HPE provides Helion Managed Cloud Broker service for hybrid IT management

WILLIAM FELLOWS

12 FEB, 2016

To support enterprises that are seeking to find, access and use a range of IT resources and services to meet different needs, Hewlett Packard Enterprise recently introduced the HPE Helion Managed Cloud Broker service.

451 Research®

To support enterprises that are seeking to find, access and use a range of IT resources and services to meet different needs, Hewlett Packard Enterprise (HPE) recently introduced the HPE Helion Managed Cloud Broker service. The cloud service broker enables users to provision, access, manage and control services across multiple cloud workloads and providers in hybrid IT arrangements. We characterize the use of multiple hosted services (public, managed, private), on-premises private cloud and traditional IT as hybrid IT – hybrid cloud refers specifically to multiple cloud services (public/private, hosted/on-premises).

THE 451 TAKE

A cloud broker enables an organization to manage the 'right mix' of resources and services to support its hybrid IT needs. Increasingly, users are seeking to optimize their use of IT from both a technical and financial (business) point of view. This is where a cloud broker service can help. In October 2015, the HPE Service Broker platform (on-premises) was launched. In addition, HPE recently announced the HPE Helion Managed Cloud Broker service, recognizing the need enterprises have to consume a brokerage function as a service for different workload needs while maintaining control and flexibility.

TECHNOLOGY

HPE Helion Managed Cloud Broker is a hosted service that includes an integrated self-service portal with a catalog and subscription management, financial management, performance management and reporting, service management, security, and compliance. This can provide access to business partners, public cloud, managed cloud, private cloud and traditional IT while mitigating 'rogue' IT activities by individual stakeholders. HPE will be supporting its Helion Managed Virtual Private Cloud (VPC), Helion Managed Private Cloud, Helion OpenStack, Helion Eucalyptus, Microsoft Azure, AWS, VMware and datacenter services (via a service request). It enables an organization to understand and set limits about spending and what infrastructure can be used by whom, as well as see what infrastructure is being overused or underutilized – in other words, capabilities to provide service assurance, control and performance.

The service was built using HPE software products, including HPE Cloud Orchestration Software, HPE ITSM Automation Software and HPE Operations Bridge Software. HPE is also offering the broker functions as a set of tools that an organization can use to build and operate its own cloud service broker to become an internal broker of multiple services. This is called the HPE Cloud Service Broker platform and also includes HPE Cloud Orchestration software, HPE Service Broker Software, HPE ITSM Automation Software and HPE Operations Bridge Software. A customer can use HPE's cloud service broker advisory and platform services and then choose either the Helion Managed Cloud Broker hosted by HPE or the HPE Service Broker platform (which is customer owned and managed). HPE Management of Organizational Change services help organizations take the right steps to drive sustained adoption of the service-broker model. HPE Cloud Service Broker Support and Education provides a single point of contact for support for HPE and multivendor hardware, software and education services to drive IT success and end-user adoption.

HPE charges for onboarding to the Helion Managed Cloud Broker service and bundled monthly fees for each part of the service. It offers VPC or traditional datacenter deployment models. HPE says it expects most customers will own the paper on their relationships with third-party cloud service suppliers (such as AWS or Azure); however, it will still be able to show price changes and make optimization recommendations. Still to be considered is the role the broker may be able to play in HPE's Cloud 28+ cloud services 'dating' agency in Europe.

HPE says it has delivered more than 1,000 cloud journey workshops, has 3,000 total private cloud clients (including 600+ managed cloud clients), and has modernized the application portfolios for more than 100 multinational corporations; and has 10,000 application transformation experts.

UBERFICATION

We've been using the term 'uberfication' to describe the way that firms such as Uber and Airbnb have transformed the ability to find, access, use and pay for services in their industries. We believe that enterprise users, as consumers of third-party IT services and providers of services to their own IT staff, should be able to enjoy the same experience in service selection and delivery. The keys to uberfication are the user experience, the service model and business model innovation. Whatever the combination of resources, the delivery is consumption-based, service-driven and on-demand, with a retail-model discipline. Uber and its peers – and disruptors across other industries – are taking advantage of the cloud and cloud applications to innovate and digitally transform industries.

The role of a cloud broker is to transform IT service delivery while providing agility and control. A cloud broker function provides access to multiple cloud suppliers giving users access to a wider range of venues and services than they would ordinarily have. A cloud broker can also take care of the delivery, fulfillment, API handling, configuration management, resource behavior differences and other complex tasks. The broker enables users to apply cloud decision criteria in the selection of cloud applications and services. This includes (but is not limited to) cost, compliance, utility, governance and auditability. The point is that rules are applied to every application. The impact of this on the internal IT operating model is considerable because it addresses many of the adoption issues with the cloud. Cloud itself can become a proxy or agent for digital transformation strategies.

BEST EXECUTION VENUE STRATEGIES

A cloud service broker operationalizes best execution venue (BEV) strategies, which is based on the notion that every class of IT-related business need has an environment where it will best balance performance and cost, and that the IT organization should be able to select that environment (or even have the application select it automatically) as part of the general practice of IT. In doing so, it enables an organization to create the 'right mix' of resources for its hybrid IT environment. So there's a strong element of associated business value in assessing BEV because it presents the IT practitioner with an opportunity to improve efficiency and time to market with the available IT infrastructure.

