

## REPORT REPRINT

# FNT expands as end-to-end infrastructure management message resonates

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29 FEB 2016

The software company is establishing a unique position as a provider of digital infrastructure management software. Its software is gaining traction as a way to manage the physical and virtual assets of service providers, telcos and enterprises.

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Infrastructure management software company FNT has been breaking out of its niche in recent years, and now has tools extending from datacenter management to managing and planning an entire digital infrastructure. It is especially suited to service providers and enterprises seeking better visibility and control over distributed physical and virtual assets. In the past year it has closed a succession of orders, with strong growth for its software products, which is likely to lead to more follow-through for services and maintenance. The company also expanded internationally and recruited key executives.

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## THE 451 TAKE

FNT is becoming increasingly ambitious as it sees opportunities open up. Its software spans the lifecycle of IT and extends across several fairly traditional boundaries - whether these are between facilities and IT, IT and telecoms, physical and virtual assets, or even between owned and unowned assets and services. Not all of its customers have such complex problems, but the scope and flexibility of its tools help explain why FNT is getting traction among some large enterprises and service providers. As many organizations undertake a digital transformation, they struggle to establish visibility and control across a sprawling estate of physical and virtual assets. FNT's approach to managing these is resonating with some big organizations.

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## CONTEXT

FNT is a 20-year-old company based in Ellwangen, Germany. Initially it focused on services, particularly infrastructure management, but in recent years it has been pushing into software, gradually expanding into IT infrastructure management, cable and network management, datacenter infrastructure management (DCIM), and (most recently) management and planning of all the assets in a digital infrastructure - even if they are delivered as third-party services.

FNT's core product, Command (described below), provides infrastructure management applications, workflows and processes, including those that span physical, logical and virtual assets. It is particularly suited to those with extensive physical IT or similarly critical assets, such as telcos, industrial companies and datacenters. Command can be positioned as a DCIM product, but its capabilities in IT infrastructure take it beyond this; 451 Research classifies FNT's Command as both a DCIM product and a DCSM (datacenter service management) product (combining IT service management and DCIM).

In the past two years, FNT has been moving toward a full lifecycle- and service-oriented view of IT asset management, introducing the ServicePlanet product (see below). This tool enables managers to plan and manage their IT as a portfolio of services and assets. This aligns with our belief that, increasingly, CIOs and other managers need to view all of their assets and services as part of a unified digital infrastructure, whether they are physical or virtual, or owned or purchased as a service.

In 2015, FNT acquired bluEDGE Methodik, a small company that developed the methodology ServicePlanet uses. FNT hopes that consultancies and systems integrators will adopt the BE methodology, known as bE\_Method, for planning digital transformations, leading to follow-on software sales for FNT. (Although the methodology is not open source, FNT shares it openly and offers training, so others may use it.)

FNT's revenue is in the €19m-21m range (\$21m-23m) and split fairly evenly between licenses, maintenance and services, with growth in 2016 expected to be 15-20%. Revenue was up more than 10% year over year in 2015, and is expected to grow significantly faster in 2016. FNT employs 250 people, and its software is used by more than 580 organizations. About two-thirds of FNT's revenue comes from Germany, Austria and Switzerland (known as the DACH countries), while one-third comes from new markets, including the US, Russia, the Middle East and East Asia. FNT recently hired key executives in the US and UK to support international growth.

Customers include Daimler, BMW, NORMA Group, John Deere, Vodafone, the German Department of Employment, RWE, Etisalat (telecom in United Arab Emirates), Telx (now part of Digital Realty), CoreSite (US) and Gazprom Neft (Russia).

Seeking to reach ambitious growth goals, FNT is aiming to win more services from software sales, and to win more software sales by extending its use from one part of an organization to other parts. Many of its customers are large multinationals, and there is scope for extending its footprint. However, this will likely bring it into more competition with large IT infrastructure management companies, such as Hewlett Packard Enterprise and IBM.

In order to speed sales and deployment, FNT has introduced ValuePacks – prepackaged services at a fixed price to carry out specific tasks. Examples are implementations of its software, DCIM proofs of concept, CMDB designs and migration services.

