

**Komal Verma:** Hi, I am Komal and in this episode, we are going to talk about the seismic shift happening in the tech industry today. With subscription-based services on a major upward trajectory, the new managed services model, Device as a Service, is changing the way to consume digital technologies.

To help us demystify the world of lots of acronyms—DaaS, PCaaS and so on—we have Vinicius David, who is the Senior Director of Personal Systems Services at HP Inc. He is responsible for services go-to market, global system integrators, business development, and digital tools. As a tech and innovation enthusiast, he is also an instructor at UC Berkeley Global in the areas of product management and AI. Hi David.

**Vinicius David:** Hi Komal

**Komal Verma:** Thank you for joining us today. We really appreciate you taking out time to talk to us.

**Vinicius David:** Thank you for inviting me. I always look forward to such discussions spending time talking about our technology industry, digital transformation and in particular, device as a service. It's always a pleasure for me. By the way, I am extremely excited we have this great partnership that HP and HCL are creating here, which I have no doubt will bring value to our customers and has the opportunity to really transform our industry.

**Komal Verma:** So David, speaking of Device as a Service, what are the trends we are witnessing now? And how do you see these influencing the Digital Workplace model in the coming times? Will this as-a-service model be the status quo going forward?

**Vinicius David:** Look, the shift in our industry, specifically in a PC business to an as-a-service model is already a very, very important trend because it simply allows the organizations to offload some of their duties around fleet management and actually let them focus on very important I'd say issues facing the organization and helping the CIO to focus on various strategic matters for the organization, such as digital transformation.

Now with the situation that we're facing, we saw a big trend of companies having to send most of their workforce in some industries to work from home. I have no doubt that DaaS will have a significant boost and we are already seeing that, simply because DaaS brings that level of efficiency and simplicity to the IT organization, at the same time, keeping the experience of the end-user high and most importantly, in a very secure way.

Let's think about what's going on here. So, the FBI is telling that reports around cyber-crimes have quadrupled during the COVID-19. According to Kate Lister, President of the Global Workplace Analytics, they believe that, you know, post COVID, between 25 to 30% of the workforce will remain working from home on a multiple-days-a-week basis by the end of 2021. So that is one of the critical elements that will enable this workplace model that is more and more digital to enable people to get work done anywhere they are on-the-go and especially from home.

**Komal Verma:** So how is the Device as a Service offering disrupting the traditional business model? And what are the current challenges that are being addressed by this change?

**Vinicius David:** Komal, this is a great question. Unlike traditional transactional relationships that some companies have with customers and even the traditional PC as a Service, DaaS is actually bringing three very important outcomes to a large enterprise or corporation.

Number one, it lowers the total cost of ownership of their PCs. Secondly, it helps IT organizations to directly influence the productivity of employees and as a consequence, increases the end-user experience with the technology that they use for work. Thirdly, it helps tremendously companies to reduce their risk with security. These being the key elements of a DaaS value proposition.

Let me explain to you that we, we actually accomplish that by first defining what DaaS is. DaaS is a solution from HP that brings our hardware, HP repair services, HP analytics, and financing. And a very important thing here is this is all done in a very modular way.

Let me give you an example. If you're company is interested in refreshing or acquiring PCs, notebooks in particular, you're going to do that, but at the same time, get the basic warranty, break/fix, but also have the choice to upgrade to a premium care, for example. Using our modular elements in our life cycle, suite of solutions, the analytics portion of the DaaS offer is powered by HP's Tech Pulse, which is a platform that actually gets the data that is collected from the fleet to actually give it back to the IT organization – Intelligence around what is going on with the fleet.

Effective management actually includes for example, monitoring devices for security compliance, removing eventually those devices trying to network if necessary. It enables the organizations to understand the elements of hardware that may be about to fail. For example, batteries – these are not offered to us in advance that they're going to have a failure. They suddenly start to fail and that is one of the biggest drivers of I'd say downtime in the environment.

And this is one of the reasons why HP a long time ago, seeing the trend in the industry where cutting-edge knowledge companies were investing in platforms, you get the examples, of Sony with PlayStation. You get the example of Amazon with Alexa, of Apple with iTunes. We find it very, very important. If we want to be in the cutting-edge of tech companies, we need to have a platform. And why, because we have to be able to harness the power of data to increase the value that we deliver to our customers.

