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SB PC DaaS Market Overview: Combined 4-Country Assessment (US, UK, GE, RU)

September 2019

Objectives and approach

This report presents a consolidated (4-country) view of DaaS adoption in the SB space across 4 countries, based on primary research with 200-300 SBs/country. Study sample sizes are shown below:

Country	N-Values
US	312
UK	212
Germany	310
Russia	350

The report addresses adoption drivers, usage behavior, service attach preferences, spending, and DaaS user profiles.

While this market is in the very early stages of development, it has strong growth potential provided various factors come into alignment. The report also highlights such factors, including the approach being taken by select vendors in the DaaS space.

Definitions:

- [1]**SB or Small Business:** Firms with <100 employees across entire corporation, Government & charity organizations and home-based businesses are not included; commercial settings required, franchises and subsidiaries are included
- [2]**Managed** – Fully managed (at least 1 full-time, dedicated IT professional on staff) and externally managed (firms relying on external IT consultants)
- [3]**Unmanaged** – Informally (either part-time IT staff, or non-technical, full time company employees who manage IT on a part-time basis, in addition to their main job responsibilities) and unmanaged (firms where no one is managing IT)

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Desktop as a Service (DaaS) – we defined DaaS in detail to SB respondents and made sure they did not confuse this with simple leasing

Device as a Service (DaaS) is a one-in-all bundled solution of hardware, software and all required services at a single place with pay-per device and on per-month basis.

- Device as a Service (DaaS) is a method of purchasing various devices like PCs, laptops, tablets, servers or smartphones combining hardware, software, support services, financing and insurance into one all-encompassing solution.
- The buyer pays an agreed upon price per device per month for the contract term, usually between 2-3 years.
- During this contract term all software upgrades, support services and repairs are provided within the monthly device price.
- At the end of the contract term the device is exchanged for the latest version of hardware and software, and a new contract comes into effect. This ensures the buyer always has the latest, fully supported IT solutions, and old devices get recycled by the service provider.

DaaS is not the same as leasing. *Leasing typically does not include any support or repair services and software upgrades as part of the contract – these are the buyer's responsibility under a lease, as is insurance for any damage or loss of device.*

DaaS summary snapshot – an embryonic, yet rapidly growing market. Device innovation key to future growth

- Purchasing PCs via a DaaS model is currently in the early stages – 2% PC-owning SBs are presently buying via this method.
- A typical DaaS-using SB has roughly 16% of their PC installed base under a DaaS model. Significant growth is likely as an additional 18% of firms reported plans to purchase PCs via DaaS in the next 12 months.
- Overall DaaS spending among the SB segment[1] is in the $1.4-1.9bn[2] range, and is projected to grow at a CAGR of 30%+ over the next 5 years.
- DaaS users tend to replace PCs much faster compared to other SBs and are driven by the need to have predictable and lower costs, and access to the latest technology.
- The future growth of this market will depend on a number of factors – in particular, DaaS users will pay attention to the technology delta between their new and refresh devices to justify renewing DaaS contracts. Renewals will depend on how Intel and its OEM partners deliver innovation at a more frequent cadence.

A Profile of DaaS Users – Key Characteristics

Penetration*

- 2% - ~0.18M Firms
- % of devices under DaaS on average per SB: 16%

Usage/ Behaviour

- PC replacement cycle:
  - Desktop – 3.3 years Vs. 4.5 for all SBs
  - Notebook – 3.7 years Vs. 4.0 for all SBs
- 50% formally managed; about 3/4th have more than one staff to look after IT
- Considerably high support spend - about 2.2X of all SBs
- Chief PC purchase drivers aimed at running latest software, getting the benefits of new hardware features and gaining a competitive edge with state-of-the-art technology
- Key factors for selecting a PC brand are past brand experience (51%), reliability (46%), user experience (43%) brand reputation (42%)

Consumption

- Typically 36 month contracts

AUP / Spend Metrics

- Estimated AUP/month/ device: $40
- Current total spending estimate: $1.4 – 1.9B

1 –Spending covers the SB segment for the 4 countries: USA, UK, Germany and Russia

2 – Includes spending on all-in-one bundled solutions comprising hardware, software, and services on a pay-per device monthly subscription (single or multi-year contract), for a range of devices such as PCs, laptops, tablets, and smartphones.

DaaS summary snapshot (cont'd.) – the value chain will also need retooling for this market to continue growing

Firmographics	DaaS Users	Overall SBs
Avg. Employee Size	28.1	8.3
% of Business with Multiple Sites	32%	12%
Avg. Age of Business (Yrs.)	16.7	19.6
% of Firms with Mobile Workforce	91%	68%
Avg. Annual Revenue	$5.4M	$1.4 M
Revenue Growth Over Past Year	9.0%	4.2%
Avg. Full-time, in-house, dedicated IT staff	1.7	1.2
Major Verticals	• Retail – 21% • Professional/ Other Services – 37%	• Retail – 21% • Professional/ Other Services – 39%

	Penetration of Form factors		Installed Based Per Firm		Purchased in Last 12 Months		Future Purchase – Next 12 Months	
	DaaS Users	Overall SBs	DaaS Users	Overall SBs	DaaS Users	Overall SBs	DaaS Users	Overall SBs
Desktop PCs	99%	94%	10.1	3.3	77%	43%	19%	29%
All-in-One PCs	24%	15%	4.0	0.4	8%	6%	17%	6%
Notebooks/ laptops	66%	71%	5.7	2.0	25%	23%	7%	16%
Two in Ones	38%	25%	1.6	0.5	19%	7%	23%	8%
Workstation	24%	13%	2.6	0.5	17%	5%	9%	4%

- DaaS users display higher penetration for most form factors, tend to own more PCs per firm and show greater device purchase propensity for AIOs, 2-in-1s and workstations. Firms utilising DaaS are significantly larger than non-users. A much higher proportion of DaaS firms have multiple sites, more mobile workers, higher revenues and revenue growth. DaaS users tend to be formally managed for the most part, half of them have full-time dedicated employees and close to a quarter have part-time internal IT staff. This is in line with DaaS presently being made available to firms with a larger PC installed base – typically 20 PCs and up. PC manageability is a key benefit Intel can emphasize among current adopters as way to upsell them into premium devices. These are larger firms with a high number of PCs to manage and secure – a key benefit Intel can offer via its vPro SKU.

- Expanding the market beyond "larger" SBs will require vendors to restructure their approach, de-risking for smaller firms/weaker financials, and reworking delivery economics. A lot will depend on how quickly the VAR/MSP channels can be equipped to drive the market. Smooth, error-free billing, scale-up/scale-down flexibility, and a positive user experience will be key drivers of positive word of mouth for the DaaS model.

