

OVHcloud US meets demand for hosted private cloud with new Premier line

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Introduction

OVHcloud US recently overhauled its hosted private cloud product line aiming to move upmarket with upgraded hardware and networking, software and feature enhancements, and higher performance. The company says it sees growing demand for hosted private cloud services as customers look to run mission-critical workloads, perform disaster recovery, or extend their datacenters using hosted private cloud environments.

The 451 Take

OVHcloud US positions itself as an alternative cloud supplier for customers that want to maintain control over IT environments, whether data is on-premises or in private or public cloud environments. Customers that seek performance, data sovereignty and compliance may consider hosted private cloud to be the best execution venue for their workloads, and this is where the vendor has focused its recent development efforts. 451 Research's [Hosting, Cloud & Managed Services Market Monitor: Infrastructure](#) shows that while public cloud – and hyperscalers – may be growing faster, private cloud and infrastructure hosting represents a significant portion of the market (39%), and will continue to represent more than one-third (35%) of the market into 2024. Service providers that can offer support for private, public and hybrid cloud environments will be in a prime position to meet customer needs across all stages of cloud maturity, and withstand some of the [market challenges](#) as a result of the pandemic.

Context

Launched in 2016, OVHcloud US is a subsidiary of France-based OVHcloud that offers hosted private cloud, bare metal, VPS, public cloud, dedicated servers, and networking and security services to US customers. The company currently has about 160 employees, most of which came from its [acquisition of VMware's vCloud Air](#) in 2017. OVHcloud US has roughly 225 customers on its hosted

private cloud offering (mostly legacy customers of vCloud Air), and approximately 10,000 customers across the rest of its services portfolio.

The vendor has US datacenters in Hillsboro, Oregon; Vint Hill, Virginia; and six facilities in Beauharnois, Canada, but its customers can access any of the 21 other global datacenters run by its parent company, which include facilities throughout Europe, as well as Sydney, Australia and Singapore. They can connect OVHcloud services across one or multiple private secure networks with its vRack technology, which comes included with most of its products and allows customers to isolate servers in a private VLAN. The company keeps its prices competitive with its end-to-end integrated industrial model, where it builds and owns most of its infrastructure, and owns and operates a high-speed fiber network.

Services

OVHcloud US's hosted private cloud line, Premier, uses Intel hardware and VMware technology, leveraging VMware vSphere with vCenter, NSX and vRealize Operations. With vRealize, customers can monitor use of resources and manage clusters. Respondents to 451 Research's Voice of the Enterprise: Cloud, Hosting & Managed Services, Budgets and Outlook 2020 survey indicate that a hosted private cloud is the environment best-suited for performance (30%) and compliance (29%).

The vendor's US customers can pay month to month for Premier hosted private cloud but can access a higher tier of support and volume and commitment discounts with one-, two- or three-year terms. Pricing starts at \$609 per month per host.

OVHcloud highlights its network and vRack technology as a key differentiator that allows customers to connect workloads across hosted private cloud and physical datacenters. OVHcloud Cloud Connect will soon be available in the US. Cloud Connect is a private network that can be extended to connect customer premises for hybrid deployments. Partnerships with Veeam and Zerto offer customers additional services for backup and disaster recovery, which OVHcloud considers a key use case for hosted private cloud.

In addition, the company is currently developing the next generation of its bare-metal services, and launched its new VPS line in June. In August, it continued investments in enhancing its storage portfolio with the purchase of EXTEN Technologies, an Austin, Texas-based storage software firm specializing in NVMe over Fabrics. OVHcloud US plans to meet growing demand for enhanced storage offerings from its customers with enhancements to its block, object and file storage services. The vendor notes that public cloud represents a small portion of its revenue and is not a key focus currently. Additionally, OVHcloud US is looking to recruit VARs, SIs, MSPs, technology alliance partners, and referral partners to be part of a forthcoming partner program in the US.

Competition

OVHcloud US vies with other cloud service providers in the US that offer hosted private cloud. Such providers include CenturyLink, Ensono, Flexential, IBM, Leaseweb, Liquid Web, OneNeck IT Solutions, Otava, Rackspace Technology, Sungard Availability Services, TierPoint and Virtustream.

SWOT Analysis

Strengths	Weaknesses
OVHcloud US has access to a global datacenter network and has more control over its margins with the scale and internal development capabilities of its parent company, key advantages over smaller service providers in the	While hosted private cloud remains a significant venue for many workloads, 451 Research's VoTE: Cloud, Hosting & Managed Services, Budgets and Outlook 2020 study shows that public cloud is an environment best-suited for certain customer outcomes, including lower TCO. OVHcloud US has put further development of its public

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market.	cloud behind other areas of its portfolio for now.
Opportunities	Threats
Partner ecosystems can help vendors expand their reach into new markets. OVHcloud has strong recognition in Europe, and it should benefit from an extended partner network to boost the brand recognition of its OVHcloud US subsidiary.	451 Research expects the public cloud market to outpace private cloud in terms of growth by a wide margin, but the private sector will continue to represent over one-third of the market through 2024.

Source: 451 Research, LLC