



COMPETITIVE ANALYSIS

Worldwide Datacenter Automation Software 2013 Vendor Shares

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IDC OPINION

In 2013, the worldwide datacenter automation software submarket of the workload scheduling and automation software functional market showed strong positive market growth driven by increases in datacenter automation software managing dynamic virtual and cloud datacenters, including self-service provisioning, infrastructure, middleware and application provisioning, life-cycle operations orchestration, virtual machine (VM) migration, and image management automation and provisioning. Specifically:

- Worldwide revenue for the datacenter automation market was \$1.8 billion in 2013, representing growth of 22.1% over 2012.
- The top 5 vendors in 2013 based on worldwide revenue were VMware, IBM, BMC, HP, and Cisco, together accounting for 68.3% of the submarket total.
- The datacenter automation submarket demonstrates strong growth due to increased adoption of virtualization and cloud datacenter architectures and the associated self-service provisioning, orchestration, and configuration automation solutions needed to enable them.
- As the demand for products in the market is dominated by customers in the Americas, the submarket was less impacted by global currency effects than markets such as the workload management submarket, which is overweighted to customers in Japan.

IN THIS STUDY

This IDC study examines the datacenter automation software submarket for the period from 2011 to 2013. Revenue and market share of the leading vendors are provided for 2013 for the worldwide market.

Methodology

See the Methodology in the Learn More section for a description of the data collection and analysis employed in this study.

In addition, please note the following:

- The information contained in this study was derived from IDC's Worldwide Semiannual Software Tracker database as of May 9, 2014.
- All numbers in this document may not be exact due to rounding.
- For more information on IDC's software definitions and methodology, see *IDC's Software Taxonomy, 2013* (IDC #241527, June 2013).

Datacenter Automation Software Submarket Definition

The workload scheduling and automation software functional market includes two specific submarkets – workload management and datacenter automation – that together constitute the entire functional market as described in *IDC's Software Taxonomy, 2013* (IDC #241527, June 2013). This study analyzes the behavior of the datacenter automation submarket, which was previously entitled distributed server/workload automation prior to the publication of the 2013 edition of *IDC's Software Taxonomy*. The current submarket taxonomy is shown in the section that follows.

Datacenter Automation (Formerly Distributed Server/Workload Automation) Submarket Definition

Datacenter automation includes software running on distributed, non-mainframe platforms that enable dynamic automated physical and virtual server provisioning, workload and VM allocation and reclamation, self-serve cloud provisioning portals, run-book automation, and workflow orchestration products. Task-level automation capabilities included in software that is primarily focused on asset discovery, software license management, and software distribution are not included here as they are part of the change and configuration management software market. Task-level automation capabilities included in software that is primarily focused on service desk operations are not included here as they are part of the problem management software market.

The following are representative vendors and products in this market:

- BMC Server Automation and Cloud Lifecycle Management
- IBM SmartCloud Provisioning and SmartCloud Orchestrator
- HP Operations Orchestration, Server Automation, and Cloud Service Automation
- VMware vCloud Automation Center

