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Cisco Teams With Startup Springpath, Sets Sights On Total Dominance Of The Hyper-Convergence Market [1]

by Kevin McLaughlin and Mark Haranas [2] on March 1, 2016, 1:01 pm EST

Cisco Systems took the wraps off a new hyper-converged infrastructure product line called HyperFlex Systems Tuesday, pitching it as a more economical and better-performing alternative to Nutanix and other startups in the fast-emerging space.

HyperFlex Systems, unveiled at the vendor's annual partner conference in San Diego, consists of Cisco UCS servers and software-defined storage technology that Cisco developed through a strategic partnership with Springpath, a Sunnyvale, Calif.-based startup founded by former VMware storage engineers.

The technology, which Cisco is calling the HX Data Platform, pools storage from solid-state and conventional hard drives and turns it into an enterprise-grade object storage system, Todd Brannon, Cisco's director of product marketing for UCS, said in an interview.

[Related: Here's Why Cisco Partners Believe Vendor Will Acquire Hyper-Converged Startup Springpath [3]

Cisco also revealed that it led a previously undisclosed Series C round of funding in Springpath. Brannon declined to specify the amount of the investment but said Cisco has been working with Springpath since 2012, the year it was founded.

Springpath spokespeople didn't respond to a request for comment. The startup has raised \$34 million in funding to date from investors Sequoia Capital, New Enterprise Associates, Redpoint Ventures and Stanford University, according to Crunchbase.

CRN in January was first to report that Cisco had signed an OEM agreement with Springpath [4] and made an undisclosed investment in the startup. Cisco has the option to acquire Springpath based on revenue results, according to CRN's sources.

Cisco's HyperFlex pricing for a three-node HyperFlex cluster starts at \$59,000 including one year of 24x7x4 on-site support. Cisco is now taking orders and plans to start shipping products sometime this month, a spokesman for the San Jose, Calif.-based vendor told CRN.

Cisco is a late arrival to the hyper-convergence market, where top startups Nutanix and SimpliVity have collectively raised close to \$590 million over the past several years. But according to Brannon, hyper-convergence startups have taken "some real architectural shortcuts" that have slowed mainstream adoption of the technology.

Brannon said while hyper-converged startups like to tout their offerings as being quick to set up, they're typically combinations of compute and storage that don't account for networking. As a result, customers have to figure out how to connect all the different parts together, and getting a system up and running can take days or weeks, he said.

Cisco, with its deep expertise in networking, has made sure this won't be an issue with HyperFlex. "We're going to bring you a solution you can deploy in less than an hour, including the network, and that's crucial," he said.

One particular area of strength for Cisco HyperFlex is that customers can use it to scale their compute and storage independently, said Brannon.

Cisco partners who've been eagerly awaiting the vendor's arrival to the hyper-converged market told CRN they're impressed with the HyperFlex offering.

"We always felt Cisco needed a full-fledged solution in this space," said Vinu Thomas, chief technology officer at Presidio, a New York-based Cisco partner that sells UCS systems.

"We've sold quite a bit of Nutanix and there was no comparative Cisco play," said Anoj Willy, vice president of product development at Trace3, an Irvine, Calif.-based company that works with both vendors. "Now Cisco has given us a competitive offering that we can bring to market.

"Cisco also has the networking component, which has been the trickiest component thus far in the data center in terms of commoditization and control," Willy told CRN.

HyperFlex will be included in many of Cisco's channel incentive programs, including the Value Incentive Program (VIP) and Opportunity Incentive Program (OIP), and Cisco's field sales teams will also work with partners to sell HyperFlex, said Ken Trombetta, vice president of Cisco's Global Partner Organization.

Cisco was attracted to Springpath because the startup has developed what Brannon described as "an entirely new, purpose-built file system" that's designed for hyper-convergence.

Most existing hyper-converged offerings rely on open-source operating systems such as Ext4 [a file system for Linux], which weren't intended to be used in hyper-converged environments, Brannon said.

Cisco is also touting HyperFlex's performance, which Brannon said is superior to offerings currently on the market. He told CRN that customers who've been testing HyperFlex through Cisco's early access program, some of which are using hyper-converged offerings from Nutanix and other startups, like what they're seeing.

"[Cisco HyperFlex] is stopping them dead in their tracks," Brannon said. After testing it out, customers "are stopping and turning around and giving us purchase orders."

Cisco HyperFlex also offers customers better cost of ownership because it includes data optimization technology that lets them buy less infrastructure and raw capacity, according to Brannon.

Brannon said while Cisco doesn't intend to walk away from its existing UCS partnerships with

with it in sales discussions with customers.

"Our confidence in [Springpath] technology is reflected in the fact that we've fully productized it. We're adding a product family to our company, and we're going to go drive with this," Brannon said.

"This is definitely not aimed at SimpliVity," said Brannon. "This technology is going to leapfrog a lot of the incumbent players, but I think Nutanix has a lot more to be worried about here than SimpliVity does."

Chris Morgan, a Nutanix vice president in charge of channels and distribution, told CRN that the San Jose-based company isn't surprised to see new players enter the hyper-convergence space.

"Cisco is a formidable competitor with a strong channel base, but with a history of false starts entering new markets," Morgan said in an email. "Channel partners have already communicated to us that they will take a wait- and-see approach with this unproven technology from an untested startup."

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