

Technology Service Providers Uncovered By Joseph Marion

Good-bye old friend

IT Managers should take a moment of silence in memory of one more cost saving option which has faded away. Sun Microsystems' announcement last week of its all-cash acquisition of Storage Technology (StorageTek) reduces the field of Independent Service Providers by one. Along with providing tape storage products, StorageTek was a provider of multi-vendor maintenance services, providing independent support services for Sun, Hewlett-Packard, IBM and other products.

But who cares? Any IT Manager who is concerned about their bottom line should care. The importance of the Independent Service Provider to the health of the Information Technology (IT) industry is without question. The sale of StorageTek to Sun, which is still subject to SEC approval, eliminates a maintenance competitor. And the elimination of a competitor means that customers will have fewer choices for hardware and software maintenance services.

Two Choices

Information Technology maintenance options come down to just two choices. Either contract the manufacturer to support their products or engage the services of an equally qualified Independent Service Provider (ISP). Independent Service Providers have no direct ties to the manufacturer which allows ISP's the freedom to support multiple vendors' equipment with no restrictions, and that is an important distinction.

Many manufacturers do not even service their own equipment. Instead they outsource their maintenance services to third party technical companies. This allows the manufacturers to exercise account control over their customers while assigning the responsibility of service to someone else. For obvious reasons, these maintenance proxies' loyalties lie with their most important partner which is the manufacturer.

Independent Service Providers most important partner is the end user, and that is where their loyalties lie. Their number one mission is to provide maintenance services. They make their money by fixing technical problems. On the other hand, manufacturer's number one job is to produce hardware. While some manufacturers provide maintenance services, without hardware sales they would not exist.

Herein lies a potential conflict of interest. If a manufacturer identifies a particular hardware platform which is inherently unreliable, or if a customer experiences a particularly high number of service calls for a given hardware platform what can the manufacturer do? If they inform the customer of the hardware's unreliability they will negatively impact future sales of that product to their entire customer base.

Independent Service Providers have no hardware sales agenda. They will openly share known hardware deficiencies and Mean Time to Failure (MTBF) with the customer that may help guide the customer's hardware purchases.

Then and Now

Independent Service Providers have been around since the beginnings of the computer industry. Early ISPs were usually regional and they usually supported only one manufacturer. The primary advantage of choosing one of these early ISP's was the fact that their services were considerably less expensive than those of the manufacturer. Customers on a tight IT budget forgave such shortcomings as the lack of parts availability, limited technical abilities and geographical restraints in order to realize the cost savings. Back then end users would not expose business-critical elements of their IT infrastructure to anyone other than the manufacturer. Things have changed.

A new genre of Independent Service Providers is challenging the manufacturer in mission critical support environments and customers are realizing many previously unseen benefits of Independent Service Providers. Today, Independent Service Providers offer flexibility, a high degree of technical skills and cost savings over the manufacturers. The "new genre" ISPs provide hardware AND operating system support.

IT Managers should look for alternatives to manufacturers support. In the high-end server market, some manufacturers have intimidated end users about choosing ISP's through vague policies involving their operating system support. They have misled the customer into believing that if they leave the manufacturer's maintenance umbrella, they will lose operating system support. When choosing an ISP, IT Managers should ask them for a clear explanation of the software licensing rights.

Where to Look

The Association of Service and Computer Dealer, International (www.ascdi.com) is a good source for Independent Service Companies. The ASCDI has a feature on its web site which will enable IT Managers to search for a technical service company by geographic location or by product type. Just go to the web site and click on a link called TECH SERVICES. There is another association called the Service Industry Association (www.servicenetwork.org) which has a feature on their web site which will allow IT Managers who have a service requirement to fill out a form with the details and the SIA will advertise their needs to the SIA membership.

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