



# The Business Value of Dell's Technology Rotation Program

Evaluating the Advantages of an Improved Asset Life-Cycle Strategy

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# Dell's Technology Rotation Program Improves Operational Efficiency, Agility, Satisfaction Levels, and Sustainability Metrics

Digital infrastructure resiliency is a top priority for most organizations: IDC research indicates that **59%** of organizations are focused on reducing the time and effort to manage their technology investments.

Organizations are focused on improving operational efficiencies, business agility, user satisfaction levels, and meeting sustainability goals. Dell's technology rotation program helps organizations achieve these goals:

- **Staff time required to update IT assets reduced by 36%:** More efficient IT management allows teams to focus on more strategic, business-oriented projects instead of patching and updates.
- **Shorter IT equipment refresh cycles reduce lost downtime by 97%:** Less downtime improves productivity metrics and reduces IT staff workloads.
- **Improve agility and customer satisfaction with newer and more efficient technology:** Deploying a technology rotation program delivers the latest equipment, with flexibility to scale and evolve as requirements change. Sixty percent of organizations interviewed reported improvements in employee productivity ranging from 15% to 30% as a result of their assets-refresh strategy.
- **Reduce time and security risks associated with IT asset decommissioning:** Respondents reported a 37% reduction in FTE hours related to asset decommissioning with Dell's Technology Rotation Program versus equipment ownership.
- **Planned equipment updates reduce carbon footprint:** Organizations are retiring servers and storage, replacing them with more efficient equipment. Organizations using servers were able to reduce their emissions by 534K KgCO<sub>2</sub>, while storage customers reduced their emissions by 72.5K KgCO<sub>2</sub>.
- **Better customer retention metrics:** The organizations interviewed for this study are highly loyal to Dell and its Technology Rotation Program, thanks to the numerous benefits they have experienced.

Source: IDC, *Future Enterprise Resiliency and Spending Survey*, February 2021 (Wave1)

# Del's Technology Rotation Program Improves Business and Operational Outcomes for Organizations

 **BENEFITS**



## Financials

Improved revenue growth, lower costs leading to savings and reinvestment into business projects, a reduced need for significant capital outlay

“We’ve been able to focus our money on other things which have an ROI associated with them.”

– **Server customer**



## Business Performance

Lower downtime, improved business outcomes

“Previously, we were leaving servers out there too long and not refreshing frequently enough, so we had situations where the servers were overburdened, which could lead to lack of server resources. If we stop producing parts, we stop shipping things out, which impacts our customers.”

– **Server customer**



## Talent Retention

Current generation technology improves employees’ experiences and attracts and retains talent

“People are amazed that they can get a new laptop every couple of years instead of every 4–5 years. Allowing employees to pick out of a selection of 10 devices gives them an opportunity to have a say. In the past it was, ‘This is what you get, and you aren't getting anything else until it breaks.’”

– **Client Device and Server customer**



## Employee Satisfaction

Less disruption to business, more satisfied and productive employees

“End users really appreciate having quicker refreshers because our approach was ‘if it’s not broke, don’t fix it.’ And so, some people would get missed and they would get left out with just older equipment. Now they all get good equipment, which they are happy with. So, we’ve definitely improved user satisfaction from that.”

– **Client Device and Server customer**

# Project Background and Methodology

➤ IDC conducted research that explores the value and benefits for organizations of using Dell Technologies Technology Rotation, **a program that enables organizations to increase operational and business efficiencies through flexible payment models** for their server, storage, and client devices, **with limited upfront capital outlay**. This project was conducted over Q2/Q3 2021.

