

IBM Buys into Public Cloud with SoftLayer

Written by Marco Attard
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In a bid to beef up its cloud computing chops IBM acquires SoftLayer Technologies, one of the biggest privately owned cloud infrastructure providers around.



Financial details are not available, but hearsay suggests IBM shelled out around \$2 billion for the privilege.

Founded in 2005, SoftLayer operates 13 data centres housing 100000 machines in the US, Europe and Asia, and has a customer base of around 21000. It also develops and owns cloud provisioning technology, even if IBM already plans to extend the SoftLayer cloud portfolio with OpenStack capabilities.

The acquisition is a big deal for IBM, since it means Big Blue wants to soar outside its private cloud comfort zone towards the public cloud, a sphere dominated by the likes of Amazon Web Services, Google Compute Engine and Microsoft Azure.

Then again, IBM has ambitions for cloud revenues worth \$7bn by 2015-- a sum it believes cannot be reached unless it swallows up more revenue streams and customer bases.

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Once the acquisition is complete IBM will merge SoftLayer with its SmartCloud operations, creating a new Cloud Services Division reporting to IBM Global Technology Services Senior VP Erich Clementi.

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