



Sponsored by: **HP and Intel**

Authors:

Elaina Stergiades
Rob Brothers
Matthew Marden

March 2015

Business Value Highlights

Three-year ROI

904%

Average three-year discounted business benefits per customer

\$1.37M

Reduction in downtime

77%

Time saved managing hardware licenses and warranties

More than 1 day/month

Time saved with health monitoring and proactive health checks per year

140 hours

Average payback in

2.1 months

The Business Value of Connected Support from HP

EXECUTIVE SUMMARY

As IT environments increasingly adopt new solutions to enable cloud, mobile, and analytics initiatives, enterprises will continue to depend on the IT organization to support business-critical processes for demanding internal and external users. However, CIOs and IT managers must maintain extensive legacy systems for core business processes while continuing to invest in innovation to ensure the business can achieve strategic competitive advantage. Navigating these challenges in the face of reduced budgets and fewer resources can be exceedingly difficult for even the most accomplished IT organizations.

IDC believes that to combat these issues, many CIOs can look to their support providers for help. The advanced tools and applications available for automated support today can help IT organizations streamline ongoing operations and improve the efficiency of IT service delivery. With expanded automated remote support functionality, IT staff can more easily monitor and manage day-to-day operations and more quickly resolve problems when they occur. This can help save time and resources for more strategic and innovative IT initiatives.

IDC interviewed six HP customers about their experiences with HP Proactive Care, HP Insight Online, and HP Insight Remote Support/Direct Connect (IRS/DC) to understand how they are generating business value through the use of these services. IDC's analysis demonstrates that these organizations are achieving business value because these services enable them to:

- » Reduce the frequency and duration of user-impacting system downtime
- » Increase IT staff productivity without commensurate growth in staff
- » Free up IT staff time from "keeping the lights on" to support the business
- » Improve performance of applications running on supported hardware
- » Realize IT operational cost efficiencies

In This White Paper

This IDC white paper describes the challenges facing IT organizations as they transition to the 3rd Platform, with a focus on support services for the enterprise. It highlights the important role of support services in improving IT operations while maximizing system performance. The document also provides an overview of HP Proactive Care, HP Insight Online, and HP Insight Remote Support/Direct Connect and looks at how HP customers are capturing business value through the use of these HP support services and tools.

Demographics

To measure the business value being achieved, IDC interviewed six HP customers in fall 2014 that were using HP Proactive Care and HP Insight Online as well as HP Insight Remote Support/Direct Connect. IDC asked questions designed to obtain quantitative and qualitative information from these HP customers to measure the impact of these HP support services and tools on their operations and business.

The organizations interviewed ranged in size from 10 employees to 35,000 employees, with an average of 11,135 employees. These organizations are based in the United States, Mexico, Belgium, the Netherlands, and Austria and are using HP Proactive Care to monitor and support an average of 64 servers. Two of these customers are using HP Proactive Care primarily to support storage boxes that are critical to their operations.

Table 1 provides an aggregate profile of the organizations interviewed for this white paper.

TABLE 1

Demographics of Interviewed Organizations	
Average number of employees	11,135
Average number of IT staff	198
Average number of IT users	7,125
Average number of servers covered by HP Proactive Care	64
Number of customers using HP Proactive Care for storage	2
Industries	Education, telecommunications, government, manufacturing, technology, media
Countries	United States, the Netherlands, Belgium, Austria, Mexico

Source: IDC, 2015

To measure the business value being achieved, IDC interviewed six HP customers in fall 2014 that were using HP Proactive Care and HP Insight Online as well as HP Insight Remote Support/Direct Connect.

As business managers demand the agility and flexibility of these 3rd Platform technologies, many IT organizations are struggling to maintain critical legacy systems while maximizing performance and implementing new IT solutions.

