

Why SolarWinds has Achieved Mainstream Credibility Among Enterprise Buyers: Five Case Studies

An ENTERPRISE MANAGEMENT ASSOCIATES® (EMA™) White Paper
Prepared for SolarWinds
February 2008



Why SolarWinds has Achieved Mainstream Credibility Among Enterprise Buyers: Five Case Studies



Table of Contents

Introduction	1
Market Trends and Unanswered Needs.....	1
SolarWinds in Five Enterprise Environments	2
Global Telecommunications Provider	2
Large Healthcare Organization.....	3
Regional Bank	4
Mid-tier North American Manufacturer	4
Mid-tier Financial Institution.....	5
EMA Assessment.....	6

Introduction

SolarWinds is a fast growing innovator in network management software focused on a modular breadth of functionality coupled with quick time to value. SolarWinds is well known as a solution for smaller businesses and remote offices, but its growing role in the enterprise has been vastly underestimated by the industry. This report looks at five examples of SolarWinds' portfolio adoptions in mid-tier businesses, and large enterprises and service providers in context with overall business and operational objectives, as well as each company's IT infrastructure and management investment environments. It should be stressed that these case studies came out of EMA research *not* directed at SolarWinds portfolios in particular, but rather at network and application management requirements more broadly, which makes the examples in many respects all the more compelling.

Within SolarWinds' portfolio, the dominant product relevant to these adoptions is Orion, which SolarWinds describes as a "modular, Web-based Fault and Performance Management Platform for networks and enterprise systems." It is expandable to include NetFlow traffic analysis, application performance monitoring, wireless monitoring and VoIP monitoring." Also relevant to enterprises, SolarWinds offers Cirrus for network configuration management, and LANsurveyor for diagramming and mapping networks and networked devices, including layers two and three topology.

Market Trends and Unanswered Needs

EMA believes that many management requirements can best be addressed by technologies and design points with both upwards and downwards scalability. Upwards scalability, of course, is where most of the market has focused to date – directed at breadth of functionality and the scope/number of devices and SW under management. But downward scalability requires strong ease-of-use and ease-of-deployment capabilities that have so far gone largely unaddressed by the industry at large. But these requirements, while dominant for SMBs (small- to medium-sized businesses), are still significant in the minds of enterprise buyers.

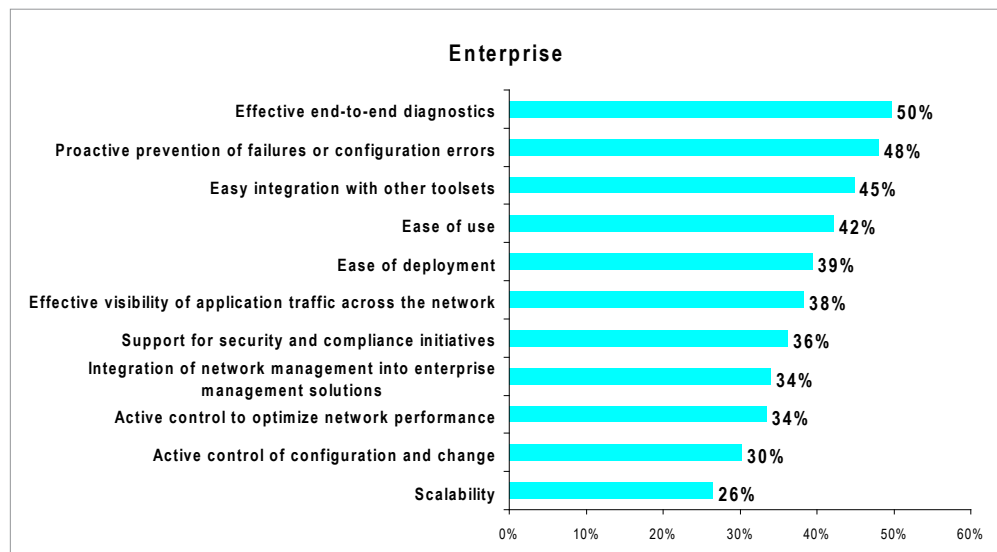


Figure 1: Enterprise buyers view ease of integration, ease-of-use, and ease of deployment as among their top five unmet needs (EMA research on network management requirements Q3 2007)

Another factor stressing many IT organizations is the need for more effective local control in an increasingly distributed infrastructure. IT organizations mirror business models that are facilitating greater flexibility in how and where people work, and how and where business partners work together. The effective management and control of remote branch offices is another force driving innovation in the management marketplace.

