



Buy best-of-breed: for support, as you do for equipment

Rich Schofield
VP, Service Offer Management Technical
and Support Services, NTT

Are you using the best kind of partner for support? Equipment manufacturers are great at product innovation – but support isn't their core business. Vendor support plans often leave many operational tasks to you, which diverts your people from higher value work. You already buy best-of-breed equipment: you should buy best-of-breed support as well.

In this article, Rich Schofield, Vice President of Product Management for Technical and Support Services at NTT, explores the issues in choosing the right kind of support partner, and shows why NTT's support service, Uptime, represents best-of-breed for support.

To reduce support costs, focus on internal costs

The best way to reduce total cost of support is to focus on reducing your internal costs by consolidating support with a multi-vendor support services partner.

Industry research has shown that only 15% of operational costs actually go to external support providers. This is what we call above-the-line, visible

expenses paid to a maintenance provider – whether an original equipment manufacturer (OEM) or systems integrator – and they're usually not where the bulk of the costs lie.

The remaining 85% are internal expenses:

contract administration, low-level operational tasks, co-ordination between vendors, and so on. Making inroads on these can have a much bigger impact on reducing operational costs overall.

Many organizations are under pressure to reduce their run costs by 5% -10% or more. But a reduction of this scale simply can't be achieved by trying to find the cheapest maintenance agreement. To achieve a real reduction in cost, the business has to look at the much larger 85% share of the total cost of support and ask itself how it can reduce the burden on internal resources.

Vendors are great at product innovation, but support isn't their core business.

OEMs are critical in terms of their product expertise and ongoing innovation. But when it comes to support, specialist support partners are the smarter choice.

Put support before refresh

Vendors are great at product innovation, but support isn't their core business. Their support strategy is ultimately geared to getting you to buy the next model when the existing equipment approaches end-of-support. This doesn't allow you to sweat your assets a bit longer if you want to.

OEM vendor support plans also are not usually optimal when it comes to right-sizing support according to how critical an asset is to the business. Many provide limited flexibility and choice of service plans and coverage options.

A multi-vendor support services partner like NTT is in a much better position to have a right-sizing discussion and can tailor the level of support to the importance of a site, or individual device. This gives the client the right level of support where they need it and avoids over- or under-supporting and the associated costs and risks.

This allows the client to focus on end-of-life, rather than refresh. Organizations don't want to be pressured into refreshing everything in the estate that's approaching end-of-life – often they simply don't have the budget for that. They want a broader range of options including the ability to sweat the assets for longer without risking increased downtime, and that's where a specialist support partner can help.

Buy equipment and support from best of breed organizations

OEMs are excellent at inventing machines, adding features, and developing the software they run on. Even as the market becomes more OEM-neutral and moves towards as-a-service models, it doesn't mean organizations will stop buying equipment from technology leaders.

OEMs are critical in terms of their product expertise and on-going innovation. Clients want to use the OEMs' best of breed technology.

But when it comes to support, support partners that are specialized in service delivery are the smarter choice. Since support is their core business, they invest in integration, automation, and skills to an extent that OEMs (for whom support is essentially a side-line) cannot hope to match. These features deliver better support, in faster times, at a lower overall cost. It stands to reason that the service offered by a specialist will be superior to that offered by someone for whom it is not core business.

Choose support from the right partner

At the top end of the market, large multinational organizations are struggling to find support partners with enough global standardization to achieve consistent global service delivery.

When service levels are best endeavours and vary by location, the result is a gap between what organizations expect from the service and the actual service that's delivered. Organizations everywhere are looking to consolidate suppliers and close this gap.

In addition to global coverage, clients should also look for local expertise and a broad spread of technology-related skills. Many service providers can only offer pockets of expertise with certain technologies, and/or in certain geographical regions, which isn't ideal as it fragments the service environment.

The depth of the relationship that the service provider has with the most dominant OEM in your environment is also important, although it should always be balanced with a breadth of relationships with alternative suppliers.

Organizations want the innovation expertise that OEMs can bring, but they also need a support partner that is a service delivery specialist. That way they get best of breed in both product and support.

Best of breed support in action

Consolidating support with a support partner specialized in service delivery can reduce operating costs by 24%.

A major global network service provider needed an improved support system for its network. Before the company came to us, it had experienced an outage in one of its major markets. The service was unavailable for nearly a full working day, causing major delays, which had a significant financial impact on the business.

Yet, a month after the incident – between the network service provider, the dominant OEMs, and the suppliers of all the devices on the estate – there was still no clear accountability for the causes of the event, nor a defined process of remediation. The client called a meeting with NTT to discuss the organization's entire network and its support requirements. The client raised several points of concern.

Firstly, it was locked into a number of direct OEM support contracts, yet had to simplify and improve operational processes through better third-party and supplier management. It needed a support partner that could deliver more than traditional break-fix maintenance, including 'bug scrubs' and software patch releases, logistics, and so on. It also wanted a single point of contact and accountability for its entire estate.

Secondly, the business wanted to reduce support incidents and mean-time-to-repair through better proactive monitoring. The current process was that the client would identify a problem, inform the relevant vendor, the vendor would diagnose the problem, and only then did the clock start running on a best-endendeavours service level agreement. The organization wanted a services partner that could take responsibility for the entire network, monitor it, inform the organization about problems, and stipulate how long they would take to repair.

Lastly, the client needed greater visibility of its estate, including the support contract status on each asset. The ideal would be a centralized view of the whole

infrastructure, which it expected to grow by as much as 30% over the next two to three years. Its support costs, on the other hand, had to reduce by 5%.

The business didn't know how to achieve these seemingly contradictory goals and didn't believe it had an existing support partner capable of doing it, which is why we got involved.

We conducted a right-sizing consulting assessment on a sample of the service provider's network and demonstrated how savings of up to 24% of running costs might be achieved.

As much as 16% of this was hard-dollar service level savings achievable, for example, by taking a 24/7 service level on a redundant network down to a more appropriate level.

Best-of-breed in equipment and support

Although there's a move to generic equipment, companies still want to know they're buying best-of-breed equipment from well-known OEMs. What they don't want is the inflexibility and unnecessary costs of vendor support plans.

Organizations want to combine the product innovation that OEMs can bring, with the operational savings that a highly integrated and automated support partner can offer.

In other words, they want to buy best-of-breed in both equipment and support.

Your next steps

Find out why NTT's **Uptime** is the smart choice for support.

Consolidating support with a specialist support partner can reduce operating costs by 24%.

