



RESEARCH REPORT:

Cementing Virtual Desktops as the Future of Business

How cloud VDI and DaaS are addressing the challenges businesses are facing today, from productivity to cost and sustainability



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INTRODUCTION

Organizations are facing a multitude of challenges today as they navigate the complexities of transformation. The familiar comfort of existing solutions or processes can often hinder progress — especially in the face of global economic struggles and inflationary pressures.

For IT leaders, advocating for investments in new technologies or enhancing existing infrastructure has become increasingly challenging.

And, when current solutions appear sufficient, the investment conversation can be even tougher. This includes the daunting task of persuading organizations to embrace advancements like transitioning from on-premises solutions to optimizing cloud-based virtual desktop infrastructures (cloud VDI) or desktop-as-a-service (DaaS).

However, recognizing the importance of looking ahead and understanding the evolving technology needs of your organization is why you're an IT leader. Whether it's enhancing employee productivity or meeting sustainability goals, it's imperative to stay ahead of the curve.

That's why we've partnered with research consultancy, Vitreous World, to survey over 1,000 IT leaders — across the US, UK, Australia, and New Zealand. Not just to shed light on their current hurdles, but also to explore how strategies in end-user computing and virtual desktops align with crucial business initiatives.

From driving digital transformation to enhancing employee experience and sustainability efforts, we'll delve into the potential of virtual desktop infrastructure as a catalyst for modernization and business success.

THE BIGGEST HURDLES FACING IT LEADERS TODAY

It's an understatement to say that IT leaders face complex challenges today. Economic uncertainty is manifesting as resistance from organizational leadership toward investing in technological upgrades or transitioning to innovative solutions, like cloud-based services.

This hesitancy not only hinders an IT leader's ability to modernize infrastructure, but also to adapt to evolving business needs. Concurrently, the relentless evolution of cyber threats adds another layer of complexity, with IT leaders tasked with safeguarding sensitive data and fortifying defenses against sophisticated attacks.

The skills gap exacerbates these challenges as the demand for specialized expertise in areas, such as cybersecurity and cloud computing, outpaces the availability of qualified professionals.

IT leaders must navigate these multifaceted obstacles with strategic foresight, fostering a culture of innovation while mitigating risks and bridging the skills divide to propel their organizations toward sustainable growth and resilience.

As such, IT leaders are embracing solutions like cloud VDI to not only navigate the complex technology landscape, but also to help modernize their organizations.

WHAT IS CLOUD VDI?

Cloud VDI is virtual desktop infrastructure hosted in the cloud. The end user must manage their own VDI deployment in AVD, AWS, or Google Cloud – similar to how it would be in their own data center.

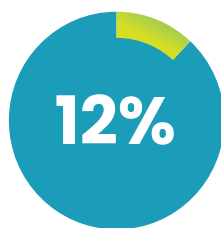
WHAT IS DAAS?

DaaS is a service or vendor delivering virtual desktops. Here, the end user subscribes and consumes the virtual desktop infrastructure while the service provider manages the environment for the IT teams.

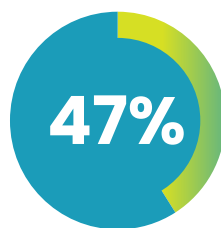
THE VIRTUAL DESKTOP STATE OF PLAY

The global virtual desktop infrastructure market size and share revenue is estimated to surpass \$50.5 billion by 2030 — a whopping 20.3% compound annual growth rate between 2023 and 2030, according to [Zion Market Research](#). That means virtual desktop usage is expected to increase, with uptake set to take place across the globe.

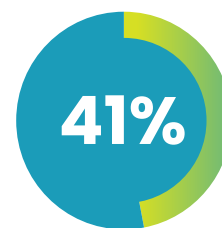
Today, the current state of virtual desktop usage for IT leaders in the US, UK, Australia, and New Zealand looks like the following:



use on-premises-only virtual desktops



use solely cloud VDI or DaaS



prefer to combine on-prem with cloud VDI/DaaS users

Regional market insight:

- In the US, 50% of IT leaders prefer to combine on-prem with cloud VDI/DaaS users compared with 41% on average globally
- Australia and New Zealand have adopted cloud VDI/DaaS more than any other nation (61%), followed by the UK (49%), and finally the US (38%)

It's clear that the split between desktop infrastructure will continue to evolve. The increase in virtual desktop infrastructure market size indicates a rise in organizations adopting cloud VDI and DaaS solutions to achieve their digital transformation goals while simultaneously modernizing or retiring legacy technologies.

While there's still a divide between organizations, one thing is clear: cloud VDI and DaaS will play a critical component in digital transformation — helping businesses to increase productivity and reach sustainability targets with long-term investment opportunities available for future innovation.

HOW VIRTUAL DESKTOPS ARE HELPING BUILD THE FUTURE OF BUSINESS

01. Increasing productivity

A key role of any IT leader and their team is to increase productivity from processes to people. But steps to do so are being met with resistance from employees who are reluctant to move away from the infrastructure and systems they are used to.

