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IT Service Management for the Cloud

**Business Services
IT Service Management**

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Dan Phillips
CEO

BIO:

As Chief Executive Officer and Co-Founder of CloudHealth Technologies, Dan Phillips sees CloudHealth as the industry leading IT service management platform for the cloud. He is passionate about CloudHealth's role in enabling IT service management for this very disruptive and dynamic cloud environment, as well as establishing Boston as the leadership center for cloud management technology. Dan has spent his entire career at the forefront of IT systems management and its evolution of changing technology and infrastructure. His experience includes 25 years as an executive with four venture capital-backed IT management startups. Two of these companies achieved successful initial

public offerings (IPO's) on NASDAQ and two were acquired by fortune 200 companies. The most prominent was as COO of Concord Communications which attained an \$800M market cap and the most recent was as CEO of Silverback Technologies which was acquired by Dell Inc. Prior to CloudHealth, Dan spent 4 years founding and growing the Entrepreneurship Center at the University of Massachusetts Boston, bringing entrepreneurship and workforce development to our local, urban, diverse, and public university. During that time Dan also helped build the Venture Development Center at UMass Boston, an incubation center for technology and life science based startups. Dan is also the founder of the UMass Boston Entrepreneurship Center and Scholarship Program.

About CloudHealth Technologies: CloudHealth Technologies is pioneering the next generation of IT Service Management for the cloud. By combining enterprise requirements, best practices, and cloud technology, we are transforming the way in which customers can see, evaluate, and manage their entire cloud ecosystem.

Interview conducted by:
Lynn Fosse, Senior Editor
CEO CFO Magazine

CEO CFO: Mr. Phillips, what was the concept behind CloudHealth Technologies?

Mr. Phillips: The concept behind CloudHealth is that many, many years ago when the world moved from mainframes to networks there was a disruptive force in the marketplace and there were requirements for IT monitoring and management that was traditionally done in the mainframe

environment that needed to be moved to a network environment. Because of the architecture a whole new generation of IT service management platforms emerged. That was a trend that took place in the 1990s and the end result, as we all know, is that pretty much the entire world moved from the mainframe to a network environment client server. What we are seeing today is the same type of trend with companies moving from onsite data centers and client server technology to the cloud. There is that same need to have your traditional IT systems management functionality to manage the performance and cost of the infrastructure, but there is a requirement for a new set of tools that will be able to manage a very different architecture associated with the cloud. That's what we do. CloudHealth Technologies is a software company with a cloud analytics platform that enables IT service management for the cloud.

CEO CFO: There are certainly many companies in this space. What do you at CloudHealth do to make your system better, cheaper, easier, faster, more effective?

Mr. Phillips: What we have seen is that there are many new management platforms being developed to manage infrastructure in the cloud. There are quite a few who are focused on configuration management and provisioning and deployment. There are also quite a few who are focused on cloud cost management. However, we really are the first company that has built a platform that can collect data from all technologies associated with your cloud as well as the cost of usage associated with your cloud and the business aspects of your cloud, with the ability to integrate that data

and then utilize the data to trend and optimize performance and cost of your entire cloud ecosystem. Therefore, we really are the first in this space.

CEOFCO: Have you come up with algorithms? What have you created that allows you to provide this higher level of information to your clients?

Mr. Phillips: That is a great question. We have really built a platform that has the ability to integrate disparate data sets. We have a technology called The Aggregator™, which has the ability to collect disparate data sets in a company's cloud ecosystem such as cost data, usage data, technology data and business data. We securely collect all of those data sets, integrate them into a single console and then correlate the data to understand the relationships between the data sets. We have built, basically, a data warehouse type of technology that aggregates all data in fifteen minute intervals, seven by twenty four and then trends, analyzes, models, plans, predicts, and reports on that data to identify short and long term trends in terms of the best opportunities to optimize the performance of the infrastructure and to optimize the cost. It is a very, very large sophisticated software platform that requires in-depth knowledge of the IT service management space, and that's our company background.

CEOFCO: Would you give us a couple of concrete examples of what someone would see with that result? Maybe something fairly common that they could look at and see how you have measured it and something that people might be surprised is actually measurable?

