

Flip the Script: An Intriguing New Approach to the Same Old Dell

Application Management and DevOps

By Josh Mori

Executive Summary

The acquisition economy has become a major force in business. Companies looking for new ways to drive shareholder value are acquiring and divesting other companies. The result: some of the largest deals in history, as big tech and buyout barons gain stakes in what they can get away with. But when giants do it, it's not as creepy, right? Mergers, partnerships, and acquisitions are not just about money — they are also about controlling market share. It's shrewd, smart, or sometimes ruthless to look out for the best interests of these companies. The harsh reality is that shares can move even higher when corporations merge with other major players in the same industry. It's takeovers that keep these players playing, and for Dell that card is edge computing, which it is looking to expand with its recent purchase of Cloudify.

Cloudify is an open-source DevOps automation platform specializing in cloud orchestration. It's an interesting acquisition for Dell, whose footprint has for years been rooted firmly in the on-premises data center market. However, this is not the first time that we have seen Dell branch out. This purchase of Cloudify marks Dell's fourth purchase in the internet software and services sector. The \$4 billion Boomi acquisition gained Dell market share with integration platform as a service (iPaaS), which demonstrates a pattern of cloud add-ons to its portfolio to further drive digital transformation for its customers.

Cloudify: Dell's takeover of VMware?

Cloudify and VMware are both players in the cloud management and virtualization space, but they have different approaches and target different market segments. The Cloudify platform is an aggregator of many cloud environments providing companies with a consistent user interface to scale their applications on any cloud infrastructure, whereas VMware is well established in the creation and management of virtualized data centers, covering a wide range of enterprise workloads. We are seeing some overlap between the two providers, with VMware continuing to expand multicloud capabilities and architecting all-in-one solutions built upon VMware Cloud Foundation (VCF) inclusive of cloud management, observability, and automation as part of the framework. The integration of Cloudify technology into Dell's portfolio is a strategic approach allowing the manufacturer to deliver a robust toolset and comprehensive solution that addresses the needs of DevOps teams — like VMware expanding more into the Kubernetes space — and provides them with a competitive advantage in software-defined networking (SDN).

One of the major benefits of the platform is its faculty for automation and **infrastructure as code (IAC)**, enabling DevOps teams to automate as much of the software deployment process as possible to reduce errors, increase efficiency, and

improve consistency. In addition, Cloudify allows DevOps teams to manage containerized applications across multiple clouds. Kubernetes has become the de facto standard for container orchestration. According to [recent report from Datadog](#), more than 50% of organizations are using it. With the Cloudify addition to its catalog, **Dell is even more poised to [obtain greater market share](#), having solutions for all top commercial Kubernetes distributions**, including options for “both bare-metal and virtualized deployments.”

Dell's acquisition of Cloudify furthermore provides the company with a competitive advantage in software-defined networking (SDN). SDN is an approach to networking that seeks to virtualize network functions and centralize network management. Cloudify's platform provides support for SDN and network function virtualization (NFV), allowing DevOps teams to manage and orchestrate network functions across multiple clouds. [VMware believes](#) that CTOs and their respective teams will see a 40% drop in overall cost of IT infrastructure and that orchestrators like Cloudify are a key component to that success. By integrating this technology into its portfolio, Dell can offer a comprehensive SDN solution that addresses the needs of DevOps teams working in multicloud environments.

While Dell and VMware have spun off, the two publishers have been co-innovating solutions for more than a decade and produced more than 30,000 combined patents (Siegal, Dell SVP of ISG Products & Solutions Marketing, 2022). Rather than compete, Dell will continue the path of bringing its core competencies together and leveraging VMware's multicloud deployment options to grant customers greater flexibility in modernizing applications. As an orchestration layer, Cloudify will be used to manage and control the infrastructure and resources provisioned through Dell's cloud-native infrastructure-as-a-service (IaaS) platform, Apex.

Apex: Dell-as-a-service

Apex is Dell Technologies' cloud console and control layer for multicloud deployments and on-premises gear procurement. The console will connect to the big three public cloud providers and be a single web interface to compute, storage, and other resources. Coming into the fold this year: [storage assets](#) that can deploy and monitor any storage type and any public cloud.

Enhancements to Dell's Apex portfolio include:

- Dell Apex Cloud Platforms
- Dell Apex Storage for Public Cloud
- Dell Apex Navigator for Multicloud Storage and Kubernetes
- Dell Apex Compute
- Dell Apex PC as a Service

- Dell Technologies' and Databricks' collaboration on Dell object storage with Databricks' lakehouse platform

Recommendations

As containerized apps are becoming business-critical, **it's imperative throughout the modernization journey to maintain InfoSec controls and sensitivity to container security.** Dell also offers solutions for data protection and cyber resilience for containerized apps. Buyers should plan to pit their cloud security interests in going to market for these solutions to drive cost efficiencies and concessions on security-specific offerings for containerization.

Dell has a strong pipeline and core competency in distributed edge resources. **The manufacturer architects solutions contemplating customers' entire value chain and footprint.** To maximize costs and success in negotiations, it's key to show categorically how Dell products and services perform and the overall purchase history.

Cloudify has a free version that works with all cloud vendors, **but the free version does not include Kubernetes and virtual machine integrations.** If exploring for the first time, request the full feature set in the paid version to integrate with your critical virtual machines and Kubernetes to understand the full value prior to acquiring long term.

APEX Data Storage Services are elastic and deployed with extra buffer capacity. **While customers can scale up and down under this consumption service model, avoid overprovisioning.** Rates for storage and memory should improve and the percentage thresholds of increased capacity should be negotiated up-front.

InfoTech Insight

At the start of 2023, economic headwinds tightened lending practices, and asset valuations have slowed deal pipelines. Economists try to predict and explain the repercussions of deal activity, but in fact there is no surefire way to foresee how it will all play out. Major acquisitions and divestitures create a frenzy of activity, impact markets, and put pressure on companies to constantly innovate. Dell Technologies' acquisition of Cloudify and the momentum of PowerFlex for Apex block storage on AWS Marketplace build upon its capability to participate alongside the hyperscalers and be more developer-centric with their solutions. IT practitioners can make unlimited copies of an organization's entire infrastructure stack, which enables continuous deployment pipelines and sandboxes to test without downtime.

Shareholders will continue to drive the market and approve (or disapprove) of big deals based on their investment goals. So, what has this major fourth industrial revolution taught us? Thanks to capitalism and the tech industry's outsized influence on the macro economy, you can be positive that there will always be a bigger deal. Big tech and buyout barons will remain on the journey of takeovers to not only build wealth but fulfill their lust for victory. It should be about more than greed, but if the cap fits... For some, the result is subterfuge, and for others, placating to the avarice of it all. For Lou Gerstner, it's technology and biscuits. For the economy, a zero-sum game. Dell customers will eventually see changes in product roadmaps, support structures, and pricing models, but for now minimal disruption and broader access to Dell's products and services.