1 – The spending covers the SB segment for the 4 countries: USA, UK, Germany and Russia
2 – FIRE= Finance, insurance and Real estate

Key drivers for DaaS growth beyond early adopters

Continuous device performance innovation that motivates SBs to renew their DaaS contracts

Smooth and improved resolution of user issues, preferably via embedded managed services to clearly differentiate against PC ownership model

DaaS accessibility for smaller firms and higher risk tolerance for financiers/vendors

Smooth, error-free billing with easy to understand line items: highlight favorable metrics and outcomes compared to PC ownership model

Rapid inclusion of DaaS by channel partners within their services portfolio, supported by vendor enablement Programs

Flexible structuring of DaaS offers that allow businesses to scale up/scale down device count and attached services in a fluid manner

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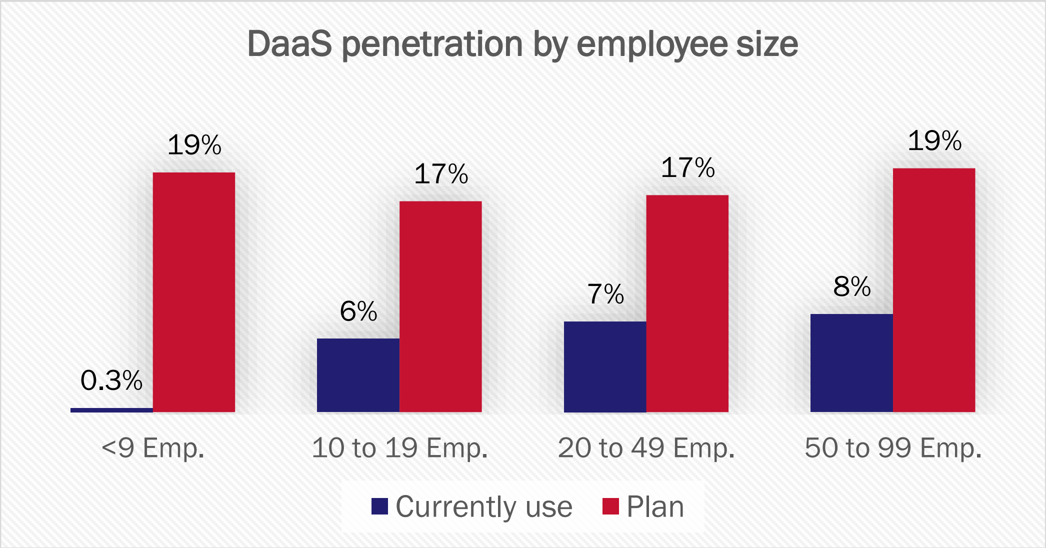
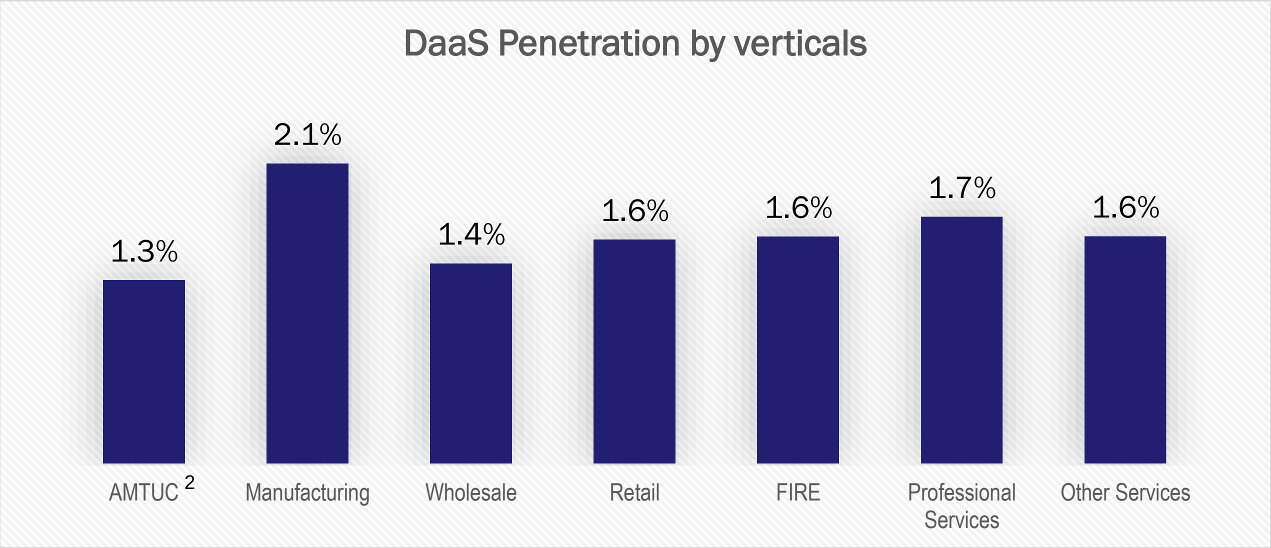
Incipient DaaS adoption but strong interest across all employee sizes

- Current DaaS utilization among <10 employee-size businesses is marginal, but rises within larger employee-size business segments.
- Significant interest in DaaS going forward, regardless of employee size. Strong demand for right-sized DaaS offerings.

Overall DaaS penetration		
Using DaaS	Not using, but plan to adopt in next 12 months	No, and no plans to do so
2%	18%	72%

1.14 m DaaS firms



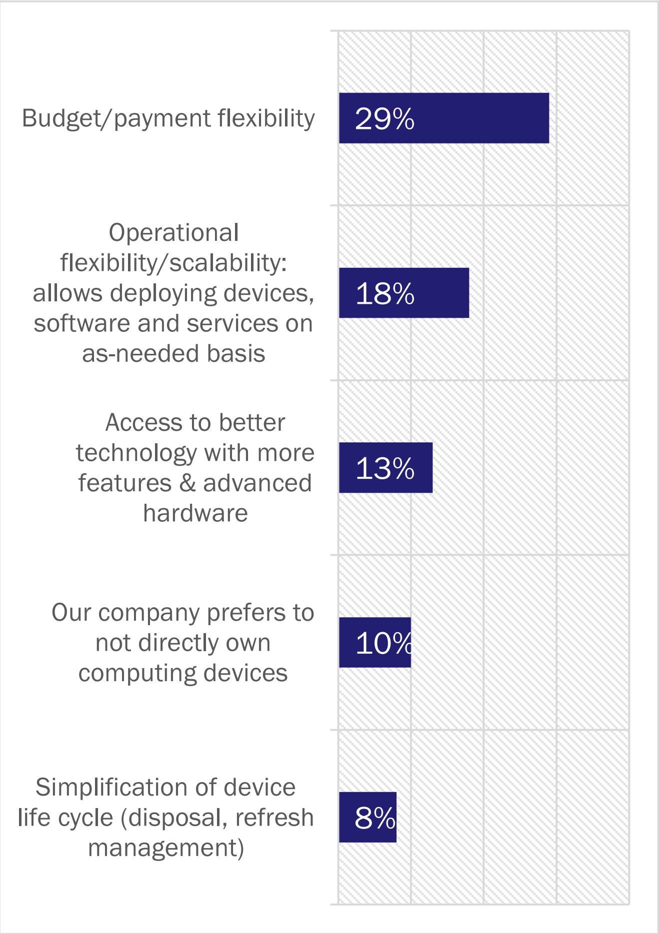


[1]AMTUC– Agriculture, mining, transportation, utility and construction
[2]FIRE= Finance, insurance and Real estate