Situation Overview

In today's increasingly competitive global marketplace, most CIOs and IT managers are considering a number of new technologies that can help their enterprise achieve and maintain strategic competitive advantage. IDC's research has focused on this transition to the 3rd Platform, where social, mobile, cloud, and analytics technologies are coming together to transform IT service delivery and business process capabilities. However, as business managers demand the agility and flexibility of these 3rd Platform technologies, many IT organizations are struggling to maintain critical legacy systems while maximizing performance and implementing new IT solutions.

Challenges Facing Today's IT Managers

Today's CIOs and IT managers are contending with a number of challenges as the IT industry transitions to 3rd Platform technologies, all while maintaining critical legacy IT infrastructure. IDC research has identified the following critical issues for IT organizations in 2015 and beyond:

- » **Integrating new technologies to speed the business.** For most enterprises, the move to the 3rd Platform is a key strategic decision to take advantage of the increased power, flexibility, and agility offered by 3rd Platform solutions. However, with limited resources and declining budgets, CIOs deploying 3rd Platform infrastructure face a daunting task. IT organizations must continue to support critical legacy infrastructure at a very high level while deploying complex new IT solutions for business managers — a difficult approach to IT resource allocation management even under the best circumstances.
- » **Improving IT service delivery.** Across the enterprise, IT service delivery is a key component of ensuring business process continuity in terms of performance and availability. Business managers rely on IT to perform business-critical processes, while internal and external customers demand consistent high availability for essential systems. System downtime and performance degradations can lead to a significant loss of revenue and productivity, which is unacceptable for most organizations.
- » **Managing complexity in the IT environment.** While 3rd Platform solutions such as mobile, social, cloud, and analytics can provide immediate benefits to business users, that is not necessarily the case for IT organizations. The additional complexity of integrating these new technologies with critical legacy infrastructure and optimizing ongoing operations across these disparate solutions can pose significant challenges for even the most sophisticated IT organizations.

In the face of these challenges, most IT organizations maintain their infrastructure with a mix of internal support resources and external support services from technology vendors and support providers.

In the face of these challenges, most IT organizations maintain their infrastructure with a mix of internal support resources and external support services from technology vendors and support providers. Managing all aspects of support and deployment across highly integrated systems and heterogeneous technologies can require considerable time, effort, and advanced knowledge. As a result, IT organizations often struggle when engaging with external support providers for issues as simple as problem identification and case logging. IDC research shows that key challenges with support delivery include the following:

- » **Problem detection and notification.** In today's complex IT landscapes, the process of isolating and diagnosing software or hardware issues in critical systems can be tedious and arduous. The highly integrated nature of IT infrastructure can make it very difficult to identify the exact hardware or software responsible for a performance issue. Once the source of the problem is located, diagnosing the specific issue and determining potential solutions can be just as difficult for a resource-strapped IT organization.
- » **Time to resolution.** Reducing time to resolution for issues affecting IT operations is a primary concern for most CIOs and IT managers. When IT problems disrupt critical business processes, many IT organizations face the pressure of meeting strict service-level agreements (SLAs) for both internal and external customers. As a result, improving staff productivity when troubleshooting problems and working with support providers to improve time to resolution are critical metrics in support delivery.
- » **Preventive and predictive support.** Most support providers and technology vendors have introduced advanced tools and utilities to deliver support and increase the effectiveness of support services. However, it can be difficult for IT organizations to find the time and resources necessary to implement these applications and complete the training necessary to realize the benefits of proactive support.

While IT organizations work with support services providers to address these challenges, they face increasing pressure to improve IT service delivery and minimize performance degradation. Business units are demanding that CIOs reduce downtime and improve service levels to internal and external customers. As most enterprises adopt 3rd Platform technologies that require support and integration with legacy systems, these challenges will only increase in size and scope.

Designed to utilize both HP Insight Online and HP Insight Remote Support, HP Proactive Care Services feature a comprehensive, integrated set of proactive and reactive support services that covers servers, operating systems, hypervisors, storage, storage area networks, and networks.

