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## IT shops find ways around costly Windows licensing rules for VDI, DaaS

By **Bridget Botelho**

Technical innovations in recent years have brought the cost of virtual desktops closer to that of a PC, but Microsoft's virtual desktop access license remains a barrier to that goal.

Microsoft's [Virtual Desktop Access](#) (VDA) license is required for companies that deliver server-hosted Windows virtual desktops. VDA is included with Software Assurance (SA) licensing, but only for Windows devices. Otherwise, it costs \$100 per device, per year.

The more costly Microsoft makes [desktop] virtualization, the more profitable the alternatives can be.

Paul DeGroot,  
Windows licensing expert, Pica Communications

In a [bring-your-own-device](#) world where mobile employees access their desktops from tablets and smartphones, that per-device fee can add up quickly.

Under this policy, it costs far less to run 1,000 Windows Server operating systems than 1,000 Windows Client OSes. That's because the Windows Server license is a one-shot fee, but the VDA license is annual, plus the cost of the Windows Server license, said Gunnar Berger, an analyst with Gartner Inc., a research firm based in Stamford, Conn.

"Whenever I am on the phone with a client, this comes up," Berger said. "I have to say, 'Have you looked at Windows Server and doing a one-to-one [virtual desktop-to-user ratio]?' They look at me like I am crazy, but the cost model makes more sense."

Berger recently launched the #FixVDA campaign via his [VMworld 2013](#) presentations and on Twitter in hopes Microsoft will make virtual desktop licensing more affordable, which could help spur adoption, he said.

Microsoft is aware of the issues customers have with [Windows virtual desktop licensing](#), but it hasn't budged.

"We are always listening to customer and partner feedback, but have no licensing updates to share at this time," Microsoft said via email last week.

## IT shops get creative to avoid VDA

It's clear why Microsoft requires customers to pay a premium for virtualizing Windows desktops to be delivered to non-Microsoft devices. But this strategy has created an industry devoted to finding ways around it, said Paul DeGroot, author of [Microsoft Licensing Concepts](#) and a Windows licensing expert and principal consultant for Pica Communications based in Camano Island, Wash.

"The more costly Microsoft makes virtualization, the more profitable the alternatives can be, as long as

they cost less and achieve similar utility," DeGroot said.

IT shops have found ways around it via Windows Server, a practice many [Desktop as a Service](#) (DaaS) shops must resort to, for a few reasons.

Under [Microsoft's rules](#), Windows Client desktops may only be hosted by cloud providers when the customer provides the partner licenses through its own Volume License agreement with Microsoft. In addition, the hosting hardware must be dedicated to each individual customer, since multi-tenancy of Windows clients is not permitted.

Instead, the majority of cloud-hosted virtual desktop providers use Windows Server. This removes the double-licensing requirement and the cost per hosted virtual desktop comes down significantly, said Ali Din, senior vice president and spokesperson at Los Angeles-based dinCloud Inc., a virtual desktop hosting provider.

"The physical device that is accessing the hosted virtual desktop is usually a machine with Windows running on it. That device needs to be licensed locally," Din said. "Windows Server, which is skinned to look and act like Windows 7, can then come in at a very low incremental cost."

There are advantages to this approach. Hosted virtual desktops [based on Windows Server](#) also have a lot more horsepower and resources, he said. Windows 7 has a 3 GB RAM limitation, but with Windows Server, customers can allocate 4 GB or 8 GB as they please, and they can also assign multiple CPUs to power that hosted virtual desktop, Din said.

"While most people aren't happy about it, in the end, it actually saves customers money not to have to license additional Windows Clients, and it also gives them the option to have a more powerful desktop," Din said.

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But using Windows Server OS as a client OS is not ideal.

"You can make a Windows Server OS look like a desktop, but largely, there are desktop app compatibility issues," Berger said. "With this approach you have a shared kernel, and there are issues with that."

[Printing](#) can be a problem for users on desktops that share the kernel, for instance.

The game-changer in the virtual desktop industry won't happen until it is common knowledge that a virtual desktop is cheaper than a physical desktop, Berger said in a [blog post](#) about VDI costs this month.

"That's what happened with servers. That hasn't happened with desktops -- at least not yet," he said.

### **Where Windows VDA works**

While [VDA licensing](#) is viewed as a tax by companies that use non-Windows devices, it's a model that makes sense for some companies.

Per-device licensing works well for Lincoln, Neb.-based Kawasaki Motors Manufacturing Corp. because employees on different shifts use the same devices. Rather than license each user in the three-shift-per-day manufacturing plant, the company has reduced its license requirement by sharing access devices over multiple shifts, said Paul Kramer, an information systems manager for Kawasaki.

"In my research with a Microsoft licensing partner, the requirements of SA and its cost pushed the price to a much higher price point than the VDA," he said.

Kramer delivers over 300 virtual desktops to employees using Citrix Systems Inc. XenDesktop and Unidesk management software.

Unidesk and the VDA together cost much less than the VDI broker license, and the whole package of all required licenses still cost far less than the price of new hardware and Windows licenses required for physical PCs, Kramer said.

He also sees the annual subscription licensing model as the way of the future with cloud computing -- and something companies must get used to.

"I approach it more as a subscription option for us to always be able to use the latest OS on our VDI environment, since we pretty much use only zero clients for access," he said. "I would like [Microsoft] to offer straight-up subscription pricing for everything as an option, instead of all the upgrades/[Software Assurance]/force buy new [versions] confusion they have now."

Additionally, enterprises with volume license agreements typically have the power to lower the price of VDA and buy multiple years at a time, he said.

"I doubt too many companies are actually paying \$100 per year," Kramer said. "If you are big enough to do VDI and are trying to decide between SA and VDA, you likely will be getting a discounted rate on the VDA."

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