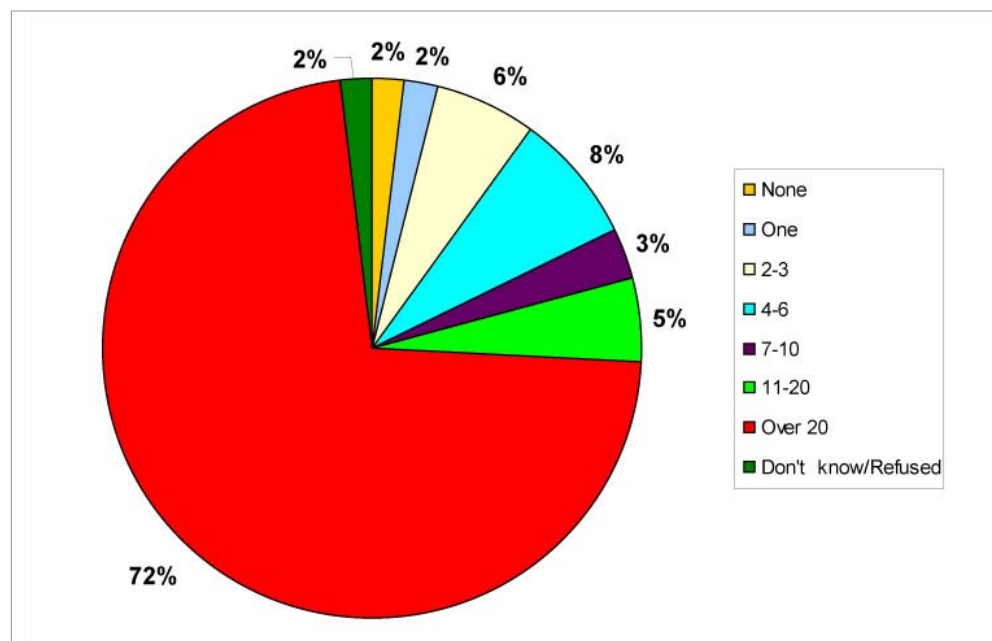


Figure 2: IT environments must adjust to a growing number of remote branch offices even while data center consolidation is also growing

These, among many other pressures arising out of the need for increased efficiency, accountability and business alignment in the face of an accelerating pace of change, are driving enterprises to look for more flexible and cost-effective ways of working. These pressures set the stage for looking at SolarWinds in an enterprise context – where it is beginning to prove its value more and more as a flexible, pliable and highly cost effective solution with a growing range of functionality targeted at monitoring the health of the distributed infrastructure.

SolarWinds in Five Enterprise Environments

The following snapshots of SolarWinds adoptions were taken from twenty-seven interviews directed at enterprise requirements for managing networks in support of business services. It should be stressed that the focus of these interviews was *not* intentionally to seek out SolarWinds adoptions. This makes the fact that nearly 20% of the adoptions had *significant* investments in SolarWinds all the more impressive.

Global Telecommunications Provider

\$10 billion in revenue

This SolarWinds customer is an IT organization within a large telecommunications carrier – responsible for managing the network and doing backups. All IT professionals within this company work according to a basic principle – they want “*a flawless network*”

– and they are committed to a process of *continuous improvement* with regular assessments to achieve this. One of their current challenges is to remotely manage a large number of network appliances and to increase the ratio of devices to engineers.

As a result of this focus on continual improvement, this company is constantly looking for ways to improve on the effectiveness of their network and so is regularly evaluating new management software to help them achieve this end. This telecommunications provider routinely tests software in a lab to ensure that deployments are done smoothly and without negative results, and to determine which is the best fit for the network. With a budget of about \$10 million a year for new networking equipment and software, cost is not a significant factor in this company's choice of management software. And in fact, management software will be an accelerating area of investment in the years to come in large part because of this drive to improve and optimize the performance of the network.

