

WHITE PAPER

Dell ProSupport: Customer Choice Drives a New Approach to IT Service and Support

Sponsored by: Dell

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IDC OPINION

IT has become an integral part of the operations of both large enterprises and small and medium-sized businesses (SMBs). This dependence on IT comes with significant costs associated with supporting the environment. These costs often are a hindrance to organizations because they drain resources from projects that could help drive profit-generating activities. However, given the complexity of the technology, most organizations cannot support the entire IT environment themselves. To help address these concerns, most organizations use a combination of internal and external resources to provide the support services for their IT infrastructure.

In February, Dell introduced its ProSupport portfolio of offerings. The main features of this portfolio are the following:

- ☒ **Customization:** The new offering enables customers to customize their support services packages so that they more closely align with the needs of the organization. The first level of customization involves determining if the customer is an IT professional or an end-user. By selecting between the two, the customer support experience can be tailored to the customer's experience level and needs.
- ☒ **Fast-Track Dispatch:** Customers who select IT professional gain access to Dell's Fast-Track Dispatch program. In this program, customers who know what the problem is can skip the traditional problem diagnosis and directly request the parts that are needed. By doing this, customers expedite problem resolution.
- ☒ **Dell Global Command Centers and Network Operations Centers:** To enable the new support offerings, Dell has made a significant investment in its Global Command Centers and Network Operations Centers. This infrastructure investment assists Dell in providing support for all of its customers on a global basis.

SITUATION OVERVIEW

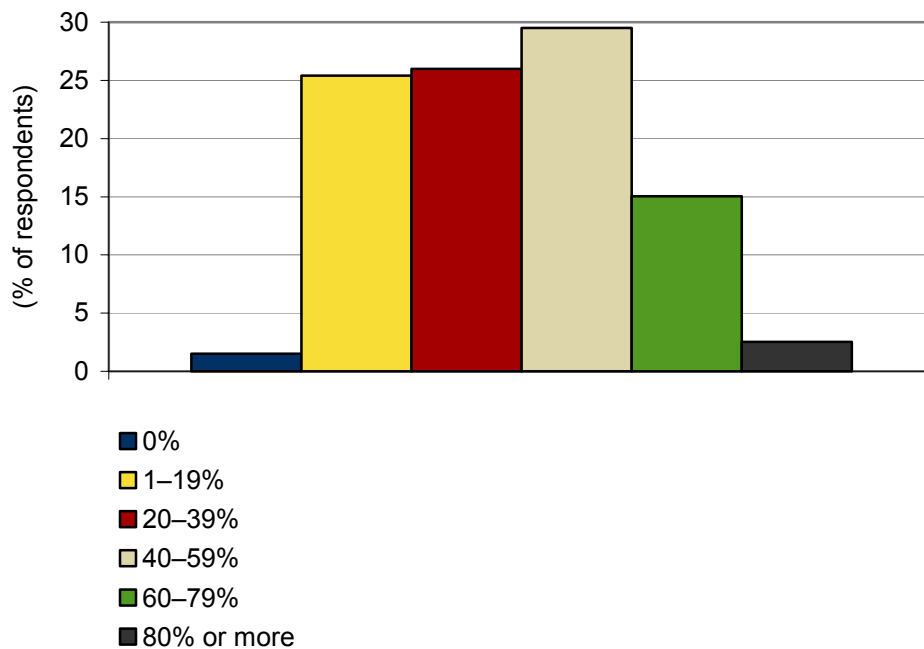
Customers are actively seeking opportunities to streamline costs, free up strategic resources, and simplify the management of their entire IT environment. Over the past several years, the role of IT for many customers has begun to shift from being viewed as just a cost center to being viewed as a strategic advantage. IDC believes that the driving force for this shift is the dramatic increase in the price/performance of IT. This improvement in price/performance has increased the role of IT in almost every business. The rise in prevalence of mobile and remote workers is just one example of IT extending its role throughout the organization. However, with this increase come greater responsibilities. IT is now required to support broader and less structured needs.

