

Rackspace

Rackspace Inc. is an American managed cloud computing company based in Windcrest, Texas, USA. The company also has offices in Blacksburg, Virginia, and Austin, Texas, as well as in Australia, the United Kingdom, Switzerland, the Netherlands,^[3] Germany, Singapore, Mexico, and Hong Kong. Its data centers are located in^[4] Texas, Chicago, Kansas City, Virginia, the United Kingdom, Germany, Australia, and Hong Kong.

Rackspace became public in 2008, and in 2016 was purchased and taken private by Apollo Global Management LLC.^[5]

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History

In 1996, Richard Yoo started a small Internet service provider called Cymitar Network Systems out of his garage apartment in San Antonio, Texas. The company began doing application development work in addition to offering basic Internet access and web hosting. In 1997, Yoo brought on Dirk Elmendorf. When the company began to develop Internet applications as its primary business, the company was re-formed as Cymitar Technology Group. As Cymitar Technology Group grew, Patrick Condon was recruited from California and joined the team in 1998. Coincidentally, all three of the company's founders were students at one time at Trinity University in San Antonio.

Although the founders began as application developers for end-users, they found that most companies did not either know how or want to host their applications. The founders wanted to focus on application development—not hosting—but they were unable to find an opportunity to outsource the hosting work. Eventually, the founders realized that it would be better to create a product to serve the hosting need and launch it as a company. Rackspace was launched in October 1998 with Richard Yoo as its CEO. Although most hosting companies focused on the technology end of hosting, Rackspace created its "Fanatical Support" offering to focus on service and support.^[6] On March 28, 2000, Rackspace received funding through lead investor Norwest Venture Partners and Sequoia Capital. George J. Still, Jr.^[7], Managing Partner at Norwest, subsequently joined the Board of Directors.^[8]

Rackspace US, Incorporated

Type	Private company
Industry	Managed cloud computing
Founded	1998
Headquarters	San Antonio, Texas
Key people	Co-Founders: <p>Richard Yoo</p> Dirk Elmendorf Patrick Condon Morris Miller Graham Weston CEO: Kevin Jones ^[1]
Revenue	\$1.794 billion (2014) ^[2]
Operating income	\$163.529 million (2014) ^[2]
Net income	\$110.553 million (2014) ^[2]
Total assets	\$1.624 billion (2014) ^[2]
Total equity	\$1.073 billion (2014) ^[2]
Owner	Apollo Global Management
Website	www.rackspace.com (http://www.rackspace.com/)

In 2008, Rackspace moved its headquarters from a building once occupied by Datapoint Corporation to the then-unoccupied Windsor Park Mall in Windcrest, Texas. Rackspace's Chairman, Graham Weston, owned the Montgomery Ward building in the mall until 2006 when it was sold to a developer. The city of Windcrest purchased 111 acres (0.45 km²) south of the mall to create a residential and retail complex.^[9] The facility is located next to Roosevelt High School, and many Roosevelt students intern at Rackspace.

The pre-2008 Rackspace Logo

Fortune's "Top 100 Best Companies to Work For 2008" placed Rackspace as No. 32 the first year that Rackspace applied for consideration. The company was praised for its transparency. Regular "Open Book" meetings are held where the top level leaders share in-depth financial information with all employees.^[10] In 2011 and 2013, the company was named as one of the top 100 places to work by Fortune.^{[11][12]}

On August 8, 2008, Rackspace opened for trading on the New York Stock Exchange under the ticker symbol "RAX" after its initial public offering (IPO) in which it raised \$187.5 million.^[13] The initial public offering included 15,000,000 shares of its common stock at a price of \$12.50 per share.^[14] The IPO did not do well in the public market and lost about 20% of its initial price almost immediately.^[15]

At around 3:45 PM CST December 18, 2009, Rackspace experienced an outage for customers using their Dallas–Fort Worth data center – including those of Rackspace Cloud.^[16]

