



# Trusted. Proactive. Guaranteed.

**HOSTWAY|HOSTING IS NOW NTIRETY.**

**September 2019**

On September 9th, Hostway|Hosting unveiled its new corporate branding as Ntirety.

Ntirety is pleased that independent analyst company 451 Research has seen fit to continue covering the evolution of our company, and we're excited to have secured redistribution rights to the reports it published in August and September 2019.

## REPORT REPRINT

# Hostway, HOSTING shed legacy associations with rebrand as Ntirety

SEPTEMBER 13 2019

By Liam Eagle

Following the merger of managed infrastructure and cloud services brands Hostway and HOSTING, announced in January, the combined organization has rebranded as Ntirety, a name the organization intends to more effectively evoke the role of its services in supporting the breadth of clients' hybrid cloud environments. In a recent report on the combined organization's progress toward integrating the operations of the two companies, we observed that a rebrand was both a likely step and an opportunity to distance its services conceptually from the notion of hosting – a legacy mode of delivering managed infrastructure, and one that many service providers have expanded beyond as client requirements take on hybrid and multi-cloud character, and managed services evolve in support of that.

The types of clients Ntirety seeks to attract might reasonably assume that the more complete set of cloud transformation services they seek would not be available from an organization focused on hosting to the extent that it is called out in its previous names. While there continues to be an appetite for hosting services, it is not generally regarded as a growth market or an area where significant technical innovation is taking place. However, the operational capabilities, support models and pricing structures associated with hosting have made some of the former players in the market well equipped to compete in the broader market for cloud-enabled managed services.

Like many other players in the growing market for cloud enablement, Hostway and HOSTING both had a legacy in the managed hosting space, and both had evolved over recent years to provide a broader set of services, including managed services for third-party public cloud, their own hosted private cloud infrastructure, application management services, and security and compliance offerings.

---

THIS REPORT, LICENSED TO NTIRETY, DEVELOPED AND AS PROVIDED BY 451 RESEARCH, LLC, WAS PUBLISHED AS PART OF OUR SYNDICATED MARKET INSIGHT SUBSCRIPTION SERVICE. IT SHALL BE OWNED IN ITS ENTIRETY BY 451 RESEARCH, LLC. THIS REPORT IS SOLELY INTENDED FOR USE BY THE RECIPIENT AND MAY NOT BE REPRODUCED OR RE-POSTED, IN WHOLE OR IN PART, BY THE RECIPIENT WITHOUT EXPRESS PERMISSION FROM 451 RESEARCH.



REPORT REPRINT

# Post-merger, Hostway/ HOSTING emerges as a formidable player in cloud enablement

**AUGUST 22 2019**

**By Liam Eagle, Haley Brown**

Since the announcement of the merger in January, managed infrastructure companies Hostway and HOSTING have made strides toward integration, bringing expanded capabilities, partnerships and global reach to the now unified organization.

---

THIS REPORT, LICENSED TO ENTIRETY, DEVELOPED AND AS PROVIDED BY 451 RESEARCH, LLC, WAS PUBLISHED AS PART OF OUR SYNDICATED MARKET INSIGHT SUBSCRIPTION SERVICE. IT SHALL BE OWNED IN ITS ENTIRETY BY 451 RESEARCH, LLC. THIS REPORT IS SOLELY INTENDED FOR USE BY THE RECIPIENT AND MAY NOT BE REPRODUCED OR RE-POSTED, IN WHOLE OR IN PART, BY THE RECIPIENT WITHOUT EXPRESS PERMISSION FROM 451 RESEARCH.



### Introduction

The growing enterprise reliance on public cloud and the ever-increasing complexity of cloud platforms have led to an increasing role for managed service players in the execution of cloud-based projects, with increasing attention being paid to managed services and professional services by enterprises and cloud platform vendors. We have seen an increase in new competition in this market for cloud enablement, with vendors from a variety of categories engaging in these types of services, including businesses traditionally operating in the managed hosting space, as well as datacenter operators, systems integrators, hardware and software vendors, cloud-native MSPs, regional VARs, and others.

The merger of Hostway and HOSTING has brought two players in the managed hosting space together to become one of the larger service providers offering managed and professional services for the enablement of public cloud. Since the announcement in January, the focus has largely been on establishing organizational synergies and integration, with the two well on their way to combining their complementary product suites into a single stack as a unified organization and refining its specialization around the public cloud platforms.

