

ManageEngine: Shaking Industry Complacencies

An ENTERPRISE MANAGEMENT ASSOCIATES® (EMA™) White Paper
Prepared for ManageEngine

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Executive Summary

ManageEngine, a division of ZOHIO Corporation, has spent much of the past decade developing successful point products for the IT management market. Increasingly, customers have been integrating these products to benefit from cross-silo functionality and to improve coordination across departments. And this type of integration achieved a new level of sophistication, when ManageEngine introduced its IT360 Management Suite, a comprehensive IT management platform that provides an integrated, Web-based solution for network management, application management, service desk ticketing, and other essential IT functions. Significantly, ManageEngine products are available at 10-20% of the cost of competing solutions from enterprise-class IT management vendors such as BMC, CA, HP, and IBM.

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EMA expects that IT departments will be pleasantly surprised by ManageEngine's affordability, wealth of features, and integration of functions—integration that allows network troubleshooting, for example, to tie directly into the service desk workflow. We expect that forward-looking IT organizations will be pleased by ManageEngine's product roadmap, which calls for further integration with other ManageEngine and third-party technologies, as well as the development of a mature Configuration Management Database (CMDB).

Introduction

Over the past few years, vendors of management software for IT services have been steadily improving their products; they have not, however, reduced their prices. Any management solution with monitoring and analysis capabilities comprehensive enough to support strategic requirements still commands a premium. Application analysis, network analysis, asset management, and help desk trouble-tickets are all interrelated, and getting a management solution that efficiently connects all the dots is possible—but almost always expensive.

Which is what makes ManageEngine's introduction of a new IT management offering, IT360, so surprising. ManageEngine IT360 is a new, integrated solution for IT management that builds on the strengths of individual ManageEngine products in areas such as network monitoring and asset management. ZOHIO Corporation's ManageEngine division is offering these capabilities in an integrated, extensible solution at a fraction of the price of comparable offerings from major vendors such as CA and HP. The goal, according to the company's management, is to deliver 80-90% of the functionality of other IT management solutions at 10-20% of the price.

The low cost will obviously appeal to SMBs, but even large enterprises may want to take notice. ManageEngine is repositioning itself as an enterprise-class solution provider. The company's new product roadmap, which includes evolving integration capabilities to support a CMDB, clearly signals that ManageEngine is serious about offering industrial-strength solutions that will both broaden the company's already sizeable share of the SMB market while also extending its reach into large-scale enterprise market. Affordable, easy to deploy, and easy to administer, ManageEngine software promises to be an attractive alternative for large enterprises interested in affordably improving their IT management capabilities at remote locations.

Until now, ManageEngine has been known in the market for its point products, including:

- Applications Manager: integrated applications, servers, and database monitoring software
- OpManager: network management software
- NetFlow Analyzer: Web-based bandwidth monitoring and reporting software
- ServiceDesk Plus: help-desk software with integrated asset management capabilities

These products have done well individually and, with some customers, in combination. But many customers know the company only for the product they are using, not for the full suite of products. A customer might be a loyal fan of ManageEngine's ServiceDesk Plus product, for example, without being aware of the company's strengths in NetFlow analysis.

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With the launch of ManageEngine IT360, ManageEngine is positioning itself as a solution provider. Its goal is to deliver a comprehensive but affordable solution for IT management. The new solution combines a wide array of pragmatic capabilities in a framework that is easy to deploy and administer and that quickly returns value to customers.

This white paper examines the market requirements and market dynamics that ManageEngine IT360 is intended to address. The paper presents an overview of ManageEngine platform today and also looks at ManageEngine's roadmap and future direction.

Market Background: New Demands and New Requirements

Demands

The need for IT management services is more critical than ever. Thanks in part to convergence, there's considerably more traffic on the network, and much of that traffic, such as VoIP and video, requires highly reliable, low latency connections. Web-based applications are becoming the norm for both internal and outward-facing services, creating challenges in the areas of application monitoring, application performance (especially when those applications rely on bloated XML communications), and network security. Networks are more far-flung, as portals and Web services extend applications onto the public Internet and into partner and customer networks. Branch offices are proliferating, in part because of mergers and acquisitions. (See Figure 1.) Wireless networking and mobile computing create new challenges in the areas of network provisioning, network security, and application delivery. Configuration changes are becoming more frequent, in part because of virtualization and SOA.

While managing the delivery of these new services and technologies, IT departments are being asked to align IT services to business goals. Managers must ensure that IT resources are marshaled as effectively as possible to support specific business goals. When business requirements change or when new business opportunities suddenly arise, IT departments are expected to be able to quickly redeploy and reconfigure resources accordingly.

