Launchpad"; "Projects" listing "Compute" and "Object Storage"; "People" mentioning "RACKSPACE and NASA" and "CITRIX, DELL, NTT DATA, RIGHTSACLE"; "Latest" news items dated "2010-07-19"; and "OpenStack: The 5-minute Overview" with a text box describing the software's goals and license. At the bottom right, there is a "join our mailing list" form with an "Email Address" field and a "Subscribe" button.

The Mirantis Way



*We liked the technology...
so I called Mark Collier
and asked how can we get
involved?*



*Mark Collier said "I don't know
you so talk to Lauren Sell."*

*Lauren said, I should do a
MeetUp in the Bay Area*



The Mirantis Way



We figured the MeetUp would look like this... and reserved a small room.



But it ended up looking like this

The Mirantis Way

After the MeetUp the word got out that we know OpenStack... and people started calling us...



Randy Bias from CloudScaling called and said he could use a partner...



Ray O'Brien from NASA called and said all his staff left to open OpenStack Startups



Some people from Nexenta that you don't know called and said they are interested in OpenStack

The Mirantis Way



*So I came to our management and said:
“How about we become an OpenStack
company?”*

*They said: “No, it’s stupid. We are a cloud
services company”*



*I said: “Cloud Services? That doesn’t make
sense!”*

*“That’s because you are stupid,” – they
repeated!*



The Mirantis Way

*So we called a professional marketing consultant –
Geva Perry*



You should be an OpenStack company, and make a website that says so and buy some Google keywords and write some blogs about it and do more Meet Ups!

*“OK, if the professional said so, let’s try it,”
– said the managers.*





Technology Expertise Product Development Centers Clients Career About



**We build mission-critical
CLOUD SERVICES
using robust open-source
COMPONENTS**

Clients



About Mirantis

Mirantis is a leader in software engineering services for technology vendors. Headquartered in Silicon Valley, we employ top engineering talent in Russian and Ukraine and help such customers as Cisco Systems, Agilent Technologies and KLA-Tencor build next generation cloud applications, leveraging robust open source technologies.

Contacts

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[Request a Call](#)

Testimonials

Jared Smith-Mickelson, Mgr. Software Development XML Engineering Cisco Systems

"After experiences with a variety of outsourced development firms, working with Mirantis has been a blessing. The quality of engineers they have provided has far exceeded that of offshore resources we had worked with in the past..."

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Old Website



New Website



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Engineering
Services for
OpenStack™ Cloud



Need help with OpenStack?

[Contact Us](#)

For Service Providers

Leverage the standard in open cloud infrastructure to blaze ahead in the IaaS market.



For SaaS Vendors

Build and run infrastructure driven by open source economics and get the best fit for your application logic.



For the Enterprise

Take control of shadow IT with secure and cost efficient private infrastructure free from vendor lock-in.



IN THE MEDIA

Jul 28th, 2012
[VMware's Nicira acquisition adds fuel to its cloud management fire](#)

Jul 16th, 2012
[Dell Upgrades OpenStack Cloud Solution; Canonical, Mirantis, enStratus Partner Up](#)

Jul 13th, 2012
[Q&A with Boris Renski at Virtual Strategy Magazine: VMware and Openstack, Differences in Technology and Philosophy](#)

EVENTS

August 14, 2012
[OpenStack Meetup: Quantum and Software Defined Networks](#)

August 9, 2012
[South Bay OpenStack Meetup, InstallFest and Hackathon](#)

BLOG

Aug 2nd, 2013
[OpenStack Networking Tutorial: Single-host FlatDHCPManager](#)

Aug 2nd, 2013
[Where Netfix meets Apple the Rock and Amazon the Hard Place: Hello, OpenStack?](#)

Jul 28th, 2012
[OpenStack Networking - FlatManager and FlatDHCPManager](#)

Jul 25th, 2012
[Proposing Elastic Load Balancing as a Service for OpenStack](#)

Jul 25th, 2012
[VMware + Nicira not a bummer for OpenStack; Cisco needs to pedal faster](#)

Jul 19th, 2012
[How I participated in the AppFog OpenStack Birthday Contest](#)

OUR CUSTOMERS



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Engineering for OpenStack Cloud

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Mirantis Today

- Founding sponsor and influencer of the OpenStack foundation
- Largest OpenStack services company in the world
- 60 OpenStack consultants
- Two dozen OpenStack customers
- Growing at 100% a year



Thank You!

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