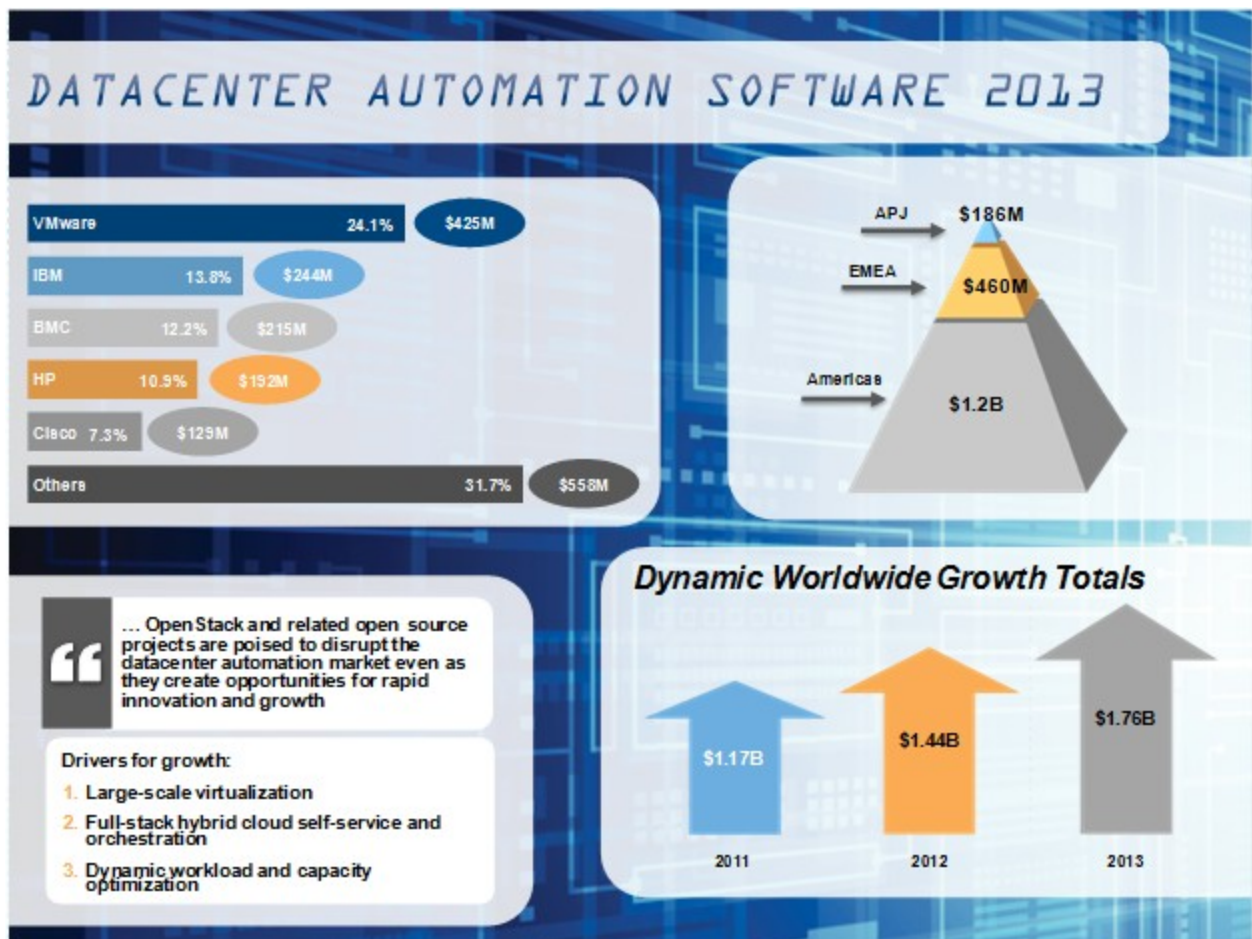
SITUATION OVERVIEW

The Worldwide Datacenter Automation Software Market in 2013

As shown in Figure 1, the worldwide datacenter automation software market was a dynamic place in 2013. According to IDC's detailed market analysis, worldwide datacenter automation software revenue was \$1.8 billion in 2013, an increase of 22.1% from 2012 revenue of \$1.4 billion, as measured in current U.S. currency. Among major vendors, VMware led the market with a share of 24.1%, representing \$425 million in revenue. \$1.2 billion of the total worldwide revenue came from the Americas as both enterprises and service providers in that region continued to invest in virtualization and hybrid cloud datacenter automation and orchestration.

FIGURE 1

Datacenter Automation Software, 2013



Source: IDC, 2014

Table 1 displays 2011-2013 worldwide revenue and 2013 growth and market share for datacenter automation software vendors. According to IDC's detailed market analysis as of May 9, 2014, worldwide datacenter automation software revenue was \$1.8 billion in 2013, an increase of 22.1% from 2012 as measured in current U.S. currency.

TABLE 1

Worldwide Datacenter Automation Software Revenue by Vendor, 2011-2013 (\$M)

	2011	2012	2013	2013 Share (%)	2012-2013 Growth (%)
VMware	209.7	256.3	424.6	24.1	65.6
IBM	177.2	218.9	244.0	13.8	11.5
BMC	211.9	236.1	215.1	12.2	-8.9
HP	170.9	151.6	191.8	10.9	26.5
Cisco	69.9	98.4	128.9	7.3	31.1
Microsoft	30.5	43.6	71.5	4.1	64.1
Egenera Inc.	19.5	55.6	58.9	3.3	6.0
RightScale	26.9	49.2	49.4	2.8	0.3
CA Technologies	42.3	44.5	40.1	2.3	-9.8
Dell	22.2	27.4	28.2	1.6	2.6
CSC	18.9	25.5	27.5	1.6	7.7
Adaptive Computing	10.2	19.1	22.9	1.3	19.6
Attachmate Group	3.1	18.0	22.5	1.3	24.7
Symantec	21.5	20.4	19.1	1.1	-6.7
Chef	0.8	6.0	15.9	0.9	165.8
Parallels	13.7	15.1	15.9	0.9	5.0
Puppet Labs	2.0	6.5	15.2	0.9	133.8
Oracle	2.4	7.5	14.8	0.8	97.4
Automic	9.8	12.3	13.0	0.7	5.4
ServiceNow	-	1.2	9.0	0.5	660.8

TABLE 1**Worldwide Datacenter Automation Software Revenue by Vendor, 2011-2013 (\$M)**

