

REPORT REPRINT

With big-data back end, Kentik pursues complex network- monitoring environments

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The company built a SaaS platform that can ingest very large volumes of data and run queries against that data in just a couple of seconds.

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As businesses increasingly rely on multi-cloud strategies and adopt new technologies like SDN, they not only collect more operations data, but face new challenges determining the root cause of performance problems. Vendors like Kentik are emerging with tools designed to offer visibility into these complex environments.

THE 451 TAKE

With its big-data back end, built to quickly ingest large volumes of primarily network flow data, and then return query results in a couple of seconds, Kentik is well positioned to meet the needs of today's enterprises. Kentik is expanding the types of data that it ingests, a smart move as vendors from adjacent monitoring sectors as well as vendors developing more generic big-data back ends seek to position themselves as central repositories for operations data. By embracing a variety of data that customers may want to analyze, Kentik remains flexible to address an evolving set of potential use cases.

CONTEXT

Founded in 2014 and headquartered in San Francisco, Kentik now boasts 130 customers and 70 employees. It has focused on service providers and is increasingly targeting enterprises, some of which now face similar challenges as service providers in terms of managing growing volumes of operations data. Customers include Box, KDDI, Instart Logic, Yelp, Shopify and Pandora.

Kentik brought in \$23m in series B funding late in 2016, with total funding since inception reaching \$38m. Investors include Third Point Ventures, August Capital, Data Collective Venture Capital, First Round Capital, Engineering Capital and Glynn Capital Management. Earlier this year, Kentik said that annual recurring revenue grew 6x in 2016.

TECHNOLOGY

Kentik was built primarily to collect network flow data, although like other vendors in the operations performance sector, it has begun ingesting other types of data. Kentik is well positioned to collect this growing body of data because it built its own big-data back end designed around a use case of fast ad-hoc querying and scale. Modeled after Dremel, the ad-hoc query system developed at Google that backs Google's BigQuery, Kentik's Data Engine is a distributed column store database that can quickly ingest large amounts of data and that distributes query load over a horizontally scalable infrastructure. The result is a SaaS offering, Kentik Detect, that delivers high-performance querying for end users and does so via an economically viable model for Kentik. While customers can, and some do, deploy the system on-premises, most use the SaaS offering, which is more cost-effective for users.

In addition to collecting flow data from top brands of routers and switches, Kentik can also collect traffic data from firewalls, load balancers and network packet brokers like Gigamon. It also collects SNMP data and enhances flow data with information like geolocation and destination IP. Kentik also uses the kprobe agent to collect host metrics about network and application latency and out-of-order packets, for instance.

In addition, users can feed in other data sources that are relevant to them. For example, businesses may want to add tags and labels that mark traffic as related to a particular service or datacenter, or connect traffic to individual customers, allowing a Kentik Detect user to run queries that offer business insight. Customers could pull in data from other monitoring tools like APM products or, since any query made in Kentik is available as an API, export data from Kentik to other tools like Splunk. This capability boosts the potential value of Kentik, since users outside of IT operations, such as line-of-business leaders or C-level executives, may be able to use data collected by Kentik to drive decision-making. The integrations boost Kentik's utility among other non-networking pros as well, including developers looking to understand their application's impact on the network. We're increasingly seeing network-performance-monitoring vendors position their tools as useful to app owners and think Kentik can serve this use case.

Kentik argues that by delivering its offering via SaaS it can scale much larger than comparable appliance-based offerings. Its scale is indeed large. Kentik boasts that it collects nearly 100 billion network flow records each day and returns queries in under two seconds. As more workloads move to the cloud, we think Kentik will also have advantages over appliance-based systems, which typically can't closely track traffic over networks that aren't in the enterprise's control and that may not be able to match Kentik's scale.

PARTNERS

In August, Kentik announced that it had developed a global channel program to meet the needs of reseller partners. It said it had signed up 20 channel partners, including Net One Systems, a large cloud infrastructure integrator in Japan. We're seeing growing interest across most types of monitoring vendors in building relationships with MSPs and other types of resellers. Those that are successful have signed on many more end users than they would by relying only on a direct sales model. We think Kentik should be able to grow its customer base by continuing to foster the channel.

COMPETITION

Kentik reports that it competes at times with appliance-based products from Cisco (via its Lancope StealthWatch product) and Riverbed. We think Cisco's Tetration will also become competitive with Kentik once it becomes available via SaaS.

Kentik also cited NetScout, which we think represents strong competition for Kentik, particularly from its Security Division, which includes the Arbor Networks products that NetScout acquired along with Danahar Communications.

Kentik may also compete with security-focused vendors, including Plixer and FlowTraq.

SWOT ANALYSIS

STRENGTHS

Kentik's big-data back end should serve it well as more enterprises struggle to manage a growing volume of operations data.

WEAKNESSES

As a relatively young vendor, Kentik may suffer from lack of brand awareness, particularly compared with its primary competitors.

OPPORTUNITIES

Given its ability to scale to large volumes of data and flexibility with ingesting data from different sources, Kentik has the chance to position itself as valuable to a range of roles within organizations.

THREATS

Vendors from an array of sectors, including other monitoring specialties and the big-data field, are similarly positioning themselves as potentially useful as a central data repository for a wide range of business and operations data.