Now, from a financing standpoint, whether or not that represents an advantage from a capex perspective, which pretty much depends on local regulations with tax and even County rules, no doubt that it has a very positive effect on cashflow. Cash flow around the fleet can be managed in a predictable way with defined costs. There is a measure of control, for sure.

Our training environment is showcasing the value of a non and manageable cashflow that allow for focus to be shipped from solving unexpected problems that actually can pop up at any time. Putting it all together, organizations looking for a differentiated end user experience with technology need to reduce the overall IT costs associated with end-user computing. And most importantly, companies where security is top of mind and they're actually looking for different ways to protect the endpoint, I have no doubt that DaaS is one of the most competitive and effective ways for them to get it all in one single solution. And once again, in a situation where we're still facing a lot of damage with COVID-19, and even after COVID-19 with security, for example, it's a solution that is going to be more and more useful for organizations and users.

Let's go back in time. A few weeks we saw here, I mean the United States in New York city, people walking back home with their desktops, right? Because their companies did not allow them to actually

have a notebook. As they bring those devices from the office to the house, the amount of vulnerability that this device will start to have, it's impressive. And actually it has increased the amount of breaches seen in the market significantly. How could companies start to actually provide support to their employees if they're not coming to the office, like enabling digital channels for support, making sure that everything that is around that device properly connects with the digital workplace that HCL enables overall for a company – It's crucial. Reason why I think this offering that we're bringing to the market together, DaaS plus the Digital Workplace services of HCL is actually a game changer for organizations now and post-COVID because many, many people will not go back to the office. That's a given. And as this trend persists and as it grows, we're going to see more and more attacks, cybercrimes, and this is where it's imperative that the security at the end point is well taken care of, like the posture in the data center and networking in general.

**Komal Verma:** Quite interesting. So, is this a real game changer or is it just a glorified leasing or a financial model? What all services does it encompass?

**Vinicius David:** One of the top benefits of DaaS speaks directly to your question. It can actually be what each organization means it to be. While DaaS minimally will have an element of the hardware, lifecycle services, manageability and financing, the offering solution has been structured in a pretty modular way. In other words, you can decide the type of hardware that better feeds the need of your organization. You can decide the right lifecycle services for you.

Minimally, companies will get break and fix care pack, or even a premier care could be an option if they're talking about different personas in the environment, typically VIPs and Executives – people who are more on-the-go and require very sophisticated level of response time, and actually downtime is not an option. We can change and adjust the elements of the lifecycle in that offer to better adjust to the different needs of each persona you name from it.

The manageability is the exact same thing, meaning the DaaS offer comes with the standard proactive management solution, but as needed, we have different tiers in terms of the amount of data and the amount of sites that an IT manager will require to take care of the environment. Now, the combined offering solution that HP and HCL are coming together that we call Flex Space brings the greatest elements of HP around the end-user computing capability with hardware, lifecycle services, manageability, and financing. And on top of that, you're going to bring cognitive automation in the support experience, very powerful asset recovery experience, and a lot of IP concerning the way HCL is actually providing an additional level of support to their customers and end-users with tools like Optibot, proactive support with WorkBlaze that on top of HP's Tech Pulse make it extremely powerful because HP has a lot of proprietary information that we can get from the buyers that only OEMs have access to. Plus, this intel that HCL has around the entire workplace – elements of the network, the wifi, everything coming together, along with the end-user device, experiencing how these things are actually working from a fleet management standpoint make this solution extremely powerful and differentiated.

The reality is today, companies are actually asking their CIOs to do more and more everyday with less money to invest. Now, with COVID, IT organizations have had a massive increase in demand and the reality is that they need even more help, because along with those things, they have had to accelerate digital transformation. And at the same time, more and more CIOs, CTOs have to get themselves involved with the transformation of companies in general, to drive more topline growth. So with that agenda, there's not a lot of time actually available to run PCs, to run the fleet and make sure that the users in the end of the day are getting the work done in a seamless and very productive manner. That's

the reason why these combination and strengths that HCL and HP bring together to companies will be more and more important and create a ton of value on top of everything that we were doing separately in these companies.

**Komal Verma:** That really sounds like a plan – two best-of-the-breed organizations coming together to shift the focus from device management to value creation. How can enterprises leverage the power of DaaS?

