



Dell KACE M300 Appliance Enables Small Businesses to Take a Proactive Approach to IT Asset Management

Dell KACE recently introduced a new series of System Management Appliances targeted at small businesses with 20-200 employees. The Dell KACE M300 Asset Management Appliance is designed to deliver an affordable, plug-and-play IT asset management solution that reduces the repetitive, time consuming task of managing PC inventory and software licenses. The KACE M300 provides a robust yet easy-to-use asset management solution—saving these businesses time and money, while at the same time addressing their compliance and inventory management issues.

PERSPECTIVE

Dell's KACE systems management and deployment appliances are designed to meet systems management needs from initial computer deployment to ongoing management and retirement. Dell acquired KACE, which designs and builds systems management and deployment appliances, in February 2010. KACE solutions are available both as physical appliances (delivered as a pre-packaged hardware and software appliance) and as software-only virtual appliances, which customers can buy and load onto servers they already own.

Higher-end products available from Dell KACE (K1000 and K2000) have been available for some time. Since Dell acquired KACE, sales have spiked considerably year-over-year. However, the existing KACE offerings are designed for companies with 100 to 10,000 employees, and cost more than most small businesses are willing to spend in this area.

With the introduction of the M300, Dell is making a play in the true small business market, targeting customers that want a simple plug-and-play appliance to meet their asset management (both hardware and software) needs. The solution is designed for smaller businesses that often have a part-time IT manager, typically overloaded with installing software and keeping systems and client devices up and running, and frequently unable to keep up with the detail-oriented task of tracking hardware and software assets.

Many small business IT managers are still trying to manage assets and software licenses in a manual manner with spreadsheets. While manual tools provide a point in time snapshot of a network, the information rapidly becomes obsolete as computers are added or additional software is installed on existing computers. IT managers either end up spending too much time trying to keep this up-to-date, or end up with outdated asset inventories. Offloading the labor-intensive minutia involved in this job can free them up to focus on more important things.

Although there are some free and small business oriented solutions in the market, Dell's strong market footprint in the market and direct relationships with existing small business customers provide it with a significant go-to-market advantage, and the opportunity to educate small businesses about the benefits of investing in IT asset management (Figure 1).

Figure 1: Benefits of IT Asset Management

<ul style="list-style-type: none"> • Reduce over-spending on IT hardware and software assets by increasing asset utilization • Reduce IT resources (and time) required to routinely manage and maintain IT hardware and software assets and related annual operational costs • Increase useful life of IT assets through ongoing configuration and upgrade monitoring • Increase utilization of assets by optimizing performance of IT assets • Reduce downtime by optimizing configurations and timely upgrades of assets • Reduce break-fix costs by maintaining proper asset warranty information • Support audit and compliance requirements and mitigate risk of non-compliance and costly legal/financial risks • Records and reports when new devices are connected to the network • Detects hazardous software packages across the network 	
<p style="text-align: center;">IT Hardware Asset Management Benefits</p> <ul style="list-style-type: none"> • Reduce server and PC procurement, upgrade and ongoing management costs • Extend the useful life of these hardware assets • Reduce costs by redeploying unused or under-utilized hardware systems • Keep track of licenses and upgrades for PCs migrating to Windows7 and identify PCs that are configured adequately for upgrade • Easily identify PCs that need replacement or upgrades 	<p style="text-align: center;">IT Software Asset Management Benefits</p> <ul style="list-style-type: none"> • Maintain an accurate inventory of installed applications to ensure legality and that software is up to date • Maintain a centralized report of license purchases and maintenance to ensure license compliance • Reduce operating system, middleware and application procurement, patching, upgrade and ongoing management costs • Reduce costs related to un-used or under-utilized middleware and application software licenses (for both on-premise and on-line software) • Optimize software assets by redeploying unused software licenses
<p>Source: SMB Group, 2011</p>	

