

IDC MarketScape

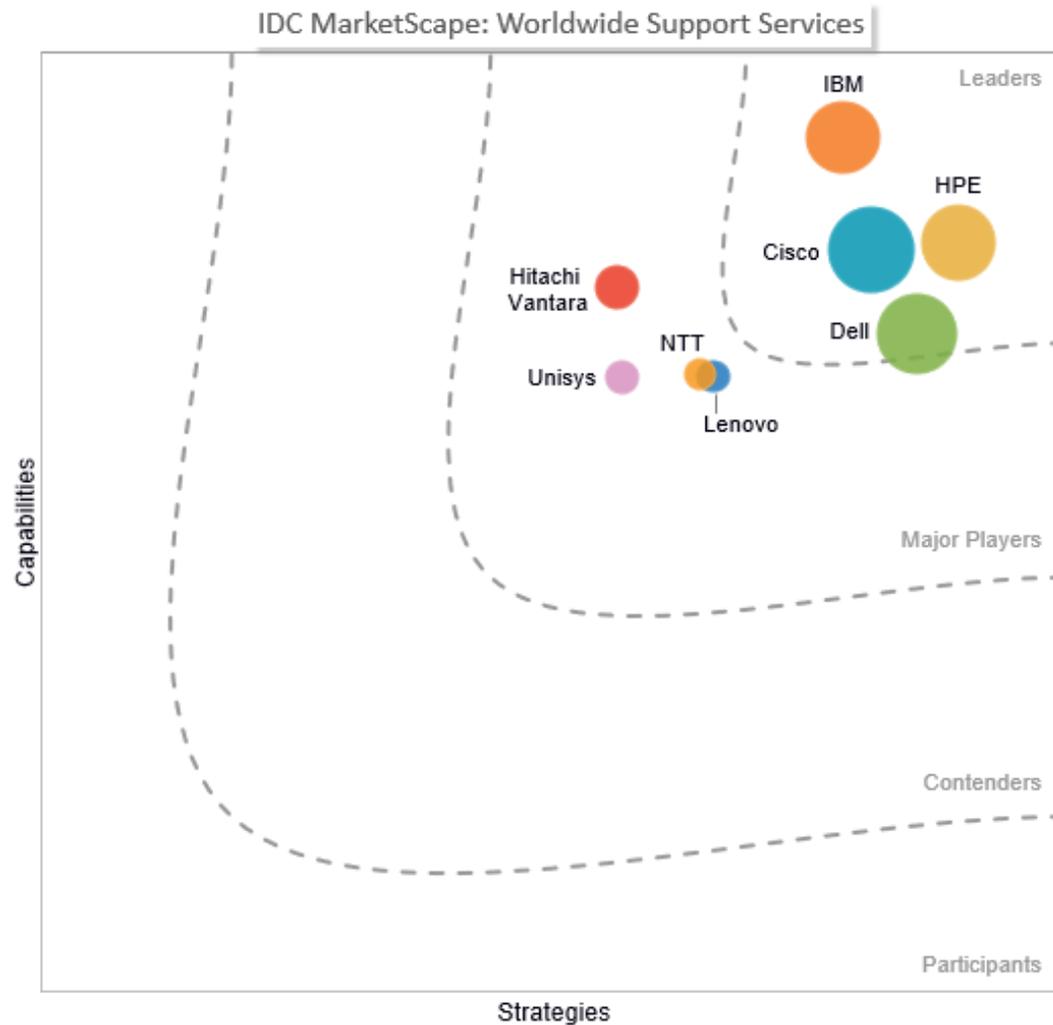
# IDC MarketScape: Worldwide Support Services 2019 Vendor Assessment

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THIS IDC MARKETSCAPE EXCERPT FEATURES IBM

## IDC MARKETSCAPE FIGURE

### IDC MarketScape Worldwide Support Services Vendor Assessment



Source: IDC, 2019

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

## IN THIS EXCERPT

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The content for this excerpt was taken directly from IDC MarketScape: IDC MarketScape: Worldwide Support Services 2019 Vendor Assessment (Doc # US45595819). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

## IDC OPINION

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This IDC study assesses eight support providers that are participating in the worldwide datacenter hardware support services IDC MarketScape model. Vendor selection included providers with existing support portfolios and range from the hardware vendor to third-party maintainers. This assessment discusses both quantitative and qualitative characteristics that explain success in this important but mature market. The support industry is at an inflection point, particularly in the developed, enterprise sector. In those markets, penetration is very high, and it is becoming increasingly difficult for vendors to differentiate core services and supporting technologies. However, vendors have the opportunity to increase differentiation and create new annuity streams by developing services portfolios that impel enterprise customers to higher levels of support and management maturity, resulting in greater benefits for those customers. In addition, vendors that can continue to expand both core and advanced services into the midmarket and into emerging markets will continue to see success. Additional factors for success identified from this study – we are beginning to see some of the initiatives implemented by the more active vendors in the support market that is helping them propel themselves past some of their competition – include:

- Assisting companies with new IoT and analytics solutions, which will need new support solutions that may incorporate new technologies such as AR and VR
- Developing proactive methodologies such as machine-to-machine support solutions to help drive operational efficiencies and reduce costs and downtime to the customer
- Developing tools and automation to streamline the support process (Examples of this can be more automation in the contract renewal process, giving the user more control over contract and inventory management to more proactive tools to identify issues in the environment before they happen.)
- Investing in customer experience (CX) managers (aka technical account managers or a key point of contact within the vendors organization that advocates for the customer)
- Extending direct capabilities to the indirect channel, including training, business development, and marketing support in addition to the products and services portfolio
- Global consistency, which was a major need for larger multinational companies

## IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

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In this IDC MarketScape assessment, vendors that were included had to meet the criteria set forth in the sections that follow. Support providers must be able to maintain most of the types of equipment in the datacenter mentioned in the sections that follow and provide specific services at a minimum revenue threshold to be included in this assessment.

## Datacenter Equipment

- **Enterprise networking equipment:** Enterprise networking equipment provides the classifications and definitions for the four major markets covered in IDC's enterprise networks research: routers, LAN switches, enterprise VoIP equipment, and wireless LAN (WLAN) equipment.
- **Datacenter networks:** A datacenter can be located at a service provider or an enterprise. The components of a datacenter infrastructure include network equipment, servers, and storage. Datacenter network infrastructure forecasts the network infrastructure that is purchased by enterprise and service provider datacenters. This includes spending on network equipment, such as routers, LAN switching, secure content and application delivery, WLAN, optical, and network management/OSS, as well as spending on enterprise connectivity software and products that provide the network infrastructure for IBM mainframes.
- **Servers:** The servers category comprises all server hardware sales for all purposes, applications, and industries, including volume (servers with an ASP of <\$25,000), midrange enterprise (servers with an ASP of \$25,000-500,000), and high-end enterprise (servers with an ASP of >\$500,000). Primary server segmentations are based on server class/price band, chip type, and operating system (OS).
- **Storage mechanisms:** IDC measures specific storage mechanisms that are the building blocks of a storage system. Specifically, IDC tracks the following storage mechanisms: hard disk drives (HDDs), including 3.5in., 2.5in., 1.8in., and 1.0in. media; tape drives and automation; optical/removable drives, including CD/DVD-ROM, CD-Rec, and DVD-Rec; zip/magneto-optical (MO)/removable and large form factors (5.25in. optical, 12-14in. WORM); and solid state drives (SSDs).
- **Storage systems:** Storage systems include disk storage systems, tape automation and tape libraries, and optical automation.
- **Storage networking infrastructure:** Storage networking infrastructure comprises switches based on the Fibre Channel or FICON standards that connect servers, storage systems, and other devices to a storage area network.

## ADVICE FOR TECHNOLOGY BUYERS

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85% of enterprises mentioned services and, in particular, support services as a key differentiator when choosing a vendor to purchase datacenter systems. This is a key indicator that services do matter and one of the big differences between OEM and ODM providers (OEMs having a robust services portfolio). Relationships, single points of contacts, and technical account managers were also specifically called out when interviewing key vendor customers, stating that those relationships were key when working with a particular provider. IDC recommends looking for vendors that invest in deepening a relationship and not just selling systems. Also topping the list of key needs by enterprises include:

- Technical expertise and effective communication of staff
- Support of the software-defined layer (hypervisors and/or operating systems)
- Proactive and preventative support services (notifications, ability to identify, diagnose, and resolve issues before they impact the environment, parts replacement, and health checks)
- Providing multiple ways to get in contact with support (phone, chat, online portals, and other channels)

- Fast and easy access to patches, updates, and upgrades

## VENDOR SUMMARY PROFILE

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This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of the vendor's strengths and challenges.

### IBM

IBM is positioned in the Leaders category in the 2019 IDC MarketScape for worldwide support services.

IBM has the ability to help customers with large multivendor environments as well as sophisticated network architectures. The strength of IBM is its ability to offer its support on a global basis, which appeals to medium-sized and large enterprise customer. IBM Technical Support Services (TSS) can help enterprises maintain availability and IT performance with integrated maintenance and technical support for multivendor hardware and software solutions. TSS' portfolio of services is designed to help prevent unplanned downtime with proactive support, and when issues do occur, resolve them faster through advanced technologies for highly efficient IT support, and protect the IT environment during both warranty and post-warranty periods. Customers can upgrade service for in-warranty machines or extend post-warranty technical support coverage.

IBM has technicians who can provide around-the-clock remote or onsite support with a single point of contact. Customers can choose the proper service level for their solution that suites their business need. These include:

- **Basic support** is truly device oriented and well suited for test and dev environments that are not critical to the business.
- **Enhanced support** provides customers with a single point of accountability and direct access to technical resources with accelerated response times.
- **Proactive support** includes all of the aforementioned features plus life-cycle management including asset management, system monitoring, and automated services for a proactive response experience. IBM also provides preventative support letting customers know what they should be doing on the systems to keep them running at peak performance and availability.

