PC as a SERVICE

The Smart Way of IT Provisioning

How can your organisation benefit from PCaaS?

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Executive Summary

Performing PCs are critical to businesses’ productivity and competitiveness, but hardware refresh is often extended well beyond its due date as IT departments’ resources are stretched or diverted to more urgent business critical projects. PC as a Service (PCaaS) has recently emerged as a new model for IT procurement and management, and according to IDC’s latest PCaaS survey, satisfaction among early adopters in Europe is strong.

Since PCaaS agreements include a variety of support and maintenance services, IT departments are freed from day-to-day management and other service tasks and can focus on more strategic and value-creating projects.

In PCaaS models, hardware and services are bundled into one single subscription and companies pay a monthly fee rather than outright. Thanks to PCaaS, organisations can move PC procurement from capex to opex and at the same time benefit from faster refresh rates so that employees can work with the latest technology with positive effects on their morale and productivity.

PCaaS offers a much easier way to procure a packed endpoint services contract. It bypasses the usual internal IT battle with constantly fragmented PC estates and the resulting problems that arise — multiple versions of hardware or software running at the same time, inefficiency and poor satisfaction levels. PCaaS brings not only spending optimisation, but also flexibility at an enterprise-grade level of security.

PCaaS models may not be suitable for all businesses but in the current business environment all organisations should evaluate if they could benefit from a PC procurement model that offers greater flexibility and scalability to adapt to changing business needs, provides cost predictability, and includes support and maintenance services.
PCs are critical but their renewal has become a lower priority …

This IDC InfoBrief explains what PC as a Service is and what advantages it brings to organisations that want their IT resources to drive growth and value rather than get bogged down with daily IT tasks.

… PC as a Service can be the solution
What is PCaaS?

PC as a Service is a relatively recent phenomenon so there are no industry standard definitions. However, essentially in PCaaS models, **PC procurement and the services wrapped around the PCs are bundled into one agreement from one vendor on a price per seat basis.**

PCaaS has unique characteristics:

- The PC hardware is only one component of the service. In addition to the PC hardware, PCaaS offers organisations the option to select from a variety of services such as configuration, deployment, management and retirement.
- PCaaS bundles the PC hardware and services into a single subscription.
- More hardware and services can be added (scale up) or reduced (scale down), allowing organisations to adjust to changing business conditions.

**PCaaS is not leasing** where hardware and services are not included in the same non-flexible subscription.

**PCaaS is not desktop as a service (DaaS)** where a third party centrally manages datacentre-based, highly secured virtualised desktops connected to a wide range of endpoints.
PC as a Service — The Smart Way of IT Provisioning

PCaaS Offers Faster Refresh Rates

PCaaS helps to refresh an aging PC estate when organisations do not have enough capital for outright purchases or when IT budget is diverted to other more urgent or more strategic projects. Faster refresh rates than traditional purchasing or leasing models is the main reason for PCaaS adoption according to our recent European survey data.

How does the refresh rate for PCaaS PCs differ from non-PCaaS PCs?

- Shorter by less than 6 months: 1.4%
- Shorter by 6–12 months: 21.7%
- Shorter by more than a year: 30.4%
- Longer by less than 6 months: 10.1%
- Longer by 6–12 months: 4.3%
- Longer by more than a year: 5.8%
- About the same: 26.1%

Bottom line

Hardware refresh cycles will become the responsibility of the PC as a Service provider and organisations can shift their IT device spend from capital expenditure (capex) to operating expenditure (opex).
PCaaS Delivers Expanded Support and Maintenance Services

The inclusion of support and maintenance services into PCaaS agreements relieves IT departments from day-to-day management and other service tasks so that they can focus on more strategic and value-creating projects.

Offloading IT support and service to a third party is also likely to deliver an overall better experience to employees because the PCaaS provider is incentivised to keep everything running smoothly.

The need for 24 x 7 phone support is strong among buyers, but PCaaS agreements can offer a variety of services depending on the providers’ capabilities. Secure disposal of the retired devices and the data stored on them is also an attractive proposition of PCaaS agreements, as old PCs (still containing company data) are often just stored in a desk drawer. With PCaaS, however, companies have the guarantee that their devices are properly retired and wiped of sensitive data without any need to allocate budget to the disposal.

Advance hardware replacement and data storage are also among the services most required by businesses in PCaaS agreements.
PCaaS has Vendor-Grade Security Built In

When it comes to security and strategic imperative, PCaaS ticks all the boxes.

In terms of the top investment priorities, security remains a major driver for IT and business decision makers across Europe.

- Increases IT effectiveness overall
- Leads to better control of IT costs
- Addresses security issues, current and ongoing

Strategic IT priorities from an IT department’s perspective:

- Improving SLAs is crucial: 36.4%
- Use IT to make business more cost effective: 29.4%
- Revenue growth business transformation: 17.4%
- IT cost reduction: 15.9%
93% of PCaaS Adopters Are Satisfied

Satisfaction among early adopters of PCaaS is extremely high with 93% declaring they are very or somewhat satisfied with the service. Even more impressive is that while some may be neutral to the agreement, no UK company that has adopted PCaaS is disappointed with the agreement.

How satisfied are you with your current PCaaS agreement?

