

Device as a Service: A circular approach to tech management

The market today offers companies various ways to procure tech, with the most common methods being outright purchase or leasing. In recent years, Device as a Service (DaaS) has increasingly emerged as a more sustainable alternative. This article explores DaaS, and its benefits compared to traditional buying methods, providing insights into a circular approach of procuring tech.

Understanding Device as a Service

Device as a Service (DaaS) refers to subscribing to hardware as a service. The Boston Consulting Group (BCG) has predicted that DaaS will grow in the European market with around a 40% compound annual growth rate (CAGR) between 2021 and 2025. DaaS offers a more circular approach to consuming tech, where hardware is used for a set period of time, and then traded in to be refurbished and reused, potentially in a second or third lifecycle. This model extends the device's lifespan through additional services that add value for the end-user.

Comparing procurement methods

When comparing procurement methods, purchase, leasing, and Device as a Service (DaaS) each offer different advantages and weaknesses.

Traditional purchase of tech grants full ownership, but it involves high upfront costs, ongoing responsibility for maintenance, and the risk of devices becoming outdated. For instance, if a company purchases 500 laptops and later needs to downsize, they are left with surplus devices and costs, without the flexibility to return unused equipment. Additionally, the devices follow a linear lifecycle, meaning they are often replaced every 3–5 years, contributing to increased e-waste and Scope 3 emissions. The company is then responsible for managing these devices, from upgrades to disposal, adding to the complexity.

Leasing provides more flexibility compared to buying, as it spreads the cost over time and allows for regular device upgrades. However, it still locks a company into a fixed number of devices for the lease term, regardless of changing business needs. If 400 employees leave the company, those 500 leased laptops remain

under contract, resulting in excess devices and ongoing payments. Furthermore, leased devices are often returned without assurance that they will be refurbished or reused, which can undermine sustainability goals.

Meanwhile, **DaaS** offers the most flexibility and scalability. In a DaaS model, companies can easily scale up or down depending on their workforce needs. If a company has 500 laptops and suddenly no longer needs 400 of them, the unused devices can simply be returned, and the cost associated with those devices is removed. This makes DaaS ideal for businesses experiencing rapid growth or contraction. Additionally, DaaS includes device management, regular upgrades, and maintenance, with devices refurbished and reused in a circular lifecycle. This significantly reduces e-waste and aligns with sustainability goals, minimizing Scope 3 emissions by extending device lifespans through responsible reuse.

Why choose a circular solution for company devices?

A circular subscription model reduces the negative environmental footprint and supports a more sustainable way of using tech through reuse and responsible management of electronics. Opting for a circular solution promotes the circular economy by extending the lifecycle of tech devices. After their initial use, devices are returned for reuse or refurbishment, minimizing negative environmental impacts and fostering a more sustainable use of resources. Including refurbished devices in the tech fleet will significantly reduce a company's Scope 3 emissions.

This approach also allows companies to use tech devices without dealing with ownership, maintenance, or potential technical issues. Additionally, the model simplifies compliance with new reporting requirements, such as the Corporate Sustainability Reporting Directive (CSRD). By opting for DaaS, companies can more easily manage device upgrades, repairs, and returns, as these are all handled by the service provider, ensuring that devices are reused responsibly, further supporting the circular economy.

A circular subscription solution is ideal for any company looking to gain greater control and flexibility over its tech devices while minimizing its negative environmental footprint. Whether renting computers, mobile phones, or other devices, a circular procurement model offers a flexible and cost-effective choice.