**To understand the benefits of server refreshes and costs associated with aging IT assets, IDC conducted two analyses that inform this study based on interviews with study participants:**

- A before/after analysis of costs for study participants of their refreshed IT asset environments compared with continuing to operate the IT assets they replaced (at operational cost levels at the time of replacement) as well as an analysis of the impact in terms of additional business supported and metrics pertaining to agility and performance (“before/after server refresh” analysis). For this analysis, the “before” costs are calculated at the end of server life cycles based on the average replacement cycle for server refreshes discussed during interviews.
- An analysis of projected net cash flow over six years for an organization that refreshes its IT assets after three years (i.e., has two three-year server life cycles in six years) and an organization that does not refresh its IT assets (i.e., buys and keeps a server for a single six-year server life cycle in six years)—(“two three-year life cycles versus one six-year life cycle” analysis).
- This study references results from both analyses and uses the identifiers noted previously to indicate which analysis provides the basis for the data being discussed.

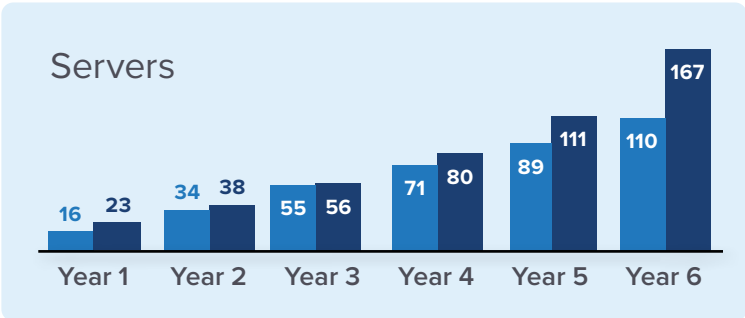
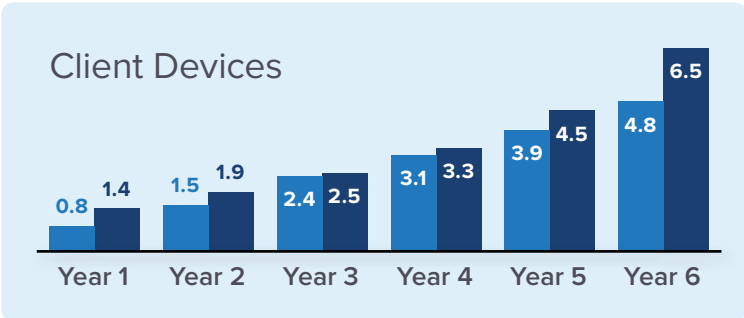
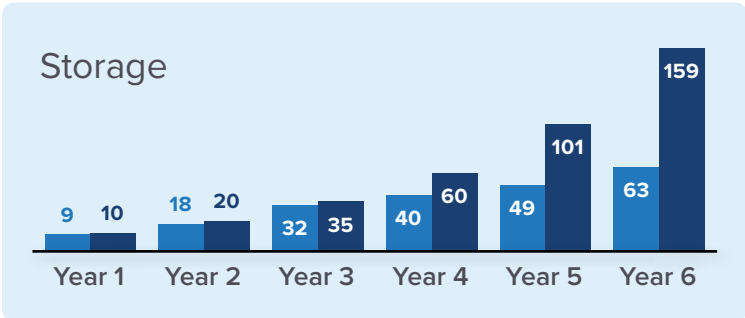
**The project included 15 interviews with organizations that are using Dell Technologies Technology Rotation Programs and have experience with or knowledge about the benefits and costs of using Dell Technologies Technology Rotation Programs.**

- Organizations covered firms across manufacturing (4), healthcare (3), financial services (3), government (2), education (2), insurance, and sports and entertainment.
- Firms spanned organizations of ~700–50,000 employees with revenues ranging from \$90M– \$72B, with 5–15,000 IT staff managing 5–1200 applications. Multiple organizations had operations in other global regions.