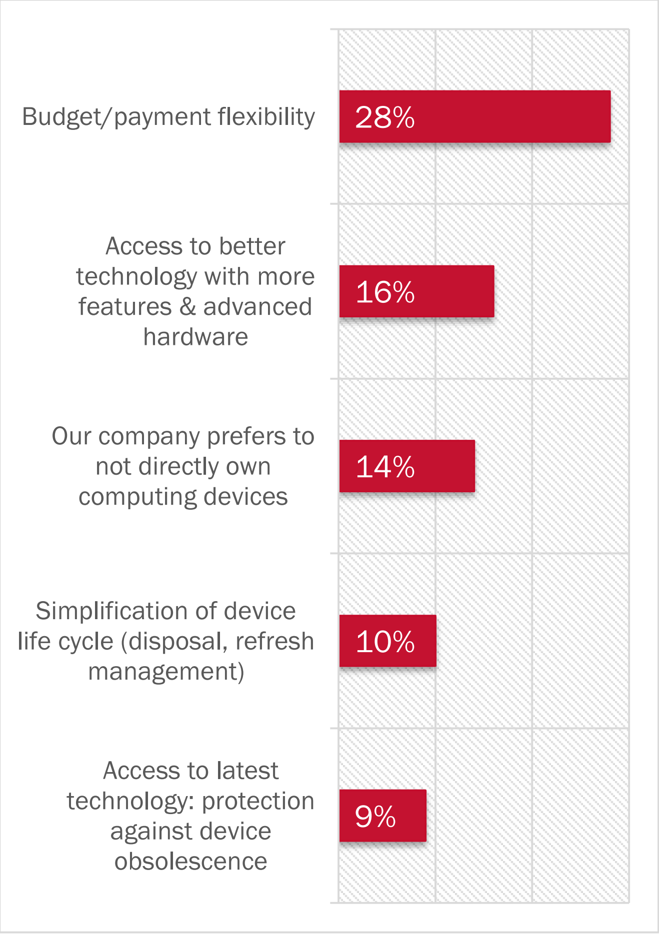
The DaaS value proposition appeals to SBs on several fronts

- Budget/payment flexibility reflects SBs attraction to predictable monthly payments and cashflow visibility – key factors for a typical CEO/CFO.
- Operational flexibility is another key driver for current users who are able to deploy devices with required software and services as needed, this is particularly appealing to growing small businesses.
- Access to better and improved technology appeals to SBs that are more digital-savvy and need access to the latest features and performance capabilities
- Simplifying the device life cycle frees up time (and costs) from managing IT

Drivers for current DaaS Users



Drivers for DaaS planners



The proportion of PCs under DaaS contracts will increase fairly strongly as existing users add more devices, and new adopters sign their first contracts

- About 16% of SB-owned devices are purchased via a DaaS contract
- Over 60% of DaaS users intend to purchase more PCs using this method
- DaaS-using SBs report spending roughly $40 per PC per month

% of PCs under DaaS

16% of PCs owned a typical DaaS-user are under a DaaS model

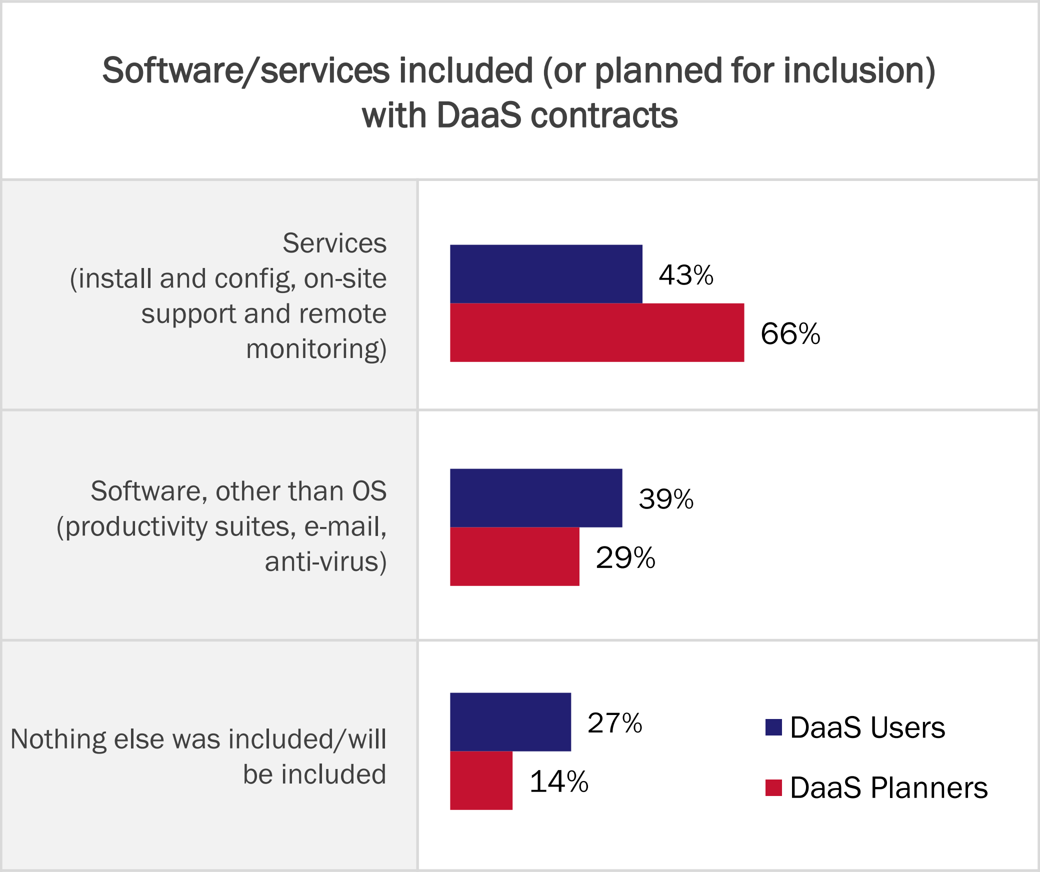
Expected Changes in Proportion of PCs Under DaaS Model in next 12 months

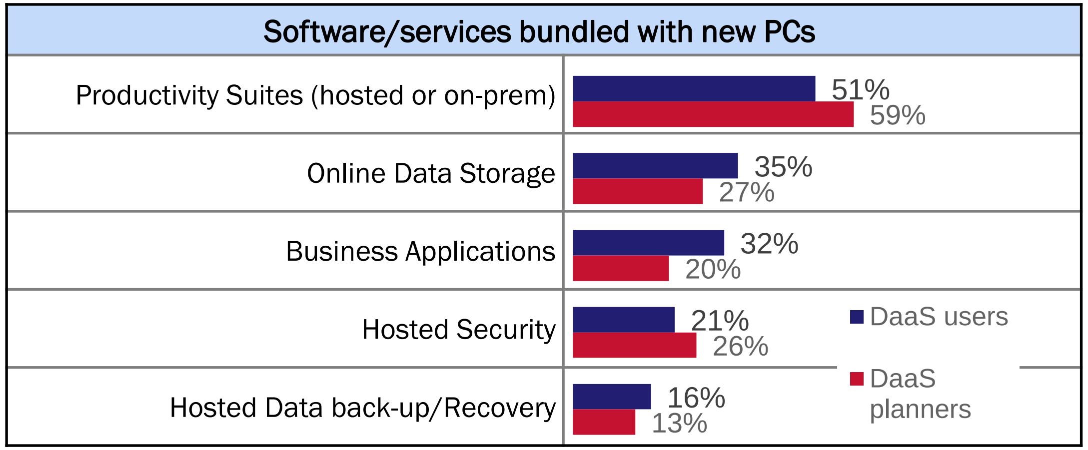
	For a typical DaaS-user
Increase	61%
Remain the Same	22%
Decrease	17%

$40

Average cost per month/ per PC paid for DaaS

DaaS contracts are being purchased mostly with services and software included, and will likely get richer over time given attachments preferred with new PCs by both DaaS users/planners

