

## EXCERPT

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### **Remote Access Services Market Analysis: Leveraging Remote Control Software Technology to Offer Mobile Users New Access Opportunities - Citrix Profile (Excerpt from IDC # 32920, February 2005)**

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## IN THIS EXCERPT

This excerpt is taken from Remote Access Services Market Analysis: Leveraging Remote Control Software Technology to Offer Mobile Users New Access Opportunities (IDC # 32920 , February 2005) and includes an IDC Opinion, Situation Overview, the IDC Leadership Grid, the Citrix Vendor Profile, Essential Guidance and Related Research.

## IDC OPINION

The emerging remote access services market is beginning to take shape in 2004 and 2005, offering small and medium-sized businesses (SMBs), day extenders, mobile professionals from large enterprises, and specific industries a low-cost, simple-to-use yet secure complement to VPN solutions and an alternative to larger mobile enablement solutions. Users have complete access to and file transfer of office or home PCs, including email and most other applications available on the desktop, over any browser or mobile device. The service is characterized by the following:

- ☒ Legitimacy. Citrix, a software company with close to \$800 million in annual revenue, recently purchased Expertcity and its GoToMyPC service, providing immediate credibility to a market of mostly fledgling pure-plays and now offering viable resources to continue the momentum built up by Expertcity, the market leader in this space.
- ☒ Growing competition. On the heels of Expertcity's success in this market, a variety of companies have entered the space, including remote control/file transfer veteran Laplink and newer entrants 01 Communique, 3am Labs, and Sproqit. In addition, 2005 saw WebEx enter the fray. Symantec, the remote control software market share leader, is also exploring ways to address the positives this market brings without compromising security concerns addressed by some enterprises.
- ☒ Near-term opportunity. With a largely untapped SMB market from which to attract customers, as a complementary offering to individuals in enterprises with a VPN solution, and as a viable alternative to complex mobile enablement solutions that are also still emerging, remote access services has a near-term opportunity to pick up steam and long-term viability as a service among specific user types and key industries.

## SITUATION OVERVIEW

In the early days of remote control software, most of the solutions targeted remote access functionality. Most of the solutions focused on day extenders' and telecommuter workers' accessing work PCs from a home PC for Internet or file access. But with the advent of ubiquitous VPN technologies and the increased replacement of desktops with laptops in the workplace, the use of remote control software for these remote access purposes became no longer necessary. Most vendors within this space shifted their focus to leverage remote control software for IT shops, complementing help desk and desktop management software solutions. That is where this market is today.

However, over the last few years several vendors (including existing remote control providers) have brought back the concept of remote access in a services model but in a manner where users can leverage their desktops anywhere they can get Internet access, with little to download. It's being framed as a VPN alternative or complement. In addition, remote access services has an opportunity to address particular work roles, such as individuals in large enterprise organizations, SMBs, and specific verticals. It is a cheap, fast, and secure option to more costly wireless access solutions and in most cases offers broader access to the entire desktop.

IDC believes that this market does serve a purpose across a number of key areas:

- Small and medium-sized businesses with little infrastructure but a need for low-cost, secure remote access
- Short-term travelers and day extenders within larger enterprises who wish to leave their PCs (or more likely laptops) in the office when traveling or working from home
- Ad hoc access to the desktop and applications in remote locations (as an example, leveraging a kiosk or fixed PC as an alternative to using a laptop at a hotspot)

The solutions offered are set up as a service, typically in the \$99/year range. (Some monthly and quarterly plans are available.) Initially, a small download onto the user's PC or laptop is necessary. When the user is working from home or traveling away from the office, the accessed PC must be connected and on. With that proviso, users can go to any Web browser (and increasingly to browsers on mobile devices), log on (typically with no software download), and control their PC remotely, access applications, and, depending on the level of access and product offering, transfer files.

A variety of connection and security options are available. Some vendors offer email; others offer anything users can access on their desktops. Some have controls that allow only viewing, without file transfers, and many offer two or three versions, from personal to corporate editions with more controls.

### ***Is This a Viable Solution for the Long Term?***

One of the most telling events of this market within the last year was Citrix's acquisition of Expertcity. With this acquisition, the \$741 million company became an immediate force and brought tremendous credibility to a market of fledgling start-ups. Expertcity, itself, had made an impact with strong adoption of subscriber numbers and invested heavily in advertising to ensure its ubiquity on the Web.

With Citrix intent on closely aligning this service with its core MetaFrame products, the entrance of WebEx in 2005, and Symantec exploring ways to better address the market for its enterprise customer base, there is an interesting collision course with this service offering and the enterprise.

