NEW WINDOWS 10 PCs
are a strategic investment in productivity and security for SMBs in the modern world of work

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CONTEXT

Six months have changed how SMBs (25–499 seats) operate, how employees work, how customers purchase, and how products/services get delivered. SMBs, which constitute over 90% of global businesses, have been more severely impacted than any market segment. With the sudden shift to remote work for millions of SMB employees globally, the expectations for the technology they rely on to do their jobs have changed, and the importance of modern IT solutions has come to the forefront. Tough times bring business and technology decisions into sharp focus, requiring smart investments, which means new ways of working, taking advantage of new technologies and capabilities to grow business, and build an agile, mobile, secure workstyle. Techaisle's global post-pandemic SMB survey research reveals that cloud, mobility, collaboration, and security are among the top five technology priorities for over 65% of SMBs, and 59% of SMBs plan to increase their remote working IT investments.

Data also reveals that the new world of work is driving 40% of SMBs to accelerate their digital transformation technology investments, and 79% are on a path to digital transformation. IT industry is abuzz with discussions on how digital transformation delivers each of the top SMB business goals of decreasing costs, reducing security risk, and improving productivity. Unfortunately, the sheer volume of solutions makes it challenging to identify those that best respond to business goals. While all are useful in one way or another, only a few provide direct line-of-sight from deployment to business outcomes of cost savings, growth, agility, productivity, engagement, customer intimacy, and security risk management. At the very least, SMBs agree that significant and lasting digital transformation depends on core technology infrastructure, starting with a solid foundation of the work device, PC.

PC is the center of productivity, collaboration, remote work, and mobility. It is, in fact, an essential tool for an SMB employee's digital workspace. As per Techaisle's global SMB survey, a new Windows 10 PC has a significant impact on employees' productivity, delivering improved performance, better security, remote working, and manageability features. SMBs with an aging PC portfolio face several problems. Older PCs tend to be slower, harder to equip with current software, are more prone to crashes and failures, lack the latest connectivity capabilities, and miss much-needed built-in hardware security features, all of which harm business.

Yet, 40% of SMBs have either no PC refresh policy or are not following the system, and 32% of Windows 10 PCs in use are 4+ years old. Manufacturing, personal services, and retail industry verticals have the highest percentage of 4+-year-old Windows 10 PCs and lag in their refresh cycles.

Older PCs, especially those past their extended support windows, increase security threat profile, endangering users, data, applications, and devices. Productivity suffers, IT support increases, IT efficiency deteriorates, business agility weakens, profitability decreases, workstyle and workflow suffer, post-pandemic recovery sputters.

ANALYSIS

To understand the differences in cost, productivity, security vulnerabilities, and business benefits between newer, <4year, Windows 10 PCs and older, 4+ year, Windows 10 PCs, Techaisle recently conducted a global study, surveying business and technology decision-makers in 2085 SMBs. Microsoft sponsored the study.
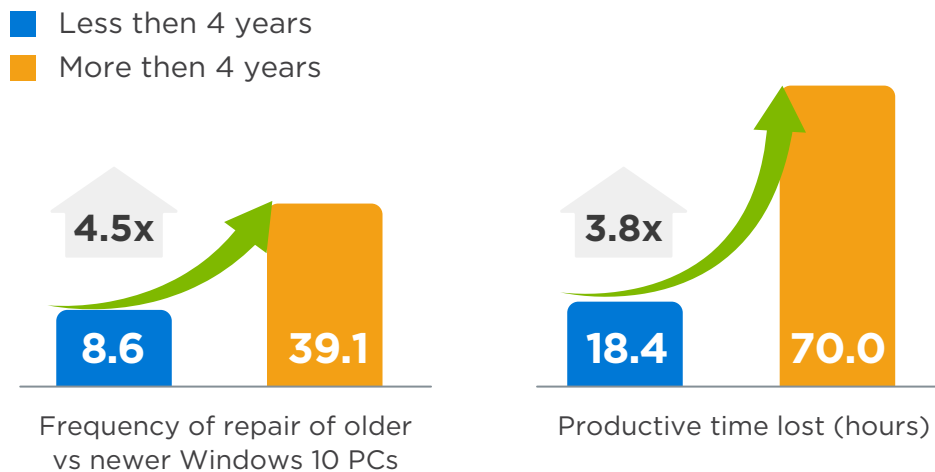
The study exposed the actual dollar cost of lost productivity that unbeknownst to most SMBs are chipping away at profitability. It also revealed the number of productive work hours lost per year and an increase in security exposures. The survey research also identified vital business benefits SMBs experienced after replacing older Windows 10 PCs with newer Windows 10 PCs.

