

Fluke Networks Acquires Crannog Software

Abstract

Fluke Networks' purchase of Crannog Software represents its next strategic move into the IT Services management market after the acquisition of Visual Networks in January of 2006. Crannog Software products and technology expand opportunities for Fluke Networks to become a pervasive vendor of IT management tools for the entire spectrum of users involved in both business and IT operational activities.

Event

On January 16, 2007, Fluke Networks, a Danaher subsidiary, announced the acquisition of Crannog Software, Inc., a private corporation headquartered in Dublin, Ireland. Crannog Software is an innovative developer of network and application management products based on NetFlow, IP-Fix, and IP-SLA data analysis. Crannog's premiere product, NetFlow Tracker, along with a portfolio of other product capabilities will augment Fluke Networks' flow-based portfolio of IT infrastructure and application performance monitoring, troubleshooting, and management in both enterprise and service provider markets. Crannog Software products extend Fluke Networks' capabilities to more effectively support its customers in managing IT services in better alignment with business operations. Fluke Networks did not disclose financial details of the Crannog Software acquisition but indicated that it will retain all staff and offices worldwide.

Background

A restructured economy driven by expanding geographical theaters of business operations makes the corporate network and its services pivotal to business welfare. SMB and mid-sized corporations are just as strongly affected by these economic trends, and their demand for cost-effective tools is escalating. This demand is only accelerated by a growing shortage of appropriately skilled personnel. As the density of managed hardware and software components per technician increases, and the dependence on high-level IT services performance in support of business operations escalates, business executives are scrutinizing the IT function and its contribution to the "bottom line" with increasing granularity. Moreover, the efficiency of IT services deployments, operations, and maintenance is becoming disproportionately crucial to the business competitiveness of both small and large organizations, and nowhere is this more apparent than in the networked services domain.

In the past several years, Fluke Networks has made significant investments in a broader, enterprise-wide capability for

enterprise IT management. This has been achieved in part through the internal development of such network monitoring tools as its OptiView line, through partnerships, such as its reseller agreement with NetQoS to provide application performance and utilization monitoring via SuperAgent and ReportAnalyzer, and acquisitions such as Visual Networks with UpTime Select technology that bridges network and application performance monitoring in an integrated set of views and reports. With the acquisition of Crannog Software, Fluke Networks continues to evolve its portfolio of IT management products. This evolution of flow-based technology should enable its customers to address a very broad range of IT management requirements, since not only does Fluke Networks now offer a credible and complete end-to-end perspective for monitoring and diagnostics surrounding IT services running over the network, but with the acquisition of Crannog, Fluke Networks can provide products appropriate for SMB and mid-tier customers, complementing its more established base for enterprise management in large size enterprises and service providers.

Key Ramifications

Most notably, the Crannog Software acquisition brings to Fluke Networks a set of data flow analytic software products with the NetFlow Tracker in the lead. These Crannog Software products allow in-depth protocol and application information analysis. The user can display traffic information by protocol, conversation, system, application, or user and user group. These tools enable better IT service performance management, problem troubleshooting, security monitoring, and capacity planning. In addition, Crannog Software tools promote the following:

- **Ease of deployment** - The installation process is relatively facile and supports the flexibility to customize product functionality for a wide variety of user environments.
- **More efficient troubleshooting** - This is achieved through a fairly rigorous analysis of distributed application performance data to dislodge the typical guesswork and finger pointing in favor of more collaborative problem resolution by the various IT groups.
- **End-to-End visibility** - Tracker provides insight into how networked applications perform across both WAN and LAN segments via flow-based technologies to capture network-to-application interdependencies.

In addition to its premiere NetFlow Tracker product, Fluke Networks will obtain a number of other Crannog products designed to monitor IP connectivity and performance of network services as follows:

- **ResponseWatch** uses an embedded agent in the Cisco IOS called IP SLA to measure response times, network resource availability, application performance and jitter, connect time, throughput, and packet loss.
- **NetWhere** provides the ability to search through all network resources and has been designed to improve diagnostic and issue resolution capabilities of first and second level helpdesk staff.
- **OneView** is a portal that gives network and other managers a single and flexible point of access to quickly get to the information on various issues such as network and application behavior, and security, by streamlining the output of Crannog's other tools. OneView can accommodate centralized access to applications from other vendors.
- **NetWatch** is a web-based tool that provides visibility into the health and status of network devices in a format that can be tailored for all levels of technical and business users.
- **NetFlow Monitor** is designed specifically with the SMB environment in mind and installs quickly and easily on a Windows platform. It conveys a number of key traffic attributes, such as per-user, per-protocol, per-port and per-type of service statistics to the user in graphical format via a web browser.

Together these Crannog Software products enhance and extend Fluke Networks' technical capability to monitor and manage IT services by enhancing functional flexibility in all markets, and in particular, supporting SMB and mid-tier customers with cost-effective, deployable and versatile monitoring options.

EMA's Perspective

Businesses have become dependent upon a highly efficient IT organization to provide an increasing variety of application and other business services while optimizing to perform in the face of capex and opex resource constraints—and this trend will continue for the foreseeable future. Such efficiency can only be achieved through investing in solutions that can support a closer collaboration between IT operations and business managers on IT deployment, operations, and maintenance, as well as between the network and application performance teams within IT. This requires tools containing robust data collection, enhanced analysis, and information conveyance in support of efficient communications among all levels of business operations. Fluke Networks' acquisition of Crannog Software enhances Fluke Networks' technical capabilities for supporting IT-to-business dialog and extends Fluke Networks' market reach both horizontally as well as vertically.

Crannog Software products will augment Fluke Networks' current portfolio, primarily targeting large environments, by adding strong support for SMB and mid-sized businesses. Moreover, the versatile range in functionality across Crannog products will enhance Fluke Networks' traditional emphasis on IT troubleshooting and diagnostics across a broad range of enterprise and service provider environments. Under Fluke Networks' umbrella, Crannog products can be applied to perform IT tasks of planning, deployment, monitoring, diagnosis, repair, repair verification, and service level monitoring. Over time, Fluke Networks will face the challenging task of devising an appropriate integration strategy across its portfolio to optimize value to its customers. However, in the meantime, as well as in the long term, the Crannog Software acquisition should offer values to Fluke Networks customers that will appeal to the technician, to the administrator, to the network engineer and to IT service planners and managers across a wide range of verticals.



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