## DIGITAL WORKSPACE SOLUTIONS

# 6 Key Considerations for Outsourcing Lifecycle Management

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# Introduction

Today's enterprises face a range of challenges, from inflation and tariffs to supply chain complexities. These issues are complicating lifecycle management by affecting timing and buying power, hardware refresh cycles, and onboarding and offboarding decisions.

In response, many leaders are shifting spend from capital expenditure (CAPEX) to operating expenditure (OPEX). Rather than investing in long-term physical technologies, they're favoring more flexible cloud and managed solutions that keep expenses more predictable. This shift to OPEX will push global spending on IT outsourcing (ITO) to as much as $2 trillion by 2028.[1]

Lifecycle management is a labor—and hardware—intensive area where leaders are directing these new ITO dollars. But is outsourcing lifecycle management the best place for your organization to focus right now? This eBook will help you answer that question by reviewing the potential benefits and key considerations. It will also help you measure the success of outsourced lifecycle management, so you'll budget and prepare in a way that minimizes business disruptions.

**By 2028, 70% of organizations will adopt a managed device lifecycle service offering.[2]**

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[1] Forrester, 2024, Global IT Services Spend Will Reach $2 Trillion By 2028

[2] Gartner, 2024, Market Guide for Managed Device Life Cycle Services

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# The Benefits of ITO for Lifecycle Management

ITO isn't just for companies looking to save money, though that is often a key benefit. ISG found that enterprises can save an average of 15% with business process outsourcing.[3] However, it's the 11% increase in quality performance that makes the biggest difference for end users. Lifecycle management done right can help your company simplify IT operations and scale to meet market demand. It keeps organizations nimble, which is no small feat at the enterprise level.

Here are some of the benefits you can realize by outsourcing lifecycle management:

## Reduce Staffing Needs and Complexity

Your HR staff won't get bogged down recruiting and training staff to manage IT assets. You also won't need to invest in technologies for tasks like asset tracking and provisioning.

## Meet Sustainability Goals

You can forgo the need for expensive certifications and select vendor partners that are already certified. Vendors with zero landfill, R2, or ISO certifications can help minimize the environmental impact of your device lifecycles, which will positively impact your organization's sustainability efforts.

## Cost Savings and Modernization

Automation, AI, and other advanced technologies can be expensive to implement and maintain. A partner that brings these modernizations to the table will help you achieve significant savings without a big upfront investment.

## Improved Quality of Support and Services

IT staff are juggling many priorities. By partnering with a vendor that specializes in lifecycle management, you can free up your staff's time for more critical business functions while improving uptime and support for end-user devices.

## Visibility Across the Device Landscape

Accurately tracking and maintaining assets requires investments in infrastructure and technology. Third-party vendors have already made these investments. They can provide the always-on transparency and analytics you need to make informed business decisions.

**Managed device services offer a 65% lower cost of deployment for new devices and applications.[4]**



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[3] ISG, 2024, ISG Study Finds Enterprises Save an Average of 15 Percent with Business Process Outsourcing

[4] IDC, 2024, The Benefits of Integrating Managed Device Services

# Considerations Before You Outsource Lifecycle Management

The most important factor in outsourcing lifecycle management is choosing the right partners. Rather than focusing solely on price, we recommend vetting potential partners holistically.

Culture fit is one of the most critical factors for the long term. To act as an extension of your team, a provider needs to align with your internal communication style, work ethic, and accountability. This collaboration and communication style reduces friction and misunderstandings. You should also experience a faster project start, lower turnover, and more consistent outcomes.

Once you've verified culture fit, there are six other areas to consider when evaluating a partner:

## 1. Scalability of Services

In times of uncertainty, companies that build scalability into their operations will have a much easier time responding to market changes. You want a partner that can scale with your organization, not hinder growth. For example, if a reduction in workforce is needed, can the partner handle increased employee offboarding? If you need to delay device refreshes, can they provide ongoing support for existing devices? Does the partner have certified technicians for the geographic coverage you need? Outsourced lifecycle management can offer far more flexibility than in-house services, where staffing and expertise must constantly change to meet evolving priorities.

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## 2. Availability of Add-on Services

Not all lifecycle partners offer the same levels of service. Try to determine what advanced services may be needed up front so you can factor them into your decision. These services could include device imaging, advanced configurations, security hardening, and managed lifecycle.

## 3. Chain of Custody and Compliance Capabilities

Whether it's data sanitization, e-waste handling, environmental standards, or industry-specific rules, every business has a set of regulations it must comply with. That's why compliance should always be factored into partner discussions. Does the partner help track and document assets throughout their lifecycle with chain of custody? Can the partner meet security compliance requirements, including physical security to safeguard warehoused assets? It's important to seek a partner that will help strengthen your security and compliance stance, reducing organizational risk.

