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The CEO of Informatica explains how its big cloud revitalization push is rooted in its 28-year history, and Microsoft's cloud boss says it's a key partner

By Belle Lin, Apr 13, 2021



Amit Walia, the CEO of data management company Informatica, is going all-in on cloud by partnering with all three major providers, but also focusing on hybrid with Microsoft.

- **Informatica, a data company founded in 1993, is making a big bet on cloud, its CEO told Insider.**
 - **The company is expanding its partnerships with Microsoft, Amazon Web Services, and Google Cloud.**
 - **Microsoft cloud VP Scott Guthrie told Insider it has the "maturity" to support a variety of options.**
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When Informatica, a data warehousing company, was first founded in the early '90s, it was focused on data integration for companies running their business on physical servers — a thriving industry and a big part of the early tech booms.

Then came the ascent of cloud giants Amazon Web Services, Microsoft Azure, and Google Cloud — which have become massive cloud platforms with artificial intelligence and data analytics capabilities. That could have spelled out the end for a company like Informatica, which removed itself from the public markets in 2015 following a \$5.3 billion leveraged buyout deal that included Microsoft and Salesforce Ventures.

Now, Informatica is making a big bet on the future. This week, at its annual conference Informatica World, the data management company announced new capabilities having to with its Microsoft cloud partnership, along with updates to its partnerships with Amazon's and Google's clouds.

The company also announced enhancements to what it calls its Intelligent Data Management Cloud, its venture into data management for multi-cloud and multi-hybrid environments, which combine cloud and physical servers. The AI-powered cloud, which CEO Amit Walia calls a centralized data management platform, also includes services like real-time data intelligence, recommendations, and knowledge graphs, and runs on Microsoft Azure.

For Informatica, the moves represent a doubling down on the cloud, with Walia telling Insider, "We are extremely, one hundred percent focused on cloud." The company is indeed in the midst of a transformation, of which cloud is at the core, and partnerships with the major providers are necessary to catching up and staying relevant. It also has partnerships with some prominent members of the new breed of data warehousing providers, including Snowflake.

Walia and Scott Guthrie, the executive vice president of Microsoft's cloud and AI business and its overall cloud boss, told Insider what this latest update to their partnership means for Informatica's

commitment to cloud, and how their shared DNA in legacy technologies gives them an edge over all-cloud competitors.

Informatica pivoted to 'everything cloud first'

Walia, who was promoted to CEO last year after serving as the company's president of products and marketing, is steering Informatica into the modern era. When Informatica was founded in 1993, the data management space was less crowded, and data itself was less distributed and immense.

"We started from the very early days where there was very little data, but it still needed to be managed in the context of analytics, the good old, simple world of data warehouses 20, 25 years ago," Walia told Insider. "But over the course of the last 25, 30 years, the use cases for data have increased significantly. And I would say in the last five years, it has just exploded."

The pandemic has further accelerated that explosion of data, Walia said, and underlying that data proliferation is cloud computing and cloud infrastructure.

"As I took over the CEO role last year, we basically pivoted the company to what we call cloud-first cloud data, everything cloud first, everything cloud native. So all of our products now sit on a single cloud native platform," he said.

That's a nearly \$40 billion cloud data market the company is going after, Walia says, but Informatica is hardly alone — competitors like IBM, Oracle, and SAP also have data offerings, as well as companies like Talend and SAS.

And part of tackling that market means working with all three major cloud players: "We work with other hyperscalers as well, customers want to work with them as well. A lot of customers are in a multi-cloud environment, and our goal is to make sure that customers get what they want," he said.

Microsoft and Informatica share a focus on hybrid for its more old-school customers



Scott Guthrie, Microsoft executive VP of cloud and AI, told Insider that its focus on hybrid cloud meshes well with Informatica's.

At the same time, Walia emphasized the company's "deeper" partnership with Microsoft, which spans nearly a decade and began when he first flew to Seattle to meet Guthrie.

"We've partnered with Azure from the very early days when Azure was coming out with some of the cloud native services back in 2012, 2013," Walia said. "We run our cloud on Azure as well; both of us are mutual customers of our technologies."

Guthrie told Insider that Microsoft and Informatica share commonalities — they arrived later to cloud computing than certain

competitors, pushing them to embrace the hybrid model that some older customers running on legacy systems are looking for.

"Both Microsoft and Informatica really share that hybrid design point, which I think has been one of the key differentiators for both of us, but also one of the things that's helped us, from an acceleration perspective, enable large organizations' ability to react fast and achieve digital transformation faster," Guthrie said.

Supporting a hybrid cloud environment is key to Microsoft and Informatica's joint strategies for capturing the huge opportunity for those companies slower to go all-in on cloud. Those customers, analysts have found, are potentially very loyal to Microsoft, owing to the fact that so much of their tech infrastructure already runs on the tech titan's products.

"One of the things that we've done from the very beginning with the Microsoft cloud is embrace really a hybrid design," Guthrie said. "I think part of it again is our enterprise heritage that I think some of the other cloud vendors have been working to try to learn, but we've had 30 years of experience doing it, of just recognizing if it's 'my way or the highway,' no enterprise is going to agree to that."

Indeed, Microsoft has been making big strides catching up to cloud market leader Amazon Web Services, with analysts predicting a big year for the Redmond giant. Guthrie said another of Microsoft's advantages is its software offerings, namely its Office 365 productivity software.

"Part of what makes Microsoft unique versus the other two cloud providers is the fact that we have business application functionality that can automate all that in a software-as-a-service based way," Guthrie said. "Our ability with Informatica to handle all of those different work streams and integrate across the entire Microsoft cloud, I think is also something that's incredibly unique."

Microsoft and Informatica compete in some ways, and the execs say that's okay

Though Microsoft does have its own tools for data integration and AI, some of which overlap with Informatica's, Guthrie said Microsoft has the "enterprise maturity" to recognize that customers have a diversity of needs.

"We provide broad horizontal functionality, and then do deep partnerships like we have with Informatica to really integrate and bring even deeper domain expertise and workflow capability, to integrate with our broad set of offerings," he said, noting that customers can choose between Microsoft's tools or Informatica's.

But as with all major cloud providers and their partners, there's an inevitable tension: Will the cloud provider end up taking more of the partner's business by strengthening its own capabilities? Walia is optimistic there's plenty of room in the market.

"At the scale at which data is growing, AI starts becoming equally important," Walia said. "That's where cloud platforms are going to become important, data management platforms are going to become very important, and collectively, as Scott said, the partnerships that Microsoft and us have become more helpful for customers to grow and differentiate."