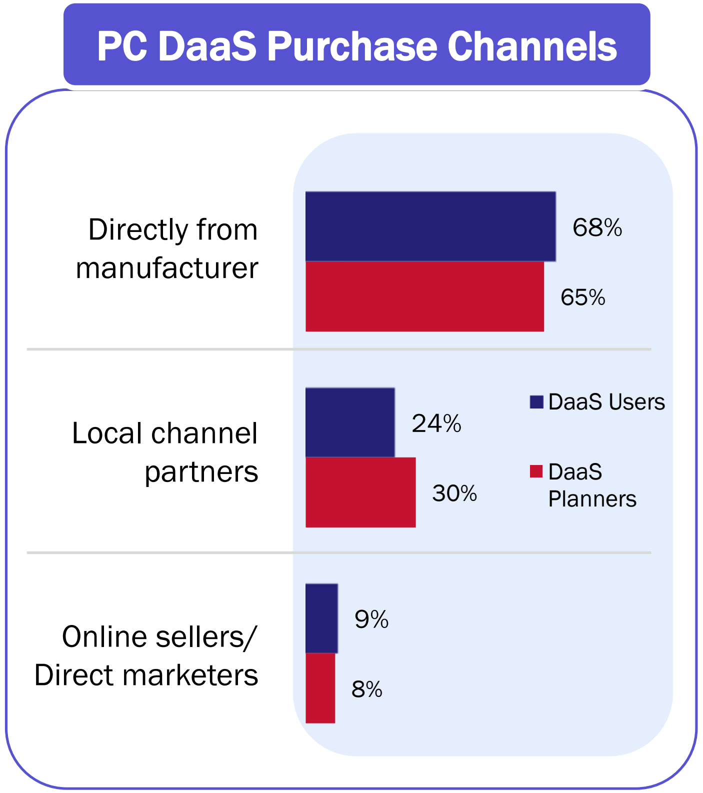




- When purchasing new PCs, software bundles of interest include productivity suites, online storage, security solutions, business management applications and hosted security.
  - DaaS users report higher than average plans to deploy business management apps such as CRM, ERP, HRM, as well as communications apps, e.g., social media and private social networking, and video and web conferencing, to support their larger, more dispersed workforce.
- Beyond break-fix warranties, security and data recovery services resonate well with both user and planners.

PC-DaaS purchase channels will eventually evolve towards MSPs

- DaaS-using SBs typically sign-on to the service with their PC vendor – almost two-thirds. However, OEMs usually offer a limited number of PC models as choice to the customer under their Device-as-a-service models, and customers normally have minimum unit requirement.
- Channel partners are currently weighing the device-as-a-service market closely. Presently various assumptions exist about how the market will evolve, so partners need to determine the appropriate target audience while approaching their prospective customers with a DaaS offering.
  - Key targets are company decision-makers with financial responsibilities, such as CIOs/CFOs. Value propositions demonstrating the fiscal advantages of DaaS like gaining opportunity cost, OPEX vs. CAPEX, reduction in lifecycle service costs, competitive advantage for end-users, etc. will resonate well.
- Vendors have just started their training initiatives for their partners to reach out to small businesses. Service-oriented channel partners are showing interest in this model – innovative VARs, as well as MSPs, who look to expand their assortment of offerings.
  - The DaaS business model presents significant prospects for channel partners/resellers, allowing them to sell hardware, software, and solution bundles on an as-a-service basis to customers without financial and cash flow risk, e.g., SaaS solutions, along with Remote Managed Services (RMITS) and other LoB apps - more opportunities for upsell and cross-sell.
  - Resellers are much better equipped to facilitate the transition for their customers and offer a genuine value-add by driving new levels of productivity and efficiency into their business.



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PC-DaaS purchase channels

- DaaS-using SBs typically sign-on to the service with their PC vendor – almost two-thirds. However, OEMs usually offer a limited number of PC model choices under their Device-as-a-service models, and customers normally have minimum unit requirement. PC vendors usual provide the hardware and financing, along with per-installed software. Some vendors handle a portion of the service/support function remotely, while tapping channel partners to assist with on-site installation and break/fix functions.

- Channel partners are currently assessing the device-as-a-service market closely. Presently various assumptions exist about how the market will evolve, so partners need to determine the appropriate target audience while approaching their prospective customers with a DaaS offering.
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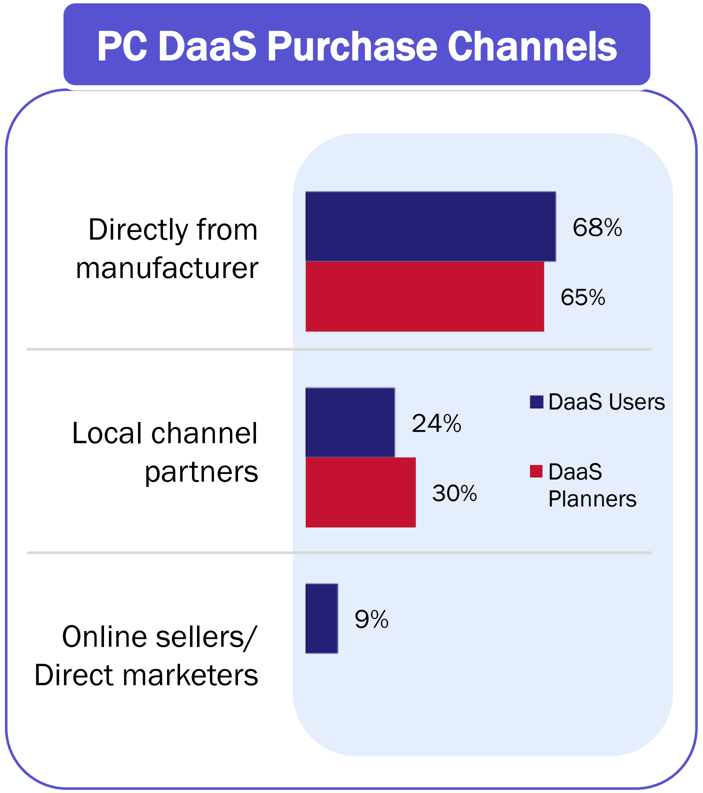

Key OEMs offering devices under the DaaS model; OEMs will need to make their offerings more flexible to achieve full potential in the SB market

	Devices/Hardware			Software		Services	Financing Terms	Financing Arm	Types of DaaS Programs	Channel Strategy
	Desktop	Notebook	Workstation	Essential	Advanced					
Dell	✓	✓	✓	✓		• Basic support & service	3 / 4 yrs.	Dell Financial Services (DFS)	• SMB - min. 20 units • Enterprise - min 300 units	• All resellers who signs up for the Dell PCaaS program will become an MSP. • The managed services for PC mgmt. using VMware Air Watch end point mgmt. programme will be delivered by Dell.
Lenovo	✓	✓	✓	✓	✓	• Lenovo Premier support - Single end-user phone line, Technical Account Manager, multi-vendor & onsite fix	3 to 4 years	Lenovo Financing Services	• Min. 1 PC	Lenovo offers business partners selling PCaaS the following incentives: • 50% of monthly revenue contributes to Hardware Target Attainment • 50% of monthly revenue contributes to Services Target Attainment • Ability to earn LPA (Lenovo Partner Advantage) $'s on PCaaS bundles
HP	✓	✓	✓	✓		• Hardware Support • SW support • Data security		HP Financial Services	• Min. 1,000 PCs • Tiered by – Standard, Enhanced, Premium • HP DaaS for Apple® plan	• Plans to provide analytics & reports to partners under DaaS • Channel Incentive - If any solution provider closes a $5M DaaS deal next year they will win a free trip for two to San Diego
Microsoft		✓		✓			2 to 3 years			

Essential Software : Productivity, accounting and security.
Advanced Software: CRM, ERP, HR, Line of Business (LoB)

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Expanding DaaS into the SMB market, what will it take? – Implications for Vendors

