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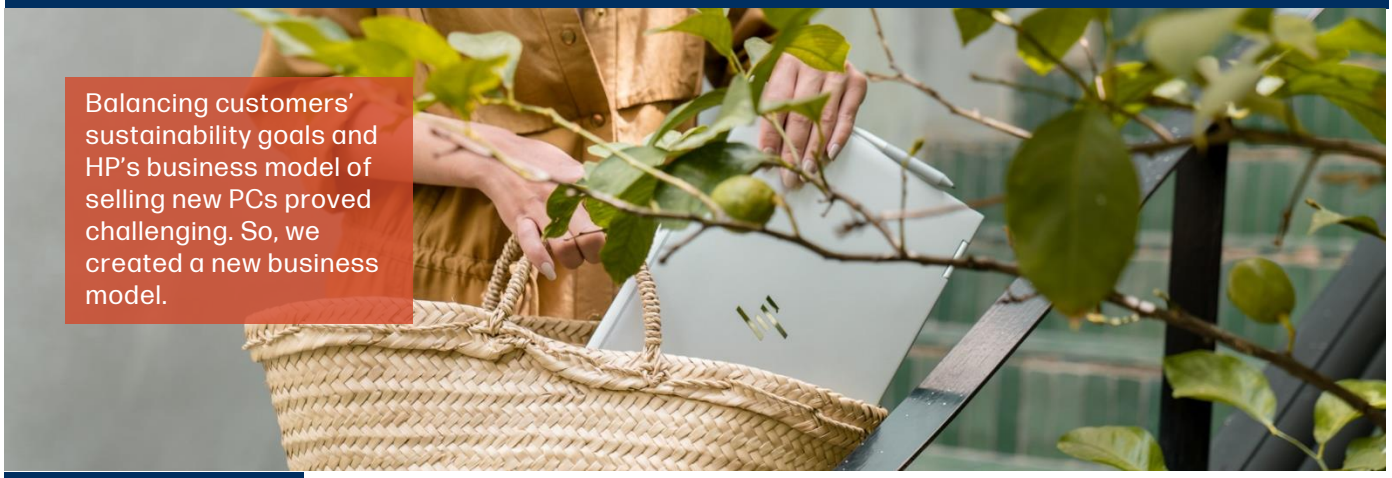
2023

2023 TSIA STAR Awards
Featured Application

HP, INC. APPLICATION: INNOVATION IN MANAGED SERVICES

Want to Reduce IT's Carbon Footprint? Make Fewer PCs. Wait... What?!



Balancing customers' sustainability goals and HP's business model of selling new PCs proved challenging. So, we created a new business model.

CO_2

20-40%
reduction in carbon footprint
(vs. traditional lifecycle)

10-25%
Lower Fleet TCO

2x
increase in HP's services mix

3x
increase in overall deal profitability

Sustainability is a priority for a growing number of corporations around the world, and IT is increasingly an area of focus for those efforts. But the most common approaches to reducing IT's carbon footprint – such as carbon offsets and usage optimization – can, at best, only decelerate the CO2 impacts of technology. Why? Because 75-80% of IT's carbon footprint is caused by the manufacturing and shipping of devices, and neither approach adequately addresses that element.

To cross the threshold into CO2 reduction, it's necessary to drive down the consumption of new devices, thereby reducing the number manufactured and shipped. But this presents a paradox for OEMs and service providers, for whom the sale of new devices is an essential part of their business models.

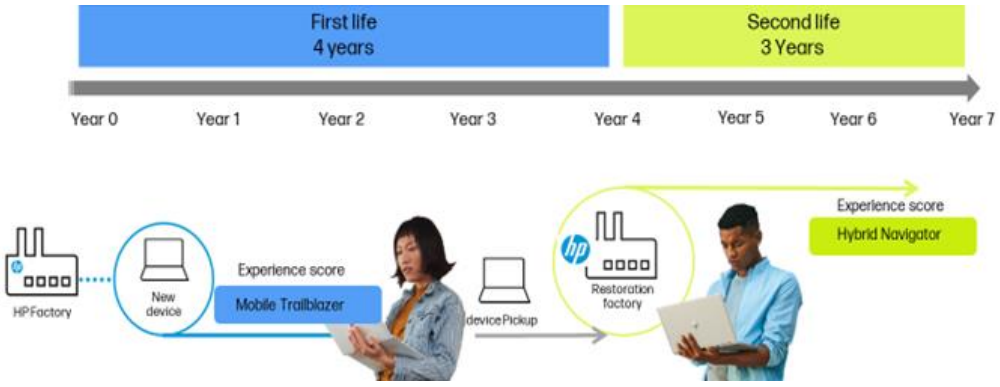
Customers, meanwhile, worry about device lifespans, especially after the traditional three- to four-year refresh cycle when spare parts, driver, and OS support, etc. are harder to come by. At that point the end-user's experience begins to degrade in ways that are difficult to measure.

