

IDC MarketScape: Worldwide Desktop as a Service 2024 Vendor Assessment

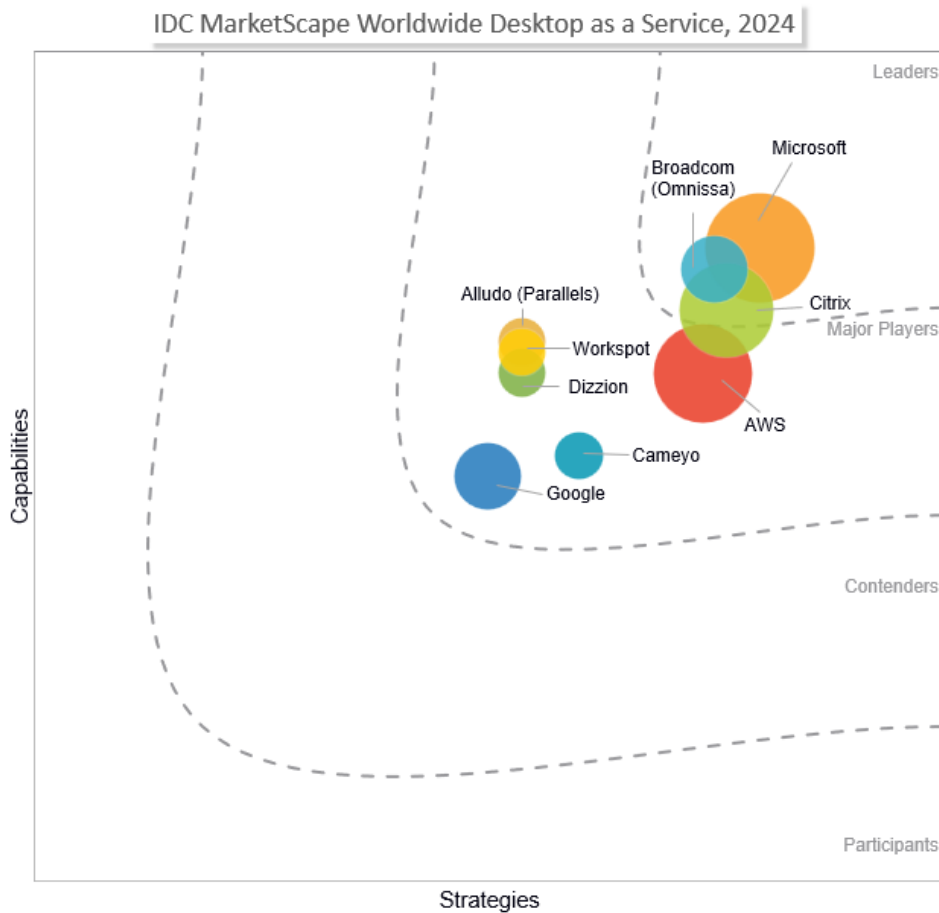
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THIS IDC MARKETSCAPE EXCERPT FEATURES MICROSOFT

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Desktop as a Service Vendor Assessment



Source: IDC, 2024

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Desktop as a Service 2024 Vendor Assessment (Doc # US51272024). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

Virtual client computing (VCC) is a broad term encompassing point solutions, platforms, and everything in between, which allow the enterprise to contain an application or desktop – in a datacenter, a cloud, or an edge – and then access that container through a web browser or client software from any device. It has been used in the past as a security solution, as a means to extend the life span of applications and devices, and as a way to allow software to be offered as a service.

Desktop as a service (DaaS) is one aspect of the larger VCC spectrum, albeit one which is ill-defined as a marketing term. IDC specifies desktop as a service as a virtual desktop that is:

- **Highly opinionated**, in terms of its configuration and settings, so that few or no user decisions need to be made to provision it
- **Highly automated**, so that an administrator can describe in plain language how the desktops should operate and they will be operated in that fashion via automation
- **Highly robust**, so that the administrator does not need to be concerned with access beyond the "last mile" – the connection between the user's device and the network that provides access to DaaS

Desktop as a service is, in this sense, distinguished from "cloud VDI," which IDC defines as simply moving application or desktop virtualization from the on-premises or edge location to a public cloud.