Market Opportunity	Target segment	Messages for target segment	Message delivery platform
• Currently the total small business DaaS market opportunity across the 4 countries (USA, UK, Germany and Russia) stands at $1.4-$1.9bn. • The market is predicted to grow steadily at around 30% CAGR over the next 5 years. • The key growth drivers are: o Customers prefer a model that cuts down on CAPEX spend and shifts to an OPEX model; this releases cash for investment in strategic initiatives to drive revenue and growth o End-users obtain the advantage of access to the latest technology, and additional bundled software/ services o Customers also get support during the process of hardware/software purchasing, maintenance and disposal	• > 10 employee businesses with geographically dispersed employees, mobile workforce, moderate to high revenue growth • Displays higher penetration of devices across all form factors • Average PC ownership is higher than other, non-DaaS SBs • These customers focus on minimizing downtime and maintaining business continuity. Hence, timely service is a critical factor for them • Prefer bundled security services & software, in addition to Accidental Damage Protection • Prefer bundled software like Productivity Suite, online data storage and business applications	• **Financial** o Free up cash flow o Reduce PC management costs • **Support** o Keep employees protected & connected o Ensure uptime and productivity o Remote manageability – quick, cheaper and effective • **Easily managed** o Customized solutions o Single point of contact & billing	• **High dependence on PC OEM websites :** o Blogs o Use cases • **Information dissemination sources:** OEMs should focus on the following sources for disseminating information to prospective customers about DaaS o Industry analysts/ experts o VAR/ IT consultants o Trade / Industry associations • **Target respondent:** OEM marketing personnel as well as CPs should primarily target BDMs, e.g. Business Owners/Partners as well as non-IT senior management, e.g., CFOs with messaging around enhanced value propositions & stressing DaaS opportunity costs -- the value of OPEX versus CAPEX, TCO aspects and the true utility of DaaS - where it can be best applied to their specific business, **as well as tax benefits.** o OEMs should adequately educate their Channel Partners (CPs) about the various benefits of DaaS and how they can expand their business through the DaaS model; ensuring a definite dollar value from certain customers in the volatile market • **Focus on SMBs:** DaaS providers can provide customized solutions for SMBs in terms of choosing the right devices and software – thus acting as their trusted consultants. OEM offerings need to be right-sized for smaller PC installed base of SMBs.

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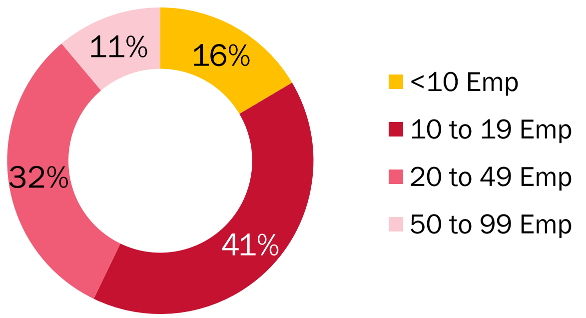
PC-DaaS market opportunity sizing

- An analysis of the market opportunity across employee-sizes shows that firms with 10-19 employees comprise the largest share, more than 40% of the market, followed by the 20-49 employee segment (over 30% share).
- The service sector dominates in terms of verticals. This sector comprises over 40% of the PC DaaS spending within SBs. The wholesale/retail industry makes up close to a quarter of the spend.

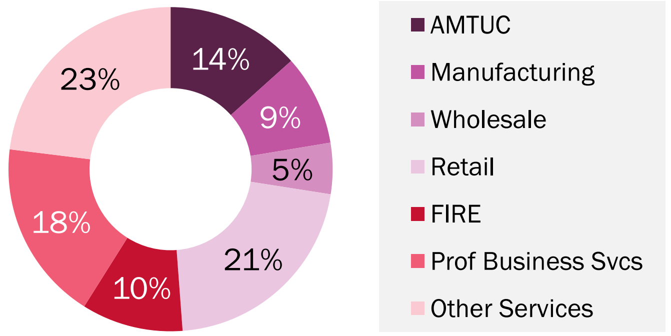
~$1.9bn

DaaS Market and Breakout by Employee-Size and Verticals

By Employee Size



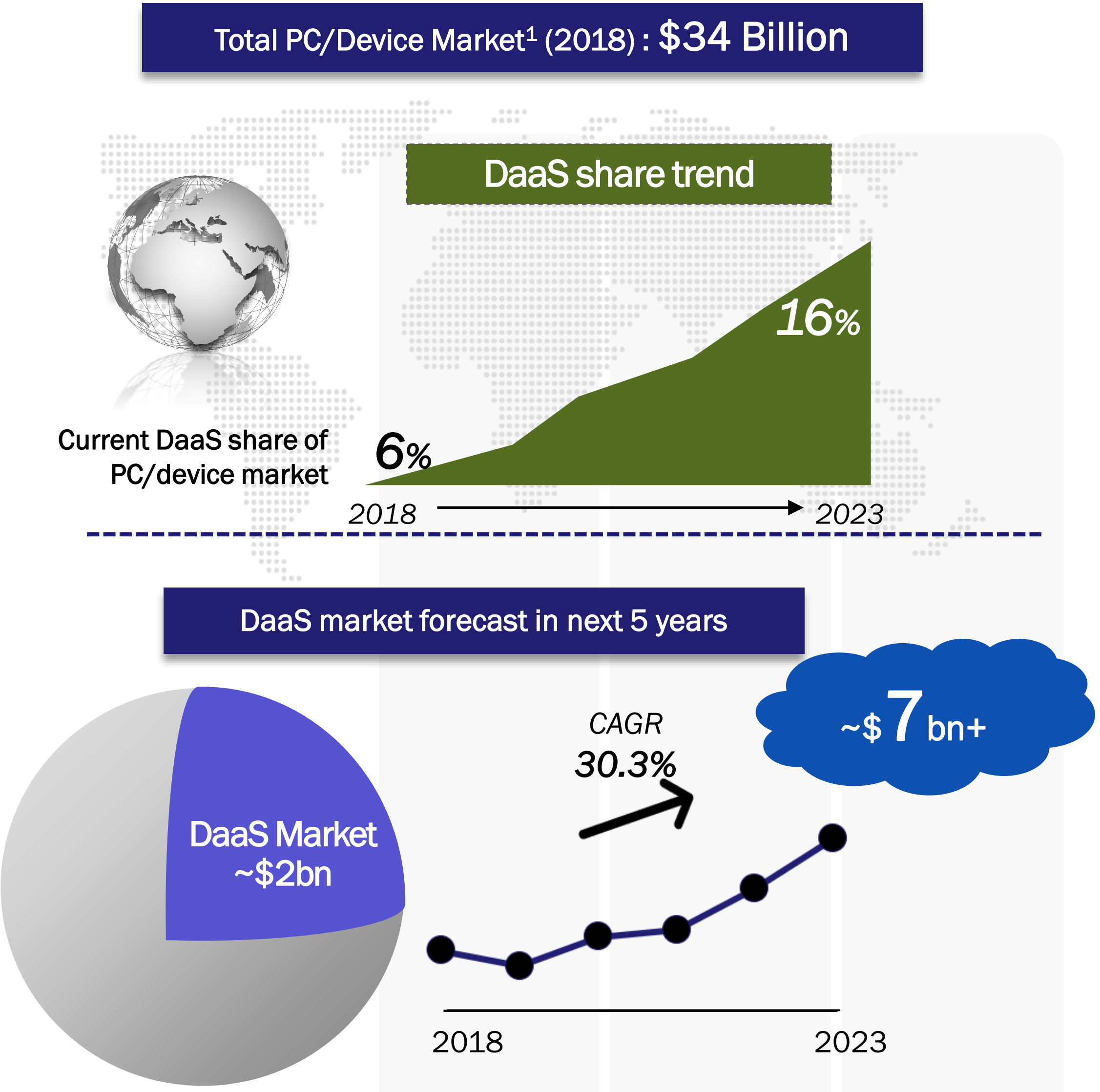
By Verticals



AMTUC– Agriculture, mining, transportation, utility and construction
FIRE= Finance, insurance and Real estate

