

NEXT-GEN COMPUTING:

AI PCs and the Need for Professional Services
Are Reshaping the Competitive Landscape
for Client Devices in the SMB Market

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ENTERPRISE STRATEGY GROUP

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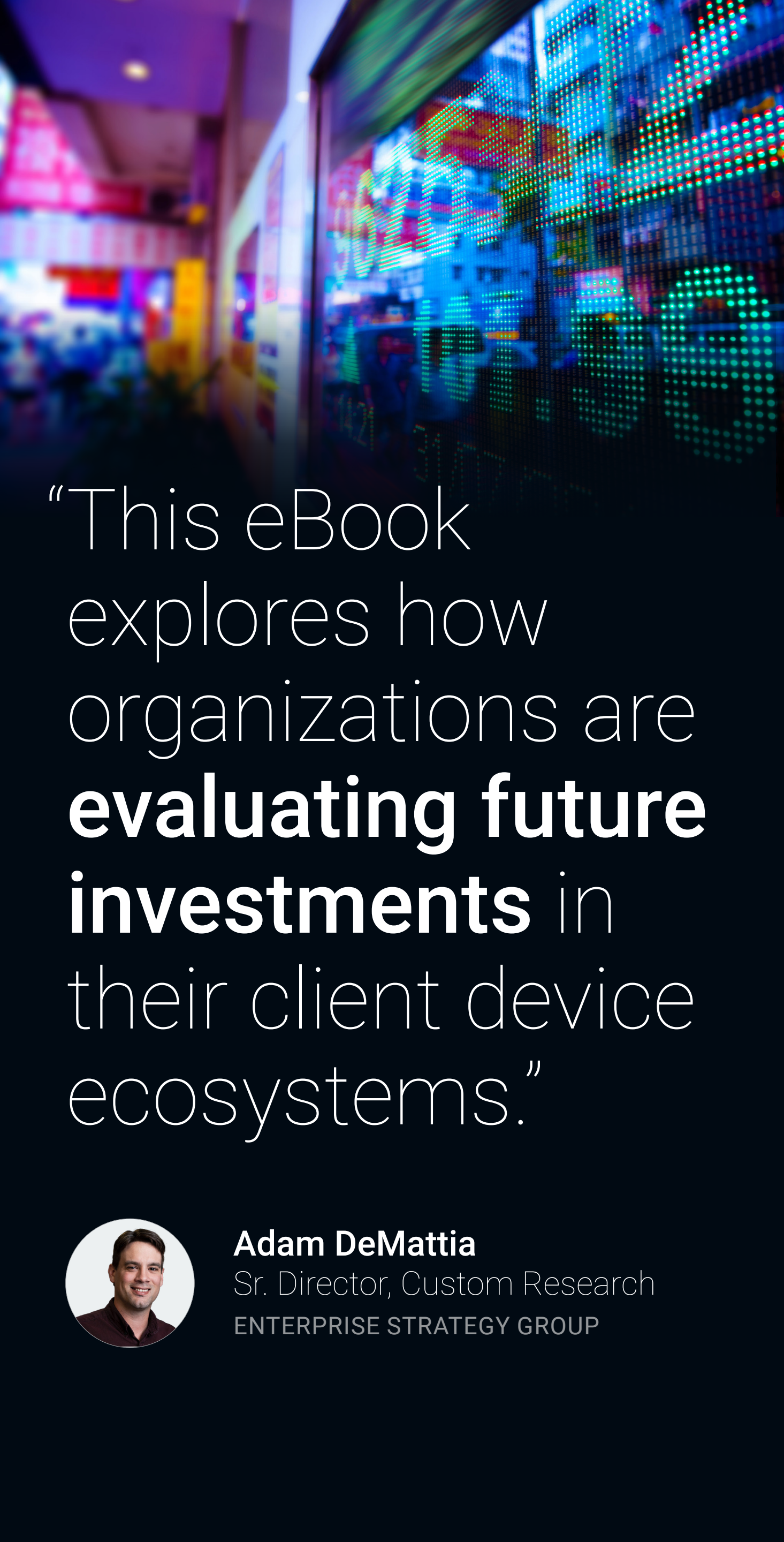
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“This eBook
explores how
organizations are
**evaluating future
investments** in
their client device
ecosystems.”



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Research Objectives

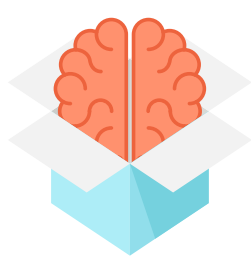
This eBook explores how organizations are evaluating future investments in their client device ecosystems. It discusses not only what solution characteristics matter most to organizations today as they plot their path to the future but extends to the professional services organizations seek to help them manage and optimize the return on investment they see from investments in client devices. Finally, the research sought to gauge the strength (or weakness) of Dell in the minds of buyers. While this research was commissioned by Dell, it was executed by TechTarget’s Enterprise Strategy Group in a blinded fashion, such that respondents were not aware of the research’s sponsor.

The data discussed in this eBook is from a web-based survey of 211 IT managers and executives at organizations with less than 1,000 employees and who are directly responsible for their organization’s purchase of desktop and laptop devices. For more information, please see the “Research Methodology and Respondent Demographics” section of this eBook.

Highlighted Findings



AI and security considerations are the two leading factors being weighed by client technology decision-makers: 42% say AI is a top-three consideration for future technology purchases, and 39% report the same for security and compliance.



End users’ pent-up demand for AI technology that automates tasks, optimizes PC performance, guides them in task completion, and makes their interactions with the PC more intuitive is noteworthy: Nine out of 10 respondents said users want these capabilities, while only 2% believed users will resist.



98% of surveyed organizations are looking to outside third parties to help them optimize their end-user computing environment with professional services, and device vendors are seen as a natural fit to deliver these services.



Dell is seen as a market leader both in terms of vendor attributes and product capabilities: Strengths of note include industry expertise, breadth of offerings, and speed and quality of support.



