

# Clear Wave I.T. Hosted Desktop

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## Benefits of Hosted Desktop

Clear Wave I.T. Hosted Desktop provides many compelling benefits to its Customers:

### 1. Cost

By eliminating the requirement to manage the infrastructure, the IT spend of a typical organisation would fall dramatically. One larger client reported around a 40% reduction in IT-related costs after they adopted Hosted Desktop. Although this saving percentage is unlikely to be the same for everyone, it highlights the significant impact it has had on a real life business environment.

#### Case Study

The table below shows the costs of the traditional model of managing infrastructure with the Hosted Desktop service for a 50 employee organisation.

#### Traditional Model (£)

Hardware:	
Servers (includes back-up for DR)	£16,302
Storage for back-up equipment	£12,293
Other	£3,502
Software	£19,057
Business class PC equipment	£25,000
Installation	£5,000
Total one-off cost	£81,154
Average cost per annum over 5 years	£16,231
Disaster Recovery site pa	£3,000
Outsourced IT Support pa	£9,465
IT Manager cost pa	£50,000
Total cost pa	£78,696
Total cost per month per user	£131
Total Support costs pa	£62,465
Support cost per month per user	£104

#### Hosted Desktop Model (£)

Hardware:	
Thin client PC's	£12,500
Installation	£2,000
Total one-off cost	£14,500
Average cost per annum over 5 years	£1,900
Hosted Desktop costs pa	£45,000
Outsourced IT Support pa	£10,000
IT Management cost pa	£12,500
Total cost pa	£69,400
Total cost per month per user	£116
Total Support costs pa	£22,500
Support cost per month per user	£38

Source: Hiteishee Ltd, Ambrian estimates

Source: Datrix, Ambrian estimates

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The case study shows that the cost for the traditional model is around 12% above that of Hosted Desktop (£131 versus £116 per user per month respectively).

We estimate that businesses typically upgrade their IT infrastructure every five years. For a 50-user company that is coming to the end of this cycle, adopting the Hosted Desktop service could save it some £9296 per annum. Around 80% of the costs from the traditional model come from managing the infrastructure, which is in line with Gartner's estimate on how IT budgets are typically spent. In the traditional model we forecast a full-time IT Manager would be required to manage the day-to-day support issues of the infrastructure at a salary of £50,000 pa. Under the Hosted Desktop model, the case study company only needs to ensure it's PC's are connected to the internet, which will cost them 25% of the support costs of the traditional model.

This is a conservative estimate given that one of the hosted desktop clients, similar to the case study company, does not have any internal support for it's IT infrastructure under the hosted desktop model. Furthermore, it believes that it would have hired two full-time IT staff at a total cost of £70,000 pa if it had followed the traditional model. In the case study company the support costs alone of the traditional model are similar to the entire hosted desktop solution cost. This suggests that even if a company is at the beginning of it's IT upgrade cycle it could be more economical to adopt Hosted Desktop and scrap the irrelevant infrastructure.

## **2. Relatively small up-front capital expenditure**

Traditional IT office infrastructure requires a significant up-front cost compared to the hosted desktop service. As shown on the previous page, the up-front requirement for the case study company was £81,154 for the traditional model compared with £9,500 for the hosted desktop model.

## **3. Focus on core activities**

Hosted Desktop allows management to focus more time and resources on core operating activities, whilst leaving owning and managing IT infrastructure, a non-core activity, to Clear Wave I.T..

## **4. Flexibility and increased transparency**

The fee structure gives customers the flexibility to change the number of users in an efficient manner. For example, a business which has a continuously varying number of employees can simply adjust the Customer Portal to reflect the dormant or additional accounts; this is then reflected in the following month's bill. In the traditional model the money spent on software licenses and hardware is a one-off fee, and could thus be inefficiently used during fluctuations in headcount. The fee structure also allows for easier budgeting and forecasting of IT costs.

## **5. Less clutter and energy costs**

With no need for in-house servers and through the use of thin-client PCs, office space is increased. Thin client PC's are designed specifically to connect to the internet. They contain relatively little hardware compared to a traditional PC as data storage and processing is done at the server, not locally; they are therefore much smaller in size. The solution also reduces energy costs as less power is required to power and cool the servers and thin client PCs.

## **6. Remote access**

Businesses that adopt the Hosted Desktop service can allow all employees to access their desktop from anywhere that has an internet connection. This process is easy to use and offers exactly the same experience employees would get if they were in the office.