

Nimsoft keeps momentum going, releases new management portal

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Sector: Enterprise Software

Event summary

- Nimsoft continued on its rapid growth trajectory in 2007, adding about 130 net new customers to pass the 500-customer mark. The company was on pace for \$23-25m in revenue for the year.
- Nimsoft has upgraded its management console, known as the Enterprise Console 2.0, with richer, more interactive dashboards. It built this version entirely in Macromedia Flex, eliminating the need for an ActiveX or Java Runtime.
- About 130 of Nimsoft's customers are managed service providers. The company, though still strongest in the midmarket, continues to position itself as a lower-cost service-level monitoring replacement or alternative for large enterprises.

The 451 take

Nimsoft wrote another chapter in its success story in 2007. The company continues to be strong in the midmarket while winning more enterprise deals and reaching still more companies through an expanding MSP channel. Its latest software upgrade is mainly around ease of use and presentation, but does help make Nimsoft's software more credible and attractive for larger enterprises. Nimsoft appears to be holding its own so far as it moves up-market, but we expect it will continue to face more intense and fragmented competition as this segment of its business matures.

Details

Nimsoft enjoyed more growth in 2007 and continues to make waves in the service-level management software space. The company added about 130 new customers last year, pushing it over the 500 mark. It hasn't yet computed final 2007 revenue, but was on pace to land somewhere between \$23-25m. That compares to 375 customers and \$16m in revenue in 2006, when it added about 120 new customers. About half its customers are in the US, and more than 40 vertical industries are represented in its customer base.

Nimsoft has positioned itself as a lower-cost alternative to the 'Big Four' IT management vendors – **IBM, HP, BMC Software** and **CA Inc** – and taken this message to the midmarket. It continues to have success with this approach and now claims about 130 managed service providers as customers. But it has been gradually moving up-market for a while now and claims to have won against or

replaced the Big Four on at least 50 deals since the middle of 2006. The company now reports an average deal size (ADS) of about \$100,000, about double its ADS of 18 months ago. Its entry price remains around \$20,000, however, and it continues to undercut much of its competition on pricing. Nimsoft's latest software upgrade is a new management console, delivered via an online portal built entirely in **Macromedia Flex**. This results in more interactive, multi-dimensional dashboards that are easier to create.

Competitive landscape

Nimsoft sees the Big Four as its main competition. It does acknowledge hearing more about **Indicative Software**, a company that is similarly taking on the Big Four in service-level management, but believes it can still beat Indicative on entry pricing. We think Indicative is still generally selling into larger organizations than Nimsoft, but as Nimsoft wins larger deals, the two should see more of each other. **Microsoft Operations Manager** and **Quest Software** are competitors to Nimsoft we've cited before.

SLM software vendors like **Digital Fuel**, **Oblicore** and **Managed Objects** may be mindshare competitors to Nimsoft in the initial stages of deals, but none of these companies really has the same positioning or the midmarket presence of Nimsoft, and Nimsoft claims to almost never see them competitively. Likewise, **SolarWinds** is strong in network performance monitoring, but not really a direct competitor, though SolarWinds has similarly had a lot of success in the MSP channel. Nimsoft defines its niche as more 'IT operations monitoring.' While it does have some transaction monitoring capabilities in its arsenal, it has yet to see any transaction management vendors like **OpTier**, **dynaTrace Software**, **Correlix** and **Correلسense** on deals. One company that should challenge Nimsoft in the midmarket is **Akorri**, which offers agentless IT performance monitoring via an appliance.

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