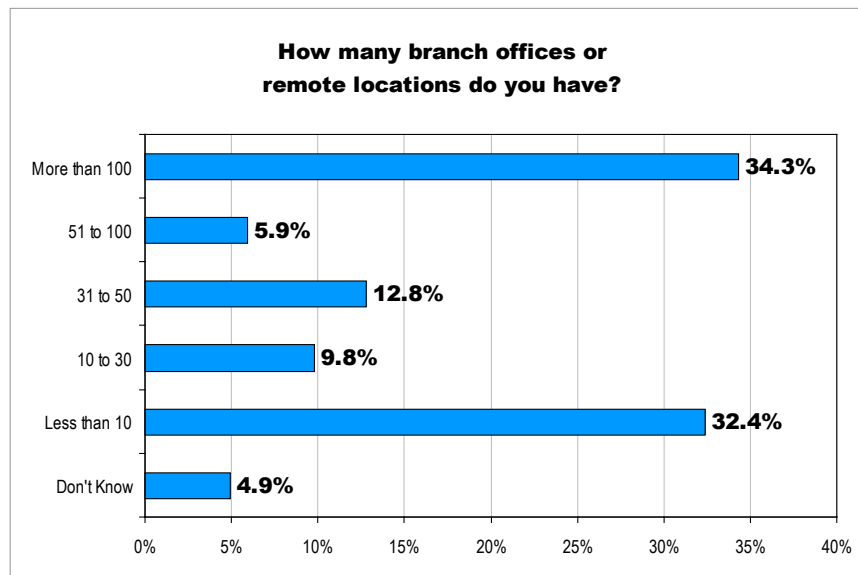


Figure 1: As branch offices and remote locations proliferate, IT application services increasingly depend on the network (EMA research from Q3 2007)

These requirements can largely be summed up as visibility and integrated control. Visibility enables IT engineers to see what's working and what's not across the IT infrastructure. Visibility also allows engineers to understand how specific IT services are affecting business operations. Integration among IT systems enables IT engineers to monitor, control, and troubleshoot services across functional silos. Integration can also empower engineers to respond quickly and effectively to problems with minimal reliance on manual processes and guesswork. These requirements are global—not geographically limited—and they are impacting small businesses as well as large. In fact, often small businesses need to be even more progressive in seeking ways to efficiently manage IT services in light of comparatively limited resources.

Requirements

Through our research, EMA has identified the following needs and requirements for effective enterprise and mid-tier management.

- *Ease of deployment* and *ease of use* ranked #1 and #2 in a list of SMBs' concerns about network management software.¹ Larger enterprises shared these concerns: ease of deployment and ease of use placed in the top 5 of their concerns.
- *Integration with other toolsets* is a top concern of both SMBs and enterprises. IT departments in organizations of all sizes expect new technology to work well with existing technology. No single product is a universal panacea. Customers are demanding that a product be able to leverage the functionality and benefits of other products. New investments should complement and extend earlier investments.

¹ This research focused on companies with 1,000 or fewer employees.

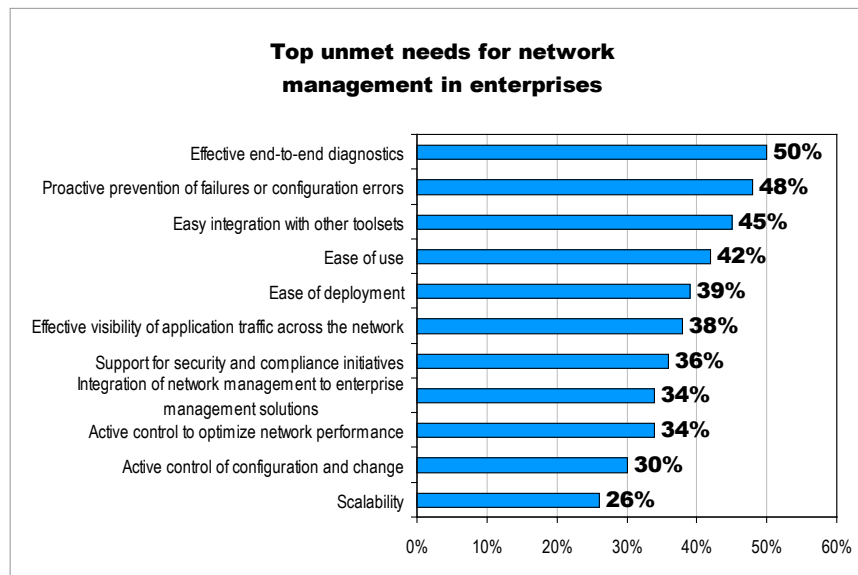


Figure 2: End-to-end visibility was the number one ranked unmet need of enterprise IT in network management, while ease of deployment and ease of use also ranked high (EMA research from Q3, 2007)

