

Channelpro

THE INSIDER'S GUIDE TO SMB www.ChannelProSMB.com

While VDI provides “unlimited opportunities,” there has to be a business driver for it other than cost, says Adam Bari of IPM Inc. (pictured)

DESKTOP VIRTUALIZATION

Has the time finally
come for SMBs?

Page 30

New Services in
HEALTH IT



Desktop Virtualization for SMBs

IS IT TIME?

VDI finally makes sense for many smaller companies. Just don't sell it to your clients as a cost saver.

By Lauren Gibbons Paul • Photography by Steve Moors

LOOKING FOR YOUR NEXT big moneymaker? Adam Bari, for one, sees desktop virtualization as a land of “unlimited opportunities” for his company, 40-employee reseller IPM Inc. of New York. Currently, Bari’s business is helping clients virtualize their environments, and he is evaluating the possibility of offering virtualized desktops as a managed service.

Meanwhile, the need to migrate to Microsoft Windows 7 is driving his clients to consider running PCs from a centralized server rather than buying full-blown PCs for the staff. “They skipped Vista and now it’s time to migrate,” says Bari, managing director for IPM. Many of his clients would like to get out of the business of managing desktops, and virtualization takes care of that problem nicely. “Everyone is doing it,” he says.

There is one caveat, however. Bari’s business sells to the larger end of the midmarket as well as big enterprises. “We start with 400 to 500 users all the way up to large enterprises,” he says. For smaller companies, desktop virtualization may not be a fit.

Certainly, reducing the total cost of ownership (TCO) of managing PCs is almost never the right reason to virtualize the desktop. That’s because virtualization generally requires significant new investment in hardware, software, and network bandwidth. It could be years before most companies see any cost benefit. But that’s getting ahead of the story.



**“[For desktop
virtualization],
there has to
be a business
driver other
than reduced
cost.”**

ADAM BARI
MANAGING DIRECTOR
IPM INC.

VDI COMES OF AGE

The concept of virtualization became popular several years ago with servers, when cost savings were relatively easy to justify. Flush with success, the giants of server virtualization, Citrix and VMware, extended their protocols into desktop virtualization, leveraging virtual desktop infrastructure (VDI), the client/server computing model that enables desktop virtualization. But this concept has limitations, including the need for an Internet connection to access data as well as high up-front costs.

Desktop virtualization refers to running a PC (and all its attendant operating systems, applications, processes, and data) on a central server while accessing the data locally via a laptop, smartphone, or thin client. The “virtualized” desktop runs on a remote central server, instead of on the local storage of a remote client. In simple terms, virtual machines are running on the server (for each client) and clients can connect to their “computers” using remote desktop software. Citrix’s and VMware’s remote display protocols are prevalent.

Desktop virtualization may make as much sense for small businesses as it does for big ones, though each situation must be analyzed and justified individually. “The driver [for desktop virtualization] is that it’s a pain to manage a lot of individual PCs, desktops, and handheld devices,” says Laurie McCabe, a partner at consulting firm SMB Group. And Gartner Inc. recently estimated the annual TCO of an unmanaged PC (where users can install their own applications and little to no desktop management tools are being used) at well over \$5,000.

Beyond cost, though, is the issue of complexity. If an employee’s desktop machine goes down, that person has to sit around and wait for it to get fixed or reconfigured. With virtualization, the IT administrator can make available a new instance of his or her desktop and the user can get up and running again immediately. Patches can be pushed out and viruses banished in an instant. Further, since IT managers are stressed out trying to keep tabs on a burgeoning variety of devices, from PCs, laptops, and Macs to Androids, iPhones, and BlackBerrys, virtualization can greatly simplify this process.

Security is another driver for desktop virtualization, especially in industries such as financial services, healthcare, and government.

A virtualized desktop is much more secure than a conventional desktop because the data never leaves the data center, so it is much less vulnerable. If a virtualized laptop (sometimes loosely called a “thin client” because there is no resident operating system or data) gets lost or stolen, the IT administrator can simply “wipe” the contents of the machine centrally before anyone has a chance to see it.



“Once you understand what [employees] do every day, you can decide how to proceed with virtual desktops.”

EDWARD L. HALETKY
PRESIDENT, ASTROARCH
CONSULTING INC.

Traditional VDI solutions were expensive to implement, and on balance, not worth doing except for companies with thousands of users and plenty of money. Now, however, with simpler, more affordable architectures becoming available from vendors such as Virtual Bridges Inc., Austin, Texas; Pano Logic Inc., Redwood City, Calif.; and MokaFive Inc., also of Redwood City, the SMB market may finally be poised for a desktop virtualization breakthrough.

