

Nimsoft Acquires Indicative

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Nimsoft, a vendor with products aimed at IT performance and availability, announced Tuesday it has bought Indicative Software, a company with similar offerings, for an undisclosed sum.

The combined organization will go up against Hewlett-Packard, IBM, BMC Software and CA, which are jockeying for leadership in the space.

Nimsoft CEO Gary Read acknowledged "there is some overlap" between the two companies' products, but emphasized that there are key differences as well.

While Nimsoft was strong from the "bottom up" in areas such as network and server monitoring, Indicative had attractive offerings for business service management (BSM) -- aligning IT operations with business goals -- and end-user response time monitoring, Read said.

"This is about growth, about combining together two products that fit extremely well and accelerating the attack on large companies in this market," he said.

Nimsoft plans to continue developing both product lines for now, according to Read. "Over time, it will naturally meld together in a single product line," he said. "Both product lines will gradually share more and more common components, so you won't be able to tell them apart."

Nimsoft's existing customers include midmarket and global organizations, such as Barclays Capital, Amway Corporation and Bay Area Rapid Transit. It recorded US\$29.4 million in sales during 2007, according to a statement.

That figure is dwarfed by the 'big four' companies' income. But there's room for smaller players like Nimsoft to flourish, due to the higher cost of ownership and complexity found with large vendors' products, Read claimed.

The acquisition will broaden Nimsoft's range of sales targets, according to Dennis Callaghan, an analyst with the 451 Group. "Nimsoft has been very successful in the midsize enterprise space, Indicative sells mostly to the largest enterprises, this gives them technology suitable for all sizes of customers," he said via e-mail.

The move also makes sense for Indicative, according to Evelyn Hubbert, an analyst with Forrester Research.

The company will gain sales and research resources, "so for them this is a great move," Hubbert said via e-mail Monday.

"They have to reconcile their solutions some, but I am sure they can do this. They are architecturally pretty similar and they are both wanting to win (and can) against the big ones," she added. "I think this is absolutely awesome and I know the big guys won't even care -- as they are so sure they are the best."

http://www.pcworld.com/businesscenter/article/144235/nimsoft_acquires_indicative.html