

Q&A: President of Lenovo North America Vlad Rozanovich unpacks navigating the global chip shortage and how the leading PC maker helps tackle remote work.

Article

Vlad Rozanovich

President of Lenovo North America



The PC industry has seen a steady surge in demand in the past year and a half due mostly to the remote work and remote learning reality spurred by the pandemic. This demand, however, has been challenged by the global component and chip shortages, which really started to take their toll in Q2. The chip shortages are expected to last well into 2023, forcing PC vendors to diversify their supply chains and go directly to component suppliers, as well as mitigate fallout by delaying product launches or limiting availability.

- **Dell** and **HP**, two of the largest PC makers, reported earnings that reflected the [impact of the shortages](#), which the back-to-school season intensified. The chip shortage underscored the dangers of having a handful of chipmakers catering to multiple industries and companies. This

resulted in TSMC [raising prices](#) and [prioritizing](#) more profitable customers at the expense of others.

- Countries like China [responded](#) by increasing their chip, PC, and smartphone production.

We talked to Vlad Rozanovich, president of Lenovo North America, about the biggest challenges facing the PC industry and how the company is pivoting to serve the hybrid work reality.

The following has been edited for brevity and clarity.

Insider Intelligence (II): What are Lenovo's key priorities heading into Q4 and early 2022?

Vlad Rozanovich (VR): Our top priority is servicing and listening to our customers and partners. Our customers don't just want products; they want solutions that work across their business. As a pocket-to-desktop-to-data center company, we can provide that. We see a tremendous opportunity to grow our services business—more and more customers are interested in an “as a service” model. We will continue to zero in on our software and solutions offerings to deliver a comprehensive portfolio to our customers.

II: What have been the biggest challenges facing the PC industry?

VR: We can't deny society is forever changed by the global digital transformation that COVID-19 accelerated across the last two years. It also put undeniable constraints on the industry, which had to satisfy historic demand for devices and technology that met the remote and now hybrid moment. Lenovo is listening to what our customers want in this new hybrid world. We're building devices with more security—thanks to our ThinkShield suite—and better interfaces (webcams, screens, faster connectivity), as well as smart collaboration hubs to enhance remote communication.

II: How has Lenovo handled the sustained chip shortage? Have you had to delay product launches or dial down expectations in any way?

VR: The chip shortage presents a challenge to the industry at large. As the global PC market leader, we have worked closely with our partners and vendors to ensure we keep up the demand. COVID-19 certainly affects both supply and demand, and the industry constraints are expected to last until mid-calendar year 2022.

II: Lenovo's offered a variety of PC processors for some time, like Intel and AMD. What would you say is the mix of Intel versus other processors in your current product lineup?

VR: We are closely listening to our customers on their performance and usage requirements—and their preference for CPUs. We believe we have the most robust AMD/Intel offerings in the marketplace and will continue to offer what our customers ask for.

II: Aside from PCs, Motorola smartphones, and smart home devices, what are Lenovo's areas of focus heading into 2022?

VR: Customer demand for “as a service” offerings is growing at four times the overall IT services' total addressable market. As an example, Lenovo TruScale is a service that gives organizations an everything as a service offering (XaaS) with the flexibility to pay for the infrastructure solution they need for as long as they need it. We also just launched Smart Privacy Services to give consumers a tool to own, control, and personalize their privacy.

II: Climate change and the environmental impact of technology is a hotly debated topic—how is Lenovo responding to this issue?

VR: Society demands that businesses play larger roles in climate change and DEI with delivery of green, responsible innovation. Within the next five years, our goal is to source 90% of the electricity used in our global operations from renewable sources and remove 1 million tons of greenhouse gas emissions from our supply chain. We also recently released our “2020/2021 Environmental, Social, and Governance Report,” which highlights our focus on building resilience into our business to provide a more sustainable future.