

# Quest Software Delivers a Pragmatic Approach to Business Service Management with its Magnum Technologies Acquisition

## Executive Introduction

Business Service Management (BSM) is a poorly understood but critical area of investment for IT as it evolves toward a more business-aligned role within the organization(s) it supports. Just the notion of understanding business services vis-à-vis IT services makes this a challenge for many IT adopters. For instance, in shipping a package from Detroit to Moscow, any number of IT-related services may be invoked, from inventory and tracking, to fleet management applications, to security-related software, to staffing management software, to basic communication software. Understanding the relationships of all these various applications to the actual business service remains more of an art than a science today, and can vary in complexity from a simple milestone approach to a highly elaborate mapping of each business process component to IT-related services. The relationships between IT services and business services can become yet more interesting as, in a growing number of cases, an IT service such as e-Trade becomes a fully customer-facing business service in itself.

BSM therefore requires a more cohesive approach to managing IT services in order to position IT more effectively to focus on business alignment without getting lost in bottoms-up complexity. To a large degree BSM has supplanted Service Level Management (SLM) as a larger vision of managing to a service with a more cohesive, dynamic and adaptive approach than siloed or technical Service Level Agreements (SLAs). BSM ideally embraces a full lifecycle approach to the creation and delivery of business services, while providing IT with dynamic insights on performance, cost and customer impact for use across virtually all management disciplines.

When Quest Software acquired Magnum Technologies in late May of 2007, it made a very well-focused investment in a complementary capability to its established leadership in application and database management, Quality of Experience (QoE), and application lifecycle planning. Magnum brings Quest critical new strengths in the NOC, including discovery, correlative analytics and performance management.

But Quest is particularly well-supported through Magnum's ADVANTAGE, which is an open architecture inherently well-adapted to the cohesive "single pane of glass" required for effective BSM, with native design capabilities for assimilating monitoring and discovery capabilities from multi-brand management software. The Magnum acquisition also helps to strengthen Quest's position as a significant contributor to CMDB systems, where trusted management sources are

reconciled and integrated to support more efficient service management. This report looks at Quest Software's enhanced BSM position since the Magnum acquisition.

## Business Service Management, ITIL and CMDB Systems

BSM is at once one of the more dominant terms circulating within the IT management marketplace, but it is also one of the more confusing. Over the past several years, EMA has witnessed a growing interest in BSM through its dialog and consulting with IT organizations, in some respects spurred by initiatives such as IT Infrastructure Library (ITIL) best practices and Configuration Management Database (CMDB) initiatives. Both ITIL and CMDB systems (which grew out of ITIL best practice recommendations) have become catalysts for a more customer-centric, service-oriented and cohesive approach to running IT as a culture and managing IT services across the infrastructure. In effect, IT has itself recognized that it is at a tipping point where requirements for performance and accountability are taking on greater importance, as the role of IT vis-à-vis the business it supports is becoming more contributive, more critical, and in many environments more creatively enabling.

However, BSM remains a confusing term in the minds of many IT adopters in part because of much of the strident marketing and vendor positioning surrounding it. BSM is best understood as a multi-dimensional approach to aligning IT with business objectives. It includes, but is not limited to, effective, business-centric SLAs, defined processes to ensure that business and IT stakeholders are in sync, and thoroughgoing financial accountability and cost models that reconcile IT service business value with opex and capex investments. BSM should ideally also include creative future planning to address those areas where IT services may directly enable outreach to new markets, new customers or even support altogether new business models. Given all this, BSM is more of an approach to the management of IT than a purely segregate set of technology offerings.

Along with ITIL, CMDB systems are becoming one of the more conspicuous BSM enablers, as they support the integration and reconciliation of a wide variety of "trusted sources" to enable more cohesive approaches to IT management. And while the term "CMDB" is possibly even more conflicted than "BSM" within the industry, many IT organizations are nevertheless recognizing the transformative value of going through

a disciplined, CMDB system initiative, including the political, cultural, process and technology requirements to support a more collaborative, consistent and efficient way of working. In EMA's extensive consulting and research, not a single IT organization has regretted undertaking the thorny requirements to build more cohesion and consistency through embarking on a first phase CMDB system.

However, effective CMDB systems (which can show ROI in as little as seven weeks) are not one-size-fits-all monoliths. They should be embarked upon with clearly phased goals. BSM initiatives can and should help to inform CMDB strategies and address BSM core requirements that can provide a boost to organizations seeking to get a foothold on how to embark on CMDBs. This is because to a large degree, CMDB systems can be understood as key enablers for more effective and pragmatic approaches to BSM.

### Some BSM Requirements

With this in mind, it's worthwhile looking at some core BSM requirements. These include:

- *Dynamic and cohesive capabilities for integration:* BSM requires a consistent and dynamically accurate "single pane of glass" that can capture infrastructure-to-service interdependencies as well as customer/business impact information, all in a manner that's contextually relevant to actively managing and delivering IT services.
- *Include operational and customer impact fluidly:* BSM should be able to support both operational and customer-facing priorities for balanced and informed decision making.
- *Cross-disciplinary:* Managing to a service requires technology that supports cross organizational collaboration with consistent frames of reference and relevant role-related insights.
- *Cross-domain analytics:* BSM similarly requires good analytic support for analyzing interdependencies across networks, systems, applications, etc.
- *Effective visualization:* Once good analytics are in place, BSM also profits from a mature set of role-supportive visualization capabilities including reports and real-time navigational insights.
- *Recognition of need for policy and process support:* Effective BSM doesn't start with technology, it starts with a focus on process and policy definitions. Once these are actively being defined, technology investments can become critical BSM enablers.
- *Political and cultural requirements/implications:* Finally, BSM is at core a cultural commitment on the part of IT with clear

organizational implications. Ignoring this fact often leads to failed initiatives and "short cuts" that in the end turn out to be a very long way around indeed.

