



## I D C   W O R K B O O K

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# Considering the Device as a Service (DaaS) Model: Asking the Right Questions to Maximize Benefits

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Adapted from *The "As a Service" Model Comes to Hardware; Promises to Disrupt Enterprise Procurement* by Linn Huang, IDC #US42775417

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### Introduction

Today, IT is growing more complex due to the emergence and growth of the multi-device, multi-platform employees who often conduct both work and life tasks on the same set of devices. The dramatic rise in the number of devices has exponentially increased the urgency IT faces around securing and managing these devices (and the data that resides within them).

For many organizations, PC refresh projects have gotten lost in this transition. Asked to do more with fewer resources and dollars, IT decision makers look to save money by extending the life of the devices that employees use every day. This is a false economy. By failing to enact device refresh projects, IT exposes organizations to increased risk in security, loss of employee productivity, and decreasing employee satisfaction. Old hardware isn't good for business.

Additionally, the old hardware model will likely prove untenable in the near future for many IT managers. Given a rising number of devices, the growth of on-the-go workers, a proliferation of cloud-enabled software and services, and the expected ubiquity of workflow and business usage across devices, a clear dichotomy is manifesting itself. Employees expect a more flexible and up-to-date device experience than that supported by the old buy/deploy/run/fix model of yesteryear. Against the backdrop of budget constraints, something must give.

Enter Device as a Service (DaaS), which can help organizations accelerate their refresh cycles, unlock significant cost savings, and reduce IT workload.

### The DaaS Model and Its Benefits

DaaS is a relatively new phenomenon that consolidates hardware, software, and services into one contract with one vendor that is paid for in monthly subscription-style payments. DaaS makes undertaking a device refresh a more appealing prospect based on the benefits it offers an organization. These include:

- **Cost optimization:** DaaS vendors can help an organization streamline lifecycle management to optimize device-related costs. The right DaaS partner can ensure that deployment is predictable, service is consistent, fleets are correctly sized, devices are ready-to-go out of the box and rightly sized per user, and hardware is appropriately handled upon disposal. Additionally, consolidating hardware, software, and services into one contract can reap discounts for an organization. On average, respondents to a 2016 IDC survey estimated they would save 25% in total costs

across hardware, software, and services by using an as-a-service plan. Effectively, a DaaS partner can help an organization uncover resource drains while unlocking savings across the whole device chain.

- **Reduction of IT workload:** In the IDC survey, IT managers said they spent 14% of their time on average managing devices, and 50% said they spent too much time managing devices. Most vendors that offer DaaS also offer device management capabilities. DaaS can thus help greatly reduce device management efforts for IT managers who are internally managing the entire device chain or parts of it, and help free up resources for other IT initiatives.
- **Financial flexibility:** DaaS offers many financial and administrative benefits. Moving toward a DaaS model allows IT managers to streamline disparate purchasing/leasing agreements into one contractual structure with one partner. Additionally, DaaS transforms a traditionally CAPEX-intensive process into one predictable monthly payment.
- **Accelerated refresh:** Keeping pace with new technology rated as the second most-pressing IT challenge for respondents of IDC's 2016 Americas survey. DaaS can help shorten the refresh cycle by baking a regular refresh cadence directly into the agreement or by unlocking cost savings that could be used to drive refresh projects more expeditiously. On average, survey respondents believed they would shorten their PC refresh cycle by nearly seven months.
- **Employee satisfaction:** A company's device choices are an important part of the employee experience. This paradigm only rings truer as the millennial workforce grows in number. DaaS can help strengthen employee satisfaction by ensuring users get newer hardware into their hands at a faster cadence and are correctly matched with the right performance threshold based on their own persona. Additionally, DaaS might offer enough financial flexibility for some companies to allow users to swap devices based on their needs instead of waiting for the next fleet refresh.
- **Security:** Security rated as the top priority for respondents of *IDC's 2016 U.S. Commercial PC & Tablet Survey*. DaaS can help a company's security strategy in several ways. Many DaaS vendors have security software and services to offer. The latest vendor offerings ensure the company is using newer and inherently safer devices sooner rather than later. By reducing costs and IT workload, DaaS frees up resources that could be used on security initiatives. When asked what they could do with more resources, 63% of IT managers who participated in IDC's 2016 survey said they could focus on ensuring greater security.