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OLDER WINDOWS 10 PCS REDUCE PRODUCTIVITY, INCREASE OPERATIONAL COSTS, DIMINISH SECURITY

REDUCED PRODUCTIVITY

Techaisle data reveals that older 4+ year Windows 10 PCs experienced 4.5X the frequency of problems as newer Windows 10 PCs, which reduces IT efficiency and productivity, resulting in 70 hours of productive time lost per year per PC, which is 3.8X of newer Windows 10 PCs. This lost time equates to nearly two work weeks per older Windows 10 PC per year.

4+ year old Windows 10 Pcs decrease produtivity
70 hours per PC/year Productivity time is lost

■ Less then 4 years
■ More then 4 years

4.5x

8.6   39.1

Frequency of repair of older
vs newer Windows 10 PCs

3.8x

18.4   70.0

Productive time lost (hours)

But productive time lost is only part of the cost inefficiencies experienced. As one SMB IT Director said:

"We lose around 5% to 9% of total working hours due to PC related problems. Ours is a food processing center. If one PC goes down, you can imagine it has a ripple effect across the production line. Moreover, it has an impact on perishable items' backlog, causing raw material wastage"

Survey research reveals that SMBs lose an average of US$1193 per older Windows 10 PC per year in lost productivity, which is 3.8X of newer Windows 10 PCs

Cost to business due to lost productivity per 4+year old Windows 10 PC/year

3.8x

$313 **$1,193**

■ Less then 4 years ■ More then 4 years

Older Windows 10 PCs experienced 3.2X – 3.6X as many application performance issues and system crashes as newer Windows 10 PCs. As older PCs' system performance begins to degrade, and the number of concurrently open applications increases, it is not surprising to find that progressive SMBs replace PCs. A typical chorus from SMB respondents is similar to the one mentioned by an IT manager in Europe:

"Older computers tend to be slower and more prone to breakdowns. Computing users' waiting time due to older computers' slowness, adding the time lost when an older machine breaks down, we will have approximately 8 hours a month of lost time due to an older PC. We replace some PCs, but usually, the budget gets in the way of buying new PCs."

INCREASED OPERATIONAL COSTS

Budget constraint is inhibiting replacing older PCs for 41% of SMBs. But SMBs do not realize that older PCs contribute to loss in productive hours - an invisible cost, a strain on the budget, that does not appear in the accounting books of SMBs. The higher cost of maintaining older PCs has a more massive cumulative effect on IT budgets because productive time lost directly increases operational costs. Study data shows that the **total cost of owning and maintaining a 4+ year old Windows 10 PC is US$1,525, which is 3.3X of newer Windows 10 PCs,** a charge that drains cash flow and adds to the operating cost of an SMB, which they can hardly afford. In the words of an SMB owner:

> "We are accounting and insurance intermediators. Even an hour's downtime causes a major block in our business. Though we have an active in-house IT, yet 5% to 6% person-hours loss does occur. We know we lose money"

