# 2023 as-a-Service Trends

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2022 was a year of distillation.

Emerging from the worst of a pandemic, both enterprises and SMBs have grappled with how to approach business in this brave new world, looking to hone-in on what is most important. Organizations have been challenged like never before, and many have risen to the occasion.

One of the great opportunities in my new role as President of Workforce Services and Solutions at HP is to help shape the next chapter of possibilities for our customers and partners – and the way that work gets done.

This new organization is centered on offering HP innovation in formats that ease the strain for businesses – an "as-a-Service" (aaS) solution.  Such solutions have the potential to revolutionize work in the coming years.

As we look ahead, I'd like to reflect on what we can learn from the as-a-Service industry moving into 2023, focusing on three of the most enduring trends that we see emerging.


**Trend #1: Adaptation**

With a loosening labor market and business transformation accelerating across all industries, adaptation is the name of the game. Companies that are able to adapt quickly and effectively can gain a strategic advantage and endure over the long term.

Time and again, HP – and our channel partners and customers – have adapted in pursuit of better performance. As-a-Service solutions can maximize flexibility by facilitating workplace collaboration from anywhere and enabling dynamic deployment.

As enterprises and SMBs adjust to new conditions in the new year – including reduced staff levels, a return to the office and the introduction of new technologies – aaS solutions will enable them to scale up or down as necessary, without the headaches of continually acquiring or reducing salaried staff and equipment in line with concurrent needs.

Because of the agility they offer, aaS solutions will be adopted at a higher rate, gaining market share. The global Everything as-a-Service market (Xaas) is expected to reach $561B TAM by 2028, a CAGR of almost 20%.

The growth of aaS offerings will drive greater flexibility for businesses, which in turn will transform the way businesses operate, emphasizing the need for aaS, and creating a virtuous cycle of adaptation.

2023 will be a year of adaptation.

**Trend #2: Simplicity**

As the cost of capital rises again, there will be a natural push to maximize efficiency, prompting businesses to reduce bloat whenever possible. We saw this trend emerge this past year as companies across industries scaled down teams and honed in on tighter objectives with nearer term outcomes. Simplification allowed organizations to double down on quality, reduce cost and complexity, and deliver more with less.

Processes like SKU rationalization can provide organizations with a structure to determine which materials and products are delivering the highest returns, and cut away the excess.

We should expect such trends to continue into the new year, with organizations remaining hyper-focused on delivering strong ROI across all parts of their businesses.

As-a-Service choices can be offered equally and leanly, enabling companies to simplify their businesses down to their core objectives.

According to one report by Microsoft Business Group, Device-as-a-Service (DaaS) solutions allow organizations to reduce overhead. Just as aaS solutions empower greater flexibility in scaling up, they also solve for unwanted excess when scaling down. With companies having an average of 254 SaaS apps for their business, scaling down their services will be a welcome change.

Armed with aaS offerings, companies can duly simplify, which has powerful consequences for their businesses' success. A report by HBR finds that simplicity is one of the best strategies companies can employ for establishing and retaining customers. With a focus on simplicity, companies can see a 20% increase in revenues due to improved productivity from having democratized access to digital collaboration, process automation and similar tools.

2023 will be a year of simplicity.

**Trend #3: Trust**

Amidst heightened regulatory environments and ever-present security threats, customers value dependability more than ever. As the world becomes more uncertain day by day, trust is declining across the globe, and customers crave stability and reliability.

Trust is what will make businesses stand out in this environment – and what will compel their customers to stick around. Companies that provide exceptional experience, services and outcomes earn that trust more readily, and have the long-term customers to show for it.

At the same time, retaining customers is more challenging than ever, with an increasing array of options for consumers to choose from. A report from McKinsey in 2021 noted that more than three quarters of consumers had changed their buying habits since the start of the pandemic. In a noisy market, companies need to go above-and-beyond.

Retention comes down to creating an experience that customers love – something HP has excelled at since its founding.

Companies can differentiate through unique offerings. This is where aaS solutions come into play, elevating organizations above the masses and earning hard-fought-for trust. IDC Futurescapes is predicting that holistic and integrated analytics within an Intelligent Digital Workspace (IDW) ecosystem will drive a 70% increase in differentiated business outcomes for adopters by 2026.

The bond between a brand and a customer can be powerful. Loyal customers are more willing to withstand the bad times (stock-outs or supply chain constraints) along with the good, and less likely to jump ship from a brand that they trust.

I'm proud that HP has demonstrated customer stickiness through good and bad markets. HP can be that partner in trust for both enterprises and SMBs in this moment of uncertainty, and I look forward to continuing to expand our partnership network in 2023.

Above all, 2023 will be a year of trust.

**Looking Forward**

2023 promises to be a year of growth and discovery for as-a-Service as well as businesses, who can rise to the moment by doubling down on excellence, reducing excess and focusing on what is most important.

Led by these three core trends – adaptation, simplicity and trust – I'm excited for the possibilities that this year holds.

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