

# Behind Every Cloud believes it has a silver lining for UK financial industry

FEBRUARY 3 2017  
BY OWEN ROGERS

Behind Every Cloud's Clover Index service has been ratified and endorsed by the Cloud Industry Forum (CIF) as the benchmarking index for private cloud services in British regulated industries.

## The 451 Take

Behind Every Cloud is making a smart move by sticking to a niche market that it understands. It has the industry knowledge to build a product that addresses that market's concerns, and the contacts to obtain new revenue. By sticking to this niche, it is also less likely to face broader aggressive competition. Now it needs customers and case studies, and CIF endorsement is a great way to create visibility.

## Context

For regulated industries such as finance and healthcare, meeting standards isn't just a requirement – it's an obligation that has criminal repercussions as the result of noncompliance. As a result, we still hear that these entities are afraid to use public cloud due to the perceived risk of data breaches or noncompliance. Private cloud is the alternative.

Behind Every Cloud provides a decision engine that allows UK financial bodies, particularly fund managers, to find a private cloud provider that meets their requirements for location, compliance standards and size using a simple point-and-click interface. Crucially, all fund managers, large and small, must meet the same standards, which is a challenge for smaller and mid-tier companies in finding a suitable provider that meets their needs.

Behind Every Cloud is targeting these companies, typically with revenue between £50m-1.5bn, with its Clover Index tool. It believes there are roughly 1,500 hedge fund managers in the UK and its next targets are private equity, private banking and insurance. It has data for 170 cloud providers today, and has confidence that 63 can currently meet Financial Conduct Authority (FCA) requirements. Today, Behind Every Cloud is achieving revenue under £1m, but is making a profit, and currently has three employees in the UK.

The Clover Index provides a SaaS platform whereby users can enter requirements on deployment size, location of data and services needed and receive a list of providers that can meet these requirements alongside FCA suitability. Users get a limited amount of data for free (the Four Leaf Clover view, which includes a SWOT, risk and position analysis). Users that pay a fee of £5,000 receive a full report that contains detailed attributes on the private cloud providers, including awards, reference customers, total deployments, risk, revenue and locations.

Service providers themselves submit this data – of up to 300 metrics – which is used by Cloud Index for pre-qualification, decision-making and inclusion in reports. Service providers do not pay any fee to be included, but pay commission of 5% of YR1 revenue, which is fixed to prevent bias.

FCA legislation also stipulates that companies can't 'set and forget' their IT technology. Fund managers have a duty to review existing arrangements for continuing compliance, and Behind Every Cloud hopes this drives recurring revenue. A user community further supports ongoing (and up-front) assessments of customer experience.

Behind Every Cloud wants to work closely with the channel, providing a means of evaluation to use as part of bigger consultancy engagements. It is also ready to expand into other financial centers, notably Frankfurt and New York, and would consider franchising the capability. The company would also consider adding other services such as security into its assessment. However, it wants to remain focused on the financial industry because it understands ongoing requirements and its customers – which we think is a good move.

Recently, ratification and endorsement by the UK's CIF gives Behind Every Cloud credibility and a route to partners, providers and enterprises.

## Competition

There are a number of public cloud comparison engines including CloudGenera, CloudScreener, Burststorm and IBM's Gravitant. XOcur had similar aspirations, but appears to be out of business. CloudHealth, Cloudamize, CloudCheckr and RISC Networks play in the same area, providing enterprises with recommendations on cloud deployments based on private cloud usage. However, Clover Index is the only private cloud decision engine we are aware of to date.

451 Research's Cloud Price Index also has benchmark prices for public and private cloud services, but the service is different in that it provides averages for end users and service providers to conduct their own analyses.

## SWOT Analysis

### Strengths

Behind Every Cloud has experience in a niche industry, CIF endorsement and a range of participating cloud providers, all excellent credentials to validate its service.

### Weaknesses

The company now needs customers, case studies and examples to show its value, and to bring in more business.

### Opportunities

Private cloud procurement is still very old-fashioned, with RFP processes taking months or even years. For busy hedge-fund companies, Clover Index can reduce labor and cost, while meeting regulatory and enterprise requirements.

### Threats

Will public cloud, and UK-based public cloud in particular, develop capabilities, SLAs and credentials such that financial institutions are less concerned about their risk and abandon more expensive private cloud?

---

# Owen Rogers

Research Director, Digital Economics Unit

---

M&A ACTIVITY BY SECTOR  
M&A ACTIVITY BY ACQUIRER  
FIGURES SHOWN INDICATE NUMBER OF TRANSACTIONS

COMPANY MENTIONS (PRIMARY)

Behind Every Cloud

COMPANY MENTIONS (OTHER)

Burstorm Cloud Industry Forum Cloudamize CloudCheckr CloudGenera CloudHealth Technologies CloudScreener.com Financial

Conduct Authority Gravitant IBM RISC Networks XOcur

CHANNELS

Cloud Transformation Service Providers Systems & Software Infrastructure

SECTORS

All / Cloud / Infrastructure as a service / General

All / Infrastructure management / General