**Vinicius David:** Komal, great question. Absolutely, value creation is one of the most important discussions we are having these days. Many companies are focused still on pure cost reduction. We believe that a discussion with customer around expanded value in the horizon and journey of a relationship – It's more important. As I said, we're going to responsibly help companies to take costs out. That's a given, everybody's trying to do that. Now, the ability to come to a company, organization, an IT environment, and say that we're going to help them to drive the very new user experience to a much higher level, help them to improve their security posture and reduce the risks associated with cybercrimes – It's game changing. It's not only important to say we do this things, but also quantify what we are going to do for these companies. And this was one of the key benefits and differentiations that we have.

We're bringing to this partnership, what we call the vendor management office practice, which is a tool and a platform and a service that allows organizations to understand the cost baseline. And on top of that, as we talk about these different modular solutions that we can put on top of the DaaS offer, we can help them quantify the benefit that they're going to get and the value from improved end-user productivity, for example, and this is a real situation that happened with one of our largest customers in the technology space.

Everybody who is in the windows environment has probably experienced what we call it the blue screens. Suddenly your PC is going to stop and it's going to require you to reboot, typically a reboot like that will take five to six minutes. And after we actually put Tech Pulse in the environment, and our analytics platform, we found out that the company had in one month 15,000 instances of blue screens affecting the end users.

Now do the math, 15,000 cases of blue screens, right? It takes on average six to seven minutes for someone to bounce back from that situation. Think about the amount of costs and labor that is going to be wasted by having all these people spending all of these precious hours just coping with this digital challenge that the device poses actually represents many situations.

So, what Tech Pulse does, is it actually enables the IT organization to understand quicker what is causing this thing. So, the fix for one person is actually the fix for the entire company. More than that, we'll start to predict that these things will happen and we're going to fine-tune and adjust configurations and software proactively. So, the whole objective is to avoid users to experience downtime. And it's going to be hard to get into a situation where we're going to see zero downtime, although this is one of the biggest visions that we have, but we're getting very close to actually closing that huge gap that still exists in terms of getting any user to use a device for four or five years without a minimal level of disruption, to their ability to get work done.

And this conversation about eliminating blue screens, for example, is one of these cases that we have. Now think about understanding proactively, who is actually in need of a new battery, who actually needs a new device because the hard drive is about to crash – when you factor all of these things that normally impact a device to function properly, that result into a downtime understanding with the power of data and Tech Pulse combined with HCL digital assets, what is going to happen and then we take action proactively, ideally, when the user is not actually working – that's where we're going with this thing. That's the vision that we have and how we actually show quantifiable dollars in terms of these increased in productivity of what we do in our solutions.

The other important aspect is for companies that are still thinking about, or considering us, make sure that you talk to your local sales reps, either with HP and HCL, because we can come with ways to actually give companies the ability to run proofs of concepts in specific sites or with a certain amount of seats.

Another real example, a retail company in the United States, one of the largest chains of coffee. So, before they actually gave us the entire fleet to manage, we actually did a pilot with one of their major, I'd say metropolitan areas that services their customers. We let proactive management run for a couple of months. And before we started, we measured actually the main drivers of costs. We measured some key elements of the IT environment in terms of productivity. And after three months, we were able to correlate all the improvements, all the proactive issues that we're able to capture in the environment and adjust processes. And with that view of the before and after in terms of costs, enhanced productivity, that also leads to a much better security posture. In case customers actually opt for some of our security solutions that will go on top of the security capability that the hardware brings, we can clearly show a quantifiable amount of dollars that this partnership will bring throughout the lifecycle of our partnership and these devices. That's the true differentiation.

We're not only talking about three outcomes, but we're putting numbers behind to help CIOs, CTOs and CFOs realize the full potential of what they're about to do in case they embark with HP and HCL in this journey of a digital workplace transformation.

**Komal Verma:** Amazing! It does solve a lot of problems for the IT, but how is it providing better experience to the end users? As today's workforce have rising expectations about how workplace services are consumed, they demand modern devices, instant support, and self-service, and so on.

