Transforming Device Lifecycle Management with Device as a Service

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In This InfoBrief

This IDC InfoBrief explores an emerging model for end-user device procurement and deployment. Device as a Service (DaaS) offers a multi-year agreement in which procurement, deployment, device management, services, and lifecycle management are all handled by one vendor. This new model has the potential to transform how enterprise IT refreshes and manages its employees’ devices (e.g., desktop PC, notebook, smartphone, tablet).

Methodology

IDC utilizes a variety of data sources to support this InfoBrief. One key source of information was an online survey of 456 IT decision makers for large enterprises in the Americas region (U.S., Canada, Mexico, Peru, Chile, and Colombia).

- Respondents need to be employed by large enterprises (2000+ employees for North and Central America; 500+ employees for South America respondents).
- Must have decision-making responsibility for organization’s end-user device procurement and management.
The Device Remains the Life Blood of Enterprise Productivity

Personal computing and communication devices, such as desktop PCs, notebooks, tablets, and smartphones are critical components to enterprises’ day-to-day operation. Employees rely on these devices to execute tasks, communicate, and collaborate with others.

Rapid technology innovation has significantly improved the capabilities of these devices, creating new efficiencies and further enhancing productivity.

New technology buzzwords come and go, but the bottom line is that now and for the foreseeable future, employees need robust, well-managed devices to continue to do their work and get things done.
Device Deployment and Management Remain Critical to Enterprise Success

IDC research reveals that device strategies are still as important and as high a priority as other strategic investments in the IT organization.

86% say that managing end-user PC needs is important

78% say devices are an important part of employee experience

22% (on average), of IT budgets go toward devices; this spending is expected to increase

14% of IT personnel’s time is spent managing devices

Source: IDC DaaS Americas Survey, October 2016
An Influx of Devices Means Managing Them All is Increasingly Challenging

Security, new technology support, and IT resource availability are the top challenges in dealing with end-user devices.

Please rate the following when it comes to your organization’s employees’ devices (e.g., PC, tablet, and/or smartphone):

- Somewhat challenging
- Major challenge

* Source: IDC DaaS Americas Survey, October 2016
Most IT Professionals Think Lifecycle Improvements are Needed in Their Organization

>55% believe they need improvements in device lifecycle management

Device deployment and optimization are areas where most think improvements are needed.

As an IT professional, how do you rate your organization’s handling of each phase of the end-user device lifecycle? Devices include desktop PCs, notebook PCs, tablets, and smartphones.

- Device procurement: 48% (47%) No opinion, 56% (35%) Poor, significant improvement needed, 9% (30%) Some improvement needed, 10% (37%) Best-in-class practice, no improvement needed
- Device deployment: 6% (46%) No opinion, 59% (39%) Poor, significant improvement needed, 9% (9%) Some improvement needed, 10% (10%) Best-in-class practice, no improvement needed
- Device optimization: 9% (46%) No opinion, 50% (39%) Poor, significant improvement needed, 9% (9%) Some improvement needed, 10% (10%) Best-in-class practice, no improvement needed
- Device maintenance: 10% (46%) No opinion, 50% (39%) Poor, significant improvement needed, 9% (9%) Some improvement needed, 10% (10%) Best-in-class practice, no improvement needed
- Device disposal: 9% (46%) No opinion, 46% (39%) Poor, significant improvement needed, 9% (9%) Some improvement needed, 10% (10%) Best-in-class practice, no improvement needed

* Source: IDC DaaS Americas Survey, October 2016
Device Management Can Be a Significant Resource Drain for IT

50% believe they spend too much time procuring and managing devices
63% say resources drained by device management could be used on other strategic IT projects (e.g., security)

Please select the three statements that would be most true if you could significantly reduce your device deployment, management, and maintenance costs and efforts.

- 67% Able to start new, more strategic IT projects
- 63% Focus IT resources on ensuring greater security
- 61% Focus more resources in supporting the organization’s growth
- 61% Focus on other long-awaited, strategic IT projects
- 31% Reduce our IT staff in response
- 6% None of the above

Source: IDC Device as a Service Survey, October 2016
Device as a Service (DaaS) Can Help Alleviate Device Management Issues

What is DaaS?

A multi-year agreement in which procurement, deployment, device management, services, and lifecycle management are all handled by one vendor.

