



SWOT Assessment: Rackspace

Analyzing the strengths, weaknesses, opportunities, and threats

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Summary

Catalyst

Omdia's *ICT Enterprise Insights 2019/20* survey indicates that as cloud strategy matures, organizations are moving more of their mission-critical core systems, including ERP, CRM, and databases, to the cloud. This shift is changing customers' requirements, and the cloud must now be enterprise-grade to support this. Cloud provider Rackspace is a mature company with 20 years' experience as a hosting company, although it does not have the market profile of some of its competitors. It ensures that it delivers the cloud services that customers want or need at a price and quality that is acceptable.

Key messages

- Rackspace supports nine different database technologies.
- Customers can perform customizations based on APIs.
- Rackspace can generate audit reports for ISO 27001, ISO 9001, BS7799, HIPAA, PCI, and SSAE16. It is also a big user of Prometheus to report on a wide range of services.
- Rackspace does not have its own marketplace but delivers through third-party marketplaces including AWS, Azure, and OpenStack.

Omdia view

Rackspace does not have the profile of the leading cloud providers, but in one respect it is unique because it offers cloud services to mostly SMB and mid-market customers based on the OpenStack cloud, while also offering managed services for most of the other leading cloud providers. Rackspace is known for its support and ability to deliver solutions to customers so customers can focus on the key activities they have identified as critical to the business. Rackspace prides itself on customer satisfaction and its customer service across all the business operations in which it engages. Rackspace's performance as a cloud provider is solid but weakened because it does not have a marketplace. In the managed services business this is not an inhibitor, but Omdia believes that in cloud provision it is an important gap.

Recommendations for enterprises

Why consider Rackspace?

A factor that will prove attractive to enterprises that want to become greener and are concerned about the amount of power they generate is that Rackspace powers its data centers with 60% renewable energy. Rackspace operates data centers by using the external climate to minimize energy costs and with designed PUEs as low as 1.15, which rivals the best in class and is significantly better than industry average. This is an important consideration at a time when climate change is a sensitive topic among an increasingly critical population, and organizations are expected to play their part. The

support for multiple database technologies will also be of interest because it means that multiple applications can be run on the Rackspace cloud. In addition, the extensive list of regulatory environments that Rackspace can generate audits for will satisfy enterprises in highly regulated industries.

SWOT analysis

Strengths

Rackspace provides services for the OpenStack cloud

One of the strengths of Rackspace is its combination of services for the OpenStack cloud and its ability to support and provide multicloud services to customers. Rackspace also provides support for a wide range of different database technologies, nine in total.

Rackspace offers a flexible degree of customization

Rackspace is also strong in the degree of customization and usability. Overall, it delivers the ability to support customers and allow them to perform customizations based on APIs. Rackspace also provides support in more languages (nine in total) than most of its competitors, and has developed a voice-activated tool to enable customers to access services, one of only a few of the leading providers to have this capability.

Rackspace generates audit reports for a comprehensive list of regulatory environments

Another strength of the Rackspace offering is its reporting and integration capabilities. The regulatory environments (ISO 27001, ISO 9001, BS7799, HIPAA, PCI, and SSAE16) that Rackspace can generate audit reports for is one of the most comprehensive in the cloud provider market. Rackspace is also a big user of Prometheus to report on a wide range of services, from containers to its overall performance.

Weaknesses

Rackspace does not have its own marketplace

Rackspace does not have a marketplace, but instead delivers through third-party marketplaces such as AWS, Azure, and OpenStack. This is an important point. Rackspace focuses on the managed services market, but it is something that it needs to address if it wants to compete effectively with the market leaders and grow its own customer base in the cloud provider market.

Opportunities

Rackspace makes its services available to customers quicker than many of its competitors

Rackspace has the ability to make its services available to customers quickly in a number of different scenarios. The deployment capabilities of a cloud supplier are a significant metric in the eyes of the customer, because the cloud is marketed as being instantly available to meet business needs. To live up to these claims, service providers must be able to deliver the cloud services requested within

minutes and not hours, and Rackspace delivers on this promise. Marketing this ability should provide opportunities for the company to grow its market share.

Rackspace should exploit its high net promoter score (NPS)

Rackspace is rightly proud of its NPS score of 62, which is the highest score in the *Omdia Decision Matrix: Selecting a Cloud Services Provider, 2019–20*. The NPS score represents the core values of Rackspace in putting the customer at the center of its business, and making sure it delivers the services the customer wants or needs at a price and quality that is acceptable. It is this pragmatic approach and its focus on the customer that gave Rackspace the leading NPS score.

Threats

There is a growing array of cloud providers increasing competition

The cloud provider market is competitive, and the number of vendors is increasing. Omdia's research suggests that most organizations will have between three and seven (depending on the definition of a cloud) different cloud providers, which means there are plenty of opportunities for cloud providers to share in this growing opportunity. Rackspace needs to broaden its market appeal by developing its own marketplace to attract larger organizations.

Data sheet

Key facts about the solution

Table 1: Data sheet: Rackspace

Product name	Rackspace	Product classification	public cloud
Version number	n/a	Release date	n/a
Industries covered	all	Geographies covered	global
Relevant company sizes	all	Platforms supported	Windows, Linux, Ubuntu, RHEL, Containers
Languages supported	9	Licensing options	n/a
Deployment options	cloud	Routes to market	n/a
URL	www.rackspace.com	Company headquarters	San Antonio, TX, US

Source: Omdia

Appendix

Methodology

Omdia SWOT Assessments are independent reviews carried out using Omdia's evaluation model for the relevant technology area, supported by conversations with vendors, users, and service providers of the solution concerned and in-depth secondary research.

Further reading

Ovum Decision Matrix: Selecting a Cloud Services Provider, 2019–20, INT003-000382 (September 2019)

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