HP's steadfast commitment to helping customers meet their CO2 reduction goals drove us to tackle the paradox head-on. We challenged ourselves to provide faster access to new technology, extended device lifespan and lower total cost of ownership (TCO), improved performance and a great end-user experience, while at the same time reducing IT's carbon footprint at its source. The result is Device-as-a-Service for Sustainable Impact (DaaS for SI).

WHAT WE'RE DOING

To understand precisely how performance degrades with age, we analyzed telemetry and analytics data from 10 million commercial devices connected to our TechPulse platform, paying special attention to those with more than five years in operation. We found that most of the degradation came from laptop battery performance, while other elements such as CPU, GPU, memory, and thermal remained stable.

These insights informed the design principles of DaaS for SI. Using predictive analytics to trigger proactive repair or refurbishment of each device, we can extend its lifespan as long as seven years, remanufacturing and redeploying it to a user with different computer-performance requirements or sustainability goals.



In 2020, we implemented the program internally, starting with several thousand contractors and eventually expanding it to full-time employees. After doing approximately 20,000 refurbishments, we prepared the offer for customers.

Today, we are proving the concept with 50 global enterprise customers. With seven integration points to choose from, customers can tailor DaaS for SI to balance the performance and sustainability requirements of users in any department, anywhere in the world.

DaaS for SI helps customers make meaningful, measurable progress toward their sustainability goals. It also helps HP drive toward its own corporate goal of a net-zero carbon, fully regenerative economy.

CUSTOMER IMPACT

- Compared with the standard 3-5-year purchasing cycle for new devices, DaaS for SI reduces CO2 by 20 to 40 percent by attacking the main culprit – manufacturing and shipping of devices.
- Customers can claim direct impact of this CO2 reduction within their own operations because the "second life" device avoids a purchase of a new PC. We augment this CO2 reduction with an offset, and then re-market the device for a 3rd life at the end of the seven-year period.
- HP provides a persona assessment with our analytics tools, helping customers decide which kinds of users need faster access to newer technology – refreshing every two years instead of four – and which can (or want to) contribute to sustainability targets by using a second-life device.
- Using our predictive analytics platform, we proactively replace hardware components that are about to fail. We also configure remediation scripts, one-click self-service actions and end-user campaigns to fix software issues and influence user behavior, maximizing user productivity and continuously improving the user experience.
- With DaaS for SI, we are finding that customers can reduce fleet TCO by ten to twenty-five percent.

BUSINESS IMPACT

DaaS for SI is a subscription-based managed service with an implementation time of a few months, highly customizable to each customer environment. Compared to transactional business, HP has seen a doubling of its services mix and a tripling of overall deal profitability, providing a counterbalance to the erosion of new-device revenue.

More importantly, it shifts the customer conversation to outcomes rather than specs and features, which allows us to establish a "trusted advisor" relationship with the customer and provide success metrics that align to C-suite strategic priorities for sustainability and productivity.

NEXT STEPS

Because our overarching goal is a greener planet, HP aims to broaden the impact of this approach to the industry at large. We will lead the way to set industry standards for device lifespan (7-10 years), CO2 accounting of lifecycle processes, and benchmarking of performance and digital experience. We will also use our leadership position to influence major software vendors and ODMs to provide the necessary support for devices with a 7-10-year lifespan.

Our vision is to become the largest second-life device provider in the world, with annual sales of 20 million second-life PCs and 3 million second-life printers by 2030.

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