AI Is Seen as the Key to Unlocking End-user Productivity

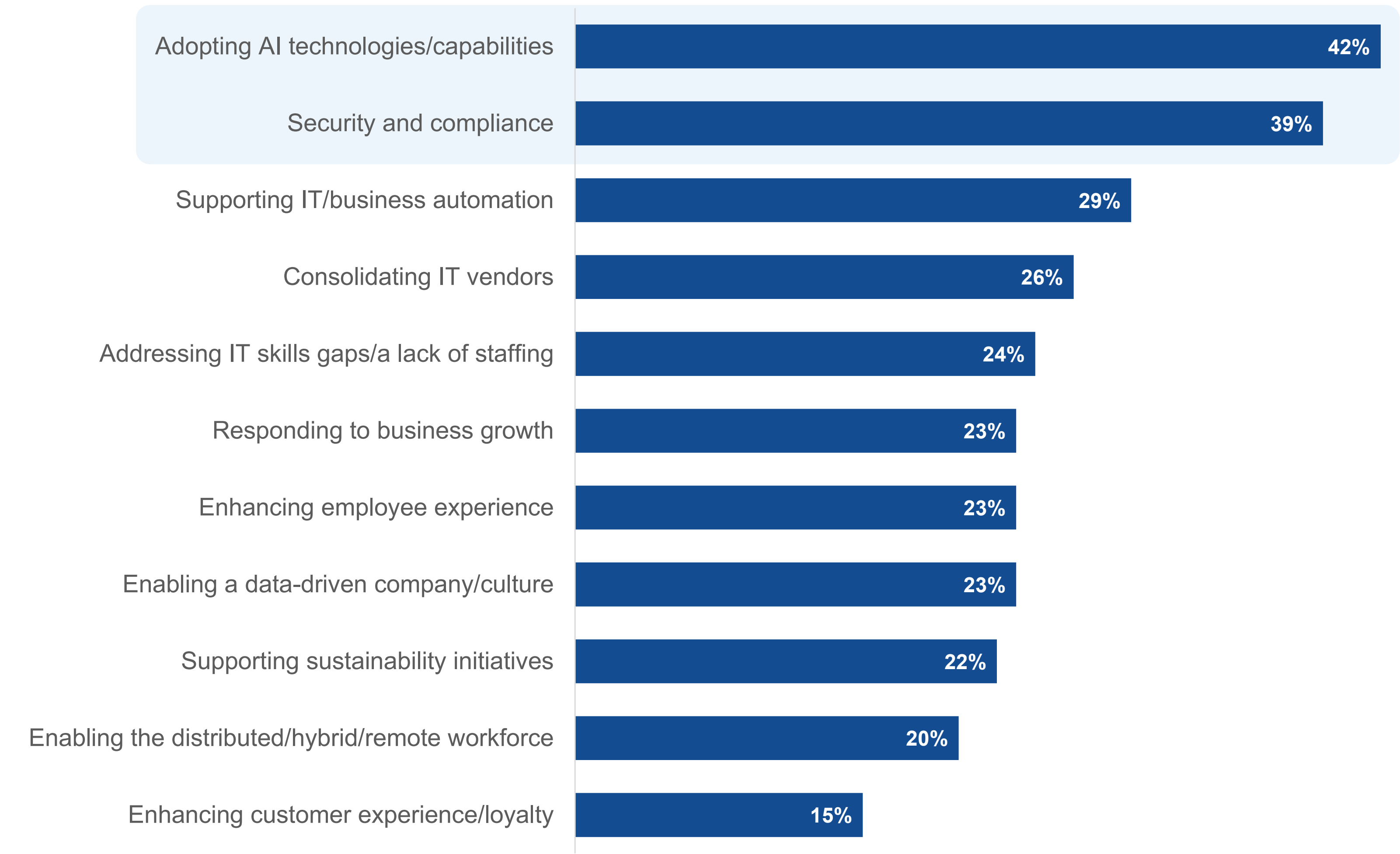
What Buyers Focus on When Evaluating Client Investments

The research first sought to understand what buyers are focusing on most as they evaluate client device investments for the next year. In this context, there are two clear “winners.”

Security and compliance are top of mind for many buyers, with 39% saying it is a top-three consideration affecting client investments. With people continuing to be organizations’ biggest vulnerability, it is essential that client devices deliver built-in security features and management controls that can help protect against common user mistakes and unintentionally risky behaviors.

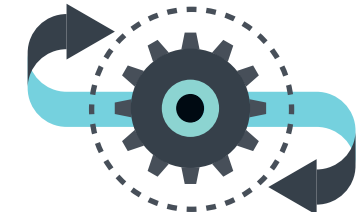
Alongside security and compliance, 42% of respondents said the adoption of AI technologies will be a consideration affecting client investments. Buyers are clearly believers that AI-enabled client devices can have a transformative impact on productivity and innovation across their workforce. By placing AI-enabled client devices in workers’ hands, organizations might see returns in the form of better data understanding and analysis, more efficient content creation, and gains thanks to manual task automation.

Trends Impacting Organizations’ Laptop/Desktop Purchases in the Upcoming Year



Buyers Say End Users Are Eager to Use AI to Augment Their Work

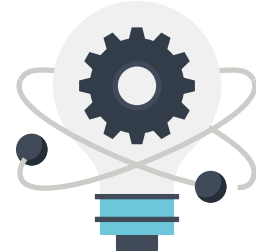
It appears the high level of interest in PCs that deliver AI capabilities is driven in response to end users’ desires. When we asked IT decision-makers to characterize their organization’s end users’ interest in AI-related PC technology, they reported the following:



89% said users were interested or very interested in PCs with AI that could automate their manual tasks.



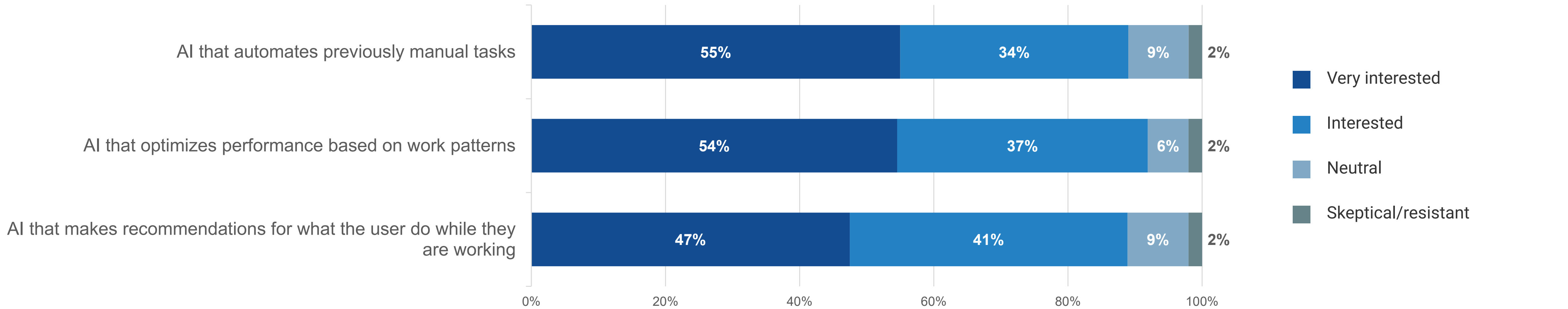
91% said users were interested or very interested in PCs with AI that optimizes device performance based on their individual work patterns.



88% said users were interested in AI co-pilots that make real-time recommendations while they work.