However, a question remains on the long-term prospects for all vendors in this space offering such a service. Today, IDC believes this offering is a valuable service for many worker types and remains a very simple, inexpensive remote access method that requires little work and investment to get up and running. In the SMB space and consumer markets, this solution will continue to be important. But several attributes to this solution and other competing technologies can arguably strike down their long-term viability and their viability as enterprise solutions:

The inherent need to keep a PC on and running offers multiple challenges to users of this solution. Despite claims of desktops coming back into the enterprise, the past five years have witnessed a tremendous period of replacement of laptop computers within organizations. Because laptops typically accompany mobile workers (and include all files, Office documents, and so on), the model that requires these devices to remain in the office is a tremendous hurdle to cross. In fact, it is such a hurdle that it may even relegate this market to a niche offering addressing a specific class of mobile user but never reaching a broad audience. Perhaps this niche may be enough to sustain a business, but that remains to be seen.

This inherent need to keep a PC on and running to access files also raises a number of security concerns for organizations, which include access issues as well as the physical presence of a device remaining within an office. Laptop theft can be prevalent, and many organizations strongly suggest or require that the laptop go wherever the user goes (whether the user is home or traveling).

A number of solutions exist today that allow mobile workers access to key corporate resources through a mobile device, including email and other back-end systems (see *Worldwide Mobile Middleware 2004–2008 Forecast and Analysis*, IDC # 32212 , November 2004). This market is still emerging and certainly requires much in the way of investment and strategic consideration. In the short term, remote access services discussed in this study will be a simple and inexpensive alternative to such large deployments. However, emerging concepts that include mass-market adoption of mobile email across a broad number of mobile handset types at a rate of \$10/month or less are an example of a technology that would potentially make a segment of this remote access services market obsolete.

IDC believes that in the near term there is a strong opportunity for subscriber adoption of remote access services. This initial near-term adoption may spawn strong niche opportunities that could push this service to succeed within specific segments

of the mobile user population (such as the day extender, SMB market, and so on) and remain viable in the long term as part of those market areas. However, there are a number of behavioral and technological barriers to cross for this technology to fully explode over the long term and receive true acceptance within the enterprise.

## **IDC LEADERSHIP GRID**

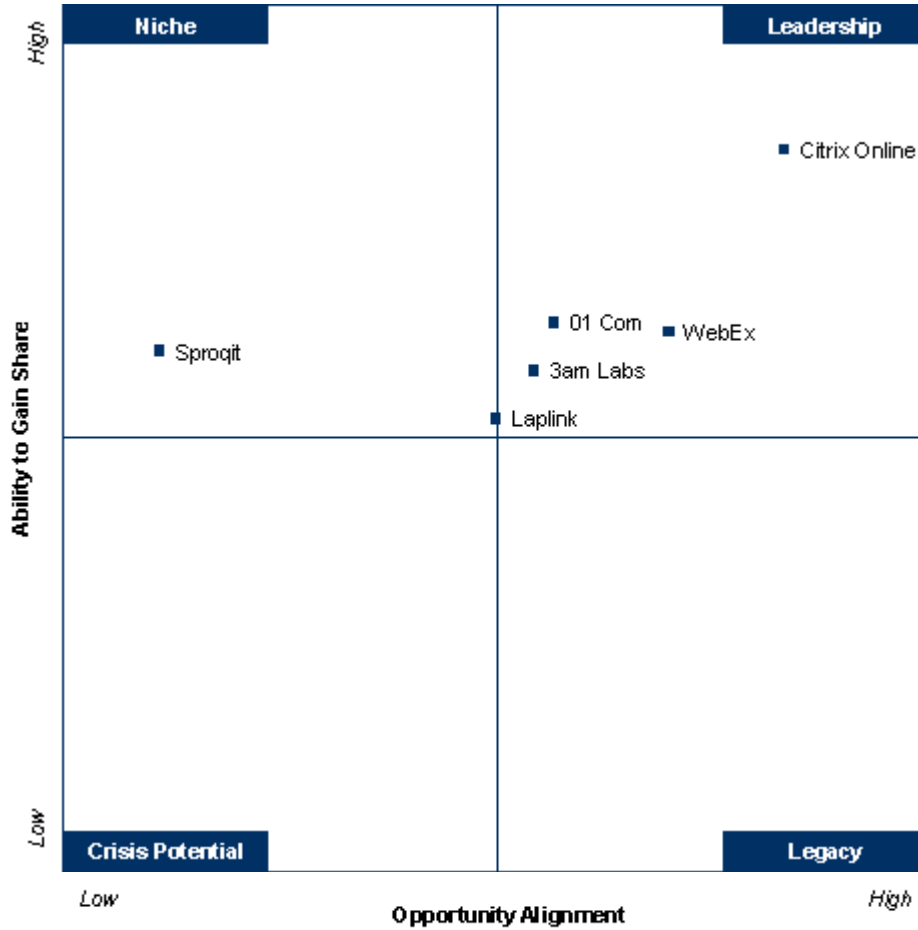
The IDC Leadership Grid provides a qualitative comparison of the suppliers within the remote access services market. It is a pictorial representation of each vendor's position within the market based on two factors: the supplier's ability to gain share and its alignment with future market opportunities.