HP Proactive Care, HP Insight Online, and HP Insight Remote Support Capabilities and Potential Benefits

To help enterprises looking to implement more proactive and preventive support in their IT ecosystem, HP offers HP Proactive Care Services. Designed to utilize both HP Insight Online and HP Insight Remote Support, HP Proactive Care Services feature a comprehensive, integrated set of proactive and reactive support services that covers servers, operating systems, hypervisors, storage, storage area networks, and networks. Some of the key deliverables are:

- » Priority access to the Advanced Solution Center and a Technical Solution Specialist for incident support and full case ownership
- » Firmware release and software patching analysis and recommendations
- » Proactive scans and incident reporting, including “health checks” across the connected HP products
- » Proactive trend correlation and detailed fault analysis using support data gathered from connected products
- » Accelerated escalation management
- » Remote hardware and software incident diagnosis and support, including real-time monitoring 24 x 7

HP Proactive Care Services also include onsite hardware repair when required, available at a variety of service levels that can be tailored to specific technologies.

HP Proactive Care Services are designed to incorporate the support technology available in HP Insight Online and HP Insight Remote Support, both of which are available through standard HP warranty, Care Pack, or contract services. HP Insight Online, accessed through the HP Support Center portal, is part of an expanded portfolio of tools focused on infrastructure monitoring, management, and support. It offers secure single sign-on access to product and HP support information specific to a customer’s IT environment. HP Insight Online includes the following capabilities:

- » Access to a personalized online dashboard to monitor device health, events, and support status anytime, anywhere
- » Viewing of configuration information on all monitored devices in the IT environment as well as associated support contracts, warranties, and service credits by device

HP Insight Online gives customers full control to organize their IT environment and to more easily monitor devices and events as well as manage support status. Users can both auto-populate the list of devices from HP Insight Remote Support and add devices manually.

» Monitoring of auto-generated hardware events and support cases

HP Insight Online gives customers full control to organize their IT environment and to more easily monitor devices and events as well as manage support status. Users can both auto-populate the list of devices from HP Insight Remote Support and add devices manually. HP Insight Online users can share device information with HP or HP Authorized Partners to help expedite support and system recommendations.

HP Insight Remote Support is an advanced support program that offers expanded remote monitoring for HP servers, storage, and networking. HP Insight Remote Support includes the following capabilities:

- » 24 x 7 remote monitoring to track potential hardware service events, with 24 x 7 “phone home” to HP call centers
- » Automatic notification of potential hardware problems for customers and partners
- » Automatic support case generation and status tracking, including HP and HP Authorized Partners, if desired
- » Support diagnostics and detailed problem resolution information
- » Seamless integration with HP Insight Online to enable monitoring and support management across the IT ecosystem
- » Advanced installation wizards to discover and verify readiness of devices

HP Insight Remote Support functionality is available for no additional cost as part of the HP warranty — no support agreement or Care Pack is required. For hardware problems that require parts, HP Insight Remote Support features onsite service dispatch.

HP Insight Online and HP Insight Remote Support can also take full advantage of the technologies available in HP ProLiant servers, including the latest Intel Xeon processors. The HP ProLiant servers were specifically designed to offer a variety of advanced remote support capabilities, including agentless setup for HP Insight Remote Support. In addition, HP ProLiant servers feature Active Health Monitoring functionality that can monitor and capture system changes across 1,600 unique parameters.

By incorporating the support technology available in HP Insight Online and HP Insight Remote Support, customers that purchase HP Proactive Care Services can realize a range of potential benefits in IT operations. By pairing the device management, anytime/anywhere functionality in HP Insight Online with the advanced remote monitoring and support capabilities in HP Insight Remote Support, IT organizations could see the following:

The six HP customers interviewed by IDC described leveraging HP Proactive Care and HP Insight Online — as well as foundational services provided by HP IRS/DC — to capture a number of operational efficiencies. IDC calculates that on average, these HP customers will record financial benefits worth \$575,600 per year (\$8,079 per 100 users of IT services) over three years.

