Organizations Achieve Efficiencies and Lower Costs Using Dell Lifecycle Hub and Similar PC Life-Cycle Services

Rob Brothers
Program Vice President,
Datacenter and Support Services, IDC

Matthew Marden
Research Vice President,
Business Value Strategy Practice, IDC

Table of Contents

CLICK ANY HEADING TO NAVIGATE DIRECTLY TO THAT PAGE.

IDC Opinion

The modern workforce relies on a diverse mix of devices to be productive from anywhere, at any time. Employees and the C-suite demand that these systems are reliable and provide secure access to applications and data for job-related tasks. With enterprises paying more attention to employee sentiment and satisfaction and optimizing the end-user device experience (along with achieving operational efficiencies in device management as well as sustainability goals), more enterprises are considering device life-cycle management services. Resource-strapped IT organizations need help improving the end-user service experience while improving operational efficiencies. CFOs want a direct and transparent view into their technology investments to ensure the enterprise is maximizing the device value throughout the life cycle. IDC also sees environmental, social, and governance (ESG) teams needing to demonstrate compliance with asset disposition practices and circular economy guidelines.

IDC's research demonstrates the significant value that organizations achieve by implementing Dell Lifecycle Hub and similar third-party PC life-cycle services. Organizations benefit from capturing staff time savings and efficiencies through better device life-cycle management, from low-touch deployment to asset recovery to optimizing PC use and total cost of ownership. Based on in-depth interviews and survey research, IDC estimates that organizations reduce PC life-cycle–related costs by 37%, thereby saving an average of $873 per PC over a life cycle.

Specifically, study participants linked their use of Dell Lifecycle Hub and similar third-party PC life-cycle services to:

- Faster deployment, including directly shipping to employees' homes, of new PCs with fewer problems
- Better recovery of PCs from leaving employees
- Reduced employee downtime due to break/fix issues
- Reduced new-buy spend and improved return on invested capital
- More sustainable PC initiatives with fewer shipping and logistic points and better asset recovery and circular economy practices

Business Value Highlights

Click the highlights below to navigate to content within this document.

37%
lower total costs over average PC life span, saving $873 per PC

37%
total staff efficiency for PC life-cycle activities, worth $83 per PC per year

42%
faster deployment of new PCs, saving 2.4 days per new PC

18%
lower business losses due to unplanned break/fix issues, saving $12 per PC per year

68%
fewer PCs not properly returned

Key Takeaway

IDC's research shows the significant positive impact that using Dell Lifecycle Hub or similar third-party services can have on organizations' ability to deploy, manage, and recover PCs across their life cycles.

Situation Overview

IDC research continues to indicate that organizations consistently identify customer satisfaction and operational efficiencies as two of their top business priorities. Improving the customer experience — and corresponding customer loyalty and advocacy — through streamlined operations can directly affect overall revenue and profit. For most enterprises, improvements in these areas typically require a dedicated level of investment in innovative technologies that can help achieve the desired strategic objectives.

As CIOs and IT managers shift resources to accelerate innovative technology adoption, many are considering external service providers for key IT functions. In particular, IT organizations are looking for help managing routine, repetitive tasks that remain critical to delivering a high-quality employee experience and streamlining IT operations. Many enterprises seeking to reduce operational costs while improving resiliency and sustainability are considering IT device life-cycle management services.

IDC research continues to indicate that organizations consistently identify customer satisfaction and operational efficiencies as two of their top business priorities.

Dell Lifecycle Hub Services

The Dell Lifecycle Hub combines warehousing and inventory management with configuration services and deployment expertise to create one end-to-end solution. With included return, repair, whole unit exchange, and refurbishing services, Dell Lifecycle Hub helps keep employees working, maximizes the use of device inventory, and frees up IT resources to focus on business priorities.

Key Dell Lifecycle Hub Benefits:

- Ships configured PCs and new-hire kits to help with employee day 1 productivity
- Manages device returns when employees leave the company, allowing that device to be redeployed
- Provides whole unit exchange devices when failures occur, rapidly returning employees to productivity
- Manages device refresh at lease end or when fully depreciated
- Facilitates proper device recovery

Business Value of Dell Lifecycle Hub

Research Overview

To understand the cost and operational impact for organizations of using third-party services for PCs such as Dell Lifecycle Hub services across their life cycles, including the impact on staff time requirements, PC performance, PC-related costs, and time to deliver new PCs to users, IDC conducted both survey research and in-depth interviews:

- **Online survey of 109 organizations using third-party PC life-cycle services based in the United States.** Data collection occurred from January to February 2023. The survey targeted IT decision makers and took approximately 15 minutes to complete.
- **In-depth interviews of two organizations using Dell Lifecycle Hub and three organizations using other third-party PC life-cycle services.** Interviews were approximately 45–60 minutes in length, occurred from February to May 2023, and were with senior decision makers familiar with the impact of using Dell Lifecycle Hub and similar services.

PC Environments and Choice of Dell Lifecycle Hub

The organizations that participated in IDC's research provide a significant number of PCs to their employees for day-to-day use, with an average of 5,244 PCs (median of 4,700 PCs). The sample was typically small to large enterprises, ranging from 1,400 to 15,000 PCs in total. As shown in **Table 1,** study participants had relatively consistent PC refresh cycle targets for the most part, with an average refresh cycle of 3.9 years and median of 3.5 years.

TABLE 1

PC Environments of Study Participants

	Average	Median	Minimum	Maximum
Number of PCs	5,244	4,700	1,400	15,000
PC refresh cycle (years)	3.9	3.5	1.5	6.0

n = 109; Source: IDC's Business Value Survey Research, 2023

Interviewed organizations explained the reasons they chose to use Dell Lifecycle Hub and other third-party PC life-cycle services:

Dell Lifecycle Hub customer:

"We needed the scaling and seamlessness of administration; by scaling, we were looking for more consistent delivery of PCs across our geographies."