	2011	2012	2013	2013 Share (%)	2012-2013 Growth (%)
Red Hat	6.0	9.3	8.1	0.5	-12.6
Fujitsu	5.1	7.2	8.0	0.5	11.1
NEC	5.4	7.3	7.7	0.4	5.2
Citrix	3.8	4.4	7.1	0.4	61.7
ASG	5.1	7.1	6.4	0.4	-9.5
Hitachi	2.3	2.9	3.7	0.2	28.4
EMC	-	3.0	2.9	0.2	-3.8
LANDESK Software	-	1.5	2.0	0.1	32.8
Software Engineering of America	1.2	1.1	1.0	0.1	-7.8
Silicon Graphics	1.2	1.1	0.8	0.0	-23.2
Subtotal	1,093.7	1,358.1	1,675.8	95.1	23.4
Other	76.5	85.1	86.8	4.9	2.0
Total	1,170.2	1,443.2	1,762.6	100.0	22.1

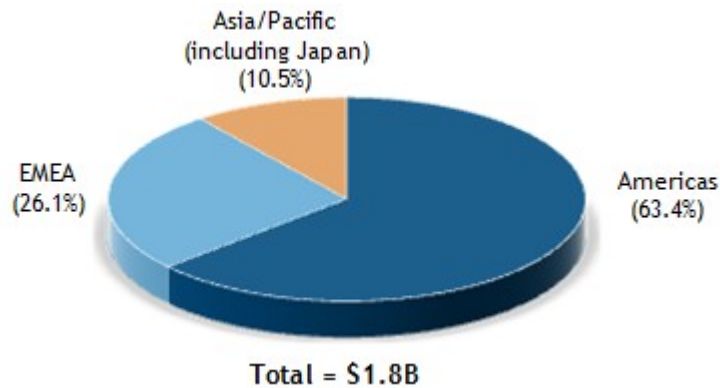
Source: IDC, May 2014

Performance by Geographic Region in 2013

Figure 2 displays 2013 revenue share by geographic region. The Americas region had the largest share, with 63.4% of the worldwide datacenter automation software revenue totaling \$1.2 billion. EMEA had 26.1% with \$460 million, and Asia/Pacific (including Japan) represented 10.5%, equal to \$186 million. As some of the earliest adopters of cloud and large-scale virtualized datacenters, enterprise and services provider customers in the Americas have led this market, with demand for larger-scale implementations to support corporatwide virtualization and cloud initiatives as well as ongoing investments in physical systems provisioning and configuration automation solutions such as those provided by such open source communities as Puppet and Chef. OpenStack and related open source solutions are being widely embraced across the Americas, which is helping drive customer consideration of open solutions to manage emerging hybrid and multicloud environments.

FIGURE 2

Worldwide Datacenter Automation Software Revenue Share by Region, 2013



Source: IDC, May 2014

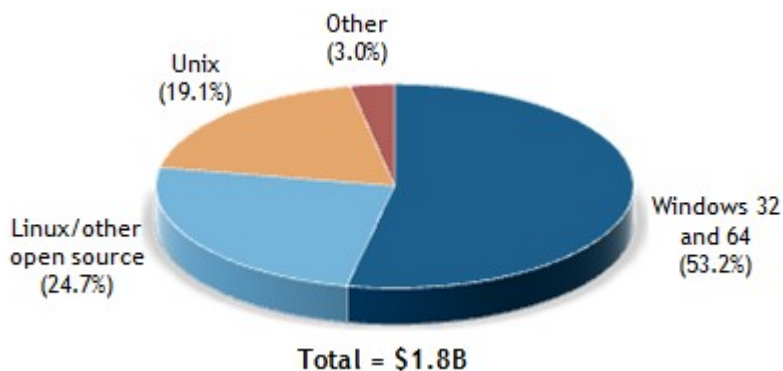
Performance by Operating Environment in 2013

Figure 3 displays 2013 worldwide datacenter automation software revenue share by operating environment. IDC's analysis of this submarket has historically excluded mainframe-based solutions. Workload scheduling and automation revenue associated with mainframe platforms is mapped exclusively into the workload management submarket.

For the datacenter automation submarket, the Windows operating environment had the largest share with 53.2%, while Linux and other open source represented 24.7%.