- » Improved resolution time for all monitored technology in the IT landscape
- » Increased efficiency of the entire IT organization
- » Less time tracking contract and warranty status
- » Reduced overall risk in the IT environment
- » Lower total cost of ownership

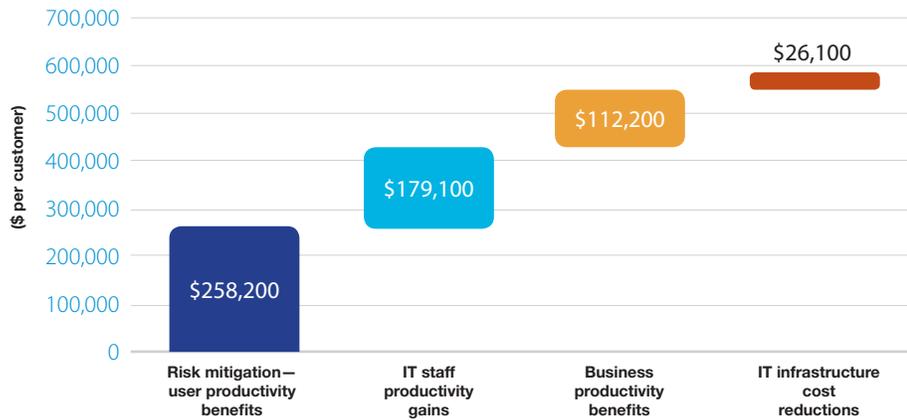
Financial Benefits Analysis

The six HP customers interviewed by IDC described leveraging HP Proactive Care and HP Insight Online — as well as foundational services provided by HP IRS/DC — to capture a number of operational efficiencies. IDC calculates that on average, these HP customers will record financial benefits worth \$575,600 per year (\$8,079 per 100 users of IT services) over three years in the following four areas:

- » **Risk mitigation — user productivity benefits:** Customers are reducing the frequency and duration of unplanned downtime as a result of proactive identification of potential problems, better understanding of their hardware and systems, and faster provisioning of parts as needed. IDC puts the average value of user productivity gains from reducing downtime at \$258,200 per customer per year over three years, or \$3,624 per 100 users.
- » **IT staff productivity gains:** Customers' IT staffs are more productive and save time on administering and maintaining their datacenter environments because of remote monitoring, device health checks, and HP's knowledge and support. IDC projects that this will lead to productivity gains worth an average of \$179,100 per customer per year over three years, or \$2,513 per 100 users.
- » **Business productivity gains:** Customers are improving server and storage hardware performance, which means that important business applications run better. IDC calculates that improved application performance will lead to higher user productivity worth an average of \$112,200 per year per organization over three years, or \$1,574 per 100 users.
- » **IT infrastructure cost reductions:** Customers are reducing costs because these HP services provide better support at lower cost and help them avoid travel and certain datacenter-related costs. IDC projects that each organization will save an average of \$26,100 per year over three years, or \$367 per 100 users (see Figure 1).

FIGURE 1

Average Annual Benefits per HP Customer



Total average annual benefits per customer: \$575,600

Source: IDC, 2015

Risk Mitigation — User Productivity Benefits

“HP Proactive Care helps because they have good knowledge of our environment; they took the action to say that we have to make sure this doesn’t happen again, so we’ll analyze your environment again and again until we find the root cause of the issue. So it’s not about solving the issue when it happens, but afterwards about finding the cause and keeping this from happening in the future.”

HP customers reported that they have improved the reliability of hardware, including mission-critical servers and storage boxes, with the help of these HP support services and tools. HP IRS/DC provides the base for improving reliability by providing remote monitoring services, but HP Proactive Care and HP Insight Online enable these customers to identify errors sooner, move to resolution faster, and prevent recurring problems. As a result, these organizations have reduced the frequency of unplanned downtime of supported hardware by 48.5% and the time needed for resolution by 55.3% on average, reducing downtime by an average of 77.0%, giving back an average of 1.20 productive hours per year to each user (see Table 2).