# A Technology Rotation Strategy Yields Savings for Organizations Across Storage, Client Devices, and Servers

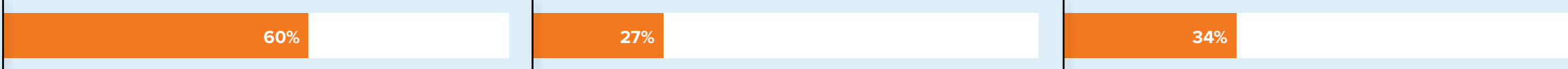
Cost Curves by Year in \$K

■ Dell Technology Rotation – 3 years ■ Own for 6 years



Source: IDC Interviews, August 2021

## Overall Savings % with Technology Rotation



Organizations that owned their IT assets saw a significant increase in costs related to maintenance, IT management, and unplanned downtime in years 4–6 compared to organizations that used the Dell Technology Rotation Program.

# Organizations Who Own and Manage Their Equipment Face a Variety of Challenges

Technology demands are increasing as they work to keep up with fast evolving technology specs, compliance requirements, and customer expectations.

The life span of technology, including servers, storage, and client devices, is on average 3.5–4 years. **This means organizations must continually invest in new hardware every few years to retain efficiencies and be agile.**

## This introduces a number of challenges:

- Complexities and uncertainties around technology requirements
- Significant capital required to purchase and replace devices
- Data management and migration overhead involved with replacing technology
- Limited ability to scale or switch on demand
- Compliance with the latest regulatory requirements

“We need to build infrastructure out for longer for certain workloads. So, a lot of it is really driven by a customer requirement and less about what we want to do; it’s what we are obligated to do.”  
– **Server customer**

“I work in a very specialized division that has a need for very expensive and high-quality storage, so leasing on a year-by-year basis is ideal for us.”  
– **Storage customer**

# Del’s Technology Rotation Program Improves Organizations’ Agility and Efficiency Across Datacenter Assets and Client Devices

 **BENEFITS**

**36%**  
reduction in staff required to patch/update IT assets

**40%**  
reduction in time needed to decommission IT assets

**29%**  
reduction in IT support time needed

**37%**  
reduction in time needed to deploy new IT assets

“Dell came back to us with the added bonus of switching out our software and devices every 2.5 years and managing that process. So now, we only have maybe 450 devices on hand that we could switch out if we needed to in case Dell wasn't able to do so, whereas before, we had almost 5,000 on hand.”  
– **Client Device and Server customer**

“Recently, we had a member of our executive board whose laptop crashed. We had the old laptop which had all his files on it. Dell single-handedly took over the situation and recovered the laptop and got it all fixed up. He was abroad at the time, and within 96 hours, he had the original laptop back in his possession. Did Dell do a stellar job? Yes, they did.”  
– **Client Device and Server customer**



# Del’s Technology Rotation Program Addresses Organizations’ Challenges Around Complexity and Cost

## Complexity / Uncertainty of Requirement

- Technology rotation allows use of more modern management tools with newer equipment.
- It enables organizations to better meet future infrastructure goals and more effectively leverage newer capabilities.
- It reduces time to refresh products, allowing for easier adoption of new technologies and platforms.

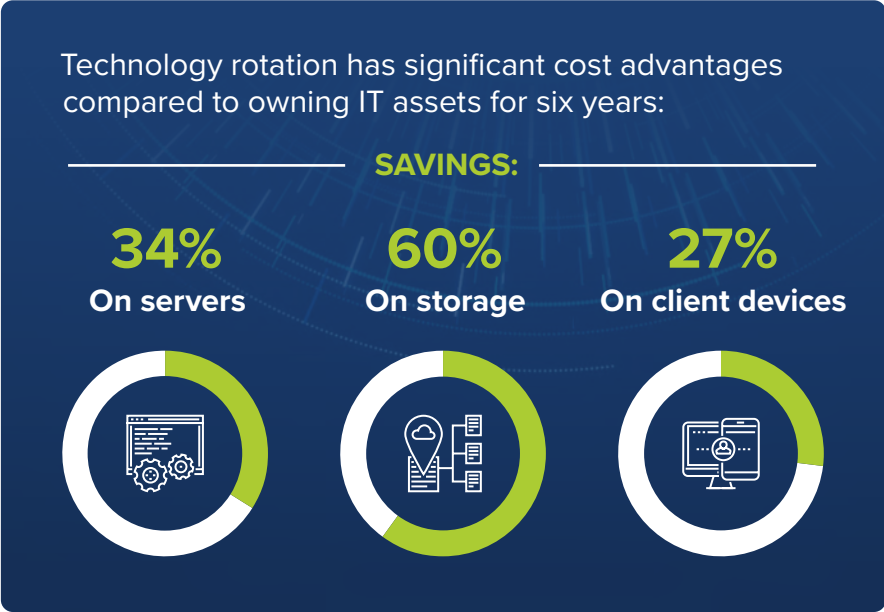
“The benefits are the ability to take advantage of newer capabilities, newer features, better hardware, more options, and cloud-ready.”  
 – Server customer