The x-axis measures the vendor's opportunity alignment, or its ability to leverage essential market trends over the forecast period. The x-axis also considers the vendor's potential for growth and its ability to be a top-tier player in the market. The y-axis represents the vendor's ability to gain share based on factors such as financial strength, channels, customer perception, and partnerships.

To some degree, the IDC Leadership Grid offers a more comprehensive assessment of a company's position in the market than market share alone. This may be particularly true with the remote access services space because much of the market has just begun to emerge (see Figure 1).

**FIGURE 1**

IDC Leadership Grid: Worldwide Remote Access Services Market



Source: IDC, 2005

***Citrix Online (Santa Barbara, California)***

In 2004, Citrix of Ft. Lauderdale, Florida, acquired Expertcity and established the Citrix Online entity that provides GoToMyPC, GoToAssist, and GoToMeeting services. Expertcity invested a tremendous amount of resources, including large amounts of advertising dollars, to make its flagship entity, GoToMyPC, not only one of the first but also one of the most ubiquitous offerings on the Web. Indeed, the market may be defined by this product. Citrix's acquisition of Expertcity brings tremendous credibility to this service offering and to the market as a whole — something that didn't go unnoticed by Symantec, a \$1.8 billion company and leader of the remote control market.

Citrix Online delivers GoToMyPC for this space across three different editions: Personal (for one to four PCs), Pro (with a minimal level of administration), and Corporate (managed service). Version 4.1 will add Group Managers for large deployments, where users can be added or deleted as well as do some reporting and auditing. In addition, the new version will include one year's worth of data reported, a network installer, signature protocol, copy/paste lockdown, and PocketView to give users full control over the desktop with their Pocket PC devices.

GoToMyPC has made a serious run at this business and has the unique advantage of three datacenters. Citrix Online also has an industry focus with some compelling customer acquisitions across government, healthcare, financial, and education verticals. Citrix Online is truly taking a hold in the corporate business segment, where there is less churn and the opportunity to command a higher price. Its technology in terms of features and critical components such as security is also further along than other vendors', giving the company a strategic advantage with the corporate customer. If Citrix Online can bridge the gap and begin to tap into the broader Citrix MetaFrame customer base, it has a real opportunity to push GoToMyPC and perhaps this market into much broader acceptance.

### ***Essential Guidance***

IDC recommends that to be successful, suppliers of remote access services should do the following:

- ☒ Market this solution across the largely untapped SMB space, which could leverage the benefits of a simplistic yet secure and cost-effective solution that fits well with organizations that may not have any existing infrastructure or the resources to roll out a formal VPN or mobile enablement solution. Consider partnerships with service providers that have strength in delivering valuable services today to the SMB market.
- ☒ Demonstrate the value of the service across a number of specific niche areas and other vertical industries, such as the day extender and the short-time traveler in education, healthcare, and legal.
- ☒ In larger enterprises target this solution to mobile professionals and IT departments as a strong complement to existing VPN solutions and as a low-cost and low-risk solution to the problem of getting mobile workers access to key resources. This idea could easily resonate and may plug a hole for many years as companies contemplate larger mobile enablement projects.

### ***Related Research***

- ☒ *Worldwide Remote Control/Remote Access Software 2005–2009 Forecast and Analysis* (IDC # 33082, March 2005)
- ☒ *Software as a Service in the Midmarket: Profiles of 20 Providers* (IDC # 32558 , December 2004)
- ☒ *Worldwide Mobile Middleware 2004–2008 Forecast and Analysis* (IDC # 32212 , November 2004)

- ☒ *Worldwide Mobile Device Management Enterprise 2004–2008 Forecast Update* (IDC # 31748 , August 2004)
- ☒ *Worldwide Mobile Device Management Enterprise 2003 Vendor Shares* (IDC # 31745 , August 2004)
- ☒ *Software as a Service in the Midmarket: Adoption Trends and Customer Preferences* (IDC # 31573 , July 2004)
- ☒ *Worldwide Remote Control/Remote Access Software Forecast and Analysis, 2003–2007* (IDC # 30634 , December 2003)

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