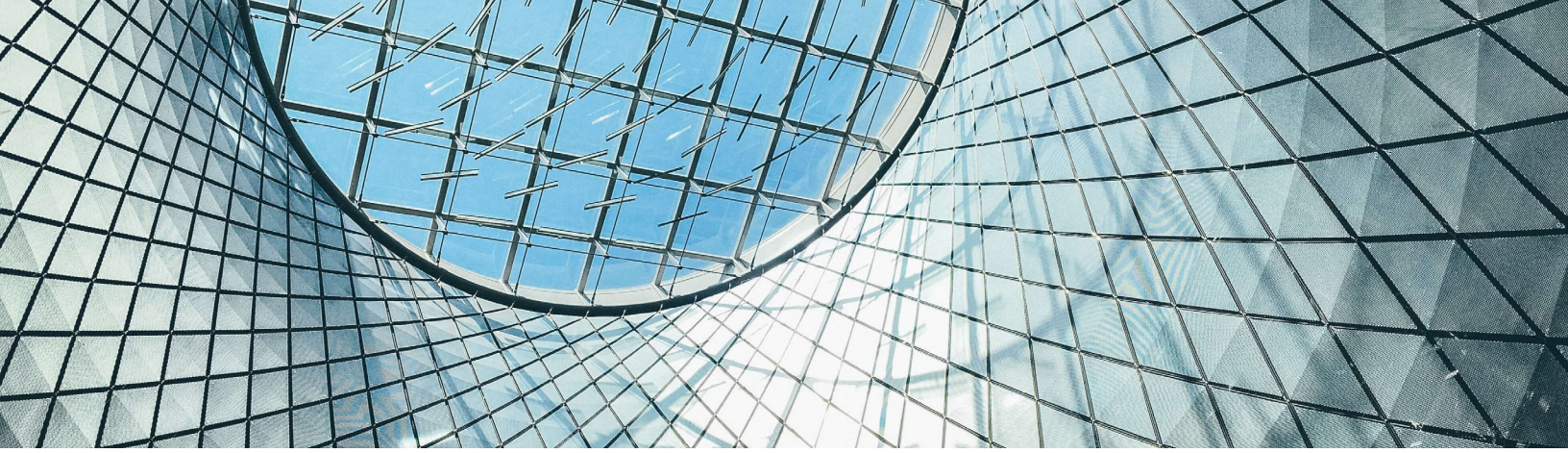

Market Insight Report Reprint

Morpheus Data sits at the convergence of CMPs, container management and infrastructure automation tooling

May 25 2021

William Fellows

Key to understanding the company's trajectory is its breaking free from what it sees as the outdated category of cloud management. The question is whether Morpheus can establish itself as the principal alternative modern cloud and container platform in the market.

451 Research

S&P Global
Market Intelligence

This report, licensed to Morpheus Data, developed and as provided by S&P Global Market Intelligence (S&P), was published as part of S&P's syndicated market insight subscription service. It shall be owned in its entirety by S&P. This report is solely intended for use by the recipient and may not be reproduced or re-posted, in whole or in part, by the recipient without express permission from S&P .

Introduction

Key to understanding Morpheus Data's trajectory is its breaking free from what it sees as the outdated category of cloud management. Being able to target different personas (developers, IT/cloud operations, security, business/finance) enables Morpheus to unify what are often disconnected teams, tools and technology within large enterprises. Characterizing this unification as 'hybrid cloud application orchestration,' Morpheus positions its v5.3.1 release as sitting at the intersection of Cloud Management Platforms (CMP), container management and infrastructure automation tooling. With 70% growth in 2020 and a notable list of enterprise names in the customer list, the company may be on to something.

THE 451 TAKE

At the outset of the market a decade ago, cloud management platforms (CMPs) didn't tend to target anyone but IT operations and that was the reason many first-generation products either folded or have been superseded. Today's cloud management and automation platforms must traverse a full range of requirements including development, security and governance as well as operations – across hybrid environments. Morpheus is well positioned in the market as an open and agnostic control plane, bridging hybrid cloud and DevOps requirements. The question is whether it can establish itself as the principal alternative modern cloud and container platform in the market to VMware Tanzu/ vRealize and Red Hat OpenShift/Cloudforms.