“Technology rotation is providing a new opportunity to procure better equipment 1.5 years sooner.”  
 – Storage customer

## Cost

- IT organizations can reduce the amount of time needed to manage devices, since newer equipment is more compatible with modern management tools.
  - A technology rotation strategy reduces the number of FTEs required to manage the infrastructure by improving productivity by 37%, reducing average salary cost per year to ~\$3.7M from \$6M.

“Because of the cost savings and the productivity savings, I think we'll have an ongoing partnership with Dell for some time to come.”  
 – Client Device customer



# Dell's Technology Rotation Program Improves Management Overhead and Provides Greater Flexibility

## Simplifies Life-Cycle Management

- Technology rotation reduces management overhead and simplifies IT management.
- Faster device changeover reduces the number of devices to be managed.
- IT management is more efficient, allowing teams to focus on more strategic, business-oriented projects.

“Dell came back to us with the bonus of switching out our software and devices every 2.5 years and managing that process.”  
– **Client Device customer**

“It's cut the IT department workload by 45% so they can focus on deeper issues like connecting two different platforms, or dealing with database issues, things like that. They rarely spend time figuring out whose laptop is out of commission and how they are going to deal with it.”  
– **Client Device customer**

## Improves Agility and Reduces IT Staff Workload

- Technology Rotation programs have improved the agility of IT organizations:
  - Staff time needed to decommission IT assets reduced by **40%**
  - Time needed to deploy IT assets reduced by **37%**
  - Staff time required to update IT assets reduced by **36%**
  - Time to deploy new assets reduced by **29%**
  - Support time reduced by **29%**

“We take a look at the hardware and software refreshes as an opportunity for us to advance into what we are considering our future state architecture.”  
– **Server customer**

# Dell's Technology Rotation Program Improves Reliability and Organizational Compliance

## Standardization across the Organization Improves Efficiency Newer Equipment Means Less Internal Churn/Issues

- Technology rotation ensures equipment is up to date and is compatible with the latest standards.
  - Changing requirements with modern tools requires standardized equipment. Lack of standardization requires specific rules to deal with outliers, which adds more complexity to maintenance. Technology rotation enables standardization.
- It helps reduce the number of issues faced by organizations and users.
  - Help desk gets fewer calls and needs less time to fix issues — customers saw a **42%** reduction in calls/tickets per year and a **22%** reduction in average time to resolve issues.

