Maxta unleashes freemium hyperconverged infrastructure program

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The HCI specialist is looking to expose its technology to a broader base. Can free software expand the interest in HCI, and accelerate the awareness and growth of Maxta?

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Maxta is looking to build awareness and market share with its new freemium program. The vendor continues to leverage its software-centric hyperconverged infrastructure (HCI) model, enabling it to deliver both software-only and appliance solutions via partnerships with server vendors, in contrast to competitors that have primarily sold appliances. Maxta recently added new engineering and marketing executives to accelerate its growth.

THE 451 TAKE

Maxta's sales model and product development are well aligned with the future of infrastructure and cloud environments, which favor the use of commodity hardware, although we'd note that infrastructure professionals usually hesitate to make major changes quickly. Although more organizations are looking to deploy software-defined datacenter technologies, they still favor integrated appliances. Furthermore, while HCI is a red-hot market segment, we are still in the early days of market adoption. From Maxta's perspective, the current state of the market is positive since the vendor has plenty of room to grow, on its own or through partners. Maxta can address the current demand for the appliance form factor via partnerships while enabling software-defined datacenters with a software-only offering that may become popular as HCI becomes mainstream. Maxta's decision to release a freemium product and its advancement into OpenStack will provide more avenues to get its technology into the market.

CONTEXT

Founded in 2009, Maxta is based in Santa Clara, California. Its most recent funding round was announced in May 2014, when it raised $25m, taking its total to $35m. That series B round involved new investors Tenaya Capital and Intel Capital, and existing investor Andreessen Horowitz. In addition to investing in Maxta, Intel said it would work with the startup on go-to-market opportunities and product development.

Maxta CEO and founder Yoram Novick was general manager of NetApp's replication business and CEO of replication specialist Topio (sold to NetApp in 2006). VP of engineering Herb Schneider has been at Maxta since March 2016, and held similar roles at flash storage pioneer Violin Memory, OpenStack specialist Nebula, server-side caching supplier GridIron, and Extreme Networks.

Another new addition is Maxta's marketing VP, Mitch Seigle, who previously held the same title at backup and data integration software vendor Syncsort and LSI. Andrew Perry, SVP of worldwide sales, held the same job at HCI vendor Springpath, Violin Memory and GridIron. Jim Fitzgerald, Maxta's VP of business development and OEM sales, held the same job at Nexenta Systems. Kiran Sreenivasamurthy, VP product management, has been at Maxta since 2013 and was previously at 3PAR and HP. The company currently employs about 60 staff.

Most customer deployments begin with small clusters of four to eight nodes, but Maxta claims many customers grow Maxta usage over time, with some deployments growing significantly. Customers range in size and span multiple industries, and include enterprises, SMBs, service providers and government agencies. Named customers include Buchanan County (Iowa) Schools, Driscoll's, Motorola, Prosoco, the municipality of Venray (in the Netherlands), Tri-State Luxury Group, Vedams and VSS Monitoring. Maxta declined to state its current customer count.

STRATEGY

In September, Maxta released a freemium license model for its software, which allows customers to download its MxSP software free of charge for installation on clusters of three nodes, with a maximum capacity of 24TB. The license is available in North America and parts of Europe. The downloaded software is fully featured and transferable across hardware, and the license can be upgraded to a premium license with maintenance, allowing unlimited capacity and the ability to add extra nodes.

Maxta's goal with its freemium model is to create increased brand recognition, and it believes successful freemium deployments will lead to revenue conversion as customers progress from test to full production. The free license provides online community-based support. For 24/7 support and software maintenance, a paid license is required.

The HCI specialist says its systems are being deployed in a variety of use cases, including VDI, test and development, remote/branch offices, and datacenter-in-a-box usage, which implies general-purpose applications. Maxta says the architecture of MxSP has no scaling limits and suits high-end applications. The company targets a wide range of customers – spanning SMBs, midsized and large enterprises, and service providers – ranging in size from about 100 employees to more than 10,000 employees.

Maxta itself sells no hardware, only software. However, in 2015, it launched the MaxDeploy program, through which distributors and resellers can sell certified, SKU-numbered packages of its software preinstalled on a customer's choice of Cisco, Dell, HPE, Lenovo or SuperMicro servers. Like the program, those systems are called MaxDeploy appliances. Currently, the company says that about 60% of systems powered by its software are bought as MaxDeploy appliances.

Maxta does not use the term 'reference architecture' to describe its specifications for the hardware used to create MaxDeploy appliances – it says that label implies far looser specifications, and more complexity than its program delivers. Instead, Maxta describes its specifications as 'validated configurations' that can be deployed immediately.

Buying a MaxDeploy appliance from a reseller involves only one purchase order – versus the three separate orders for software, hardware and integration services that can occur with other vendors' reference architectures. Maxta also has OEM agreements with server vendors, enabling them to rebrand Maxta software to run on their HCI appliances.

PRODUCTS

We have previously described Maxta's MxSP software in detail. Maxta stresses the freedom of choice in servers that its software can be run on, and virtualization platforms it supports. The company says MxSP can run on a wide range of x86 server configurations without the interoperability problems suffered by other HCI software, and with far faster support for new hardware – most notably new Intel platforms and processors.