Total cost to business per 4+ year old Windows 10 PC/year

3.3x

$456 $1,525
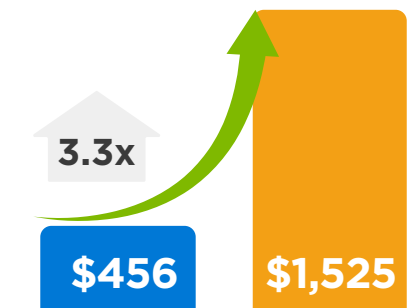
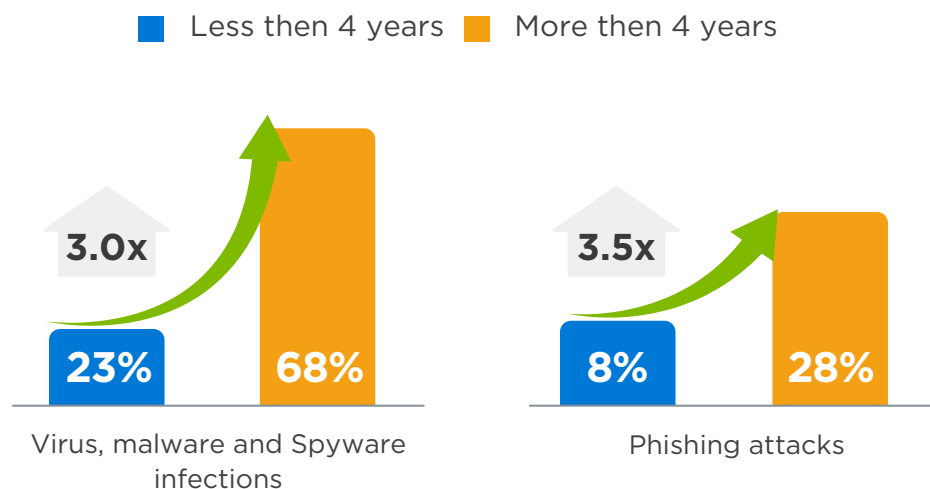■ Less then 4 years   ■ More then 4 years

On the flip side, **69% of SMBs surveyed agreed that new Windows 10 PCs reduced overall costs.**

Cost implications vary for SMBs of different sizes, but it is a fact that the **cost either equals or exceeds the purchase price of newer Windows 10 PCs. Replacing, rather than repairing and maintaining, reduces the cost of operations and frees up budgets.**

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DIMINISHED SECURITY

The increased security vulnerability is another issue that SMBs are experiencing with older PCs. An SMB's business relies on technology, but lurking around the corner are intruders who can disrupt or devalue business operations, especially when employees are working from home. It is tempting to consider phishing and malware types of attacks to be random and infrequent. Still, employees unknowingly do open emails from unknown senders, creating a cascade of cybersecurity breaches. SMB survey data revealed that **older Windows 10 PCs experience 3X more malware attacks and 3.5x more phishing attacks than newer Windows 10 PCs. 67% of SMBs experienced a security breach resulting in an average 3.3% of revenue lost.**

4+ year old Windows 10 Pcs reduce security, increase vulnerability
(% = Very frequent + Frequent occurrences)

■ Less then 4 years   ■ More then 4 years

3.0x		3.5x	
23%	68%	8%	28%

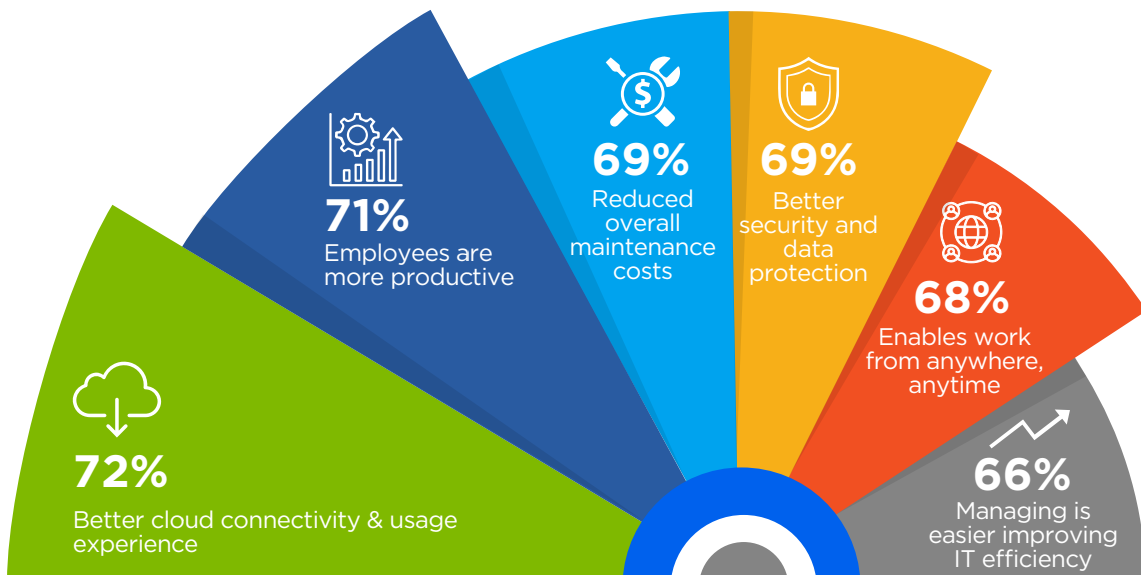Virus, malware and Spyware infections   Phishing attacks