## TECHNOLOGY

FNT's core technology product is Command, which might be thought of as a configurable infrastructure management database to which a number of applications, processes and tools have been added. The database contains datasets and components spanning physical, logical and virtual. Command includes tools and applications for data collection, data exchange and transformation, and data management. It is based on the Oracle database and associated tools.

Command has four key components:

- C base, for asset management, which includes a library of some 50,000 components for customer use.
- C Gate, for integrating and connectivity.
- C Logic, which incorporates key functions such as reporting, capacity planning and monitoring – as well as additional components such as billing.
- C Line, which is for managing connectivity and associated assets.

These are described in more detail in this report.

Using these underlying components, FNT has built a number of offerings that incorporate specific data models, assets and processes. These include IT infrastructure management; IT asset and configuration management; IT portfolio and service management; DCIM; and both cable management and its Telecom Network Resource Inventory, giving a detailed, visual and real-time view of local and wide area networks.

FNT's ServicePlanet is designed to work with the underlying infrastructure management systems controlled by the operator (that Command would be used to manage, for example), but also to include all resources and applications that are not under direct control – such as public cloud, hosted applications and private cloud services operated by partners. This tool enables managers to plan, track and view all the IT that they are managing or using, from a service and business point of view. FNT describes ServicePlanet 3 as 'a management control center for IT services and a central hub for enterprise-wide IT, business and service operations.'

ServicePlanet won some significant customers in 2015. Its positioning resonates with organizations that are adopting hybrid IT (cloud/colocation/enterprise datacenters) and those with complex digital operations that need a central product for tracking, reporting and planning against business objectives. In 2015 FNT released version 10 of Command, adding significant new functions. These include enhanced dashboards and analytics (using Tableau); improved ability to visualize cables and networks; predefined reporting for key application areas, such as IT operations, datacenters and telecoms; improved searching using text; improved APIs and gateways to external systems, including to ServicePlanet; and mobile device support.

The company has an ambitious development roadmap, which (among many projects and options) includes improved integration (including building management systems), enhancements for cable management, better workflow modeling, predictive analytics, a colocation edition for its DCIM offering, improved monitoring and power management, integrated budget planning, and automated infrastructure management.

## COMPETITION

FNT's list of 'reference competitors' has more than 20 companies in five categories, but this is just a subset – that list might easily be five times longer. In DCIM, for example, FNT is up against more than 40 companies, including Emerson Network Power, Schneider Electric, Nlyte Software, Panduit, Siemens, CommScope, Geist, Sunbird Software and many other small players with strong technology. In configuration management, it competes in part against CA, BMC, HPE and IBM. In telecom network resources, competitors include Oracle, Ericsson and Amdocs. Even where some of the competitors do have similar abilities to track assets and monitor resource use, FNT's approach, spanning multiple areas and with specialist planning tools, is unlike others, and like-for-like comparisons won't be straightforward. It may lack some of the specialist datacenter and operational features of some products, but makes up for this in breadth and management functions.

In service brokering and planning (ServicePlanet), it is less clear where FNT sits competitively, not least because there is category confusion and overlap. While ServicePlanet competes less against established products and more against customized reporting tools and other internally developed planning systems, products in adjacent fields are evolving. Some IT service management tools from companies such as BMC and IBM have service catalog and self-service portals, and some services companies have developed their own methodologies and tools. Ensono (formerly Axiom) is one example. Enterprise architecture management products, of which there are many, might also include portfolio management tools, dashboards and service catalogs.

## SWOT ANALYSIS

### STRENGTHS

FNT is a profitable, growing and stable company with strong software engineering skills. It has a blue-chip customer base, especially in Germany. Its vision is aligned with the direction that the enterprise IT, datacenter and telecom industries are moving in.

### WEAKNESSES

FNT is still relatively small and little known outside of Germany, but it has a vision that will be resource-hungry. It may need to improve some areas of its software in specialist markets.

### OPPORTUNITIES

The moves to service brokering in the enterprise and the professionalization of infrastructure management are both big industry trends that will open up opportunities for IT. Telco and IT convergence, along with IoT, may produce good opportunities for FNT.

### THREATS

The move to cloud and commercial datacenters may lead to fewer, bigger software companies chasing fewer, bigger deals. That will make it tougher for small players.