**Vinicius David:** Come on, another great question. Many users have expectations for a digital experience based on their personal consumer behavior. They want a similar experience when they're using their corporate device and as they are used to having when they are using their smartphone, right? So that's typically what they want. If someone has an Apple iPhone or an Android phone, they want to get their PC up to that level of simplicity. When they're actually getting a new device, people want to power on their new device and have the exact same experience they had before – the same application, the same ID and configurations. People are not affording anymore those massive data transition processes like spending hours and hours for configuring your device. Those are things from the past, and this is pretty much what these solutions will enable – like a consumer-like experience when getting a new device.

With FlexSpace, HP and HCL are actually delivering a persona-sensitive desk where we'll be providing the right type of devices with the right set of services to all the users, to perform their job with seamless experience. That provides a much better user experience to up-to-date software and easy access to organization resources, for example.

Through a powerful capability, with Tech Pulse, you see tech performance issues before they actually happen as I said. And coupled with many capabilities that HCL will bring together in the beginning of the planning, they're going to have, you know, site improvement assessments for example, predictable budget planning – those things are very important, right? So, and these are things that when you think about the people HCL has across the entire environment, it makes it extremely important to IT organization, to the CIO that actually needs to spend more and more time on strategic initiatives and digital transformation.

When you think about deployment and integration – visibility to align personas to this specific deployment and configuration needs is very, very important and more and more, with COVID, specifically bringing provisioning services that are backed by capabilities that are actually digitally in the factory, removing the need for labor to actually get part of this work done – It's going to be paramount. Why? Because more and more people will stay working from home and more and more people will actually be on-the-go and mobile. So, they do not have time to come to the office to get work done, or they won't have an office close to their homes anymore. They may be in any situation in many countries. So, these digital solutions that we enable with flat space is actually going to be paramount post-COVID as we see already happening with this trend.

**Komal Verma:** We understand that providing Device as a Service would cater to all the user needs and deliver enhanced expedience to them. But from a CIO standpoint, how will this impact organizations?

**Vinicius David:** Well, as I mentioned, cost savings and reduced complexity are a couple of the appreciated benefits for a CIO. In particular, the DaaS solution comes with a set of lifecycle manageability and security choices that enable companies to reduce the complexity of their IT management processes. And in the end of the day, helping them to improve the end-user experience, reducing the risks associated with cybercrimes and this is exactly what CIOs are asking for. And even these days, with COVID and post, there are challenges in timespan in helping end users to get their job done. And at the same time, coping with escalations, given all the challenges with the mobile workforce increasing radically overnight, it makes it very, very important for technology companies like HP and HCL to actually become even more aggressive in their mission and objective to help them take work out that is non-essential and help CIOs focus on various strategic matters that will drive revenue growth for their organizations and not necessarily just manage costs and escalations and making sure that the end users are actually experiencing something great with their technology.

This is a given, and this is what DaaS and the specific Flex Space offer with HCL. We enable and bring in a very differentiated approach to this market.

**Komal Verma:** That's really intriguing. With a certain spot of customer requests in this space, which are the major verticals adopting this model. Do you have custom verticalized offering in this space as well?

**Vinicius David:** Another excellent question, but here's the reality. We are seeing interest for gas and actually real contracts being signed, large contracts. In most of the verticals, we have large customers in the retail space and actually many sectors from the food industry to the fashion industry. Large public sector customers, large airline companies adopting this thing, large industrial conglomerates. Now, one shifting aspect of the adoption is the fact that most of these companies are global companies or multinational companies.

We have footprint in many, many places across the globe and this is one of the key differentiators that HP will bring. When you think about Device as a Service, the ability to drive commonality globally and deliver these three major outcomes around better costs, increased employee experience and better security posture to decrease risks with security – This is what companies actually need globally in every single site they operate or for those who have most of their employees on-the-go, this is the future, and this is what the major value proposition of our solution is going to bring to enterprises immediately.

**Komal Verma:** Lastly, how do you see the uptake of Device as a Service going forward?

**Vinicius David:** So DaaS was already a reality – more and more companies were looking for an as-a-service solution for their end user computing capabilities. Now with COVID, this number and rate of adoption tends to increase radically, and we were seeing that effect already as we speak. So, IDC was predicting that the DaaS market could be close to 5 billion by 2022. That number could significantly grow as more and more IT DMs are seeing the value of DaaS and what it can do as we see more and more people going to work from home, more and more employees are becoming mobile in essence, with the demands of the modern workforce, right? And post-COVID, we are seeing that, you know, 56% of IT DMs are actually saying that they are ready to start outsourcing their end-user operations, right? So, it's inevitable, one trend that we had seen before COVID is now extremely accelerated after this event that changed not only our technology industry, but the entire planet in every single part of the economy.