Strategy

While the principal cloud management and automation buyer is still the ops team, there are now several additional purchasers or influencers who must also be enfranchised and new tooling that has widened the scope of what platform engineering teams are looking for.

And hybrid IT brings with it an acute business problem here – a visibility gap. In this era of escalating service consumption, IT spending is moving out to business units and to multiple and new personas. This presents a significant, if not existential, governance problem: the IT organization has the task of empowering consumption by business units while not losing visibility of spending and risk exposure.

Resolving this is crucial; Morpheus finds that self-service is the most common use case across its customer base and requires the ability to provision any service into any cloud on-demand, from a single OS to complex multi-tier applications with clustered layouts, Kubernetes clusters and cloud-native PaaS services. It offers a simple path to develop customized catalogs with approved applications, import VM templates and AMIs, attach workflows plus mix-and-match technologies and clouds. In addition, it triggers provisioning with a choice of interface including a shopping cart interface, a power user GUI, a full-fidelity API/CLI, Infrastructure as Code DSL or ITSM integration with products like ServiceNow.

Core platform and recent updates

Morpheus supports the range of personas in its offering. It enables platform operations to build and manage deployments, also integrating on-premises tools for private clouds, standardizing public cloud, simplifying Kubernetes and automating day-2 tasks. For security teams it establishes role-based access controls and multi-tenancy, implements lifecycle and compliance policies and extends these with vulnerability scanning. It provides automation and orchestration for developers to modernize applications across platforms (bare metal, VM, container, PaaS) with Infrastructure as Code, CI/CD hooks and Git integration. On the financial side, it provides visualization and optimization to discover brownfield instances, optimize resource use, manage projects and centralize multicloud usage reporting.

©Copyright 2021 S&P Global Market Intelligence. All rights reserved.

Morpheus has been developing and hardening this platform since 2015, using a four-week development cycle across feature and long-term support releases. The v5.3.0 release in late 2020 introduced a single-click shopping cart as well as a plug-in framework that enables customers and partners to develop custom integrations. The plug-in framework initially supports instance tab UI extensions, custom task types, IPAM and DNS providers, approval workflows and cypher security back ends. In future it will support backup providers, custom reports and cloud providers.

The Q2 2021 v5.3.1 release is the company's most significant update in recent memory, with major updates to the Morpheus Kubernetes Cluster Manager and enhancements to Morpheus' integration with HashiCorp Terraform. For hybrid cloud Kubernetes, it claims the ability to simplify how customers build, manage and consume K8s without the lock-in of other platforms. Its updated Terraform integrations and Morpheus Terraform Provider is aimed at simplifying the on-premises use of Terraform while bridging the gap between Terraform and automation tools such as Ansible.

The v5.3.1 release has also expanded its ServiceNow integration, overhauled Google Cloud Platform support and enhanced its FinOps capability with access to detailed public cloud invoice data and easier consumption of financial reporting for hybrid environments.

A Virtual Desktop Infrastructure persona was added to enable centralized platform teams to manage Windows and Linux VDI pools on 20+ supported private and public cloud endpoints. The company believes this new feature can help accelerate developer onboarding and reduce tool sprawl for organizations looking for an alternative to VMware Horizon, Citrix XenDesktop and Nutanix Xi Frame.

Morpheus Essentials

A new addition to the Morpheus portfolio released in Q4 2020 is a version of the platform called Essentials for smaller enterprises with up to 1,000 VMs but without third-party integration requirements. Customers can connect to VMware, Nutanix, AWS, Azure and Google with a common shared catalog and identity provider integration, plus access to the Morpheus governance and automation engine.

It leverages built-in K8s cluster management along with native IPAM, logging, monitoring, backups, cypher and other operational services. Pricing starts at $16,000 for 200 reserved instances plus it supports on-demand bursting with monthly billing and consumption-based options.

Customers can use the Morpheus Enterprise version to access third-party integrations into tools like ServiceNow, Infoblox, F5 and nearly 100 more.

