Reducing Total Cost of Ownership through Outsourced Hosted Virtual Desktops

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Introduction

Virtual desktop infrastructure (VDI) has attracted so much interest because of its potential to save organizations money over time. While this certainly is a compelling proposition, today's economy dictates that, rather than investing in new technologies solely in the hope of spending less money tomorrow, businesses need to cut costs now.

By outsourcing hosted virtual desktops, you can realize tremendous savings immediately—and in the longer-term—including:

- Eliminating upfront desktop-related capital expenditure
- Reducing costs for power consumption, desktop and remote user support
- Extending desktop lifecycles
- Enabling affordable business continuity
- Delivering significantly better end-user productivity
- Lowering your overall financial risk

What are Outsourced Hosted Virtual Desktops?

ICC Global Hosting provides virtual desktops as an outsourced, hosted subscription service, enabling commercial and education enterprises to instantly gain the financial and flexibility benefits associated with VDI without having to invest in, build or support the infrastructure themselves.

> "Outsourcing hosted virtual desktops cuts your costs today, saves you money over the long term, and sets you up to reap tremendous gains as the economy recovers." – *James R. Satterley, Vice President, KnexGEN Solutions LLC*

ICC delivers a complete Windows configuration with a continuously clean and updated desktop image. Security is ensured by allowing your data, including user files, to remain on-site in your storage area network, rather than in our hosting center, and by enabling you to manage data protection according to your standard policies and procedures. By leveraging our partner ecosystem, you can also take advantage of value-added hardware, software and services, such as obtaining thin client hardware as a service and, as a result, transforming your entire hosted virtual desktop environment from a capital expense (CAPEX) to an operating expense (OPEX).

How Outsourced Hosted Virtual Desktops Save Organizations Money

Outsourcing hosted virtual desktops allows you to cut costs today and reduce your total cost of ownership (TCO), delivering substantive, measurable savings compared to maintaining physical desktop infrastructures and building internal VDI environments. By simplifying everything from initial deployment through support and recovery processes, organizations can realize a 23% TCO savings over traditional desktop deployments and an additional 13% TCO savings over internally deployed VDI over a 3-year period.

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No Upfront Capital Expenditure

Deploying VDI internally is a complex, costly endeavor. Not only are a myriad of technology purchases required before you can begin implementation—such as servers, storage, backup, network, thin clients and virtualization software—because they are offered by a variety of vendors, it is often difficult for IT organizations to determine which solutions are best suited to their environments, and even harder to accurately budget deployment projects.

With a hosted desktop service, you don't incur any upfront CAPEX from infrastructure or virtualization resources. In fact, your computing costs shift from CAPEX to OPEX, since you don't have to own the physical assets needed to support your virtual desktop environment. For instance, a 5,000-seat enterprise can save nearly $4 million on end-point devices over a 3-year period. In addition, by outsourcing instead of implementing VDI internally, you eliminate the need for additional data center hardware, storage, rack space, floor space, and power and cooling requirements—and avoid spending close to $5 million in related purchases.

Lower Financial Risk

A subscription service, in which you pay the provider per user on a monthly basis, is a known cost. It enables you to accurately budget, while flattening out desktop costs. Just as important in today's capital-constrained economy, it enables you to improve your cash flow since you're not allocating CAPEX or taking on debt to finance your desktop infrastructure. You also improve your balance sheet by curtailing depreciating capital assets, and this is hardly insignificant: According to a study by the Federal Reserve Board of San Francisco, PCs depreciate in value roughly 50% per year.

With an outsourced pay-as-you-go service, you have the flexibility of paying only for what you use. Instead of buying hardware and software that you may not end up fully utilizing, you can negotiate with your provider to reduce the number of desktops as your needs change—or even add more desktops during peak usage periods without incurring additional CAPEX.

For many organizations the fact that outsourcing hosted virtual desktops eliminates the need for complex and time-consuming cost accounting is also tremendously beneficial. Departments don't have to worry about whether they're being appropriately charged by central IT for their resources; everything is managed equally and accurately through your agreement with the service provider.

This type of outsourced service also substantially lowers the possibility of financial risk from lost or stolen data. According to the Identity Theft Resource Center, there was a 50% rise in reported data theft/breaches last year. Not only can this result in monetary loss, if sensitive data gets into the wrong hands—whether through intentional or unintentional means—the damage to your company's image, and stock price, can be devastating. However, with outsourced hosted virtual desktops, because your data resides on your storage area network and not on local or removable drives, you largely eliminate the financial risks associated with data leakage.

> "As an executive I am looking for solutions to address a few key areas; lower our cost, reduce our risk and provide our staff better up time with fewer problems." – *Charlie Hagerty, IT Solutions Team Member, New Age Technologies, Inc.*

Extend PC Lifecycle

Traditionally, organizations replace rich desktop computers on three-year cycles. This means that, every year, they spend money refreshing end-point devices. Not only is this a waste of cash outlay, it's largely unnecessary since most people use less than 10% of the capabilities of rich PCs.

With a hosted virtual desktop infrastructure service, you can double the life of a desktop device by using more cost-effective thin clients, which typically have a 5-7 year lifecycle, or by repurposing—instead of replacing—existing PCs. This allows you to delay hardware replacement expenditures and lower overall desktop spending overtime.

Reduce Power Consumption Costs

Energy costs for internally deployed VDI are significant, primarily because of all the additional power required for the data center infrastructure. The servers, network, and storage—and backup for each—require an enormous amount of electricity to power and cool. Because of this, implementing outsourced hosted virtual desktops can save a 5,000-seat organization nearly $500,000 compared to internally deployed VDI in power and cooling costs alone, over a 3-year period.