The term BEV originated in the financial world where it refers to the ability to place orders and trade stocks in the best possible environment to maximize return. It became mainstream after the implementation of The Markets in Financial Instruments Directive (Directive 2004/39/EC) in the EU, which formalized and standardized the policy-driven automation of trading practices throughout the EU zone, and made it possible to optimize the choice of trading venue in ways that had direct value.

Applying this business logic to IT, users expect to be able to make decisions about how and where to run applications and workloads and from where to source services based upon workload profile, policies and SLA requirements. As the worlds of outsourcing, hosting, managed services and cloud converge, the options are growing exponentially. BEV strategies enable users to find the most suitable services to meet their needs. The cloud broker is key to operationalizing this approach. The most sophisticated IT users may operate these supplier relationships independently, but even those with contract negotiation expertise will likely struggle with the complexity of mechanisms available, especially in relation to cloud service pricing and delivery.

The reality is that most organizations don't have access to more than a handful of cloud services – the same kind of access they probably have to other utilities. Indeed, where they do exist, these are mostly bilateral sourcing relationships between the end user and service provider. This is why we expect third-party tools – including technical and financial cloud brokers, business application marketplaces and other integrators – will have an important role to play in providing access to other venues. Some applications, workloads and service requests may be best suited to running on-premises; for others, a public multi-tenant cloud may be sufficient, while a dedicated hosted venue may be necessary to meet the needs of other applications and workloads. For many IT needs, the BEV already exists and is served by the Web and application hosting market, which provides services ranging from hosted email to hosted websites and databases, content management, storage and backup, content delivery and security offerings. An IT administrator can select, configure, provision and deploy the IT stack required for many other given workloads, whether from an in-house virtualized resource farm, or from external providers. This is something HPE supports in the broker.

A broker's automated operation: helps IT departments preserve the agility and self-service model that they gained with cloud while allowing IT to retain control; supports a mix of old and new-style IT services; balances the competing needs of business, IT and developers; and improves user satisfaction without raising staffing levels. In a hosted model, it provides users with fixed and dynamic sourcing – planned and unplanned options; enables better data-driven decision-making; and removes some of the pain in contract complexity and vendor management. The HPE Helion Managed Cloud Broker service also includes single sign-on, role-based access control and support for various federal compliance requirements.

COMPETITION

HPE believes its key differentiation is its ability to help users through each stage of the journey to hybrid IT by defining the 'right mix' via consulting; provisioning the right mix of services (HPE and third-party service integration and security); and optimization via the Cloud Service Broker. Other cloud brokers in the market include CSC with Agility (nee ServiceMesh), Dell Cloud Manager (Enstratius), VMware vRealize Automation (DynamicOps), Microsoft Operations Suite and Deutsche Telekom/T-Systems, while Gravitant was recently acquired by IBM.

Other vendors here include Prologue Group, SixSq, CloudGenera, DivvyCloud, Neostratus, Flexiant, Orbitera, ComputeNext, Ensim, AppDirect, VMTurbo (used by Verizon), RightScale, OnApp, BMC Cloud LifeCycle Management, Abiquo and Ingram Micro (Odin). Integrators with multi-cloud and hybrid IT capabilities include Accenture, Capgemini, Atos, Cognizant and Infosys, while Telefónica, NTT/Dimension Data, Vodafone, BT, ServiceNow and CA Technologies are all seeking to broker multiple IT services to customers.

SWOT ANALYSIS

STRENGTHS
We don't believe the revenue from a cloud broker function itself will be a significant financial opportunity; however, the ability to operate this capability – hosted or supplied internally – will be critical to the success of service providers and enterprises in a multi-cloud and hybrid IT world. One-third of 1,155 enterprise technology and business decision-makers recently surveyed by 451 said they plan to increase spending on cloud brokers, indicating the function is moving into consideration.

WEAKNESSES
Despite the hype, the transition from traditional IT architectures to a cloud-based future is a slow, organic process. The technology is the easy piece. Some independent cloud broker vendors that have been waiting for the market opportunity to emerge for a couple of years now have pivoted toward other opportunities.

OPPORTUNITIES
Cloud is rapidly entering an entirely new phase, one destined to prove far more transformative and disruptive than the initial phase of cloud computing. It is driving comprehensive transformation of digital assets in organizations of all stripes as IT decision-makers begin to view this emerging cloud construct as a proxy and, indeed, an agent for broader digital transformation agendas. If cloud is the on-demand version of computing, brokering is the on-demand version of IT procurement and management. Whether provided as a hosted service – or deployed internally – a cloud broker will help users operationalize IT transformation strategies – moving from a current state to a desired state.

THREATS
There's still a lot of industry skepticism around cloud brokering, starting with demand – identifying the use cases; the complexity of supporting multiple services and their dependencies; having to 'run' at the pace of the slowest cloud (supplier performance monitoring); ownership of the paper (supplier contract); SLA enforcement (where does the buck stop?); governance and policy; the struggle between a company's culture and IT strategy; and getting buy-in from multiple stakeholder groups. In addition, buyers need to consider compliance and asset ownership.