



As-a-Service Models Help Organizations Achieve Sustainability Goals



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In This InfoBrief

Sustainability is an important driver for businesses as they develop strategies to improve key metrics across their whole environment and meet goals and milestones.

IDC will share market data and research and examine the top reasons that organizations are investing in sustainability metrics. Adopting an as-a-service approach can reduce the complexities of implementing a comprehensive sustainability strategy across the entire organization, from datacenters to client devices.

For this project, IDC interviewed five organizations across multiple industries that are investing in as-a-service models to help them achieve their sustainability objectives.



Organizations Worldwide Use As-a-Service Consumption Models

← As-a-Service Market Drivers →



Operational complexity

Workloads and data reside in the cloud, on premises, in colocation facilities, and at the edge.



Economic challenges

Technical debt and inflationary pressures are rising.



Skills gap

Hiring IT talent remains a challenge.



IT agility

There is pressure to react quickly to market changes.



Sustainability

Companies hope to improve cost metrics and increase end-of-life decommissioning

The Sustainability and As-a-Service Model Connection

As-a-service models enable organizations to **improve operational efficiencies, save costs and can help organizations reach sustainability goals**. Constant monitoring, embedded life-cycle services, and secure decommissioning can reduce the risk of financial and regulatory penalties and deliver a better employee experience.



63% of organizations worldwide believe that **sustainability is a top business priority**.



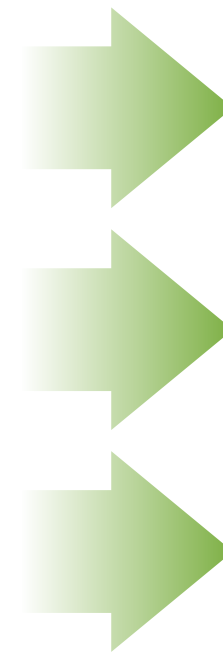
Regulatory scrutiny and sustainability reporting mandates are increasing.



Top business drivers for sustainability are **improving operational efficiency, costs, and brand reputation.**



Organizations are selecting vendors and partners with **like-minded sustainability goals.**



Services such as monitoring and telemetry help **maintain and support**, elongate life cycles, and reduce carbon emissions by shipping less of technology.



IT staff are no longer responsible for tracking assets and managing recycling efforts thanks to **built-in decommissioning plans.**



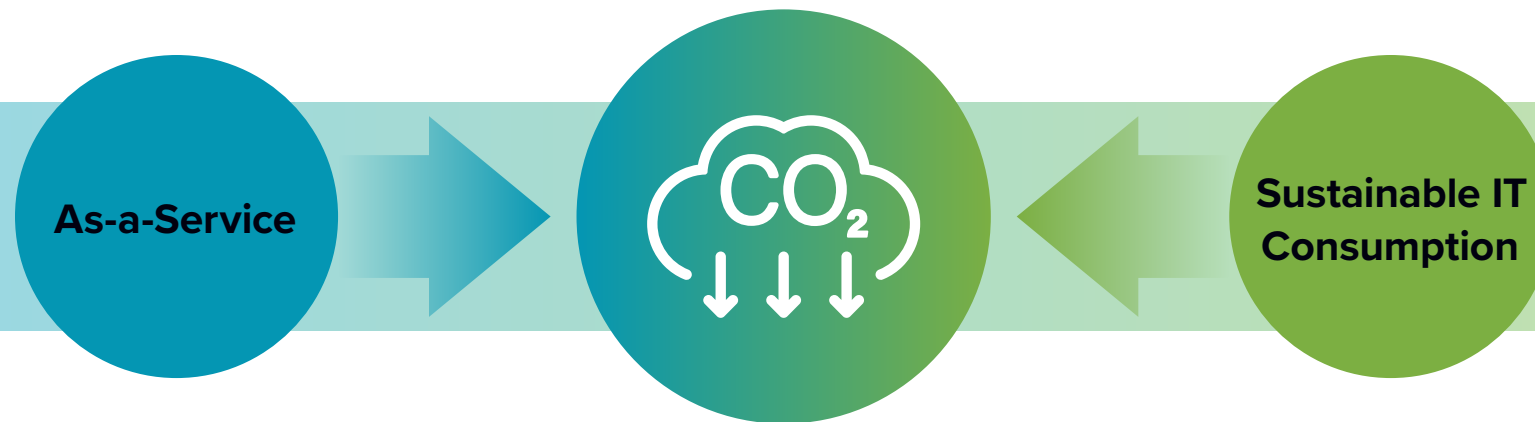
Trade-ins can offset new equipment costs and improve budget metrics.



