



Source: OpenAI (ChatGPT 4)

## **Device as a Service in the Generative AI Era**

*For all the cost, efficiency and predictability benefits the enterprise has enjoyed from device-as-a-service (DaaS) offerings, providers have not yet been able to fulfill IT's ultimate request: maximize employee productivity at the lowest possible cost. Generative AI is about to change all that.*

**March 2024**  
Analyst: Mike Feibus

## Vibrant, fast-changing market

More and more companies, governments, schools and other organizations are turning to device-as-a-service (DaaS) as a way to save money, better equip their employees, reduce waste, offload fleet-management hassles and cut costs.

The vibrant, \$100-billion-a-year business is forecasted to grow more than 20 percent a year well into the next decade. And today, it's evolving as fast as it's growing.

The modern DaaS market began in 2016, when the first PC OEMs launched services. In those early days, DaaS was not much more than a simple leasing arrangement. But IT responded because DaaS gave them a path to accounting for their PC fleet as an operating expense rather than a capital outlay. With a bankable fee-per-month-per-employee, DaaS made it much easier to budget and plan.

As enterprises increasingly adopted DaaS, their expectations grew. IT managers began asking for lifecycle management services like hardware procurement, management and optimization. By the time the pandemic rolled around, enterprises were offloading more advanced services like application deployment and protection services like encryption, monitoring and updating – for smartphones and other devices as well as PCs – onto their DaaS providers.

Increasingly, IT managers have been adding end-of-life sustainability services to their subscriptions, which include refurbishing, component and material harvesting in addition to disposal.

## Next-level efficiencies

And now, four years after the overnight surge in demand during the early days of the pandemic, many enterprises are faced with an unusually large share of their fleets in need of refresh. That is not only bringing more first-time DaaS customers into the fold. Organizations that proved out the DaaS concept by leaning on providers to help navigate a once-in-a-century phenomenon are starting to renew their contracts.

Both camps are demanding that DaaS providers continue focusing on cutting costs, but with a new emphasis on productivity. DaaS has always been about right-sizing enterprise fleets. Now, IT wants DaaS providers to right-configure employees' laptops. That way, they are adequately equipped for how employees work, without unneeded higher-end components that cost more and burn more power.

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*This sort of optimization wasn't possible at scale before generative AI. Generative AI platforms can look beyond departments and functions to analyze individual usage patterns to predict needs and automate configurations.*

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FeibusTech expects that one day, OEMs will apply generative AI models to more finely match PC configurations with employees' actual workloads. For its part, [Lenovo teased just such a hyper-personalized service](#) – called Care of One – late October during the Lenovo Tech World event in Austin. [And on the company's February 22nd earnings call](#), Ken Wong, Executive Vice President and President, Lenovo Solutions and Services Group, mentioned Care of One as one of his business' upcoming AI-enabled services he was particularly bullish on for future growth.

## **Conclusion**

In less than a decade, DaaS has evolved from a humble leasing service into a comprehensive lifecycle package that takes care of the entire device lifecycle, from factory to sustainably-minded disposal. And now, the business seems poised for a dramatic entry into the generative AI era.

Of course, generative AI-powered DaaS will help cut IT costs further. But the real excitement will be its potential for enhancing employees' digital experience. Next-generation DaaS will be able to cut through broad departmental and functional categories to recommend optimal configurations for employees based on the work they actually do on a daily basis.



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FeibusTech

P.O. Box 25685

Scottsdale, AZ 85255

[www.feibustech.com](http://www.feibustech.com)

+1-480-922-3244

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