### 451 TAKE

The merger makes the combined organization one of the larger players in the cloud enablement space, with an established product portfolio and a strong end-to-end approach that incorporates professional and managed services. It also offers a useful opportunity to rebrand. Both companies' names carry fairly outdated references to hosting, which can indicate a limited category of managed infrastructure that both of these organizations have developed well beyond in the scope of their services. We believe the combined organization will ultimately land on a new name.

### Context

Prior to their merger, Austin, Texas-based Hostway and Denver-based HOSTING operated as established players in the managed hosting market, providing services along the spectrum of managed services and hosting. In the summer of 2018, Hostway approached HOSTING with the intent to acquire its SMB-focused shared-hosting business unit, HostMySite, which led the companies to identify and further examine their complementary operations, sparking interest for a merger. The merger allowed them to fill gaps in their respective product portfolios along the lines of geographic coverage, supported platforms, certifications and expertise, in addition to providing an expanded set of services that could immediately be sold into customer bases on both sides.

Since the announcement of the merger in January, the combined organization has remained under the leadership of Hostway CEO Emil Sayegh, who continues in this role for the combined organization. The focus has largely been on integrating technology and sales teams, with the organization indicating that it is on track to be fully integrated by the end of 2019. Total headcount is roughly 900 employees, with 600 of those based in North America and the remaining 300 located throughout Europe and APAC, operating a total of 14 datacenters and 15 offices worldwide. Despite tempering growth initiatives to focus on integration, the new business anticipates seeing single-digit growth on its combined FY revenue of \$180m, ramping up the pace of growth into 2020.

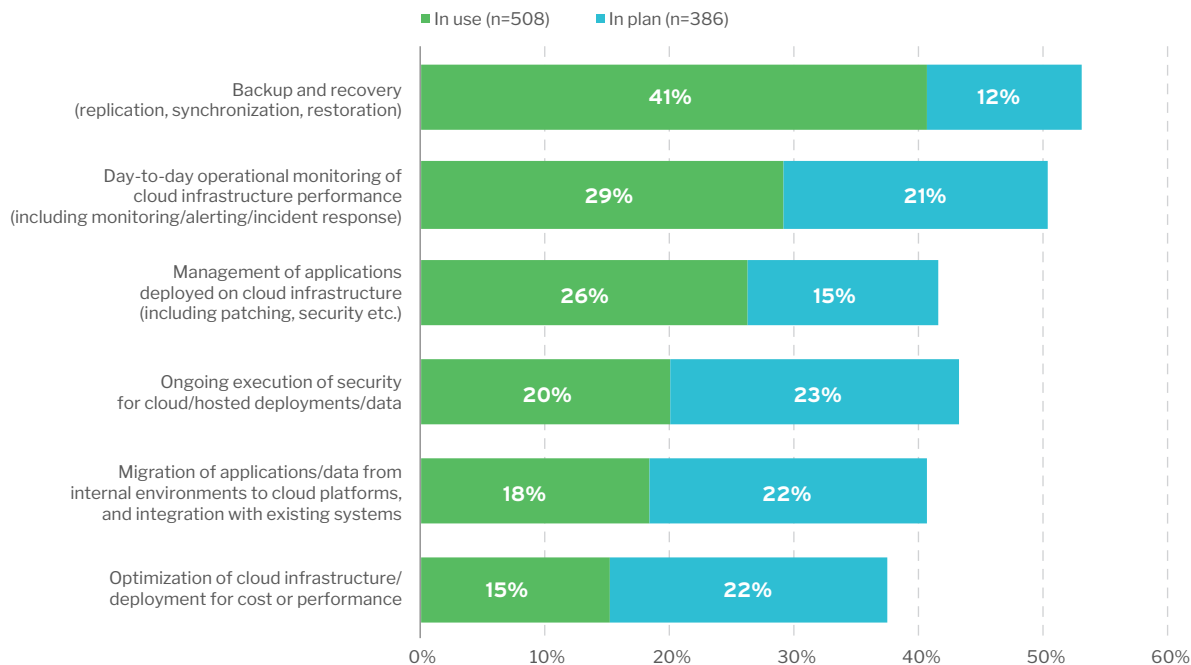
Much of the opportunity in managed services for public cloud lies ahead. Significant portions of respondents to our Voice of the Enterprise: Cloud, Hosting and Managed Services, Workloads and Key Projects 2019 study indicate plans to engage with managed services for ongoing execution of security

## REPORT REPRINT

for cloud-based projects (23%), migration of applications and data (22%), optimization of cloud for cost or performance (22%), and day-to-day operational monitoring of cloud infrastructure (21%) during the next several years.