Business model

Morpheus' technology was originally an internal management mechanism at private equity firm Bertram Capital. The tool was productized and spun into a wholly owned entity, Morpheus Data. We estimate revenue to be well north of $20m. The 75-person company claims to have grown 70% in 2020, adding 45 logos in its Q4 (it claims many are competitive take outs at VMware vRealize Automation) and winning 95% renewals by revenue. It manages some 500,000 workloads globally at about 200 enterprise customers plus it serves dozens of large MSPs that use Morpheus to deliver services to their tenants.

Business is about 50% US, 40%, EMEA and 10% emerging markets (APAC and LATAM). Channel partners account for 90%+ of revenue and include CDW, SVA, WWT, Trace3, SHI and Technologent. Systems integrators and OEMs are also a core route to market including Hewlett Packard Enterprise, Dell Technologies, Lumen, Deloitte and Wipro.

©Copyright 2021 S&P Global Market Intelligence. All rights reserved.

Competition

Given Morpheus' trajectory, VMware Tanzu, Red Hat OpenShift and Rancher (SUSE) are the major container management vendors in the market. VMware vRealize automation is VMware's CMP offering. Other multicloud and hybrid cloud management vendors include Flexera RightScale, CloudZero, CloudTamer, Apptio FittedCloud, Scalr, CloudBolt, HyperGrid, CloudCheckr, DivvyCloud, Snow Software, Turbonomic/ParkMyCloud, Trianz, Abiquo, Platform9, Quali, InContinuum, Densify, CloudSphere, Vega Cloud and Virtana.

SWOT Analysis

STRENGTHS

Morpheus reports continued strong growth – it now manages 500,000 workloads, vs. 400,000 in mid-2020 and claims revenue grew 70% in 2020.

WEAKNESSES

Is there room in this sector for a long-term, independent, growing and profitable business, or will this capability end up being incorporated into broader management frameworks? The market remains very fragmented, with customers facing a massive amount of vendor options for cloud management and automation across the spectrum of operations and development.

OPPORTUNITIES

As cloud adoption accelerates and enterprise spending on hybrid and multicloud services (on-premises and hosted) climbs, so does the need for control. Efficiency, security and automation are now more important than ever as organizations reframe priorities. Thus, it's a time of change: most organizations are planning to update or expand their cloud management practices.

THREATS

Cloud has introduced massive organizational dysfunction and there are now many different personas accessing services. Tool vendors don't have control over the organizational will and change-management processes of their customers, which is often the key to delivering successful cloud transformation and governance projects. The biggest threat to Morpheus is not establishing itself as the leading alternative choice for platform teams.

©Copyright 2021 S&P Global Market Intelligence. All rights reserved.

CONTACTS

The Americas
+1 877 863 1306
market.intelligence@spglobal.com

Europe, Middle East & Africa
+44 20 7176 1234
market.intelligence@spglobal.com

Asia-Pacific
+852 2533 3565
market.intelligence@spglobal.com

www.spglobal.com/marketintelligence

Copyright © 2021 by S&P Global Market Intelligence, a division of S&P Global Inc. All rights reserved.

These materials have been prepared solely for information purposes based upon information generally available to the public and from sources believed to be reliable. No content (including index data, ratings, credit-related analyses and data, research, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of S&P Global Market Intelligence or its affiliates (collectively, S&P Global). The Content shall not be used for any unlawful or unauthorized purposes. S&P Global and any third-party providers, (collectively S&P Global Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Global Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. THE CONTENT IS PROVIDED ON "AS IS" BASIS. S&P GLOBAL PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Global Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

S&P Global Market Intelligence's opinions, quotes and credit-related and other analyses are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P Global Market Intelligence may provide index data. Direct investment in an index is not possible. Exposure to an asset class represented by an index is available through investable instruments based on that index. S&P Global Market Intelligence assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P Global Market Intelligence does not endorse companies, technologies, products, services, or solutions.

S&P Global keeps certain activities of its divisions separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain divisions of S&P Global may have information that is not available to other S&P Global divisions. S&P Global has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P Global may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P Global reserves the right to disseminate its opinions and analyses. S&P Global's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge) and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P Global publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.