REPORT REPRINT

Cohesity extends data management and protection into hybrid clouds

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The well-funded startup was created to redefine secondary storage by eliminating storage silos through the use of its hyperconverged data platform. Cohesity's latest updates are focused on making the platform relevant in public, private and hybrid cloud environments.

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Cohesity has taken in $70m in funding, and is attempting to ramp up its initial production sales while adding new features to extend secondary storage environments into cloud services and private clouds. The vendor has an aggressive, multifaceted strategy that is designed to improve how a customer provides data protection, file sharing, test and development, and analytics for its clients.

THE 451 TAKE

Cohesity is clearly taking a 'go big or go home' strategy as it targets the fast-growth secondary-storage market opportunity. While we would normally discourage a young startup with a handful of production customers from attacking so many opportunities at once, we can see Cohesity's scalable systems entering a customer's environment as a backup target, and gradually moving up the stack. In a way, the scalable system could be viewed as a Russian nesting doll, with each layer peeling away to reveal another new capability for the system. The features the vendor is adding this year should make Cohesity more disruptive in the backup space, and will provide opportunities in the hybrid cloud storage market, where data management and optimization are sorely needed.

CONTEXT

Santa Clara, California-based Cohesity has grown aggressively in the last 10 months, and currently has over 100 employees, up from 50 in July 2015. The vendor's mission is to redefine secondary storage by leveraging its distributed and limitless file system to help customers rein in their secondary data. Although it currently only has about a dozen production customers, this number could surge rapidly given that it now has more than 60 proof-of-concept customers testing Cohesity systems. The company's customer base includes early wins with a large pharmaceutical, and with financial services companies.

The vendor has taken in a fair amount of funding at $70m. This exceeds the comparable series B funding rounds of vendors such Nutanix and Pure Storage, which were founded in 2009. While we wouldn't be surprised if Cohesity landed a large funding round in the future, we would expect it to ramp up its sales since the product already has a relatively rich feature set.

Cohesity is initially doing direct sales, which are fulfilled through the channel, and it currently has sales in the US, Canada, the UK and Japan. The vendor recently created alliances with Pure Storage and Google to enhance its presence, and we expect it will add further partnerships with primary storage and cloud storage players in the future.

PRODUCTS

We discussed the features and hardware of Cohesity's first products in a previous report, and will be focusing on new developments here. Although the vendor has loftier expectations beyond the backup target market, the majority of Cohesity's deals have been replacements of EMC's Data Domain. Each Cohesity chassis has four nodes, and customers typically start with multiple chassis depending on whether they want to use the recently announced replication capability. Average selling price for an entry system (three nodes) starts at $90,000, which is priced to compete effectively with Data Domain.

Cohesity's systems will become more appealing as it adds broader data-protection support for clients and applications. In the backup space, Cohesity already had the ability to back up VMs in its earlier releases, and it is adding support for physical Windows servers, Linux servers, Oracle, Hyper-V and file servers. The vendor believes its ability to provide instant restores will be a key competitive advantage compared to older traditional disk and tape backup systems that have more complex recovery processes.

File shares is another key segment of the secondary data-storage market, where Cohesity plans on gaining traction. The platform already has NFS and SMB protocol support, and added Active Directory integration earlier this year. Cohesity believes the C2000 system's compression and de-duplication optimization capabilities, combined with its integrated data protection, will give it a competitive advantage in the crowded NAS and file server space.

Test and dev is the next core market that Cohesity is addressing – it is marketing its C2000 systems as a data store, leveraging its rapid cloning and orchestration capabilities to facilitate rapid buildups and teardowns. Cohesity believes that as customers funnel backup and unstructured data into their scalable systems, the progression to the test and dev space will take place with minimal disruption.

The fourth market Cohesity is looking to address is the analytics space, where it believes customers will use its systems for big-data analytics and data forensics. The systems already provide compute and storage for these workloads, but will also allow customers to leverage external sources. In the summer, Cohesity's systems will be adding the ability to function as a S3-compatible object storage target. This capability will allow customers to run Hadoop on the systems, and access data using the S3 access.

EXTENDING TO THE CLOUD

Expansion to the cloud is the core theme for this year's enhancements. With the latest release, Cohesity now has the ability to write data to public-cloud storage services. The 2.0 software release allows systems to archive a true logical copy of data to a cloud-storage service for long-term retention. It also allows customers to create a tiering model, which will keep new and frequently accessed data stored locally on the cluster, while tiering older data to a cloud service.

Later this year, a cloud-resident version of its software will be introduced that will allow customers to actively replicate data into the cloud. The cloud-resident Cohesity virtual system will also be able to provide enterprise-class backup and data protection to VMs and applications running in a cloud-computing environment.

COMPETITION

With its extremely aggressive business plan, Cohesity will have no shortage of competitors. It views backup target systems as low-hanging fruit, especially with de-duplication becoming common technology over the last few years. Data Domain continues to be the market leader in the space, although a number of players such as HPE's StoreOnce, Fujitsu Eternus, ExaGrid and HDS Sepaton have been growing.

Cohesity's new backup capabilities will put it in competition with existing backup players such as Veritas, Arcserve and CommVault. Likewise, these same vendors are looking to provide copy data management features, and to leverage their data management capabilities to expand to new use cases, such as providing copies for test/dev and analytics.

That said, backup-software players have a long history of working with vendors of secondary storage systems, even if they are competing for the same slice of data protection and management budget. Cohesity customers are already using its system in conjunction with Veritas NetBackup, CommVault and IBM Spectrum Protect. Rubrik is another startup player that is looking to attack the backup and data management incumbents.

Actifio is the vendor largely credited with creating the copy data management market trend, and will likely be a competitor, although Cohesity claims it has not really seen Actifio in competitive engagements. Delphix is strong in the copy data management space for databases, and will also be more of a competitor as Cohesity ventures deeper into the test and dev space.

In the data management space, an impressive crop of startups including Primary Data, Peaxy, Komprise and Datagres have emerged with tools that will help customers analyze unstructured data and improve efficiency. This trend has also flowed into the systems and software-defined storage space, where vendors such as Qumulo, Nimble Storage and FalconStor are using analytics capabilities as a point of differentiation.

SWOT ANALYSIS

STRENGTHS Cohesity's team has a track record for storage and HCI innovation, and its product can potentially disrupt the secondary storage market in a number of areas such as backup, file sharing, test/dev and analytics.	**WEAKNESSES** The vendor is a new player in the market, and has to prove its worth against established backup and secondary storage players.
OPPORTUNITIES Enterprise, midrange and service-provider customers are all struggling with the rapid growth of unstructured data. Many of the established players in the backup target space are a bit long in the tooth, and customers will start demanding more value and lower costs.	**THREATS** There is strong wave of new startups that are also looking to address the secondary storage and copy data management space. Established players clearly view the newer players as threats, and are aggressively looking to revamp their products.