PC-DaaS market size and forecast

- Currently the total SB PC/DaaS market opportunity across the 4 countries (USA, UK, Germany and Russia) stands at under $2bn.
  - The market is predicted to grow steadily at ~30% CAGR over the next 5 years, driven by customers' financial conditions coupled with increasing demand for the latest technology.
  - SBs are taking advantage of reductions in CAPEX spend and shifts to OPEX models, as well as newly available cash for investment in strategic initiatives to help them drive revenue and growth.
  - End-users obtain the advantages of the latest technology, additional bundled software/ services and get relief from the hassles of hardware purchase, maintenance and disposal.
- Currently Daas offerings tend to focus on the larger, managed SB segment (10-99 employee-size firms), making the target market around 0.18M. However, vendors are broadening their scope and training their partners to focus on the lower end of the market (<10 employees) as well. This will drive the market over time as partners play more of a role going forward.
- Services-oriented channel partners have started watching Daas market opportunities, organizing their offerings and planning on how to approach the market. Partners will need to provide customized solutions for small businesses who expect assistance in choosing the right devices and software for various workloads and need fewer devices.



[1]PC Device Market inclusive of desktops, notebooks, 2-in-1s, tablets and smartphones

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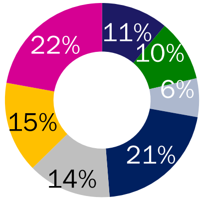
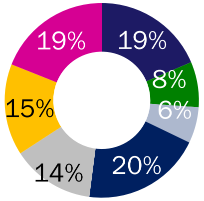
Firmographics: Highlights – Employees, Sites, Age, Mobile Workforce and Verticals

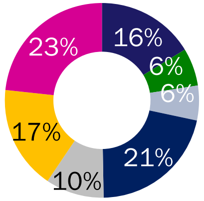
	Currently use any DaaS	Plan to use any DaaS	Do not use/ No plan to use any DaaS
Avg. Employee Size	28 Emp.	8 Emp.	8 Emp.
% of Business with Multiple Sites	32%	12%	7%
Age of Business (Yrs.)	17	20	20
% of Firms with Mobile Workforce	91%	68%	44%

Universe by Verticals

- AMTUC
- Manufacturing
- Wholesale
- Retail
- FIRE
- Prof Business Svcs
- Other Services







1.1. How long has your company been in business?
1.2. How many separate business locations or branches does your company currently have?
1.3. Approximately, what proportion of your company's work force is mobile – that is, they travel for business at least 4 or 5 days a month?

Firmographics: Highlights – Revenues and IT Management

	Currently use any DaaS	Plan to use any DaaS	Do not use/ No plan to use any DaaS
Average Annual Revenue	$5.4 M	$1.4 M	$1.2 M
Revenue Growth Over Past Year	9.0%	4.2%	2.5%
By FT, internal, dedicated IT employee	50%	17%	8%
By PT, internal, IT employee	23%	20%	8%
By non-tech., FT company employees	23%	30%	31%
By external technology consultants	15%	23%	28%
Avg. Number of Full-time, in-house, dedicated IT staff	1.7	1.2	1.2

1.4. What is your company's current annual sales revenue? If unsure, please give your best estimate.
1.5 How does your company's current annual sales revenue compare to last year's?
1.6. How is IT/Telecom service and support managed across all locations in your company?
1.7. How many full-time, in-house, IT dedicated staff currently work at your company?

Importance of Strategic IT Issues

Category	Issue	Currently use any DaaS	Plan to use any DaaS	Do not use/ No plan to use any DaaS
Communications	Improving Internet or networking bandwidth	59%	52%	41%
	Deploying collaboration solutions	43%	43%	14%
Mobility	Implementing security for company's mobile devices	68%	58%	36%
	Purchasing more hybrid mobile devices	55%	48%	14%
	Equipping employees with company-provided mobile devices	55%	46%	21%
	Migrating more business applications to tablets & mobile devices	46%	43%	14%
Business Applications	Migrating more applications to cloud services	52%	48%	22%
IT Infrastructure & Services	Investing in "Big Data" tools and storage solutions	66%	37%	8%
	Using cloud-based data security solutions	60%	54%	28%
	Subscribing to cloud-based data back-up & disaster recovery	57%	47%	26%
	Using a third-party service provider to manage IT infrastructure/apps	53%	33%	18%
	Using server virtualization	51%	40%	15%
Artificial Intelligence (AI)	Using artificial intelligence (AI) to create competitive advantage	51%	32%	6%

% of Firms answering 5, "Very Important" + 4, "Important" Scale of 1 to 5, where 5 = Very Important and 1 = Not at all Important

Q9.3. How important are each of the following IT-related issues to your company's continued success? Please rate on a scale from 1 to 5 where '1' is 'Not at all Important' and '5' is 'Very Important'.

Purchase Preferences and Processes

	Currently use any DaaS	Plan to use any DaaS	Do not use/ No plan to use any DaaS
Continue purchasing the PC/ Mobile Device brands currently used	78%	60%	68%
Prefer to get advice from a professional, outside party when making purchase decisions	59%	36%	32%
Price is the most important factor in an IT purchase	57%	45%	40%
Calculate the Total Cost Of Operating/ Deploying (TCOD) before investing	57%	52%	35%
Service providers/dealers must understand our business	54%	57%	39%
PCs/ Mobile Devices, Software & IT solutions purchased must align with our business' strategy / processes	53%	53%	57%
Use a formal process requiring competing bids & multiple decision makers	52%	38%	15%

Q9.7. Please indicate how strongly you agree or disagree with the following statements describing your company's PC/Mobile Device purchase process.

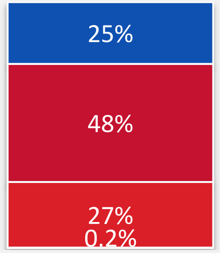
IT Budgets Directions and Plans

	Currently use any DaaS	Plan to use any DaaS	Do not use/ No plan to use any DaaS
Anticipated Changes in Spending on IT solutions			
Average	6.6%	5.2%	2.5%
Likelihood to Spend more on Cloud Solutions			
	31%	25%	14%

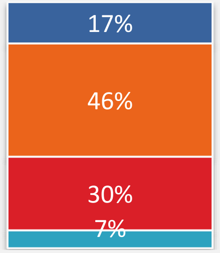
Anticipated Changes in Spending on IT solutions

- Increase more than 10%
- Increase up to 10%
- Remain the same
- Decrease

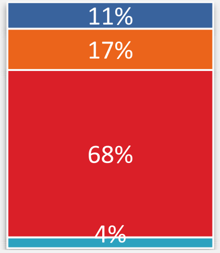
Currently use any DaaS



Plan to use any DaaS



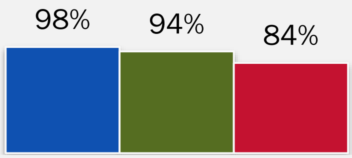
Do not use/ No plan to use any DaaS



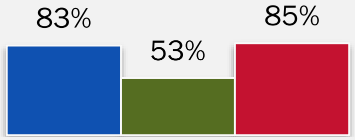
Allocation of IT Budget for Cloud (Among Firms Planning to Migrate More IT Spending to Cloud)[1]

- SaaS
- RMITS
- IaaS

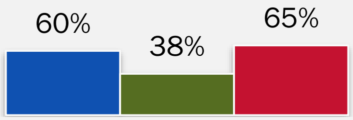
Currently use any DaaS



Plan to use any DaaS



Do not use/ No plan to use any DaaS



Q9.4. Over the next 12 months, how do you anticipate your spending on IT solutions to change?
Q9.5. Over the next 12 months, how likely is your company to migrate to more IT spending for hosted/cloud solutions as opposed to on-premise IT products and services?
Q9.6. How likely is your company to allocate increased IT budget to the following categories of hosted/cloud IT solutions?