### Much of the opportunity lies ahead

Source: 451 Research's Voice of the Enterprise: Cloud, Hosting & Managed Services, Workloads and Key Projects 2019



### Technology and integration

The goal for 2019 has been to realize total integration and organizational synergies between Hostway and HOSTING, and these efforts are on schedule to complete by year-end. The company says it is about three-quarters of the way along its technology integration roadmap, and even further along on realizing organizational synergies like merging sales teams. The merger has also brought together a significant datacenter footprint of 14 facilities globally. With the shift toward managed services and hybrid cloud, the company faces a somewhat reduced demand for datacenter footprint, and is working on plans to consolidate and divest some of its capacity.

These consolidation and integration efforts have extended beyond individual operational technologies and into major technology partnerships. As separate entities, Hostway and HOSTING had significant overlap in existing partnerships with key vendors, including Dell EMC, VMware, AWS and Microsoft Azure. The combined company indicates that the merger has strengthened these key partnerships, and it is actively working to advance each of them, with Hostway/HOSTING looking to develop further capabilities complementary to the AWS platform, such as a managed Kubernetes offering and aligned services related to DevOps processes. It is also working to achieve the recently introduced expert-level MSP certification on the Azure platform.

While the combined company's portfolio covers a broad set of colocation, private cloud, bare metal, and public and hybrid cloud, it has been investing in building out additional security and compliance capabilities that will span those environments, and in more effectively spreading the company's managed service portfolio across the breadth of infrastructure environments supported.

### Strategy

Hostway/HOSTING has ultimately extended its focus beyond its own managed infrastructure and toward providing managed services on the public cloud, as well as professional services for public cloud enablement. The professional services business unit acts as a consulting arm, providing assessment and strategic direction to enable the successful adoption of cloud and, ultimately, its managed services.

The company offers what it refers to as a guidance-level agreement, which integrates these professional services with its managed services. Delivered on a quarterly basis, Hostway/HOSTING's GLAs audit existing services and provide a minimum of five actionable recommendations on topics including risk exposure and cost optimization, among others, to improve execution. If organizations implement the suggested recommendations, Hostway/HOSTING doubles the value of its service-level agreement. The organization believes this is a key differentiator, with its professional services arm acting as a key go-to-market tool in supporting the delivery of its managed services.

### Customers

Hostway and HOSTING's complementary product sets have made it possible for their services to crosspollinate. To take advantage of one of its most immediate opportunities, the organization has established an internal goal of cross-selling services to at least five existing customers from either side on a monthly basis. This approach is garnering success, with existing clients taking advantage of both expanded and additional capabilities. Furthermore, customers are enjoying the expanded geographical footprint brought by the merger, with the ability to now purchase services in North America, Europe and Asia. The combined organization's ideal customers are midmarket enterprises with a need for cloud expertise, particularly with managed hybrid cloud infrastructure.

### Competition

The post-merger business of Hostway and HOSTING has opened the now-unified organization to competition from a wide range of businesses falling into various categories. Hosting/HOSTWAY claims its most prominent competitor is Rackspace, from a managed services standpoint. Tier two competitors include other former managed hosting companies that are shifting into the MSP space, like Logicworks, as well as facilities-driven datacenter businesses like TierPoint, Flexential and Internap. Additionally, competition comes from telcos such as CenturyLink and NaviSite (owned by Spectrum), cloud-native MSPs such as 2nd Watch and CloudReach, large systems integrators like Accenture and DXC, and a wide range of small MSPs and value-added resellers.

SWOT Analysis

**STRENGTHS**

The merger makes the combined organization one of the larger players in the cloud enablement space, with an established product portfolio and a strong end-to-end approach that incorporates professional and managed services.

**WEAKNESSES**

Hostway/HOSTING has yet to go through with a rebrand, still carrying a name that implies capabilities limited to infrastructure hosting. It covers the bases for cloud enablement, but there is room for specialization on a technology or vertical market basis.

**OPPORTUNITIES**

The company has a straightforward opportunity to cross-sell complementary services, but it's greater opportunity lies in capturing a larger part of the growing cloud-enablement space.

**THREATS**

As the company places more emphasis on enabling cloud, it is extending the scope of its competition to include telcos, global systems integrators and other leading technology players.