“The peace of mind is the big benefit. I get asked this question a lot — well, what’s the tangible front-end benefit to the business and our customers and everyone at large? My answer is always the same. If I have done my job, you won’t know that it was done. There is peace of mind. The equipment doesn’t break and it’s faster.”  
– **Server and Storage customer**

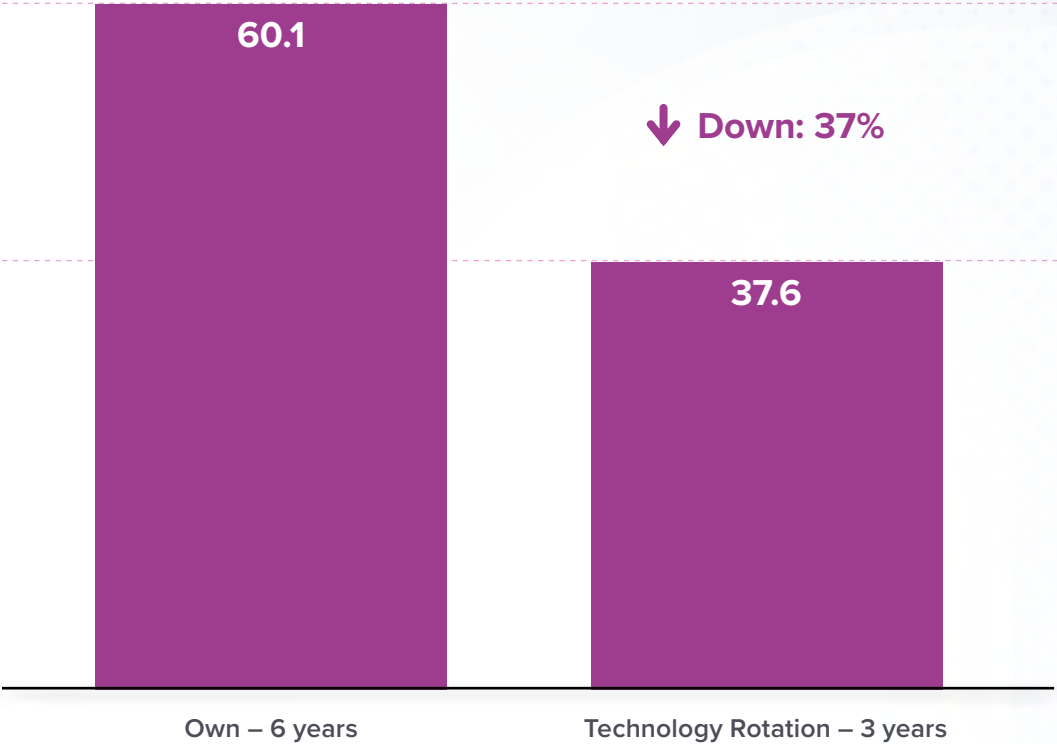
“There has been a dramatic decrease in the number of calls to the help desk relative to storage, which typically translates into application performance concerns. It’s a minimum of 60%. For example, we would get calls that it was 20 minutes to run a report. When we converted, that same report ran in less than two minutes.”  
– **Server and Storage customer**

**Save on maintenance and upgrade costs with shorter refresh cycles.** Regular technology refreshes with shorter rotation schedules can lead to lower costs over time.

# Technology Rotation Enables Shorter Refresh Cycles and Reduces IT Staff Workloads by 37%

## FTE Reduction

### IT Asset Management Impact (Equivalent FTEs)



“Technology rotation positively impacted us. We used to maintain a large IT organization focused on ops and administration of the datacenter and laptops/desktops. So, we wanted to transform the organization from an IT perspective and focus more on engineering and architecture where we could provide direct business value versus swapping hard drives and memory chips.”  
– Server and Storage customer

