

## CEP Market Consolidates Further as Informatica Buys Agent Logic

Ted Friedman, W. Roy Schulte, Eric Thoo

The complex-event-processing software market is still consolidating. By acquiring Agent Logic, Informatica will add real-time data and event correlation capabilities to its arsenal of data integration technology.

## NEWS ANALYSIS

---

### Event

On 2 September 2009, Informatica announced that it has acquired Virginia-based Agent Logic, which focuses on complex event processing (CEP) software. Financial terms of the deal were not disclosed. Informatica has said that it intends to retain Agent Logic's 75 employees and run the former organization as a new business unit, headed by Agent Logic's former CEO, Mike Applebaum.

### Analysis

This deal underscores the continuing consolidation of the CEP market as vendors in related areas acquire and integrate CEP technology with their solutions. Aleri, Avaya, IBM, Progress Software, Tibco Software and UC4 have also acquired CEP vendors in recent years. CEP functions help enterprises rapidly detect, correlate, analyze and respond to event data.

Financial services firms have been at the forefront in CEP technology adoption, but Agent Logic focused primarily on applications within U.S. government entities. In 2008, Agent Logic was one of the largest vendors in the CEP market, with software license revenue that Gartner estimates at about \$12.6 million, or almost 10% of the total CEP market of \$148 million in 2008.

The acquisition of Agent Logic will enable Informatica to combine data integration technology with real-time event stream conditioning. Agent Logic's CEP technology complements Informatica's offering — which focuses on transformation, integration, quality improvement and delivery of structured data — in two ways. AgentLogic offerings can:

- Capture events and changes from sources that Informatica currently cannot (such as Web pages and other less-structured sources)
- Detect correlations and other complex patterns in events, particularly patterns that occur in sets of events within time windows

The deal could also enable Informatica to enter the near-real-time operational intelligence or business activity monitoring (BAM) market. In addition, Informatica gains an installed base in the government and intelligence community, which affords cross-selling and upselling opportunities. Current Informatica customers in the financial services industry can also benefit from a broader set of near-real-time processing capabilities.

Agent Logic technology will also bolster Informatica's operational monitoring capabilities. However, Informatica will need to expand and revise its marketing and sales strategies, as it has sold primarily to the IT department. Buyers of CEP and BAM products focus more on addressing the needs of end users in the business.

## RECOMMENDATIONS

---

- **Informatica customers:** If you are already using Informatica tools for your data integration requirements and want to expand into building continuous intelligence applications, consider the Agent Logic products. Seek product road maps regarding integration of these products with the PowerCenter platform, and determine any potential benefit from buying from a single source.

- **Agent Logic customers:** Expect this deal to bolster the financial stability and future prospects of the technology, as Informatica's greater size ensures that it can provide additional financial and marketing resources.

## RECOMMENDED READING

---

- "Hype Cycle for Application Architecture, 2009" — The widespread adoption of business dashboards and the use of CEP in algorithmic trading and other applications has resulted in a CEP market shakeout as larger companies seek to enter this market. **By Roy Schulte**
- "Emerging Technology Analysis: Complex Event Processing" — Gartner explains why growth in the market for products that perform event processing has accelerated and outlines the many acquisitions that have occurred in this segment. **By Teresa Jones and Roy Schulte**

(You may need to sign in or be a Gartner client to access the documents referenced in this First Take.)

This research is part of a set of related research pieces. See "Roundup of Business Intelligence and Information Management Research, 4Q09" for an overview.

## 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