KACE Acquisition Adds Application Virtualization to the KBOX

Abstract

On September 9th, 2008, KACE announced the acquisition of Computers in Motion. This acquisition will eventually lead to the addition of application virtualization – an essential technology for desktop lifecycle management – to the KBOX Family of Systems Management Appliances. ENTERPRISE MANAGEMENT ASSOCIATES® (EMA™) analysts believe this is an important acquisition that greatly improves the ability of KACE to serve its own customers, and to compete against key rivals.

KACE Acquires Computers in Motion

On September 9th, 2008, KACE, a Mountain View, CA based provider of systems management solutions, announced the acquisition of Austin, TX based Computers in Motion, a small startup developer of application virtualization software. Both are private companies, so financial terms were not disclosed. KACE will acquire all the intellectual property of Computers in Motion.

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About Application Virtualization, KACE, and Computers in Motion

EMA analysts define virtualization as a technique for abstracting (or hiding) the physical characteristics of computing resources from the way in which other systems, applications, or end users interact with those resources. This includes making a single physical resource (such as a server, an operating system, an application, or storage device) appear to function as multiple logical resources; or it can include making multiple physical resources (such as storage devices or servers) appear as a single logical resource. The virtualization market is extremely hot, and EMA estimates it will grow by around 20% on average through the next 12-24 months, with the strongest growth coming from desktop and application virtualization.

Application virtualization is a method of providing an individual application to an end user without needing to completely install this application on the user's local system. This can include other virtualization technologies such as:

- Application isolation (also known as application containers or sandboxes) – a method of installing and/or executing application software on a local desktop in a way that it does not interact with other system and application components, settings, and configurations
- Software streaming – a method of delivering software components, including applications, desktops, and even complete operating systems, dynamically and incrementally from a central location to an end user over the network

KACE is a provider of systems management solutions, especially focused on solutions for the mid-market. Its KBOX systems management appliances provide a wide range

of desktop lifecycle management functionality, including asset discovery and inventory management, OS provisioning, application deployment and configuration, and patch distribution. KACE delivers its solutions as both physical and virtual appliances. KACE also provides a knowledge base and community Web site (AppDeploy.com) for advice and best practices regarding application installation and configuration, which is also tightly integrated into the KBOX appliances.

Computers in Motion was established in 2001, developing software focused on application virtualization, security, and system utilities. With extensive systems management development expertise, it is still an early-stage technology provider with a limited product set and small customer base. Its products include:

- Avispa – an application isolation solution
- Safe Containers for IE – a secure browsing solution
- Take Control – a system monitoring and control solution
- FOAM – a Java development toolset

Key Ramifications

Of all the Computers in Motion products, Avispa is the most significant, providing application isolation capabilities that KACE will incorporate into its own systems, starting initially with the KBOX 1000 Systems Management Appliance.

The Computers in Motion principal engineers will join KACE, leading a new application virtualization team operating from new KACE offices in Austin, TX. The Computers in Motion technology will provide the foundation for KACE's next generation of application virtualization offerings. Although the exact number of Computers in Motion customers was not disclosed, this company has limited traction in the marketplace to date, so the impact on its customers will be negligible.

Of all the Computers in Motion products, Avispa is the most significant, providing application isolation capabilities that KACE will incorporate into its own systems, starting initially with the KBOX 1000 Systems Management Appliance. Similarly, the Safe Containers technology will be incorporated in the KBOX solutions. The Take Control solution will eventually be offered outside the KBOX through the AppDeploy Web site. However, the FOAM offering does not fit the KACE portfolio, and will likely meet its end-of-life.

Toward the end of 2008, customers should expect to see additional application virtualization capabilities in the KBOX series of appliances. Planned improvements utilizing and extending these technologies will include:

- Execution control, license management, reporting, and other additional features for administrators to manage how and where virtual applications are executed
- Secure browsing that provides users with a virtual container in which to run a Web browser in order to isolate end users from Internet-based malware and threats
- Data Management capabilities (for both Apple Mac and Microsoft Windows clients) that will synchronize end users' settings, data, and more to a central server, providing backups, portability and security for corporate application environments.