Broadly speaking, AI can be a controversial topic, with some end users fearing job displacement. However, as it relates to key AI capabilities that can affect how end users interact with client technology, the sentiment is overwhelmingly positive.

End Users’ Interest in AI Capabilities on Their PCs



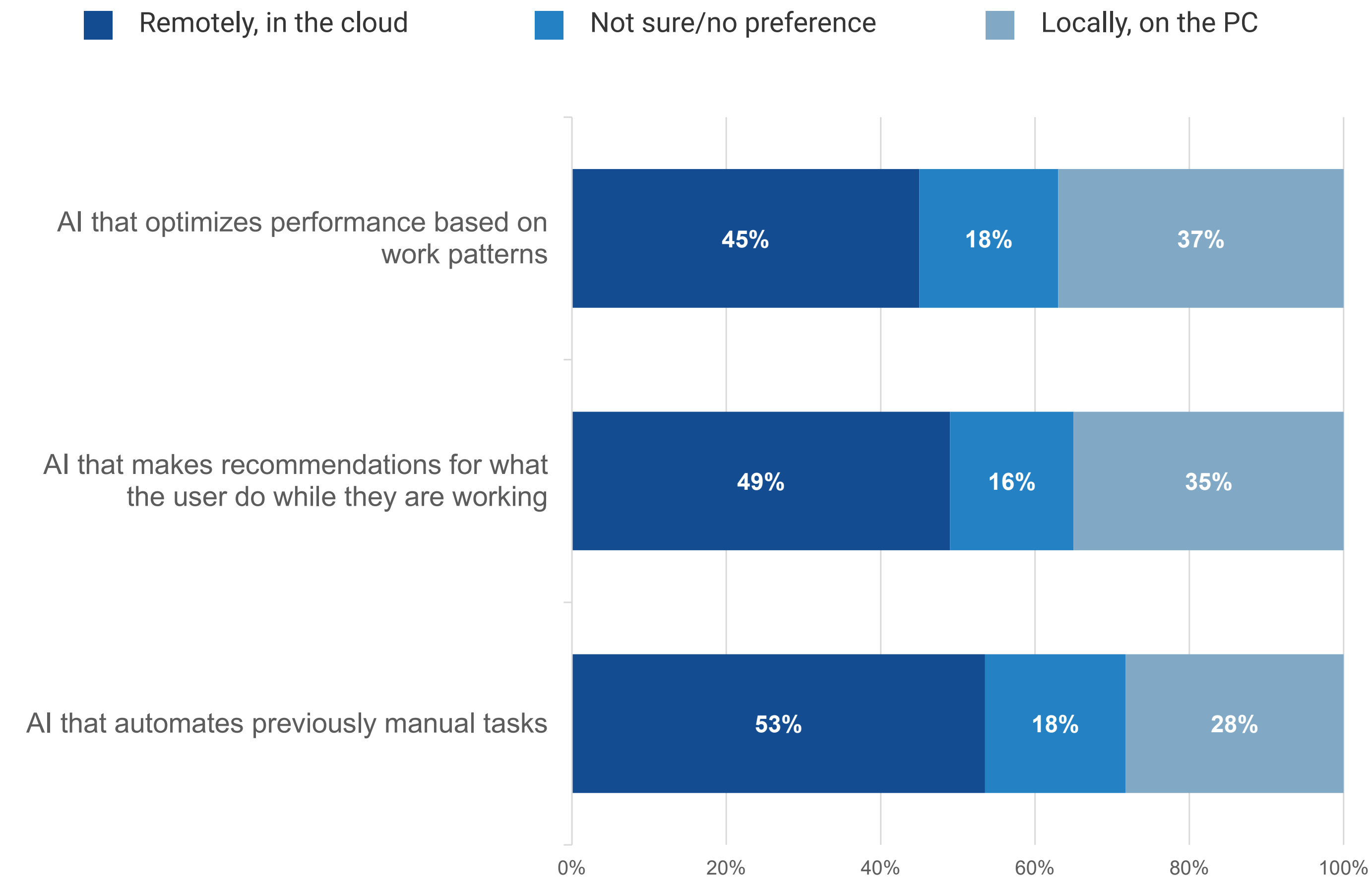
Where Clients’ AI Inferencing Will Occur Is Up for Debate

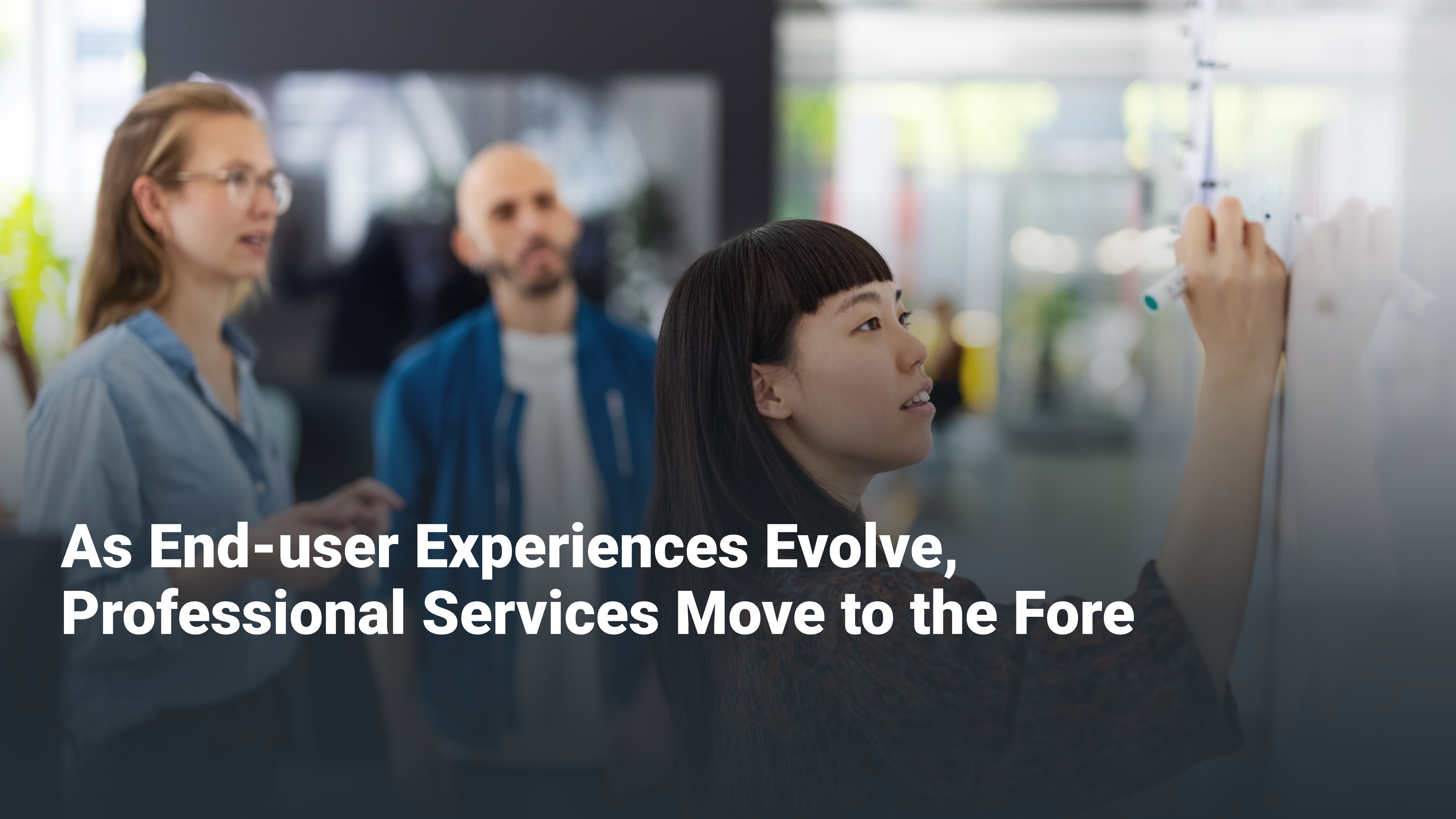
While it is evident in the data that IT decision-makers are focused on AI adoption and that end users are amenable to client-delivered AI capabilities, what is unclear is where AI inferencing will take place. While the plurality of respondents voiced a preference for cloud-based AI inferencing, the sentiment is far from unanimous, with roughly half of respondents reporting a preference for local (i.e., on the PC) inferencing or reporting they weren’t sure.