FIGURE 3

Worldwide Datacenter Automation Software Revenue Share by Operating Environment, 2013



Source: IDC, May 2014

FUTURE OUTLOOK

The worldwide datacenter automation market will be impacted by a number of forces, including:

- Ongoing growth in the use of virtualization and hybrid cloud architectures driving demand for software tools and SaaS services to help orchestrate full-stack hybrid cloud workload provisioning and optimization while enabling self-service provisioning
- Growing support for open source APIs and infrastructure software projects such as OpenStack that will provide more consistent infrastructure abstraction and workload migration capabilities across software-defined datacenters and multicloud hybrid architectures
- Ongoing innovation in the area of real-time cloud service brokering and analytics that will help drive increased demand for near-real-time provisioning, migration, and workload optimization automation and orchestration
- Global economic trends, especially the pace of economic recovery and fluctuations in currency exchange rates

ESSENTIAL GUIDANCE

IDC expects demand for the datacenter automation software market will continue to grow at double-digit rates over the next several years as larger numbers of enterprise and service provider buyers embrace the use of highly sophisticated orchestration, configuration automation, automated provisioning, dynamic virtual machine migration and scaling capabilities, and cloud self-service requirements including cloud service brokering and capacity optimization. SaaS-enabled orchestration, cloud management, and cloud service brokerage tools will also create growth opportunities and new market segments for expansion.

Vendors that hope to continue to benefit from the upside potential in this market need to aggressively address emerging requirements for advanced virtualization, configuration, and cloud datacenter automation and self-service including integrations with analytics and application performance management solutions. Vendors also need to provide clear road maps for supporting open source technologies such as OpenStack and provide customers with extensive access to best practice configuration, provisioning and related orchestration templates, configuration libraries, and analytics for optimizing day-to-day orchestration and automation activities across infrastructure, middleware, and applications resources both in-house and in public clouds.

LEARN MORE

Related Research

- *Worldwide Workload Scheduling and Automation Software 2013 Vendor Shares* (IDC #248782, May 2014)
- *Worldwide Workload Scheduling and Automation 2014-2018 Forecast: Including Submarket Breakouts* (IDC #247427, March 2014)

- *Rethinking the Management Software Landscape in the Era of Software-Defined Datacenters: Integration, Automation, and Analytics* (IDC #DR2014_T4_MJT, March 2014)
- *Worldwide Workload Scheduling and Automation Software 2013-2017 Forecast Update: November 2013 Including Submarket Breakouts* (IDC #244548, November 2013)
- *IDC's Software Taxonomy, 2013* (IDC #241527, June 2013)
- *Worldwide Distributed Server/Workload Automation Software 2012 Vendor Shares* (IDC #241204, May 2013)
- *Worldwide Workload Scheduling and Automation Software 2012 Vendor Shares* (IDC #241178, May 2013)

Methodology

The IDC software market sizing and forecasts are presented in terms of commercial software revenue. IDC uses the term *commercial software* to distinguish commercially available software from custom software. Commercial software is programs or codesets of any type commercially available through sale, lease, rental, or as a service. Commercial software revenue typically includes fees for initial and continued right-to-use commercial software licenses. These fees may include, as part of the license contract, access to product support and/or other services that are inseparable from the right-to-use license fee structure, or this support may be priced separately. Upgrades may be included in the continuing right of use or may be priced separately. All of these are counted by IDC as commercial software revenue.

Commercial software revenue *excludes* service revenue derived from training, consulting, and systems integration that is separate (or unbundled) from the right-to-use license but does include the implicit value of software included in a service that offers software functionality by a different pricing scheme. It is the total commercial software revenue that is further allocated to markets, geographic areas, and operating environments. The worldwide software market includes all commercial software revenue across all functional markets or market aggregations. For further details, see *IDC's Software Taxonomy, 2013* (IDC #241527, June 2013).

The software revenue forecasts presented in this study represent IDC's best estimates and projections based on the following:

- Top-down forecast growth rates by IDC worldwide market analysts
- Current U.S. dollar exchange rates as of 4Q13

Bottom-up/company-level data collection for calendar year 2013 began in January 2014 with in-depth vendor surveys and analysis to develop detailed 2013 company models by market, geographic region, and operating environment. This activity will form the basis of vendor share, updated forecast, and competitive analysis studies that will be published later in the year.

Historical Market Values and Exchange Rates

Historical market values presented here are as published in prior IDC documents based on the market taxonomies and current U.S. dollar exchange rates existing at the time the data was originally published. For markets other than the United States, these as-published values are therefore based on a different exchange rate each year.

Please refer to IDC's regional research studies containing historical forecasts for multiple countries for more accurate regional growth in local currencies. Note that this discussion applies only to historical values prior to 2013. 2013 and all future years are forecast at a constant exchange rate.

Synopsis

This IDC study examines the worldwide datacenter automation software market for the period from 2011 to 2013. Revenue and market shares of the leading vendors are provided for 2013.

"Worldwide datacenter automation software revenue grew by 22.1% to reach a total of \$1.8 billion in 2013," according to Mary Johnston Turner, research vice president, Enterprise System Management Software. "Increasing demand for virtual and cloud datacenter orchestration, self-service provisioning, and dynamic workload optimization solutions continues to fuel rapid growth. The top 5 vendors by revenue in this category are VMware, IBM, BMC, HP, and Cisco. Collectively, they represent 68.3% of the worldwide market."

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