



Nimsoft: Storming the Service Level Management Gates

Nimsoft has been busy in 2007. The company announced revenues surpassing \$15 million in 2006, delivered a new product release, expanded coverage for Microsoft environments, penned a strategic partnership with Oracle, started a best practices program for its managed service provider customers, and snagged \$10 million in venture capital to further its expansion. Let us take a look at what is fueling all this activity.



Nimsoft NimBUS

For Nimsoft, service level management (SLM) is the critical priority for IT organizations. Only by monitoring applications and services from an end-user experience perspective can IT effectively prioritize operational activities and determine the impact of infrastructure events and problems on overall service performance. To that end, Nimsoft consolidated the correlation and analysis of user experience data and infrastructure performance data into a single solution (see Figure 1). This solution, NimBUS, provides four service level management functions:

- Service level agreement (SLA) definition, monitoring, and reporting. Graphical templates facilitate the definition of single and/or grouped SLAs, each having unique compliance thresholds, operating periods, forecasting calculations, and violation penalties.
- Response-time measurement and analysis. Response-time data is collected by simulating end-user transactions and individual infrastructure services from various points of presence throughout the enterprise. Response-time data is analyzed and displayed in graphical alarm consoles, performance reports, and SLA reports.
- Real-time infrastructure performance monitoring and reporting. In addition to supporting customized response-time monitoring, the NimBUS solution provides out-of-the-box monitoring packages for a wide variety of application-enabling technologies, directory services, email services, web-services, network services, etc.
- Customizable business service and operations dashboards. These provide for any combination of SLA compliance status, events, and performance indicators in a single view.

NimBUS SLM Architecture

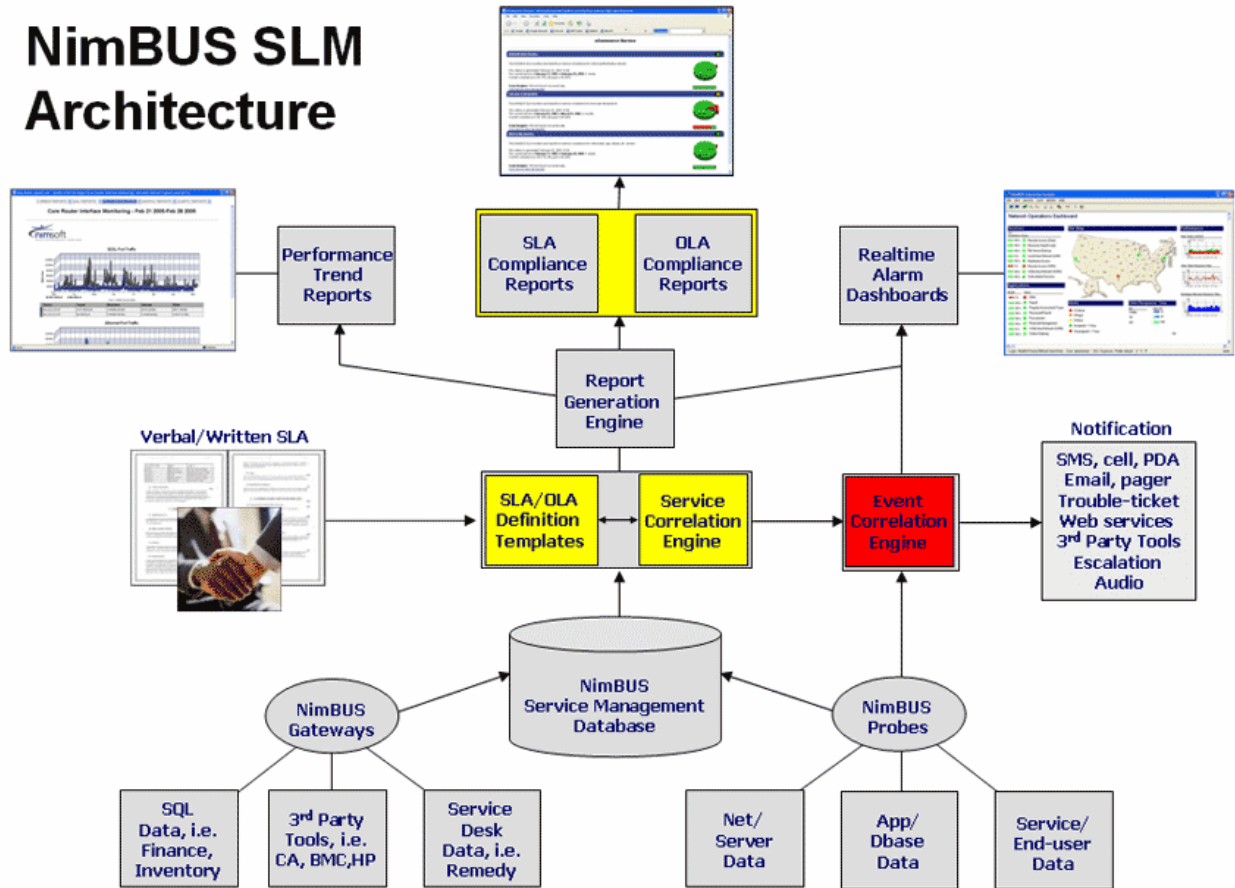


Figure 1: NimBUS architecture (Source: Nimsoft)

