

OneNeck looks to optimize from infrastructure to application

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Introduction

OneNeck IT Solutions' vision is to aid the enterprise journey to IT modernization and transformation, with optimization being a key part of delivering value-adding applications.

The 451 Take

OneNeck is packaging its capabilities into easier-to-digest products, with clearly defined use cases, technology partners and characteristics. Besides making its portfolio easier to understand by clients, this should make it easier to sell and manage. Crucially for its success, it has strong credentials in security, which will be the top managed service demanded by enterprises in the next two years, according to our Voice of the Enterprise: Cloud, Hosting & Managed Services, Workloads and Key Projects in 2019. Migration and optimization took second and third place, respectively, in that same study – another sign that OneNeck is focusing on the right areas.

Context

OneNeck IT Solutions is the hosting and managed services arm of TDS. It is headquartered in Madison, Wisconsin, but has datacenters in eight locations around the US. Founded in 2010 as TDS Hosting and Managed Services, the company was renamed to OneNeck IT Solutions in 2014. It has a spectrum of customers across industries and sizes, but typically targets firms with between 250 and 5,000 employees, \$50-500m in revenue, and \$10-30m in IT spend. OneNeck has also identified that it wants to help more mature organizations modernize their applications in environments where legacy is commonplace, but cloud and transformation is heavily desired.

From 2018 to 2019, OneNeck claims 20% CAGR growth in cloud, hosting and managed services, 15% CAGR in Microsoft Dynamics, and 7% growth in CAGR. It does not report revenue figures because these are included under the TDS umbrella of around \$5bn revenue for 2018.

OneNeck's vision is to deliver hybrid IT and multi-cloud deployments, with a focus on the value of the application. The company wants its customers to succeed and grow, with OneNeck providing the infrastructure and services that enable this. The portfolio consists of:

- Colocation
- Managed services for cloud, security, data and applications
- Hosting app services including Microsoft Dynamics, Microsoft Office 365, Oracle and Cisco App Dynamics
- Security, including acting as a virtual CISO
- Resale
- Advisory, consultancy and professional services

It's currently in the process of reinventing its custom services to be more out-of-the-box products, through three themes and sub-themes:

- Digital Transformation, through Application Centric Multi-cloud – encompassing app modernization, multi-cloud and software-defined infrastructure
- Simplify Hybrid IT through Application Aware Software Enabled Digital Infrastructure – encompassing networking and systems and storage
- Continuous Security in the Age of Cloud – including infrastructure and app security, threat detection, IAM and security operations

Technology partners include Cisco, Hewlett Packard Enterprise, Azure, Dell EMC, Nutanix, AlertLogic, Rightscale, CommVault and Zerto. It has its own cloud, ReliaCloud, offered in public and hosted private options. And as a Microsoft Cloud Solution Provider, it can also resell Microsoft Azure services.

Optimization

OneNeck has a history in application optimization through its advisory consultancy, and currently has database and ERP optimization capabilities for both Oracle and Microsoft. Now, the company is creating new optimization services focused on application performance monitoring (APM) and cloud cost optimization.

In cloud cost optimization, the company is offering three services, all focusing on allowing enterprises to visualize cloud costs and optimize them, so costs are reduced while performance and availability remain. A one-time Cloud Cost Assessment and Tool QuickStart service assesses the enterprise's spending, connects the OneNeck tool (based on Rightscale Optima) to the customer's IT estate, and educates the customer on its best use. This typically takes around 40-60 hours of consultancy at a rate of \$200 per hour. Customers can also purchase a block of eight hours to be consumed every month, typically for six months, where OneNeck experts will configure chargeback and showback, and provide recommendations for cost savings from the output of the OneNeck tool. Enterprises can also be provided with a white-labeled, customer-specific portal based on customer cloud spend.

With regard to APM, OneNeck uses Cisco AppDynamics to monitor and improve application and business performance. The company provides a QuickStart program that includes a discovery component used to determine which KPIs are a best measure of application success. Once determined, the APM environment is configured and the customer is educated in how to fine-tune their application over the longer term. The pricing model is a metered subscription model on a monthly basis.

Competition

OneNeck faces the systems integrators, including Accenture, Deloitte, Cognizant, DXC, Fujitsu, Hitachi and Atos. It also competes with established managed service providers including Rackspace, Tierpoint, Expedient, Sungard, CenturyLink and QTS and the new wave of cloud-native MSPs such as 2nd Watch and Cloudreach. Historically, the company might have faced hosting companies including HOSTING and Hostway, but simple hosting is less of a focus for OneNeck today.

SWOT Analysis

Strengths	Weaknesses
A well-defined and comprehensive portfolio with strong growth shows OneNeck is well on its way to achieving its vision.	OneNeck has good Microsoft credentials and experience, but will enterprises seek AWS coverage too?
Opportunities	Threats
There are many companies that need help modernizing and managing their IT estates – the cloud has only touched the tip of the iceberg.	The IT market is demanding more and more capability, and companies like OneNeck will have to continue to support more services to keep pace.

Source: 451 Research, LLC