This lack of consensus is understandable. While cloud-based AI inferencing offers very scalable computing power, it can also be accompanied by high latency, high ongoing costs, and potential privacy concerns related to sensitive data that cloud-based systems might need to access. In contrast, AI inferencing on local PC hardware provides more responsive performance, can work while users are offline, and keeps sensitive data local. Organizations looking to take advantage of on-device inferencing and eliminating ongoing subscription costs endemic to cloud-hosted AI services should carefully evaluate devices’ built-in AI accelerators like neural processing units (NPUs) when making purchase decisions.

Ultimately, organizations looking to deliver AI capabilities to employees on their devices must evaluate their specific requirements to arrive at the optimal solution for their users.

Where AI Inferencing Is Expected to Occur for AI PCs



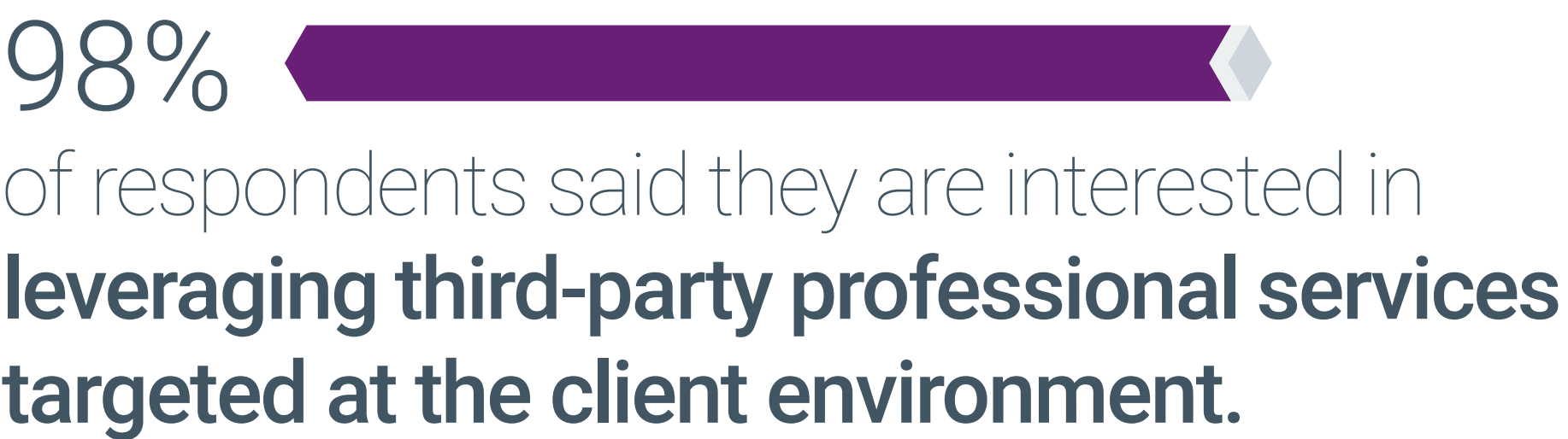
A photograph of three people in a modern office setting. In the foreground, a woman with dark hair and bangs is writing on a whiteboard with a green marker. Behind her, a man with a beard and a woman with glasses are looking on. The background is blurred, showing office lights and windows.

**As End-user Experiences Evolve,
Professional Services Move to the Fore**

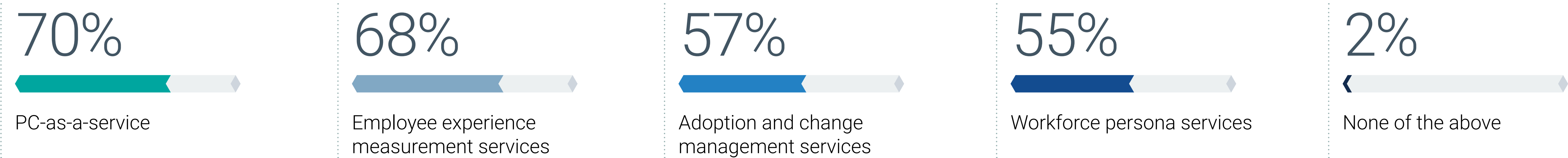
SMB Firms Seek Services to Optimize ROI

IT staff in the SMB market frequently need to wear several hats. One day they are the cloud guru, the next the cybersecurity expert, the next the help desk agent, and the next they might be delivering a status update on the latest digital transformation project to business leaders.

With so many responsibilities spanning so many disciplines, managed and professional services are frequently needed to augment internal staff, and the data reflects this is the case when it comes to optimizing the client device environment. In fact, 98% of respondents said they are interested in leveraging third-party professional services targeted at the client environment, with the majority saying each of PC-as-a-service (PCaaS, 70%), employee experience measurement services (68%), adoption and change management services (57%), and targeted workforce persona services (55%) are of interest.