DaaS Is "Employee as a Service"

IDC research indicates that by 2027, 40% of open system administrator and IT operations positions will be fillable due to a lack of trained staff (see *Worldwide xOPs Census and Forecast, 2022-2027*, IDC #US50627023, May 2023). This suggests that the already acute talent shortage in endpoint computing is part of a larger, more durable trend. It also suggests that organizations will have to rethink their talent strategy, both IT and otherwise, as their priorities shift through digital operations, the AI transformation, and other related issues.

Looked at this way, the importance of DaaS is actually as, effectively, an "employee as a service." Buyers look to DaaS as a way to reduce their workload, allowing a provider to make clear, authoritative technical statements and then deliver on an expected and agreed-upon outcome. The provider and their automations then move to deliver on that outcome, either directly on behalf of the customer or indirectly through a managed service provider (managed SP).

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

Vendors were selected for this IDC MarketScape based on the following criteria:

- Operates and has clients in more than one geographic market (Americas, EMEA, Asia/Pacific, and so forth)
- Provides application and/or desktop virtualization support directly to customers
- Offers the ability to purchase discrete infrastructure-as-a-service (IaaS) options either directly or through an ecosystem offering
- Has developed an ecosystem of partnerships enhancing operational and endpoint functionality
- Has an extended market presence sufficient to indicate vendors can sustain a mission-critical technology system for at least five years

These previous two bullet points are important, particularly for enterprise technology buyers. Virtualization is one part of an ecosystem of technologies used to deliver core business functionality – it must be able to connect the virtualized application/desktop to any peripherals they need and must provide consistent, effective functionality for the duration of the system's deployment. Neither of these is possible with when the providing company is funded by venture capital or otherwise financially unstable.

ADVICE FOR TECHNOLOGY BUYERS

Desktop as a service represents an exciting extension of traditional virtualization capabilities, seemingly addressing both the need for complex technical platforms and the growing talent shortage in one easy-to-consume package. This is especially true for large enterprises that need to refocus their existing talent on the AI transition or on critical issues with maintaining their newly emerged business models, which rely on digital operations.

When considering a DaaS, the buyer should:

- Understand the degree of automation actually provided. "Desktop as a service" as a marketing term can mean anything from "we provide you with a control plane and some tools to configure your solution" to "we provide all administrative and security services at the endpoint, network, and device level." A useful framework is to lay out the critical functions you would expect from an employee who built and maintained the system for you. For each of those functions, work out if the DaaS provider has automated it:
 - **As a task**, causing you to have to know what the task is and to initiate it
 - **So that you can govern it**, allowing you to specify a policy and have the providers automation act on your behalf
 - **In an opinionated way**, so that you must accept the provider's governing assumptions
- Note that in a large deployment, realize that what looks like a single user use case (typically "provide secured desktops") may actually be several use cases divided by job function, geography, or role. It is not uncommon for an enterprise to deploy a DaaS solution, then come back and segregate out smaller user populations for which the DaaS opinionated automations do not hold true.
- Consider that DaaS is a part of your larger talent acquisition and management strategy, not just a technical solution. In a world of hybrid (asynchronous, aspatial, and automated) work, the digital workspace you present to employees may be their only point of contact with the company. What decisions you make about, and what decisions your DaaS provider makes for you, will shape the employee's perception of the company from the moment the employee first logs in to the final time the employee signs out.

VENDOR SUMMARY PROFILE

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

Microsoft

Microsoft is positioned in the Leaders category in this 2024 IDC MarketScape for worldwide desktop as a service.

Based in Redmond, Washington, Microsoft is a public cloud, operating system, and software provider with a long history of providing virtual application and desktop solutions both natively and in coordination with partners.

Strengths

Microsoft's Windows 365 offering is a fully managed, automated desktop-as-a-service solution embedded in the Azure public cloud and integrated with its Intune endpoint management tool. It allows for the rapid provisioning of templated desktop designs with regular, stable, and projectable costs. The resulting "cloud PC" is managed through Microsoft's existing endpoint management and security solutions or can be incorporated into third-party solutions as necessitated by the enterprise's computing strategy.

Customers consistently commented that a W365 instance is functionally identical to an instance running on a physical endpoint. Microsoft has made considerable strides in permitting basic "end user" administration as well, including the ability to natively power cycle a W365 instance without administrator intervention. Unnoticed but equally important have been numerous improvements to the automation of resource management and network configurations and in the core RDP protocol, delivering enhanced performance across a range of use cases.

