



REGION FOCUS: WORLDWIDE

Lenovo TruScale DaaS: Generating Better User Experiences



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IDC Opinion

IDC recently conducted research for Lenovo to understand the benefits to and operational experiences of device-as-a-service (DaaS) adopters. IDC research shows that organizations are shifting important IT functions to trusted partners through DaaS to improve operational costs, resiliency, employee experience, sustainability, and overall satisfaction with devices across the enterprise.

Research highlights include the following:

- ▶ **DaaS can reduce IT staff time connected to PC tasks** (managing vendors, imaging, deployment, and ongoing management). It can also improve IT staff efficiency while driving better utilization of technology.
- ▶ **DaaS improves the end-user device experience.** This includes having the right device to get the job done and ensuring that devices are deployed faster through direct-to-the-user capabilities.
- ▶ **The overall quality of a device deployment tends to be perceived as better** when the PC hardware vendor deploys the asset.
- ▶ **DaaS can help a company achieve sustainability goals** through improved asset management plus reliable and secure end-of-life disposal practices.

Situation Overview

The last few years have seen IT departments rise to the challenge of supporting new ways of working and collaborating, with a focus on newly distributed workforces. Forward-looking organizations are rethinking how they deploy and optimize IT resources, emphasizing business resiliency, operational agility, and improved employee experiences. These new initiatives have led organizations to evaluate which IT tasks may be better accomplished by working with a trusted vendor.

A key element of the decision to work with a vendor is the fact that many IT groups have struggled to address the complexity of managing hybrid environments. IDC's survey, *Challenges and Opportunities for Building a Hybrid Work Culture*, June 2022, observed that 43% of global organizations say they have most of the technologies needed to support hybrid work but still struggle with finding ways to drive effective teamwork, ensure secure work practices, and establish a culture of trust that supports all employees.

The hybrid work model is here to stay, and there will be more challenges ahead as organizations grapple with talent shortages, inflationary pressures, and ongoing supply chain issues.

IDC's 2023 *Connected Devices and Worldwide IT FutureScape Predictions* documents include several relevant predictions:

In
2023

Talent shortages and pressure to improve operational performance will force organizations to reevaluate their approach to digital transformation, resulting in greater use of outside services.

By
2024

G2000 firms that deploy reactive and tactical hybrid work models will see a 20% revenue loss due to job attrition and underperforming teams.

By
2025

95% of large enterprises worldwide will face ongoing IT staffing challenges that will impact the deployment and management of PCs, causing more of them to turn to device as a service as a solution.

By
2025

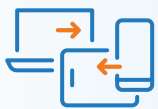
More than 75% of G2000 organizations will tie talent recruitment and retention metrics to technology deployment strategies to improve the employee experience.

Enterprises continue to rely on PCs for business-critical processes, but these organizations need help to address the operational challenges of maintaining these now-more-widely dispersed PC environments. Such challenges can manifest as additional support and logistics costs, increased downtime, and reduced productivity. Additionally, geographically dispersed systems can expose organizations to greater security risks. Consequently, companies are increasingly looking outside of the organization for help.

Key Benefits of Deploying a DaaS Model

The job of supporting a fleet of client devices has grown more complex with the shift to hybrid work. Hybrid work environments require a comprehensive strategy to address device logistics issues, including how to manage devices remotely, handle supply chain challenges, reduce shipping and packaging costs, and improve support and other services.

Hybrid work environments require a comprehensive strategy to address device logistics issues, including how to:



Manage devices remotely



Handle supply chain challenges



Reduce shipping and packaging costs



Improve support and other services

Organizations want providers that can deliver a true life-cycle approach to device management efficiently and economically, from deployment to operations to disposal across client devices. IDC surveyed DaaS adopters for this Lenovo study to get their perspectives on the benefits of DaaS (see **Figures 1 and 2**, next page).