Interest in Professional Services to Optimize End-user Computing



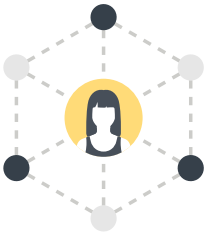
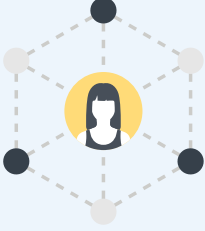
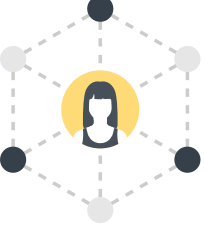
What Organizations Gain From Device-centric Professional Services

PCaaS offerings are a device lifecycle management model in which an organization pays a monthly subscription fee to lease laptop/desktop hardware and management services from a vendor. The concept of outsourcing device refreshes and security policy management has great appeal to IT decision-makers, with the majority reporting it would harden security (52%) and improve IT efficiency (51%).

While PCaaS is seen to most often deliver security and efficiency, the other services discussed in the research seem to play a key role in delighting users:

- Employee experience measurement services provide an assessment of user satisfaction, along with recommended actions and initiatives, and 65% of respondents saw this as helping improve EUX and productivity.
- Workforce persona services help organizations understand the needs of various worker cohorts and ensure client technologies meet these requirements. Here, 64% of respondents saw a boost to EUX and productivity.
- Adoption and change management services provide consistent training to users to ensure their comfort with client technologies as they evolve over time: 63% of respondents saw this offering as improving employee engagement and retention.

Top Benefits Associated With Different Device-centric Professional Services

PCaaS:	 52% Increased security	 51% Increased IT efficiency	 51% Improved employee productivity
Employee experience measuring services:	 65% Improved EUX	 64% Better insight into satisfaction/issues	 64% Improved employee engagement/retention
Workforce persona services:	 64% Improved EUX	 63% Improved employee engagement/retention	 56% Better adoption of tools and applications by end users
Adoption and change management services:	 63% Improved employee engagement/retention	 56% Better adoption of tools and applications by end users	 54% Improved productivity

For Professional Service, Consolidation Is Key

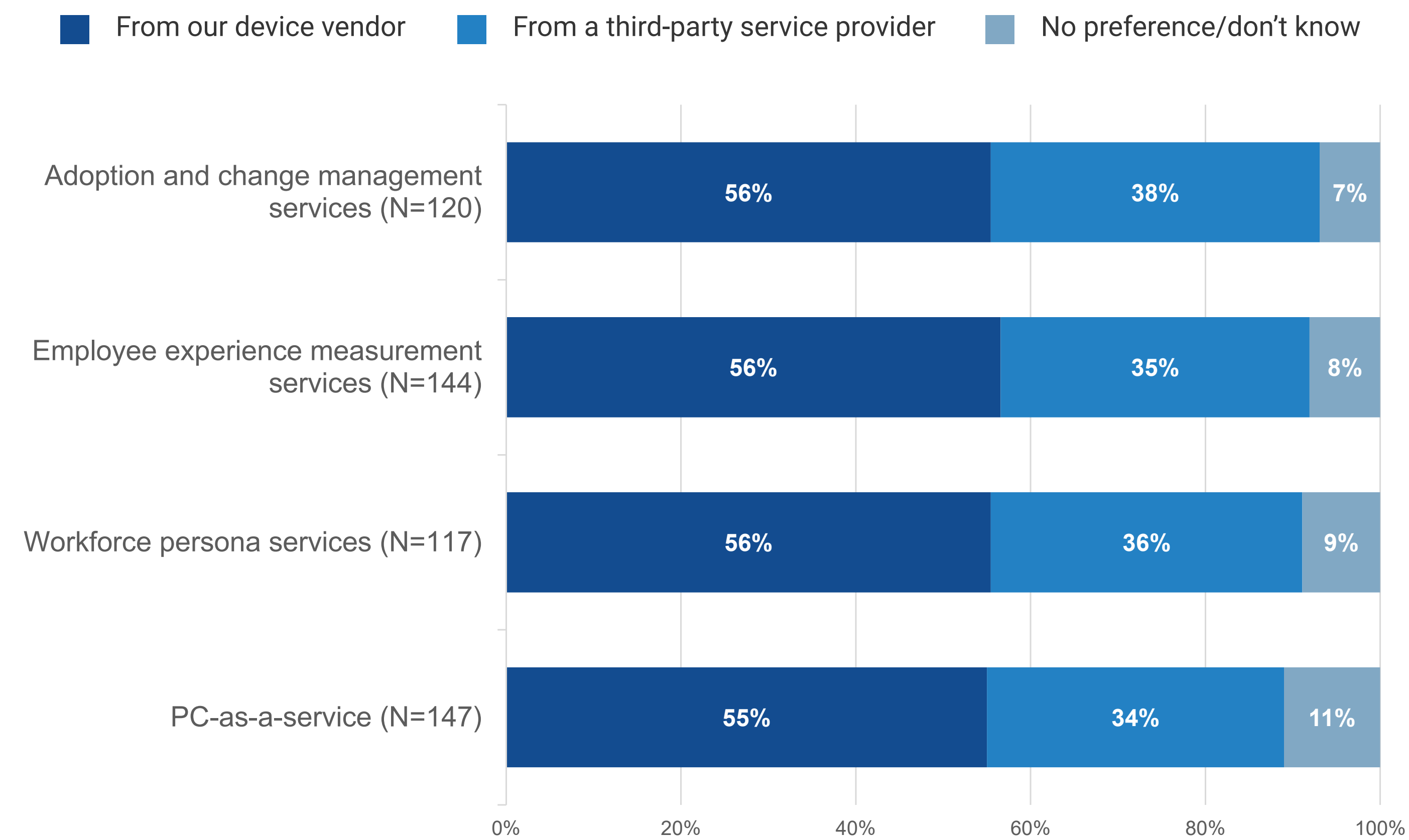
As for who SMB organizations want to receive device-centric professional services from, there is a strong leaning toward partnering with device vendors over other third-party service providers. The majority (55%-56%) of respondents interested in each service offering reported they would prefer to purchase these companion services from their device vendor.

In the SMB market particularly, the appeal of having a single point of contact for both hardware and services tends to resonate, as complexity is the bane of overburdened IT staff.

Beyond that efficiency, there are other benefits that might drive this preference:

- Device vendors have a deeper level of product expertise compared with other third parties and direct access to engineering resources when dealing with particularly challenging issues.
- Device vendors have better visibility into product roadmaps and can tailor services to account for future product innovations.
- The opportunity to receive discounts tied to product and service bundling should not be underestimated in a market segment where IT budgets and resources might be more limited than large enterprises.