End-of-life equipment can often be refurbished or recycled, which meets environmental targets and offers financial benefits.

As-a-Service Consumption Models Help IT Operate More Sustainably

- ▶ As the cloud becomes central to enterprise IT strategy, sustainability considerations have grown.
- ▶ **68% of organizations worldwide indicated that sustainability is an important or extremely important component of their cloud strategy.**
- ▶ Pressure from multiple stakeholders, including regulators, investors, and customers, has made sustainability a top-of-mind concern for business leaders.
- ▶ Business leaders have seen that as-a-service models improve cost metrics, reduce complexity, and offer end-of-life decommissioning.



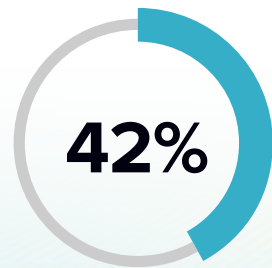
“Fast fashion has gotten a bad reputation from a sustainability perspective, and customers are taking more interest in companies that are doing things more sustainably.”

CIO, European-based retailer

Enterprises Rely on IT Suppliers To Realize Their Sustainability Goals

Sustainability is a key criterion for vendor selection. Vendors must not only possess a commitment to sustainability but also demonstrate credibility across a range of topics, such as energy efficiency, decarbonization, and circularity.

Does your sustainability policy influence your vendor/partner selection process?



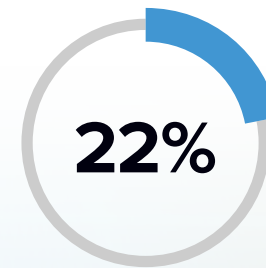
YES

We only partner with or buy from companies that have **communicated a commitment to sustainability.**



YES

We consider all partners and vendors but **prefer those with similar commitments** to sustainability.



YES

We only partner with or buy from companies that have **demonstrated a commitment to sustainability.**

“In the current environment, vendors are putting those sustainability credentials up front as part of the request for information. We’re really trying to understand in the request-for-tender phase if you’re a vendor we want to **work with.**”