Dell Lifecycle Hub customer:

"We had a major stumble going into COVID-19 where we just didn't have a proper plan for logistics around the shipping and receiving life-cycle management of end-user devices … We ultimately landed on Dell Lifecycle Hub because it could provide us with what we needed going through all of this."

Other third-party services customer:

"We changed our approach to PC life-cycle management to using a third-party service provider to automate a lot of the tracking when PCs are coming up for refresh, and we created personas for different groups. The machine now gets automatically assigned based on their persona when it's ordered, and it goes to the third-party life-cycle management where they install our customizations on it and ship it out to the end user."

Business Value of Dell Lifecycle Hub

IDC's research demonstrates that study participants realize significant value by using Dell Lifecycle Hub and similar third-party PC life-cycle services by capturing staff time savings and efficiencies, better deploying and retiring PCs, and optimizing PC use and costs. This study explains the nature and value of these benefits and looks at how study participants use Dell Lifecycle Hub or similar third-party PC life-cycle services to carry out PC life-cycle activities more efficiently and effectively.

PC Shipping and Logistics Benefits

IDC's research also shows that organizations can speed up their delivery of new and repaired PCs to users. Employees need their PCs to work efficiently, and time spent waiting for PCs to be delivered can exert significant productivity loss costs. However, by reducing friction associated with PC delivery with Dell Lifecycle Hub, study participants can better support their employees' ability to work with full productivity.

IDC's research shows that organizations achieve the following average deployment-related gains by using Dell Lifecycle Hub:

- Delivering new and repaired PCs to users 42% faster, thereby reducing the delivery time by 2.4 days per PC on average

- Reducing the working time that users do not have access to a PC during deployment by an average of 42%, ensuring higher productivity worth an average of $40 per PC

Organizations benefit from using services such as Dell Lifecycle Hub to optimize spending related to staging, storing, and transporting PCs. Dell Lifecycle Hub can reduce the need to maintain PCs at multiple locations, reduce the space required for storage and staging, and optimize shipping costs through economies of scale and reduced touch points in the delivery process.

IDC's research shows that organizations achieve the following benefits (see **Table 2**):

- Reducing warehousing and staging costs by 37%, saving an average of $28 per PC per year
- Saving 37% on PC shipping–related costs, which equates to $63 per PC per year

TABLE 2

PC Shipping and Logistics Cost Savings

	Before Dell Lifecycle Hub/ Third-Party PC Services	With Dell Lifecycle Hub/ Third-Party PC Services	Benefit of Dell Lifecycle Hub/ Third-Party PC Services	Benefit
Security and software	$456	$456	$0	0%
Warehousing/staging costs	$74	$46	$28	37%
Transportation costs	$172	$108	$63	37%
Total cost per PC per life cycle	$702	$611	$91	13%
Total cost per PC of warehousing/ staging/transportation costs per life cycle	$246	$155	$91	37%

n = 109 for Business Value Survey Research, n = 2 for Business Value In-Depth Interviews
Source: IDC's Business Value Survey Research and Business Value In-Depth Interviews, 2023

IDC notes that Dell Technologies customers could potentially realize even more significant savings than these given that shipping/transportation costs are built into the Dell Lifecycle Hub cost and can streamline warehousing and staging costs to a more significant extent than survey participants using other third-party PC life-cycle services.

PC Deployment Benefits

With companies looking to get the most out of their IT staff and employees and more value out of their PC investments, Dell has developed a solution to focus on device life-cycle management — Dell Lifecycle Hub.

Study participants described how Dell Lifecycle Hub and similar third-party services allow them to improve the PC deployment experience:

Reduces deployment-related issues and frees up staff burden:

"The attention to detail and the QA behind the logistics side went through the roof with Dell Lifecycle Hub. We went from dealing with a few dozen nagging issues that are now gone because they just work with Dell Lifecycle Hub. Also, we no longer need to manage the staff to do PC deployments, as opposed to before."

Value of service catalog:

"We have a very specific service catalog with Dell Lifecycle Hub where users go, place an order, and the order is automatically dispatched to the Lifecycle Hub to fulfill. So it takes users less than a minute to request a new device."

Ability to meet decentralized demand for PCs:

"Shipping and logistics of PCs used to be centrally procured and then deployed across to the different district offices. With the national vendor we now have, they have equipment locally and deploy locally. So, from a shipping perspective for a new PC, it has come down from a couple of days to a single day."

Further, IDC's study shows that organizations minimize the frequency and impact of problems experienced by users during PC deployment. When PCs are not correctly deployed, most organizations experience business losses related to not being able to execute business as normal.

IDC's research shows that organizations better support their business during deployment in terms of (see **Table 3**):

- Experiencing 19% fewer problems with PCs during deployment and resolving problems that do occur 20% faster
- Capturing/gaining back productive time worth an average of $66 per PC that experiences a problem during deployment

TABLE 3

PC Deployment Benefits

	Before Dell Lifecycle Hub/ Third-Party PC Services	With Dell Lifecycle Hub/ Third-Party PC Services	Benefit of Dell Lifecycle Hub/ Third-Party PC Services	Benefit
Total number of PCs deployed per year	1,797	1,732	65	4%
Number of days to deliver new PC	5.8	3.4	2.4	42%
Number of actual working hours without PC access	4.4	2.6	1.9	42%
Productivity loss without PC access	41%	41%	0%	0%
Cost of lost productivity per PC deployed	$97	$56	$40	42%
Total cost of lost productivity per organization per year	$173,800	$101,200	$72,600	42%

n = 109 for Business Value Survey Research, n = 2 for Business Value In-Depth Interviews
Source: IDC's Business Value Survey Research and Business Value In-Depth Interviews, 2023

PC Break/Fix and Replacement Benefits

The potential value of using Dell Lifecycle Hub extends beyond deployment to ongoing benefits in terms of life-cycle management and tracking activities and improved PC break/fix capabilities. Employees rely on having high-performing PCs to do their jobs, whereas IT organizations must find ways to manage PCs across their life cycles and track them across disparate locations effectively and efficiently. IDC's research shows that Dell Lifecycle Hub helps minimize business costs associated with PC-related downtime and other problems through more robust system replacement capabilities and allows IT teams to focus less on day-to-day PC life-cycle management responsibilities and more on other initiatives and activities.