- *Effective end-to-end diagnostics* was the #1 concern of large enterprises and the #5 concern of SMBs. End-to-end visibility is essential. In today's Web-based architectures, the delivery of an application typically involves multiple network segments and may include transactions traversing multiple domains. Offering IT only a limited purview into the server side, the client side, or a subset of network segments is simply not going to give IT engineers the understanding they need to troubleshoot and optimize application delivery. To diagnose problems with networked application performance, IT engineers would like to get information—preferably in an integrated way—about application configuration, network configuration, server configuration, and event-based information.
- *Ease of deployment* and *ease of use*, not surprisingly, rank high. Already overburdened with work, IT departments want solutions that can be deployed quickly. In the IT world generally, there's less patience than there used to be for deployments that involve teams of consultants and that stretch out over many months. IT departments strongly favor solutions that can be deployed in days or even hours. Once deployed, the products should be easy to use, requiring minimal training (and training costs) and making their benefits available to the widest possible pool of appropriate IT users.

How well are today's network management products meeting these needs? Our research shows there's still a lot of room for improvement.

- Whether it's because of a lack of confidence or a lack of budget, many organizations today still don't use network management software for diagnosing problems. For example, only 21% of enterprises use third party software for diagnosing critical application service performance issues.

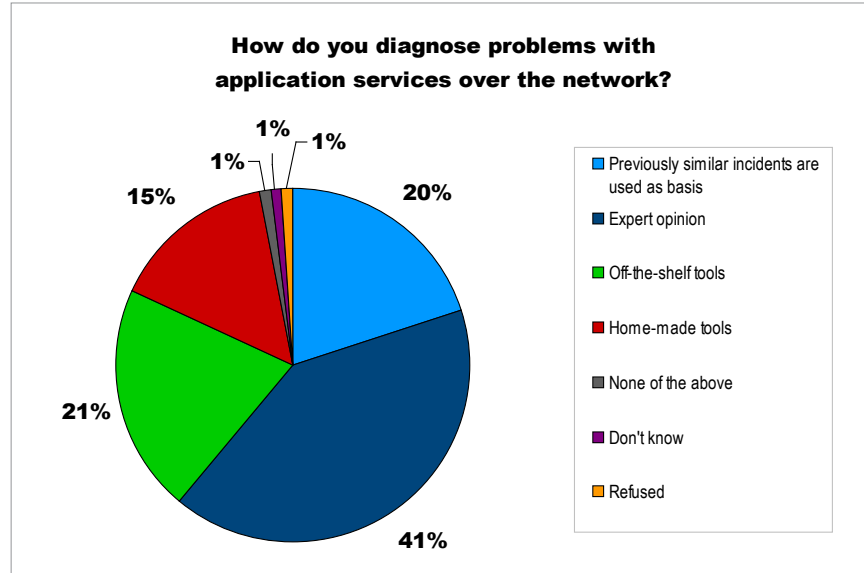


Figure 3: In spite of massive industry attention to root cause analysis and diagnostics, only 21% of IT enterprises prioritize third-party software for diagnosing critical application problems (EMA research from 2007)

- Forty-three percent of enterprises still rely on manual processes to visualize their IT infrastructure, and 21% don't visualize their infrastructure at all.

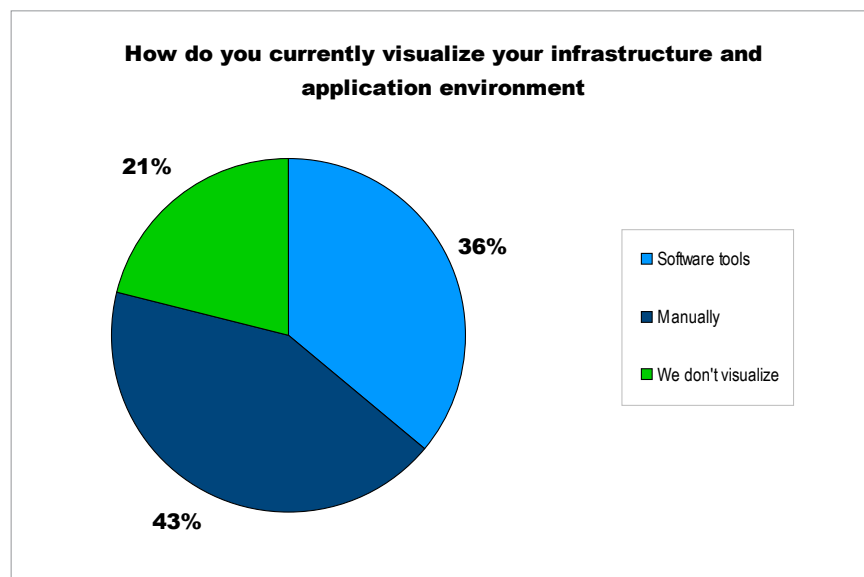


Figure 4: Effective discovery tools for visualizing the infrastructure remain largely supplemented by manual processes, and are not present at all in many IT organizations (EMA research from 2007)

