FROST & SULLIVAN

FLEXERA

2022 PRODUCT LEADER

GLOBAL
CLOUD ECONOMICS INDUSTRY

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each Award category before determining the final Award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Flexera excels in many of the criteria in the global cloud economics space.

AWARD CRITERIA

Product Portfolio Attributes	Business Impact
Match to Needs	Financial Performance
Reliability and Quality	Customer Acquisition
Product/Service Value	Operational Efficiency
Positioning	Growth Potential
Design	Human Capital

Cost Optimization Across the Entire IT Estate

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>
> *- Anisha Vinny,*
> *Senior Industry Analyst*

Frost & Sullivan analysts monitor how the challenge and complexity of managing IT costs has grown exponentially as enterprises port greater portions of their data and applications to the cloud, while still retaining workloads on premises. On-premises data centers continue to be a crucial part of the mix for many organizations. In fact, according to Frost & Sullivan's recent 2021 Cloud User Survey, 58% of enterprises ran their apps on-premises data centers, while 53% reported using public cloud. Hybrid and multi-cloud deployments are expected to double in the coming two years, as more and more enterprises lean on these deployment alternatives to position each workload in its optimal environment – all while leveraging the best services and functionality from multiple cloud vendors.

While subscription and pay-as-you-go pricing models for cloud infrastructure and solutions help shift spend from CAPEX to OPEX, Frost & Sullivan points out that they often result in large, unpredictable cloud bills. This has only been exacerbated with the advent of containers, which make workloads easily portable and scalable. To better manage spiraling cloud costs, organizations have struggled to restore the same level of cost discipline that existed when the IT estate lived entirely on premises. As a result, cloud cost

optimization has risen to the top of the list of services that enterprises engage third-party service providers for.

Illinois-based Flexera is one of the dominant players in the Cloud Economics space. The company's Flexera One offering is an IT management solution that enables customers to visualize the entirety of their IT estate from on-premises to SaaS, cloud and containers. Flexera One's Cloud Cost Optimization module helps organizations to scan cloud usage and costs to identify risks, discounts and savings. It also presents concrete actions to optimize spend and maximize returns on technology investments. Finally, this solution enables enterprise customers to automate cost optimization activities, embedding continuous cost optimization into enterprise IT.

Frost & Sullivan notes that among Flexera One's cost management differentiators is its Common Bill Ingest feature set, which allows customers to take billing info from technically unsupported cloud providers (such as Alibaba or Tencent Cloud) and slice and dice the data however a customer may choose. This gives customers the ability to see genuine multi-cloud reports on a single pane of glass complete with tabular views, currency exchange and conversion.

Flexera is also known for its automated portfolio governance feature set, which is powered by its sophisticated, fully customizable and extensible policy engine. This automation engine allows organizations to set cost boundaries by prescribing policies that can trigger actions. Unused or ghosted instances can be removed, and unattached network storage can be reclaimed.

Holistic Approach to Cost Control Starting from Cloud Migration and Beyond

Enterprises often make hasty decisions when moving all of their data and applications to the cloud, but quickly discover that they would be more optimally deployed in an alternative environment. In 2021, 63% of the enterprises surveyed by Frost & Sullivan had repatriated applications, i.e. brought an app that was deployed in the public cloud back into an enterprise-managed environment. The top reason was the challenge of managing and optimizing apps in the cloud. Other key challenges included migrating data and apps to the cloud and controlling cost.

Flexera One's Cloud Migration and Modernization module enables organizations to take a more strategic, long-term view to cost optimization by matching their business goals and associated IT priorities with the right infrastructure mix. The Flexera platform's ability to visualize the interdependencies within the enterprise IT estate enables it to make a sound cloud transformation roadmap that spells out the optimal sequence for workload migration to the cloud. This exercise exposes operational risks and helps discover avenues to save cloud costs in the form of unused and under-utilized servers. It also helps organizations to visualize and forecast future cloud spend by drawing scenarios which involve fully customized business cases, instance choices, and resource provisioning.