To maximize the strategic advantage that IT can bring to both large enterprises and SMBs, IT organizations need to stay current with new and emerging technologies. For example, deploying enterprise-wide service-oriented architecture can help organizations combine applications to provide entirely new services or deliver new services more quickly, unified communications can increase collaboration and employee productivity, and virtualization can improve IT asset utilization. To deploy these new technologies that best fit the unique environment and business needs, customers often need funding for internal resources as well as budget for hardware, software, or integration services. However, the costs associated with ongoing support for the current environment, which almost always contains a mixture of current and legacy technology, often drain these resources. According to a recent IDC survey, enterprises spend, on average, 35% of their external resources on supporting software and devote over 40% of their internal resources to supporting software (see Figures 1 and 2 for more detail). This does not include the money that is spent on and the resources that are devoted to supporting their hardware.

FIGURE 1

External Spending on Software Support

Q. *What percentage of your company's external IT budget is spent on enterprise software support?*

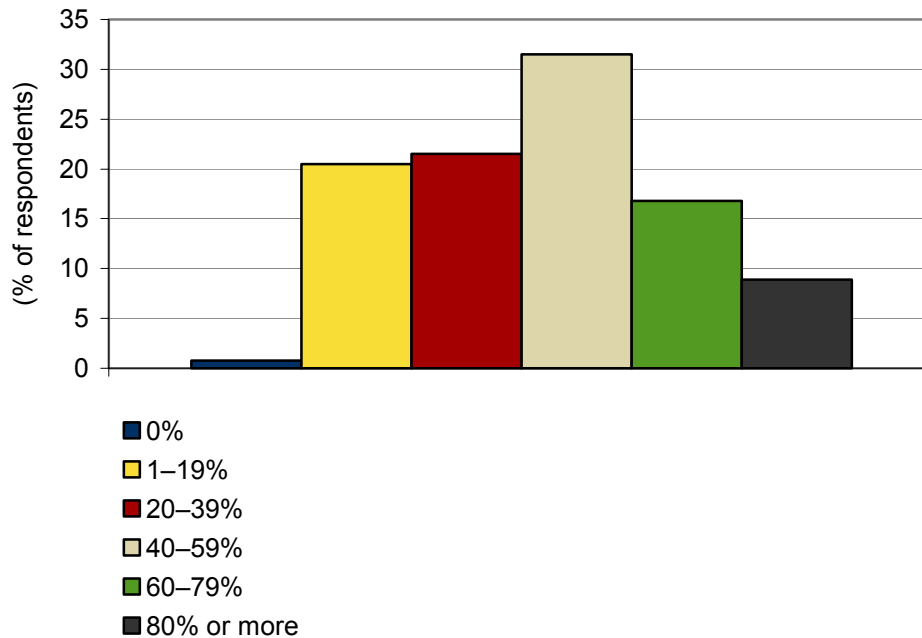


Source: IDC, 2008

FIGURE 2

Internal Resources Dedicated to Software Support

Q. *What percentage of your company's internal IT staff is dedicated to supporting enterprise software?*



Source: IDC, 2008

Because the amount of money spent on maintaining the current systems is so great, IT organizations are continuously pressured to find ways to reduce this total cost. By investing in support services that focus on reducing the complexity of IT, customers can free up resources to enable the innovation that is required if the organization is going to be able to use IT as a strategic weapon.

DELL OFFERINGS

Dell's Services Vision

Dell's vision for services involves leveraging new service technologies and approaches to simplify IT infrastructure services. The approach allows companies to choose how they want to support their environment, what services they need to purchase, and how they can manage those services. Dell's goal is to improve the price/performance of the customer's infrastructure and reduce the costs of maintaining those systems. This cost savings can then be either reinvested in IT or other areas of the business or added to the bottom line.

Over the past two years, Dell has made several acquisitions to enhance its services capabilities, most notably SilverBack, Everdream, ASAP Software, and MessageOne. Through these acquisitions, Dell is building a services delivery platform that enables it

to remotely monitor, manage, and support IT infrastructure. Specifically, Dell will be able to provide patch management, asset tracking, software license management, and security services such as antivirus updates.