PNA Analysis

Ptak, Noel & Associates (PNA) believes NimBUS' snowballing success lies partly in its ability to connect traditional SLA analysis with infrastructure management for companies of any size. IT-supported services are used by businesses of all sizes to reach customers, deliver services, and connect with suppliers and distributors. Therefore, tracking the performance of these services was their first concern. Hence early SLM solutions were designed primarily to monitor service performance indicators (i.e., the customer's experience with the service) and quickly analyze the results with service level agreements (SLAs) to assure conformance with business delivery expectations. However, companies quickly realized that while SLA monitoring and analysis provided insight into service performance, without infrastructure management capabilities there was no means for actually controlling and improving that performance. Nimsoft provides this link by embedding both a SLA analysis engine and an infrastructure event

correlation engine within NimBUS, allowing IT staff to see the impact that infrastructure alerts and user performance trends have on meeting service level commitments.

Another factor in Nimsoft's success is that although its core technology is applicable in widely different customer environments, it is targeting those customers in different ways.

Small- and medium-sized businesses. Nimsoft found much of its initial success in mid-sized companies. Basically, the solution became a key IT-business alignment tool for mid-sized companies because it combined service management and infrastructure management. Ptak, Noel & Associates believes service availability and performance problems are not necessarily easier to solve when the infrastructure is physically smaller than datacenters used by the largest of the global enterprises. Rather the difficulty in problem solving is driven by the technological complexity of the solution. Mid-sized companies wrestle with a high level of technological complexity: tiered application architectures, application integration projects, and new communications technology, such as VoIP or SMS solutions. The announcement of No-Touch Nimbus solution expands the range of mid-sized companies that can successfully achieve service level management. This solution automatically discovers IT infrastructure, deploys preconfigured monitoring, and populates a series of real-time dashboard views and historical reports. This allows IT generalists working with small businesses to more effectively manage complex applications in a short amount of time, without becoming a management tools expert.

Managed Services Providers. The announcement of Multi-Tenant NimBUS solution is targeted at Managed Services Providers (MSP). Over 100 Managed Services Providers (MSP) already manage client services with NimBUS because of its relative ease of modeling and managing multiple SLAs and centrally monitoring diverse environments. Nimsoft created Multi-Tenant NimBUS package to deliver more MSP-targeted features. For example, the addition of customer-facing reports that provide historical, trending, and forecasting information in Multi-Tenant NimBUS will enable MSPs to assure their clients that their IT is being managed proactively and that their IT is working for their business. Additionally Nimsoft's year-long best practices program is targeted at MSPs planning to evolve their services from basic network monitoring and break-fix capabilities towards higher-end management of critical business applications. These types of high-end managed services generate significant gross margins, estimated at nearly 70 percent by the MSP Alliance. By helping its MSP customers be more successful, Nimsoft is forming strong strategic partnerships that can be a solid foundation for future growth.

Large Enterprises. Today, NimBUS is used by some large enterprises to monitor and manage critical business services, demonstrating the solution's scalability. However, Ptak, Noel & Associates believes Nimsoft's potential to significantly penetrate the enterprise market depends on its ability to target a few well-defined entry points for its solution and then grow its footprint within the account. The expansion of the Oracle partnership¹ offers one such entry point, as Oracle customers evaluate the benefits of Nimsoft's technology. Because packaged applications like SAP have increasingly complex and distributed architectures, application managers need SLM capabilities simply to understand the basic health of their installation. Thus, Nimsoft technology can become a component of service management for many enterprises.

The Final Word

Effectively managing business-critical, technologically complex services in conformance with a company's delivery expectations is an increasingly important component of business success and has fuelled the need to monitor and analyze business service levels and infrastructure performance in concert. Nimsoft has positioned itself to take advantage of this growing trend with packages, programs, and partnerships that align with specific needs of three distinct market segments: ease of deployment for small companies, value-adding best practices and reporting for MSPs, and insight into the health of specific applications for enterprises.

¹ NimBUS will deliver health monitoring of multi-tier, multi-instance SAP R/3 deployments to Oracle customers through the Oracle Enterprise Manager 10g console.

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With a belief that business success and IT success are inseparable, Ptak, Noel & Associates works with clients to identify, understand and respond to the implications of today's trends and innovations on the future of IT Operations.

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