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ManageEngine's Evolution from Point Products to ManageEngine IT360

Primarily known now as a provider of point solutions to SMBs and mid-tier enterprises, ManageEngine (known then as AdventNet) originally developed its IT management technology in the late 1990s, when it sold its product framework as an OEM solution to major telecommunications companies. About five years ago, the company decided to repackage this technology as individual products addressing specific areas of enterprise IT management, such as asset management or applications monitoring. It created a new division, ManageEngine, focused on network management. Since then, the new division has enjoyed broad success. Its individual products boast thousands—and in some cases, tens of thousands—of customers. In some markets, such as NetFlow analysis, the ManageEngine product has become the most popular choice for SMB and mid-tier IT users. While the ManageEngine brand is not as broadly known as it could be in the marketplace, but the success of ManageEngine products is evident and unmistakable.

ManageEngine recognizes, though, that integration and comprehensiveness are essential attributes for any winning IT management product line. It has built its individual products to integrate with one another, and it has now launched a new, fully integrated platform, ManageEngine IT360. ManageEngine approached this launch with a unique vantage in the market: deep experience meeting the mission-critical, large-scale needs of large organizations like telcos, while also providing the “out-of-the-box” simplicity and ease-of-use required to succeed in an SMB market where the distribution model is download, try, and buy. By integrating its individual products to create a more comprehensive and seamless IT solution—an integration now fully realized with the new ManageEngine IT360 platform— ManageEngine can begin to address more comprehensive and more strategic needs of its customers.

Highlights of the ManageEngine Solution Today

The ManageEngine solution is designed to be a comprehensive solution for addressing these essential areas of IT operations:

- Network analysis and management, including traffic analysis and network troubleshooting
- Application management, including end-to-end analysis of application performance
- Operations monitoring and management encompassing servers, firewalls, WAN links, and other critical infrastructure elements
- Help desk and service desk operations

ManageEngine products are Web applications that leverage new Web technologies (such as Web Services for communication among components and for integration with other IT assets), rather than relying on older client/server architectures and software stacks. ManageEngine's customer-driven product development practices have also helped to focus product features on real pain points felt by IT departments.

A key benefit of the product is its service-centric approach to IT management. In many areas of monitoring and analysis, the product offers a way to link IT infrastructure to business services, whether by associating network addresses with specific departments or by recognizing individual business applications and tracking their performance.

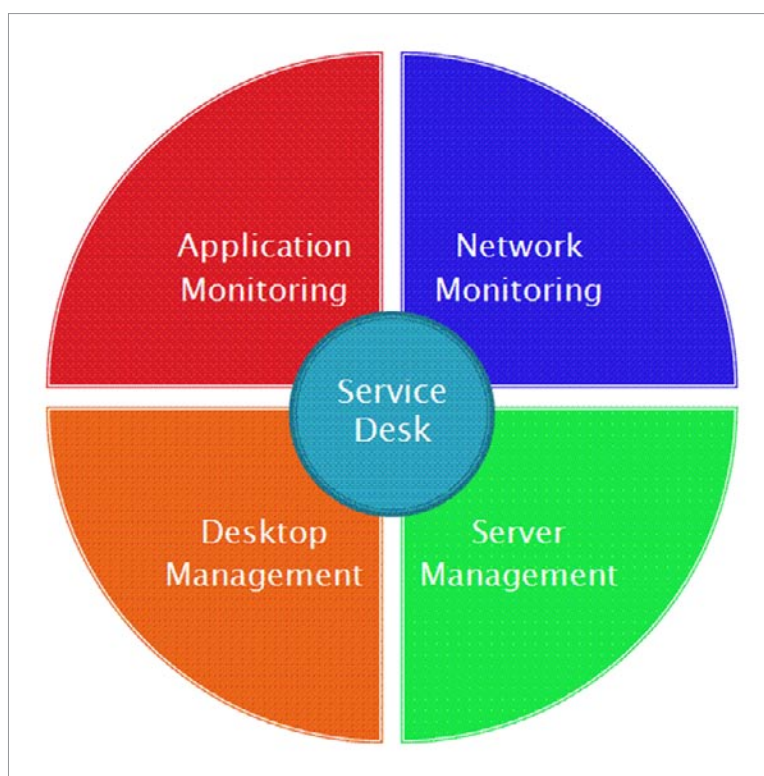


Figure 5: The ManageEngine Portfolio

Network Performance Management

ManageEngine's network performance management capabilities derive, in large part, from a combination of OpManager with its NetFlow Analyzer product. NetFlow Analyzer was introduced in 2004 and is now the most popular mid-market product for flow analysis. Flow analysis products analyze data from network infrastructure devices, such as routers and switches, to provide engineers with a view of network usage, bandwidth consumption, and traffic patterns, among other criteria.

