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Is it time for you to have a serious discussion with your vendors about support?

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All enterprises today have a hybrid IT environment with technologies from many different vendors. These vendors all offer to support their own equipment, and you've probably been working for years with multiple vendors to support your environment.

But your environment needs to function as a whole. A fragmented, vendor-based approach to support doesn't align with that fundamental requirement for end-to-end service performance.

You need to reassess whether having multiple vendor support plans is really delivering the support you need, in as efficient and cost-effective a way as possible. You should consider whether consolidating support into a unified service like Uptime could be a better, and ultimately cheaper, way of supporting your IT environment.

This paper sets out the main issues that you should discuss with your equipment vendors to flush out whether they can really give you the kind of support you need.

Alignment of service offering with requirements

Look for a balance between flexibility and standardisation

Support services should be constructed in such a way as to strike the right balance between standardisation and flexibility.

Without standardisation, there's no guarantee that the services you procure in one country or region will be as reliable as in another, or that they'll align with industry best practice.

Standardisation makes the relationship between the client and the support partner easier because the two organisations speak the same language. Standardisation assures the client of operational efficiency, mitigated risk, and is a precursor to automation and all the advantages it brings.

But too much standardisation is also unlikely to be what you really want. Over-packaged services leave little room for choice – they're a one-size-fits-all approach.

A more flexible model allows you to choose exactly those service elements that meet your specific requirements. But even then, those service components should themselves be standardised to ensure maximum industry alignment and cost-saving potential.

Our right-sizing approach generated a saving of around 30% on the organisation's usual support spend.

Scrutinise platforms, systems, and processes

Standardisation also depends heavily on the platforms that the support partner has in place to deliver services around the world.

It's important that organisations ask how their services will be delivered, particularly if the services are to be offered across various regions and countries:

- How will service delivery be monitored and tracked?
- In which languages will service calls be handled?
- Will there be standardised, aggregated reporting?
- Will you have a Service Delivery Manager to act as a single point of contact?

It's no simple task to deliver services to the same standard around the world. The client organisation needs to be sure that the service provider has the best systems, processes, and infrastructure in place to do it.

Another factor to bear in mind is your own transformation journey. Like many large enterprises, your goal is probably to consume more of your technology as cloud-based services – though your journey from where you are to where you want to be is specific to your business. So, the question you should ask is how well your support partner is geared to helping you design that unique journey and assist you along it.

Service levels and right-sizing

Service levels should match device criticality

When it comes to setting service levels, it's all about balancing cost and risk. You need to set service levels according to how critical to the business each part of your infrastructure is.

You don't want to under-specify the SLA on a critical asset, but then again you also don't want to over-specify an SLA on a non-critical one.

You need to take an analytical approach to determining how critical each asset is to your business, and set an appropriate SLA for each one. One asset may need a 7x24x4 SLA; another may only need an 8x5xnext-business-day SLA.

You need a support partner like Dimension Data whose SLA offerings are flexibly structured to accommodate this. Following this approach, you can cut support costs without adversely affecting service availability.

Right-sizing SLAs can cut support costs by 30% without affecting service

A right-sizing strategy that matches service levels to individual devices can save an organisation as much as 30% on support services without degrading the service.

We took a right-sizing approach with one of our largest clients, a major international financial services firm. We didn't argue against the fact that the firm's core assets required an SLA and vendor support (charged as an annuity fee), because these devices were critical to its business continuity. That's not where the organisation should be looking to save costs.

A safer place to look for savings would be on its edge devices, and devices which have a vendor-limited lifetime warranty or are at end-of-service. On these devices we offered the firm an activity-based fee, so they were only charged if those devices malfunctioned.

On end-of-support devices, where we didn't have the vendor's support, we followed a best-efforts approach on any incidents that occurred. But this was on a non-critical part of the estate so, again, the risk to the client is low.

Given the low failure rate and the lack of vendor involvement, this approach generated massive savings for the client.

Like-for-like, some devices on the annuity charge were 13 times more expensive to support than on the incident-based model.

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Freeing up your internal support team by relying more on a specialist support partner's capabilities can lower your total cost of support.

Ask about the ideal balance between reactive and proactive support

In the ideal model, about 65% of your estate should be covered with proactive support to ensure availability, while about 35% should be supported as and when incidents occur.

Having the wrong balance between reactive and proactive support can increase your overall support costs unnecessarily. The environment of another large financial services client had about a 75/25% split between proactive and reactive support, which inflated their support costs by 42%.

It's very important that your support partner understands the principles of right-sizing support contracts, and can offer you the flexibility of service levels that you need to match the criticality of your devices. Without this flexibility, it will be difficult to achieve your cost-saving goals.

The true value of an ideal support partner will always be in providing a single point of contact for multiple vendors and managing them for you on a consistent basis around the world.

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Blend centralised and local support

Debate the benefits of central versus local

A support partner should be able to deliver support from wherever you want, whether that's on-shore, off-shore, near-shore, or whatever combination achieves optimum cost effectiveness.

Many US-based businesses prefer a centralised approach to procurement, budgeting, and billing which they prescribe to all the regions and countries where they have a presence.

Usually, this model isn't a problem for large, global service providers, but not many of them will propose a more flexible arrangement that could be more cost effective.

In a centralised model, purchases outside of your primary geography may be subject to tax and customs duties which you have to pay on top of the support partner's fees.

The percentages vary from region to region, but can be considerable – and they're usually non-recoverable tax. Your support partner should be familiar with intricacies of international duties and taxes on IT equipment and be able to provide alternative purchasing and billing options that minimise your liabilities.

This is where your support partner's own international footprint comes into play. If they

have a direct presence in all the geographies in which you operate, they will be able to offer local purchasing and billing, which will avoid unnecessary duties.

Demand a single point of contact an commercial flexibility

Delivering IT services on a global basis isn't an exact science. Your expectations should be realistic.

There's no service provider in the world today that can offer you support services at precisely the same standard for every vendor out there, in every possible country.

The true value of an ideal service support partner will always be in providing a single point of contact for multiple vendors and managing them for you on a consistent basis around the world.

This is why it's so important to choose a support partner that can demonstrate close, deep, and strong relationships with the vendors you have in your estate, or intend to have in the future.

Be clear with your support partner about:

- your organisation's business objectives
- your technology strategy
- your focus on cost savings
- your strategy regarding vendor diversity
- your appetite for consumption-based pricing
- where are on your journey, and where you want to be

To choose the ideal support partner, you need to have a searching, professional conversation with them about all these topics and satisfy yourself that they're the most capable and compatible partner to meet all your technological and commercial needs.

Your next steps

Find out why Dimension Data's *Uptime is the smarter choice for support.*

Choose a support partner that can *demonstrate close, deep, and strong relationships with the vendors you have in your estate.*