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Devices Currently Used by Form Factor

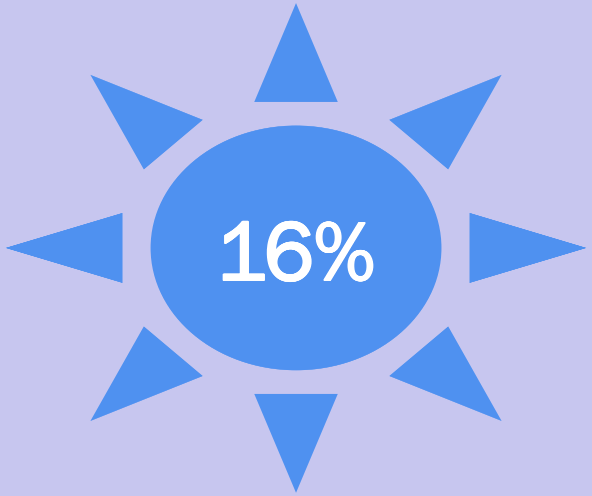
	Currently use any DaaS		Plan to use any DaaS		Do not use/ No plan to use any DaaS	
	% of SBs Using	Avg. #	% of SBs Using	Avg. #	% of SBs Using	Avg. #
Desktop PCs	99%	10.2	91%	4.1	95%	3.3
All-in-Ones (AIOs)	24%	16.6	20%	2.8	13%	2.6
Notebooks	66%	8.7	68%	2.7	72%	2.8
Two in Ones	38%	4.3	29%	2.4	24%	1.6
Workstations	24%	11.0	21%	3.3	10%	3.5

Q2.1. How many of the following types of computers are actively used by your company?

Proportion of PCs installed for a typical DaaS-user under DaaS Model, Future Plans

% of PCs under DaaS Model

Proportion of PCs under DaaS Model for a typical DaaS user

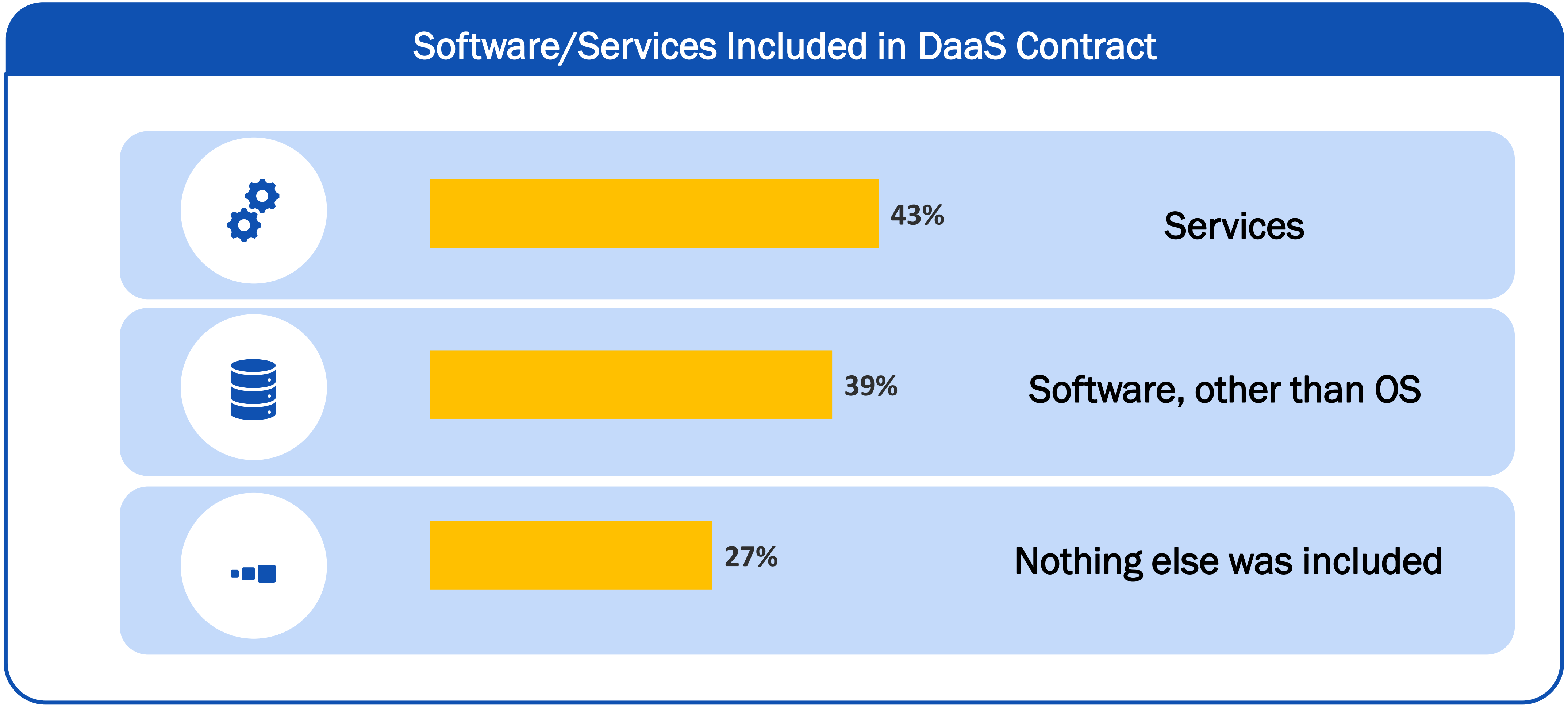


Expected Changes in Proportion of Devices Under DaaS Model in Next 12 Months

	Currently use any DaaS
Decrease	17%
Remain the Same	22%
Increase	61%

Q5.3. What percentage of your company's devices are covered under the DaaS model?
Q5.4. Do you intend to keep the same proportion of your company's devices under DaaS in the next 12-18 months?

Inclusions under DaaS Contract



Q5.2. Were any software and/or services included with the devices as part of the contract?

DaaS Purchase Drivers and Average Monthly Costs

DaaS Purchase Drivers	Currently use any DaaS	Plan to use any DaaS
Budget/payment flexibility	29%	28%
Operational flexibility/scalability	18%	8%
Access to better technology with more features and more advanced hardware	13%	16%
Our company prefers to not directly own computing devices	10%	14%
Tax/accounting benefits	8%	5%
No in-house IT staff to take care of the Devices	8%	9%
Simplification of device life cycle	8%	10%
Access to latest technology: protection against device obsolescence	6%	9%
Average Cost Per Month/Per PCs for DaaS	$40	$44

Q5.5. Please rank the top factors that influenced your company's choice to procure devices via the DaaS model as opposed to purchasing them outright.
Q5.7. Thinking about a typical computing device under a DaaS contract, what is the average per-month, per-device cost paid by your company for such a device?