For most organizations, a large chunk of their technology spend is sent to the same big tech companies - Microsoft, AWS, IBM, Oracle, SAP, Adobe, among others. The products and services offered span on-premises, cloud and SaaS, making it quite cumbersome to keep track of.

Flexera helps enterprise customers manage their tech spend with their IT Asset Management toolkit. Many large enterprises often use Microsoft's traditional products such as on-premises or cloud

versions of Windows server, SQL server. They also have Office 365 SaaS subscriptions for their employees, as well as bills from the Azure infrastructure and platforms they use. The insight and visibility offered by Flexera help enterprises find and reclaim unused and under-used technology in their environments, ultimately enabling customers to negotiate a single contract with Microsoft and optimize SaaS spend.

In 2021, Flexera became a FinOps Certified Platform (FCP). This certification from the FinOps Foundation places Flexera among vendors that are pre-qualified to help enterprise customers adopt cloud financial management practices.

Growth and Customer Acquisitions

Flexera reports that more than 48% of Fortune 500 companies are Flexera customers. The solution is quite popular in the manufacturing, financial services, healthcare and high-tech verticals. AstraZeneca, for instance, is a customer for which Flexera reports it unlocked $2 million in cloud cost savings. For the Eastman chemical company, Flexera's Cloud Migration solution prioritized 300 applications for cloud migration. At a food management company, Flexera shaved off 12% of their annualized cloud bill in just 5 months.

Flexera is owned by private equity firm Thoma Bravo, which gives the company a solid financial backing and the ability to invest in strategic M&A to boost their product portfolio and grow inorganically as needed. Flexera's 2018 acquisition of multi-cloud management provider Rightscale and 2019 acquisition of RISC Networks has been central to fortifying its cloud cost optimization and cloud migration suites. In 2020, Flexera acquired software monetization and usage analytics company Revulytics.

Conclusion

Flexera is a Fin-Ops certified cloud economics provider. Its Flexera One IT management platform enables organizations across verticals and regions to tackle the growing IT spend problem. Enterprises choose Flexera for its ability to visualize and manage their entire IT infrastructure and applications across public and private clouds, on-premises and SaaS. The breadth of the company's product line drives its holistic approach to addressing cloud costs; in addition to its cost optimization module, Flexera provides cloud migration and modernization, IT asset management, and IT visibility solutions. Flexera's strength in hybrid IT optimization, automated portfolio governance, and superior consumption intelligence makes it a partner of choice for many of the world's largest organizations.

With its strong overall performance, Flexera earns the 2022 Frost & Sullivan Product Leadership Award in the global cloud economics industry.

What You Need to Know about the Product Leadership Recognition

Frost & Sullivan's Product Leadership Award recognizes the company that offers a product or solution with attributes that deliver the best quality, reliability, and performance in the industry.

Best Practices Award Analysis

For the Product Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Product Portfolio Attributes

Match to Needs: Customer needs directly influence and inspire the product portfolio's design and positioning

Reliability and Quality: Products consistently meet or exceed customer expectations for performance and length of service

Product/Service Value: Products or services offer the best value for the price compared to similar market offerings

Positioning: Products serve a unique, unmet need that competitors cannot easily replicate

Design: Products feature innovative designs, enhancing both visual appeal and ease of use

Business Impact

Financial Performance: Strong overall financial performance is achieved in terms of revenues, revenue growth, operating margin, and other key financial metrics

Customer Acquisition: Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

Operational Efficiency: Company staff performs assigned tasks productively, quickly, and to a high-quality standard

Growth Potential: Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

Human Capital: Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at http://www.frost.com.

The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.
Learn more.

Key Impacts:

- **Growth Pipeline:** *Continuous Flow of Growth Opportunities*
- **Growth Strategies:** *Proven Best Practices*
- **Innovation Culture:** *Optimized Customer Experience*
- **ROI & Margin:** *Implementation Excellence*
- **Transformational Growth:** *Industry Leadership*

The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- Mega Trend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)