Who Respondents Want to Deliver Professional Services





**Buyers Trust Dell to Deliver the Client
Innovation They Need for the Future**

“82% would seriously consider **Dell** when refreshing their fleet of devices.”

What Has Caused Organizations to Change Device Vendors

The survey asked respondents if they had recently changed device vendors and, if so, what catalyzed the switch. While the data showed a variety of considerations tend to be at play, the top tier of drivers included improvements in reliability (44%), performance (42%), and price (42%).

The survey also asked respondents to imagine they were in the throes of planning a major device fleet refresh and asked which device vendors they would seriously consider. More than four out of five respondents reported Dell would receive their consideration, 5 percentage points clear of the next-highest-rated vendor.

What Organization’s Prioritize When Changing End-user Computing Device Vendors

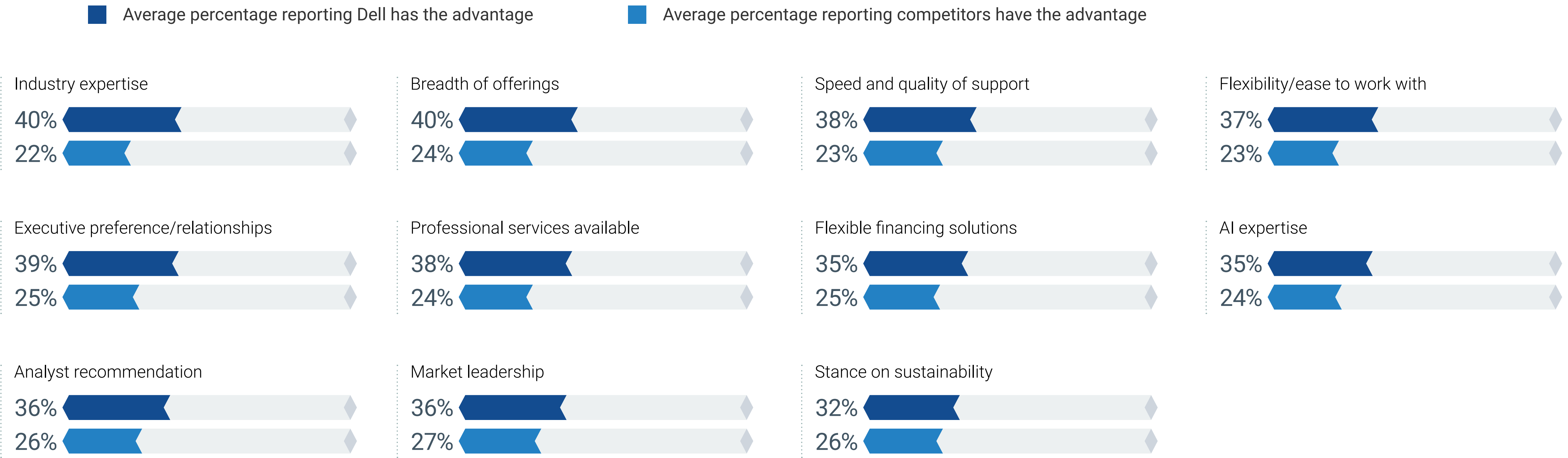


The Dell Brand Shines

The survey asked respondents to evaluate pairs of vendors and report which they saw as having the advantage across a range of attributes. In total, Dell was compared to three competitors. Looking across these comparisons, respondents more often gave the edge to Dell across every attribute. Most often, Dell was seen as outstripping peers in terms of industry expertise, breadth of offerings, and speed and quality of support.

It is clear that Dell is seen as a leading vendor when it comes to end-user computing in this blind research study.