Study participants described how Dell Lifecycle Hub and similar third-party services allow them to improve their ongoing PC management efforts and user experience:

Faster to repair and return PC to service:

"Our time to repair has gone down by about 65%–70% with Dell Lifecycle Hub … Now that we have onsite repairs, it went from taking two to three days to send offsite to half to one working day to complete."

Helps identify major break/fix issues:

"Dell certainly keeps an eye on how many break/fix requests we are sending them. So if break/fix for battery issues goes through the roof one month, they would not only alert me but the rest of my team: 'Hey, we've seen an uptick in battery issues or things that you're sending back.' They could tip us off to, potentially, an epidemic-level thing in a particular model."

Improved asset management:

"Using a third-party PC life-cycle service has definitely improved our asset management because we know what PCs are where and what's been deployed. When an employee leaves the company, we tag it from that perspective as well to make sure the machine is returned. The ticketing process also has improved where our notifications are created saying, 'Employee X left the company, they were assigned with this asset and our site support has not received that asset, and there is no documentation it's been received.'"

Not having PCs available for employee use can exert significant costs on organizations in terms of lost productivity and even revenue. This means that when PC problems occur that require repair, organizations need to respond quickly and effectively to address and remedy the issue. Despite the best efforts of organizations, they often cannot provide the same levels of expertise, automation, and quality through internal IT resources as third-party services such as Dell Lifecycle Hub can.

IDC's research shows that using Dell Lifecycle Hub reduces the impact of PC break/fix issues by having systems ready for employees to use. IDC calculates that study participants must replace 14% fewer PCs as they benefit from break/fix capabilities that return more PCs to employee use and require 20% less time to replace a PC with Dell Lifecycle Hub and similar services. Taken together, these benefits enable study participants to lower productivity losses associated with PC replacement by an average of 31%. Further, IDC believes that because Dell Lifecycle Hub provides a whole unit exchange, it could limit productivity losses associated with employees waiting for repairs to occur to a greater extent than survey participants achieved.

Likewise, IDC's research shows that organizations benefit from providing fully functional PCs to users at an earlier time. IDC calculates that study participants reduce productive time lost during PC repairs by an average of 3% using Dell Lifecycle Hub or similar third-party services.

Taken together, IDC calculates that study participants reduce the average cost of these types of PC break/fix issues by 18% in terms of lost productivity and revenue, which equates to a value of $12 per PC per year (see **Table 4**).

TABLE 4

PC Break/Fix and Performance Benefits

	Before Dell Lifecycle Hub/ Third-Party PC Services	With Dell Lifecycle Hub/ Third-Party PC Services	Benefit of Dell Lifecycle Hub/ Third-Party PC Services	Benefit
Number of break/fix issues per PC per year	0.4	0.4	0.0	0%
Number of total PC break/fix issues per year	2,101	2,101	0	0%
Number of PCs requiring replacement due to break/fix issues	462	398	65	14%
Time to replace per PC	31.3	25.0	6.3	20%
Productivity loss per PC during replacement (hours)	0.8	0.5	0.2	31%
Number of PCs repaired per year	1,638	1,703	65	4%
Productivity loss per PC during repair (hours)	0.7	0.6	0.0	3%
Revenue loss per PC from break/fix issues per year	$13	$10	$3	19%
Cost per PC from break/fix issues per year	$66	$54	$12	18%

n = 109 for Business Value Survey Research, n = 2 for Business Value In-Depth Interviews
Source: IDC's Business Value Survey Research and Business Value In-Depth Interviews, 2023

PC Replacement Efficiencies

Because organizations typically need to replace fewer PCs with Dell Lifecycle Hub and similar third-party services with more effective break/fix capabilities, they optimize direct spending on PCs. IDC estimates that by redeploying more PCs to their users with Dell Lifecycle Hub and similar third-party services, study participants reduce the number of PCs requiring replacement by an average of 14%, thereby avoiding having to buy an average of 65 new PCs per year, resulting in a saving of $64,500 per organization in PC purchasing costs per year at an assumed cost of $1,000 per new PC (see **Table 5**).

TABLE 5

PC Replacement Efficiencies

	Before Dell Lifecycle Hub/ Third-Party PC Services	With Dell Lifecycle Hub/ Third-Party PC Services	Benefit of Dell Lifecycle Hub/ Third-Party PC Services	Benefit
Number of PCs per year requiring redeployment	1,367	1,367	0	0%
Number of PCs successfully redeployed	904	969	65	7%
Number of PCs requiring replacement each year	462	398	65	14%
Total cost per year of replacing PCs ($1,000 cost per PC assumed)	$462,300	$397,800	$64,500	14%
Cost per PC of replacement PCs required per year	$88	$76	$12	14%

n = 109 for Business Value Survey Research, n = 2 for Business Value In-Depth Interviews
Source: IDC's Business Value Survey Research and Business Value In-Depth Interviews, 2023

PC Recovery Benefits

Ensuring the proper return and recovery of PCs can both be time-consuming and risky. This is especially the case as more employees work remotely, which creates challenges in securing PCs when a remote employee leaves the company. IDC's research shows that study participants significantly lessen challenges around the recovery and disposition of PCs with Dell Lifecycle Hub.

Study participants described how Dell Lifecycle Hub and similar third-party services allow them to improve their ability to recover PCs from employees and efficiently manage PC disposition:

Streamlined and effective process for returning PCs:

"Dell fully supports when an employee leaves because the company will send the employee all the necessary packing material, return labels, and instructions in the box — everything that a person leaving the organization would receive within two to three business days of leaving. It'll be on their doorstep, and they can give us full FedEx tracking info and proof of delivery that this person had every opportunity to give the stuff back … We've gone from getting 45%–50% of PCs back to around 80%–85% with Dell Lifecycle Hub."