## Assessing a DaaS Vendor

While DaaS could offer your organization strong benefits, making the transition can be logistically complex. The following worksheets will assist your organization in considering a DaaS rollout (see Table 1) and provide evaluation criteria for vetting prospective vendors (see Table 2).

These checklists are designed to serve as the basis from which to begin internal discussions on the implementation process and to establish the third-party capabilities for a successful DaaS deployment.

**TABLE 1**

**Questions IT Organizations Should Ask Themselves Prior to Implementing DaaS**

<p><b>1. How do we rate our device strategy today?</b> How effective has it been in improving employee productivity, maintaining satisfaction, and supporting overall business operation?</p>	
<p><b>2. How does our device procurement and management process respond to rapid IT technology innovations?</b> Do we think of our lifecycle management of employee devices as best-in-class, or is there room for improvement?</p>	
<p><b>3. What is our expected turnaround for device repair?</b> Do we have different expectations for different sets of users?</p>	
<p><b>4. How secure are our endpoints?</b> Can we improve endpoint security by working with a third-party partner to manage it?</p>	
<p><b>5. What is our typical PC refresh rate?</b> How has the refresh rate changed over time? Is the current refresh rate optimal?</p>	
<p><b>6. How would we benefit from accelerating device refresh cycles and getting newer devices to users faster?</b></p>	
<p><b>7. Do we have tiered user personas based on employee computing needs?</b> Can we accurately match the right hardware with the right user?</p>	
<p><b>8. Are there critical users (such as engineers) who could immediately benefit faster device refreshes?</b></p>	
<p><b>9. How difficult is it financially to refresh a fleet of PCs?</b> Could we benefit financially by moving PC procurement toward an as-a-Service model?</p>	
<p><b>10. Do we have the required budget and resources to support user needs and requirements moving forward?</b></p>	
<p><b>11. Do we feel our IT organization spends too much time and resources on managing our user device lifecycle?</b> What other initiatives can we escalate if we spend less time on managing devices? Could we benefit in offloading these tasks to a third party?</p>	
<p><b>12. Are there imminent opportunities – such as Windows 10 migration – for which we could use a trial of the DaaS model?</b></p>	
<p><b>13. Is our Windows 10 transition proving problematic from a budgetary and planning perspective?</b> Can DaaS help us keep up with our Windows 10 transition?</p>	
<p><b>14. What do we do with PCs once they have been decommissioned?</b> Could we benefit from partnering with a provider who can manage asset disposal?</p>	

Source: IDC, 2017

**TABLE 2**

**Questions to Ask When Evaluating a Managed Service Provider**

<b>1. Please provide an overview of your company (e.g., employee size, annual revenue).</b>	
<b>2. What is your history and track record of providing Device as a Service (DaaS) offerings?</b>	
What specific experience / examples of providing DaaS solutions to companies in my industry can you cite?	
<b>3. Do you have the requisite hardware portfolio to meet the needs of my users at every level?</b>	
How do your SLAs support mission-critical workloads? Do the SLAs simply guarantee availability and uptime?	
Can you adequately manage other vendors' devices and operating systems?	
<b>4. What are your service capabilities to ensure our hardware is expertly managed and maintained? What resources and skill sets are available to support my users?</b>	
Describe your device lifecycle management practices as well as related SLAs to support users in my organization.	
Does your company have a track record of providing consistent and reliable service across global and local levels in regions where my company has field offices?	
<b>5. What is the typical turnaround time for Return Merchandise Authorization (RMA)? How many service centers do you have globally and in my respective locations?</b>	
<b>6. What are your capabilities in predictive analytics? Can your analytics capabilities help improve service levels and match the appropriate hardware to the right users?</b>	
<b>7. What are your policies around DaaS trials for interested parties?</b>	
<b>8. What are your typical terms for fleet refresh as part of the DaaS agreement?</b>	
What are your typical terms around flexible capacity?	

Source: IDC, 2017

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