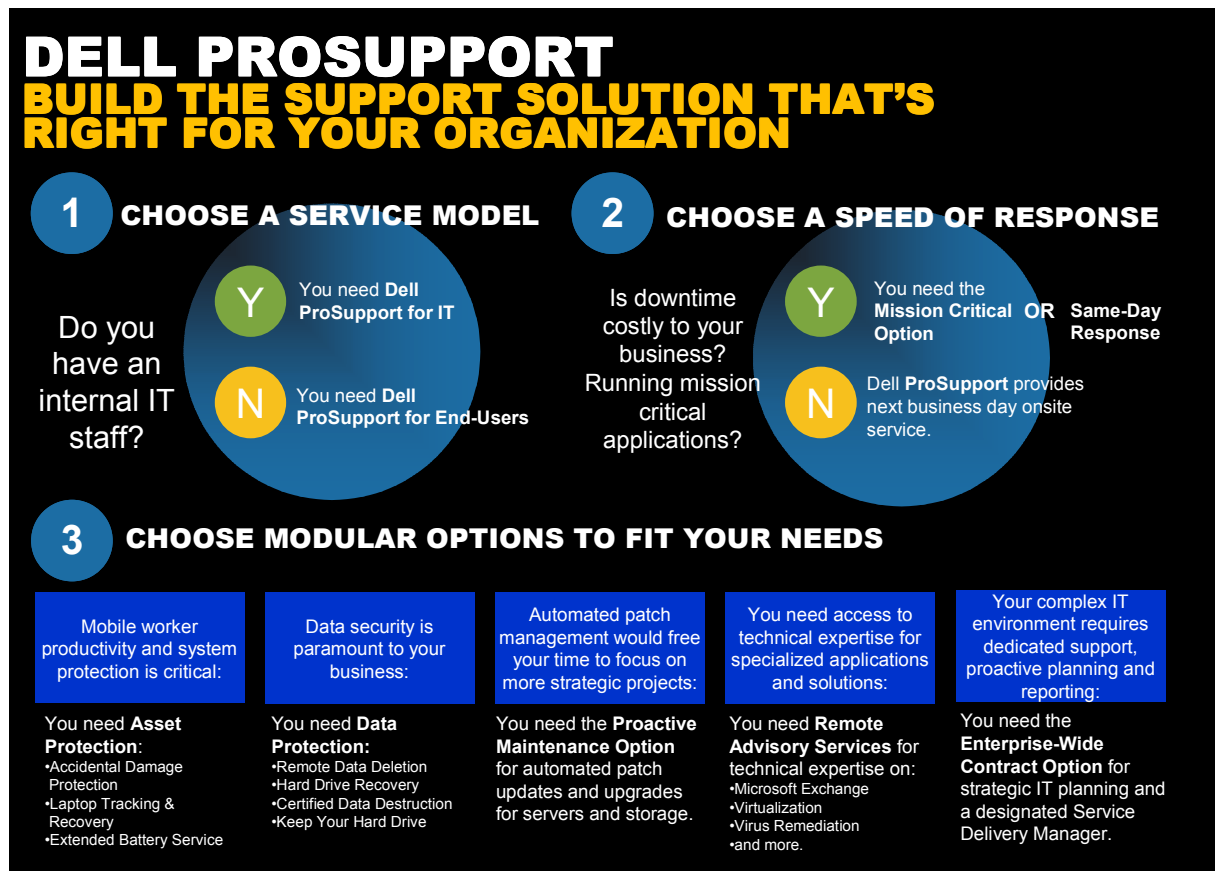
By making these investments, Dell has been able to focus on providing a more flexible support services portfolio that spans all of its product offerings. This includes large enterprises with data center-wide support needs, global and geographically dispersed organizations with many mobile employees, and SMBs with more limited IT budgets and needs.

Support Services Offering Overview

In February, Dell launched its ProSupport portfolio of services. Under the new framework, customers are able to self-identify what type of customer they are — either end-users or IT professionals. Once customers have self-identified, they are able to determine the features they need in the support package, thus customizing their support experience to their needs. The costs of the support services will vary depending on the options that the customers select. An overview of the Dell ProSupport offerings is shown in Figure 3.

FIGURE 3

Overview of the Decision-Making Process for ProSupport



Source: Dell, 2008

Customer Type

Customers who have identified themselves as IT professionals have access to IT training and certification focused on streamlining the resolution process. Once they become certified, when they need support, they will be able to skip basic diagnostics, get 24 x 7 access to Dell technical experts, or dispatch needed parts on demand, essentially eliminating the "diagnostic scripts." End-users also gain 24 x 7 access to Dell technical experts for "how-to" software support for common applications, collaborative support, and configuration support for simple wired/wireless configurations.