Needless to say, this company uses SolarWinds in conjunction with other solutions such as HP network management, Fluke Networks and NetQoS. Within this company, individual business units can select their own preferred brand for network management. Many IT professionals within this telecommunications provider like SolarWinds' portfolio because of its *usability* and *adaptability*. They also like SolarWinds' willingness to support them in their unique requirements. The respondent commented, "Smaller companies tailor their offerings to individual requirements better than many larger vendors."

"We have been using SolarWinds Orion for a long time. We like it, and we think it's both good and effective."

- Large Healthcare Organization

Large Healthcare Organization

\$20 billion in revenue

The respondent in this interview was the head of an IT department in an East Coast hospital that is part of a national network of twenty-five acute-care hospitals, each averaging more than 500 beds. The hospital depends on networked applications for a broad range of functions involving patient care, hospital administration and medical diagnostics. All the new applications are Web applications that put a heavier demand on the network than the AS/400s that they had been using in the past. These new applications have more advanced capabilities such as streaming media, which should make them "especially challenging to manage," as they enable the hospital to grow and serve its clients far more effectively. From a network transport perspective, this company recently invested in a significant wireless upgrade.

The cost of management software is not much of a factor here, plus: "If it will make the network better and support critical applications, especially patient safety, budget isn't an issue." This company is using SolarWinds in conjunction with CiscoWorks, NetScout's Sniffer, and Ethereal/Wireshark, among other solutions. They are especially interested in network analysis, port analysis, and analyzing SNMP logs, and they are monitoring power supplies as well as core infrastructure and software. They are also looking for better application performance monitoring for Web-based applications.

According to this respondent, "We have been using SolarWinds Orion for a long time. We like it, and we think it's both good and effective." This clearly puts SolarWinds in the mainstream of large enterprise deployments.

Regional Bank

\$500 million in revenue

This SolarWinds customer is a North American financial institution with three data centers and five manufacturing locations. They will grow to five data centers and include international locations in U.K. and Canada. The IT organization is responsible for networks, applications and databases.

One of the challenges that this company faces is expansion. The IT organization has done a complete network upgrade based on expansion plans to the UK and Canada. They are also in the process of rolling out Oracle ERP, which will place demands on network performance. And finally, they're moving to a 24X7 model for support on a world-wide basis, and so they need tools to support "alerting across geographies for late night hours."

This company uses SolarWinds as one of its core network management choices along with NetScout, CiscoWorks and Oracle ERP for database management.

"SolarWinds is our most strategic product... We're extremely happy with it from a price/performance perspective. It just works."

- Mid-tier North American Manufacturer

Mid-tier North American Manufacturer

\$1 billion in revenue

This North American paper manufacturing company with more than a hundred sites has made SolarWinds its most strategic management investment. The IT organization supports twenty applications distributed from their headquarters. Some are hosted via Citrix, and others are enabled through direct AS/400 access through their sites. They have thirty-five paper mills where traffic is light but application response is very time sensitive, and many of these are in remote, woodland locations. They monitor various aspects such as waste management and moisture content measurement, as well as just-in-time scheduling to support manufacturing processes. They have a separate "hot-site" where everything that's critical is duplicated – about a 90% mirror between the AS/400 and the SQL databases.

This IT organization has grown to become much more of a partner to the business. For instance when this company deployed a new ERP capability in 2002 that's Citrix-hosted, they tried to make the deployment more accountable and business-aligned. As a part of the ERP rollout they went through an in-depth initiative directed at discovery – to get accurate information about the infrastructure and in the various remote locations with as close to real-time currency as possible. All this was pulled together into a single data store and used to support a detailed-level business intelligence portal.

This company notes that its requirements for managing applications over the network are accelerating in importance. This is especially true given merger and acquisition activity which will complicate the picture even further. This group has strong interest in getting more detailed application response time and better support for IP telephony. They are looking to leverage their management technology to allow the NOC and the data center to work more closely together.

