

SMALL BUSINESS, BIG SUCCESS

The Dell OEM Industry Solutions Group helps ScienceLogic reduce hardware failures by 90 percent compared to white-box servers



ScienceLogic was founded by a group of IT professionals with a great idea: take the complexity out of IT management by incorporating the applications, tools, and reporting features that IT managers need into a flexible, easy-to-deploy appliance. The ScienceLogic team quickly brought that idea to the marketplace with its EM7 Meta-Appliances. Today, the success of the EM7 appliances has earned ScienceLogic a spot on the Inc. 500 list of fastest-growing companies. But that kind of success seemed far away during the fledgling company's first few months in business.

SOLUTION
• OEM APPLIANCE



CUSTOMER PROFILE

COUNTRY: United States

INDUSTRY: Technology

FOUNDED: 2003

NUMBER OF EMPLOYEES: 40

WEB ADDRESS: www.sciencelogic.com

BLOG ADDRESS: blog.sciencelogic.com

CHALLENGE

A poorly supported and fault-prone hardware platform from a white-box server manufacturer threatened to undermine the success of ScienceLogic's new IT management appliance.

SOLUTION

ScienceLogic selected the Dell OEM Industry Solutions Group to provide a new hardware platform based on Dell™ PowerEdge™ servers and supported by worldwide Dell service.

BENEFITS

Get IT Faster

- The Dell build-on-demand model shaves 10 days off the average delivery time for ScienceLogic appliances
- Faster delivery eliminates the need for standing inventory and all associated inventory costs

Run IT Better

- The Dell platform reduces hardware failure rates from 20 percent to less than 1 percent
- Four-hour Dell hardware service response eliminates the need for replacement appliances

Grow IT Smarter

- Worldwide Dell presence helps quickly expand beyond the U.S. and U.K. and grow by over 800 percent





HOW IT WORKS

HARDWARE

- Dell™ PowerEdge™ 2950 with two quad-core Intel® Xeon® processors
- Dell PowerEdge R900 with up to four quad-core Intel Xeon processors
- Dell PowerEdge R905 with up to four quad-core AMD processors
- Dell PowerEdge 1950 with a single quad-core Intel Xeon processor

SERVICES

- Dell OEM Industry Solutions Group
- Dell 4-hour Response Service

“THE DELL OEM INDUSTRY SOLUTIONS GROUP WAS READY TO SET UP A DIRECT RELATIONSHIP AND HELP US QUICKLY GROW OUR APPLIANCE BUSINESS.”

Louis DiMeglio, senior vice president of customer engineering, ScienceLogic

Customers gave EM7 rave reviews. However, in many cases, the benefits of the ScienceLogic products were offset by issues with the EM7 hardware platform, which was supplied by a white-box server manufacturer. Nearly 20 percent of customers experienced hardware-related issues that required them to contact the ScienceLogic help desk.

WHITE BOX HARDWARE PROBLEMS THREATEN THE NEW COMPANY'S SUCCESS

The hardware problems were disruptive for customers and costly for ScienceLogic, as each failure required time and resources to diagnose and resolve. “The expense wiped out any savings we had gained from using the white box instead of a major hardware brand,” says Louis DiMeglio, a ScienceLogic partner and senior vice president of customer engineering.

Compounding the problem, the service response provided by the white-box supplier was inadequate. “Too often, the supplier was unable to get a technician on-site quickly or didn’t have the parts needed to fix the problem,” says DiMeglio. “We ended up shipping complete replacement appliances to many customers. That meant keeping a supply of spares on hand, which increased our inventory costs.”

In fact, the ScienceLogic team had to maintain a large inventory just to meet demand. “With the white-box provider, several weeks often elapsed from the time we ordered new hardware to the time they were delivered,” explains DiMeglio. “We needed to maintain a warehouse full of product to meet peaks in demand and avoid keeping our customers waiting. That creates big costs for a small business like ours.”

After less than a year in operation, it became clear to the ScienceLogic team that they needed to find a new hardware source. “The white-box server platform seemed like the least expensive way to go at first, but our experience quickly showed otherwise,” says DiMeglio. “Once we realized it was the wrong choice for us, we evaluated other manufacturers including several major server brands.”

DELL OEM OFFERS A CUSTOM APPLIANCE PROGRAM TO SUIT ANY SIZE CUSTOMER

The new hardware supplier would have to meet several key criteria: excellent hardware reliability, timely support capabilities, and the ability to consistently fulfill orders that fluctuated in size depending on customer demand. Based on several months of talking with customers, the team also sought a manufacturer that could

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offer a broad range of platform sizes to meet varying customer needs. Finally, the new supplier would have to continually incorporate advances in technology. “The white-box manufacturer wanted to stay with the original components over the life of the appliance, but we needed to deliver new technologies like 64-bit processors as soon as our customers started asking for them,” says DiMeglio.

After carefully evaluating several options, the ScienceLogic team chose the Dell OEM Industry Solutions Group. “Once we talked to Dell, it was clear they were the best fit for us,” says DiMeglio. “Most of the other manufacturers we met wanted us to go through resellers because they didn’t consider us large enough for direct business at that time. The Dell OEM Industry Solutions Group was ready to set up a direct relationship and help us quickly grow our appliance business.”