Nearly half (45%) of IT leaders say users are resistant to adopting DaaS, citing that it's too much of a change in how they access their desktops despite the shift from on-prem to cloud VDI causing little impact to the end-user experience.

We've debunked [seven misconceptions about cloud VDI and DaaS here](#).

Yet, employee reluctance isn't the only challenge IT leaders are facing. Concerns over cyber risk are also getting in the way of improving organizational infrastructures and increasing productivity.

Our research found that 59% of IT leaders cite data security as a concern when adopting a DaaS solution, and 44% feel that engaging a third-party DaaS provider means they lose control over their IT environment.

These results suggest there's a perceived lack of control over data that's stored in the cloud rather than on-premises servers. But

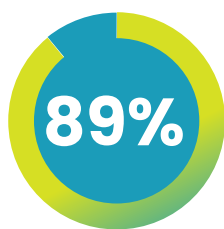
this is far from the case. The majority of IT leaders (81%), report that the technology has helped to reduce the risk of their organization suffering a data breach.

Cloud VDI means data isn't housed on endpoint devices, so employees are less likely to be victims of data theft. Additionally, today's cloud VDI and DaaS offerings provide built-in security features that mitigate and eliminate the risks associated with traditional desktop virtualization.

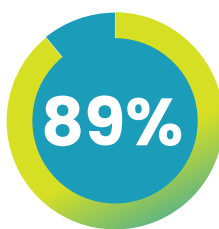
Enhanced cybersecurity, aided by cloud VDI, improves productivity by safeguarding systems and reducing downtime from incidents. Ultimately, it enables secure remote work and provides employees with an environment to work in without disruptions from security concerns.

Since the COVID-19 pandemic, the cloud VDI and DaaS market has been on a rapid upward trajectory. Benefits include better security while enabling hybrid working environments for employees, with 86% of IT leaders saying DaaS solutions have offered tools and features that enhance employee experience.

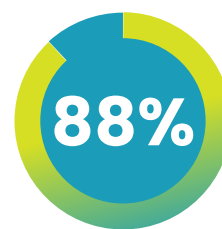
For IT leaders solely using cloud VDI or DaaS today, the productivity benefits are profound:



agree the technology helps to facilitate flexible working environments for employees



find the technology helps to install and manage applications across the IT environment more easily



agree the technology helps to create efficiencies in the workplace and facilitates more productive working

02. Achieving sustainability goals

The US, UK, Australia, and New Zealand have all committed to reaching [net zero emissions by 2050](#).

For businesses in each of these countries, that means making climate change a top priority. This goal has been met with 75% of C-level leaders increasing investment in their organization's corporate sustainability initiatives over the past year, according to [Deloitte](#).

For IT leaders, this means spearheading goals that are tightly linked to IT activity and e-waste. In fact, 54% of IT leaders report being under more pressure from senior management than five years ago to ensure IT practices are sustainable.

As most businesses are taking measures to become greener, nearly three-quarters of IT leaders (71%) believe that IT activity and e-waste are fundamental to meeting their organization's sustainability goals. And a similar percentage (68%) agree that the DaaS model is helping, or would help, their organization meet sustainability goals.

To effect change in their organizations and actively work towards sustainability targets, more than half (51%) of IT leaders are optimizing their data centers to drive energy

efficiencies. Plus, 44% are currently using green device management to reduce e-waste and environmental impact.

And it's making a difference — not just in reducing e-waste and improving sustainability, but in advancement for individuals. We've found that delivering sustainable practices could also pay off in terms of individual role progression and achieving KPIs for IT leaders: 66% say being able to prove a shift to more sustainable IT practices would benefit their careers as IT leaders.

Put simply, [IT leaders are at the forefront of green initiatives](#) with significant influence on how successful their organizations will be at reaching their sustainability goals. And virtual desktops have a notable role to play:



of IT leaders using solely cloud VDI or DaaS state the technology is helping their business reduce its carbon footprint

03.

Upfront cost vs. long-term investment:

As budgetary pressures increase across multiple sectors, there is resistance from the C-suite to invest in new technologies. Especially when familiar, existing solutions appear to be doing the job well enough for now.

As a result, IT leaders are being met with reluctance when making the case to invest in cloud solutions, such as DaaS, to innovate existing infrastructure. In fact, convincing senior leadership to part with funds is one of the biggest blockers to innovation, with almost

half (46%) of IT leaders reporting their C-suite is resistant to using DaaS because of the level of initial financial investment required.

Yet, as an IT leader, you know developing your organization's infrastructure is a long-term investment — one that's not just about upfront costs but the potential for long-term savings, from office space to technical skills. Let's explore these benefits further:

Reducing the technical skills gap impact

Of those we surveyed, 64% of IT decision-makers were over the age of 35, with 13% over the age of 55. These figures suggest that a significant amount of industry talent has been trained on systems that are now outdated or no longer in use, with some also set to leave the sector in the next ten years by retiring.

