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Kemp Technologies chases the application experience

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Summary

Kemp Technologies has enhanced its product offering with new tools to provide pre-deployment assessment of competing application delivery controllers (ADCs), such as Amazon Web Services' Elastic Load Balancer, F5 Big-IP, HAProxy and NGINX, as well as the demands of the applications those products front-end. Kemp has also been certified as an AWS Well Architected Framework partner, and validated on VMware Cloud on AWS and EMCs Elastic Cloud Storage.

451 TAKE

Kemp Technologies is in a state of transition compared with the rest of the ADC market. Its products aren't as entrenched or as feature-rich as those from A10, Citrix and F5, making it difficult to compete on features, but Kemp's LoadMasters are more feature-rich than competitive products from startups and open source projects like HAProxy and NGINX. Kemp has been consistently early to market with an all-software product suite; support for a variety of cloud computing services; and versatile licensing for enterprises, VARs and MSPs. The new branding and focus on developers and DevOps shops isn't quite as forward-looking as the company has been in the past.

Context

Kemp Technologies was founded in November 2000 and has raised \$26m in funding to date, with the last round of \$6m in February 2016. Kemp claims a more than \$50m run rate, and has been profitable since 2016, with 30 straight months of profitability. Kemp has 25,000 customers, with 46% in the US, 48% in EMEA, and 6% in APJ and emerging markets.

The ADC market is mature, but that doesn't mean it's stagnant. Enterprise IT is adapting new application deployment environments such as cloud computing and containerization at a rapid rate, and that is impacting requirements for application delivery and security. ADC vendors like Kemp are adapting their products, product positioning and messaging to adapt to the new application reality. The changes are significant enough that it represents an opportunity where enterprises can be convinced to change product strategies to adapt to new demands for features, deployment models and licensing models across all operating environments, like public and private cloud and container workloads. A key difficulty for challengers like Kemp in competing with established market leaders like F5 and A10 is growing awareness to even be considered for a purchase.

Strategy

Kemp's go-to-market messaging for its 360 AX fabric highlights the company's focus on application experience, a theme that echoes competitors in the ADC space. Application experience, which focuses on outcomes, will resonate with customers that want to provide value to the business through the application of technology, and opens the door for Kemp to talk about more than just load balancing – application experience is about the entirety of the experience, including performance, reliability, consistency and security capabilities – both direct from the vendor and in concert with technology partners.

The holistic strategy is meant to show the breadth of Kemp's product line when used together, and to frame its now pre-deployment assessment of competitor products from AWS, F5, HAProxy and NGINX, as well as its ongoing monitoring of its LoadMasters and the application environment. Kemp is edging a bit into the application and network performance management space with additions to its 360 Central and 360 Vision products by providing multi-vendor monitoring, but the goal is to provide transition strategies for customers to Kemp's products.

Partners

Kemp has been more aggressive than competitors in partnering with cloud services to integrate its software into the cloud services infrastructure and marketplaces, and has added CenturyLink, Ceryx, ConvergeOne, Options IT and Hosting.com to its roster of supported cloud providers. Kemp's centralized multi-tenant management and metered licensing align well with cloud providers' customer management models.

Kemp is deepening its integration with key cloud partners, such as AWS's Well Architected partner program and VMware Cloud on AWS, and has validated with Dell EMC's Elastic Cloud Storage service. The company's willingness to support multiple cloud services not only removes barriers to adoption by customers of those services, but also provides assurance that the product will work well in those environments.

Kemp also expanded its channel program, adding new capabilities such as customer assessment and TCO calculator tools, sales training, and sales incentives. Kemp's Partner Central portal provides access to sales-enablement tools. Kemp also offers flexible pricing options for resellers – from perpetual licenses to consumption-based models. Kemp has also expanded its list of resellers and distributors to include ADN, CDW, Exertis, Immix Group, Ingram Micro, IT2Trust, SEC Datacom, SHI, and Synnex, which should broaden the company's access to customers.

Products

Kemp's branding of its product line as Kemp 360 AX fabric highlights the company's intention to make it an integrated product suite, covering the entire application experience lifecycle – pre-deployment assessment, deployment, and ongoing monitoring and management.

LoadMaster is Kemp's hardware ADC, offering layers 4-7 load balancing, application templates, web application firewall, SSL and TLS offload, and global server load balancing based on license level. It is available on a variety of hardware platforms. Virtual LoadMaster offers the same capabilities as the hardware version, but is a software-only product for bare-metal hypervisors such as Microsoft Hyper-V and VMware ESXi, or cloud services such as AWS and Microsoft Azure.

Kemp's 360 Central is a centralized management and licensing system for the products and the environments it operates in. It also offers visibility into ADCs from competitors AWS, F5, HAProxy and NGINX. 360 Vision is a centralized monitoring system for network and application performance, including root-cause analysis of its own products, as well as F5 and NGINX. It can also monitor the health of supporting services like authentication systems for a broader view of the application environment.

Kemp offers a variety of licensing models for its LoadMaster ADC, and was one of the first ADC vendors to move to a subscription and per-application consumption-based pricing model outside of cloud service marketplaces. The LoadMaster hardware appliance has a perpetual license. Virtual LoadMaster can be acquired using an annual subscription per LM; a metered model, which is based on consumption; or a fully functional free tier. Cloud LoadMaster is licensed using subscription, metered or pay-as-you-go hourly models acquired through various cloud service marketplaces. Kemp's 360 Central and 360 Vision are subscriptions.

Competition

Kemp competes with established vendors, such as A10 Networks, Citrix, F5, Pulse Secure and Radware, all of which have built physical and virtual ADCs that can run in a variety of on-premises and cloud environments. A10 and F5 are the most well-known, and enjoy a majority of the market share and mindshare. Kemp can undercut both on pricing while maintaining a high degree of feature parity.

Kemp also competes with cloud-native services like AWS's ELB and Microsoft's Traffic Manager and Load Balancer in cloud services. While those services are low-cost, they are also low-feature. Kemp doesn't plan to compete head-on with cloud-native services, preferring to promote its advanced capabilities instead.

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Kemp also competes with open source load balancers and reverse proxies like HAProxy and NGINX, which are more familiar to developers – a set of influencers Kemp has prioritized. Kemp offers a free tier of its on-premises and cloud-based versions to remove a barrier for adoption, but a free tier is practically table stakes.

SWOT Analysis

STRENGTHS

Kemp 360 AX fabric is an integrated suite with advanced capabilities. Kemp's focus on transitioning enterprises away from competitors and its flexible licensing options are somewhat unique in the segment.

WEAKNESSES

Kemp is less well-known than competitors like A10 Networks, Citrix, F5 and NGINX, and it will have to continue to raise awareness. It is also perceived as less feature-rich than competitors, and is still considering its container strategy.

OPPORTUNITIES

Managed service providers are looking for new opportunities to create recurring revenue streams, and along with cloud services, managed ADC is a potential service that is as yet untapped.

THREATS

Containerization may negatively impact the demand for ADCs since the container environment and orchestration systems can auto-scale based on demand changes, which is a critical capability of ADCs.