Next-generation virtual desktop solutions from this new class of vendors were built from the ground up to provide the benefits of virtualization (central management, better security,

enhanced agility and business continuity, device independence, anywhere access) while avoiding the pitfalls (cost, lack of offline support). Larger OEMs are catching on to the possibilities: Virtual Bridges technology is built into the IBM Virtual Desktop for Smart Business. Microsoft offers a variety of virtualization solutions, including VDI and application virtualization, which can be run in the cloud, via managed services or in the client’s data center.

With MokaFive, the virtual desktop can run on any hardware, even a USB drive alone. It has support for offline users so employees can work on an airplane, for example. Users can manage a single desktop image in the cloud, says Purnima Padmanabhan, vice president of products and marketing for MokaFive.

“We think this is the best of both worlds,” says Padmanabhan. “We give you the image and let it be managed centrally in the cloud, but we also send the virtual desktop back down to the end point.”

“These offerings are more streamlined for the desktop,” says SMB Group’s McCabe. And most of these companies already have established channel programs to get at the SMB market. Some are encouraging channel partners to develop their own managed services offerings for virtual desktops.

MokaFive, for example, announced a multitenant service provider version of its product last December. Channel partners can leverage the company’s infrastructure by signing as many customers as they want in a single instance of the environment, says Padmanabhan, and deliver services and management from the cloud. “The cost of entry to become an MSP is very low,” she says. “Scaling is very easy. When you add more users, you can use the same golden image for more users.” MokaFive has signed on three MSPs to provide its technology, including RSpeed Inc. of Pleasanton, Calif.

“As soon as I saw the MokaFive demo, I called them five minutes later,” says Todd Beakey, president of RSpeed. “They have taken desktop support and VDI and built a product that is in the middle of both. They just do it differently. And you don’t need a four-year degree to be able to deploy this product.” It’s only been three months since Beakey signed on as a MokaFive partner, but he expects much business will result.

That’s because “renting” desktop infra-



“With the desktop, [ROI] is not so quick. Usually [the customer] has to invest in new equipment, servers, to support the new environment.”

ADAM BARI
MANAGING DIRECTOR
IPM INC.

structure makes a lot of sense for the lower end of the SMB market, where there are no in-house resources to manage IT, and no one to manage virtualization, either.

“Small companies would much rather have a no-hassle desktop provided to them by a service provider,” says Jeff McNaught, chief marketing and strategy officer for Wyse Technology Inc. in San Jose, Calif. Wyse sells hardware and software for desktop virtualization that uses the Citrix and VMware protocols.

There are many considerations for channel partners interested in getting into the MSP market, cautions McCabe. “You have to make sure you have adequate provisions for data security and confidentiality. You really need to have whatever it’s going to take for your customers to feel secure with you hosting their data.”

Bari is just looking into becoming an MSP. “We would probably partner with someone to provide those services,” he says.

McNaught says substantially less than half of channel partners create their own desktop virtualization offerings. “This could be a way to beat out your local competition,” he says.

SO, WHAT ABOUT COSTS?

Imagine that you have a client in your office asking about desktop virtualization. His first question: Will it be cheaper? Unfortunately,

this is not a slam-dunk. The truth is, it is much easier to show ROI on server virtualization vs. the desktop version, says Bari. Whether or not virtualizing the desktop will result in cost savings cannot be said across the board—the analysis must be done case by case. The business case for using a managed services offering may well look more attractive than that for deployment in-house.

According to McCabe, the breakpoint where desktop virtualization will generate a reasonable financial return is with a company that has tens of users, as opposed to hundreds of users for traditional VDI.

“That was one of the problems with the first generation of desktop virtualization,” notes McCabe. “The economies of scale did not kick in unless you had 100 desktops. If you’re a VAR and offering this as a managed service, you can get the economies of scale down so you are talking about tens of machines, not hundreds. It’s not a really clean, clear area.”

Fortunately, there are a number of financial return calculators available online that can help you determine, for your organization as well as for clients, whether or not desktop virtualization makes sense. (See “For More Info” for a sampling.) “You go in and enter a bunch of variables, such as how many users do you have? How many

OSs? What apps are you using? What mobile devices need to be supported? Are you migrating to Windows 7?” says McCabe. In the end, the calculator will spit out a comparative analysis of the desktop environment pre- and post-virtualization.

If you are interested in getting into this area, first you will need to read up on the technical nuances (there is more to it than meets the eye) and then play around with the calculators. “You will want to enter a number of different scenarios that are typical for your customers,” says McCabe. Then, you can walk your customer through the calculations and help them figure out what makes sense.