Mr. Phillips: Our customers are typically very large consumers of the cloud, and they have extremely complex cloud environments. They are looking at thousands of different assets that they are managing in their cloud ecosystem. We give them the ability to look at very specific data, for

example: application performance, over time, as it relates to specific instances, associated storage, compute resources, memory, bandwidth and so on. As we look at the performance of the application over time we can help them to "right size" the instance type, and in many cases "downsize" the number of servers that are required and the amount of associated storage required. Ultimately we enable them to lower their overall cloud cost and optimize resource efficiency while still maintaining targeted service level availability of resources. That's one. Another typical scenario is that in the cloud it is very easy for companies to spin up storage. In most cases you pay for everything that you deploy in

usage over time and then model different scenarios for making purchases and investments. We give them the power to look at both the up front cost and the ongoing monthly cost and to define what the most attractive pricing model will be for their organization...and again this also lowers their cost.

CEOFCO: Who is using your services today? What types of companies?

Mr. Phillips: They are among the largest public cloud Infrastructure-as-a-Service customers. What we have seen in the market is that the early adopters with some of the largest most complex and scalable infrastructure are SaaS companies and content management platform

companies that leverage the cloud to deploy services for their customers. They are web content management, eLearning platforms, mobile content management or video and media content management organizations. What we don't see are the traditional enterprise organizations. They are really much slower to adopt cloud computing at any scale. They have a lot of legacy infrastructure to deal with so they are slower to adapt to this environment. Inevitably they will, but we

are not seeing them as the early adopters in this market.

CEOFCO: When you are speaking with a perspective customer what is the "aha moment" when they understand what you do is a far superior offering?

Mr. Phillips: When they see our, "InterActive reporting." Our on-demand, InterActive reporting enables our customers to view their cloud infrastructure by many, many different dimensions simultaneously and then trend it over time. In most cases this is the first time they can look at all of their assets and cloud resources in one place, trended over time, and then evaluate the cost of those assets and compare it to the usage and performance. The multidimensional reporting we deliver allows customers

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the cloud regardless of whether you use it. The CloudHealth platform will continually identify what we call "zombie infrastructure," which are compute resources that companies have spun up and are paying for, but are not being used. The goal is to identify opportunities to reduce infrastructure costs but also enable organizations to develop a process for deploying resources and turning them off when jobs or projects are done. A third scenario is that cloud vendors give customers the ability to purchase cloud resources up front. If you commit to resources up front you get a significant savings on an ongoing basis. However, most companies are hesitant to pay up front until they are able to measure their actual usage over time. CloudHealth allows companies to measure and trend their

to visually see how they are they growing and evolving, what their spend is, and if they are spending in the correct areas and efficiently. With our on demand InterActive reporting customers get a holistic view of their entire cloud infrastructure from the perspective that is most meaningful to them.

CEO CFO: How long has CloudHealth Technologies been available?

Mr. Phillips: We “boot strapped” the company in 2012 and then received our A series funding in March 2013. We raised four and a half million dollars in March. We hired thirteen people between March and now. We did what we call a “soft launch” over the summer and just formally announced our full product launch on October 9th. We have significant inbound and outbound marketing campaigns underway. But more importantly since June 2013 we have attracted some of the largest AWS customers and they are now using our

platform as their primary cloud management platform.

CEO CFO: What have you learned personally in past experiences that have been most applicable here at CloudHealth Technologies?

Mr. Phillips: When new, disruptive technologies, like cloud computing, gain significant momentum there will always be a fundamental requirement for organizations to report at a business level. This will require a platform that is able to analyze, trend and model vast amounts of data in order to identify opportunities for efficiency improvements and pinpoint problem areas. The art to this is not just about capturing vast amounts of data, it's about integrating disparate data sets and developing the ability to map the relationships between the data sets. Once you can understand your environment, you can begin to look for exceptions in the environment versus spending your time evaluating the massive amount of data available. Essentially, you look at only the

meaningful data. Regardless of the technology or environment, customers want one thing...to be able to identify problems from data and then be able to present it to from a business perspective so that they can make intelligent business decisions on how to optimize their environment.

CEO CFO: Why pay attention to CloudHealth Technologies?

Mr. Phillips: If we go back to the beginning; when the world went from mainframes to network based computing an entire generation of IT service management platforms emerged. These companies became very significant publicly held companies. Today we are seeing the cycle repeat itself. An entirely new generation of IT service management platform is needed. CloudHealth Technologies is at the forefront of this disruptive transition and our platform will emerge as the new standard of IT service management for the cloud.



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