## The Path to Hybrid Cloud: A Conversation with Cloudera's Mick Hollison

**Patrick Moorhead:** Mick, welcome to the Six Five Summit 2021. Thanks for speaking here on day five, which you know a lot about, which is all about AI, ML and big data.

**Mick Hollison:** You bet, Pat. Thank you for having me.

**Patrick Moorhead:** Absolutely. Been really exciting stuff going on at Cloudera recently. Gosh, you're going private. You made multiple acquisitions. I think probably the biggest question that people have is, does this change the strategy?

**Mick Hollison:** Great question, Pat, and the short answer to it is absolutely not. This is a continuance of the existing strategy that we've already had in place for a couple of years now. We are unequivocally trying to lead in what we refer to as the Enterprise Data Cloud category. Specifically, we are trying to be the main player in hybrid data cloud management and analytics. So, no major change to the strategy per se, Pat.

**Patrick Moorhead:** Yeah, it has been incredible to watch Cloudera the past couple of years. You guys started on prem, and then you created a private cloud product, and then you created a public cloud product out of all the major public clouds out there. Maybe if we're talking cloud here, can you reinforce why hybrid cloud is the best destination for those looking for or formulating their overall cloud strategy?

**Mick Hollison:** Yeah, you bet. We're not alone in this hypothesis any longer [crosstalk].

**Patrick Moorhead:** That's exactly right.

**Mick Hollison:** Those of you have the chance to read a recent Andreessen Horowitz piece that came out at the back end of May here, there's a lot being written about the economics of moving to hybrid versus moving your entire estate to public cloud. Economics is probably the first reason, but clearly security, governance, compliance, any regulated kind of business, Pat, is going to have some data that for one reason or another, needs to remain on prem. Ideally, they could manage that on prem environment and the public cloud environment with a single pane of glass, one control plane, one set of security governance access control kind of things.

That's what Cloudera very uniquely brings to the table. We allow you to set it and forget it so to speak, and yet, run and manage your environment in multiple places, wherever the economics and security are best for you and your business.

**Patrick Moorhead:** Cloudera has done extremely well in the regulated markets, but Mick, I have to think with all of the new privacy regulations that are out there, I think that the way you manage data and the way you secure it is important for everybody.

**Mick Hollison:** You bet. It doesn't matter what kind of company you are these days. You're dealing with PII at some level. You might be dealing with GDPR at some level. Regardless of what kind of business you are, just things as simple as who you're going to send an email blast to, or who gets what kind of information from your website, all of those things have governance around them today that requires that you're very, very thoughtful about data protection, and particularly securing the privacy of your customer base. So, it applies to everybody. It doesn't matter whether you're a retailer or you're a healthcare provider.

**Patrick Moorhead:** What I'm glad about with the hybrid cloud debate ending, I think it ended when Andy Jassy stepped on stage to announce Outpost. The conversation ended there, and I like to use the analogy that right now we have the industry burning a candle on both ends with cloud native companies coming in and trying to build on premises capabilities, and you have traditional on premises companies building into the public cloud. I love this. Boy, any cloud discussion is incomplete unless we talk about SaaS. Based on the two acquisitions you made, or at least one of them, indicates to me that Cloudera is coming out as a SaaS company.

**Mick Hollison:** Yeah, I think that's exactly right, Pat. Let me get back to the beginning of that question a little bit there. I see the same thing. It's almost like the Ghostbusters streams they're going to cross, and hopefully they Stay-Puft Marshmallow Man will make it this time around. Yeah, you see the folks coming from cloud native beginning to offer hybrid or on prem offerings. You see companies that have historically had a strong franchise on prem rapidly trying to get to the cloud.

We're certainly in that latter category. We introduced CDP, Cloudera Data Platform, a couple of years back now. We've been gaining immense traction and customers migrating to it, both for private and public cloud implementations. The new kids on the block, so to speak, came to use via acquisition here just a couple of weeks back. We acquired two really cool hot, young SaaS companies. One's called Cazena and the other is called Datacoral. They're both all about hastening our rate and pace of getting to SaaS.

Really, they're about a whole mission for Cloudera, Pat. I don't know if you had an opportunity to read a blog I wrote just a couple of weeks back now as we kicked off a series of big announcements. Really, Cloudera's new mission is

about making analytics easy and accessible for everyone, not just for IT jockeys, not just for professional data scientists, but genuinely for business users, marketing people, sales people, that want to get to dashboards quickly, that want to be able to quickly write something that might give them a basic ML model and so forth.

Cloudera is not just making the shift into the cloud and into SaaS, it's making the shift to simple. That's a more profound from my point of view.

Patrick Moorhead:    Keep me honest on this, if I can play that back, so not only are you making your tools accessible to new kinds of users inside of a company, or organization, or government, but you're also increasing these kinds of companies who might be able to leverage Cloudera.

Mick Hollison:    Yeah, no that's exactly right. To break apart the two acquisitions just a little bit, what Cazena brings to the table for us is an acceleration of our existing CDP, or Cloudera Data Platform, business. It provides an additional alternative mechanism for deployment for customers that may not want to manage all the network ops, security ops, et cetera. On the other hand, we acquired a company called Datacoral, which is a multi-tenent SaaS platform for delivering very fast ETL for ingesting data with simple no-code kind of connectors. That particular product offering gives us entrée into whole new markets.

Today, as your well aware Pat, Cloudera's largely concentrated in the Fortune 2000, let's say. Datacoral and Cazena together are not only going to allow us to expand in that existing 2000, but to go down the market a bit. I don't think we're probably selling to Joe's Garage anytime soon, but let's call it the Fortune 10,000 perhaps, now becomes within reach with these SaaS offerings.

