

Peregrine Systems develops groundbreaking IT Management software in partnership with Elder Research, Inc.

Peregrine Systems advanced to the forefront of the IT management industry by partnering with Elder Research data mining and software development experts to develop its *DecisionCenter* software. IT executives can now accurately predetermine how changes made to staff and infrastructure resources will affect business.

Business Need

Peregrine Systems decided in 2004 to develop software that would combine data mining, simulation, and optimization to deliver a new echelon of services and features to the marketplace. They envisioned groundbreaking software that would support “what-if” scenarios to help CIOs determine in advance how staffing and infrastructure changes would affect their businesses.

The idea would enable management to optimize its IT environment with the use of predictive software, a long-overdue change from the “reactive” approach then widely practiced. Peregrine’s product would enable management to be proactive in implementing decision-making software that could actually

learn from real and simulated input, as opposed to merely reflecting unalterable past events. The concept, that Peregrine would name *DecisionCenter*, proved revolutionary, and some industry analysts believe it to have played a key role in HP’s 2005 decision to acquire Peregrine [1].

Key Challenges

Before the project had a name, and long before HP knew of its existence, Peregrine had to find someone who could bring the concept to reality. Senior level executives knew they had a difficult challenge ahead, one that demanded a level of expertise offered only by top practitioners in the field. The project required a team of data mining

professionals and software developers who could accomplish something as yet unknown in the industry. Elder Research was a natural choice. “Plenty of firms claim to do data mining,” states one top level executive who worked with Elder Research on an earlier project. “In my experience, Elder Research offers the total package: excellent credentials, strong statistical and data mining skills, the initiative to anticipate and act upon our needs, critically compelling and concise verbal and written communications, strong client management skills, and a bias for action.”

Solution

Researchers and engineers at Elder Research were primed for the type of challenge posed by Peregrine. Working directly with Peregrine executives and engineers in San Diego, ERI developed a Java library that would become the DNA of *DecisionCenter*.

This library, codenamed the “Analytic Engine” by Peregrine, captured data from Peregrine’s existing database products and simulated and optimized the effects of changing staffing levels, organization structure, hardware, software, and service levels. This effort leveraged ERI’s existing experiences in the areas of data mining, discrete event simulation, and simulated annealing to quickly deliver a solid solution.

The Analytic Engine was crucial to the successful launch of *DecisionCenter*. According to Barbara Newton, Principal Engineer at Peregrine Systems, “Elder Research was instrumental in developing key concepts in our approach to data mining for the *DecisionCenter* project. Because they work as a team, they were able to identify

the right person for the job. Elder Research brings a wide range of experience to the table that would be difficult to find in a single hire.”

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Results

With the help of Elder Research’s creativity and technical expertise, the challenging development goals for *DecisionCenter* were met on time and under budget. According to Tom Tobin, former VP of product development at Peregrine and originator of the *DecisionCenter* project, “Elder Research’s experience in financial and marketing analytics gave them the ability to solve our complex optimization problems from a unique perspective and helped Peregrine establish thought leadership in our market.”

Shortly after Peregrine’s 2005 announcement of plans to unveil its revolutionary new software, HP announced its decision to acquire Peregrine and with it, *DecisionCenter* [2]. Industry analysts in early 2006 predicted

that Peregrine's contribution of *DecisionCenter* alone would give a lift to both HP's image as well as its management software portfolio. In line with predictions, HP reported significant increases in sales of the *OpenView* software suite by the 2nd quarter of 2006 [3].

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Customer Information

Peregrine Systems, previously based in San Diego, California, was acquired by HP in late 2005. One of the most experienced IT management vendors in the market, Peregrine developed enterprise software solutions in the asset management, change management and help desk markets.

Citations and Related Articles

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[2] “HP Inks Deal to Acquire Peregrine Systems,” Paula Musich, eWEEK, September 19, 2005. <http://www.eweek.com/article2/0,1895,1860909,00.asp>

[3] HP Reports Second Quarter 2006 Results <http://www.webcitation.org/5LVApjTWK>

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