PC Usage by Job Function/Department

	Currently use any DaaS	Plan to use any DaaS	Do not use/ No plan to use any DaaS
Senior Executive	43%	66%	68%
Field service employees	35%	7%	4%
Human Resources/Administration	33%	17%	13%
Accounting/ Finance	29%	28%	36%
Service/Support (IT staff)	23%	21%	12%
Departmental/divisional management	22%	30%	31%
Sales/Customer Relations/Marketing	21%	30%	29%
Designer/Creative staff	16%	8%	8%
Technical /Engineering staff	10%	9%	8%

Q2.2. Which employees or departments are the most typical users of each of the following form factors at your company?

Average PC Age & Replacement Cycle

■ Less than 3 years old / ■ 3-5 years old / ■ More than 5 years old	Currently use any DaaS		Plan to use any DaaS		Do not use/ No plan to use any DaaS	
		Avg. Age (Yrs.)		Avg. Age (Yrs.)		Avg. Age (Yrs.)
Desktop PCs	30% / 64% / 5%	3.3	18% / 71% / 10%	3.8	5% / 70% / 25%	4.7
All-in-Ones (AIOs)	32% / 66% / 2%	3.2	36% / 55% / 10%	3.3	14% / 65% / 21%	4.4
Notebooks	7% / 90% / 4%	3.7	10% / 81% / 8%	3.8	7% / 87% / 6%	4.1
Two in Ones	7% / 82% / 11%	3.8	13% / 82% / 5%	3.9	24% / 76% / 1%	3.4
Workstations	28% / 48% / 23%	3.7	19% / 60% / 21%	4.0	8% / 65% / 27%	4.7

Q2.7. Typically, how long are PCs (e.g., desktops/AIOs, notebooks, two in ones, workstations) used at your company before they are replaced?

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Types of Additional Service and Support Purchased with New PCs

Additional Service and Support Bundled with New PCs	Currently use any DaaS	Plan to use any DaaS	Do not use/ No plan to use any DaaS
3-year warranty	41%	26%	21%
Extended warranty (5 years or more)	27%	13%	4%
Security Services & Software	25%	17%	17%
Accidental Damage Protection	14%	5%	5%
Data Recovery Services	11%	7%	6%
1-year warranty	10%	19%	15%
Installation services	4%	10%	7%
Next-day onsite	3%	3%	2%
4-hour response (9x5,13x5,24x7)	2%	1%	1%
Data Migration Services	2%	5%	3%
Next day exchange	1%	2%	3%

[1]Note: "9x5" = Service is available 9 hours per day, five days a week
"13x5" = Service is available 13 hours per day, five days a week
"24x7" = Service is available 24 hours per day, Monday through Sunday

Q2.8. What type of additional service and support did your company buy for your new PCs?

Bundled Solutions Purchased with New PCs

	Currently use any DaaS	Plan to use any DaaS	Do not use/ No plan to use any DaaS
% of Firms Purchasing any Solution with new PCs	95%	89%	66%
Solutions Bundled with New PCs			
Productivity Suite and/or Hosted Productivity Suite	51%	59%	53%
Online Data Storage	35%	27%	15%
Business Applications	32%	20%	17%
Hosted Security	21%	26%	29%
Hosted Data back-up/Recovery	16%	13%	5%
Online Biz. Advisory Services	10%	6%	6%
Mobile Device Management	10%	9%	2%
Remotely Managed IT Services	7%	7%	3%
Photo/Video Editor	2%	4%	4%
Online Document Collaboration	2%	4%	2%

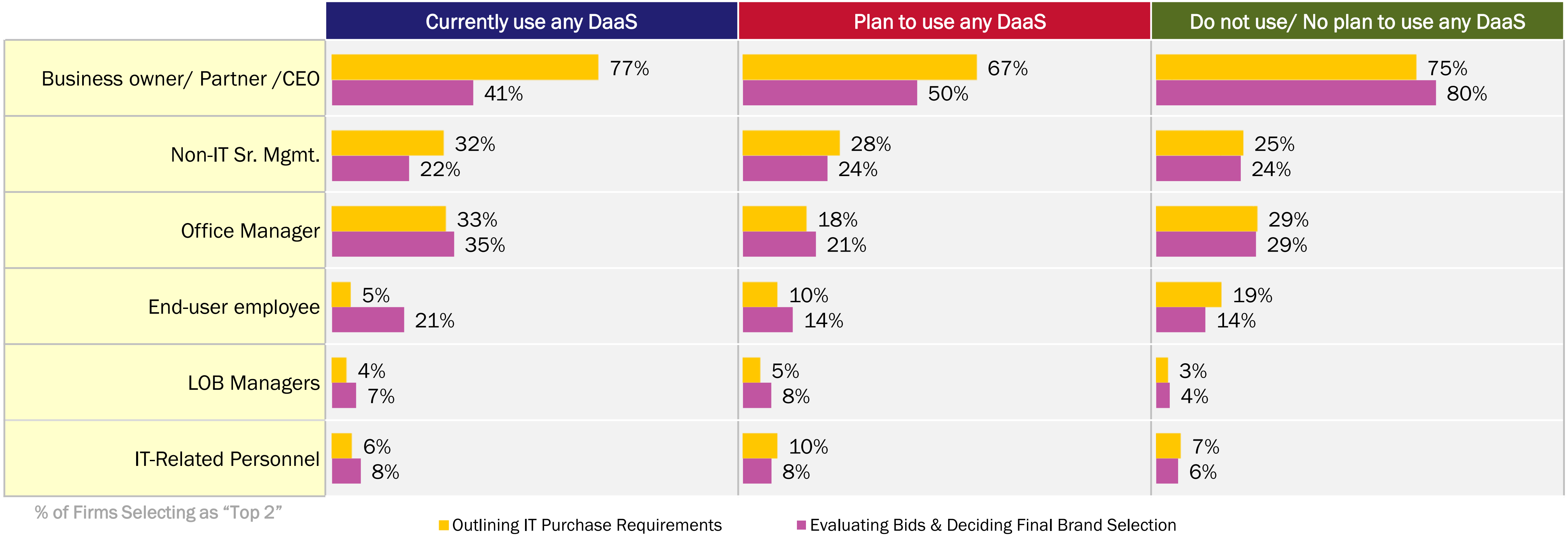
Q2.10. Which of the following software, security, and infrastructure solutions did your company bundle in with new PC purchases?

PC DaaS Channels

	Currently use any DaaS	Plan to use any DaaS
Directly from manufacturer	68%	65%
Local channel partners	24%	30%
Online Sellers/ Direct marketers	9%	8%

Q5.8. From where does your company typically procure DaaS devices (PCs, Tablets, Smartphones)?

Top Personnel Involved in Outlining IT Purchase Requirements



Q9.8. Who, including yourself, is involved at each of the following stages of your company's purchase process for PCs and other IT products and services?
Q9.9 Over the next 2-3 years, which of the following individuals will become more influential when it comes to outlining purchase requirements, making brand selection decisions, and setting budgets for IT products and services? Please rank the top 3 individuals in terms of their importance at each stage.

Key Sources Used While Making IT Brand Selection Decisions

	Currently use any DaaS	Plan to use any DaaS	Do not use/ No plan to use any DaaS
Industry analysts/experts	46%	27%	26%
VAR, computer consultant	31%	24%	21%
Trade/industry associations	24%	27%	21%
Manufacturer/PC vendor	23%	43%	55%
Local chamber of commerce	10%	9%	4%
MSP/cloud or SaaS provider	6%	9%	4%

Q9.11. Which of the following external organizations/individuals are key influencers on your company's brand purchase decisions for PCs and Tablets?

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