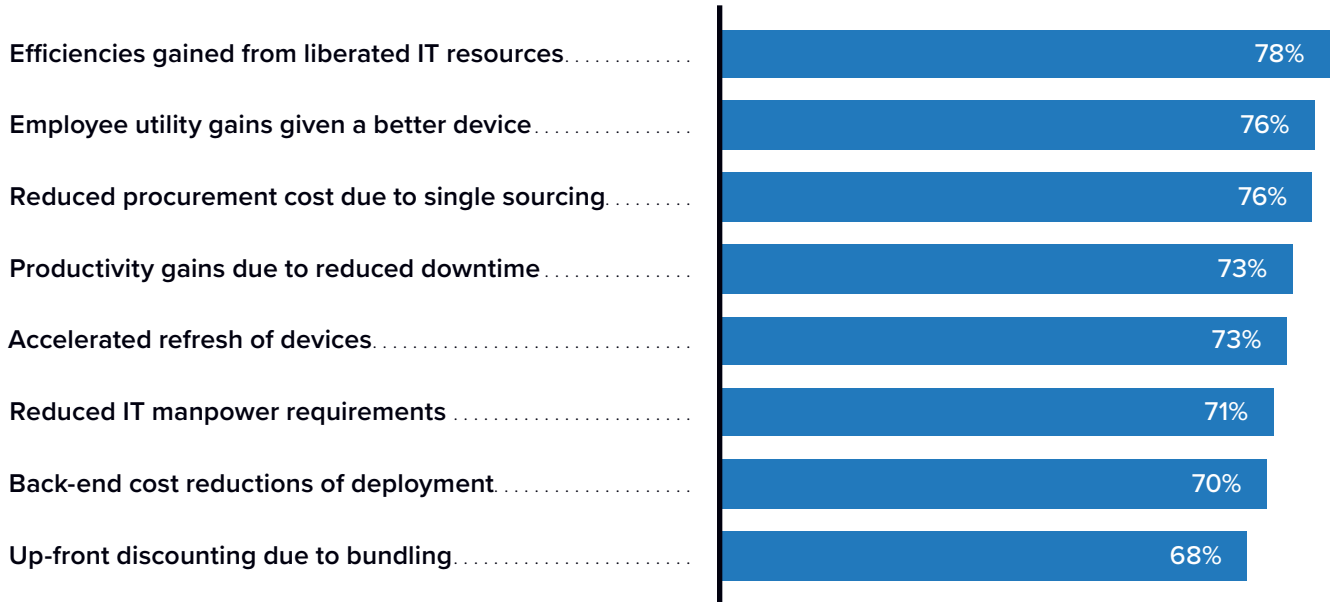
Among the key learnings:

- **Most organizations choose to try DaaS as a way to reduce IT workloads.** Once DaaS is implemented, users report improved system performance and a better overall experience.
- **Adopters say DaaS has helped lower their cost per seat by 7% versus conventional IT deployments.** And nearly two-thirds of all adopters say they have achieved cost savings by moving to DaaS.
- **Beyond the acquisition and deployment stage, DaaS has helped adopters reduce the cost and effort associated with the ongoing management of PCs.** This liberation of IT resources has allowed these IT groups to accelerate other IT projects.
- **Leveraging DaaS for tasks such as imaging, application installation, and configuration can help address the skills gap that is a common challenge for IT organizations.**
- **DaaS can drive improved employee experience and productivity, as it simplifies the process of equipping employees with the right hardware and software.** DaaS contracts also have predetermined refresh cadences built in, which helps most companies shorten their refresh cycles. This leads to less friction with IT, improves end-user utility and cybersecurity, and drives better business outcomes.
- **The DaaS opex model can provide better visibility into assets and improve asset tracking, creating more agile and resilient IT operations.** This helps address challenges around asset recovery and disposal, deals with security risks, and obviates potential financial penalties for noncompliance.
- **Sustainability initiatives are increasing in strategic importance to organizations worldwide.** This focus on sustainability often places IT-specific programs in the spotlight, and it's an area where DaaS can drive measurable gains, by shoring up asset disposition and giving those assets a second life, through either refurbishment or recycling.

FIGURE 1

Contributors to Cost Change

Please select how much each of the following factors contributed toward the cost changes driven by DaaS. (% of respondents indicating the factor is a major or material contributor)



n = 360 (adopters only); Source: *Lenovo DaaS Survey*, September 2022

FIGURE 2

DaaS Impact on Your Organization

Which statements best reflect your beliefs in DaaS’ impact on your organization? (% of respondents)