EMA Perspective

EMA believes that application virtualization is an essential technology for desktop lifecycle management vendors like KACE. Adding application virtualization to traditional desktop management tools directly addresses many of the most substantial and costly challenges for desktop administrators. Application isolation in particular allows multiple versions of an application to run side-by-side without conflicts, such as when migrating from one version to another. It allows applications to be upgraded with few, if any, compatibility problems, and with much less rigorous, timely, and costly compatibility and regression testing. Self-contained virtual applications can be easily installed, uninstalled and repaired, reducing management time and effort, reducing time taken to provision and deprovision users, and enabling more efficient use and reuse of costly application licenses. End-user desktops also tend to stay 'cleaner' despite frequent application upgrades, leading to marginally faster operating systems.

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This is not to say there are no catches. Isolated applications often cannot operate outside their 'sandbox', so otherwise simple operations like object linking or interaction with low-level device drivers may not always be possible. Software updates can be more difficult, as isolated applications have very different architectures, and require unique patching mechanisms. Compatibility can be also an issue, with some non-standard applications unable to be virtualized. EMA therefore advises some caution before deploying end-user facing virtualization technologies like application virtualization. Specifically, it is important to accommodate user differences during deployments, to ensure users are not all treated the same way. IT must ensure compatibility of virtual applications not just with other systems and applications, but also with network capabilities, management tools, and with individual work habits. However, when used judiciously, and in conjunction with other application delivery tools, application virtualization provides an important tool in the desktop administrator's toolbox to satisfy end-user application requirements. This acquisition is therefore very important in how it greatly improves the ability of KACE to serve its customers.

This acquisition is also an important competitive move for KACE, because several key desktop lifecycle management competitors already have some form of application virtualization as part of their own offerings. Most notable among these is Symantec (Altiris), which provides application isolation and application streaming technologies with the Altiris Software Virtualization Suite (SVS) and the recently acquired AppStream solutions; and Microsoft, which also provides application isolation and application streaming capabilities with its Microsoft Application Virtualization (formerly SoftGrid) product. Other key competitors, Avocent (LANDesk) and matrix42, also provide application virtualization technologies, through partnership and OEM arrangements with VMware ThinApp (formerly Thinstall), and Novell has just this month announced an OEM arrangement to embed Code Systems' Xenocode into its ZENworks solutions. KACE has until now trailed these competitors in this area. This acquisition does not just give KACE an application virtualization technology to compete with these vendors, but gives KACE complete control over this technology's future.

To an extent, this acquisition will also bring KACE into new competitive territory against pure-play virtualization vendors, not least with VMware, but also with Citrix, which EMA research shows leads the market in penetration of application virtualization technologies with its XenApp solution (formerly Citrix Presentation Server). The former will be of little concern to KACE in the near- to medium-term at least, as VMware not only faces a very different market (mainly servicing large enterprise data centers), but also faces more intense competitive threats from the likes of Microsoft and Symantec. However, the interests of Citrix in delivering applications are much closer to KACE, especially as Citrix has a substantial mid-market customer base, and a close partnership with key KACE competitor, Microsoft. This could prove a stumbling block for KACE, but with such a massive nascent market, there is plenty of opportunity to satisfy both vendors. In addition, there is certainly enough unique differentiation for each (Citrix with the rest of its virtualization and application delivery portfolio, and KACE with its wider range of desktop lifecycle management capabilities) that direct competition will be at best unnecessary, and at worst ineffective, for both vendors.

Overall, this is a very positive acquisition for KACE. It will help it to compete against its most important rivals, and in some areas even exceed them. It will add additional development resources in critical virtualization technologies. Perhaps most importantly, it will add yet another capability to the KBOX appliances, and give KACE customers another option to directly solve some of the most difficult and costly challenges that they face in delivering applications to their end users.

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