Why Now Is the Right Time To Start Selling DaaS – Citrix

The DaaS (Desktop-as-a-Service, or cloud-hosted desktop) market is on the verge of a major upswing. Offering this service now gives your business a competitive advantage.

Over the past couple of years many IT service providers have started selling cloud-based services, such as backup, Exchange, and SaaS. While these cloud services are a good starting point, IT service providers who limit their cloud offering to selling only basic offerings are missing out on higher-margin services, such as those from selling services like hosted mobile applications and hosted desktops.

DaaS takes server-based desktops (as well as server-based one-off apps) to the next level by moving the server from the customers' premises to a third-party hosted cloud data center that resides off-premises. In a DaaS environment, the data and user experience are delivered over the public Internet. Users that adopt DaaS find an identical desktop and application experience they are used to have running premise-based services, a claim that could not be made prior to Internet bandwidth and latency issues reaching their present maturity level. This fact, combined with the issue of a third-party company owning and managing desktop licenses now being resolved, makes DaaS an offering IT service providers should take a serious look at.

What's The Revenue Potential for the DaaS Market?

Because DaaS is a relatively new opportunity, it's difficult to find market research that specifically targets this technology. However, there are a number of studies that target adjacent technologies that give us a sense of this opportunity. For example, according to The 451 Group, the market for the Desktop Virtualization Ecosystem Market is estimated to reach $5.6 billion by 2016. This figure includes server-, client- and cloud-based hosting; session-based computing; application virtualization; and management. Even if a few percent of the cloud-based hosting component manifests itself, we easily have a market in the hundreds of millions of dollars for DaaS. IDC conducted a study earlier

this year that focused on the hosted Workspace-as-a-Service market, of which DaaS is a subset.

According to this study, the worldwide market is estimated to exceed $661 million by 2016. One additional study that helps complete the picture comes from AMI Partners, an organization that specializes in the SMB market. Their research shows that there are approximately 95,000 U.S.-based SMBs that are predisposed to purchasing DaaS solutions.

The other good news has to do with the price-point. On average, providers of DaaS are finding that $100-$150/month/seat is not unreasonable. Customers also like this pricing because it allows for Bring-Your-Own Device (BYOD) programs, includes all software licensing and upgrade costs, provides always-on back-up and disaster recovery, and ensures data security even if end-point devices are lost/stolen/damaged. Generally higher price points are determined on the basis of higher-value line-of-business applications that the provider bundles into the service.

Don't Miss Out On This Greenfield Opportunity

While it could be a few years before we see DaaS entering the mainstream, the studies cited earlier and the continued growth and adoption of other cloud services suggest that the DaaS market is transitioning from the early stages of the adoption cycle toward maturity. IT service providers that capitalize on this opportunity now by expanding their cloud services offerings beyond the commodity cloud services other IT providers offer will create a significant differentiator from their competitors. By becoming a Citrix Service Provider (CSP) and providing hosted workspace services (which includes DaaS), channel partners are able to:

• Give their customers the freedom to use the devices of their choice
• Deliver workspaces on any device while preserving data security
• Relieve customers of planning device or software upgrades

• Ensure secure access to corporate data whenever, wherever
• Provide a predictable monthly expense, avoiding large capital IT outlays
• Add incremental, recurring revenue with a high profit margin to their bottom lines.

Contact your Ingram sales rep to learn more about how you can expand your current services business to include DaaS and other cloud-based services available to channel partners through the Citrix Service Provider program.

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