

Dyn acquires, hires to build DNS business

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Dyn Inc. is a long-standing competitor in the Internet infrastructure business, having been founded in 2001. Dyn's main business is providing DNS infrastructure as a service to enterprises and the SMB market. The company also provides bulk and transactional email services. Dyn is not a widely recognized brand like its publicly traded competitors like Verisign or Neustar, but that hasn't stopped Dyn from continuing its rapid growth trajectory (the company says it has grown revenues 60% Y/Y for the last five years). New hires and new acquisitions are aimed at keeping the company on track to leverage DNS services for a new generation of performance and security services.

New hires

Dyn is now at 240 employees and growing. The company is headquartered in New Hampshire, which is not normally known as a hotbed of tech activity, but the company has been able to tap in to a variety of companies on the East Coast to add to its roster. Among notable new hires is Matt Larson, who will be joining as chief architect at Dyn. Larson was formerly VP of research at Verisign, and was director of Verisign Labs, where he did outreach for industry standards bodies and applied research.

Joining Larson is Nathan Meyer, formerly F5's director of product management and Chris Brenton, who was director of security at CloudPassage and is now director of security at Dyn. Chris Griffiths joined in June as VP of engineering; previously he served as Comcast's director of high-speed Internet and New Business Engineering.

M&A activity

Dyn is a fairly active acquirer of companies, although it specializes more in small, strategic deals.

The company has acquired two startups this year. In January, Dyn bought Verelo, a developer of a SaaS Web performance-monitoring service. In May, it acquired Trendslide, a developer of a mobile data visualization tool that aggregates performance data into a dashboard app. Dyn is actively shopping for other deals that can augment its DNS performance services.

Customers and partners

Dyn has seen a boost in its business come from enterprises looking to build in more redundancy across their compute infrastructure. Vendor diversity is one strategy to deal with cloud and hosting outages, for example, and DNS is a useful tool for managing traffic across different resources.

CDN load balancing has been a popular use for its services, and some customers like MetaCDN and Turbobytes package load balancing with content delivery over multiple CDNs into a service; others, like Fastly, use Dyn's DNS service for their own CDN. Other customers are doing active-active failover across multiple colocation facilities, or using DNS to redirect resource requests between cloud providers, including hybrid cloud scenarios.

Competition

Neustar's UltraDNS is the big player in authoritative DNS services, and it also offers DNS caching services in tandem with DDOS protection. Neustar offers Web monitoring services as a part of its Internet infrastructure offering.

Verisign provides managed DNS services, and has built DDOS protection services around that offering and is expected to offer advanced traffic management services later this year.

OpenDNS received funding this year to expand its DNS services into a focus on mobile content and device security. The company has been offering Web filtering services, and has packaged those offerings into an offering for mobile devices under the Umbrella brand name.

Dyn competes against a host of smaller companies offering managed DNS services, like DNS Made Easy, Namecast, DNS.com (acquired by Comodo Group in 2011) and Zone Edit, among others, as well as registrars like The Go Daddy Group and cloud providers like Amazon and Rackspace, which offer DNS services. CDN service providers like Akamai, Level 3 Communications and CDNetworks offer DNS services, usually in conjunction with content delivery, and have added on DDOS protection services around these offerings.

As Dyn expands its features around global load balancing and performance measurement, it could

see competition from companies like Cedexis, which provides cloud-based load balancing services built around real-time performance monitoring data.

The 451 Take

Dyn Inc has quietly expanded over the years, but now with VC funding and a raft of well-known new hires coming on board, it looks as if the company is poised to become a better-known brand. There is a planned marketing push that will include repositioning Dyn around performance offerings rather than a product focus, which could prove useful as the firm seeks to expand its audience within the enterprise. On top of that, we see the firm as readying itself to offer some of the security services like DDOS protection and content filtering that its competitors have started to promote with more vigor. Taken together, the indications are that Dyn is well positioned for another year of strong top-line growth.

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