In addition to SolarWinds, this company uses BMC's Magic for a help desk, CiscoWorks, and Microsoft MOM for basic diagnostics and response time on servers. They also use Sniffer and some Ethereal, as well as Compuware Vantage to support the Citrix-based applications. Finally they utilize some homegrown tools that run on Linux to centralize Syslogs.

Within the NOC, SolarWinds is their most strategic investment. SolarWinds monitors all of their links and keeps a historical record of availability and performance. The respondent singles out usability and fast time to value for SolarWinds: "We can plug it in and point it at twenty to thirty different routers and build a great baseline. We can compare averages and see if there is a deviation, problem or not. We're extremely happy with SolarWinds from a price/performance perspective. It just works. When it tells us that *'this link is overloaded or this link is down'* we know it's accurate. And we don't get abusive reporting – we don't get a flood of alerts from it. From a lot of other tools you get forty alerts in an hour and never have the time to assess them. SolarWinds is our most strategic product."

Mid-tier Financial Institution

\$500 million in revenue

This SolarWinds customer is a mid-tier regional bank with sixty branch offices and 165 servers on the West Coast. They are looking for investments that scale well to limited IT resources, as they have a modest staff of nine engineers and two managers in IT. The engineers include two help desk engineers, one telecommunications specialist, two network administrators and four field engineers. They're a Citrix environment overall and their IT organization monitors all applications down to the desktops, along with the networks and the servers.

The bank had outsourced its IT operations for two-to-three years, but management wasn't pleased by the quality of service and commitment they were getting from the outsourced staff. So the bank brought IT operations back in house.

Their challenge is: "In a modern bank, everything is automated, such as deposits and withdrawals. If the core routers go down, the whole bank is down. Most tellers wouldn't even know how to do manual transactions. So we tend to be proactive and try to monitor ourselves." They study what works best in managing the network for the delivery of critical applications.

They use a variety of management tools such as Snort and Ethereal, as well as Citrix-specific management tools. But SolarWinds is moving ahead of the competition because of its capabilities for event management, discovery, ease of use, and ease of installation. According to the respondent, "SolarWinds has been in the ballgame for a long time. We are looking for SolarWinds to take us towards a more proactive management environment."

"SolarWinds has been in the ballgame for a long time. We are looking for SolarWinds to take us towards a more proactive management environment."

- Mid-tier Financial Institution

EMA Assessment

As shown in these five enterprise examples, SolarWinds customers have become creative in applying the versatility and fast time-to-value to large, complex, networked environments. These adoptions are all the more compelling because they were not discovered through research targeting SolarWinds customers, and are simply ad hoc examples achieved through EMA's dialog with the broader industry. They are also of distinctive interest given the fact that while SolarWinds is aware of some of the strategic value its solutions can bring up market, it has to date focused its messaging and positioning at technical buyers and users rather than broader, more executive concerns. This includes a "try-and-buy" approach in which virtually all of its products can be downloaded and evaluated directly from the SolarWinds Web site. Its usage in enterprises is therefore a "bottoms-up" phenomenon in most cases, even as, as these examples show, more executive level respondents are already quite capable of assimilating SolarWinds' value once in deployment. EMA believes that this suggests both an opportunity for SolarWinds, and a trend across the broader industry towards more modular solutions that marry ease-of-deployment and ease-of-use with more cohesive approaches to management.

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.

This report in whole or in part may not be duplicated, reproduced, stored in a retrieval system or retransmitted without prior written permission of Enterprise Management Associates, Inc. All opinions and estimates herein constitute our judgement as of this date and are subject to change without notice. Product names mentioned herein may be trademarks and/or registered trademarks of their respective companies. "EMA" and "Enterprise Management Associates" are trademarks of Enterprise Management Associates, Inc. in the United States and other countries.

©2008 Enterprise Management Associates, Inc. All Rights Reserved. EMATM, ENTERPRISE MANAGEMENT ASSOCIATES®, and the mobius symbol are registered trademarks or common-law trademarks of Enterprise Management Associates, Inc.

Corporate Headquarters:
5777 Central Avenue, Suite 105
Boulder, CO 80301
Phone: +1 303.543.9500
Fax: +1 303.543.7687
www.enterprisemanagement.com



1556.021408