

REPORT REPRINT

nOps targets startups and growth-stage companies with AWS governance and optimization SaaS

APRIL 23 2019

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Parent company nClouds, an AWS Premier consultancy and MSP, has packaged many best practices of AWS's Well-Architected Framework into a tool that continuously surveys AWS environments for security, cost and compliance. A strategic partnership with AWS helps it engage with startups and growth companies, and a new white-label version offers similar functionality to fellow AWS consultancies and resellers.

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Introduction

MSP nClouds, a DevOps-first consultancy and AWS Premier partner, has packaged many of the best practices of AWS's Well-Architected Framework into nOps, a SaaS tool that monitors AWS environments for security, cost, performance and compliance optimization. A strategic collaboration with AWS is helping it engage with startups and growth-stage companies wanting to ensure discipline with best practices while building out their deployments, and a new white-label version delivers similar functionality to fellow AWS consultancies and resellers. Now, nClouds has spun off nOps as a separate company to make the product more attractive to other consultancies.

451 TAKE

The parent company of nOps isn't the first AWS consulting partner to 'productize' its AWS design-and-build knowhow into a SaaS offering, and it certainly won't be the last. But nOps' virtues include a well-defined target market (growth-stage SMBs and startups in early funding rounds), a focus on cloud-native services and DevOps teams, and the pedigree of AWS's Well-Architected Framework as the foundation for its rules engine, which also includes SOC 2 and HIPAA compliance. The product is designed to be an affordable governance mechanism as users expand their AWS deployments, while giving nClouds (and other nOps resellers) a source of recurring revenue and a selling point (and sales pipeline) for ongoing engagements and value-add.

Context

Incorporated in 2012, nClouds has built a consultancy focused on DevOps, containers (ECS, EKS, Fargate), cloud-native delivery pipelines, migrations and AWS Well-Architected Reviews – assessments based on AWS best practices for making environments reliable, secure and cost-efficient. Early this year, it announced a three-year Strategic Collaboration Agreement with AWS to help startups and growth-stage companies use the AWS platform.

During the course of its service engagements, nClouds developed a tool for continual discovery and assessment of changes in AWS environments and their impact on workload deployments. In mid-2017, it hired a separate engineering team to productize nOps, a SaaS version of the tool now available on the AWS Marketplace. The vendor has spun off nOps as a separate company to make the product more attractive to other AWS consultancies, with nClouds now a reseller of nOps, which is an AWS Advanced Technology Partner.

Products

One challenge facing born-in-the-cloud businesses is keeping tabs on changing and growing IT environments and service catalogs while maintaining security and keeping costs in check. To address this, nOps uses a variety of sources, including AWS CloudTrail, Amazon CloudWatch inputs and AWS billing data, to keep a record of configuration changes and how they impact compliance with the Well-Architected Framework guidelines and other compliance requirements, such as SOC 2 and HIPAA. The product features a dashboard view showing changes and flagging issues related to security (e.g., unrestricted SSH access, S3 bucket policies), cost (e.g., underutilized resources and 'zombie' instances) and reliability (e.g., backup policies, replication).

Customers and nClouds cite nOps' UI as a differentiator, saying it was designed for ease of use, speed and with DevOps teams in mind. Customers can sign up for a full-featured, free trial version, do automated discovery of resources (employing read-only permissions in keeping with AWS security policy), and then move onto a subscription version for monitoring and remediation based on the rules engine.

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The nOps subscription starts at \$99 per month for unlimited monitoring of an AWS account with up to \$10,000 in monthly AWS spending – above that threshold, the charge is 1% of monthly usage. The company says clients routinely realize cost savings of 18-50%+ by following nOps' advice regarding rightsizing, waste management and Amazon EC2 Reserved Instance purchases. For the growth-stage companies in nOps' target market, having a simple, always-on tool for configuration management can get them much of the way toward having an optimized environment without having to fiddle with time- and resource-consuming customization.

The software supports integration with Slack, Jira and PagerDuty for issue tracking and ChatOps. On the development roadmap are plans for extending container management and monitoring (nOps tracks cost per ECS cluster already), cost modeling of VMware Cloud on AWS workloads, compliance assessments for measuring FedRAMP and ISO 27001 readiness, and extending currently supported SOC 2 and HIPAA compliance rules. Serverless integration and remediation using artificial intelligence are also in the product plan.

Business model

As part of its agreement with AWS, nClouds is targeting growth-stage SMBs and startups in early funding rounds. The company is also embedding itself in the AWS channel ecosystem with a new white-label version of nOps that MSPs and other resellers can offer to end customers – partners earn a share of the subscription revenue. Subscriptions to nOps are available exclusively on the AWS Marketplace, and customers can register for a 14-day free trial. For consulting engagements, nClouds may bundle in an nOps subscription as part of the statement of work, reinforcing to customers that optimization and compliance are not a one-and-done project but a continuous process.

All of nClouds' services business is currently in North America, with a concentration in northern California stemming from its roots with cloud-native early adopters. The company says consulting services are delivered virtually for the most part, with about 15% of clients requiring boots on the ground. It is collaborating with AWS to add sales and business development in other geographies. Today, nOps is sold globally – about half of its customers come in on the basis of Well-Architected Reviews done as consulting projects and the rest come direct via the AWS Marketplace, or through channel partners.

Competition

AWS itself offers Trusted Advisor, a tool that for free monitors customer environments for a limited set of best-practice checks – access to the full suite of Trusted Advisor capabilities is available with business- or enterprise-level support plans. AWS also has the Well-Architected Tool, basically a fill-in-the-blank form for manually capturing responses from the prescribed survey process used in Well-Architected Reviews. Additionally, nClouds says nOps generally compares with CloudCheckr and CloudHealth for cost optimization and security features but highlights its DevOps-friendly user experience, Well-Architected alignment and budget-friendly pricing as advantages for its target customers.

SWOT Analysis

STRENGTHS

At a winning price point, nOps is being sold into a well-defined target market. For customers with rapidly changing or growing AWS deployments, the ability to tune environments to avoid overprovisioning and wasted costs can pay for itself.

WEAKNESSES

Companies deploying AWS as the foundation for their IT environments also need to ensure best practices for cloud-native applications based on serverless and containers. These are on nOps' 2019 roadmap but should be prioritized to keep the recommendations relevant.

OPPORTUNITIES

In the context of the strategic collaboration with AWS, nOps bridges a gap in AWS's portfolio for automated discovery in keeping with Well-Architected principles and provides a DevOps-savvy front end for integrating input from various AWS cloud management services and creating actionable views. White-labeling the product aims to make it an easy value-add for fellow MSPs and consultancies.

THREATS

More full-featured products that provide similar governance capabilities can offer a federated view of resource usage across multiple clouds.