

## Nimsoft gets service desk, new leadership and more customer momentum

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A lot has been happening at **Nimsoft** in its second year as part of **CA Technologies**. There's been an expansion into IT service management (ITSM) via the acquisition of **InteQ** as well as a change in leadership, with Chris O'Malley coming from CA proper to replace Gary Read as CEO. But Nimsoft continues to grow and expand its footprint in the MSP space, which is driving most of its business. Nimsoft is also winning more deals in Asia and Latin America.

### The 451 take

We called for Nimsoft to expand its footprint beyond performance management when it was an independent company, and it's taken that first step under CA with the InteQ buy. We'll be interested to see if more deals follow, such as to add an automation layer, which would seem to be the next logical step. Nimsoft certainly hasn't slowed down since the acquisition, and its dominance of the MSP space continues. While O'Malley's taking over directly for Read shows just how much CA values Nimsoft, we can't help but wonder if Read's departure will eventually spark an exodus of other Nimsoft executives and employees as well as a loss of the company's entrepreneurial spirit and luster, though the rest of the team has remained intact so far.

Changes have been brewing at CA's Nimsoft division. Late last year, CA quietly acquired InteQ, a small hosted ITSM vendor that it had partnered with, and added that technology to its Nimsoft On Demand SaaS offering. Nimsoft can now offer a common user experience and APIs across both its IT performance management and ITSM offerings, bridging the gap between detecting a service level outage or degradation and filing a helpdesk ticket. The InteQ purchase also gives Nimsoft an IT service catalog from which users can request and provision new IT services, such as a cloud server.

Nimsoft is also under new leadership. Former CEO Read, the driving force behind Nimsoft after it was formed in 2004 from the merger of Norwegian software vendor **Nimbus Software** and Read's company **Converse Software**, a Nimbus reseller in the US, left in April, a departure planned several months in advance; Read is currently considering a number of other new startup opportunities. Veteran CA executive O'Malley, who had most recently been executive VP of the Cloud Products & Solutions business line at CA, took over the day-to-day running of Nimsoft from Read, though Read previously reported to O'Malley before his departure.

Through all the changes, Nimsoft has not only kept up its momentum, but also exceeded its performance as an independent company. Despite coming over from the mother ship,

O'Malley has pledged to maintain Nimsoft as an independent entity at CA. In the first 60 days after the April release of Nimsoft's new unified product line, the company booked 16 new deals. In all, Nimsoft has added 240 new customers since being acquired by CA in March 2010. Revenue in the first quarter was up 81% year over year, driven by a 68% increase in its MSP business. Nimsoft now has more than 420 MSP customers, which account for roughly 70% of its new customers. Sales cycles have been cut in half since the acquisition as CA has doubled Nimsoft's headcount to about 240 employees.

As an independent company, Nimsoft's customer traction was mostly limited to North America and Western Europe. Under CA, Nimsoft has added customers in Asia and Latin America, and now boasts four of the top 10 Indian outsourcers as customers.

## Competition

Nimsoft continues to target the midmarket – or mid-enterprise – segment, which is typically those companies with \$300m-2bn in annual revenue that tend to be served by MSPs. First and foremost, the Nimsoft acquisition continues to give CA a presence in this space that its main rivals – **BMC Software**, **Hewlett-Packard** and **IBM** – lack. The Nimsoft division largely competes with other midmarket IT performance managers like **ScienceLogic** (which also has a strong presence in the service-provider space), **uptime Software** and **FireScope**. Open source Nagios is another common tool used in this segment. The InteQ buy and adjacent move into ITSM should bring Nimsoft into more competition with hosted ITSM vendors. **Service-now.com** is the unquestioned leader there.

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