**Komal Verma:** Thank you very much, David, for sharing your views and simplifying such a complex subject for our listeners. And when we come back after a short break, we will ask David for his takes on some trends in consumer technology.

**Komal Verma:** Welcome back. In this segment, we ask our guests to summarize their opinions about some exciting consumer technologies. So, are you ready David?

**Vinicius David:** Sure. Bring it on. It's been great so far.

**Komal Verma:** Artificial Intelligence.

**Vinicius David:** AI to me, it's one of the most compelling ways that humanity has seen to increase the potential of humans at work where they're impacting communities, societies, and families across the globe.

**Komal Verma:** Autonomous driving.

**Vinicius David:** Well, this is a very cool one that I like. Um, I live here in Mountain View, California, and very close to Waymo's headquarters. So it's pretty common for us as a family to see most of the autonomous vehicles circulating all over the place. And, uh, yesterday I was actually riding my bicycle with my daughter and we saw these food delivery robots serving people around the neighborhood. And what that brings to me is one very simple thing, how this thing will change not only our generation, but the generation of our kids, our grandkids.

My daughter, probably four months ago, I was picking her up at school and she saw one of these autonomous vehicles and she told me right away, daddy, you know what? You are on the driver's seat, but I have to go here in the back seat because she's only seven. And, uh, she's telling me by the way,

why don't you buy an autonomous car so you can actually, you know, stay here with me in the back seat and the car will drive itself home and we can engage, you can hug me and we can have a much nicer conversation together.

And this is one of the things that I had hadn't thought about. But, you know, my daughter brought me one of the best value propositions that I think these things will bring me. As many people talk about improved security and less accidents, I'd say my daughter gave me the idea that technology, deep learning – one of their applications can actually improve the way we connect with other humans, either at work, in our house or in our communities.

**Komal Verma:** Real-time translation.

**Vinicius David:** AI – something that I have a deep passion for and, real-time translation is one of the key outputs of one of the ears of AI that we call natural language processing. It's certainly one of the top uses and applications that we see today. Google has a very mature platform, probably one of the top capabilities in this area and a very tangible example of what AI is doing in terms of facilitating commerce in terms of facilitating people relating to one another anywhere they are. This is to me, one of the best ways for the world to be even flatter going forward.

**Komal Verma:** Virtual reality and Augmented reality.

**Vinicius David:** VR, AR to me, after COVID, it's for sure one of the moments for these technologies to surge. On our space, for example, just think about how this thing could enhance the way we actually support and help end users face problems and challenge with IT and their devices. It's certainly one of the things that will make that work from home or even more people working on, they go in anywhere in the planet. A seamless experience in terms of, you know, how companies actually communicate or interact with them from a training capacity or even to onboard them in new experiences and products that actually have to do something. And so, in a few cases where these people are actually using many of the solutions to give their customers a better experience, concerning whatever you're trying to sell and position in terms of value of what they do.

**Komal Verma:** It was wonderful having you today. Now we have a much better understanding of Device as a Service and where its market is heading. Thank you again for your time and we hope for an opportunity to host you again.

**Vinicius David:** Komal, thank you very much for all the preparation here, all the attention and especially thanks to everyone at HCL. It's been a great journey. I'm extremely excited about the opportunities and the new customers that together we're going to significantly enhance value, decrease costs and bring a number perspective concerning what the experience of their end users could look like.

If you are interested in hearing more about our Flex Space offer, Devices as a Service, I believe they're going to put most of the content here. You can send me a note. You can look for a rep in every country you may be at this stage and you can certainly hear from us anytime soon with this very exciting offer that HCL and HP are bringing together. Thank you so much.



**Komal Verma:** I thank our listeners for joining in. We want to hear from you. We need your feedback. The contact information is available in the description. Comment, share, recommend and subscribe. See you all in the next one.

This episode of the HCL Digital Workplace Podcast has ended but be sure to subscribe for more insights on how to identify, understand and prepare for a world of possibilities around the new and upcoming digital workplace technologies and trends. Don't forget to rate and review this episode so that we can keep bringing you the most relevant content. Thank you for listening.