

Model9 CEO Promises New Era of Mainframe-Cloud Connectivity



Gil Peleg
Founder and CEO

Model9 Software Inc.

www.model9.io

Contact:
contact@model9.io

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine

CEOCFO: Mr. Peleg, what is the idea behind Model9?

Mr. Peleg: Model9 helps enterprise organizations leverage cloud technology faster, more easily, and at lower cost. Typically, the larger enterprises of the world run on a computer platform called the mainframe, which is not very familiar to most people. In fact, mainframe computers run the world; they can be found in the largest companies such as banks, insurance companies, airlines, large retailers, and in government. Companies as diverse as Walmart,

McDonald's, JP Morgan, Morgan Stanley, Bank of America, and Allstate Insurance -- all run mainframe for their core computing platform. This distinction is important because it is a unique computing platform, very different from the Windows server or Linux server found in most smaller organizations, and it presents special challenges when integrating with cloud technology. Specifically, mainframe data is in different formats from what is standard in the cloud and elsewhere and, in addition, the data often resides in systems that are hard to extract data from. We help these mainframe-based organizations with a software solution that can seamlessly and easily enable their mainframe to work with the cloud. This is new and profound, and it opens a world of opportunities to them.

CEOCFO: Have these companies overall been looking for a better way? Do they realize that it is even possible to do what you are able to do, or will they just be happy to know that you exist?

Mr. Peleg: Every single CIO (Chief Information Officer) that I speak with has a cloud initiative, everybody today is interested in either migrating to the cloud or leveraging the new technology and the economic innovation that is happening in the cloud. That is something that we see with every organization. In fact, many of them do not know that it is possible to easily move data to the cloud – or they may not believe it is even possible. The point is that many of them do not believe or do not know how to do this for the mainframe environment because it is so different from existing practice and because mainframe does not natively integrate with the cloud as other platforms do.

CEOCFO: What is it that you and your team understand about mainframe computers and how they operate that allowed you to come up with a solution?

Mr. Peleg: I think it is a combination of a few things, first of all building a solution that has both the mainframe element and the cloud element requires us as a company to have real depth of knowledge on both sides. This actually goes back to my personal background and the background of some of the other people in the company. I started with mainframe computers when I was eighteen years old, so I've worked with mainframe computers for more than half my life. I actually started in the Israeli Army Computer Center, so I was able to gain deep mainframe experience at a relatively young age.

Later in my career I was drawn to cloud technologies as well, so I'm able to bridge the gap between mainframe and cloud. This is why Model9 brings a unique set of skills to the challenge of a mainframe-to-cloud solution.

CEOCFO: *What was one of the biggest stumbling blocks to create this solution?*

Mr. Peleg: There were two stumbling blocks, and one is the technology. We have very deep technology expertise and multiple patents on how we overcome the technological challenges of connecting mainframes to the cloud. Mainframe is a very different computing environment. For example, in the mainframe world there is no concept of a file, there is a different way to store data. It is a very different computing world, one where the kind of expertise we have at Model9 is rare, and we worked to create a correlation and language that could enable mainframes to meld with cloud services. There is a lot of deep technology built into the solution. The second one is actually more of a commercial challenge: Large enterprises, especially large financial organizations, are not used to buying from a company that can do what we can do -- but we're excited by the challenge of bringing these disruptive innovations to market and displacing older, slower, and less efficient incumbents.

CEOCFO: *Would you give us a couple examples of what an organization would be looking for and how they would use your solution to find the answers?*

Mr. Peleg: A typical example is a financial company that has been operating with a mainframe for 20,30, or 40 years. Their mainframe is probably used every time a customer makes a cash withdrawal, a deposit, or uses their credit card or an ATM. The mainframe not only holds the most up-to-date data it also stores all the business history. Because it has been there for many decades it may hold the customer's complete credit history, the mortgages, and other pieces of information that describe them individually. Many companies today realize that in order to stay competitive they need to continually run analytics on their data using AI (Artificial Intelligence) or ML (Machine Learning) to gain better business insights about their customers individually and in the aggregate.