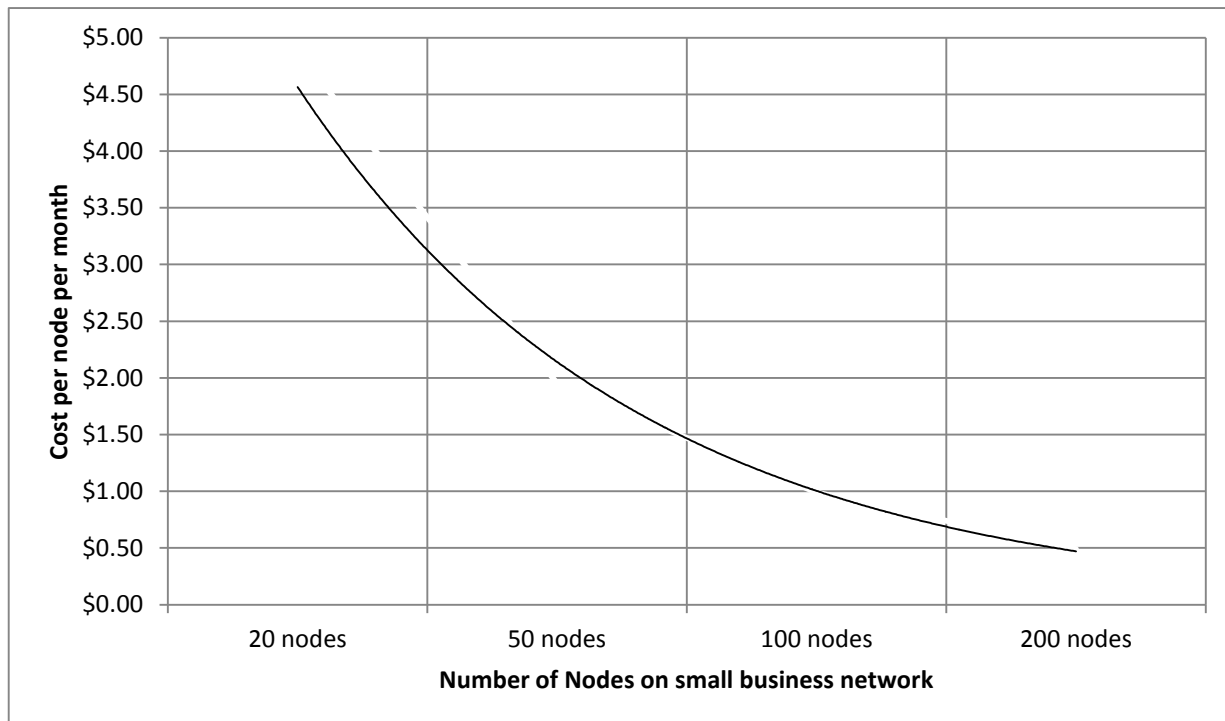
In line with small business requirements to keep it simple, the M300—features easy set up. The IT manager plugs the M300 into the network, and the device automatically scans and discovers all the devices on the network, obtaining information like system names, IP addresses, vendor, models numbers, memory and disk space, etc. In addition to the hardware configuration, the M300 keeps track of all the software licenses, what systems the software is installed, version of the software and level of patch updates, etc.

The M300 continuously tracks computers and software, and can report accurate information in real-time and for compliance purposes at a specific point-in-time. The web-based intuitive user interface of the appliance shows real-time information on all of the monitored parameters. It can match the installed software with the number of software licenses purchased and also authorized users who can use the software. It shows online or sends out reports and/or alerts on any of the monitored parameters. For example, an alert will be issued if an unapproved application is downloaded and installed on a monitored PC or if a new PC is connected to the network.

Priced at \$2498, the M300 includes a one year warranty and supports a maximum of 200 nodes. Assuming the useful life of the M300 to be 3 years, we estimate the cost to monitor each node (desktops and servers) on the network at approximately \$0.49 per month per node in a company with 200 nodes. Figure 2 shows the cost per node in smaller companies (with less than 200 nodes?). Given the cost of a full time IT manager to be approximately \$75,000 per year, the M300 will pay for itself in about 1 month. In addition, the M300 can relieve the pressure and any additional costs related to non-compliance in terms of number of software licenses, etc.

Figure 2: Tracking Cost Per Node, Per Month with the M300

Source: SMB Group



The M300 is compact—measuring just 1.52 x 5.79 x 5.79 inches, connects to the network via a single gigabit Ethernet port, and is currently available in the U.S. only.

Sales are both direct from Dell and via Dell partners. KACE has added about 100 new certified partners since Dell acquired it and currently has 143 channel partners in North America. KACE is aggressively recruiting new partners to help it expand its footprint and reach Dell's large customer base in the small business segment.

Dell's future plans include additional appliances that can be stacked on top of the M300 and will address time consuming IT management functions like OS installs, remote management, mobile devices, service desk, etc. as the systems management needs of these small businesses expand, without the need to rip and replace their current solutions and investments.

QUICK TAKE

Cost-efficiency, productivity benefits, ease of installation and peace of mind benefits—aided by Dell's strong clout in the market—should enable Dell to make significant inroads with KACE in the lower end of the SMB space. And, Dell's plans to incrementally build on the current M300 offerings with additional appliances for other repetitive tasks such as installing network operating systems, imaging and data backup make sense. However, Dell can significantly strengthen its story—and sales—by:

- Offering small businesses the option to add at least some new functionality via software upgrades to the M300 appliance. Although the small business KACE appliances have a small form factor, some companies will balk at buying additional boxes (not to mention that Dell wants to move away from its “box-provider” image!)
- The M300 is a first in the M-series line of appliances from KACE. The M-series is designed to deliver system management technologies to small businesses that they previously were unable to gain access to due to cost or complexity of solutions.
- Incorporating capabilities to manage non windows based clients and networked storage devices.
- Enabling remote management features to enable channel partners to offer incremental value-added IT infrastructure management services. This would not only have appeal for customers, who like to have a one-stop shop, but for partners, that can build higher margin services on top of the M300.

Looking at the larger picture, the KACE M300 provides further evidence of Dell's deepening commitment to small businesses. Dell continues to invest in and build innovative yet practical solutions that address real small business pain points without breaking the bank. Small businesses increasingly rely on technology to run their businesses, and Dell's focus on supplying them with easy-to-use solutions such as the KACE M300 to help manage this technology is on the mark.



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