## Three-Year Value of Staff Time

**\$6.75M**



n = 802, Source: IDC, Edge Services Thought Leadership Survey, September 2020

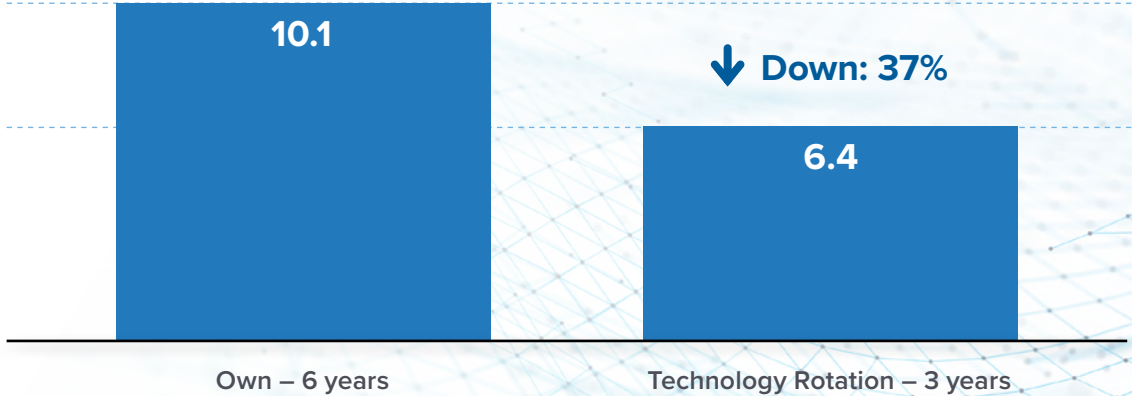
# Technology Rotation Program Reduces Staff Time to Decommission Equipment and Helps with Sustainability Goals

Dell's Technology Rotation Program Reduces FTE Hours Related to Asset Decommissioning by:



**37%**

Asset Decommissioning Management Impact (Equivalent FTEs)

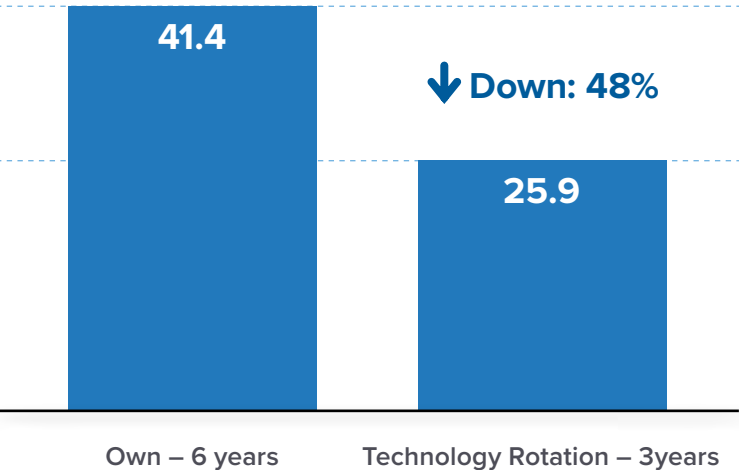


Working with a trusted partner reduces financial and regulatory compliance penalties for lax decommissioning practices and improves sustainability metrics.

# Dell's Technology Rotation Program Improves Refresh Cycles and Reduces Lost Unplanned Productivity by 97%

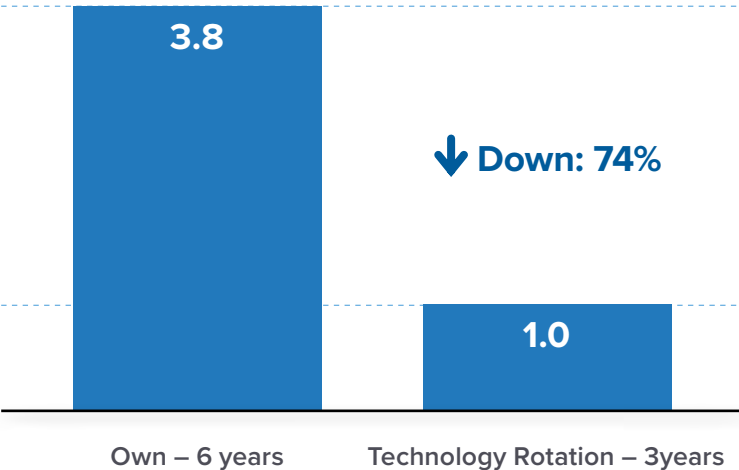
### Frequency of Downtime

(Incidents/Year)