NEW WINDOWS 10 PCS REDUCE COSTS, IMPROVE PRODUCTIVITY, INCREASE SECURITY, PROVIDE BETTER CLOUD EXPERIENCE

As SMBs are emerging from the pandemic crisis, they are also thinking about the future of work and employee empowerment. This empowerment refers to the new priorities among SMBs to invest in technologies that allow employees to make better business decisions, improve market reaction time, and better serve customers. Empowered employees also tend to stay with current employers. Concurrently, SMB executives are looking for a fast, sure way to boost business viability and bottom line. Cost savings is a natural first- step in exerting control over businesses and ensuring viability in a yet uncertain market. SMB IT staff (full-time or part-time) want to be well-positioned to manage remote work devices, reliability, privacy, and cyber-risk. With the increased adoption of mobility and cloud, there is no fixed perimeter to harden and defend – the edge shifts with the physical movement of each device-holding end-user.

A new Windows 10 PC is a logical step for empowered employees, reduced costs, and better security for remote digital workstyles, workflows, and workspaces.

New Windows 10 PCs have had positive business impact on more than 2/3rd of SMBs

71% Employees are more productive

69% Reduced overall maintenance costs

69% Better security and data protection

68% Enables work from anywhere, anytime

72% Better cloud connectivity & usage experience

66% Managing is easier improving IT efficiency

Survey research shows that SMBs using newer Windows 10 PCs have experienced several benefits. Among the top are better cloud connectivity and usage experience, more productive employees, reduced operating cost, better security, and easier manageability for IT staff. The positive business impact prompted one US SMB CEO to say:

"Now our older Windows 10 PCs are less, but they gave us lots of problems. We have recently relegated them to lower domain work and replaced newer PCs for more active and routine work. Last year we had some major hours loss due to old PCs. We replaced a few of them. In the next few months, we will finish replacing all PCs older than three years".

As SMBs are increasingly transitioning to digital workspaces, employees are using several applications **simultaneously and remotely.** Top applications used are business productivity, communications, and collaboration, sales/marketing, financial/accounting, customer-focused, and line of business.

SMBs mentioned that the use of newer Windows 10 PCs leads to significant improvements in application performance with:

2.6X less
frequent application crashes,

2.5X fewer
incidents of notebook battery depleting too soon,

2.2X fewer
occurrences of slowing applications as compared to older Windows 10 PCs.

GUIDANCE

These positive experiences resulted in less employee productive time lost, less IT support requests/tickets, thereby contributing to an improvement in IT efficiency, reduced upgrade costs, and lower costs associated with loss of time.

It is not surprising that for 65% of SMBs, improved multitasking speed and 41% longer battery life are essential new PC performance capabilities. Improved PC performance leads to enhanced productivity, efficiency, and better remote work experience. With better manageability and reduced overall maintenance expenses, newer PCs directly improve the bottom-line by lowering operating costs and growing top-line by driving business responsiveness and agility.

If technology is essential to business success and profitability, security is critical to the value of technology. SMBs that implement effective, responsive security are well-positioned to capitalize on new technologies and the efficiencies that they enable.

> 43% of SMBs say that "better security features" is a reason for purchasing new Windows 10 PCs and is among the top decision factors.

