

EXCERPT

IDC MarketScape: Worldwide Desktop Virtualization 2011 Vendor Analysis

Ian Song

IN THIS EXCERPT

The content for this excerpt was taken directly from the IDC MarketScape: Worldwide Desktop Virtualization 2011 Vendor Analysis by Ian Song (Doc # 228619). All or parts of the following sections are included in this excerpt: IDC Opinion, In This Study, Situation Overview, Future Outlook, Essential Guidance, and Synopsis. Also included is Figure 1.

IDC OPINION

The desktop virtualization market has experienced tremendous attention over the past few years. Customers are intrigued by the possibility of a better desktop management model and the operational savings desktop virtualization could deliver. Although the market is still in the early phase of development, many vendors have emerged to provide solutions; desktop virtualization products are available from small start-ups to Fortune 100 companies. Customers are in turn confused about the capability and addressability of each vendor's solution.

This IDC study represents the vendor assessment model called IDC MarketScape. This research is a quantitative and qualitative assessment of the characteristics that explain a vendor's success in the marketplace and help anticipate its ascendancy. The study assesses the capability and business strategy of many desktop virtualization vendors. The evaluation is based on a comprehensive framework and set of parameters expected to be most conducive to success in providing desktop virtualization solutions, during both the short and the long term. As the desktop virtualization market is a highly competitive one, all vendors performed relatively well in the study. Key findings include:

- ☒ All vendors in this study can provide the underlying virtual desktop provision and management capabilities. Leading vendors are more likely to offer solutions that address a broader audience with simplified management tools, more devices supported, supporting technologies that improve the user experience, and long-term strategic vision.

- ☒ Larger vendors naturally offer more capabilities to their customers; thus, many of them lead this study. However, many innovations are coming from the smaller start-ups, which build their whole business around those differentiating innovations. The result is many start-ups are gaining rapid traction in the market and performed well in this study.

- ☒ The desktop virtualization market is maturing at a rapid pace; new approaches such as desktop as a service (DaaS) and managed offline desktops are beginning to emerge. The market itself is beginning to consolidate as larger vendors acquire unique smaller firms to access new capabilities and customer groups.
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IN THIS STUDY

This IDC study assesses the capability and business strategy of many vendors in the client virtualization market. These vendors are selected based on their capabilities to provide centralized management solutions utilizing centralized virtual desktop and distributed virtual desktop delivery models. This evaluation is based on a comprehensive framework and set of parameters expected to be most conducive to success in providing virtual desktop solutions for the short and the long term.

This study encompasses 12 vendors in the client virtualization space, ranging from large software solution vendors including Microsoft, VMware, Citrix, Quest Software, and Red Hat to small vendors including MokaFive, Virtual Bridges, Virtual Computer, Kaviza, DeskTone, Wanova, and Unidesk. IDC believes that by having a wide range of vendors, and solutions, we can provide unbiased analysis of each vendor's strengths and weaknesses, thus helping technology buyers make more informed purchase decisions.

Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of a review board of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions, on the IDC MarketScape, detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

SITUATION OVERVIEW

Introduction

The push to adopt desktop virtualization technologies initially came from organizations that successfully implemented server virtualization. The attractive ROI and immediate reduction of capital expense on hardware of server virtualization led to the (often incorrect) assumption that a similar cost savings could be found through desktop virtualization. However, the presumption that desktop virtualization would lead to mitigating other headaches including management, security, backups, and reducing user-caused system problems has proven to be true.