Using flow data and other techniques, ManageEngine supports:

- WAN Monitoring
- RTT (round trip time) troubleshooting (using IP SLA)
- Network Troubleshooting
- Router monitoring
- Application Performance Monitoring
- QoS policy validation
- Capacity planning through trend analysis

For its network analysis, NetFlow Analyzer makes use of a variety of analysis protocols, including NetFlow, CBQoS (Cisco's Class-based Quality of Service MIB), and NBAR (Network-based Application Recognition, which performs deep packet inspection on the first packet in a flow and hence aids in the identification of applications using dynamic ports). An upcoming release will introduce support for Network-based Anomaly Detection (NBAD), an approach to network monitoring that characterizes normal network performance and raises an alert when anomalies occur. NBAD is especially useful for detecting zero day attacks that whitelist-based security defense products have not had time to characterize.

ManageEngine stores raw network flow data for a month, aiding in network forensics (the analysis of network events minutes, hours, or days after they have occurred). Aggregate data can be stored indefinitely. It provides alerting through email and SNMP traps when network performance crosses thresholds or a link goes down. It also enables Network Operations Center (NOC) teams to respond more quickly to incidents such as device failures or network congestion.

Data Center and Operations Management

ManageEngine is designed to provide a service-centric view of IT operations to support proactive management and to guide IT efforts in the mitigation of problems. A service-centric view of infrastructure enables IT engineers to fix the service-critical problems first.

ManageEngine provides “a single pane of glass” for monitoring both the data center and the WAN. It provides visibility into data center operations, including:

- Server availability and performance
- Application availability and performance
- CPU, memory, and disk utilization
- URL monitoring
- Switch, firewall, and UPS monitoring
- Windows infrastructure, including Active Directory, Windows events, etc.

It also provides visibility into WAN operations, including:

- Link availability
- Link performance
- Link utilization
- Traffic analysis based on network flow protocols
- Router availability and performance

SLA dashboards make it straightforward for IT management to measure the delivery of services against established goals for performance. Monitoring functions are integrated with ManageEngine's network management and service desk capabilities.

In tiered application environments, engineers need to analyze all tiers—including operating systems, databases, Web servers and middleware—to understand how an application is performing. Using technology originally introduced in ManageEngine's Applications Manager product, the ManageEngine platform provides a holistic view of application performance, taking into account response times, transaction simulations, and the state of resources such as application servers, database servers, and Web applications. Its service-centric view of applications, linking applications to specific business groups and business operations, helps IT engineers to understand how application performance problems are directly affecting users and to prioritize remediation work accordingly. The agent-less architecture, which collects performance data from network flows, reduces costs and provides broad coverage in support of application analysis.

It should be stressed that this functionality comes in a solution that can be deployed in a matter of hours, rather than weeks, and that can be extended and customized through scripts and open source network management products.

Overall, ManageEngine provides a more comprehensive view of the IT landscape than other equivalent competitors. Instead of deploying an assortment of low-end tools, each dedicated to a function such as a monitoring sever-uptime, IT organizations can deploy ManageEngine and benefit from an integrated view of network and systems operations, with the benefit of being able to drill-down into any area that requires attention.

At the same time, it provides a more affordable and flexible solution than far more costly offerings from the Big 4 (BMC, CA, HP, and IBM), even if it lacks some of the advanced features of those products.

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Desktop Management and Service Desk

ManageEngine is more dominant in the service desk market than many people realize. Its ServiceDesk Plus product has 10,000 customers. ManageEngine has wisely chosen to enable this product to be easily integrated with other ManageEngine point products and to include it in the release of ManageEngine IT360. This design choice will ultimately enable ManageEngine customers to resolve problems more quickly, leading to better network and application performance. For example, when ManageEngine detects that a router is down, it will automatically create a ticket and route the ticket to the network

engineer responsible for the router. Such automation can shave hours or and sometimes even days off time-to-fix times by helping to automate what some in the industry call “Mean-Time-to-Find-Someone” – as Level one Help Desk professionals get trapped into escalating a series of misdirected queries through lack of process automation and effective information. ManageEngine’s other features in the area of desktop management and service desk operations include:

- Asset discovery and integration
- A knowledge base for recording processes, tips, technical specifications, and more
- A business portal interface
- Automated alerts and follow business rules
- Automation and workflow overall for problem/incident and change management
- Eventual support for a CMDB
- Software Distribution
- Remote Control
- Patch Management

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The ManageEngine ServiceDesk Plus is one of ManageEngine’s most successful products and stands at the heart of their approach for creating an integrated portfolio for enterprise deployments. Its success is arguably one of the best-kept secrets in the industry. ServiceDesk Plus now has more than ten thousand customers, including a significant number of brand-name enterprises who uses ServiceDesk Plus to support anywhere from 150 to 400 IT technicians.

ServiceDesk Plus comes in three versions:

- Standard Edition, which is a basic help desk
- Professional Edition, which includes integrated asset management
- Enterprise Edition, which a full set of Service Support capabilities, more than one hundred out-of-the-box reports, as well as support for ITIL modules such as Problem management and Change management.

Overall, ServiceDesk Plus is also distinctive for its versatility and ease of customization, which also enhances its value to both mid-tier and enterprise adopters. As an example of the product’s flexibility, it can import users from Active Directory with the potential to automate software updates based on pre-defined time slots.

AssetExplorer and the CMDB

ManageEngine’s CMDB strategy is based on a strong discovery capability. Drawing on its roots in network management, ManageEngine developed AssetExplorer to be versatile in its ability to discover a wide range of network and systems devices (including printers and end stations) by leveraging SNMP, Windows domain scan, WMI, telnet, Command Line Interface interrogation and other capabilities. It also supports automatic updates

and asset and inventory functions, as well as other capabilities such as downstream alarm suppression when integrated with OpManager. This agent-less discovery capability is complemented by ManageEngine's Desktop Central software, which is agent-based and designed for software distribution to desktops and servers.

ManageEngine's CMDB strategy, as indicated in the section on "ManageEngine IT360 and the ManageEngine Integration Strategy", is built around AssetExplorer as a shared resource across multiple ManageEngine products. The CMDB will turn AssetExplorer's knowledge of topology, inventory and service-interdependencies into a single repository with modular capabilities to share information across other systems. The CMDB will also be designed to import and export data into other third-party software systems using XML.

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A Surprising Array of Features

Given its price point, ManageEngine ServiceDesk Plus offers a surprising variety of additional features. A few highlights include:

- Self-service automation for self provisioning, including a capability called "Robo Technician" to automate support for users who have forgotten their passwords
- Easy policy and rules creation, including setting customized procedures for change and problem management
- Support for creating and enabling a Change Advisory Board through automated processes and policy definitions
- Support for Knowledgebase management with specific guidelines and recommendations for diagnostics and repair
- Integrated asset management that includes the capability to attach contracts to one or multiple assets and manage lifecycle costs dynamically
- Support for IT governance initiatives directed at auditing how much time an actual task took versus the time budgeted for it (e.g., in mean-time-to-repair problems, or in managing configuration changes)
- Support for the creation and automated administration of customer-facing surveys

Security and Compliance

The visibility and integrated control offered by ManageEngine software has obvious benefits for security and compliance. SLA monitoring is obviously a critical function for compliance. Network and application monitoring can identify security threats and attacks. ManageEngine's support for anomaly detection also strengthen this capability. While not positioned as a security product per se, with its Security Manager Plus, Password Manager Pro and Log Analyzer products, ManageEngine offers capabilities that are essential for securing IT infrastructure and ensuring that IT operations comply with industry regulations and business guidelines.

Customer Interviews

Interview with a Large North American Manufacturer Developing a Managed Services Line of Business

It's rare to hear such strong levels of enthusiasm about management software as EMA did from this leading systems architect as he plans a new business offering in the area of managed services. He uses ManageEngine Service Desk Plus, which he described as "the most phenomenal tool we've seen to date," along with OpManager, Applications Manager, NetFlow Analyzer, and Desktop Central, among other solutions.

"While there's really a buzz with large platform vendors, like IBM, trying to enter the mid-market, what they really want to do is sell enterprise tools positioned for mid-market requirements. But ManageEngine's directions with IT360 is fundamentally changing the rules of the game. There are other mid-tier offerings out there, but none offer the breadth of functionality at the ManageEngine price point."

"We can enable our clients to manage servers, routers, switches, even desktops, with insights into application-level quality of experience (QoE), along with NetFlow-related bandwidth utilization."

This senior architect especially likes ServiceDesk Plus because of its capabilities for automation, and the fact that ManageEngine is moving towards stronger ITIL support with workflow, along with its CMDB initiative for openness and integration. He also likes the breadth of functionality in support of networked applications from an end-to-end perspective: "We can enable our clients to manage servers, routers, switches, even desktops, with insights into application-level quality of experience (QoE), along with NetFlow-related bandwidth utilization." Another point of value was the MySQL database, which he describes as "an open source product with proven reliability and strong cost savings – perfect for any of our clients who want to manage for themselves and install it on premise."

