

CA Acquires NetQoS, Goes with the Flow

Event

On September 14, 2009, CA announced plans to acquire NetQoS, a provider of application-aware network performance management and service delivery solutions. The NetQoS line of products will be added to CA's Infrastructure Management and Automation portfolio, and will specifically be aligned and integrated with CA's Network Management and Service Assurance Management product lines. The action fills a strategic gap in CA's offerings and immediately makes CA a major player in the fast-growing application-aware network performance management market.

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Context

As network operations and, more broadly, IT operations evolve and mature toward more service-oriented, business-prioritized practices, the essential nature of performance management has become apparent. Networks, in particular, have standardized and stabilized to the point where fault/failure monitoring is becoming a commodity for management vendors and rote for operations teams. This has allowed focus to be turned toward efficiency and responsiveness monitoring, which is the realm of performance management tools and practices. Network-based performance management has evolved around four primary sources of performance data:

1. Statistics harvested from network devices, typically using SNMP
2. Flow records harvested from network devices, such as NetFlow, sFlow, and IPFIX, documenting network-delivered application flow details
3. Synthetic activity tests from agents placed at various locations around the network
4. Direct, passive deep packet inspection (DPI) of network traffic streams

The latter three sources allow insights into the applications and services that are traversing the network infrastructure, and thus have also been referred to as "application-aware" network performance management.

NetQoS, based in Austin, Texas, has been offering network and application performance management solutions to enterprises and communications service providers for just over ten years. During that time, it has achieved market leader acknowledgement, specifically in the area of NetFlow data analysis and reporting, and recently announced their 1000th customer. Much of its success has been a result of a long-standing and highly beneficial technology partnership with Cisco Systems, the originator of network traffic flow record technology which it named NetFlow. The Cisco partnership includes both technology elements (NetQoS technology is currently embedded in many Cisco networking products) as well as direct field sales and marketing engagements. NetQoS addresses all four of the performance data sources mentioned above, the first three through its own products and DPI via technology that was acquired specifically for the financial trading marketplace as well as a long-standing alliance with Network Instruments.

CA, formerly known as Computer Associates, is based in Islandia, NY, and is considered one of the "big four" management software providers, alongside IBM, HP, and BMC. CA has long been known for its extensive portfolio of management technology solutions covering a broad range of IT domains. In the past few years, CA has focused on deepening its portfolio of network-oriented offerings, most notably including the acquisition of Concord Communications, provider of the eHealth performance monitoring solutions and as a result of an earlier Concord acquisition, the Spectrum availability management solution. These two brands (Spectrum and eHealth) were sector leaders in their respective categories, and carried with them both long histories of customer successes as well as substantial installed bases. The CA portfolio does currently

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include a NetFlow reporting product, CA eHealth Traffic Accountant, however this product is not as well-adopted as many of CA's other products, in part due to customer's preference to go with NetFlow market leaders such as NetQoS.

Until this move by CA, none of the big four have made a substantive move or play toward network traffic flow-based performance management technologies. While all have some form of SNMP-based performance collection engines as well as some form of synthetic testing (though often the latter is not part of the network management line of business) none have aggressively embraced the flow-based performance data sources such as flow records and DPI. Several have NetFlow reporting capabilities, but without exception they are add-ons or adaptations of existing SNMP-based performance management offerings, and none of them carry the technology sophistication, name recognition and market presence of NetQoS.

Key Ramifications

With this acquisition, CA closes some key gaps in its solution portfolio. In particular, CA can take advantage of the NetQoS products in the following areas:

1. Stronger NetFlow monitoring and analysis solutions, network-based response time visibility, and an extended array of VoIP and Unified Communications management features, including support for Microsoft Office Communications Server
2. Application-aware infrastructure performance data that can be integrated with CA's Wily application performance management technologies
3. Additional valuable viewpoints for supporting virtualized and cloud environments, both by means of new monitoring capabilities from within virtualized platforms (per announcements made by NetQoS at the September VMworld conference) and deeper understanding of the role that WAN link performance plays in cloud computing service quality
4. Anomaly collection and detection technology which complement CA's security solutions.

This change will also significantly alter the competitive and alliance landscape in the network management marketplace. NetQoS, having been in operation for over a decade, has forged several important relationships, some of which can be maintained following the acquisition (such as Cisco, VMware, and Microsoft) and others that no longer make sense, such as the partnership with EMC. Further, NetQoS will now have new levels of funding for product development and field resources that were previously beyond their reach, meaning that as part of CA it could become an even more formidable competitor to other flow-based performance management vendors than they already are.

EMA Perspective

ENTERPRISE MANAGEMENT ASSOCIATES® (EMA™) analysts have been closely monitoring the performance management landscape for many years, and believe this bold move by CA is well timed. At a time when application-aware performance management is becoming increasingly essential to IT operations, CA will one-up the other major players among the big four none of whom directly control a flow-oriented product with the sophistication or market presence of NetQoS. From a partnering perspective, the close alignment that NetQoS enjoys with Cisco will be of great value to CA and CA's customers, and the alliances that both currently enjoy with VMware

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look to be accretive as well. From a solutions strategy perspective, this move is consistent with CA's stated intent to provide definitive answers for organizations that are embracing and trying to manage the complexities of highly virtualized environments and cloud computing services. Further, it positions CA very well for its move toward renewed energy in addressing the Communications Service Provider (CSP) community, which needs scalable, high-end solutions for monitoring converged IP-based services.

With this acquisition, CA will also be the first of the big four to directly embrace network-oriented DPI technology, which is at the heart of the NetQoS TradeMonitor product. The rest of the big four have yet to own such technology directly, choosing to partner instead, in the case of HP with NetScout Systems, or they have no direct answer at all, as is the case with IBM and BMC.

The challenge facing CA will be the definitive integration of the valuable operational intelligence available from flow-based performance data into both infrastructure operations management and application performance management solutions as well as up the stack into its service management portfolio. For instance, service quality data measured using the NetQoS technology would be of great benefit to CA's Spectrum Service Assurance Manager, which models services and provides operational dashboards indicating health, quality, and operational risk based on direct measurement by underlying domain management tools, of which NetQoS will now be included.

In summary, CA's acquisition of NetQoS represents a significant move to provide infrastructure, application flows and application performance management from a single vendor, and one that will certainly gain the attention of other major management software suppliers. The products that NetQoS brings to the table are largely incremental to existing CA products, and what overlap exists should be easily reconciled. Ultimately, the winners will be enterprise and CSP IT practitioners, who will have the opportunity to enjoy one of the first multi-domain solutions that can tightly integrate flow-based data sources into infrastructure operations and service management solutions.

About EMA

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