"We help these mainframe-based organizations with a software solution that can seamlessly and easily enable their mainframe to work with the cloud. This is new and profound, and it opens a world of opportunities to them." Gil Peleg

However, in most cases, that data is stored in mainframe systems and in a format where it is practically inaccessible to these cloud-based analytic options. As a result, many customers turn to us to help them make their data accessible and usable by the analytic services that they are interested in using in the cloud. We are able to connect their data to analytic services that run in the cloud, for example on Azure or AWS (Amazon Web Services).

CEOCFO: *Would you work with your customers to customize a solution for them or is your solution good to go once a customer has it on their system?*

Mr. Peleg: Most of the time customers do it all themselves because the product is very easy to use. It has all the auto discovery and auto setup capabilities which make the initial setup very easy and quick and does not require us to actually be part of the setup.

CEOCFO: *When you are talking with a potential customer, is there that moment when they understand you can really do it?*

Mr. Peleg: Because we're doing something so new and different, companies are surprised it can be done at all. We're really changing the perception of what is possible. During the sale cycle we demonstrate the solution and tell them about the benefits, two of which are improved performance and cost reduction. Then we offer them the opportunity to experience a free trial of the software. That's when we quickly get to "ah ha"! Once they use it in their own environment, they are able to see that not only does it use less resources, but it actually works faster and, above all, solves their challenge of getting mainframe data to the cloud. In fact, often they come back and tell us they had gone into the process doubting we could deliver on our promises. They are pleasantly surprised!

CEOCFO: *How are you reaching out and getting attention?*

Mr. Peleg: Fortunately, good news travels fast, so we get quite a bit of word-of-mouth interest from the mainframe community. Of course, we also use a lot of social media and we also work with channel partners, namely the leading cloud players. In particular, we have developed a good relationship with AWS and Azure. They understand what we offer

and its importance to mainframe organizations, so they are now starting to recommend us to their customers. Of course, it is not uncommon for these companies to be approached by mainframe organizations, specifically asking if there is some way they can work with the cloud. But now they know we are the answer. We work in a similar cooperative way with other partners; infrastructure providers such as EMC, NetApp, Hitachi, or Cohesity for example.

CEO CFO: *What is your global reach today and do you see that changing?*

Mr. Peleg: We are a global company, with a presence everywhere from North America to Asia-Pacific and Australia. Our main market focus is North America, which is where we have most of our sales team, and then in the rest of the world we work through our channel process.

CEO CFO: *How is business?*

Mr. Peleg: Our solution speaks for itself in the market. As we get the word out about what's possible with Model9, more and more Fortune 2000 countries are getting in touch to learn how we can help them with cloud data management for mainframe. Especially over the past eighteen months, COVID forced organizations to reevaluate their operations and seek more modern approaches. We've the tip of the spear in that effort.

CEO CFO: *Are you seeking funding, partnerships, and investment as you continue to move forward?*

Mr. Peleg: We are a startup company and have been fortunate to attract strong interest – and investment from the venture capital community. Intel Capital led the investment in our Series A and that was a year and a half ago. Probably within the next twelve to eighteen months we would be fundraising our Series B as we continue to meet our milestones.

CEO CFO: *What if any affect has COVID had in reaching out to companies and companies looking for something better?*

Mr. Peleg: As I mentioned, I think COVID accelerated the need for cloud-based solutions. The mainframe platform is on-prem, and the fact that there were many lockdowns around the world and many people could not go to the office to open up their systems made a big impact on thinking in business and IT. I think that really accelerated the transition of information to the cloud, which was good for us because that is what we do. We have clients transforming their businesses to the cloud. In addition, we realized that during this COVID period many companies learned how to test and buy new software solutions remotely. In the old days we had to send sales people and client architects to a client, which makes the selling process a bit time consuming and challenging. But now we sell remotely. Everyone has become accustomed to ZOOM, and it is helping us compress sales cycles and, frankly, offers in many cases a richer experience for the customer. We can engage exactly the right people at exactly the right time.

CEO CFO: *Why is Model 9 Software an important company?*

Mr. Peleg: We are the solution that a big section of the world has been waiting for. It is important because we provide a true solution to one of the biggest challenges facing mainframe computing. Our clients, the Global 2000, the Fortune 500, are the companies that really drive the world's economy, they are our customers and we empower them to pursue one of the top global IT initiatives, which is leveraging cloud technologies to control costs, achieve agility, and acquire a strategic advantage. We are exactly what they need.