The software includes several features not offered in many rival hyper-converged systems. Every storage function can be managed at the VM level. Unlike other HCI products, MxSP does not force all applications to share a pool of storage with a single set of parameters such as block size, number of replicated copies and rebuild priority. Instead, MxSP allows those parameters to be set individually for each VM. In a multi-application environment, Maxta claims it can optimize the storage infrastructure for each application independently, thereby providing higher efficiency and utilization levels than other HCI products.

All data is thin provisioned, compressed and de-duplicated at block level, in-line. VMware's vMotion, DRS load balancing and HA functions are fully supported. That support is linked to a mechanism that maintains storage performance, even when VMs move across servers within a cluster. In a hybrid storage environment, the use of flash as a read-and-write cache and the sequential writing of data to disk also boost performance.

All data blocks carry a checksum to ensure data integrity. The software supports VMware's vSphere Metro Cluster, allowing active-active load balancing between server clusters, and continuous availability of applications with synchronous mirroring of data.

MxSP also supports VMs based on the KVM hypervisor, and the company says support for other platforms such as Microsoft's Hyper-V is possible in the future because the company designed its software to support multiple virtualization engines. The KVM support was introduced with an eye on OpenStack deployments.

Maxta last year began a push to attract OpenStack users, which can manage MxSP or MaxDeploy appliances through the OpenStack Horizon user interface via OpenStack Nova compute and Cinder drivers. Alongside Maxta's development of these drivers, the company last year struck a deal with OpenStack specialist Mirantis, under which Mirantis qualified Maxta's software for use with Mirantis' OpenStack.

Maxta is not declaring the number of customers that are using its software with OpenStack, but last year said its OpenStack program was popular. The company's pitch to OpenStack users is in part the same as for other potential customers – that the hyper-converged architecture in general has proved its worth in hyper-scale datacenters, and that the Maxta implementation provides single-screen management of servers and storage. Maxta also argues that OpenStack does not provide the same level of storage availability functionality as virtualization platforms such as VMware Sphere or Microsoft's Hyper-V, and that its software plugs this gap.

COMPETITION

Any hyper-converged offering such as Maxta's MxSP software is an alternative to the use of conventional, mid-range stand-alone storage. The most obvious examples are EMC's Unity and NetApp's FAS arrays, but others include Dell Compellent, HPE 3PAR and IBM Storewize and XIV arrays. Successful startups selling midrange stand-alone storage include Nimble Storage, Tegile and Tintri.

The market for HCI has been pioneered by Maxta and a number of other startups, including Gridstore, Nutanix, SimpliVity and StorMagic. Among these, Nutanix has enjoyed the highest profile, and since it began shipping HCI appliances five years ago, it ended April 2016 with 3,111 customers and $115m revenue in its last reported quarter ending April 30. In October, the company completed an IPO, and within two days saw its shares selling at well over double their initial price.

Since then, the price appears to have stabilized at about 50% more than the initial offering. Meanwhile, SimpliVity passed a claimed 800 customers at the beginning of this year, and is claiming a growing number of large enterprise customers. In March, SimpliVity raised a massive $175m series D funding, taking its total to $276m.

Hewlett Packard Enterprise began selling a software-only VM version of its LeftHand-originated, scale-out storage system more than eight years ago, and that software is now the core of its HP StoreVirtual storage stack. According to HP, it has more than 10,000 production deployments, although it has not revealed how many hyper-converged appliances it has sold.

Since March 2014, VMware has sold software that creates hyper-converged storage, called Virtual SAN. Later that year, VMware launched a program in which Virtual SAN was preinstalled on servers sold by a number of OEMs, as EVO:RAIL appliances. That program resulted in disappointing sales, and was replaced this year by VxRail – an appliance sold and supported solely by EMC. Despite the disappointment of EVO:RAIL, VMware says that by March, it had racked up over 3,000 Virtual SAN deployments.

Strong competition could also develop from Cisco, whose sales force and channel this year began selling Cisco-branded HyperFlex Systems on software from HCI startup Springpath. Cisco has a stake in Springpath, and has an option to buy it outright. Another potential major competitor is Microsoft. Its recently released Windows Server 2016 includes an HCI feature called Storage Spaces.

SWOT ANALYSIS

STRENGTHS
Maxta's software allows customers to use hardware they are comfortable with, and the vendor has some interesting technologies in its portfolio. Its software-centric model should appeal to systems vendors and other potential OEMs.

WEAKNESSES
The vendor is considerably smaller than others. It is not as well known in the US and EMEA as larger players in the space.

OPPORTUNITIES
The new freemium product and its OpenStack integration will expose Maxta's technology to a much broader set of customers, and improve awareness for its products. Its OEM partnerships may also enable Maxta to grow faster.

THREATS
The HCI market is highly competitive, with large established vendors and well-funded startups. Maxta needs to build up its sales and marketing and/or leverage OEM relationships to fully capitalize on the growth opportunity.