n = 360 (adopters only); Source: *Lenovo DaaS Survey*, September 2022

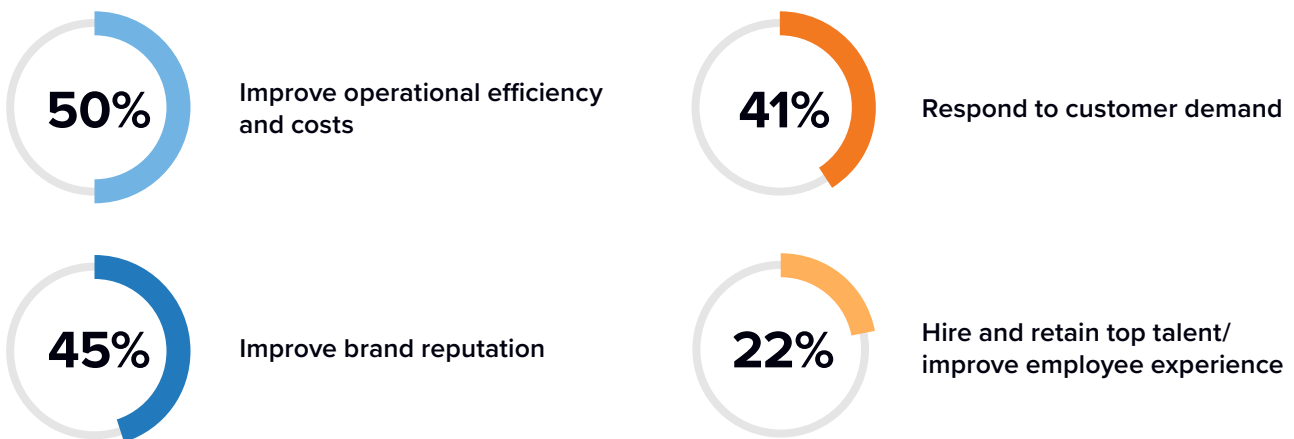
Nearly half (46%) of survey respondents said the greatest impact DaaS has had on their organization directly involves the end user, through a better device, better support, or better experience (see **Figure 2**, previous page).

Focus on Sustainability: DaaS Can Help

Enterprises are increasingly aware of the importance of sustainability, and most organizations have made public announcements about key goals and timelines. Many corporations have a sustainability policy in place and include sustainability metrics in their vendor/supplier requests for proposals. Additionally, many organizations are selecting vendors and partners with like-minded sustainability goals.

What is driving these initiatives and new sustainability policies? IDC research and conversations with IT decision makers indicate that the top business drivers for sustainability (see **Figure 3**) are improved operational efficiency and costs, improved brand reputation, response to customer demand, and the ability to hire and retain top talent and improve the employee experience.