How Dell Stacks Up to Competitors, Vendor Attributes

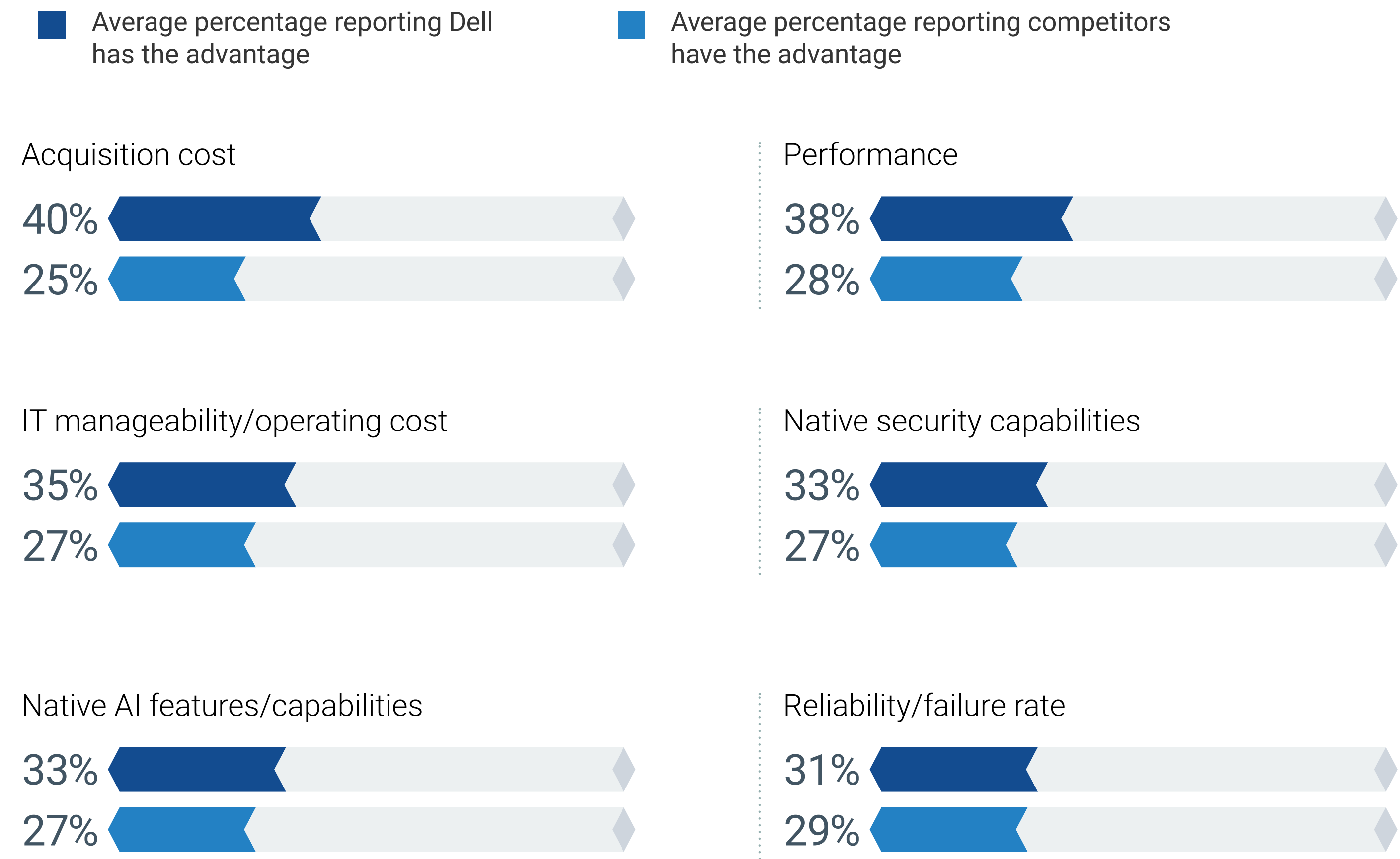




Dell Products Are Viewed Favorably

Beyond asking respondents to evaluate vendors on company attributes, specific device product attributes were assessed as well. Once again, respondents compared Dell to three leading competitors. And once again, in the aggregate, Dell's products were more often seen as having an advantage. Most often, Dell was seen as leading on cost, performance, and IT manageability.

How Dell Stacks Up to Competitors, Product Attributes



Conclusion

This brand-new data from IT buyers reveals several key dynamics playing out in the SMB market today. First, in a rare development based on other Enterprise Strategy Group surveys, security has been supplanted by AI as a driving force shaping future technology purchases, at least as it relates to client devices. Organizations are almost ubiquitously evaluating how third-party services can help them modernize and secure their device footprint while also working with end users to ensure they have the device technology they need and are empowered to use it effectively. Finally, IT buyers should know that, when it comes to client devices, Dell is viewed very favorably both at the company and device product level by their peers. Given these findings, there are several questions IT buyers should ask themselves as they assess and implement their client device strategies moving ahead:

- 1. What technology trends are most affecting the next wave of device purchases at our organization?
- 2. Have we fully explored how managed and professional services for client technology can optimize our business?
- 3. When was the last time the organization has done a rigorous comparison across device vendors, considering factors like supply chain security, built-in device security, AI expertise, available professional services, and objective measures of reliability and performance?

How Dell Technologies Can Help

Dell has developed a portfolio of workforce-focused services that are aimed at enabling hybrid teams with tailored solutions for seamless collaboration and innovation.

Pc-As-a-Service

Employee experience
measurement services

Adoption and change
management services

The era of the AI PC has arrived. Read more about Dell’s vision and see their solutions.

Learn More about
AI PCs



RESEARCH METHODOLOGY
AND DEMOGRAPHICS

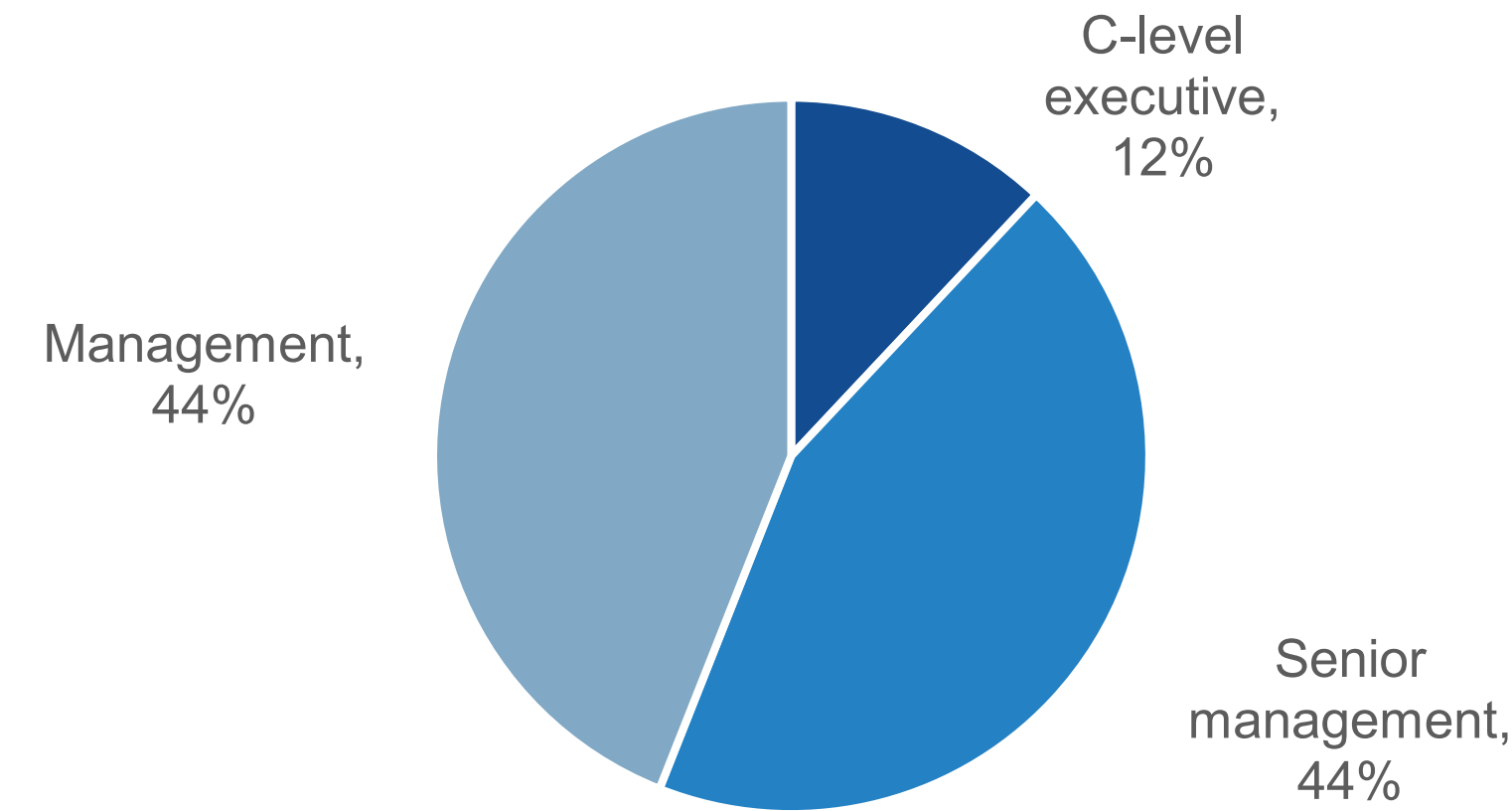
To gather data for this eBook, Enterprise Strategy Group conducted a comprehensive online survey of 211 U.S.-based IT decision-makers involved with their organizations’ purchase process for their organizations’ endpoint devices.

All organizations represented were in the SMB market segment (i.e., 100-999 employees) and span all private- and public-sector verticals. The survey was fielded between May 10, 2024 and May 26, 2024.