IT Professionals

The IT professional offering is intended for customers who are technically skilled and can perform most diagnostic tasks themselves. For these customers, the ProSupport portfolio offers both fast remediation in situations where the IT professional can identify and diagnose the problem and comprehensive diagnosis and troubleshooting for situations where the problem is more complex. Through Dell ProSupport for IT, IT staffs can receive Dell training and certification to qualify for Fast-Track Dispatch. This feature enables customers to skip basic troubleshooting and immediately dispatch parts and/or labor in situations where they already know what the issue is. This feature can increase the efficiency of both large enterprises and SMBs that have dedicated and highly skilled IT departments. However, for situations where the problem is more complicated, IT professionals can still use Dell personnel to help diagnose the problem.

Customers often find the requirement of having to go through a diagnostic script to determine the source of the problem to be time consuming and irritating because they are capable of performing those tasks themselves and often have done just that before contacting Dell. Therefore, IDC believes that the Fast-Track Dispatch is particularly valuable to IT professionals. However, not every problem can be correctly diagnosed by the IT professional. In situations where assistance with troubleshooting is needed, customers can still use Dell Expert Centers 24 x 7 and receive 2-hour, 4-hour, or next business day service, depending on the speed of response that they select.

End-Users

Dell ProSupport for End-Users was specifically designed for organizations that do not have an internal help desk and need Dell to directly support their end-users. This model combines traditional break-fix support with getting started advice and select application "how-to" help so that end-users, students, and employees can focus on their opportunities, not technology. For these customers, who often have a business focus rather than an IT focus and thus have less experience in diagnosing technical problems, or for users who do not have the time necessary to diagnose problems, having a knowledgeable professional assist with the diagnosis can be extremely valuable. The offering provides these customers with 24 x 7 access to "how-to" support, including application and configuration assistance.

IDC believes this offering will also be valuable for both SMBs that do not yet have dedicated IT departments and SMBs that have highly overworked IT departments. For these organizations, having the ability to gain access to knowledgeable support professionals can greatly increase the efficiency and resolve IT issues faster than trying to provide all the support internally.

Support Package Details

Regardless of how the customers identify themselves, they will be able to customize the details of the support services offering to balance their needs and their budgets. Customers can customize the following aspects of the support offering:

- ☒ **Speed of response:** Customers are able to select from Mission Critical Support with 2- or 4-hour response, same-day response, or next business day response.
- ☒ **Level of protection:** Customers are able to select from Asset Protection options and Data Protection options. Customers can select as many of the options as they feel they will need.

Proactive Maintenance

Customers can select Proactive Maintenance or Service Delivery Manager with an Enterprise-Wide Contract. The Proactive Maintenance services assist customers with patch management, provide an ongoing assessment of the customers' environment, and provide recommendations for how to simplify the environment. By adding all of this flexibility, Dell has increased the number of choices that customers have. However, some customers value a degree of simplicity in selecting a support services agreement. For these organizations, Dell has developed recommended packages that will address the majority of customers needs. Initially, Dell offered the following packages:

- ☒ **Office Employees Solutions (Desktop/Workstation):** Quick problem resolution, compliance in protecting sensitive data, and proactive identification/resolution of systemic issues
- ☒ **Data Centers and IT Infrastructure Solutions (Server/Storage):** Unplanned downtime, compliance in protecting sensitive data, tracking and applying critical updates, reactive fire-fighting, and access to specialized expertise

Dell continues to expand and modify these offerings based on market demand. An example of the extension is the addition of enhanced mobility options that were announced in July. Dell ProSupport Mobility Services include asset and data recovery and protection offerings.

The asset protection options are services that can help IT departments recover lost laptops, increase employee productivity, and repair damaged laptops. The asset protection options include:

- ☒ **Laptop Tracking & Recovery:** This option is designed to track systems in the event of loss or theft. When a missing system connects to the Internet, the location can be identified and local law enforcement can work with customers to recover the lost or stolen laptop. With new Dell GPS-enabled systems, location determination is further enhanced and more accurate.
- ☒ **Extended Battery Service:** Extended battery service includes the option to replace laptop batteries in years 2 and 3 of product ownership. It provides customers with extended battery service that is coterminous with their limited warranty. Dell will also take back old batteries and dispose of them properly, saving time, hassle, and the environment.
- ☒ **Complete Care Accidental Damage:** The accidental damage service covers the repair or replacement of laptops or parts due to damage from drops, surges, or spills.

