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Cloudera nabs Arcadia Data assets to address complex data management and analysis use cases

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The company has reached for a core component within Arcadia Data's analytics platform that anticipates and pre-computes common queries and reports, using machine learning to deliver fast insight on information in modern data platforms.

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Introduction

Cloudera has made the eighth acquisition in the company's history, picking up certain technology assets from Arcadia Data, in addition to its workforce. Using this asset purchase, Cloudera is seeking to address sophisticated data management and analytic workloads involving modern data platforms, including Apache Hadoop, which the firm cut its teeth on, as a native purveyor of OLAP multi-dimensional style analysis for Hadoop distributions.

Snapshot

| | |
|-----------------------|-------------------|
| ACQUIRER | Cloudera |
| TARGET | Arcadia Data |
| SUBSECTOR | Analytics |
| DEAL VALUE | Undisclosed |
| DATE ANNOUNCED | September 4, 2019 |
| CLOSING DATE | September 4, 2019 |
| ADVISERS | None disclosed |

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This deal bolsters the company's Cloudera Data Warehouse. Arcadia Data's support for streaming data is also a fit with Cloudera DataFlow, while its support for cloud object stores is in keeping with Cloudera's long-term strategy to enable the analysis of data in cloud storage. However, existing customers using the target's Arcadia Enterprise Platform for visualization and analytics might be concerned over the long-term future of this product, given that Cloudera plans to integrate the ArcEngine aspect of it only into the Cloudera Data Warehouse.

Deal details

The deal is primarily a technology-driven acquisition, as well as an 'acqui-hire,' although Cloudera will likely have picked up some additional customers. With the deal, Cloudera gets its hands on the target's ArcEngine technology – one aspect of Arcadia Enterprise – which is the vendor's flagship analytics platform used to visually analyze information in various formats and states within modern platforms, including clouds, object stores and Hadoop.

ArcEngine could improve productivity, as well as provide timely insight for business users when using the Cloudera Data Platform with cloud object stores such as Amazon S3, Azure Data Lake Storage and Apache Kafka. ArcViz, which is the other component in Arcadia Enterprise, is a visualization server that underpins Arcadia Instant – the company's free front end for visualization. It appears that Cloudera wants to ultimately decouple ArcViz from ArcEngine, in order to integrate the latter technology into its Data Warehouse.

Target profile

Arcadia Data came out of the gate in June 2015 with a visualization play specifically for the Hadoop open source data processing framework, in order to address what was referred to at the time as big-data analytics by providing OLAP on Hadoop. The company's management team has a background in this arena – it was cofounded in late 2012 by CEO Sushil Thomas, chief product officer Priyank Patel, CTO Shant Hovsepian and VP of engineering Doug Cameron, all of whom were former Aster Data employees.

While native Hadoop visualization was the vendor's initial deliverable, via desktop Arcadia Instant, which is free, this offering was always designed to act as a seeding strategy for Arcadia Enterprise, which became its flagship product. Arcadia Enterprise houses the visualization server component (employed to deliver visual analysis) known as ArcViz, but it also houses ArcEngine, which essentially provides

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business users with simplified direct access to information in various modern data platforms, using machine learning to precompute common queries and reports for fast performance and to support large numbers of concurrent users.

Additionally, it is worth noting that Arcadia Data doubled down on its strategy of embracing data in motion, to support real-time analytics, historical data in relational databases, data in cloud platforms and Hadoop, in order to provide business users with insight into big, complex and fast-moving data by unleashing a search-based BI interface in 2018. That said, it is unclear where this interface fits into the company's future.

Arcadia Data is funded to the tune of \$27m. The firm is backed by Pelion Venture Partners (which led its \$15m series B round in October 2018), Intel Capital, Mayfield Fund and Blumberg Capital.

Acquirer profile

Cloudera is known as the original commercial distributor of Apache Hadoop. The company was founded in late 2008 and launched its Hadoop distribution in March 2009. Since the emergence of Apache Hadoop 2006, the overall Hadoop market has experienced change and consolidation over the past decade. The Hadoop name, for instance, has fallen out of favor, although the core premise of a Hadoop architecture – a distributed data-processing framework built with open source software for analytics – remains. As such, calling Cloudera a Hadoop distributor today is somewhat of a misnomer. The company's offerings have progressed beyond just core Apache Hadoop.

Founded in 2008, Cloudera filed for an IPO in March 2017. In October 2018, it announced its acquisition of Hortonworks, which officially closed in January. Prior to the acquisition, Cloudera and Hortonworks were rivals of sorts, although both shared a collective interest in and commitment to Apache Hadoop and related projects that would become known as the broader Hadoop ecosystem. With two differing product lines and go-to-market strategies, there were some things to sort out. With product reconciliations being addressed with the company's forthcoming Cloudera Data Platform, which serves as a type of umbrella term for the company's individual product offerings, there was still needed resolution as to which open source model to adopt. That has been settled, with Cloudera announcing that it will adopt a full, 100% open source model patterned after Red Hat's.

The deal announcement was part of the company's Q2 2020 earnings results, which came in above Wall Street's estimates. Cloudera's Q1 2020 fiscal year earnings came in short of financial analysts' expectations, and the company announced the departure of current CEO Tom Reilly, effective July 31, as well.

Competition

Cloudera competes with other distributed-processing framework vendors. MapR, which was recently acquired by HPE, may still be a rival in the short term, but likely not in the long term as the buyer works to integrate MapR's technology within its portfolio. Others include Qubole, Databricks and Cazena.

Microsoft Azure offers HDInsight (based on the Hortonworks Data Platform), Azure SQL Data Warehouse and Azure Databricks. Microsoft is also embedding Apache Hadoop and Apache Spark as part of SQL Server 2019. Google Cloud Platform features some competing services, such as Cloud Dataproc and BigQuery, while AWS's offerings include Amazon EMR, Amazon Kinesis and Amazon Redshift.

Cloudera, however, seems to be setting its sights on vying with established data management providers – Oracle, Microsoft, IBM, SAP and Teradata, as well as Amazon Web Services and Google Cloud Platform – mostly because it has multiple products built on its platform, from data science to streaming to data warehousing.

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Arcadia Data considered MicroStrategy and SAP Business Objects to be its primary competitors, owing to their incumbency in enterprise accounts (the company's target market), as well as its shared focus on the visual analysis of data in modern and traditional data platforms.

AtScale, which now positions itself as a data warehouse virtualization vendor, but was formerly an OLAP on Hadoop company, was often mentioned in the same breath as Arcadia Data, as were Kyligence and Kyos Insights, for the same reason. Arcadia Data sought to differentiate its wares from these vendors' offerings by emphasizing an ability to address data visualization and OLAP-style analysis – not just the latter. Arcadia Data's visual analysis focus also elicited comparison with other players in this sector, including Tableau, Qlik and Microsoft Power BI.