On September 8, 2010, Rackspace received national attention when they decided to discontinue providing web hosting service to one of their customers, Dove World Outreach Center.^[17] This was in reaction to Dove World's pastor Terry Jones' plan to burn several copies of the Qur'an on the anniversary of the September 11th attacks. Rackspace claims that this violated their company policy. This move came under criticism, notably from Terry Jones himself, who described it as an "indirect attack on our freedom of speech." Others questioned the appropriateness of Rackspace's action, stating that there is "absolutely no reason for web hosts to have an editorial policy, and this only gives Jones more attention and makes him look more persecuted."^[18]

In August 2016, it was confirmed that Apollo Global Management had reached an agreement to buy the company for \$4.3 billion.^[19] The sale was completed in November 2016 and Rackspace officially ended trading on the New York Stock Exchange on November 3, 2016.^[20]

In May 2017, CEO Taylor Rhodes announced he was leaving the company on May 16 to work for a smaller private company in a different city.^[21] In May 2017, Rackspace named Joe Eazor as its new CEO.^[22] In April of 2019, the company named Kevin Jones as its new CEO.^[23]

Acquisitions

On October 22, 2008, Rackspace announced it was purchasing cloud storage provider Jungle Disk and VPS provider SliceHost.^[24]

On February 16, 2012, Rackspace acquired SharePoint911, a Microsoft SharePoint consulting company based in Cincinnati, Ohio.^[25]

On May 25, 2017, Rackspace announced an agreement to acquire TriCore Solutions.^[26]

On September 11, 2017, Rackspace announced plans to acquire Datapipe.^[27]

On September 17, 2018, Rackspace announced it had acquired RelationEdge.^[28]

On November 4, 2019, Rackspace announced plans to acquire Onica.^[29]

Other acquisitions include Cloudkick, Anso Labs, Mailgun,^[30] ObjectRocket,^[31] Exceptional Cloud Services, and ZeroVM.

Involvement with other companies

Rackspace launched ServerBeach in San Antonio in January 2003 as a lower-cost alternative for dedicated servers designed for technology hobbyists who want flexibility and reliability. Richard Yoo was a catalyst in the startup of ServerBeach. A bandwidth and colocation provider, Peer 1 Hosting now known as Cogeco Peer 1, purchased ServerBeach in October 2004 for \$7.5 Million.^[32] Peer 1 Hosting entered the UK managed hosting market in January 2009 and the ServerBeach brand now competes directly with the UK arm of Rackspace, run by Dominic Monkhouse, former managing director of Rackspace Limited.^[33]

In October 2006, Mosso Inc. was launched, which experimented with white-labeling hosting services.^[34] Eventually, the division became the foundation for the Rackspace Cloud Computing offering.

On October 1, 2007, Rackspace acquired Webmail.us, a private e-mail hosting firm located in Blacksburg, VA. Originally branded as Mailtrust on May 20, 2009, it became part of the newly formed Cloud Office division of Rackspace.

On October 22, 2008, Rackspace acquired Slicehost, a provider of virtual servers^[35] and Jungle Disk, a provider of online backup software and services.^[36]

Rackspace announced on March 8, 2017, plans for an expansion to its portfolio to include managed service for the Google Cloud Platform.^[37] The program began beta testing on July 18, 2017, with a planned full offering in late 2017.^[38] Rackspace partnered with Google in Customer Reliability Engineering, a group of Google Site Reliability Engineers, to ensure cloud applications "run with the same speed and reliability as some of Google's most widely-used products".^[38]

OpenStack

In 2010, Rackspace contributed the source code of its Cloud Files product to the OpenStack project under the Apache License to become the OpenStack Object Storage component.^{[39][40]}

In April 2012, Rackspace announced it would implement OpenStack Compute as the underlying technology for their Cloud Servers product. This change introduced a new control panel as well as add-on cloud services offering databases, server monitoring, block storage, and virtual networking.^[41] In 2015, two Rackspace executives were elected to the board of the OpenStack Foundation.^[42] In a February 2016 interview, CTO John Engates stated that Rackspace use OpenStack to power their public and private cloud.^[43]

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External links

- [Official website \(http://www.rackspace.com/\)](http://www.rackspace.com/)
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