Reduced risk from improved processes:

"We weren't doing PC disposition properly before — there was no certificate of destruction, there was no tracking, and these are value-added features with Dell Lifecycle Hub that have reduced our risk."

Provides accountability for PCs of departing employees:

"Before using a third-party PC life-cycle service provider, the employee returning the PC was never tracked. They just left the PC at their desk, and the manager would use it as their additional machine or somebody else in the team would use it to do something else. Basically, our asset tracking just rolled it up to the manager as a new owner if it was not returned … This happened to a couple of thousand machines each year, if not more."

Importantly, IDC's research confirms that organizations using third-party services such as Dell Lifecycle Hub have substantially fewer PCs that are not correctly returned and successfully redeploy more PCs to employees, both of which help organizations optimize PC equipment costs. IDC calculates that study participants reduce the number of PCs not properly returned by an average of 68% with Dell Lifecycle Hub, which would equate to the proper return of an average of 177 more PCs per year. Given that PCs not properly secured and returned create costs in terms of risk and additional support, IDC calculates that study participants reduce these costs by 68% with Dell Lifecycle Hub, which would mean savings of $335,600 per organization per year (see **Table 6**).

TABLE 6

PC Recovery Benefits

	Before Dell Lifecycle Hub/ Third-Party PC Services	With Dell Lifecycle Hub/ Third-Party PC Services	Benefit of Dell Lifecycle Hub/ Third-Party PC Services	Benefit
Percentage of employees leaving each year	13%	13%	0	0%
Number of PCs, departing employees per year	705	705	0	0%
Percentage of PCs not properly returned	37%	12%	25%	68%
Number of PCs not properly returned per year	259	82	177	68%
Cost per PC not properly returned	$1,900	$1,900	$0	0%
Total cost of PCs not being properly returned per year	$491,200	$155,500	$335,600	68%

n = 109 for Business Value Survey Research, n = 2 for Business Value In-Depth Interviews
Source: IDC's Business Value Survey Research and Business Value In-Depth Interviews, 2023

PC Staff Efficiencies

The ability to spend less time readying the PC deployment process and then actually delivering PCs to users also means that teams responsible for these efforts save significant amounts of time with services such as Dell Lifecycle Hub. In particular, the ability to rely on support from Dell Lifecycle Hub and take advantage of more robust, integrated, and automated deployment processes means that each step of the preparation and deployment requires less staff time.

PC Program Management Staff Efficiencies

Program management activities constitute the first activities in the PC life-cycle and are related to preparing, scheduling, and shipping PCs to users.

Overall, IDC calculates that study participants reduce staff time required for these activities by an average of 47% with Dell Lifecycle Hub and similar third-party services, saving an average of 2.6 FTEs of time per organization per year, in the following areas of responsibility (see Table 7):

- **Purchasing/acquiring systems:**
  Average efficiencies of 41% with Dell Lifecycle Hub and similar services
- **Shipping and logistics (efforts to optimize shipping costs and workspace for pre-deployment activities):**
  Average efficiencies of 64% with Dell Lifecycle Hub and similar services
- **Project management (pre-deployment readiness assessments, scheduling and planning, and documentation):**
  Average efficiencies of 42% with Dell Lifecycle Hub and similar services

TABLE 7

PC Program Management Staff Efficiencies

	Before Dell Lifecycle Hub/ Third-Party PC Services	With Dell Lifecycle Hub/ Third-Party PC Services	Benefit of Dell Lifecycle Hub/ Third-Party PC Services	Benefit
Purchasing	1.2	0.7	0.5	41%
Shipping and logistics	1.3	0.5	0.8	64%
Project management	3.0	1.7	1.3	42%
Total per PC	5.5	2.9	2.6	47%

n = 109 for Business Value Survey Research, n = 2 for Business Value In-Depth Interviews
Source: IDC's Business Value Survey Research and Business Value In-Depth Interviews, 2023

PC Deployment Staff Efficiencies

From program management, staff move on to the actual deployment of PCs to users. These responsibilities have to do with not only actual deployment of PCs but also preparing PCs for use, including imaging and application configuration and installation.

IDC calculates that study participants reduce staff time required for these deployment-related activities by an average of 39% with Dell Lifecycle Hub, saving an average of 1.2 FTEs of time per organization per year, in the following areas of responsibility (see Table 8):

- **Physical/remote deployment (device deployment and setup, including unpacking and asset tagging):**
  Average efficiencies of 40% with Dell Lifecycle Hub and similar services
- **Imaging and provisioning (preparing and installing images, including drivers, operating system, security, and common applications):**
  Average efficiencies of 45% with Dell Lifecycle Hub and similar services
- **Application configuration and installation (including departmental applications and user-specific applications):**
  Average efficiencies of 31% with Dell Lifecycle Hub and similar services

TABLE 8

PC Deployment Staff Efficiencies

	Before Dell Lifecycle Hub/ Third-Party PC Services	With Dell Lifecycle Hub/ Third-Party PC Services	Benefit of Dell Lifecycle Hub/ Third-Party PC Services	Benefit
Physical/remote deployment	1.1	0.6	0.4	40%
Imaging	1.2	0.7	0.5	45%
Application configuration and installation	0.9	0.6	0.3	31%
Total per PC	3.1	1.9	1.2	39%

n = 109 for Business Value Survey Research, n = 2 for Business Value In-Depth Interviews
Source: IDC's Business Value Survey Research and Business Value In-Depth Interviews, 2023

PC Life-Cycle Management Staff Efficiencies

In addition to ensuring a higher-quality experience for users, IDC's research demonstrates that study participants save staff time in PC life-cycle management and tracking. These staff time savings relate to leveraging expertise and functionality gained through the use of Dell Lifecycle Hub and similar third-party services to manage, track, and utilize PCs more efficiently on a day-to-day basis.