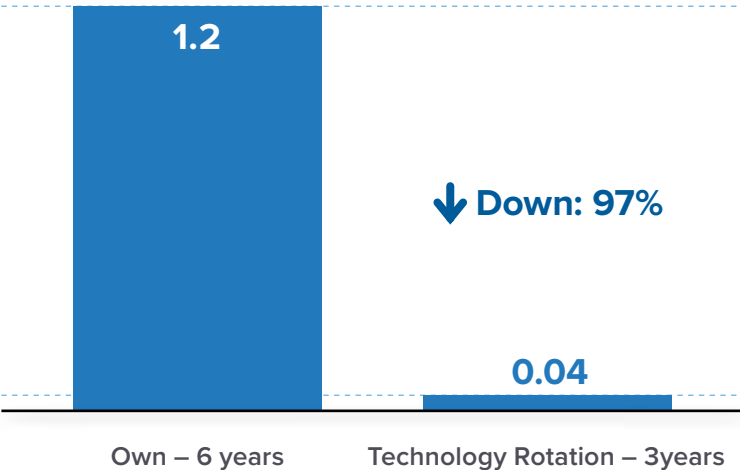
### Time to Resolve Issues

(Hours)



### Value of Lost Productivity

(\$M)



“Previously, when we had older equipment or we were leaving things out there too long and not refreshing, you have situations where if the servers stop, that means we stop producing parts, we stop shipping things out, which impacts our customers. So our customer satisfaction overall is much higher because we are able to sustain business continuity and keep things running. We don’t have to worry about if a server goes down while we are also down a lot less because we have newer equipment, so everything is standardized. If something does break, we have parts that we can get to very, very quickly because it’s all the same types of servers, same model, and same hardware and we can replace things very quickly if we need to.”

– **Server and Storage customer**

# Access to Newer, Better-Performing Technology Helps Retain Talent

Employee experience with their equipment is a critical aspect of employee satisfaction, especially due to the increase in work-from-home. With Dell's Technology Rotation Program, employees get access to better equipment, lower downtime, and quicker refreshes, allowing them to use the latest tools.

“The benefit that is underrated is employee satisfaction. This is why we went from a five-year cycle to a three-year cycle. Having newer, faster, better, and more capacity hardware to our end users is huge.”  
– **Client Device and Server customer**

“Technology rotation has helped retaining our employees a lot. Reason being is they learned a new platform, so they are getting excited about what's going on.”  
– **Server and Storage customer**

“I think everybody, whether you are coming in or you are at home, if you have a new piece of equipment that works and you don't have to complain about, ‘oh, it always has this problem’ or ‘it's slow starting up in the morning,’ when they have new equipment, they feel like the company values them as an associate. So, it's definitely improved morale across the board.”  
– **Client Device and Server customer**

# Dell's Technology Rotation Program Reduces Organizations' Carbon Footprint

## CO<sub>2</sub> Emission Reduction

(Thousands KgCO<sub>2</sub>)



- Organizations are retiring servers and storage, replacing them with more efficient equipment.
- This has led to an expansion in Virtual Management (VM) of **60%** and increase in number of TBs by **84%**.
- The number of servers has decreased by **82%**, equivalent to **184** servers saved and a reduction in carbon footprint of **534K KgCO<sub>2</sub>** emissions.
- New storage equipment decreases the number of racks by **25%** despite an increase in storage capacity by **93%**; this leads to a reduction in carbon footprint of **72.5K KgCO<sub>2</sub>** emissions.