## 4. End-to-end Visibility

It can be disastrous to lose visibility over assets and where they are deployed. Identify partners that will help increase transparency, providing you with better reporting on assets across their lifecycle. Partners with a robust lifecycle management offering will have a command center that manages all inputs from the lifecycle in one seamless experience. That way, you always know what you have and where it's deployed. Just keep in mind that you may sacrifice visibility if you decide to piecemeal parts of the lifecycle strategy across various partners or with a mix of in-house and outsourced services. A programmatic approach integrates all the elements of your lifecycle management strategy with the organization's goals.

## 5. SLA and Quality Standards

When considering a new partner, it's critical to understand what they're promising and how they'll safeguard service quality. Lifecycle partners will provide a service-level agreement (SLA) that outlines the processing and shipping times for various types of orders. Make sure these are clear and meet your company needs. Be wary of partners that have high client turnover or require frequent re-scoping. Understand the partner auditing process, determine if they hold important certifications such as ISO, and ask if there's a quality team in place to monitor performance. Track quality with key performance indicators (KPIs) like order accuracy rate, first-time delivery success rate, damage rate during transit, rework/repair success rates, and customer satisfaction scores.

## 6. TCO and ROI

The lowest-priced vendor may cost more in the end. Find partners that help you reduce downtime, speed up onboarding/offboarding, extend asset life, and meet sustainability goals. These elements can generate an actual return on investment (ROI). Use these KPIs to help you evaluate ROI for a partner engagement:

- Refurbishment success rate
- Resale value recovery percentage
- Disposal costs
- Waste diversion rate from landfills.

**24% of organizations haven't verified their asset inventory in the last five years.[5]**

[5] Gartner, 2023, Create an Asset Management Practice as the First Step to Reducing Cost and Audit Risks

# How to Measure Success

Before moving forward with ITO for lifecycle management, all stakeholders need to understand what success looks like. First, determine what your goals are and benchmark your current position. Then select the right KPIs to measure progress.

**Lifecycle Management KPIs:** While not exhaustive, the KPIs below should help you think about the high-level impacts that an efficient outsourced lifecycle management program can bring.

**Time:** Lifecycle services can reduce the time your team spends on issues that aren't related to the core business. Rather than having to staff and hire internal resources, you can immediately tap into services that are provided by existing experts and fully scalable.

**Costs:** More efficient management of devices and architecture can both decrease costs and make spend more predictable. Consider both hard and soft costs when evaluating success.

**Number of Vendors:** Engaging a service provider to handle the entire lifecycle allows you to consolidate the number of vendors and contracts you manage. That means more time for staff to focus on priority organizational activities.

**Carbon Footprint:** Enterprise technology generates hundreds of megatons of carbon dioxide equivalent gases.[6] Most of those gases are created by end-user devices, not by data centers. Modernizing facilities and operations through a lifecycle partner can help you decrease the environmental impact of devices and meet environmental, social, and governance (ESG) goals.

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[6] McKinsey Digital, 2022, The Green IT Revolution: A blueprint for CIOs to combat climate change