In addition to protecting the physical device, Dell offers data protection offerings for mobile employees. The services provide customers with peace of mind in the event that something happens to their laptops. They include:

- ☒ **Remote Data Delete:** This service can remotely wipe sensitive data if a laptop goes missing due to loss or theft and helps to prevent valuable data from getting in the "wrong" hands. This feature is activated once the lost or stolen laptop connects to the Internet. Upon the connection, the data is deleted. This process cannot be stopped once it has started.
- ☒ **Hard Drive Data Recovery:** This service can help recover data for customers who have a failed hard drive and did not back up their data. The hard drive is shipped back to a Dell clean room facility where Dell attempts to recover as much of the data as possible.
- ☒ **Certified Data Destruction:** This service can completely wipe a hard drive clean and destroy data, provide certification of destruction, and dispose of the disk to help organizations confidently meet compliance requirements. The hard drive is disposed of in an environmentally responsible way.

Enterprise-Wide Contract

In addition to the recommended packages discussed earlier, Dell offers the Enterprise-Wide Contract for ProSupport. This offering is Dell's most robust option and is designed to support complex IT infrastructures. The offering includes a dedicated support delivery manager and proactive planning and reporting:

- ☒ **Dedicated Service Delivery Manager:** The dedicated Service Delivery Manager is responsible for coordinating the delivery of Dell support services, managing escalations, and developing the support plan with the goal of optimizing the customer's IT support.
- ☒ **Proactive Planning and Reporting:** The proactive planning and reporting is based on the ITIL framework and best practices developed by Dell. Initially, Dell works with the customer on an assessment of its IT environment and then develops a customized plan that addresses the risks that the customer faces in the context of its business environment. Generally, the plan includes disaster recovery plans, migration plans, and capacity planning. The plan also identifies the frequency of reports Dell will provide to the customer to judge the performance against that plan. Once the plan is created, Dell takes ownership and maintains that plan, updating it as the customer's environment changes.