DELL POWEREDGE SERVER LINE MATCHES SCIENCELOGIC CUSTOMER NEEDS

The Dell OEM team helped ScienceLogic select a range of platform sizes from the Dell server line. ScienceLogic offers EM7 appliances in several sizes depending on the number of network devices to be monitored at the customer’s location. The ScienceLogic team chose the Dell PowerEdge 1950 server as the platform for its entry-level product, the PowerEdge 2950 server for its mid-range product, and the PowerEdge R900 and R905 servers for its high-end products.

The ScienceLogic team found that the Dell servers provided an ideal balance of performance, configuration flexibility, and power usage for the EM7 products. “The Dell server models give us just the right additional capacity at each of our product levels,” says DiMeglio. “We can go from one CPU to as many as four CPUs and also add more memory while maintaining an excellent price-performance ratio.”

DELL PLATFORM REDUCES HARDWARE FAILURES FROM 20 PERCENT TO LESS THAN 1 PERCENT

Hardware failures virtually became a thing of the past as soon as the new Dell server-based platform was introduced. “The Dell hardware enabled us to build a reputation for reliability,” says DiMeglio. “It also allowed our team to focus on delivering great software, which was especially important when we had only five employees and didn’t have time to be distracted with hard drive failures. As the business has grown, we have continued to rely on Dell for hardware innovation and reliability, freeing up our resources to deliver the IT management innovations our customers expect.”

FOUR-HOUR SERVICE RESPONSE BECOMES A REALITY WITH DELL

Slow hardware repairs are no longer an issue. If a hardware problem occurs today, a Dell technician is on-site with replacement parts within four hours of diagnosis, practically eliminating the need for replacement appliances. “We no longer maintain an inventory of spare systems, because we know we can rely on Dell to quickly repair any failures, 24 hours a day, with any of our customers,” says DiMeglio. “The white-box manufacturer we were using promised four-hour service but rarely delivered it. With Dell, we can count on it worldwide. By offering tier-one support to our customers, Dell helps a small company like ours become a truly global player.”

DELL CUTS SCIENCELOGIC’S ORDER FULFILLMENT TIME BY 10 DAYS

Dell builds and ships the EM7 appliances as they are needed, with significantly reduced lead times compared to the hardware supplier that ScienceLogic had previously used. “With the white-box provider, we had long lead times, often several weeks,” says DiMeglio. “Now we’re getting hardware delivered within days of the

time we order it. The Dell manufacturing system is geared for building on demand, and it has shaved an average of 10 days off the previous delivery time to our customers.”

SCIENCELOGIC REDUCES INVENTORY COSTS BY 100 PERCENT

The shorter lead times have eliminated the need to carry inventory. “In the past, we felt we needed to keep a month’s worth of inventory on hand for demand spikes,” says DiMeglio. “Today, we maintain no inventory because of how quickly Dell turns around our orders. We’re able to invest more of our budget in growth and development because we don’t have to keep hundreds of thousands of dollars tied up in products in a warehouse.”

DELL OEM CHANGE MANAGEMENT KEEPS PLATFORMS UP TO DATE

The Dell OEM program meets ScienceLogic’s requirement for continually incorporating advances in technology. “Dell has a clear road map for coming out with new processors and other hardware,” says DiMeglio. “They provide us with preproduction units we can test with our software in our labs. We’re able to incorporate new technology into our appliances in a planned way and make the transition to new generations of appliances smooth and simple for our customers.”

AWARENESS OF DELL QUALITY AIDS SCIENCELOGIC SALES EFFORTS

The ScienceLogic sales team appreciates the way the Dell name reinforces their sales efforts. “Although we deliver our appliances with ScienceLogic logos on them, we don’t hide the fact that it’s a Dell platform underneath,” says DiMeglio. “Many of our prospective customers already have Dell servers or desktops and understand the reliability and support that Dell provides. For a small but growing manufacturer, being able to deliver on Dell hardware translates to instant credibility.”

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REDUNDANCY FEATURES ADD VALUE TO SCIENCELOGIC APPLIANCES

The redundancy built into the Dell PowerEdge servers is another powerful selling point for ScienceLogic and its customers. ScienceLogic orders most of its models with redundant processors, a Fibre Channel card, extra network adapters, and the latest RAID card. The ScienceLogic platforms also include Dell remote access cards, providing access to the device in case of a failure. “Dell offers a full range of redundancy features they can build into our appliances at the factory,” says DiMeglio. “EM7 is typically part of mission-critical data center infrastructure, so those features are attractive to our customers.”

WORLDWIDE DELL PRESENCE HELPS SCIENCELOGIC GROW OVER 800 PERCENT IN FOUR YEARS

DiMeglio credits Dell with helping to enable ScienceLogic’s global expansion and rapid growth. “Using the white-box manufacturer, I do not believe we would have considered going beyond the U.S. and the U.K., where we have a local presence,” says DiMeglio. “But working with Dell and knowing that we can get worldwide support for the hardware has allowed us to expand into other countries such as Australia and South Korea. Our growth of over 800 percent in the past four years has certainly been enabled by Dell’s global support. We made a great decision when we went with Dell, and we haven’t looked back since.”

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