



Market Insight Report Reprint

Coverage Initiation: Amadis is part of a growing set of players providing FinOps for cloud cost control

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Introduction

Amadis Technologies' Cloud Cognitive and Actionable Data Insights (CloudCADI) is a cost management and optimization (often referred to as FinOps) offering designed to optimize public and hybrid cloud consumption across Amazon Web Services and Microsoft Azure, with Google Cloud Platform (GCP) to follow. It aims to help organizations alleviate unnecessary spending on cloud resources that add no value to the business.

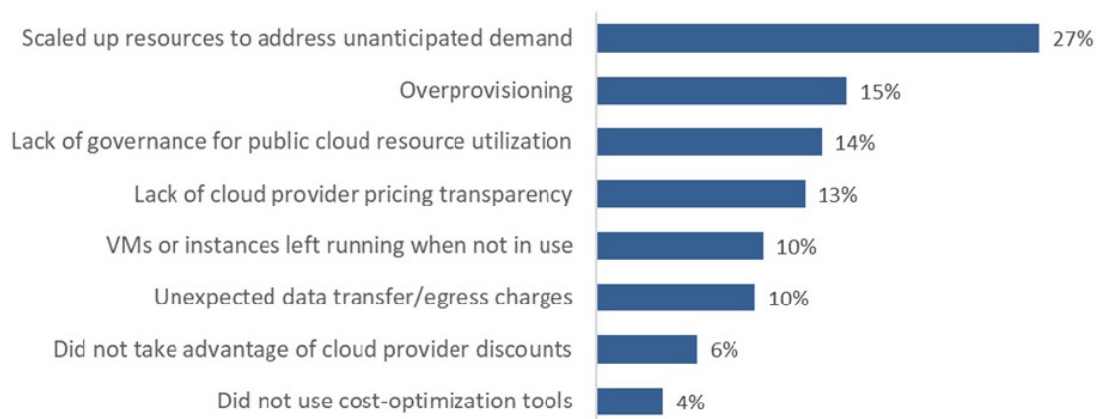
THE TAKE

Despite overall belt-tightening among enterprises, spending on IaaS/PaaS public cloud continues to increase. Customers generally feel they are getting their money's worth, but cloud budget overruns have increased the focus on FinOps (see Figure 1). Amadis and other vendors in this space are addressing the growing need for tools that can help control cloud costs and maximize value. The company believes its sweet spot is organizations operating at less than 50% utilization of their IaaS and PaaS resources.

Context

The business problems that Amadis is addressing include multivendor resource costing models and comparisons, finding the best cloud resource alternatives, lack of governance, the need for constant cloud workload monitoring, delays in problem identification, and loss of control over cloud asset growth.

Figure 1: Biggest reasons for overspending on IaaS/PaaS/public cloud in 2022



Source: 451 Research's Voice of the Enterprise: Cloud, Hosting & Managed Services, Cloud Spending 2023.

Q. Which of the following played the biggest role in overspending on IaaS/PaaS/public cloud in 2022?

Base: Spent more on IaaS/PaaS/public cloud than budgeted for, abbreviated fielding (n=199).

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CloudCADI

CloudCADI deploys machine-learning (ML) models to provide insight on cost, performance and utilization of cloud resources in public cloud environments. Its cloud-native scripts offer actionable insight without any need to use agents. CloudCADI's recommendation engine provides suggestions to rearchitect, rebuild and revamp cloud environments optimized for cost benefits.

The offering includes monitoring and visualization, cost and usage at a business level, actionable insight and recommendations, and customizable rules that provide options at pod-, node- and business-unit levels. It is an agentless product that requires only reader-level access to cost and performance data. Customers create a role (identity and access management in AWS, Active Directory role — Azure) for Amadis so that CloudCADI can fetch the required data for optimization. The business benefits that the company claims it offers include a single-pane view for monitoring all cloud assets in one place, actionable insight, cross-functional collaboration with contributions from every team, and empowering engineers by delivering financial visibility and control.

Going forward, Amadis expects to add planning, budgeting, forecasting and simulation support for hybrid environments, as well as other clouds, including those from Oracle Corp. and IBM Corp. CloudCADI is available in Azure Market Place and will soon be available in the AWS marketplace, followed by GCP. While CloudCADI can offer automated recommendations, it doesn't make the scripting changes — it integrates with ServiceNow Inc. for this functionality.

Since 2019, according to Amadis' research team, the average compute utilization at customers and prospects was about 30%, and today it is not any higher than 50%. The team is aiming to deliver cloud utilization rates of up to 80% for customers in the future.

The vendor expects that cloud suppliers will increase their efforts to attract mainframe workloads with their launch of industry cloud programs and better provisioning for hosting. Moving mainframe data is currently a key challenge for customers, Amadis notes.

Business model

Headquartered in Princeton, NJ, Amadis was founded in 2019. Shortly thereafter, the company introduced v1.0 of its CloudCADI offering and landed several enterprise and SMB clients. With the introduction of CADI v2.0 in 2020, it added new clients and brought AWS and Microsoft Corp. partnerships online. In 2021, Amadis unveiled CADI v2.2 and scored additional enterprise clients. With the launch of CADI v3.0 in 2022, it fired up Amadis Technologies India Pvt. Ltd. (a technology development center in Tamil Nadu) and the Amadis Cloud Technology Innovation Center, also in India and in partnership with IIT Madras Research Park. The 40-person company is a bootstrapped, family-owned business with less than \$1 million in annual recurring revenue.

Amadis claims to have delivered more than 18% cost savings at a project level to a Fortune 100 customer using AWS cloud and EKS clusters with graphics processing unit consumption for one of its ML operations platforms. It reports that the world's fifth-largest electronics component distributor deploys CloudCADI to reduce overall operational expenses, as well as spending on underutilized cloud resources, without impacting the performance of core e-commerce platforms.

The company claims that a global IT organization that employs Azure for all internal IT systems — including enterprise resource planning — on cloud saved 22% on operation expenditure in its first year of implementing CloudCADI. The offering can simulate what utilization will look like after any recommended changes. Amadis notes that its customers typically spend over \$2 million in the cloud annually, and while it does not yet offer advice on which cloud customers should be putting their workloads into, it does expect to offer long-term planning in future.

Competition

According to Amadis, CloudCADI can coexist with other management platforms that a customer could be using, but it does view VMware Inc.'s Aria Cost powered by CloudHealth as competitive. Other rivals include Kubecost, IBM's Apptio, Flexera (RightScale), Anodot and YotaScale.

SWOT Analysis

STRENGTHS The cloud cost management and optimization sector is growing wildly as cloud deployments scale. Amadis claims to deliver 9%-12% monthly savings on cloud bills for customers, and is designed for cloud practitioners such as C-level executives, cloud engineers, finance personnel and operations teams.	WEAKNESSES Amadis is a small company with no significant funding yet. It has already won some significant customers, but it will be public user references that can better validate its approach to the market.
OPPORTUNITIES Amadis believes there is a three- to five-year FinOps opportunity for providers addressing this sector and that cross-platform workload migration and long-term demand and capacity planning will be significant drivers. It will have to work hard to be heard above the noise.	THREATS The vendor says its customers typically spend \$2 million-plus in the cloud annually, and while it does not yet provide advice on which cloud customers should be putting their workloads into, it plans to offer long-term planning in the future.

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