Reducing data center power consumption not only saves you direct costs, it also can help you realize savings from your power supply company. For instance, companies such as Pacific Gas & Electric and Austin Energy have data center efficiency programs that offer rebates to customers as an incentive to produce more energy-efficient infrastructures.

Using thin clients, instead of rich PCs, will also lower your costs. Traditional desktops use over 80 watts of electricity per hour, while thin clients typically require just 7-8 watts.

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Lower Cost of Supporting Remote Users

If your organization has SOHO (small office/home office) environments and telecommuters, such as employees who work from home or offices in remote locations with a handful of sales reps, it is likely very challenging—and expensive—for you to support these users. Most companies cannot afford to keep local IT technicians on staff. And wiring users with remote access technologies such as Terminal Services and streaming software can be costly and has limited scalability. In addition, setting up and maintaining VPNs, and therefore, supporting non-corporate desktop assets, can consume valuable IT staff time and money.

All of these costs and complexities are avoided with outsourced hosted virtual desktops. Remote access is handled in an encapsulated fashion by creating a secure RDP session. There's no need to install software on the end-user device; users simply log in using their password. And because the session is self-contained, the virtual desktop is protected from any viruses or malware that may be running on the physical desktop itself. You can realize tangible savings by reducing the need for on-site support of branch offices and eliminating the use of remote access and VPN technologies. In fact, the outsourced service can result in a 35% savings over traditional means of supporting branch offices.

Secure, cost-effective support of remote users is also extremely beneficial for companies that rely on geographically dispersed contractors. Not only are remote contractors partitioned from your main data and servers, you can rapidly provision these users with virtual hosted desktops, without having to supply them with company-owned hardware.

Reduce Desktop Management Costs

Supporting corporate desktops—including provisioning, upgrades, changes and troubleshooting—is one of the most expensive line items in an IT budget. Although portions of PC management can be automated, much of it still has to be done manually. According to Gartner Group, the average cost to maintain each traditional desktop per year is $1,535. Over the life of the PC, this can equate to four to seven times the acquisition cost.

With outsourced hosted virtual desktops, there are no configuration costs and minimal support costs, since so much of the administration and operation is handled by the service provider. As a result, a 5,000-seat enterprise can realize a 32% savings in management costs over a 3-year period, spending close to $16 million less, and a 1,000-seat organization can save 30%.

In addition, not only can you save labor-related costs, you can choose to redeploy staff to more strategic IT initiatives, ones that will enhance your business and increase your competitiveness.

Reduce Business Continuity Costs

Ensuring business continuity is always important. While it's particularly relevant in times of pandemics, when employees may need to work from home for extended periods, and in geographies that are prone to natural disasters that could cause computing systems to go down, it's essential that users can access the data and systems they need to operate regardless of the "disaster"—from regional power outages to virus outbreaks. Every hour of computer downtime can cost businesses thousands or even millions of dollars, while end-users wait days for their computers to be recovered and their data restored.

Organizations that consume outsourced hosted virtual desktops can be assured of business continuity. That's because it's inherently built into the service. If a computer goes down, the user can go to any other device, log in using a browser and the user's name and password, and instantly, and securely, access their desktop and all their data. And IT doesn't have to devote resources to restoring or replacing devices.

Increase End-User Productivity While Providing Consistent Experience

The fact that users can log into any end point device and immediately access their data means that, not only is their productivity never in jeopardy, it actually improves with outsourced hosted virtual desktop services. One reason for this is that, because data is never saved on local desktops, it's never lost, even if the local device breaks down or, in the case of laptops, is stolen or misplaced. Because of its "instant-on" experience, users—whether remote or local—waste no time waiting for their systems to be reconfigured and re-loaded, increasing their satisfaction.

Hosted virtual desktop services also enhance overall organization productivity by enabling users to access the same software, the same versions and all of their data, regardless of the end point device type or age. This is especially important in organizations that can't, or don't want, to devote budget to refreshing computers on a contracted schedule. For instance, according to Maritta Horne, CIO of Pike County School District, a long-standing

> "Universal access is the most phenomenal benefit of the service. There isn't any desktop that won't give users the access they need." - *Maritta Horne, CIO, Pike County School District*

ICC customer who supports over 10,000 students and has many desktops that are at least six years old, "Universal access is the most phenomenal benefit of the service. In

the past, some machines couldn't run key applications, or would be very slow accessing the internet, or couldn't stream media. Now, it's an equal playing field. There isn't any desktop that won't give users the access they need."

Conclusion

For organizations that want to realize the benefits of VDI without the exorbitant price tag that comes with internal deployments, an outsourced hosted virtual desktop service makes financial sense. Not only does it enable you to realize dramatic cost savings today, you will reap its TCO benefits well into the future.

About ICC Global Hosting

ICC Global Hosting is the leading virtual desktop hosting company providing Desktops as a Service in a Cloud computing environment. ICC utilizes the best technology vendors in our state of the art hosting center. Customers enjoy the benefit of desktops with consistent performance, the latest software versions and patches, and increased data security. Our Cloud computing delivery methodology allows our customers to move their desktop computing expenses from a CAPEX to an OPEX expenditure which reduces their overall costs. We have a tradition of excellence in support and have proudly served the education and commercial markets for the past 25 years.

The company maintains offices in Prestonsburg, KY, greater Washington DC, and Atlanta, GA. For more information on the company visit our website at www.iccglobalhosting.com or email info@iccglobalhosting.com.

Note: Actual cost savings may vary depending on the organization and usage.