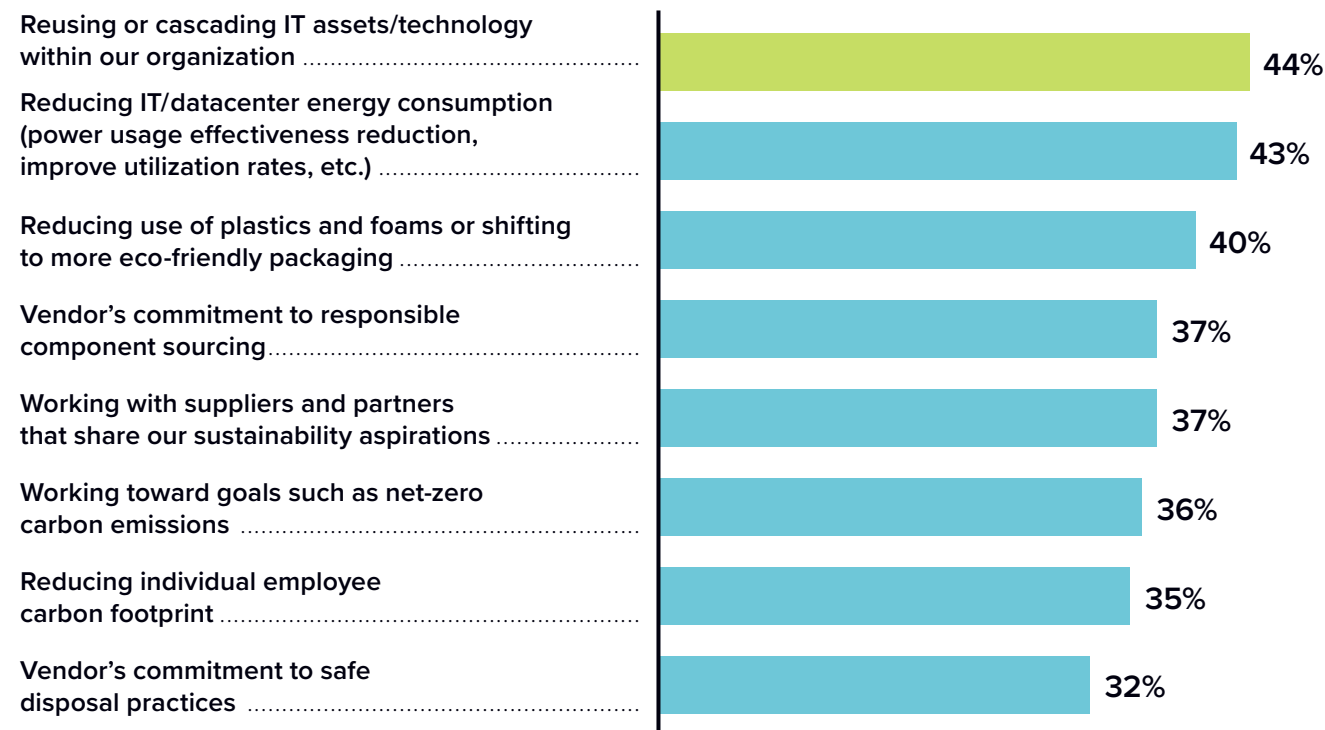
CIO, Asia-based healthcare provider

n = 1,640; Source: IDC's Sustainable IT Infrastructure Survey, August 2023

Energy Efficiency and Circularity Are Priorities for All IT Assets

Which of the following are included in your organization’s sustainability initiatives or formal sustainability policy for IT planning and procurement?

(Percentage of respondents)



n = 540; Source: IDC’s Used Equipment Market Survey, January 2023



Operating data centers is energy intensive, so **reducing energy and carbon emissions is the priority for IT**. Equally important is curtailing energy and carbon emissions for the large volume of PCs, laptops, and mobile devices in use.

For IT organizations looking to reduce their entire IT footprint, **an as-a-service model for infrastructure and endpoint devices is a more sustainable way to consume IT functionality.**