Not only does this mean that a chunk of the IT workforce is set to leave the sector — taking expertise with them — but new talent must be hired and trained in time to keep processes going. Ultimately, this creates an expensive and competitive scenario for organizations to find the right talent.

With DaaS, organizations can simplify the management of VDI with support from expert software solution providers, from deployment to optimization. Yet, there seems to be a misconception around the level of skill required for the implementation of DaaS. Our research found that one in three (33%) IT leaders state that changing to DaaS is too technical for their IT team to handle. And the same percentage report there is no upskilling or training available to implement a DaaS solution. When in fact, the skills required for Cloud VDI far outweigh what's required for DaaS in terms of skills.

For the delivery of DaaS to be effective, IT teams need to feel empowered to take control of their infrastructure while knowing they have the backing of their solution provider for constant support. Upskilling is a vital aspect of this piece. That's why we take training very seriously at Nerdio and host our annual [Training Camps for MSPs](#) to ensure IT teams are prepared for day-to-day operations and up to speed on the latest solutions.

Financial benefits beyond cost-saving

The option to pay-as-you-go for cloud services means the long-term savings of DaaS far outweigh the initial costs to implement. Additionally, it also provides flexibility. By changing how your business pays for services — shifting from capital expenditure to operational expenditure — your IT capacity can scale up as your company grows. In other words, you only pay for what you're using, unlike on-prem solutions.

Such flexibility can help to reduce other costs. For example:



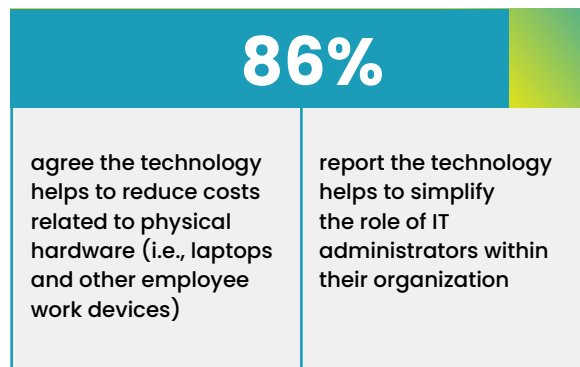
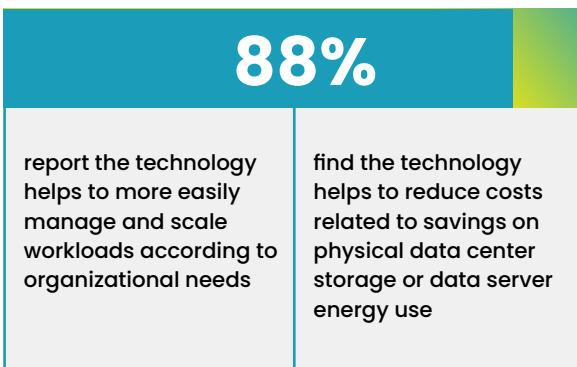
of IT leaders are reconsidering the role and size of their physical office space after adopting DaaS

That's because DaaS has helped give 80% of IT leaders a seamless transition between office work and remote work. This is most prominent with US IT leaders (86%). And 84% agree DaaS solutions have made it easier to adopt flexible work arrangements.

However, the benefits of DaaS go beyond cost-saving to unlock opportunities for future investment from leadership teams for IT leaders. Our research has found that the successful rollout of DaaS has become vital in helping IT leaders encourage their leadership teams to be more receptive to future technology investments.

It's clear the business benefits of DaaS have not gone unnoticed by leadership teams, who recognize the technology as a contributor to efficiencies. More than three in four (79%) IT leaders globally state that their C-suite is more willing to invest in new technologies after their rollout of DaaS, highlighting the potential for future implementations and innovation following a successful DaaS rollout.

And for those no longer on-prem and using solely cloud VDI or DaaS solutions, the impact has been monumental:



WHY NOW IS THE RIGHT TIME TO EVOLVE YOUR INFRASTRUCTURE

Our research highlights how the move away from on-prem enables organizations to be on the front foot of productivity, adaptability, cost control, and sustainability.

Yet, there is still a significant proportion of organizations operating in a hybrid environment (41%) or entirely on-prem only (12%). Resistance seems to be the biggest issue holding IT leaders back from the infrastructure changes they know their organization needs, from employees to senior leadership.

However, being able to combat this reluctance will be fundamental for organizations to weather an unpredictable future and come out on top. That means having the right technology in place now to better mitigate and adapt to future change.

And it all starts with your infrastructure. Today, cloud solutions provide the best foundation for scalability, security, and cost savings.

But the vast number of options available can be overwhelming, making it increasingly difficult to pinpoint the right solutions for your business. This is where desktop-as-a-service comes in. Combining all the power of cloud VDI with the support of experts in the space, DaaS provides benefits that can be felt today while also setting your organization up for future success.

Want to get the most from your virtual desktop? Speak with one of our experts to see how Nerdio Manager could help your organization and IT demands.

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