

MQSoftware Buy Helps BMC Application Management Capabilities

Milind Govekar

BMC Software's acquisition of MQSoftware will provide it with improved application management capabilities, especially for WebSphere, where it has lagged. Customers of both companies should benefit.

NEWS ANALYSIS

Event

On 10 August 2009, BMC Software said it has acquired MQSoftware, a Minneapolis-based middleware and application management solutions vendor, for an undisclosed amount of cash and other incentives. MQSoftware will become part of BMC's Mainframe Service Management (MSM) organization.

Analysis

During the past five years BMC Software has lost "mind share" in the application management tools area. Gartner client feedback indicates that customers regard BMC's Mainview and Performance Manager (formerly Patrol) tools as less than strong when it comes to IBM WebSphere suite management. BMC also faces increased competition, particularly from IBM Tivoli's Omegamon suite. The MQSoftware buy provides BMC with credible and proven technology to defend and grow its installed base in this area.

MQSoftware's two biggest sellers are Q Pasa, an application performance and availability monitoring product for WebSphereMQ, WebSphere, and Tibco middleware, and Q Nami, an application transaction and topology tracing product. MQSoftware has more than 300 customers for its software products and about twice that number for its training and services offering, with nearly 70% of those in the U.S. Q Pasa and Q Nami both support mainframe and distributed systems environments.

MQSoftware has been under pressure during the past two years to grow its revenue and installed base. However, many enterprises looking to consolidate their management tools and vendors perceived it as risky to do business with a relatively small company. When MQSoftware becomes part of BMC's MSM division, this should help alleviate some of those fears. However, customers should not assume that BMC will confine itself to developing MQSoftware's technology for mainframes; BMC may decide to market it to distributed systems as well. Q Nami, in particular, can also monitor composite application transactions and service-oriented architecture (SOA) transactions across a heterogeneous computing environment. This should provide BMC an opportunity to enter a market where it has little visibility and presence.

Gartner expects BMC to sell its products into MQSoftware's installed base and MQSoftware products into its own base. Integration between MQSoftware's products and BMC's Mainview console is already in place, since BMC is a reseller of Q Nami. However, this does not alter BMC's position in the application management market. Finally, MQSoftware typically had one-year maintenance contracts, so BMC may extend those to three years, which is typical for BMC.

RECOMMENDATIONS

- **Q Pasa and Q Nami customers:** Although this acquisition will provide a safer home for you, be ready to deal with a larger vendor and the ensuing complexities.
- **Users of all MQSoftware products:** Request a road map describing the future direction of these products.
- **BMC Software customers that have been using either Mainview or Performance Manager products to manage enterprisewide WebSphere environments:** Consider migrating to Q Pasa and Q Nami, which are superior enterprisewide products.

RECOMMENDED READING

- "Hype Cycle for IT Operations Management, 2009" — In 2008 and 2009, IT operations technology and processes have focused on cost optimization; however, this market grew by almost 10% in 2008. **By Milind Govekar and others**
- "2008 Data Center Polling Shows the Need for an Application Manager Role for Managing SOA Applications" — Audience polling during at the December 2008 Data Center Conference in Las Vegas provides insight into how enterprises are preparing to manage SOA applications. **By Milind Govekar**

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REGIONAL HEADQUARTERS

Corporate Headquarters

56 Top Gallant Road
Stamford, CT 06902-7700
U.S.A.
+1 203 964 0096

European Headquarters

Tamesis
The Glanty
Egham
Surrey, TW20 9AW
UNITED KINGDOM
+44 1784 431611

Asia/Pacific Headquarters

Gartner Australasia Pty. Ltd.
Level 9, 141 Walker Street
North Sydney
New South Wales 2060
AUSTRALIA
+61 2 9459 4600

Japan Headquarters

Gartner Japan Ltd.
Aobadai Hills, 6F
7-7, Aobadai, 4-chome
Meguro-ku, Tokyo 153-0042
JAPAN
+81 3 3481 3670

Latin America Headquarters

Gartner do Brazil
Av. das Nações Unidas, 12551
9º andar—World Trade Center
04578-903—São Paulo SP
BRAZIL
+55 11 3443 1509