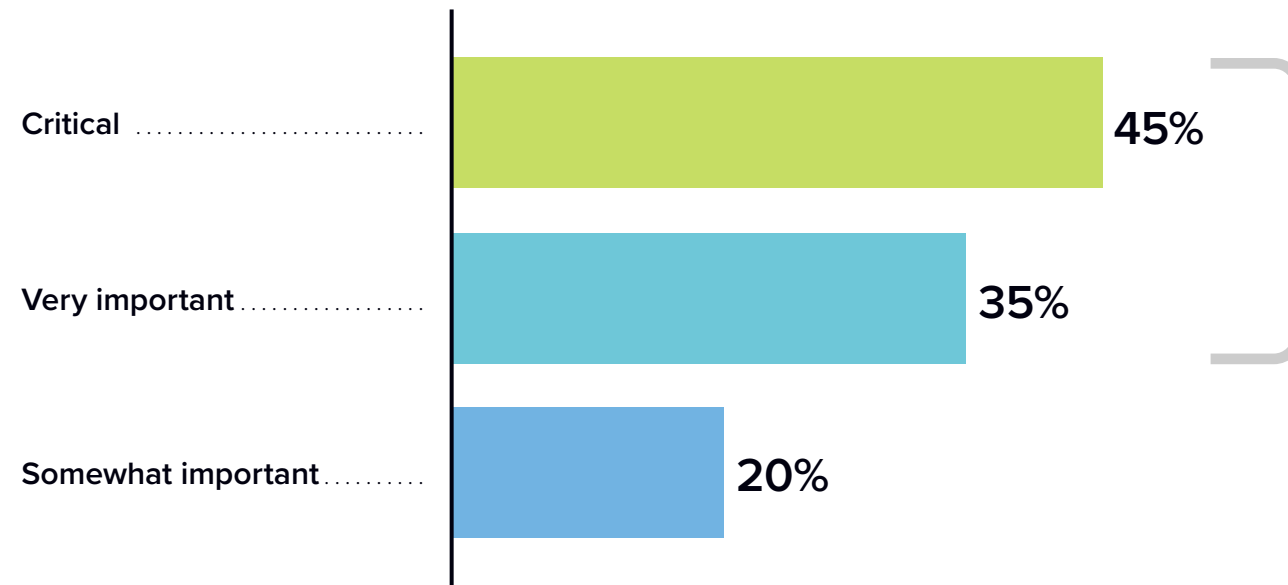
“Moving to an as-a-service model is part of our IT road map, and sustainability is a key consideration as we look to better optimize our energy/power usage and reduce our carbon emissions.”

CIO, North America-based manufacturing company

Circularity and Sustainability Are Key Aspects of IT Procurement Decisions

How important are sustainability and circularity in the planning and procurement decisions for IT equipment in your organization?

(Percentage of respondents)



n = 540; Source: IDC's Used Equipment Market Survey, January 2023

Circularity is one area of focus for organizations that want to lessen the environmental impact of their technology infrastructure.

Although **80% of organizations view circularity as critical or very important for IT procurement decisions**, many quickly discover the challenges of trying to implement and operationalize a technology circularity initiative.

The complexity is often a key factor for moving to an as-a-service model.

Many Organizations Lack the Skills to Run an Effective Circularity Initiative



Even with well-defined requirements for circularity, organizations struggle to operationalize their strategies due to the lack of in-house expertise. **Transferring this responsibility to a third party is of significant value to organizations with a strong commitment to circularity.**

“Integrating sustainability solutions can be a bit of a challenge. If they are not fully integrated with existing systems, you can’t access the full value.”

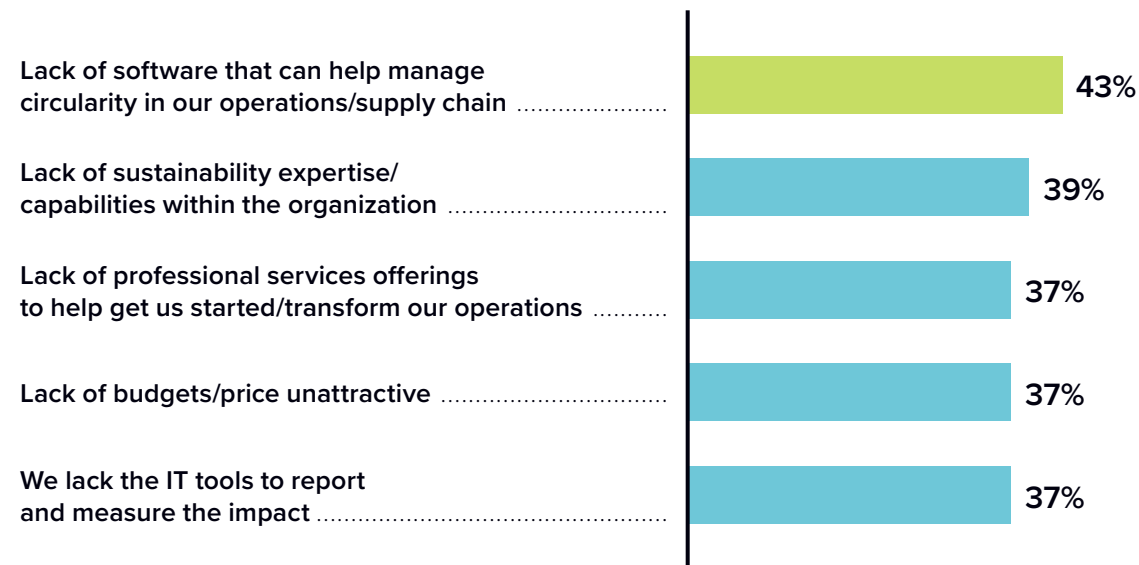
CIO, European-based transportation provider