IDC calculates that study participants reduce staff time required for these life-cycle management- and PC tracking-related activities by an average of 30% with Dell Lifecycle Hub, saving 0.4 FTE per organization per year, in the following areas of responsibility (see Table 9):

- **Device life-cycle management:**
  Average efficiencies of 29% with Dell Lifecycle Hub and similar services by lowering the number of FTEs required for device life-cycle management tasks such as managing returns, repairs, and redeployment of PCs
- **Asset management and tracking across the PC life cycle:**
  Potential efficiencies of 31% with Dell Lifecycle Hub and similar services

TABLE 9

PC Life-Cycle Management Staff Efficiencies

	Before Dell Lifecycle Hub/ Third-Party PC Services	With Dell Lifecycle Hub/ Third-Party PC Services	Benefit of Dell Lifecycle Hub/ Third-Party PC Services	Benefit
PC life-cycle management	0.7	0.5	0.2	29%
Asset management and tracking	0.7	0.5	0.2	31%
Total per PC	1.5	1.0	0.4	30%

n = 109 for Business Value Survey Research, n = 2 for Business Value In-Depth Interviews
Source: IDC's Business Value Survey Research and Business Value In-Depth Interviews, 2023

PC Recovery Staff Efficiencies

IDC's findings show that in addition to ensuring the proper recovery of more PCs, study participants spend less staff time on PC recovery and disposition activities with Dell Lifecycle Hub. IDC projects that they see efficiencies in these areas of 29% with Dell Lifecycle Hub and similar third-party services, which would save an average of 0.5 FTE of time per organization per year (see **Table 10**).

TABLE 10

PC Recovery Staff Efficiencies

	Before Dell Lifecycle Hub/ Third-Party PC Services	With Dell Lifecycle Hub/ Third-Party PC Services	Benefit of Dell Lifecycle Hub/ Third-Party PC Services	Benefit
PC recovery and disposal	0.8	0.6	0.2	29%
Asset recovery and redeployment	1.3	0.9	0.4	29%
Total per PC	2.0	1.5	0.5	29%

n = 109 for Business Value Survey Research, n = 2 for Business Value In-Depth Interviews
Source: IDC's Business Value Survey Research and Business Value In-Depth Interviews, 2023

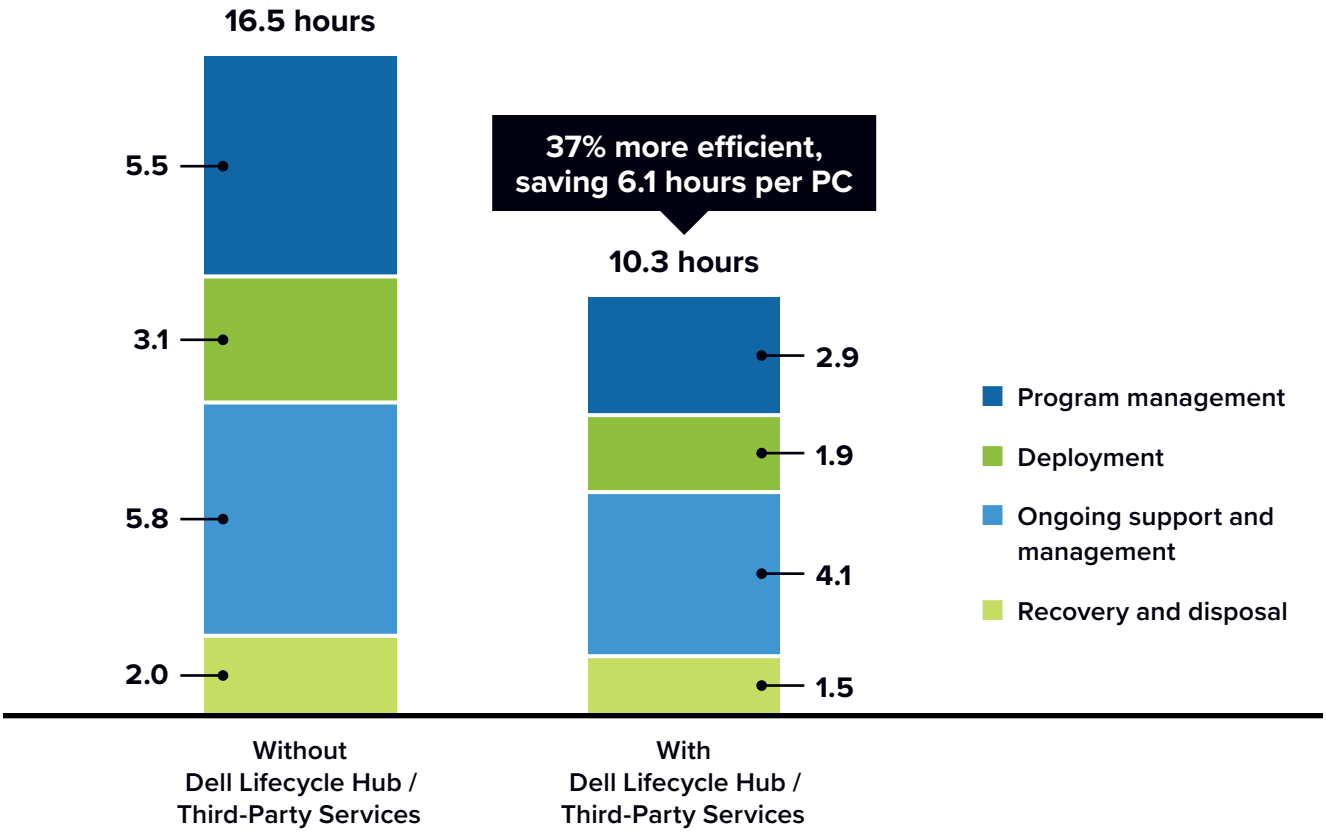
Overall Value of Dell Lifecycle Hub

IDC's analysis shows that study participants realize important efficiencies in terms of staff time required across the PC life cycle with Dell Lifecycle Hub and similar services. Overall, IDC projects that they require an average of 37% less staff time, which would equate to efficiencies worth an average of 6.1 hours per PC over a PC life cycle or 4.3 FTEs per organization per year, which represents highly valuable staff time that can be refocused on or repurposed to more strategic IT and business initiatives (see **Figure 1,** next page).