Microsoft, through both its position as the developer of Windows and its long history in the market, has a broad and deep ecosystem of both relationships and technology related to virtualization. It works with established players like Cloud Software Group (Citrix) and Omnisia as well as start-ups and stable new providers to ensure the viability of its solutions in a wide range of use cases, including application virtualization.

In the last cycle, Microsoft has greatly increased its accessibility and manageability through APIs for access through infrastructure-as-code tools. This is somewhat at odds with its fully automated management approach but was mentioned as a positive factor during customer interviews.

Challenges

During the scramble to adopt Windows 365 quickly, customers have applied it as "single solution" to all virtual desktop provisioning problems, oftentimes in excess of its actual capabilities. Customers that attempted this "single solution" approach have quickly discovered that contrary to their initial belief, the company actually has a wide range of use cases, requiring more complex management tools and sometimes different protocols for seamless delivery of applications to employees. Microsoft's ecosystem of partners has responded to this by providing additional automations and support, sometimes including enhancing the RDP protocol with their own.

Customers familiar with more traditional VDI solutions indicated that Windows 365 seems to have a high price point relative to its perceived flexibility and functionality. This criticism is valid within the VDI context, but arguably Windows 365 is more comparable to a fully functional offering in a "device as a service" context, with the device being fully embedded in a public cloud. There is also a shared usage model, which is closer in approach and cost to a shared desktop model, but customers were uncertain of its applicability.

Finally, multiple customers indicated during interviews that they find themselves "managing a fleet of multiple devices per user," sometimes as much as 3x their anticipated count. This is a logical side effect of Microsoft's strategy of treating Windows 365 as a "cloud PC" but could perhaps be better explained to the implementation community.

Consider Microsoft When

Microsoft is well positioned to support DaaS in enterprises that already use its endpoint or identity management solutions, have users who primarily rely on Microsoft 365 for productivity, or access workloads located in the Azure cloud.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor 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 strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

IDC MarketScape 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 IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on 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.

Market Definition

Virtual client computing software enables a client computing model that leverages a range of brokering software and display protocols to enable server-based client computing and improves upon the limitations associated with the traditional distributed desktop environment.

The VCC market includes products that:

- Enable the configuration and management of centralized virtual desktop and virtual user session
- Include other forms of client virtualization such as type 2 hypervisor, containerized, and cloud-based solutions for delivering virtualized desktops and application
- Has management software specifically targeted at the configuration, control, and operations of VCC solutions

Virtual client computing has traditionally been used for specific, tightly managed, and secured use cases and for low-volume remote access (about 10% of the employee population). Recent years have seen a shift in this, with VCC becoming more of a general-use computing/remote access solution.

Desktop as a service is a submarket of the broader VCC market, which includes solutions that bundle:

- Virtual client computing software
- Infrastructure as a service
- Professional services to manage and maintain the VCC and IaaS instances along with some degree of opinionated design for images and other key aspects of the end-user experience

LEARN MORE

Related Research

- *Theory of the Virtualization Market in the Context of Infrastructure as Code, Intelligent Workspaces, and Generative AI* (IDC #US51692624, February 2024)
- *Market Analysis Perspective: Worldwide Virtual Client Computing, 2023* (IDC #US51186523, September 2023)
- *IDC Innovators: Virtual Client Computing, 2023* (IDC #US50715523, June 2023)
- *IDC TechBrief: Desktop as a Service* (IDC #US50495323, March 2023)

Synopsis

This IDC study explores the evolving landscape of virtual client computing (VCC), focusing on desktop as a service (DaaS) as a critical component within this spectrum. It highlights the role of DaaS in addressing the growing IT talent shortage by offering a highly automated, robust, and user-friendly virtual desktop solution, distinguishing it from traditional cloud VDI. The study underscores the importance of DaaS in the broader context of digital operations and AI transformation, suggesting it as a strategic solution for talent management and operational efficiency. It provides a comprehensive evaluation of vendors based on their geographical presence, direct support to customers, infrastructure options, ecosystem partnerships, and market sustainability, offering advice for technology buyers on selecting DaaS that aligns with their automation needs and talent strategies.

"In an era where talent shortages loom large, desktop as a service emerges not just as a technological innovation but as a strategic asset, reshaping how we think about workforce capabilities and IT operations," said Shannon Kalvar, research director, IT Service Management and Client Virtualization, IDC. "DaaS stands at the forefront, offering a glimpse into the future of digital operations and AI transformation, where automation and virtualization converge to redefine the essence of employee engagement and operational efficiency."

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