

Marlin Equity Partners Acquires Arcplan

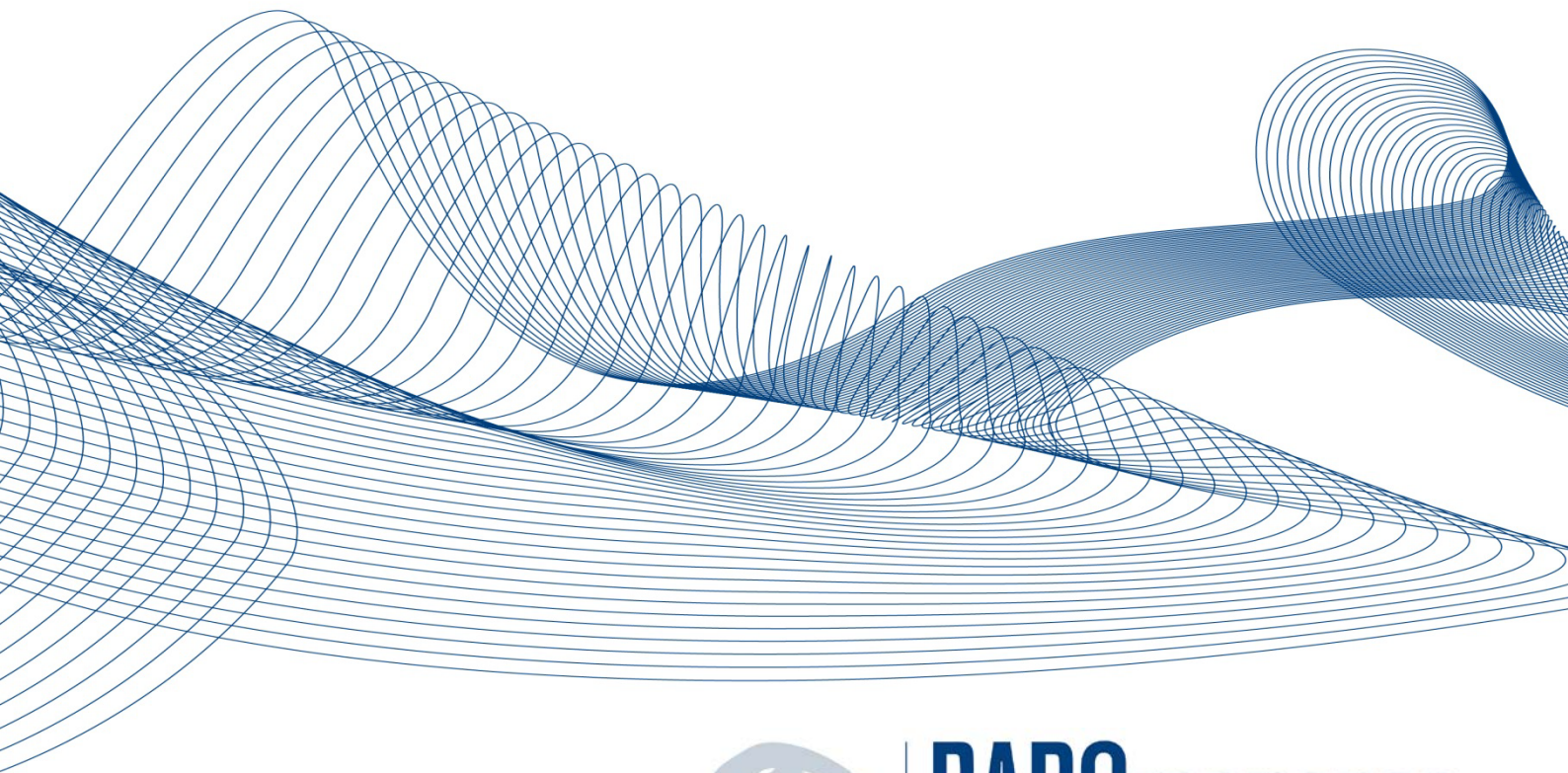
The Consolidation in the BI Market Continues

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Abstract

German business intelligence software vendor Arcplan has agreed to be acquired by US-based private equity firm Marlin Equity Partners for an undisclosed sum. The Arcplan company and its product portfolio is expected to be merged with Longview Solutions, a Canadian provider of business performance management solutions and another Marlin Equity Partners portfolio company.



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Event

Arcplan, a founding member of the German business intelligence market, has been acquired by Marlin Equity Partners, a private equity firm headquartered in Los Angeles and London. Financial details of the transaction were not disclosed.

Analysis

This takeover confirms the current market pattern. The business intelligence and data management software market is undergoing another wave of consolidation as space has become fairly crowded in this rather mature market. Dozens of vendors are competing with similar solutions for reporting, dashboarding and planning. On the other hand, established vendors find themselves increasingly under pressure from smaller and more agile “Big Data” and analysis solutions providers that are quickly responding to the current trend of organizations’ digital transformation.

The described market development plus the fact that Arcplan’s current investors, led by ViewPoint Capital Partners, were likely looking for an exit after having the vendor in the portfolio for 10 years mean that Arcplan’s sale is really not such a big surprise.

Interestingly, American and British capital funds seem to be increasingly focusing on German BI and analytics software companies. Recent examples include the 2012/13 venture capital investments totalling 13.6M USD in ParStream, the Cologne-based provider of analytical database management systems, the 2014 financing of 75M USD by British private equity firm Warburg Pincus into German predictive analytics specialist BlueYonder, and the recent 15M USD series B venture capital investment into Dortmund-headquartered data mining software provider RapidMiner, led by US firms Ascent Venture Partners and Longworth Venture Partners.

Marlin Equity has announced that it plans to merge Arcplan with Toronto-based Longview Solutions, a provider of corporate performance management (CPM) software and a Marlin portfolio company. The BI and CPM market segments have long been considered strongly related, so this acquisition makes sense. However, competitors of the new Longview/Arcplan product combo, such as IBM, Oracle and SAP, have already been through the exercise of merging portfolios and integrating acquired products about 10 years ago, and it will require strong product management efforts and significant investment to catch up with the market leaders. The current Longview Solutions and Arcplan management expects to keep the individual company names for some time as they both possess local brand value. Longer term they can be expected to be harmonized under a single product brand. Arcplan also expects to have a first level of integration within three months of the acquisition. This can only be understood as basic interoperability, as truly integrating the separate architectures, workflows and user interfaces will take the companies at least 18-24 months.

Related Research Documents

The following BARC and CXP Group research complements this document:

The BI Survey 14: Carsten Bange, Christian Fuchs, et al, October, 2014

Trends in BI and DM: Carsten Bange, Andreas Bitterer, et al, April 2015



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