### Quest Software

Quest Software, with a long history in database management, entered the application management marketplace with its Foglight acquisition in 1999. Its application and systems management capabilities represent about a third of Quest's business currently, which has grown through a series of carefully targeted equity investments, OEM agreements and acquisitions through one of the industry's more cohesive partnership/acquisition strategies. For instance, an equity investment in Insightix in 2006 offers Quest strong support for networked infrastructure discovery and security, and a 2006 OEM equity investment in AVICode supports new capabilities for .NET Performance Management. In addition, the acquisition of Xaffire in 2006 provides end-user replay for strong insights into Quality of Experience. Seen in this regard, the acquisition of Magnum in May of 2007 is a logical outgrowth of this ambitious and well thought-out strategy.

### Magnum Technologies' ADVANTAGE

Magnum Technologies has proven itself as a strong, independent network management provider with COORDINATOR for correlated root cause analysis, CAPTREND for network performance management, and more than 250 customer adopters prior to the Quest acquisition. Magnum's solutions have stood out for their functional breadth, deployability and ease of administration. Moreover, Magnum entered the market with an "open architecture" optimized to leverage third-party discovery capabilities for its COORDINATOR product.

This openness to third-party solutions was significantly broadened with the introduction of ADVANTAGE in 2005 which can assimilate both discovery and monitoring capabilities from multi-brand management investments. ADVANTAGE's wide range of supported integrations include those with IBM, HP, Cisco, CA and Hitachi. ADVANTAGE's Business Service Discovery engine assembles inputs from multiple sources, including third-party management software, and dynamically populates an organizational impact model with infrastructure as it maps to specific services. Now, combined with Foglight, ADVANTAGE will offer all of Operations a strong capability to support BSM requirements in an integrated and dynamic fashion.

ADVANTAGE's distinctive combination of strengths also includes the dynamic discovery of service paths, and what Magnum calls "service chains," which are dynamic linkages of applications and infrastructure that are interrelated in delivering

a total service – as for instance, e-mail may depend on DHCP (Dynamic Host Configuration Services). It also provides flexible modular policies to manage SLAs in conjunction with Key Performance Indicators (KPIs). One of ADVANTAGE's outstanding features is the very savvy capability to modulate alert levels based on role and interest, so that, for example, an executive interested in customer impact from a dollars and cents perspective might see a yellow alert, where as an administrator responsible for changing a much needed router configuration might see a red alert.

### A Focus on Openness and Integration

Quest's strategy, however, goes well beyond "territorial enlargement" through partnerships and acquisitions. It is also grounded in architectural and functional integration. And in fact, after about nine months of OEM, Magnum's functional capabilities had been fully integrated into the Foglight Architecture even before the acquisition was announced.

Quest's architecture leverages a model-based approach that can enable effective management at various levels, including data collection, the aggregation of data to capture meaningful relationships and interdependencies, and modeling extensions to capture logical relationships such as customer or geographical impact.

The integration of Magnum Technologies with Foglight is highlighted at various levels. Magnum's CMDB is integrated with Foglight's Operational MDB (focused on performance and change). As a combined resource, Magnum and Foglight help to manage assets (AMDB) and present a unified service catalog (SMDB) to both customers and IT operations. This foundation, which enables integration with third-party management solutions through the CMDB, provides a cohesive "super highway" for implementing policies and analytics, and enabling contextual insights into transactional analysis focused at the end-user experience. This in turns supports best practices/process initiatives, including workflow.

### EMA's Perspective

EMA views Quest's acquisition of Magnum Technologies as a striking and perceptive move in which, in that rarest of occurrences, execution on the integration plan actually preceded acquisition. Magnum Technologies was a quietly successful innovator with strong pragmatic values and a proven track record in the customer community. Quest therefore has made a very positive move in bolstering both its heretofore largely non-existent network management capability, and in complementing its building block architecture with a mature and open system for service impact management that includes top-down visibility and navigation, and bottom-up integration through a CMDB. Interestingly, EMA had encountered multiple instances of Magnum as a "CMDB" contended through its own IT consulting.

Given the fact that most of the hard work is already done, there's little negative to say about this move. The one challenge that remains for many acquisitions is cultural and skill set assimilation, and EMA believes that this is continuing on a successful path since acquisition date.

The net result is a distinctive and pragmatic approach to BSM and CMDB systems – one that should allow customers flexibility in how they wish to mix and match investments with strong added values in integration and analysis. This fits both EMA's model for next-generation service assurance and CMDB system integration, as well as what IT reports to our EMA consultants when they say they want an intelligent core for integration and automation that respects and facilitates freedom of choice.