IBM extends the life of the datacenter and the life cycle of IT assets with IBM's life-cycle management services, including server virtualization, storage automation, and middleware optimization. These support services allow IT managers to defer procuring new IT equipment. At the same time, these services increase the efficiency of the systems that are already in place in terms of power, cooling, space, and personnel time. In terms of virtualization, most datacenter managers have already virtualized the "easy workloads," and they do not know where to go with more complicated virtualization projects in terms of time, resources, and skill sets while providing a strong ROI for the business.

To solve the problems of today's datacenter and increase flexibility, efficiency, and reliability, IT needs to focus on incremental improvements rather than keeping the ship afloat. IBM uses various proprietary tools to enable clients to have greater visibility into their environments, including advanced automation with pattern-based recognition analytics for Call Home-submitted service requests and log

files, Client Insights Portal, Technical Support Appliance, and cognitive support automated capabilities. IT organizations are constantly looking for insight around availability, capacity, and energy efficiency. These services ultimately free up IT staff to focus on problems affecting business performance. The strengths of IBM are its global reach and the ability to deliver a holistic set of support services that identify interdependencies across the IT portfolio and provide analytics that can optimize across the entire life cycle of the datacenter. The challenge for IBM will be to take these abilities and better enable its channel partners to deliver the same set of services downscale from the high-end enterprise customer.

### **Strengths**

- IBM's global presence and partnerships make the company a great fit for large enterprises.
- Customers state that the partnerships IBM creates at the higher levels of the C-suite allow IBM to truly understand the business needs of the customer and, in return, the C-suite of the customer has access to IBM executives.
- Proactive/preventative care is something IBM has been doing a long time with phone home and now with Watson. IBM's abilities in this area will accelerate.

### **Challenges**

- IBM services can sometimes be perceived as expensive and difficult to navigate. Survey respondents indicated that while the cost for services is at a premium, they are generally extremely satisfied with the quality and value of the services they have received for the price paid.
- Keep customers on these larger fairly expensive datacenter footprints.

## **APPENDIX**

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### **Reading an IDC MarketScape Graph**

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

### **IDC MarketScape Methodology**

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and

interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of a review board of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

## **Market Definition**

### ***Support Services***

Support services comprises telephone support, remote diagnostics, electronic support, onsite support, extended warranty, predictive/preventive maintenance, parts repair, and inventory/asset management services. IT help desk services dedicated to supporting a customer's application are considered support services. Hardware support services can be provided by either the hardware vendor or a third party and are either attached to the hardware or included in a site agreement.

### ***Managed Support Services***

Managed support services refer to high-end or mission-critical support services. Under the terms of a managed support services offering, the provider is responsible for proactively alerting customers about events or situations that are occurring in their environment or on discrete technology assets. Under the terms of a managed support agreement, the provider's legal liability is limited to providing an alert to the customer. After the alert has been sent, the provider may have additional responsibilities under the terms of a traditional support agreement. For example, the provider may be bound by response or resolution times as described in a support agreement. Examples of alert types for events are:

- Down system or device (This refers to a device that is no longer functioning.)
- Poorly performing system or device (This refers to a device or technology environment that is not performing optimally.)
- Potential problem (This refers to alerting a customer regarding a situation that could result in a down system.)

Once the vendor has alerted the customer, the customer can then decide how to address the alert. Typical customer decisions would be to:

- Address the alert internally
- Have the vendor that provided the alert address the problems under the terms of a support agreement
- Have another third party (i.e., a vendor that did not provide the alert) address the alert
- Ignore the alert

## LEARN MORE

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### Related Research

- *Market Analysis Perspective: Worldwide Software and Hardware Support and Deployment Services* (IDC #US45543716, September 2019)
- *Asset Procurement: Why Flexible Consumption Models Are Disrupting Buying Behaviors* (IDC #DR2019\_T6\_RB\_SM, March 2019)
- *Deploying Enterprise IT Assets: DIY or Outsource, What Is More Cost Effective?* (IDC #US44479318, December 2018)
- *IDC FutureScape: Worldwide Datacenter 2019 Predictions* (IDC #WC20181101, November 2018)
- *The Impact of Flexible Consumption Models on the IT Procurement Process* (IDC #US44382218, October 2018)

### Synopsis

This IDC study uses the IDC MarketScape model to provide an assessment of several providers participating in the worldwide support services market. IDC MarketScape is an evaluation based on a comprehensive framework and a set of parameters that assess providers relative to one another and to those factors expected to be most conducive to succeed in each market in both the short term and long term.

"Support services is a mature market with most vendors being capable of delivering support services. This IDC MarketScape aims to differentiate those firms that are investing in innovation to meet customers' needs. This requires a strategic road map for helping enterprise customers innovate, differentiate, and compete on technology, operational, and business playing fields. To do this successfully, support providers must have the right mix of people, process, and technology to meet the demand," said Rob Brothers, program vice president, Datacenter and Support Services.

## About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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