5 COST-SAVING CONSIDERATIONS FOR CFOs & CIOs

SERVICE EXPRESS

THIRD-PARTY MAINTENANCE **MAXIMIZES** BUSINESS VALUE

As companies look for innovative avenues to do more with less, CFOs and CIOs are tasked with identifying options to maintain a peak level of IT operations while minimizing costs. Extending the life of important capital investments can provide valuable savings and as a result, companies are evaluating the benefits of moving away from vendor maintenance contracts and toward third-party maintenance (TPM) contracts. When considering such a move, it's important to understand the risks and rewards.

Decrease Risk

Extend System Life

Single Point of Contact

Coverage Flexibility

Peace of Mind

IS COST-SAVINGS **RISKY BUSINESS?**

According to Gary Audin, President of Delphi Inc., partnering with third-party maintenance (TPM) organizations is not as risky as some consider it to be—and customers are becoming more comfortable with the idea of leaving their original equipment manufacturer (OEM) contracts for a solution that better suits their needs.

When looking for TPM support, look at providers who offer the following risk abatements options:

24x7 service with on-site response	Local engineers with experience supporting multiple hardware and OS systems	Locally stocked replacement parts	Remote monitoring	Preventative health checks to reduce downtime and number of service calls

REDUCED MAINTENANCE COSTS

As a direct result of the OEM business model, customers face increases in maintenance costs year after year and/or the eventual cancellation of OEM support once equipment reaches the End-of-Life (EOL) and End-of-Support-Life (EOSL) stages. The OEM revenue stream relies primarily on new systems development, which then requires customers to replace current equipment rather than keep it in operation. Customers are presented with two options: costly post-warranty service or costly upgrade purchases.

With a TPM provider, IT budgets are maximized by extending the life of systems through quality maintenance and support, avoiding new capital expenses. TPM providers do not need to recoup research and development investments, therefore their maintenance services often range from 30 to 60 percent less than OEM pricing for post-warranty coverage.

HARDWARE FACTS*

79% of all refresh cycles are **3-5 years**

85% of CIOs would **keep legacy equipment**

Useful life of hardware is **7-10 years**

80% of CIOs don't know there are **alternatives to the OEM**

SINGLE POINT
OF CONTACT

COVERAGE
FLEXIBILITY

For most organizations, the data center houses equipment from multiple vendors with individual OEM support agreements. Each agreement requires additional time and effort to juggle the contracts and keep the paperwork straight, resulting in less efficiency.

With a third-party maintenance provider, multi-vendor equipment can be covered within one agreement, with a single point of contact.

Consolidating services into a coterminous agreement allows for:

- Reduction of paperwork and greater efficiency
- Working with one vendor instead of different vendors and processes
- Predictable costs

A single contact also alleviates issues of finger-pointing that can often occur in situations with multiple service providers.

OEM coverage often offers limited maintenance options, so overpayment can come in the form of an unnecessary level of support. For example, a system for testing and development does not require a same-day response. However, the OEM may not offer next-day options, which means paying a premium for a shorter response time that is not needed.

"ONE SIZE **DOES NOT** FIT ALL"

With a flexible approach to coverage, third-party maintenance offers more options to control costs. TPM providers are able to administer an array of services with a tailored approach to support coverage based on specific needs. As data center needs evolve over time, reduce or remove support and add new equipment as it comes online—the coverage adjusts accordingly.

PEACE OF MIND

Companies may consider eliminating support contracts altogether to save money—this can be disastrous for a business when IT equipment fails. It does not make sense in the short-term; savings should not risk the capacity to keep operations running smoothly.

By moving maintenance contracts to a third-party provider, data center support costs are substantially reduced. Plus, there is the peace of mind that any catastrophic failures will be resolved and uptime restored without negatively impacting operations.

CONSIDER YOUR SUPPORT PROVIDER OPTIONS

Looking beyond OEM maintenance opens up new potential for substantial savings and quality support. Consult with a reputable third-party maintenance provider and carefully weigh all options.

By learning more about the details behind service delivery, parts inventory and engineer expertise, an objective evaluation can be made between current support and costs to those of a third-party maintenance provider.