SMBs using more modern Windows 10 PCs benefit from identity protection, powered by Windows Hello. In most new Windows 10 PC configurations, specialized biometrics hardware such as a fingerprint reader, illuminated IR sensor, or another biometric sensor is present. Trusted Platform Module (TPM 1.2 or greater) supports device encryption and Defender System Guard. Clearly, **48% of SMBs say that hardware-level security is critical, and 77% consider it as the second top feature considered when purchasing new PCs.**

REPLACING OLDER WINDOWS 10 PCS IS A STRATEGIC INVESTMENT IN PRODUCTIVITY AND SECURITY FOR SMBS IN THE NEW WORLD OF WORK

SMBs are investing in cloud, mobility, and collaboration because together, they contribute to cost savings, increase market reach, improve productivity, and establish new ways of working. However, security remains the top constraint for accelerating remote work adoption as SMBs struggle with data protection and mobile management. The latest Windows 10 PCs offer the right tools for the most critical jobs.

When improving employee productivity, cost control, and cash conservation is among the top SMB business priorities, it is natural to assume that businesses explore all options to achieve their priorities. Unlike large enterprises with financial and staff resources to try many different solutions in search of incremental gains, SMB executives should focus on approaches that deliver real advantages with rapid payback. Longer-term strategies are essential, but they have to be put together from piece parts that each provides tangible and immediate benefits. One such piece part is the new Windows 10 PC by taking advantage of PC hardware and software innovations. There have been significant hardware innovations that SMBs businesses can benefit from faster processors, improved graphics, improved energy efficiency, improved connectivity, better security, better battery life, better collaboration, and improved manageability.

RECOMMENDATION

Modern, easy-to-manage PCs means SMB employees can be more productive from anywhere. Mobility provides new ways of engaging with customers, partners, and suppliers - issues that are critical to productivity and SMB executives. Cloud adoption contributes to employees being more productive, delivering better customer service, enhancing the ability to work remotely and flexibly. Not replacing older Windows 10 PCs can affect business growth and productivity and increase security risk.

Too often, SMBs focus on short term costs, and while in most cases, this approach is valid, at times, it can lead to situations that cost them more. The choice between maintaining older PCs and replacing them with newer PCs is one such area. In light of the issues faced by Windows PCs 4+ years, replacing is a more prudent course of action. Replacing older Windows 10 PCs will reduce problems, downtime, cut maintenance costs, lessen costs associated with security breaches. For SMBs who do not have enough capital for outright purchase, PC-as-a-Service (PCaaS), sometimes referred to as Device-as-a-Service (DaaS), is an attractive option. DaaS is a service in which PC hardware, software, and lifecycle services are offered on a price per seat per month basis for a fixed term. It provides predictable monthly pricing for the entire PC lifecycle and provides an attractive option for the refresh of aging PCs when SMBs.

SMBs with dated PCs are vulnerable. Newer Windows 10 PCs improve protection against ever-evolving cyber-attacks. The consequence of a breach is not only damage to customer privacy and trust, but also to brand reputation and profitability. A practical approach to phishing and malware defense is achievable when PC and network technologies combine with policies and training, which helps SMBs to ensure that their most proactive workers aren't also potential targets for intruders.

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ABOUT TECHAISLE

Techaisle is a global SMB, Midmarket, and Channel IT Market Research and Industry Analyst organization focused on simplifying, expanding, and growing client's share in three of the most complex market segments – SMBs, Midmarket, Channel Partners. Techaisle's premise is that Go-to-Market strategies require insightful research, flexible data, and more in-depth analysis. Understanding the value of data consistency across markets to inform strategic planning, Techaisle is holistic in its approach to insights and provides globally consistent analysis across geographies. To achieve its objectives, Techaisle conducts in-depth surveys with end-customers and channels to understand market trends, opportunities, buying behavior, purchase intent, and IT priorities. Besides covering such as cloud, managed services, mobility, IoT, virtualization, analytics, collaboration, HCI/converged infrastructure, security, and digital transformation, its channel research coverage provides an in-depth understanding of resellers and channel partners globally. Techaisle provides insights built on a robust data-driven foundation, and its analysts are conversant with both primary research and industry knowledge, which is a rare combination. Techaisle offers its clients: Syndicated Research, Custom Primary Research, Consulting Engagement, and Competitive Intelligence. For more information, visit www.techaisle.com

Contact:
Ph: 408-2534416
5053 Doyle Rd, Suite 105,
San Jose, CA 95129

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