FIGURE 1

PC Life-Cycle Staff Efficiencies

(Hours per PC, life cycle)



n = 109 for Business Value Survey Research, n = 2 for Business Value In-Depth Interviews
Source: IDC's Business Value Survey Research and Business Value In-Depth Interviews, 2023

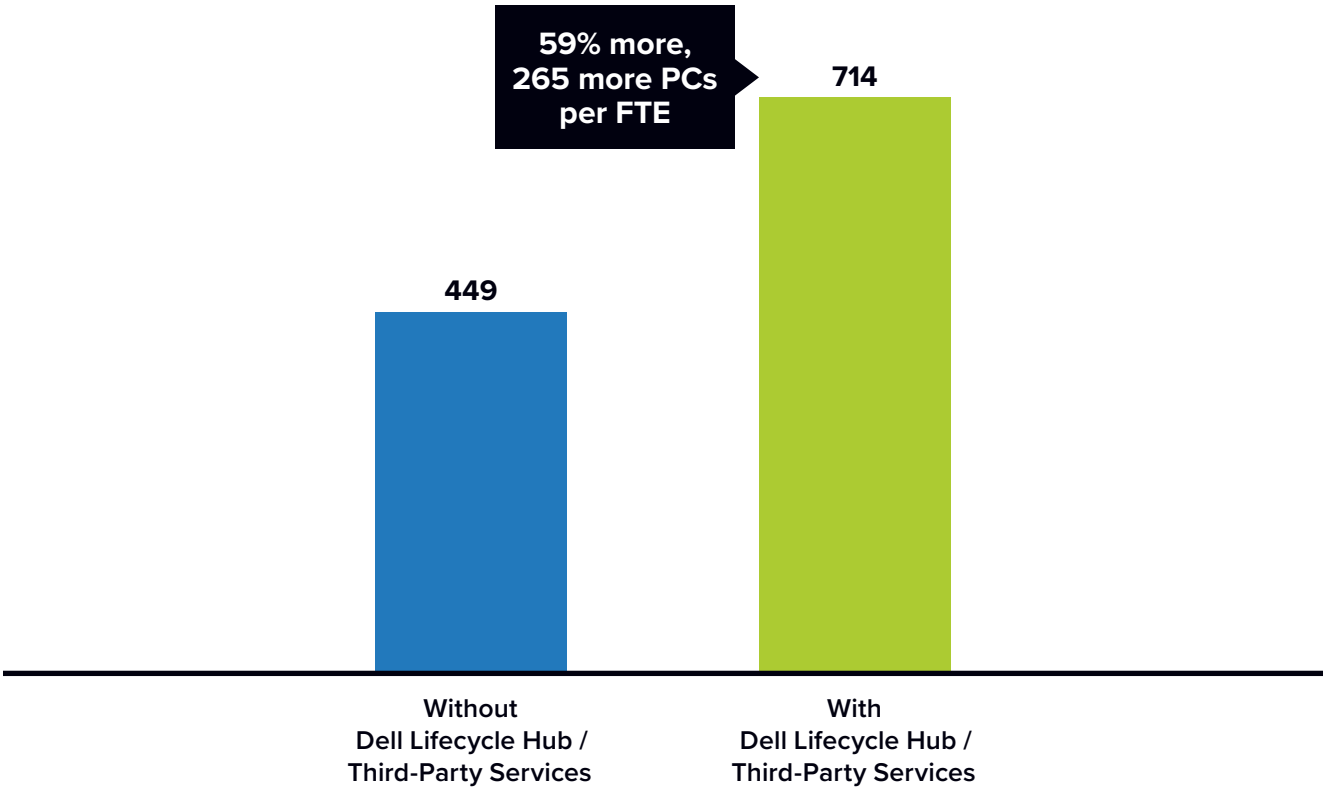
For an accessible version of the data in this figure, see Figure 1 Supplemental Data in Appendix 2.

IDC's research shows that Dell Lifecycle Hub and similar third-party services allow study participants to minimize the amount of day-to-day work their IT teams must engage in related to PC deployment, life-cycle management, and disposition. Thus, each IT staff member can deploy, manage, support, and recover more PCs with Dell Lifecycle Hub. IDC calculates that use of Dell Lifecycle Hub could help each team member support 59% more PCs, which equals an additional 265 PCs per IT staff FTE on average (see **Figure 2,** next page).

FIGURE 2

Number of PCs per Staff Member

(Number of PCs per Staff Member)