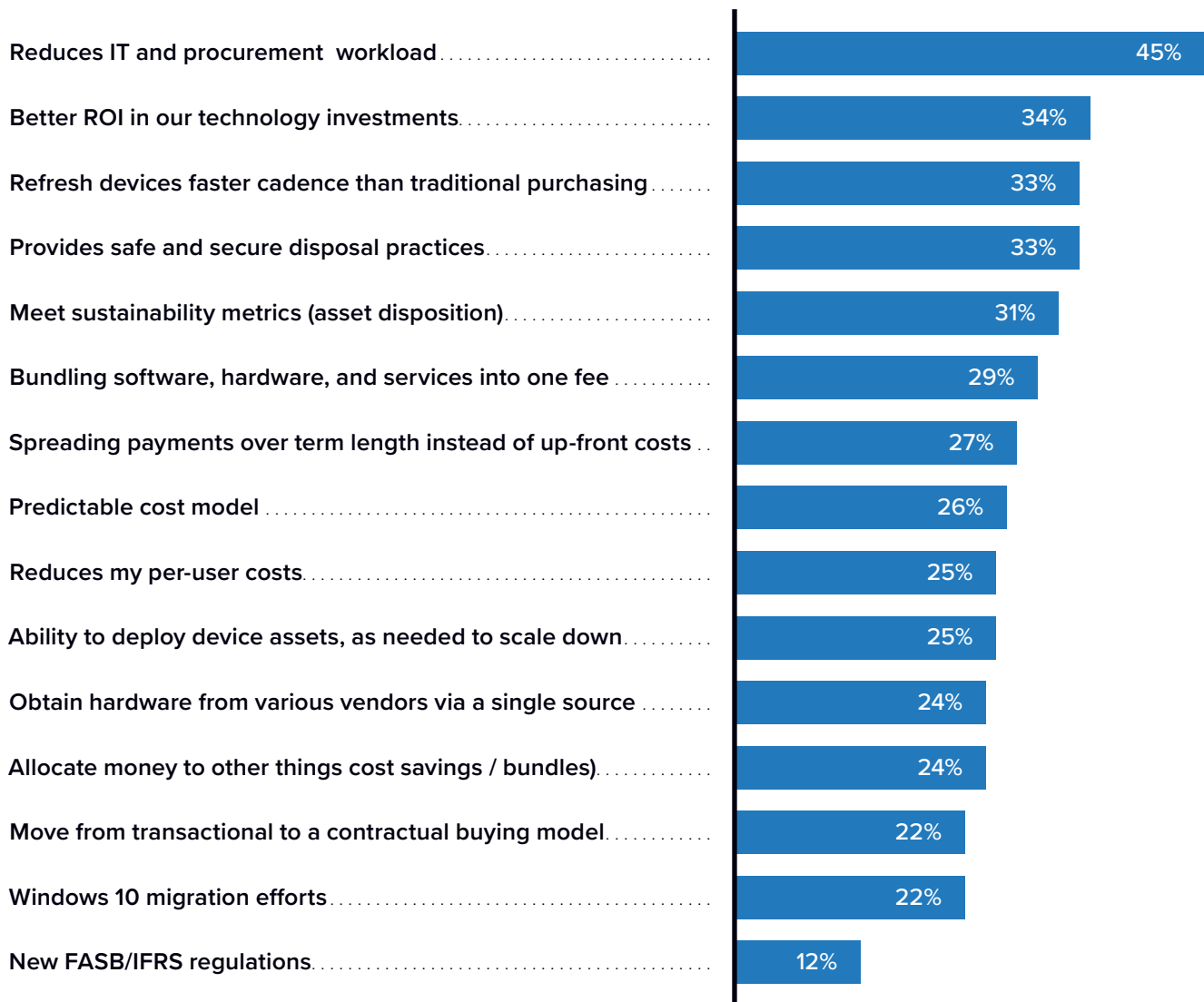
FIGURE 3
Top Business Drivers for Sustainability
(% of respondents)



n = 1000; Source: IDC's Sustainability Technology Survey, December 2021

IDC finds that organizations want to work with like-minded vendors that can demonstrate sustainable design capabilities, a strong recycling network, and a secure and compliant decommissioning plan. Responses from the Lenovo study demonstrate the importance of sustainability and asset disposition: Both were ranked in the top 5 responses for DaaS motivations (see **Figure 4**).

FIGURE 4
Motivations to Move to DaaS
 What motivated you to try DaaS?
 (% of respondents that have adopted DaaS)



n = 360 (adopters only); Source: *Lenovo DaaS Survey*, September 2022

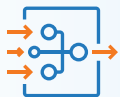
DaaS solutions that include the entire device life cycle, from deployment to end-of-life disposal, create a great sustainability story and provide financial and operational benefits. Asset decommissioning services and secure equipment disposal remain a headache for organizations, and increasing scrutiny about end-of-life services is elevating this to a critical issue for most organizations.

DaaS can eliminate this concern. For example, DaaS models provide the secure handling of IT assets, including data wiping and comprehensive end-of-life asset disposal and refurbishment. Working with a vendor that offers these services substantially reduces the risk of financial and regulatory penalties for organizations and reduces the IT staff workload. Recent news stories about significant fines levied on companies that did not comply with disposal regulations have raised the visibility of these issues.

DaaS Provides Robust Life-Cycle Services

The key and critical aspects of DaaS are the services included with the offer; it is important that the partner providing the DaaS solution can meet all of an organization's IT and end-user needs. IDC research shows that using an external provider can be more efficient and effective than relying on internal IT departments.

Key areas where DaaS can provide demonstrable benefits:



Project management



Physical deployment/
remote deployment
and imaging



Ongoing support
of hybrid
employees



Data backup and
data migration



Asset recovery
and disposal

These are some of the key areas where DaaS can provide demonstrable benefits:

- **Project management:** Working with a trusted partner can ensure the right devices get to users in the timeliest manner. The partner can assist with pre-deployment readiness assessment, scheduling and planning, shipping and logistics, and documentation.
- **Data backup and data migration:** To make sure a user is up and running on a new device in a timely fashion with all of their data, it is crucial to have a process in place to move data from an existing PC to a new system in a secure fashion.
- **Physical deployment/remote deployment and imaging:** The preparation and installation of images (including drivers, operating systems, and common applications) occur at the factory, leveraging solutions such as SCCM, AutoPilot, or Workspace ONE. This benefits a hybrid workforce and maintains an eye on sustainability: Not only does the asset get delivered faster to the user (in a day or two versus weeks), but the device does not travel from location to location, building up CO2 emissions and unwanted logistics costs. Other jobs include physical/remote device deployment and setup (including the unpacking of the PC and monitor) and asset tagging.
- **Ongoing support of hybrid employees:** This support includes break-fix services and ongoing patch recommendations of systems within a given service-level agreement as well as other management capabilities. Support should and can be done through robust, secure remote support tools, which help provide a frictionless support experience for the user. These tools can also keep the system performing optimally and securely, through patching, security monitoring, proactive issue detection, and performance monitoring. As hybrid workforce models expand, remote support capabilities and monitoring tools are essential in keeping geographically dispersed users productive and secure.
- **Asset recovery and disposal:** This includes the proper handling and disposal of equipment at the end of life, plus secure removal of company data.

Working with partners not only improves the employee experience with devices; it also helps promote increased business value over the life of the system. And working with a single trusted partner for full life-cycle service delivery means an organization can more easily focus on improved cost savings, better user experience, and achieving sustainability goals.

Considering Lenovo as a DaaS Partner

DaaS adopters and intenders want business outcomes that focus on availability, improved user experience, and better cost metrics. Lenovo has a long history of delivering life-cycle services and reliable hardware products at competitive prices with a broad portfolio of digital workplace solutions, software, and services. The company has made sizable investments in its TruScale as-a-service portfolio, with a strong emphasis on its DaaS offerings.

Additionally, Lenovo has an expansive portfolio of devices that includes PCs, workstations, tablets, smartphones, and enterprise-focused augmented reality/virtual reality (AR/VR) headsets. With Lenovo's expansive portfolio, customers can be assured they will get the right device to the right employee, configured to their set of requirements. Lenovo's customer-first device selection means that in the rare event the right device isn't a Lenovo one, it can still be supported through DaaS.

Perhaps just as important as the breadth of Lenovo's device lineup is the quality of the devices on offer. Lenovo's ThinkPad enterprise notebooks have a long and rich history, and its newer brands—including ThinkBook, ThinkStation, and ThinkCentre—are well respected by enterprise buyers too.

Lenovo has an expansive portfolio of devices that includes:



PCs



Tablets



Enterprise-focused augmented reality/virtual reality (AR/VR) headsets



Workstations



Smartphones

And thanks to the immense volume of devices the company ships and its deep roots in the supply chain (Lenovo has remained the global leader in PC shipments since 3Q20), it has been able to attain a high level of supply chain predictability. That same size and scale make Lenovo an ideal partner for companies of all sizes and allow it to offer flexible and scalable financing options. And in addition to its own growing service capabilities, the company has partnerships with local shops across the globe to make sure that, wherever a business is located, it will get great service.

Challenges and Opportunities

There is strong momentum in the DaaS adoption cycle, and IDC projects that DaaS growth will continue through the 2026 forecast period, with a five-year compound annual growth rate of 14%. During that time, we'll see annual seats grow to \$139 million and worldwide revenues increase to \$123 billion. The DaaS revolution is underway, and current adopters are enjoying the benefits today.

That said, any new and growing market faces its share of challenges, and one of the key challenges around DaaS is simple inertia. Many firms have been buying devices and supporting them with internal IT since their inception, and shifting to a new mode of buying can cause waves inside an organization. This shift is complicated when a company has a legacy of buying from more than one vendor, with contracts and refresh cycles that vary from department to department. Moreover, the shift toward DaaS requires buy-in from IT staff, who may feel that it represents some risk to their livelihood.

The keys to overcoming these challenges include careful selection of a DaaS partner, a realistic look at the current installed base of devices and their projected life cycles, and a thorough review of all existing software and services contracts. In transitioning to DaaS, best practices include forming cross-functional committees of key stakeholders that can drive the transition, identifying key user groups with which to start inaugural rollouts, and monitoring and recording cost impacts as fleets are transitioned.

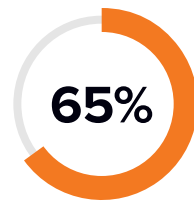
No company flips a switch and moves everyone to DaaS overnight, but with planning, the process can be accomplished over the course of months or years. Perhaps most important, though, is assuring current IT staff that by eliminating the day-to-day requirements around devices, DaaS can free them to spend time on important initiatives within the company, such as a focus on mobility or digital transformation.

Conclusion

CIOs and IT managers are looking for providers that can deliver a seamless customer experience, with a specific focus on real-time metrics that enable the best decision making. The main goal for organizations is to reduce the complexity of managing their PC fleet and enable IT to focus on driving business outcomes. Additionally, organizations are focusing more on desired business outcomes in their DaaS provider selection process.

Consumption models enable business resiliency and agility efforts, all within budget requirements. As such, IDC predicts that:

By 2026



of tech buyers will **prioritize as-a-service consumption models for infrastructure purchases**, to help restrain IT spending growth and fill IT operations talent gaps.

Organizations rely on technology to achieve strategic competitive advantage and are focusing more on the ability to enable top-priority business outcomes through their digital infrastructure selection processes. The promise of as-a-service delivery is to minimize the disruptiveness of technology adoption, refresh, and operations, allowing enterprises to confirm that their technology investments are yielding the desired business results.

IDC believes the focus on a superior experience, in addition to the rising complexity of hybrid workforce models, has boosted demand for consumption-based models, as IT leaders increasingly rely on IT suppliers and partners to address operational pain points such as the IT talent skills gap, sustainable tech spending, and funding new digital infrastructure initiatives. When selecting a DaaS provider, companies should consider an organization that can become a strategic partner to help increase agility and competitiveness while ensuring a secure environment.

About the IDC Analysts



Rob Brothers

Program Vice President, Datacenter and Support Services, IDC

Rob is a program vice president for IDC's Datacenter and Support Services program, as well as a regular contributor to the Infrastructure Services and Financial Strategies programs. He focuses on worldwide support and deployment services for hardware and software and provides expert insight and intelligence on how enterprises should be addressing key areas for datacenter transformation and edge deployment and management strategies. IT hardware services covered include IoT devices, converged infrastructures, storage, servers, client devices, networking equipment, and peripherals. Software covered includes software-defined infrastructures, cloud support, operating systems, databases, applications, and system software. He also has expertise in the latest consumption models, which include as-a-service models such as device as a service.

[More about Rob Brothers](#)



Linn Huang

Research Vice President, Devices and Displays, IDC

Linn tracks market trends and industry developments that impact the worldwide and U.S. markets for PCs, thin clients, and monitors. He participates in cross-research streams that cover all device categories.

[More about Linn Huang](#)



Tom Mainelli

Group Vice President, Device and Consumer Research, IDC

Tom manages the Device and Consumer Research group, which covers a broad range of hardware categories, inclusive of both home and enterprise markets, as well as IDC's growing consumer research practice. The device research includes PCs, tablets, smartphones, wearables, smart home products, thin clients, displays, and virtual and augmented reality headsets. He also manages IDC's supply-side research team that tracks display and ODM production across a wide range of products. IDC's consumer practice, built upon its Consumer Technology Strategy Service, tracks numerous consumer-focused metrics utilizing frequent surveys and IDC-branded indexes. The consumer research also includes in-depth services focused on gaming and video. In his role as group vice president, he works closely with company representatives, industry contacts, and other IDC analysts to provide in-depth insight and analysis across a wide range of both commercial and consumer topics. He also oversees the collection of historical shipment data and the forecasting of shipment trends in cooperation with IDC's Tracker organization. A frequent public speaker, he travels often and enjoys the opportunity to work with colleagues and clients all over the world.

[More about Tom Mainelli](#)



Susan Middleton

Research Vice President, Flexible Consumption and Financing Strategies for IT Infrastructure, IDC

Susan leads IDC's worldwide research on IT equipment, software, and services financing markets. As research vice president for IDC's Flexible Consumption and Financing Strategies for IT Infrastructure research, she provides analysis and insight from both a supply-side and a buyer's point of view. Susan's core research coverage includes the evolution of procurement models from purchasing, leasing, and financing to the new as-a-service models, also known as flexible consumption. Based on her analysis and expertise on procurement strategies and IT equipment life cycles, Susan's research helps vendors and buyers understand the top drivers of the new flexible consumption models and the impact of these new buying behaviors on long-term IT equipment values and forecasts.

[More about Susan Middleton](#)



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