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Device as a Service

Why Device as a Service? And why now?



The shift to everything “as a service”

Thanks to the increased reliance on remote work and the resulting convergence of professional and private lives, employees are bringing consumer-style expectations to the workplace.

They want to use exactly what they want, when they want it, and eliminate unnecessary waste. They want to be dealt with as individuals. And instead of mass-market, one-size-fits all products, they want everything deeply customized to their specific needs.

The demand for customization has given rise to new business and consumption models, many of which pivot away from traditional go-to-market approaches. For instance, companies like Microsoft, Amazon, and Spotify now offer subscription-based models for products and services that have been available for decades.

The end-user technology industry is no different.

Organizations recognize the need to accommodate employees' newest demands. And they increasingly see technology as a key to delivering a differentiated user experience—one that matters to the business as a whole, as well as the individual. In short, it's an example of yet another industry that's introduced an innovative means of meeting the need for customization: Device as a Service (DaaS).

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What is DaaS?

Organizations of all sizes recognize that refreshing a fleet of personal computing devices every few years can be a costly, time-consuming effort.

It's particularly difficult when also considering secondary expenditures for procurement, deployment, training, support, recovery, and asset management.

And yet, these periodic refreshes are very much needed: Only half of workers surveyed believe their PCs are fast, reliable, and powerful enough to handle their daily job responsibilities.¹

The DaaS model helps organizations mitigate these concerns by taking a standard device—such as a laptop, desktop, tablet, or mobile phone—bundling it with a variety of software and services, and offering it all for a predictable monthly fee. This gives organizations a single contract framework to manage, as well as just one provider to hold accountable across the device lifecycle.



Only 50% of workers believe their PCs are capable of handling their daily job responsibilities.¹

And unlike hardware leasing, organizations can take advantage of a complete solution that delivers the agility to scale up or down as business needs dictate. By removing the responsibility of owning the hardware, software, or infrastructure, companies can free up time and resources to focus on core business matters. This likely explains why 92% of IT leaders would consider adopting an as-a-service offering over the next two years.²

The business benefits of DaaS

Cashflow management

Refreshing devices typically means organizations must incur huge upfront capital expenditures. But many simply don't have funds to dedicate to non-revenue-generating activities, forcing them to delay device updates at the cost of productivity.

By adopting a DaaS model, companies can avoid sizable capital allocations and shift to more predictable cashflows over a defined period of time. And because this model offers a lower total cost of ownership (TCO), stakeholders can think more strategically about the organization's future investments.

Flexibility

It's expensive to grow. But with device availability presenting another potential logjam, it can be hard to simply prepare for growth, let alone afford the effort.

Whether growing or downsizing, a DaaS model frees organizations to pay for exactly what they need, exactly when they need it. Because of its subscription-based approach, they have the flexibility to return a certain percentage of unused assets when they're no longer needed, such as when supporting seasonal hires. By tightly aligning technology outlay with actual usage, companies will be better positioned to manage the ebbs and flows of their business.

Productivity

According to one recent study, 35% of all U.S. employees say they're already frustrated with their organization's technology.³ And this frustration can be a key reason why they may ultimately choose to leave their current employer.

When they shift to a DaaS model, companies can refresh devices sooner, delivering better uptime while limiting the productivity lost as users await fixes. They'll be able to free IT support to focus on its core competencies—instead of answering endless helpdesk tickets. And by bundling everything together, organizations can more reliably support hybrid and at-home work.

IT support

IT support is often one of the largest annual expenses an organization incurs. Whether it's configuration and deployment or helpdesk services, IT expenses can quickly consume a significant portion of any company's operating budget.

With help from the bundled hardware, software, and services unique to the DaaS approach, organizations can strategically offload specific support requirements or even the entire PC support lifecycle. Not only does this reduce the burden on internal teams, it also eases the strain on profitability. Additionally, insights into asset tracking, usage, software installation, and outages further simplify matters for IT.

DaaS delivers the future

The DaaS model charts a new course for the future of technology buying.

As consumer-like demands push business models to favor greater customization and flexibility, decision makers see the value the DaaS approach brings to their organizations.

The model has become so popular, in fact, that the DaaS market is expected to reach \$303.6 billion by 2026.⁴

It's easy to see why. Because the DaaS model offers a broad scope of hardware, software, and services—all of which can be bundled to suit varying needs—decision makers can give employees everywhere the support they need. With flexible payment options, they'll create the agility to adapt spending as business needs evolve.

And they'll make it easier to ensure a consistent, reliable supply of devices remains readily available to support the organization and its employees.

Taken as a whole, the DaaS model empowers organizations to re-focus IT and align costs and IT KPIs with the business. And more importantly, they'll be able to show clear value by delivering a user experience that matters to the business—both in terms of talent retention and worker productivity.

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C3416771-1225

¹Invest in Employee Experience (EX), Drive Your Bottom Line Growth, Empower Your Employees with the Right Technology, Forrester, October 2020

²Lenovo's Global Study of CIOs, 2022

³Employee Experience Survey 2021, Eagle Hill Consulting with Ipsos

⁴Device-as-a-Service Market with COVID-19 Impact Analysis by Offering, Device Type, Organisation Size, End User & Region - Global Forecast to 2026, Research and Markets, June 2021

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