62.4% We are very satisfied with our current agreement
30.4% We are somewhat satisfied with our current agreement
7.2% We are neutral to our current agreement
0% We are dissatisfied with our current agreement

Such is the satisfaction that the majority of adopters expect to fully transition to PCaaS over the next few years.
PCaaS Adopters Achieve Spending Optimisation

IT spending, especially in the end-user space, is an area where marginal improvement matters. This is a volume business, where vendor margins are as tight as buyers’ budgets.

IDC data shows that after adopting a PCaaS model, 33.3% of respondents claimed to be able to better match system performance with users’ needs, while a further 29% cited the ability to source lower-cost hardware. On both counts, this is impressive. By simplifying and streamlining the traditional process, the PCaaS model is able to deliver very good results on both costs and SLA counts.

PCaaS bundles hardware, software and services together, bringing efficiency, spending reduction and cost predictability.

PCaaS can also offload your department’s device management workload to a third party, helping free up resources for other projects.

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

- **36.2%** We procure better hardware overall for employees
- **33.3%** We are able to match employee needs better with the right system performance level
- **29.0%** We procure hardware at a lower cost
PCaaS Gives You Contractual Flexibility Depending on Your Business Needs

- PCaaS is not a “one trick pony” with a plethora of drivers behind investment.
- There is no silver bullet to PCaaS, and this is a good thing for its future success.
- There is little to differentiate (numerically) between the top 5 PCaaS adoption motivations.
- Faster purchasing was rated the number 1 motivation, with a mean score of 7.78 out of 10.
- This was followed by the ability to shift procurement workloads to a third party (7.61) and the ability to be flexible in terms of deployment (scaling up and down), which rated at 7.54.
- The PC purchasing decision and details can be very personal and can create a lot of friction when it comes to end-user satisfaction. Our survey results show that a multitude of reasons are behind the drive to try/test PCaaS. This reflects real-world decision making, and suggests that the as-a-service model — when implemented properly — will appeal to a large part of the market.

10-point scale rating
What motivated you to try PCaaS? Please rate on a scale of 1 (had no bearing on our decision to try PCaaS) to 10 (was the prominent reason we tried PCaaS).

<table>
<thead>
<tr>
<th>Reason</th>
<th>Rating</th>
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<tbody>
<tr>
<td>Allows us to refresh our PC at a faster cadence than traditional purchasing or leasing</td>
<td>7.78</td>
</tr>
<tr>
<td>Reduces IT and procurement workload by offloading device procurement and management to a third party</td>
<td>7.61</td>
</tr>
<tr>
<td>I can deploy PC assets on an as needed basis with the ability to scale down</td>
<td>7.54</td>
</tr>
<tr>
<td>Predictable cost model with a monthly payment per seat</td>
<td>7.49</td>
</tr>
<tr>
<td>Provides safe and secure disposal practices</td>
<td>7.48</td>
</tr>
<tr>
<td>Reduce cost of PC deployment by bundling hardware and services into one monthly payment</td>
<td>7.42</td>
</tr>
<tr>
<td>Allows us to single source our device procurement from one vendor</td>
<td>7.32</td>
</tr>
<tr>
<td>PCaaS provider’s ability to use analytics to predict hardware failures</td>
<td>7.28</td>
</tr>
<tr>
<td>Transfer asset cost associated with PC procurement from capex to opex</td>
<td>6.93</td>
</tr>
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IDC Essential Guidance

Understand where your PC and endpoint devices fit within your IT priorities.

Do you want your IT resources (people and budget) to be used for business-driving initiatives but at the same time you want your workforce to be equipped with performing devices and to receive the IT support they need to be productive? If so, offloading daily IT management and services to a third party would allow your IT department to drive growth while your employees’ productivity will benefit from up-to-date devices and prompter IT support.

Ensure that PCaaS is for your company.

Identify which outcomes you want to achieve by adopting a PCaaS model.

Pay attention to details. As there is no industry standard yet, there is no standard PCaaS agreement.

Make sure that your agreement includes the features and terms and conditions that suit your needs.

Map your current procurement process and ask yourself if it can be improved.

Adopting a PC as a Service model could be the right solution if your organisation would benefit from greater flexibility in deploying PCs, if you keep extending the refresh of your devices because other priorities always come up, or if device procurement is a burden on your capex.

Shop around for a reliable partner with the right capabilities that can deliver on its promises.

Consider hardware offerings, the services and support provided, and contractual flexibility — and test it out.
IDC surveyed 500 IT decision makers across UK companies and asked them about PC as a Service. The survey aimed to get a better understanding of the key drivers of adoption, the reasons for disinterest, PCaaS requirements, satisfaction levels, and the changes in spending and hardware refresh rates resulting from the migration to PCaaS.

### Methodology

**Survey Participant Profile**

- **Company size**
  - 500+ employees: 33%
  - 100–499 employees: 38%
  - Below 100 employees: 33%

- **Revenue**
  - <$10K: 35%
  - $10K-$100: 31%
  - $100-$250: 13%
  - $250-$500: 8%
  - $500+: 12%

- **Sector**
  - Retail/Wholesale: 17%
  - Education: 8%
  - Construction: 8%
  - Finance: 7%
  - Healthcare: 6%
  - Manufacturing: 6%
  - Government: 5%
  - Communication Broadband/Cable: 4%
  - Transportation: 4%
  - Utilities: 3%
  - Agriculture/Mining: 1%
  - Professional Services and Others: 15%

Source: IDC PCaaS survey, December 2016 | n = 502

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