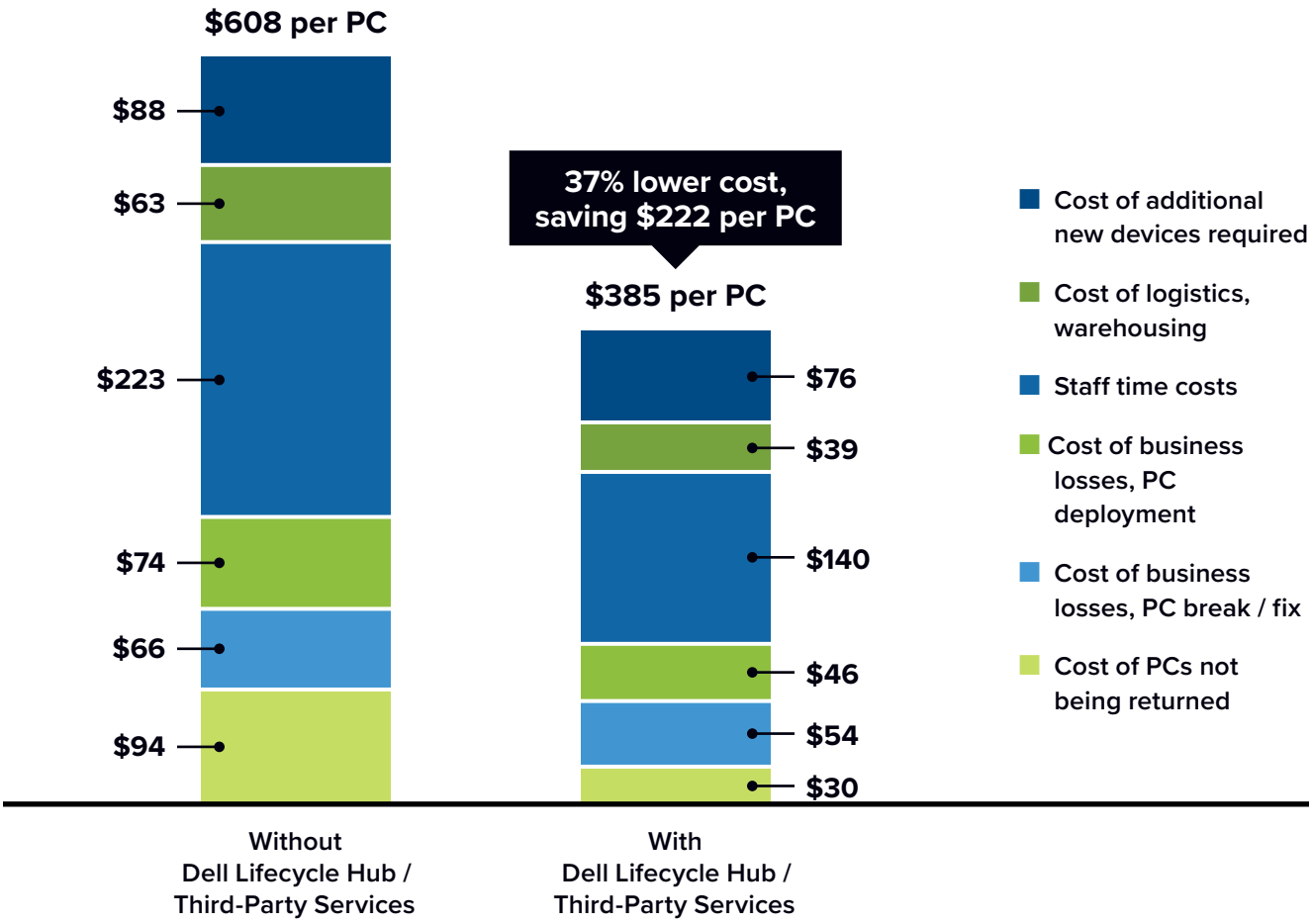
n = 109 for Business Value Survey Research, n = 2 for Business Value In-Depth Interviews
Source: IDC's Business Value Survey Research and Business Value In-Depth Interviews, 2023

These IT staff efficiencies, combined with device-related cost savings and productivity/revenue gains, generate significant value for study participants through the use of Dell Lifecycle Hub and similar third-party services. IDC calculates that they will capture an average of $222 per year in total savings and benefits, a 37% benefit (see **Figure 3,** next page).

FIGURE 3

Potential Annual Benefits of Using Dell Lifecycle Hub

(Cost per PC per year)



n = 109 for Business Value Survey Research, n = 2 for Business Value In-Depth Interviews
Source: IDC's Business Value Survey Research and Business Value In-Depth Interviews, 2023

For an accessible version of the data in this figure, see Figure 3 Supplemental Data in Appendix 2.

Study participants reported a typical PC life span of 3.9 years, which would result in total average benefits of $873 per PC over an average 3.9-year life span, reflecting the potential level of benefits and value that they could achieve with Dell Lifecycle Hub and similar third-party services. For the average organization in the research, this results in total benefits in the areas discussed in this study worth $4.58 million over a typical PC's 3.9-year life span.

Challenges and Opportunities

IDC anticipates that Dell will have significant opportunities as it expands device life-cycle services capabilities in this dynamic, competitive market. Organizations taking advantage of the capabilities available through Dell Lifecycle Hub want to improve operational efficiencies and sustainability goals while enabling IT staff to focus on managing business outcomes rather than managing client devices. The innovations embedded in today's devices through advanced analytics and telemetry offer access to proactive service delivery and advanced security features to drive better employee and IT staff experiences. Device performance optimization can also help extend device life cycles as well as enhance employee productivity due to improved maintenance and monitoring.

IDC also believes Dell will have the opportunity to structure the Dell Lifecycle Hub offer to help enterprises that are struggling to track and report on sustainability efforts across the organization. A comprehensive approach to device life-cycle management can lead to improvements in operational efficiencies across covered assets. In addition, the collected telemetry data from covered devices can provide detailed reporting regarding power, energy, and operational savings. ESG teams can use this data to demonstrate improved utilization rates, energy and operational efficiencies, use of refurbished equipment, and safe and secure asset decommissioning. IDC believes sustainability reporting will rapidly become a priority for many organizations, as governments are beginning to require this level of detail for potential tax incentives or to avoid financial penalties for noncompliance.

At the same time, IDC expects some market challenges as Dell expands its offerings. Although there are many benefits associated with device life-cycle management, service providers often face resistance to any changes in procurement and budgeting. Shifting the capital expense of device management to an ongoing operating expense can lead to prolonged discussions regarding costs and value and can be perceived as adding complexity to budgeting cycles. Dell will need to focus its efforts on continued education across each of the key stakeholders in device life-cycle management — including but not limited to the IT organization, finance, procurement, and relevant business managers.

Conclusion

Organizations continue to look for ways to be more sustainable, better serve their employees, and improve the device and workplace experience. As part of these efforts, they must find ways to make day-to-day IT operations as efficient as possible, which often leads them to consider engaging with external service providers for key IT functions. Most often, they turn to third-party providers to handle more routine, repetitive activities

that are time and resource intensive but nonetheless crucial to delivering a strong user and customer experience. PC life-cycle management, which includes procurement, delivery, life-cycle management, and recovery, falls into this category of IT activities.

