

CA crosses 1,000-customer mark with Wily, takes transaction focus

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Sector: Enterprise Software

Event summary

- CA now counts more than 1,000 customers of its Wily application performance management software. That's more than 500 new customers and 900 new deals since CA bought Wily in January 2006.
- While Wily originally monitored Java application server performance, and still does, CA has evolved the product line into more of a holistic transaction management offering, including end-user experience and service level agreement monitoring.
- NET application monitoring, telecommunications network operations monitoring, virtualization and service-oriented architecture management are new focus areas for CA-Wily.

The 451 take

By all indications, Wily has retained a fair amount of autonomy within CA, is a healthy contributor to CA's growth and remains a market leader in its space. It has become a textbook example of how a large IT management framework vendor can effectively fill a gap in its offerings through acquisition without diminishing the acquired company's position in the market or growth prospects. We're less convinced that CA has done that good a job at cross-selling Wily to its other customers, and vice-versa, and expect that will be an increasing focus – and a potentially lucrative opportunity – going forward, particularly for network management and datacenter automation, two highly complimentary areas to Wily.

Details

It's been more than two and a half years now since **CA Inc** acquired **Wily Technology** for its application performance management software, and the deal continues to pay dividends for the enterprise IT management software suite vendor. CA has seen the Wily business nearly double since the acquisition, adding more than 500 new customers and over 900 new deals. In the company's 2008 fiscal year, 25 of those deals were for more than \$1m. Wily Technology has evolved with the market beyond application server monitoring into monitoring and managing the complex Web-based service interactions associated with service-oriented architectures (SOAs), a space we typically refer to as transaction management.

CA has also positioned its software for monitoring and managing virtualized environments and is tackling the telecommunications network operations space, winning some early – and large – deals there. Growing enterprise adoption of .NET technologies is also driving new business to CA's Application Performance Management (APM) unit. Wily, originally built for Java, has supported .NET under CA since October 2006. While CA doesn't break down revenue by product line, suffice it to say that Wily made its contribution to CA's 6% revenue increase in its fiscal first quarter ended June 30, from just over \$1bn to \$1.1bn year-over-year. Net income increased from \$129m to \$200m over the same period.

Competitive landscape

CA cites its four main competitors for Wily as **IBM, Hewlett-Packard, Compuware** and **Quest Software** and claims a 72% win rate on competitive deals against those companies. We would think **BMC Software**, particularly with its **Identify Software** assets, would also be a regular competitor to CA. Although CA hasn't left the APM branding behind, it is arguably the top transaction management vendor in the market, at least as cited by startups in this space like **dynaTrace software, OpTier, Correlix** and **Correlense**. **Precise Software Solutions**, now spun off from Symantec as a separate company, also figures to challenge CA in this area just as it battled Wily in the days when both were independent companies.

CA's move into .NET monitoring brings it into direct competition with **AVIcode** and **Attachmate's NetIQ**. In customer experience management, **Nimsoft**, particularly after its acquisition of **Indicative Software**, is now a direct challenger to CA, as are pure plays like **Coradiant, Symphoniq** and Internet performance management service provider **Gomez**. HP should be CA's toughest competitor in the telecommunications space. **ClearApp** is a scrappy challenger in SOA-related monitoring, particularly around the application server.

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