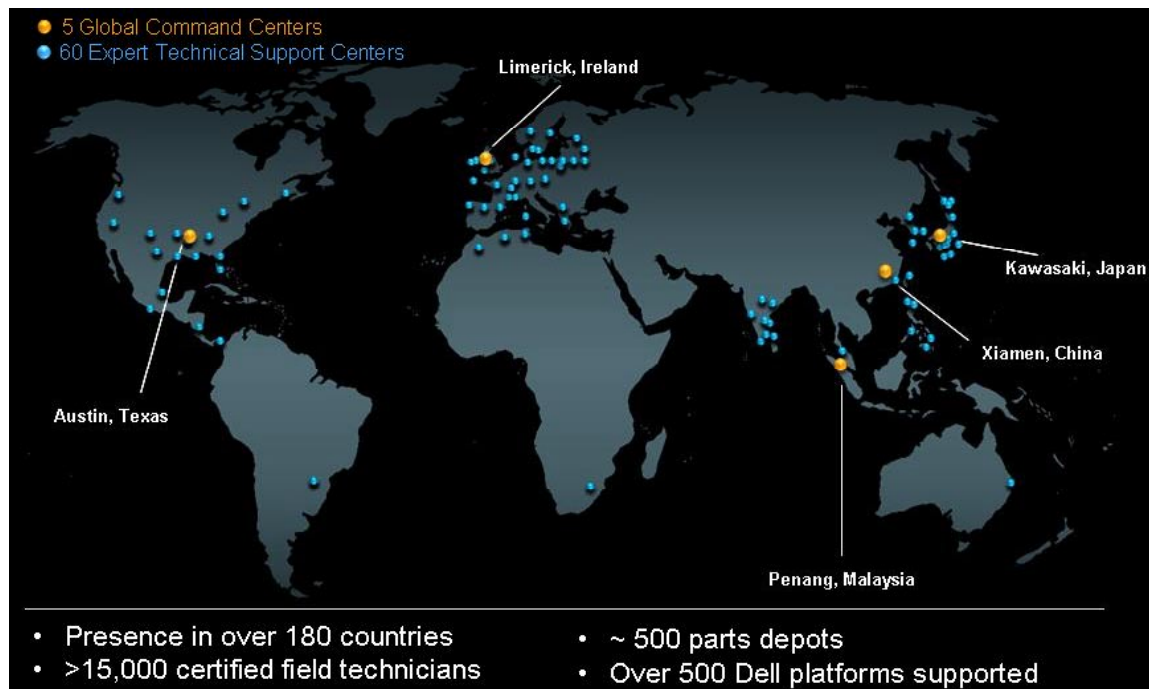
Global Command Centers

To be able to provide this level of support, Dell has made significant investments in infrastructure. The Dell Global Command Centers are the most significant investment. Dell currently operates 5 Global Command Centers, which are located in Austin, Texas; Limerick, Ireland; Kawasaki, Japan; Xiamen, China; and Penang, Malaysia. Figure 4 provides more detail. The Global Command Centers are backed by 60 Expert Technical Support Centers and over 500 parts depots. This infrastructure enables Dell to provide a presence in over 180 countries.

These facilities enable problem resolution and routing of spare parts, and they dispatch Dell technicians to a customer's site when needed. Additionally, each Global Command Center monitors a variety of factors, such as weather or traffic, which could disrupt system uptime or incident response time. If Dell is at risk of missing a customer commitment (such as same-day or next business day response times), the tool automatically alerts the Dell team to begin remediation efforts.

FIGURE 4

Dell Global Command Centers



Source: Dell, 2008

CHALLENGES/OPPORTUNITIES

Dell has long been viewed as a product company that has provided services as a means to support product sales. Although Dell has had a services group for 10 years, services have not traditionally been the company's focus. Because services can be a driving factor in helping CIOs manage the complexity of their IT infrastructure and reducing their costs, this lack of focus has limited Dell's ability to be viewed as a "full-service" IT infrastructure provider. To address this concern, Dell needs to continue to transform its services business and demonstrate enterprise services capabilities. Dell began this process by consolidating its services centers into one Global Services division with the long-term goal of becoming a full-service provider. The further development of the Dell ProSupport offerings shows that Dell is committed to developing a strong services organization. However, IDC believes that Dell will need to continue to demonstrate its commitment into the foreseeable future.

Additionally, IDC believes that Dell needs to address the negative perceptions around its consumer support services. Although enterprise support and consumer support services are addressed differently and are different businesses within Dell, the negative perceptions in the consumer space tarnish Dell's enterprise services reputation.

These two factors combine to present Dell with a marketing challenge. The company will need to focus on demonstrating that it can provide the exceptional support services that customers require. IDC expects that Dell will need to continue to focus on these challenges for the foreseeable future because perceptions in the services industry take years to change.

Recently, Dell has begun to address these perceptions through a \$150 million investment to improve its consumer support services. However, this effort will have to continue in order to have a lasting impact, as changing customer perception can be a lengthy process. Over time, this investment has the potential to reverse the negative media attention Dell has received.

As companies continue to leverage technology to support evolving business needs, and greater demands are placed on IT organizations to support these needs, IDC believes that companies will look to external providers for assistance. However, as cost pressures continue to increase, more scrutiny will be placed on the degree to which these external providers can — and are willing to — offer customizable, flexible support services offerings.

CONCLUSION

Many organizations are beginning to view IT as less of a cost center and more of a driver of strategic business value. However, for IT to deliver on the strategic business value, it needs to be easy to use and robustly supported.

Enterprises must consider the increasing importance of data/disaster recovery, reliance on mobile systems, and expectations that IT is agile enough to support changing needs in real time. Due to these important considerations, organizations should rethink how they purchase and utilize support services. It is imperative to consider the application and end-user being supported and squarely align the right support based on unique business needs. And, because business needs change constantly in today's world, it is important to select a support vendor that is geared to scale up and down with these needs.

Customers should look for a provider that offers the next generation of support services offerings; those that offer flexibility and can be customized to fit specific needs rather than the "one size fits all" traditionally offered.

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