**Technology rotation reduces carbon emissions and improves energy efficiencies, helping organizations achieve sustainability milestones.**



# Customer Feedback on Dell Technology Rotation Plan

Dell's Technology Rotation Program and related services have been well received by customers for a number of reasons:

- Simplifies procurement and allows customers to choose the right equipment
- Pricing: Dell offers competitive rates
- Reduces management overhead for IT teams
- Speed and flexibility in scaling and deployment
- Reliability and support

**The majority of customers interviewed said that they intended to keep partnering with Dell.**

"It makes things easier from a management and a procurement point of view to work with a trusted vendor (like Dell). Our ability to pick and choose year-to-year and to make adjustments as needed has been really important."  
– **Storage customer**

"Storage is an area that continues to make sense (to stay with Dell Technology Rotation) because storage needs are difficult to forecast. A (technology rotation) option gives you the flexibility to either continue using it or turn it in."  
– **Storage customer**

"(Dell Technology Rotation has) been exactly as promised, and there's never been a hitch with it. If it were up to me, I would use Technology Rotation more because it is frankly the least problematic of all the responsibilities for getting stuff in, implemented, and keeping everything available in the process."  
– **Storage customer**

"We've been doing it for years because it works really well for us. It fits our business model and the size of our IT staff. Dell goes above and beyond, even when someone spills coffee on their laptop, they replace it quickly and easily. They provide the best lease rates, and their support is good. I see no reason why we wouldn't continue as we have been."  
– **Client Device customer**

# 40% of Dell's Technology Rotation Program Customers Observed Revenue Growth

- Dell's Technology Rotation Program provides organizations the flexibility they need to upgrade their IT equipment and to scale to meet customer requirements.
- Forty percent of companies reported accelerating their revenue from **1%** to **20%**, attributed directly to IT assets refresh.
- On average, organizations enjoyed a **3%** growth in revenue, which amounted to **\$1.6B**.

"We can take on any project requested of us because we don't have to worry about, 'Where do we get more storage now?' We just call up Dell, and we get it in 2–3 days. We can also do multiple projects simultaneously."  
– **Server customer reporting 20% gain in revenue**

"We're able to intensify our revenue and budget by becoming more cost effective in finding things that are better performing and cost less."  
– **Client Device customer**

"Caught up four years of assessments that simply weren't done. By properly assessing current property values the city gained \$30–40M in incremental revenue from the catch up."  
– **Server and Storage customer**

# IDC Guidance

- Flexible payment solutions are a critical enabler for businesses that are grappling with the desire to transform to new IT models but are faced with multiple challenges, such as budget constraints, aligning use with costs, and existing infrastructure investments that cannot adapt to new business demands.
- Adopting a technology rotation strategy removes a multitude of operational challenges, reduces IT staff workloads, improves satisfaction levels, and reduces decommissioning risks compared to IT asset ownership.
- Look at flexible payment options across all technologies, including servers, storage, and client devices. Recent IDC surveys reveal that **70% of organizations** select a vendor based on the availability of flexible payment options like Dell's Technology Rotation Program (IDC #US48245021).
- Define KPIs focusing on overall cost of ownership, application uptime, improved compliance, and end-user experience, and use them to track and measure the effectiveness of the Technology Rotation Program.
- Begin tracking carbon emissions reductions and consider monetization via carbon offset credits and/or the ability to drive other corporate sustainability benefits related to asset decommissioning and improved asset management by working with a trusted partner.

# About the Analysts



## Harsh Singh

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Harsh V. Singh is a Senior Research Analyst for the Business Value Strategy Practice, responsible for developing return-on-investment (ROI) and cost-savings analysis on enterprise technological products. Mr. Singh's work covers various solutions that include datacenter hardware, enterprise software, and cloud-based products and services. Mr. Singh's research focuses on the financial and operational impact these products have on organizations that deploy and adopt them.

[More about Harsh Singh](#)



## Susan Middleton

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Susan Middleton leads IDC's worldwide research on IT equipment, software, and services financing markets. As Research Vice President for IDC's Flexible Consumption and Financing Strategies for IT Infrastructure research, her analysis provides insight from both a supply-side and buyer's point of view. Ms. Middleton'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, Ms. Middleton'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](#)

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