Existing hindrances to effective desktop management, combined with reduced IT budget during the past recession, have the organizational IT leadership turning to virtualization for reducing end-user computing costs. Enterprises have quickly discovered that the use of virtualization to support desktop workloads creates a range of significant benefits. These benefits include improved IT management efficiency, price efficiencies, and capabilities. IDC defines these benefits in one of the following three buckets:

- ☒ **Quantifiable benefits.** Virtual machines rely less on the horsepower of the endpoint devices themselves, thus creating an opportunity for IT to significantly drive down the cost of endpoint hardware either by extending the life span of existing PCs by repurposing them as virtual machine endpoints or by replacing PCs with thin-client devices. The simplified management model of desktop virtualization can further drive down the total IT costs by enabling IT to work more efficiently. Additionally, desktop virtualization can make users more productive by improving desktop reliability and lessening the need to contact support. However, some costs benefits can be offset by increased costs for hardware and software required to put a desktop virtualization solution in place.
- ☒ **Functional benefits.** The ability to move data from the edge of the IT environment into the datacenter inherently reduces the security risks to an IT organization. Data backup is improved because user data resides within the datacenter, which becomes easier to ensure full compliance. Disaster recovery is significantly simplified because central IT staff can effortlessly revert virtual desktops to their last known good states.
- ☒ **Organizational benefits.** Traditional tension between IT and the rest of the organization can be lessened with desktop virtualization. Because virtual desktop environments are easier to manage and secure than traditional desktops, IT can provide end users more freedom and promote goodwill. Virtual desktops can also improve the user experience, especially when compared with an aging physical PC. Additionally, virtual desktops can allow users ubiquitous access to their virtual desktops on any devices, which can improve overall user satisfaction.

FUTURE OUTLOOK

IDC MarketScape Desktop Virtualization Market Vendor Assessment

The IDC MarketScape vendor assessment for the desktop virtualization software market represents IDC's assessment on which vendors are well positioned today through current capabilities and which are best positioned to gain market share over the next few years. Positioning in the upper right of the grid indicates that vendors are well positioned to gain market share. For the purposes of discussion, IDC divided potential key strategy measures for success into two primary categories: capabilities and strategy.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned it is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under

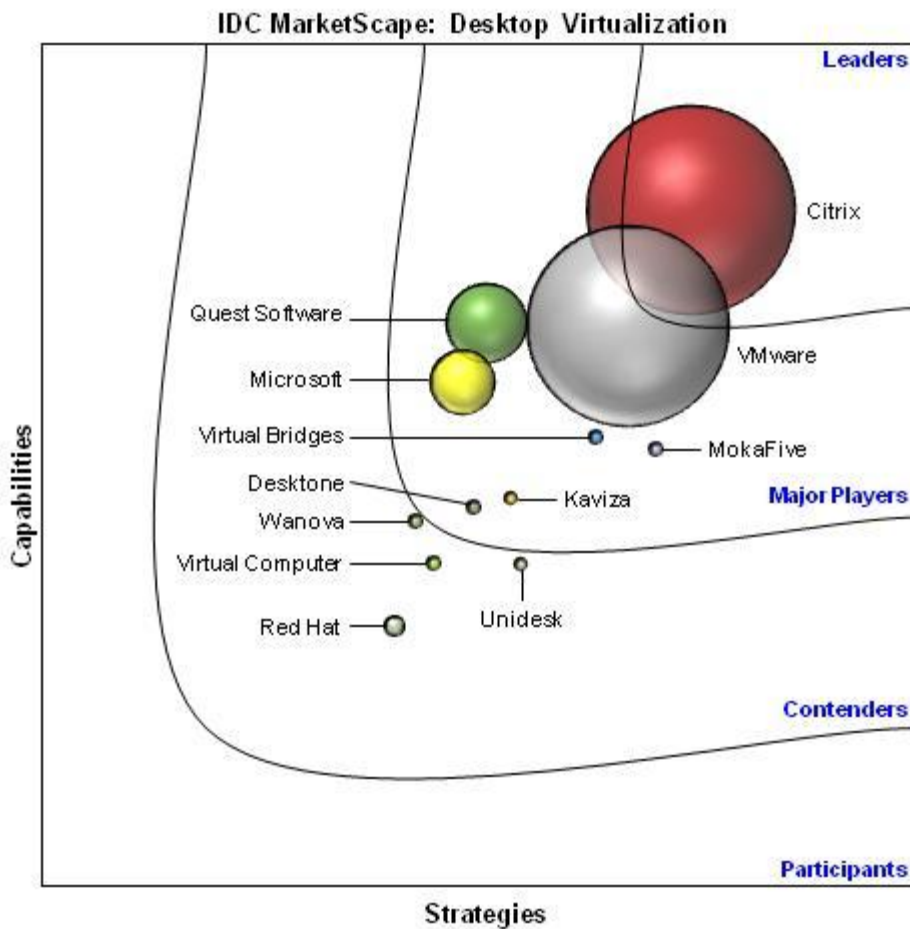
this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategy axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategy category focuses on high-level strategic decisions and underlying assumptions about offerings, customer segments, business, and go-to-market plans for the future, in this case defined as the next three to five years. Under this category, analysts look at whether or not a supplier's strategies in various areas are aligned with customer requirements (and spending) over a defined future time period.

