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HP's Virtual Desktop Solution Consolidates Costs and Control

By AJ Dennis

HP has introduced a new desktop computing model called the Consolidated Client Infrastructure (CCI) which utilizes a new PC blade and blade hardware and software infrastructure to provision virtualized desktop PC services. The HP CCI solution consists of an HP Thin Client that connects with a secure network log-in to a blade PC running Microsoft Windows XP Professional and utilizing network storage located in a centralized data center. Specifically, the HP CCI recommendations / requirements are:

- ▫ Windows XP Professional operating system (includes Remote Desktop Protocol)
- ▫ Active Directory
- ▫ Network latency less than 100ms round-trip for PC look-and-feel
- ▫ Storage virtualization (e.g., Windows File Shares) with 2GB/user

Each user is dynamically allocated to a single blade PC and its applications during each log-on session. Individuals' personal data and desktop settings are maintained in a network storage device under a secure user profile. In the event of a blade PC failure, users log on to be reassigned a new blade and access to their personal data and settings. IT managers can remove and replace failed blade(s), and the management software will automatically configure new blade(s) and place them back in the pool typically in less than an hour. HP is focusing its CCI efforts on enterprise and corporate accounts with 1,000+ employees, in select vertical industries such as financial services, manufacturing, telecommunications, healthcare, government, education, and military. The company sees CCI as an ideal solution for customers replacing 1,000+ desktop PCs, planning Windows XP and Active Directory implementations, making purchases based on TCO, or facing PC hardware and software upgrades. Overall, HP projects there are over 100 customers and 1 million seats in the CCI prospect funnel.

HP Services CCI solution components available today include implementation services, project management, installation, and customer orientation and training. Customers can implement CCI themselves, use HP's consulting and support services or acquire CCI as a managed outsourced program.

Pricing/Availability

Pricing for customized CCI solutions including HP Thin Clients, the new HP blade PCs, network storage, and the recommended HP Services offerings will start at less than $1,500 per seat. The new HP Blade PC featuring the Transmeta Efficeon TM8000 1.1GHz processor, a 40GB HDD and 256MB or 512MB DDR, is expected to be available in the United States and Canada in the first quarter of 2004.

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On the surface, HP's CCI appears to be a revolutionary adaptation of industry-standard evolution. The consolidation / virtualization tenets of HP's Adaptive Infrastructure Strategy are the conceptual drivers in the

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CCI solution, consolidating desktop compute and storage resources into the secure, managed, data center model. HP's CCI architecture builds upon the extensive experience HP has in blade server technology and deployment to extend similar virtualization and management value propositions to desktop computing. In sum, consolidation of clients in a centralized data center proffers simplified IT management with increased data security through control of software upgrades, data back up, and other service events, while maintaining a high-quality, personalized desktop experience for end users. This is one of the core values of the CCI solution.

The other is to address day-to-day IT economics for the enterprise. Working with research and projections that suggest a company may spend as much as $8,000 to maintain a traditional PC throughout its lifecycle, HP claims that CCI can cut that total sum in half, and save up to $1,200 in support costs per user each year versus traditional desktop PC solutions. For the target customers HP has identified, within the profile they have mapped, this solution looks to be a win/win proposition, reaping the cost benefits of bringing the processing power of the desktop into a highly-managed, virtualized PC platform, while maintaining the power and performance of the traditional desktop.

So given all this goodness and light, CCI must be considered the glossy icing on HP's tasty post-merger cake. Right? Well, maybe or maybe not. While we believe that CCI leverages established HP resources and expertise into a powerful and unique solution, this very uniqueness is likely to be a stumbling block. The fact is that while PC-based solutions have significant problems, they are well known and understood by end users. At heart, enterprises tend to be conservative creatures that prefer the devils they know to the new Beelzebubs on the block. Thus, while CCI is likely to appeal to innovative businesses, adoption by the larger market is likely to take time. The question is whether HP has the time and patience to give CCI the chance it needs, and perhaps deserves.

While HP's most recent quarterly results suggest that the company's non-printer products are finally emerging from their long hiatus in the woods, it remains to be seen if the company is on a sustainable upward track. If not, the results might not bode well for CCI, since HP of late has not exhibited notable patience for products that faced long, challenging adoption cycles. Beyond those issues, we believe HP's Consolidated Client Infrastructure offers users and the company some considerable benefits. While CCI is clearly not a solution for everyone or for every large customer site, we believe that within HP's targeted verticals and similar opportunities, both planned and serendipitous, such innovation is likely to be welcome.