



5x5 series: Insights and actions

Risks and opportunities in an everything-as-a-service (XaaS) world



Early in the pandemic, leaders recognized the XaaS model as key to helping companies stay resilient and nimble in these uncertain times. And while XaaS can help organizations rapidly scale IT capacity and operations, potential risks of this model remain—whether you’re using XaaS services or delivering your products and services in an XaaS model. Based on findings from the [2021 Edition of Deloitte’s Everything-as-a-Service \(XaaS\) Study](#), these five insights and actions can help you realize the benefits of XaaS—without potentially risking your business.

5 insights you should know

For many organizations, **XaaS can offer flexibility** in consuming or selling products, software, and services. It can also help adjust costs in uncertain times—dialing up or down as needs change. For organizations delivering products and services as a service, XaaS models can help drive new revenue sources and achieve price competitiveness.

XaaS can help drive increased operational efficiency and enhanced business agility.

For organizations delivering XaaS, they’re able to break into existing markets more quickly, creating differentiation for their products and services while improving their customers’ ability to jump-start innovation for their own products and services.

XaaS can boost innovation in a variety of ways—from reinventing business processes and changing how services are sold and used by customers, to developing new products and rethinking approaches to solve business problems.

XaaS can create concerns about how to safely and securely use the power of data.

These challenges can create issues related to regulatory compliance, cloud, and AI strategy, among others. Mitigating these challenges requires engaging meaningfully with XaaS providers to address concerns.

XaaS users and buyers seek strong security and privacy safeguards from XaaS providers.

This key part of an organization’s “relationship wish list” highlights integration difficulties as a top challenge during XaaS adoption.

1

5 actions you can take

Reduce revenue leakage by implementing a revenue assurance and recovery program to improve processes, controls, and risk management. Revenue recovery actions can keep costs in check and prevent contract noncompliance resulting from misalignment in quote-to-cash.

2

Activate a third-party risk management (TPRM) service to help select an XaaS provider.

TPRM can help your organization to understand the full XaaS landscape and the risks posed by these third parties, helping you benchmark risk management levels and activities.

3

Prepare to address a mix of automated and manual controls as you innovate.

Are your risk management controls designed with digital in mind? Consider how digital risk management could adapt to address risks with existing people, processes, and technology.

4

Establish controls and responsibilities specific for the cloud to address governance and technology gaps

that can support data risk reduction efforts. Organizations should consider data security and regulatory compliance as a joint responsibility of the organization and the service provider.

5

Identify and evaluate risks and opportunities.

Because cyber is everywhere, organizations should architect cybersecurity strategies to help detect, protect, and respond to cyber threats that can derail a XaaS strategy.

About the survey
“Enterprise IT: Thriving in disruptive times with cloud and as-a-service,” Deloitte Everything-as-a-Service (XaaS) Study, 2021 edition.

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While the pandemic has accelerated XaaS adoption, it’s likely that service-based technologies are here to stay. Download the full [survey](#) to learn more.

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