Figure 3 shows each vendor's position in the vendor assessment chart. Its market share is indicated by the size of the bubble. Due to the nascent nature of the desktop virtualization market, and the numerous private start-ups in this industry, growth momentum is not included in this year's study.

FIGURE 3

IDC MarketScape Desktop Virtualization Vendor Assessment



Source: IDC, 2011

Vendor Summary Analysis

In this section, we provide background information on a vendor in this MarketScape and their capability, strategy, and IDC's qualitative assessment.

Citrix

Citrix is the market leader in the server-based client computing market with its XenApp, previously known as Presentation Server, offerings. Citrix's entry into the desktop virtualization market space was enhanced in 2007 with Citrix's acquisition of XenSource. Since then, Citrix has leveraged the acquired XenSource technologies and in-house capabilities to introduce a new CVD product, named XenDesktop. As a CVD solution, XenDesktop is hypervisor agnostic, meaning that it can run on most commercially available server hypervisor. In recent years, Citrix has gained the leadership position in the desktop virtualization market by improving XenDesktop capabilities and overall strategic marketing. XenDesktop leverages Citrix's existing desktop management and protocol experiences, networking expertise, and a robust partner ecosystem, including a strong partnership with Microsoft, to ensure that it can meet most of the customer's requirements.

Since XenDesktop 4.0, Citrix has focused on enhancing the user experience of the CVD and supporting multiple end-user device platforms. With its current XenDesktop 5, Citrix now has the capability to deliver CVD to most end-user devices with its Receiver product. The user experience on these devices is optimized by Citrix's HDX user experience technology and FlexCast delivery technology. Recently, Citrix improved its Receiver products for the mobile segment, enhancing the usability of XenDesktop on smaller screens. Receiver is also now available as an HTML5 Web app and can run on any HTML5-enabled Internet browser. Additionally, Citrix introduced follow-me apps and data for its Receiver products, simplifying the user experience on non-PC devices.

Thanks to its FlexCast delivery technology, XenDesktop delivers CVD, application virtualization, and session virtualization all as part of its single solution and can additionally deliver Windows, Web, and SaaS apps to users all with a common interface. Citrix also has desktop virtualization solutions for disconnected users. XenClient is a type-1 client hypervisor, which can run virtual desktops without the need to connect to the datacenter. Centralized management can be accomplished when the user is reconnected to the network. Additionally, Citrix has networking appliances such as Branch Repeater and NetScaler, aimed at minimizing bandwidth requirement and improving remote user experience.

In May 2011, Citrix announced that it has acquired Kaviza, a start-up in the desktop virtualization market known for its simplicity. Having Kaviza effectively addresses the SMB market for Citrix, which can now offer CVD solutions to customers of all sizes. Solutionswise, Citrix has the most comprehensive set of technologies enabling customers to effectively deploy a virtualized desktop environment. IDC believes Citrix has a good road map and a firm strategic grip on where it wants to take XenDesktop. However, implementing the Citrix solution is a daunting task, and Citrix must tread carefully to avoid intimidating customers with an overly complex architecture. In fact, Citrix has a significant opportunity to engage in additional service and consulting businesses to help its customers plan and implement their virtual environments.