This ManageEngine user is especially enthusiastic about the business outcome for his organization. "I believe that leveraging the ManageEngine portfolio, we may be able to build a billion dollar business in outsourced services targeted primarily at mid-tier enterprises within just a few years. Due to cost and complexity, we're seeing a tremendous upturn in requirements for outsourcing in smaller businesses, mid-tier and even some enterprises. We plan to offer a versatile menu of choices and not straightjacket our clients, and provide them both options to use the tools themselves as provided by us, or for us to do full outsourcing as appropriate. The versatility, modularity and integration capabilities of ManageEngine IT360 make it the perfect platform for us to succeed in this business objective."

Interview with a West Coast Healthcare Organization

An interview with a senior WAN engineer at a West Coast healthcare organization validated ManageEngine's claim to provide the majority of the functionality offered by products from BMC, CA, HP, and IBM at a fraction of the cost.

This organization has 18,000 employees; 18 hospitals offering over 2,800 beds; and numerous other clinics, outpatient facilities, and home-care organizations. At any time, they have about 3,500 active sessions on their network. Years ago, the company had invested in HP OpenView, but found that the product was so complex that only two or three senior

engineers regularly made use of it. As a result, many network analysis and network optimization tasks were simply left undone. Error-prone, manual processes became the norm.

Three years ago, the company switched from HP OpenView to ManageEngine OpManager. The cheaper solution from ManageEngine proved so compelling that they abandoned OpenView altogether and added NetFlow Analyzer and Device Expert in subsequent years.

Three years ago, the company switched from HP OpenView to ManageEngine OpManager. The cheaper solution from ManageEngine proved so compelling that they abandoned OpenView altogether and added NetFlow Analyzer and Device Expert in subsequent years. These products are used by a wider group of IT engineers than OpenView ever was, and the total cost for all three products was only about \$15,000—about a third of what the company paid for OpenView with a support license. A variety of groups now use the software, including the identity management group, the LAN group, and the data center group.

“For less money, we’re getting more functionality,” the engineer reported, pointing out that the combined ManageEngine solution reported not only on network and server status, but disk status, as well.

The combined products offer a more comprehensive view of the network, which has proved useful in troubleshooting problems, especially application performance problems that could be due to either network or server problems. Processes that were manual in the company’s HP era are now automated. Using the threshold monitoring and performance monitoring available through ManageEngine, the IT group has optimized the performance the organization gets out of its “not excessive” network infrastructure.

This customer has been very pleased with the support offered by the ManageEngine support group. ManageEngine has proved to be dedicated and tireless in its efforts to correct the occasional installation or configuration problem with the software. The healthcare organization’s IT group now considers ManageEngine as a trusted partner and a vendor not likely to be displaced any time soon.

ManageEngine IT360 and the ManageEngine Integration Strategy

ManageEngine will be advancing its portfolio to assume the stature of a more fully integrated and functionally comprehensive platform. ManageEngine IT360 is a bold move to support customer requirements for superior integration, cohesiveness and modularity through a well-thought-out, phased development initiative. As such, IT360 holds the potential to elevate ManageEngine to a true, enterprise-class brand, but with the price-point and time-to-value advantages of mid-market and even SMB investment requirements.

Such advances mean that its customers can begin to exploit the native advantages of its individual products in more of a “single-pane-of—glass” context, which offers significant qualitative advantages as well as quantitative advantages from investing in multiple ManageEngine solutions. Since ManageEngine estimates that about 40% of its customers already have more than one ManageEngine product, offering a platform upgrade enables the company to consolidate its presence in existing accounts, and to expand into new markets where a suite of solutions, rather than a collection of individual products, is required.

ManageEngine IT360 combines OpManager, Applications Manager, the Netflow Analyzer and ServiceDesk Plus. It should be pointed out that “connectors” have existed between Applications Manager, Neflow Analyzer and OpManager for some time, and that a bi-directional integration between OpManager and ServiceDesk Plus was introduced in 2007. However, IT360 takes this several steps beyond point-to-point product integration with a structural approach that will form the foundation for ManageEngine as an extensible, modular platform. The product’s cohesive architecture offers single sign-on and role-based access to these varied operational areas. And with a base price of \$4995, IT360 should offer many customers striking time-to-value.