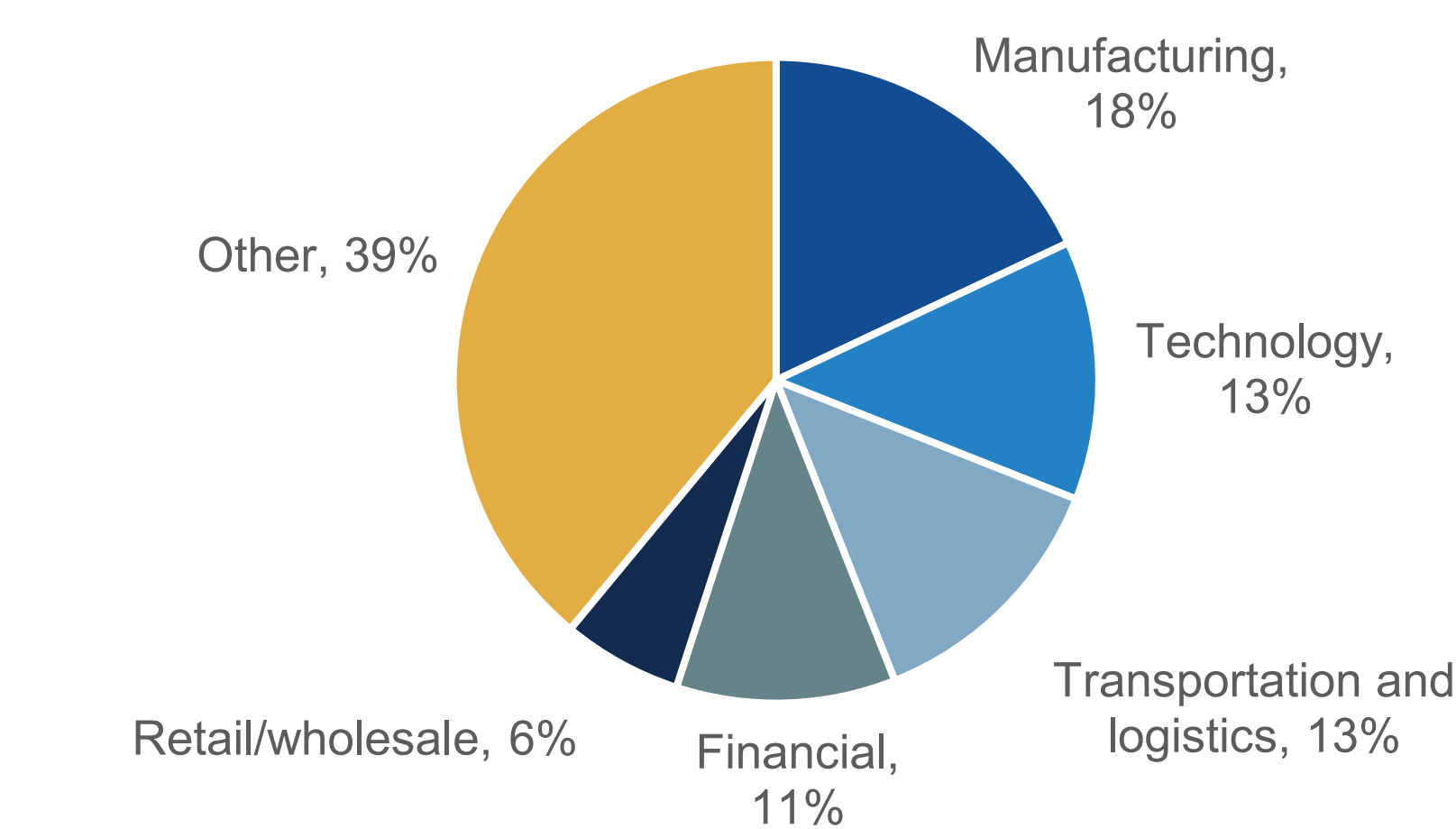
The margin of error at the 95% confidence level for this sample size is + or - 7 percentage points.

Note: Totals in figures and tables throughout this report may not add up to 100% due to rounding.

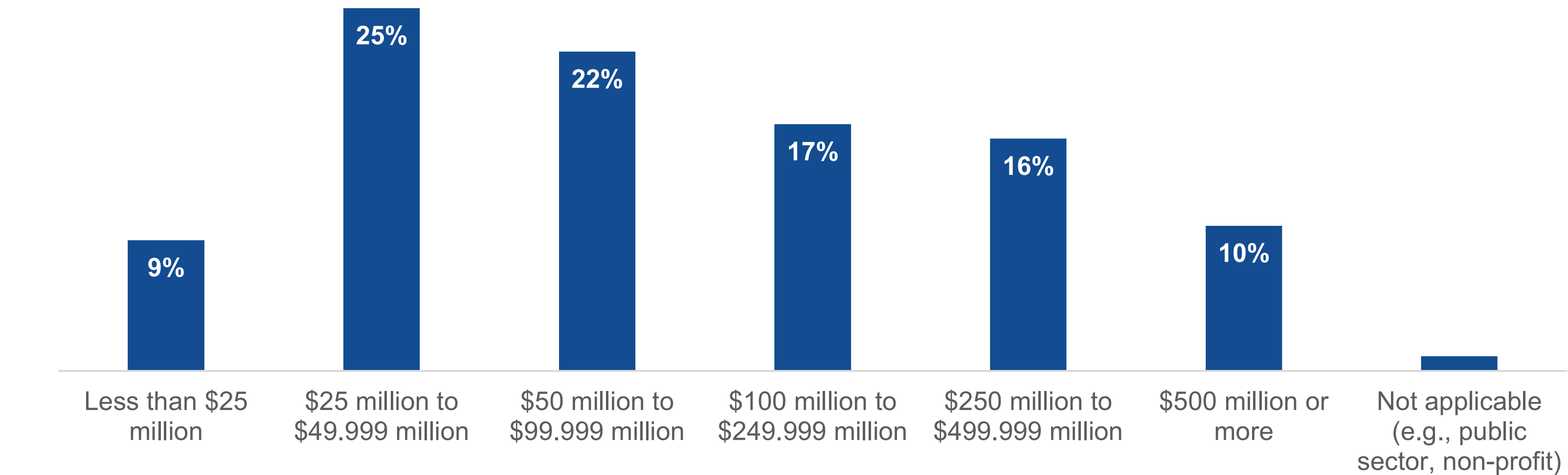
Which of the following best describes your current job title/level? (Percent of respondents, N=211)



What is your organization’s primary industry? (Percent of respondents, N=211)



What is your organization’s total annual revenue (\$US)? (Percent of respondents, N=211)



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