n = 1,797, n = 430 for United States, Canada, and Mexico; Source: IDC's *Global Sustainability Readiness Index, August 2023 Equipment Market Survey*, January 2023

As-a-Service Models Can Eliminate the Costs and Technical Challenges of a Circularity Program

What are the top operational challenges faced by your organization when attempting to implement circularity into your business (own operations and/or in procurement)?

(Percentage of respondents)



n = 1,946; Source: IDC's *Circularity Economy Survey*, February 2023



One-fourth of organizations said their circularity initiatives increase productivity, and another 23% indicated that circularity enhances their environmental, social, and governance (ESG) performance.

Given the technical challenges of implementing an in-house circularity program and the rapidly evolving sustainability compliance mandates happening at all levels of government, transferring this complexity to an as-a-service provider that can help accelerate an organization's sustainability mission is a strong value proposition.

Through engagement with our as-a-service vendor, we have reports that give us greater visibility into our energy efficiency and carbon emissions reduction. We haven't been managing carbon emission in the past."

CIO, Asia-based healthcare provider

Sustainability Matters



As-a-service models remove risks:

- ✓ Handle IT equipment disposal safely and securely
- ✓ Meet regulatory guidelines
- ✓ Vet all partners in the ecosystem and meet regional compliance in all regions
- ✓ Reduce IT staff time spent on end-of-life decommissioning



Device-as-a-service (DaaS) enables organizations to:

- ✓ Improve cost structure
- ✓ Gain IT asset flexibility
- ✓ Improve the end-user experience
- ✓ Lower carbon emissions by reducing logistics needed to place IT equipment and PC devices into a user's hands and decreasing transportation costs and emissions

Essential Guidance



Vendor selection

- ▶ Align your organization's sustainability goals and objectives with the sustainability credentials of your IT vendor.
- ▶ Work with an IT vendor that has achieved sustainability goals in its own internal operations. Their expertise can be shared as best practices.



Compliance

- ▶ Reporting on your organization's sustainability performance will evolve rapidly. Ensure your IT vendor can provide comprehensive visibility into your sustainability performance that supports the metrics you've developed for reporting purposes.



Functional alignment

- ▶ Ensure that procurement's objectives are well aligned to the organization's IT sustainability strategy.

About the IDC Analysts



Susan Middleton

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

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

[More about Susan Middleton](#)



Curtis Price

Program Vice President
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Curtis Price oversees research within IDC's sustainability, network infrastructure, and datacenter services. Across these areas, he provides expert insight and analysis of the trends and market dynamics impacting enterprise and communication service providers. In the area of sustainability, Curtis was a member of a pilot research program that IDC initiated in 2019 called Technology for Social Good (TSG). The TSG program focused on the role IT can play in driving positive social and environmental impact. He analyzed and published research on technology vendors' sustainability activities and strategies, including profiling innovative partnerships between technology vendors and social entrepreneurs.

[More about Curtis Price](#)

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