In Bari’s experience, ROI comes much more quickly with server virtualization than desktop virtualization. “With the desktop, it’s not so quick. Usually [the customer] has to invest in new equipment, servers, to support the new environment,” he says. For a reseller that is good news, but it is not as good for the customer, at least not financially. “There has to be a business driver other than reduced cost,” he advises.

One factor that does contribute to lower costs: much reduced power consumption due to the lack of moving parts. “We use one-tenth the energy of the PC we replace,” says McNaught, speaking about the Wyse offering.

"This is a very green device," adds Dana Loof, executive vice president of worldwide marketing for Pano Logic. "Our device pulls 3.5 watts of energy. That's 95 percent less than the most efficient laptop out there."

If the financial return calculator seems to indicate desktop virtualization will be a good fit for your client, the next thing is to sit down (literally) with your client's employees so you can understand what they do every day.

Edward L. Haletky, president of AstroArch Consulting Inc., considers this a crucial step. "Once you understand what they do every day, you can decide how to proceed with virtual desktops," he says. For example, if the users access CDs often, that may mean virtualized machines will not be right as they do not have a disk drive. Or, if they send gigantic 3D image files on a daily basis, that is a red flag as well.

Workers in a law office, on the other hand, create documentation, do a lot of printing, and access Lexis/Nexis on the Web. Their CPU overhead is low. This office might be a good candidate for virtualization, assuming there are enough users to make it worthwhile. In Haletky's work, he has seen virtualized desktops function extremely well in environments where there is a fluid workforce, as is the case with traveling salespeople. Here, road warriors might come in after traveling and pull down their desktop from a central

"Scaling is very easy [with MokaFive]. When you add more users, you can use the same golden image for more users."

PURNIMA PADMANABHAN
VP PRODUCTS AND MARKETING,
MOKAFIVE INC.



server in a shared office on a shared machine, as in the "hoteling" concept.

CHANNEL RESOURCES

The good news: Desktop virtualization vendors selling into SMBs tend to provide a lot of help and support to potential channel partners. They understand many channel partners will need their help to succeed.

"We provide a broad set of resources for our channel partners," says McNaught. These include training and education on where the best opportunities lie. Wyse resellers tend to be vertically oriented, and are seeing a lot of interest in healthcare, education, government, banking/financial services, law firms, software development, and manufacturing. "We try to simplify the equation for the resellers. We want them to

be able to have service revenue as well as product revenue. We really try to help them move into this space," he says.

There are hundreds of millions of computer users in the world, and for a significant portion of them, the PC may no longer be the right tool. It is still early days for desktop virtualization, but the early-mover advantage may be great.

Beakey of RSpeed certainly thinks so. "Just give me a few months to get this off the ground and then you can tell everyone about desktop virtualization," he says, only half kidding. In the meantime, he is seeing more interest every day.

LAUREN GIBBONS PAUL has been writing about SMB technology for 15 years. She can be reached at lauren.paul@comcast.net.

KEY TAKEAWAYS

- **DESKTOP VIRTUALIZATION IS A COMPLEX TOPIC** from a technical standpoint. Virtualization technology may be implemented in-house (which generally is reserved for large companies), in the cloud, or via a managed services model.
- **VIRTUALIZING THE DESKTOP EASES IT ADMINISTRATION** and management headaches considerably, but the ability to generate a positive ROI within three years is not guaranteed.
- **DESKTOP VIRTUALIZATION VENDORS** are keen to sign on channel partners to help target the SMB space. Many vendors also offer managed services modules of their solutions so partners can create their own desktop rental offerings. This could prove to be a major competitive advantage for partners that act now.

FOR MORE INFO

- **IPM Virtual Desktop Solutions**
www.ipm.com/virtual-desktop/
- **Microsoft Desktop Virtualization**
www.microsoft.com/virtualization/en-us/products-desktop.aspx
- **Citrix Virtual Desktop**
www.citrix.com/virtualization/virtual-desktop.html
- **V-Alliance Program**
<http://www.v-alliance.net/home.aspx>



IPM is a New York City based IT consulting firm recognized as the go-to partner for assessment, design and implementation of leading edge technologies. The firm's on-staff, certified professionals, have proven expertise in Windows 7 deployments, virtual desktop implementations, infrastructure solutions and on/off premise cloud design and migrations across both mid-market and enterprise organizations. IPM is the longest standing Citrix Platinum Partner in the Northeast and also maintains Microsoft Gold, EMC Velocity and VMware Premier Partnerships.