The IT360 release introduced these new components and features of the ManageEngine “platform” architecture:

- AssetExplorer, ManageEngine’s asset management software for both IT and non-IT resources offers versatile discovery across multiple network and systems elements. AssetExplorer also supports logical as well as physical groupings (e.g. customer and service definitions, or IT operational owners, as well as topological and configuration information). This means that as a foundation for the ManageEngine CMDB, AssetExplorer is well equipped to support the “modeling” of a wide range of relationships across IT.
- The ManageEngine CMDB will leverage AssetExplorer. As packaged with ServiceDesk Plus, the ManageEngine CMDB will share its insights into topology, asset interdependencies, service interdependencies and configuration information across all four products. As such, it becomes a common and consistent “single source of truth” across IT360 and potentially across the full ManageEngine portfolio. The ManageEngine CMDB is also designed to support XML-based information sharing in order to integrate with third-party (non-ManageEngine) solutions and multi-brand CMDB Systems.
- The ManageEngine Integration Console is where the navigational and administrative strengths of IT360 will come together to provide a single point of administration across all four products. The Integration Console will also enable collaborative access to relevant information to minimize finger-pointing in problem solving and to optimize decision making in managing change. Individual professionals can personalize their screens as appropriate to their access privileges and permissions much like iGoogle can be easily customized to support personal search and Internet usage priorities.
- Alert integration will also be done through the Integration Console, so that instead of each product sending out its own alerts, IT360 will create integrated trouble ticketing that is optimized to reflect the analytical insights of all four solutions.

ManageEngine has created an affordable, feature-rich offering that will be attractive to many SMBs and enterprises.

EMA Perspective

EMA expects ManageEngine IT360 to make waves in the network management office. ManageEngine has created an affordable, feature-rich offering that will be attractive to many SMBs and enterprises. Low-cost offerings like ManageEngine will continue to erode the market share of the Big 4.

To succeed with this approach, ManageEngine must do three things:

- Further functional integration both with other ManageEngine products and technologies, as well as with the open APIs of other products and technologies that customers are using in-house. As part of this integration work, ManageEngine should continue developing their CMDB, which we believe will play a central role in establishing ManageEngine's stature as a true IT platform.
- Maintain its well-regarded customer service and continue being highly responsive to customer requests. Interviews with customers revealed that customers not only recognize the dramatic cost savings offered by ManageEngine; they also value ManageEngine's dedication to its customers, as evidenced by the support team's willingness to work around the clock to resolve problems. One customer, an IT manager in a West Coast healthcare network, remarked that ManageEngine has become a trusted partner to the IT team and as such is not likely to be displaced.
- To optimize the impact of these new capabilities, ManageEngine must also intelligently invest in communicating and documenting the advantages of its new position with ManageEngine IT360. Otherwise the market skepticism and the sheer volume of industry noise and confusion will drastically slow awareness of this very substantial evolution in direction.

Like the IT manager at the healthcare network we interviewed, other IT managers may well take notice of how few of the functions of Big 4 products they are really using, compare prices, and switch to lower cost offerings such as ManageEngine. Of course, in addition to pursuing new customers, ManageEngine has the opportunity now to return to its tens of thousands of customers of its point products and offer them an attractive upgrade package.

Because ManageEngine offers such a comprehensive solution for visibility and integrated control, we believe that it is poised to succeed in the near to mid-term, and it will likely become a catalyst driving competitive market change in the long term. What had been a collection of point products is evolving nicely into a true IT platform. That platform's functionality is broad, its potential to increase IT performance and efficiency is real, and its prices are low. We expect customers—and other vendors in the market—to take notice.

About ManageEngine

ManageEngine is the leader in low-cost enterprise IT management software. The ManageEngine suite offers enterprise IT management solutions including Network Management, HelpDesk & ITIL, Bandwidth Monitoring, Application Management, Desktop Management, Security Management, Password Management, Active Directory reporting, and a Managed Services platform. ManageEngine products are easy to install, setup and use and offer extensive support, consultation, and training. More than 36,000 organizations from different verticals, industries, and sizes use ManageEngine to take care of their IT management needs cost effectively. ManageEngine is a division of ZOHOO Corporation. For more information, please visit <http://www.manageengine.com/>.

About Enterprise Management Associates, Inc.

Founded in 1996, Enterprise Management Associates (EMA) is a leading industry analyst and consulting firm dedicated to the IT management market. The firm provides IT vendors and enterprise IT professionals with objective insight into the real-world business value of long-established and emerging technologies, ranging from security, storage and IT Service Management (ITSM) to the Configuration Management Database (CMDB), virtualization and service-oriented architecture (SOA). Even with its rapid growth, EMA has never lost sight of the client, and continues to offer personalized support and convenient access to its analysts. For more information on the firm's extensive library of IT management research, free online IT Management Solutions Center and IT consulting offerings, visit www.enterprisemanagement.com.

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