



KACE™ develops the award-winning KBOX™ family of systems management appliances. KACE has enjoyed triple-digit growth since launching KBOX in 2004, and today thousands of enterprises use KBOX to manage their information technology infrastructure.

From the start KACE has relied on MBX Systems to manufacture the KBOX appliances. Over time KBOX has evolved from a single systems management appliance to four platforms, two for systems management and two for systems deployment, scaled to fit the size of the end user.

The guiding principles KACE set forth for developing its systems management applications fit hand in glove with the reasons for deciding to deploy an appliance. KACE knew the KBOX solution offered incredible functionality but wanted to add a competitive advantage over software-only solutions. The appliance model, by design, allows implementation to be done faster and more economically.

These principles were also the impetus for KACE choosing MBX to manufacture its appliances and why the relationship endures today.

Appliances can be implemented at a fraction of the cost, requiring only the connection and minor configuration of the system in the data center. Support is handled from a single source and there are no compatibility issues with the network.

Mike Regan, KACE's vice president of customer service and operations explains, "We projected that the appliance model would reduce product development and support costs and avoid drawing critical human and financial resources away from our core competency of software development. For our end users, we decided upfront that an appliance-based solution would pay off with a better customer experience."

Deploying an appliance can still present challenges though, particularly with manufacturing scalability and distribution/logistics in tandem with unpredictable demand. Also, appliance hardware has a finite lifespan; as newer, faster and more powerful components are introduced, platform configurations call for periodic reengineering. KACE has always relied on MBX to guide the evolution of its platforms.

THE CHALLENGE

Traditional systems management applications are expensive and difficult to deploy. Systems administrators often must purchase stand alone systems for functions such as software license compliance, patch management, inventory tracking, and asset management. The lack of integration between the systems adds an extra burden to an already overworked IT staff.

Alternatively, these functions on the KBOX are integrated and automated on an appliance. The plug-and-play efficiency and lifecycle support of an appliance takes installation, compatibility and maintenance out of the equation.

THE SOLUTION

Regan attributes KACE's ability to maintain a lean inventory of systems at MBX to scalable manufacturing. "Because of MBX's manufacturing flexibility, they can produce large orders within a quick time frame. There's significantly less expense compared to building up and managing excess inventory in anticipation of demand. Even with our annual volume doubling, MBX has the scale, expertise and logistics channels to manage the flow for our requirements."

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Mike Regan, KACE VP of customer service and operations

CLIENT OVERVIEW
<ul style="list-style-type: none"> > Developer of KBOX™ family of systems management appliances > Four KBOX appliance platforms, two for management and two for deployment > Rapid growth in global markets since introducing KBOX in 2004
BUSINESS CHALLENGES
<ul style="list-style-type: none"> > Keep development and support costs down and human and financial resources focused on software development > Manage logistics and support despite inconsistencies in global export requirements > Maintain lean inventory even with variability in order volume
THE SOLUTION
<ul style="list-style-type: none"> > To stay focused on developing and selling the application, partner with an appliance manufacturer with scalable manufacturing and end-to-end services
THE RESULTS
<ul style="list-style-type: none"> > KACE is meeting its goals of saving customers time and money on systems management > Even with shipments doubling annually, MBX handles the volume seamlessly > Creative logistics by MBX keeps down KACE's head count and costs



> KBOX by KACE

MBX also manages inventory and logistics for KACE's demo and RMA systems, refurbishing to factory settings before returning them to stock. According to Regan, "MBX handles trial management and RMA programs from end-to-end. We can place an order, have it shipped, and log into the MBX customer portal for real time status. If a hardware component fails in the field, the MBX product support team takes care of our warranty claims with the manufacturer."

KACE uses two of MBX's more advanced and comprehensive services extensively: the Pigeon electronic data exchange suite and the MBX customer portal. Pigeon gives KACE automatic notification on the status and details of orders at each stage in the fulfillment process, from order acknowledgment through shipping notification. The customer portal allows KACE 24/7 access to comprehensive real time information on everything from quotes, BOMs, inventory, orders and shipments. It also allows KACE to update item reorder points, customized shipping documents, custom inclusions, and more. KACE loads the portal information into its salesforce.com CRM system for updating customer information, mac addresses, serial numbers, shipment details and other data.

KACE started out selling in North America alone. Today KBOX customers reside in 28 different countries, each with different logistics and support requirements. MBX manages all of KACE's exportation.



Regan says, "International shipments are complex and time consuming. MBX facilitates all the international paperwork and customs declarations, security requirements and any other issues that may arise while a shipment is en route to its destination. Even for destinations with more complex customs clearance, MBX oversees all the export details to keep our global customer base up and running, and satisfied."

KACE considers the ongoing attention from the MBX engineering team another added value, because it makes the job of platform maintenance easier. Regan says, "I don't worry about anything to do with our hardware. In addition to creating economies of scale by using many of the same components across all our platforms, MBX engineers are proactive when a platform component is deemed 'end of life'. Their engineering team plans the transition to a replacement component."

Rob Meinhardt, KACE CEO, stands behind the company's decision in 2003 to use MBX. Meinhardt says, "Because of our low initial volumes, the other appliance vendors I called wouldn't give us the time of day; by contrast, MBX spent the time to understand our business and chart a course to grow with us to the high unit run-rates we have today. Other vendors can't compete with the specialized service that MBX now provides us."

THE RESULT

KACE is succeeding in meeting its goals with the KBOX appliances. According to a KACE customer survey, 75% of KBOX customers deployed in less than one week and 87% said that KBOX paid for itself in less than a year.

As the number of shipments has doubled each year, according to Regan, "MBX handles the volume seamless. Just as KBOX saves customers time and money, MBX does the same for us."

He adds, "We don't need people at KACE to do everything MBX can do for us. MBX is our logistics department. We can keep our head count and costs down with the economies of scale MBX provides. MBX figures out how to solve any issues that come up so we can focus on developing technology and satisfying customers."

Meinhardt says, "MBX sets the benchmark for how a vendor should handle a customer relationship, especially when an issue needs attention. We use MBX as our model for our other vendor relationships and the level of accountability we expect from them."

KBOX installations are continuing to grow and expand globally, and KACE has the confidence that MBX will be the backbone to help the company avoid growing pains. Regan concludes, "Anything we toss out to MBX they've either done before or are willing to tackle. They step up with creative logistics models to meet our needs. MBX really works for us."



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MBX VISION

Our vision is to be the most respected system producer to the OEM appliance market. We create systems of unparalleled quality that support and surpass OEM demands, and we want to support these products with incomparable service in order to increase customer loyalty.

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Rob Meinhardt, KACE CEO