

## Quest Boosts Microsoft Management With Aelita

John Enck, Raymond Paquet, Cameron Haight, Maurene Caplan Grey

Quest's planned acquisition of Aelita will benefit both vendors but will also complicate Windows management deployments under way by customers of both companies.

## NEWS ANALYSIS

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### Event

On 28 January 2004, Quest Software announced a definitive agreement to acquire Aelita Software for \$115 million. If regulators approve, Quest expects to complete the deal as early as the end of 1Q04.

### Analysis

Gartner believes that the combined company will likely emerge as a stronger force in the Windows-centric tool and management markets, and will probably compete more effectively against larger competitors. Although Aelita has a strong technology foundation, the company has long battled for recognition in markets dominated by much larger companies with deeper marketing budgets, such as Quest. Quest's size and market position could enable Aelita products to gain broader recognition. The acquisition of Aelita also eliminates one of Quest's competitors in Active Directory management and migration, while broadening Quest's product portfolio. Despite some overlap, several of Aelita's products do not compete with Quest's product portfolio, such as Aelita's backup and recovery tools, including ERDisk.

However, the acquisition faces significant challenges in Active Directory management and migration, where Quest and Aelita compete head-to-head. The combined company must work through an integration strategy that is acceptable to established Aelita and Quest customers. Furthermore, since Quest is acquiring a competitor in this area, Gartner believes that it could de-emphasize either the Quest FastLane technology or the Aelita technology.

Quest and Aelita are working on an integration road map, and Quest plans to announce its formal product road map to customers after the required regulatory review and completion of this transaction. In the absence of an integrated road map, Quest and Aelita customers will not have a long-term vision until at least March 2004.

**Recommendation:** Quest FastLane and Aelita customers and prospects should postpone further deployments and should consider competitive alternatives in Active Directory management tools until Quest articulates a clear integration road map and direction for the preferred technology. Tactical purchases of Active Directory and Microsoft Exchange migration tools should continue regardless of this acquisition as migration is a one-time event rather than an ongoing activity.

**Analytical Sources:** John Enck, Raymond Paquet, Cameron Haight and Maurene Grey, Gartner Research

### Recommended Reading and Related Research

- "Vendor Rating: Quest Encounters Challenges as It Grows" — Outlook for Quest as company transitions into a broader enterprise management vendor. **By Raymond Paquet**
- "Predicts 2004: The Future of Server Density" — Overview of high-density server technology in the future of data center computing. **By John Enck and George Weiss**

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