

REPORT REPRINT

CA continues software development push with BlazeMeter buy

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Adding to its testing tools and continuous delivery portfolio, CA has scooped up BlazeMeter. The target offers a cloud service for doing load testing and has been pushing the idea of continuous testing, where testing happens earlier in the development process.

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CA Technologies is moving into the cutting-edge world of continuous testing by acquiring BlazeMeter, an early proponent of the idea of testing early and often. BlazeMeter fits into CA's initiatives around continuous delivery and testing tools aimed at the DevOps community – a community that it also targeted with last year's purchases of Grid-Tools and Rally Software.

THE 451 TAKE

CA continues to move beyond its traditional IT operations market into software development, now adding BlazeMeter to last year's pickups of Grid-Tools and Rally Software. The acquirer plans to maintain BlazeMeter's message of continuous testing, putting it more on the cutting edge than it normally plays, with a continuous-testing concept that people are increasingly talking about but that isn't yet widely adopted. The target also gives CA a presence in the open source communities around testing tools such as JMeter, which could help the company's broader efforts in assembling products aimed at DevOps practitioners.

DEAL DETAILS

Terms of the transaction, which is expected to close by the end of the year, weren't disclosed. BlazeMeter has 60 employees, split between engineers in Tel Aviv and commercial staff in Palo Alto. It reports 3,000 customers, adding 1,000 of those in the past 17 months and of which 300 are large enterprises such as Disney, the NFL, Gap, Walmart, Johnson & Johnson and eBay. The company has raised \$15m in funding from investors Flint Capital, Gilot Capital Partners and YL Ventures. It has an annual run rate of less than \$10m.

DEAL RATIONALE

BlazeMeter serves CA's continuous delivery ambitions. While load testing has often been a final step before production – and one that often derails launches – continuous testing is done early and often, fitting into the continuous integration/continuous delivery (CI/CD) pipeline. BlazeMeter integrates with CI/CD products – CA says BlazeMeter will integrate with its continuous delivery offerings – so that load testing can happen with each code submit. With its earlier reach for Grid-Tools, CA also obtained products designed to enable faster testing in order to speed time to market.

The deal opens the door for CA to gain a foothold in open source communities, namely around JMeter, the open source testing tool for stress, load and functional testing. BlazeMeter was founded to deliver cloud-based load testing based on JMeter and supports other open source tools as well like Selenium, for automating web apps for testing, and The Grinder, a Java load-testing framework.

Finally, BlazeMeter gives CA a SaaS-testing offering so that it can give customers both on-premises and cloud-testing options.

TARGET PROFILE

Founded in 2011, BlazeMeter inked an acquisition of its own in 2014 when it scooped up Loadosophia and its founder, Andrey Pokhilko, who became the company's chief scientist. Loadosophia offers analytics technology for JMeter users and became the BlazeMeter Sense analytics service.

The target's focus on making load testing faster and thus easier to do has opened up testing to new roles in the enterprise segment. BlazeMeter reports that it is used by QA pros, developers, product managers and operations staff to build, run, analyze and automate a range of tests. Whereas legacy test tools required deep expertise and thus often had one or just a few users in an enterprise, BlazeMeter notes that one of its customers has 350 end users of the tool. Nabbing BlazeMeter gives CA the opportunity to tap into that wider user base.

BlazeMeter has integrations with CI services such as Jenkins, Bamboo, Travis, Teamcity and CircleCI. To automate tests, users can integrate BlazeMeter with Chef, Puppet, AWS CodePipeline and IBM Bluemix. BlazeMeter can run tests from AWS, Azure, Google Compute Engine and other cloud services and can test one million concurrent users.

ACQUIRER PROFILE

Over the past few years, CA has branched out beyond IT operations into software development. Top executives brought on over the past couple of years have helped shift its product strategy in this new direction and may be pushing the company toward acquisitions of cutting-edge tool suppliers like BlazeMeter.

BlazeMeter is the latest of several purchases made by CA in recent years to round out its DevOps and testing tools portfolio. The largest, at \$480m, was agile software development vendor Rally Software in May 2015. The pickup of Grid-Tools, also last year, brought CA tools for test data management and automated test design. The earlier acquisitions of Nolio and Layer 7 also fit into CA's development and testing portfolio.

COMPETITION

BlazeMeter brings CA into competition with a newer breed of load-testing specialists that are similarly focused on continuous testing, including Apica, Nouvola and Neotys. It also makes the company more competitive against legacy load-testing tools such as HP LoadRunner and IBM Rational Performance Tester since those offerings have a reputation for being difficult to use.

This deal puts Dynatrace in a challenging position, since its Load service employs BlazeMeter, and Dynatrace and CA vie for application performance management customers. We anticipate that Dynatrace will seek alternatives to BlazeMeter, eliminating a client source for the service.

ACQUIRER

CA Technologies

TARGET

BlazeMeter

SUBSECTOR

Software development tools

DEAL VALUE

Not disclosed

DATE ANNOUNCED

September 20, 2016

CLOSING DATE, EXPECTED

Q4 2016