

Compuware Acquires Gomez to Extend Its APM Capabilities

Will Cappelli, Milind Govekar

Compuware is acquiring Gomez to extend its on-premises application performance monitoring capabilities to end users across the Internet. Compuware will need to retain Gomez's service business expertise in this area.

NEWS ANALYSIS

Event

On 7 October 2009, management software company Compuware announced it would acquire Gomez, a provider of Web application experience monitoring services. The companies expect the \$295 million cash acquisition to close in November 2009.

Analysis

This acquisition is an important strategic move for Compuware. By adding Gomez's global software as a service (SaaS) delivery capability for application performance monitoring (APM) to its on-premises APM software, Compuware ensures that it will remain a competitive force in the overall APM market. In selecting Gomez, rather than another similar service provider, Compuware has opted for a company that is focused on supporting the requirements of IT operations management teams. Gomez also offers other solutions in Web performance testing and Web analytics.

This deal responds to three important APM market dynamics:

- Enterprises increasingly need to be able to monitor and manage end-user performance and to determine the availability of application transactions, whether internal or external, Web-based or not.
- The small and midsize business market for APM prefers the SaaS mode of delivery and will likely continue to favor it.
- Even among large enterprises, the SaaS delivery model is proving to be a very attractive way to start deploying APM.

The acquisition's success will depend on Compuware's ability to overcome four challenges:

- *Solution integration:* Compuware needs a clear plan to integrate measurement data from its on-premises solution and Gomez's off-premise solution, especially in synthetic transaction-based end-user experience monitoring.
- *Limited experience running APM as a SaaS business:* Compuware needs to retain and enrich Gomez's expertise.
- *Its profitability as a traditional APM software vendor:* Compuware must ensure that the SaaS model does not affect this profitability, which will depend on its positioning, buying centers and go-to-market strategies.
- *Testing and quality management functionality:* Since Compuware has recently divested its testing and quality management functionality, it must clarify the future of Gomez's offerings in these areas.

RECOMMENDATIONS

Compuware customers:

- Act now to strengthen service and support contracts.
- Seek clear guidance about the integration of the two solutions for your environment.

- Consider shortlisting Gomez's solution if you are looking for a SaaS-based end-user monitoring solution.

Gomez customers:

- Ask Compuware for its assurance that it will retain key Gomez staff. Review your contracts, if necessary.
- Seek a guarantee that Compuware will continue to support Gomez' load and testing tools and related services.
- Consider shortlisting Compuware if you are looking for on-premises APM software.

RECOMMENDED READING

- "The Four Varieties of End-User Experience Monitoring"— Each of the four distinct varieties of end-user experience monitoring technology plays a critical role in the comprehensive APM architecture. **By Will Cappelli**
- "NetQoS Acquisition Rounds Out CA's Network Management Portfolio"— CA's acquisition of NetQoS will boost CA's ability to analyze network traffic at a granular level. **By Debra Curtis and others**

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

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