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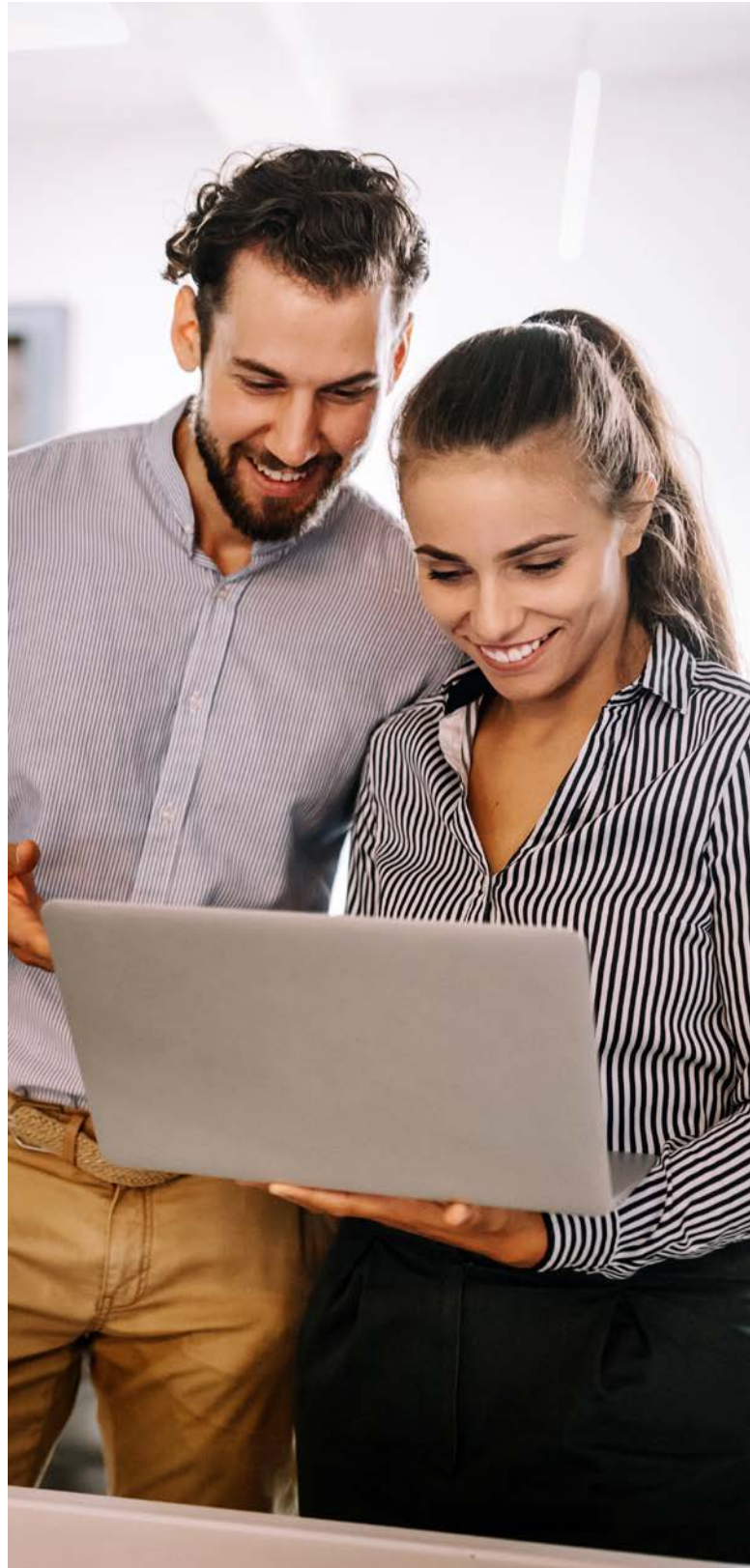
**Consistency:** Better vendor SLAs bring consistency and performance accountability. Make sure there is tracking in place to measure actual performance against the activities outlined in the SLA.

**End-user Satisfaction:** Lifecycle partners can help implement a user-centric approach. This should increase end-user satisfaction and engagement. Surveys are a great way to measure satisfaction levels over time.

**Scalability:** The right partner can help you achieve the scalability and elasticity the company needs without impacting internal infrastructure. The partner should be able to maintain the same response times with added throughput.

**Modernization:** A partner can give you access to the latest technologies and approaches without increasing CAPEX. A great partner focuses on innovation and provides continuous improvement. For this area, you can measure how these modernizations, such as automations, help improve efficiency, delivery times, uptime, and visibility.

**78% of businesses report positive experiences with IT outsourcing, citing improved service quality, cost savings, and strategic value.[7]**

# Example KPIs for Cost and Time Tracking

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**Maintenance Costs:** Are these costs decreasing over time due to more proactive asset management and the timely retirement of older assets?

**Value Recovery:** Can you maximize device value through your partner by refurbishing, reselling, or donating assets?

**Asset Acquisition Time:** Does your partner help decrease the time it takes to procure and integrate new assets into the environment?

**Downtime:** Has downtime decreased with improved maintenance and provisioning times?

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[7] FullScale, 2024, Benefits of Integrating MDS

# ITO That Works

When considering outsourcing for lifecycle management, it's essential to look at the entire lifecycle. Try to identify the areas that will yield big wins over the next 12 months, while reducing risk. Some companies may see the most benefit from upgrade or end-of-life projects. Others might get more ROI from asset tracking and reporting.

A skilled partner can help identify key areas to focus on in the device lifecycle as you begin your lifecycle outsourcing journey. They can also bring the transparency, visibility, and orchestration enterprises need to stay nimble and scalable. A larger partner may offer additional benefits such as a command center, managed services, and a broader geographical footprint.

Lastly, choosing a partner should be about more than cost. Your organization should work to become more resilient and competitive. With the considerations in this eBook, you now have the tools to help educate stakeholders and identify the right lifecycle management strategy for your organization.

# How Connection Can Help

Let our experts show you how to extend your staff and unlock real value with lifecycle-driven ITO.

**Explore Our Resources**
Supply Chain and Lifecycle
Digital Workspace Solutions

Reach out to one of our Connection experts today:

Contact Us
**1.800.998.0067**