Dell Technologies offers its customers Dell Lifecycle Hub services as an end-to-end PC life-cycle management solution. Dell Lifecycle Hub combines warehousing and inventory management with configuration and deployment services as well as return, whole unit exchange, and refurbishing services. The objective of Dell Lifecycle Hub is to minimize the resources — both staff and financial — that organizations must devote to PC life-cycle activities across their employee bases and business activities.

This IDC study assesses the impact for organizations of using Dell Lifecycle Hub and other similar third-party services. Research findings show significant value in efficiencies and cost savings across PC life-cycle activities through staff time savings and efficiencies, better deploying and recovering PCs, and optimizing use of PCs. These benefits of using Dell Lifecycle Hub or similar third-party services not only enable organizations to lower costs related to PC life-cycle management by an average of 37% over a PC life cycle but also, as importantly, free up staff time and organizational attention to focus on better serving employees with relevant IT services and meeting customer expectations.

Appendix 1: Methodology

The calculations and values presented in this study are based on the information provided to IDC by both current users of Dell Lifecycle Hub and other similar third-party PC life-cycle services. The calculations and values are not intended to represent what any organization's specific experience would be with Dell Lifecycle Hub but to provide an informed view of the types and scale of benefits and costs that study participants reported achieving through use of Dell Lifecycle Hub based on IDC's research with organizations currently using Dell Lifecycle Hub and similar third-party PC life-cycle services.

IDC's standard Business Value/ROI methodology was utilized for this project. This methodology is based on gathering data from organizations currently using Dell Lifecycle Hub services and other similar third-party PC life-cycle services as the foundation for the model.

Based on interviews and surveys with these organizations, IDC performed a three-step process to calculate the potential benefits and value of using Dell Lifecycle Hub:

- IDC gathered quantitative benefit information during the interviews and survey using a before-and-after assessment of the impact of using third-party PC life-cycle services and compared the experiences of organizations using third-party PC life-cycle services with those not using similar services. In this study, the benefits included IT staff efficiencies, device-related cost savings, user productivity gains, and higher revenue.
- IDC created a potential investment profile based on the interviews and the assumed cost of using Dell Lifecycle Hub.
- IDC calculated the ROI and payback period. IDC conducted a depreciated cash-flow analysis of the benefits and investments for the organizations' use of Dell Lifecycle Hub over a defined period. ROI is the ratio of the net present value and the discounted investment. The payback period is the point at which cumulative benefits equal the initial investment.

IDC bases the payback period and ROI calculations on two assumptions, which are summarized as follows:

- Time values are multiplied by burdened salary (salary + 28% for benefits and overhead) to quantify efficiency and manager productivity savings. For the purposes of this analysis, based on the geographic locations of the interviewed organizations, IDC has used assumptions of an average fully loaded salary of $100,000 per year for IT staff members and an average fully loaded salary of $70,000 per year for non-IT staff members. IDC assumes that employees work 1,880 hours per year (47 weeks x 40 hours).

- The net present value of the savings is calculated by subtracting the amount that would have been realized by investing the original sum in an instrument yielding a return as indicated by the tool user to allow for the missed opportunity cost. This accounts for both the assumed cost of money and the assumed rate of return.

Note: All numbers in this document may not be exact due to rounding.

Appendix 2: Supplemental Data

This appendix provides an accessible version of the data for the complex figures in this document. Click "Return to original figure" below each table to get back to the original data figure.

FIGURE 1 SUPPLEMENTAL DATA

PC Lifecycle Benefits

	Without Dell Lifecycle Hub / Third-Party Services	With Dell Lifecycle Hub / Third-Party Services
Program management	5.5 hours	2.9 hours
Deployment	3.1 hours	1.9 hours
Ongoing support and management	5.8 hours	4.1 hours
Recovery and disposal	2.0 hours	1.5 hours
Total	**16.5 hours**	**10.3 hours**

n = 109 for Business Value Survey Research, n = 2 for Business Value In-Depth Interviews
Source: IDC's Business Value Survey Research and Business Value In-Depth Interviews, 2023

Return to original figure

Appendix 2: Supplemental Data (continued)

FIGURE 3 SUPPLEMENTAL DATA

Potential Annual Benefits of Using Dell Lifecycle Hub

	Without Dell Lifecycle Hub / Third-Party Services	With Dell Lifecycle Hub / Third-Party Services
Cost of additional new devices required	$88	$76
Cost of logistics, warehousing	$63	$39
Staff time costs	$223	$140
Cost of business losses, PC deployment	$74	$46
Cost of business losses, PC break/fix	$66	$54
Cost of PCs not being returned	$94	$30
Total	**$608** per PC	**$385** per PC

n = 109 for Business Value Survey Research, n = 2 for Business Value In-Depth Interviews
Source: IDC's Business Value Survey Research and Business Value In-Depth Interviews, 2023

Return to original figure

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

Matthew Marden
Research Vice President, Business Value Strategy Practice, IDC

Matthew is responsible for carrying out custom business value research engagements and consulting projects for clients in a number of technology areas with a focus on determining the return on investment of their use of enterprise technologies. Matthew's research often analyzes how organizations are leveraging investment in digital technology solutions and initiatives to create value through efficiencies and business enablement.

More about Matthew Marden

IDC Custom Solutions

IDC Custom Solutions produced this publication. The opinion, analysis, and research results presented herein are drawn from more detailed research and analysis that IDC independently conducted and published, unless specific vendor sponsorship is noted. IDC Custom Solutions makes IDC content available in a wide range of formats for distribution by various companies. This IDC material is licensed for external use and in no way does the use or publication of IDC research indicate IDC's endorsement of the sponsor's or licensee's products or strategies.

IDC Research, Inc.
140 Kendrick Street, Building B, Needham, MA 02494, USA
T +1 508 872 8200

idc.com @idc @idc

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives.