

# A Roadmap for Success in the Everything-as-a-Service World

Best Practices for Growing and Scaling XaaS Business Models

## The Future is Everything-as-a-Service (XaaS)



For technology companies, digital innovation requires transforming traditional IT into flexible XaaS models at a rapid pace, and the pressure to succeed is intensifying:

**By 2023**, an enterprise's ability to quickly develop digital innovations will become a core competitive requirement.<sup>1</sup>

**By 2025**, every enterprise, no matter the industry, will shift into a "digital innovation factory."<sup>1</sup>

## XaaS Strengthens and Protects Revenue Streams

Transformation can help manufacturers — and their customers — differentiate their businesses and grow revenue.



Forty-eight percent of the 50 largest technology providers have seen **product revenue flatten or decline** in recent years, while 66 percent of those same companies see **growth in service revenue**.<sup>2</sup>



### REVENUE FROM XAAS

As business transformation accelerates, enterprises anticipate an **increasing percentage of revenue to come from XaaS**.<sup>2</sup>



### XAAS GROWTH

Surveys indicate that XaaS sales will not only **grow faster** in good economic times, but also be **less vulnerable to large-scale market disruptions**.<sup>2</sup>

## Build a Roadmap for XaaS Success

### Understand the Financial Impact

XaaS opens up new revenue streams. However, technology companies will need to continue funding existing business lines while expanding their emerging XaaS offerings to achieve their profit potential.



#### Key Considerations

- ▶ XaaS revenue will eventually outstrip product revenue
- ▶ A partnership strategy could help your business release more capital to fund XaaS adoption
- ▶ Think about specific areas you could reinvest capital to drive XaaS transformation

### Identify Workforce Challenges

XaaS engagements require post-sales resources to stay engaged with customers to ensure they derive ongoing value from the service. Technology companies need to be prepared to transform how they interact with and support customers.



#### Key Considerations

- ▶ Consider partnerships and processes that help you scale efficiently
- ▶ Think about all geographical markets that serve your full customer base
- ▶ What kind of skillsets could a partner fill that you may not have in house today?

### Discover New Strategic Partnerships

Industry analysts and technology companies with successful service lines recommend updating and expanding product and customer lifecycle management capabilities. The right services outsourcing partner can support your strategy in several ways.



#### Key Considerations

- ▶ Where could a strategic partner help you realize the most business impact?
- ▶ Do you need to release capital from existing operations?
- ▶ Do you need to alleviate resource strains of balancing two lines of business?

## Evaluating Lifecycle Management Partners — and What the Right One Can do for Your Business

Having the right outsourcing partner for technology lifecycle management can significantly impact the speed and success of a product-to-service transition. Look for a partner who can offer:

- ✓ A unified, integrated experience with a single point of accountability
- ✓ Ability to complete on-site and remote service calls
- ✓ The strength of multi-vendor technology service expertise
- ✓ A global network of warehouses and team members
- ✓ Alignment to key markets
- ✓ Financial strength

## Find the Right Balance

"Many OEMs are stuck trying to find the right balance in the product and service offerings. They are in the early days and have a lot on their plate, including rethinking how they view value in the context of XaaS. But if they can find a [product and customer lifecycle] partner they can trust to help them re-engineer their market strategy and customer engagement models, they're going to find themselves in a very attractive competitive position."

—Thomas Lah, Executive Director and Executive Vice President of the TSIA

## Transform With an Experienced Outsourcing Partner

Learn how partnering with Shyft Global Services on your digital transformation journey can help you transition from products to services with speed and scale.

[Learn more](#) and [contact us](#) to get the conversation started.