Patrick Moorhead:    Mick, let me play this back on SaaS and make sure I get this right. You're doing two things. You're enabling new types of companies, maybe smaller companies, to access Cloudera, but you're also giving access to people inside of companies who may not have been able to use Cloudera. Am I getting this right?

Mick Hollison:    Yeah, you've absolutely gotten it right, Pat. The kind of lower end of the market from our perspective is largely an enterprise provider that has long been looking for a simple way to onboard line of business users inside their organizations. The Cazena acquisition is going to allow us to quickly bring people on board. They can work in a hybrid environment, so IT gets to keep writing the same secure data management and analytics footprint it had been running, but they can expose all those capabilities to end users in the line of business in a much friendlier and easier way.

Conversely, the Datacoral offerings are a brand new set of offerings that are built to work all the way from the lower end of enterprise up through the largest and most complex organizations in the world. They're both additive. One's more about expanding our current CDP footprint, and the other is about exploring entirely new markets and market opportunities, Pat.

**Patrick Moorhead:** That's good. We've talked on prem, we've talked private cloud, we've talked public cloud, we've talked hybrid cloud, we've talked SaaS. We now have to talk about AI and machine learning, which by the way is part of the data lifecycle that Cloudera's addressing. I did want to talk about something, almost a misnomer in a way, I think some people are getting confused at the best outcomes for AI and ML are just about the algorithms and the models. I wanted to get your take on this, because you've got from the beginning of it to the end.

**Mick Hollison:** We do. We're uniquely one of the few complete data lifecycle offerings all the way from ingest, out to AI, or what we often will refer to as "From the Edge" to AI. We have a good understanding of all the train stops along the way that are necessary to get to good AI. One of the things, it's a little bit like taking summer vacation with your children and their constantly asking you "Are we there yet? Are we there yet?" People want to get straight to those great insightful answers that can be produced by AI and all those cool algorithms and models.

The challenge is, the same maxim that's been true since you and I were young is still true today, Pat. Garbage in/garbage out. If you don't have good, clean, well structured, well organized data that you can report on in the first place, then there's no way that that data is going to produce good outcomes no matter how clever of an algorithm you write. You got to have: A, enough variety and volume of data for it to sufficiently help train those models; B, the data itself has to be clean and accurate, and up-to-date. It's easy to forget those other train stops while your kid's asking you "When are we going to get there?" But those other stops are really important to make an AI work in the enterprise.

**Patrick Moorhead:** I appreciate that. You would think it would be pretty straightforward, garbage in/garbage out, but I think people are still mischaracterizing it and focusing on the wrong things. Cloudera was really founded on open technology, but I think there are so many shades of gray in positioning. So, I have to ask, is there still value in being an open technology provider? What does that mean today versus maybe what this meant seven or eight years ago?

**Mick Hollison:** You're right to call it out, and certainly we are a very proud and continue to be highly focused on not just customers who we service, but the communities that we work with to build the great opensource projects that form the foundation of our platform and our offering. We continue to be big believer in opensource, and the reason is pretty simple. One, the economics tend to work better for

most customers. The openness tends to work better for customers. The rate and pace of innovation tends to work better.

The only thing that's really happened bad is that a lot of that work is not obfuscated by SaaS. The same projects are still running the major platform providers that we all know and talk about all the time, but they're running kind of back inside their respective clouds. They don't have the same visibility that they once did. If you don't have the right underpinnings, if you don't have those open underpinnings, then you can find yourself kind of in one of those locked in proprietary situations with any vendor.

We're still big, big believers in opensource. It's got a prominence in the discussion. I think it's gifted a bit, but it's still just as important as it ever was.

**Patrick Moorhead:** Yeah, I believe that too. Mick, we're coming on time here, but I want to give you the last word here. You have customers, investors, your ecosystem, technology providers on here who are all watching, what words of wisdom can you provide about big data, AI and machine learning?

**Mick Hollison:** Yeah, sure. We're largely credited between Cloudera and our now brethren from largely credited with the advent of big data. Big data has made a huge difference for a countless number of customers in the world in solving for every imaginable kind of use case from fraud protection, to churn reduction, to predictive maintenance and on down the line. All good stuff, Pat. However, it's not always been known as being the easiest thing to do in the world.

Our view moving forward is we're going to bring all those capabilities that we've brought to IT to business users. Our new mission is to make it easier and more accessible to get the quality analytics, in other words, good answers and insights, much more easily for the business and not just for IT. So, we think we're going to expand in some new places. We couldn't be more excited about the outlook for the future here.

**Patrick Moorhead:** Yeah, Mick. I'm excited for you and even CDP Private and CDP Public are relatively new offerings as well. When you add that to the new confirmation that you're going to build out a SaaS property, that's super exciting.

**Mick Hollison:** It's spot on, Pat, because it's an "and", not an "or". We are going to continue to win, and innovate, and drive differentiation in the hybrid data cloud space while we begin to build out a fresh new set of offerings that can reach new markets, new users, et cetera. So, we're going to have to get really good at walking and chewing gum at the same time, but I'm confident in the team and our ability to get there.

Patrick Moorhead:     Mick, I want to thank you for making day five better.

Mick Hollison:        Oh, thank you for having me, Patrick. Wonderful to see you again. Next time, I
                      hope it's from another nice beach again someplace.

Patrick Moorhead:     I'm hoping so as well. This is Patrick Moorhead with Moor Insights and Strategy
                      with Mick Hollison, President of Cloudera, the pioneers of big data, and pretty
                      much you're going to be able to consume Cloudera wherever and whenever you
                      want. Have a great remainder of the Six Five Summit.