DaaS is similar to leasing but has some compelling and unique characteristics:

- With DaaS, the device hardware is only one component of the service. Your company also has the option to select from various services such as design, configuration, optimization, maintenance, and disposal.
- DaaS bundles the device hardware and services into a single contract, which is offered on a per-seat basis.
- Unlike a typical lease, you have the option at any time to add more hardware and services at any time (scale up), or reduce them (scale down), allowing you to adjust to changing business conditions.

65% believe DaaS will have a positive impact on their device management

>38% say that DaaS will help reduce their IT workload

Respondents believe they can shorten their PC refresh cycle by over 6 months*

* Result of IDC’s U.S. PCaaS MCS Survey, 2016
Why DaaS? Key Benefits Are Reduced IT Workload and Lower Device Costs

Which of the following would your organization perceive as major benefits of a DaaS model?

- Reduces workload for IT: 40%
- Lower device procurement cost: 30%
- Predictable cost model: 28%
- Benefits of single sourcing: 23%
- Offloads device management to third party: 23%
- Offloads end-of-life management to third party: 20%
- Offloads device deployment to third party: 19%
- Offers new innovative device technology to meet user demands: 18%
- Addresses need for more secured devices: 16%
- Shifts CAPEX to OPEX: 16%
- Ability to reduce device count: 14%
- No benefits realized/too soon to tell: 8%

IT decision makers estimated a 25% cost savings from deploying DaaS.

* Source: IDC DaaS Americas Survey, October 2016
Other Important Benefits: DaaS Can Improve Employees’ Work Experience

Beyond reducing IT workload burden and cost, DaaS improves the device procurement process - and thus end-user satisfaction - by matching employee needs with the appropriate device system and performance level.

**After enrolling in PCaaS, how has your hardware selection changed?**

- **44%**
  - We procure better hardware overall for employees

- **28%**
  - We are able to match employee needs better

- **24%**
  - We procure lower cost hardware for our employees

- **4%**
  - Our procured hardware has not changed much

N=200 (Total), 122 (Enterprise), 78 (SMB)
HP Offers a Unique, Customer-Centric “Device as a Service” Lifecycle Approach

HP Device as a Service combines elements from the company’s hardware and lifecycle services portfolios. By allowing customers to combine a tailored array of devices and services into a single contract with a single monthly payment, HP DaaS offers significant benefits for many companies. Plus, HP offers an optional analytics platform that can predict problems before they occur.

* Source: HP
DaaS is a Win-Win

DaaS is a WIN-WIN proposition for Enterprise IT

• Organizations can realize strong cost savings on device deployment and management.
• IT managers can reduce workloads and open up resources for new projects.
• End users can receive newer and better devices faster.

IDC Essential Guidance

• Consider outsourcing more of your device IT chain.
• Weigh benefits of multi-sourcing vs. single-sourcing and determine if the latter is right for your company. Enrolling in DaaS can significantly reduce costs and complexity by procuring through a single source.
• DaaS can help you get the right hardware to the right people. Devices remain a very important part of employees’ work needs and experience.
Appendix: Opportunities and Challenges

DaaS could become a global phenomenon as more OEMs either launch their programs or partner with VARs and MSPs to put together a competitive package. However, it’s still too early to tell whether DaaS is revolutionary, evolutionary, or just a fad.

Status quo may very well be the biggest challenge for the DaaS adoption. The traditional PC procurement model isn’t necessarily broken, but its unintended side effects are becoming stronger.
Appendix: Detailed Methodology

IDC DaaS Americas Survey, 2016

IDC deployed an online survey targeting 456 IT decision makers for large enterprises in the Americas region (e.g., U.S., Canada, Mexico, Peru, Chile, and Colombia).

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Country

- US 34%
- Colombia 13%
- Chile 13%
- Peru 13%
- Mexico 13%
- Canada 13%

Employee Size

- 10,000 or more: 5.3%
- 5000-9999: 17%
- 2500-4999: 45%
- 1000-2499: 18%
- 500-999: 11%

Industry

- Utilities 8%
- Agriculture 7%
- Banking 8%
- Construction 4%
- Education 4%
- Federal Govt. 7%
- Health Care 9%
- State/local 6%
- Business Svs. 8%
- Retail 9%
- Transport 7%
- Manufacturing 9%
- Insurance 7%
- Comm. 7%