

## Insight

# Connectria boosts cloud infrastructure performance with Tegile Systems

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With cloud computing becoming an integral part of the company's hosting strategy, Connectria is keen to expand its service breadth and depth. Following the announcement of its partnerships earlier this year with Citrix and Microsoft to provide SaaS enablement, Connectria has upgraded its storage platform to support the growing capacity requirement for its cloud offerings, desktop as a service in particular, in the business segment. Teaming up with Tegile Systems to deploy what it describes as the new generation of storage arrays, Connectria is confident that it can deliver the promise of high performance without compromising costs.

## Technology

Under the strategic partnership with Tegile Systems, the company has replaced its existing storage systems with Tegile Zebi hybrid storage array, which claims to be able to deliver up to seven times the performance while consuming up to 75% less capacity compared with traditional storage arrays. At the core, Tegile Zebi hybrid storage array is based on a mix of flash/disk systems and is backed by its patent-pending megadata accelerated storage systems (MASS) with dynamic random access memory (DRAM). It also supports Intel Xeon processors and high-speed Ethernet or fiber channel to deliver the level of performance required at a lower per TB rate.

Existing customers deploying all disk systems can choose to upgrade to hybrid with a firmware update and new solid state drives (SSDs). Just like many storage startups, Tegile emphasizes on-the-fly inline de-duplication and data compression as key pieces of technology differentiation. This not only enables primary storage systems to retain larger amounts of data while boosting performance by keeping more content in flash, but also helps reduce write operations, which is crucial to keep costs down without compromising performance.

## Strategy

While Connectria increasingly invests in its cloud venture with a broad portfolio of cloud offerings (both segment-specific IBM iCloud hosting and VMware-based cloud services), the company continues to gain good traction in key vertical segments for its managed hosting and HIPAA-compliant hosting offerings. A large measure of its commercial success this past 12 months has driven by the strong demand for HIPAA-compliant hosting with several new customer wins, including ClearCount Medical Solutions, zinCode, Linguamatics, EveryChild Inc and Health Care Software Inc.

Connectria primarily sells directly to business customers of all sizes but began to seek new opportunities by promoting its referral partner program, which the company first introduced in October 2012. The company is looking to unveil a reseller program, although no specific timeline has been set. On the channel side, it also leverages its long-standing partnerships with the likes of Citrix, IBM and Microsoft to collaborate and pursue joint marketing opportunities.

Connectria reported a 6% increase in its annual revenue from \$26 million in 2011, about 40% of revenues derived from its fast-growing cloud business, a good indication of the market acceptance in the business segment. That being said, we have yet to see significant increase in its customer base, which still is at more than 1,000 customers worldwide. We attribute the growth in revenue to the increase in average customer spending.

## Competition

Connectria's core value proposition is that it has a broad set of cloud and hosting offerings targeting the entire spectrum of the business market with a managed service approach. The company's early success in key vertical segments for managed hosting and HIPAA-compliant hosting has helped lay the foundation for the transition to the cloud delivery model, especially for customers seeking cost-effective alternatives. A number of other managed hosters are looking to migrate customers to the cloud Bluelock, Carpathia Hosting, Datapipe, PEER 1 Hosting, NaviSite and Rackspace. For HIPAA-compliant hosting service, the company will face competition from the likes of Layered Tech, Logicworks, SunGard and Virtustream. IT vendors such as CSC, Fujitsu, NEC America, Hewlett-Packard, IBM and Dell have a comprehensive product portfolio and are taking a phase-based approach while assisting customers to transition to the cloud at their own pace, with product lifecycle management as a service wrap.

### The 451 Take

As Connectria continues to cloudify its offerings, a technology refresh and upgrade seems inevitable. The hybrid approach to storage array is a logical move in the right direction to deliver on its promise of service performance at competitive pricing. Operationally speaking, it not only helps the hoster to improve the stickiness of its existing offerings, but more importantly, it gives the company an edge as it looks to reach out to the lower end of the business segment. Although Connectria is eager to build out its cloud portfolio, it is not interested in being another Amazon-like cloud provider. At present, the company's cloud offerings lack self-service capabilities, but the goal for Connectria is to work with a third-party cloud provider to deliver cloud offerings with full self-service capabilities in the future.

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