Given the robust capability and strategic vision, IDC has assigned Citrix in the leader quadrant. As long as Citrix continues to execute on its strategic road map, IDC believes it will remain the leader in the desktop virtualization market.

Kaviza

Kaviza was founded by Kumar Goswami and Michael Peercy, industry veterans from HP and IBM, respectively. The company was founded in 2009 and was built on the principles of simplifying CVD deployments and reducing the costs associated with the technology. Kaviza's offering is called VDI-in-a-Box, and it differentiates itself by incorporating different components of CVD into a single virtual appliance. By packaging traditionally separated CVD technologies like connection broker, user and image management, load balancer, and storage management into a single package, Kaviza is able to deliver a CVD solution without an overly complex architecture and high costs. In May 2011, Citrix announced that it has acquired Kaviza as Citrix's CVD solution for the SMB market. Because Citrix decided not to integrate Kaviza into the XenDesktop line, IDC evaluates Kaviza as an independent vendor in this study.

On the surface, VDI-in-a-Box is very similar to other CVD solutions and offers similar capabilities. However, unlike other CVD solutions, where components have to be assembled before deployment, Kaviza's VDI-in-a-Box contains all essential pieces in a single appliance and runs directly on top of a hypervisor (ESX/ESXi supported, Hyper-V and XenServer soon) out of the box. The result is a CVD solution that is significantly less complex to deploy and manage, thus reducing costs for deploying, provisioning, and managing virtual desktops. Kaviza has recently released version 3 of its VDI-in-a-Box software, where the integration with Citrix HDX has been improved. VDI-in-a-Box also enjoys wide device compatibility, thanks to Kaviza's collaboration with Citrix. Kaviza solutions can support devices like the iOS and Android-based devices, as well as any device that supports Citrix Receiver.

Kaviza's customers tend to be smaller companies that have limited resources and expertise when it comes to CVD. The simplicity of Kaviza's solution makes it a natural fit for those organizations. Kaviza has created an entry point for SMBs to venture into desktop virtualization at a minimal cost. More recently, Kaviza has begun to offer managed and hosted solutions for its VDI-in-a-Box product, a good strategy to expand its footprint.

IDC believes Kaviza is an emerging major player in the desktop virtualization market. VDI-in-a-Box is a capable product in smaller deployments, but how Kaviza manages larger customers as it becomes a part of Citrix, and begins to move into bigger deals, is still left to be seen.

ESSENTIAL GUIDANCE

As the desktop virtualization technology continues to mature, more potential customers will begin to evaluate the desktop virtualization as a viable solution to manage their transition to Windows 7, address the influx of personal devices in the enterprise, and improve the overall desktop IT practice. One aspect of desktop virtualization benefit that has been taboo to talk about in the past few years was the ROI. Due to the higher cost of implementation, ROI hasn't been discussed much as a benefit of desktop virtualization.

IDC believes that, given the advances made by the desktop virtualization vendors and partners as well as the emerging service provider (cloud) hosted models, ROI for desktop virtualization can become an achievable and measureable benefit. Of course, an organization shouldn't approach desktop virtualization purely because of ROI. Desktop virtualization is a new model of desktop computing, and organizations should approach it with a clear understanding of how desktop virtualization can benefit their environment in an operational sense.

When evaluating desktop virtualization vendors, it is more important to focus on the solutions the specific vendors provide than to focus on the size of the vendor. Many start-ups in this MarketScape offer unique capabilities that can minimize the initial cost of deployment, simplify management, and improve user experience. In fact, most start-ups have larger customers and have partnerships that ensure their survival.

As the enterprise culture becomes increasingly driven by younger, more connected, and mobile workers, companies that don't build the foundation to support flexible computing will find workers harder to manage and, to an extent, harder to retain. IDC believes we are still in the early phases of desktop virtualization, and now it is a great time for organization to evaluate and invest in solutions that can better manage the end users, regardless of where they are or what they use. Organizations failing to do so could risk losing their competitive advantage in the long term.

Synopsis

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