One HP customer credited HP Proactive Care with helping it reduce by 80% the number of storage failures it experienced that impacted an average of 200–250 employees for 2–3 hours per incident. It said that HP Proactive Care does this by helping it prevent problems from even occurring: “HP Proactive Care helps because they have good knowledge of our environment; they took the action to say that we have to make sure this doesn’t happen again, so we’ll analyze your environment again and again until we find the root cause of the issue. So it’s not about solving the issue when it happens, but afterwards about finding the cause and keeping this from happening in the future.” Another customer noted that it has gone from a “2-9s+ network to a 4-9s+ network” with these HP support services and tools, which is “helping it avoid 2–4 user-impacting incidents per month.” Another customer credited HP Insight Online and HP Insight Remote Support with

helping it reduce the time needed to resolve outages impacting up to thousands of users by two-thirds because “the case is automatically logged with HP and your hardware environment is being monitored by HP Insight Online.”

TABLE 2

Risk Mitigation for Unplanned Downtime — Productivity Impact				
	Before HP	With HP	Benefit	Advantage (%)
Instances of unplanned downtime per year	7.12	3.67	3.45	48.5
Mean time to repair (MTTR) for unplanned downtime — hours	4.70	2.10	2.60	55.3
Users impacted (%)	9.2	9.2	-	-
Productivity impact (%)	50.8	50.8	-	-
Productive time lost per user — hours	1.60	0.40	1.20	77.0

Source: IDC, 2015

Beyond minimizing the productivity impact of unplanned downtime, HP customers using HP Proactive Care attributed value to it for helping them mitigate the possibility of more significant outages that could impact their businesses. One customer analogized having HP Proactive Care to buying good insurance: “It’s just like buying insurance for your car. When we’ve experienced problems and have called HP, we’ve gotten a really quick response. We like knowing that if a server fails, the problem will get a really quick response and get quickly resolved.”

Other customers also cited the peace of mind of knowing that they will have robust support in the event of outages, particularly when they require replacement parts. One customer that experienced failure of a critical server component leading to a highly impactful outage told IDC: “HP Proactive Care minimizes the user impact of downtime. We had an issue with a server, and HP got us the part and repaired the server very quickly, within one day. Without HP Proactive Care, I think this would have taken four days and our users would have lost 90% productivity because they would have had to capture transactions manually during this time.”

IT Staff Productivity Benefits

HP Proactive Care and HP Insight Online are enabling more efficient provisioning of IT services and better support of business operations. Monitoring and administering hardware, including servers and storage units, can require substantial amounts of IT staff time. Between these tasks and the time needed to handle minor issues and responsibilities, such as tracking contracts and warranties, IT staff members find that a substantial amount of their time is consumed

"I always say managing firmware and software revisions is like maintaining the Eiffel Tower; when you finish painting it, you have to start at the bottom again. We save up to 20 hours per month on these tasks with HP Proactive Care."

by these types of "keeping the lights on" activities. For IT departments that are being asked to innovate and better support their businesses, often without an increase in staff resources, finding a way to minimize the time spent on these types of activities is very important.

These customers acknowledged that they could not provide the level of services they are achieving with HP Proactive Care and HP Insight Online without investing in additional IT resources. The customer that has achieved a 4-9s+ network with the help of these HP services and tools estimated that *"to do this on our own, we would have to hire five additional employees."* HP customers also acknowledged that they were unlikely to get the financial resources they would need to ensure the levels of service they are achieving with HP's support, highlighting the value-to-price proposition of HP Proactive Care in particular.

The HP support services and tools analyzed in this study are also helping organizations free up time spent on activities related to keeping the lights on. The amount of time saved on each task or activity is not necessarily significant, but the combined time savings for all tasks and activities is notable. For example, one customer provided a memorable analogy to describe how HP Proactive Care benefits its efforts to manage firmware and software revisions: *"I always say managing firmware and software revisions is like maintaining the Eiffel Tower; when you finish painting it, you have to start at the bottom again. We save up to 20 hours per month on these tasks with HP Proactive Care."*

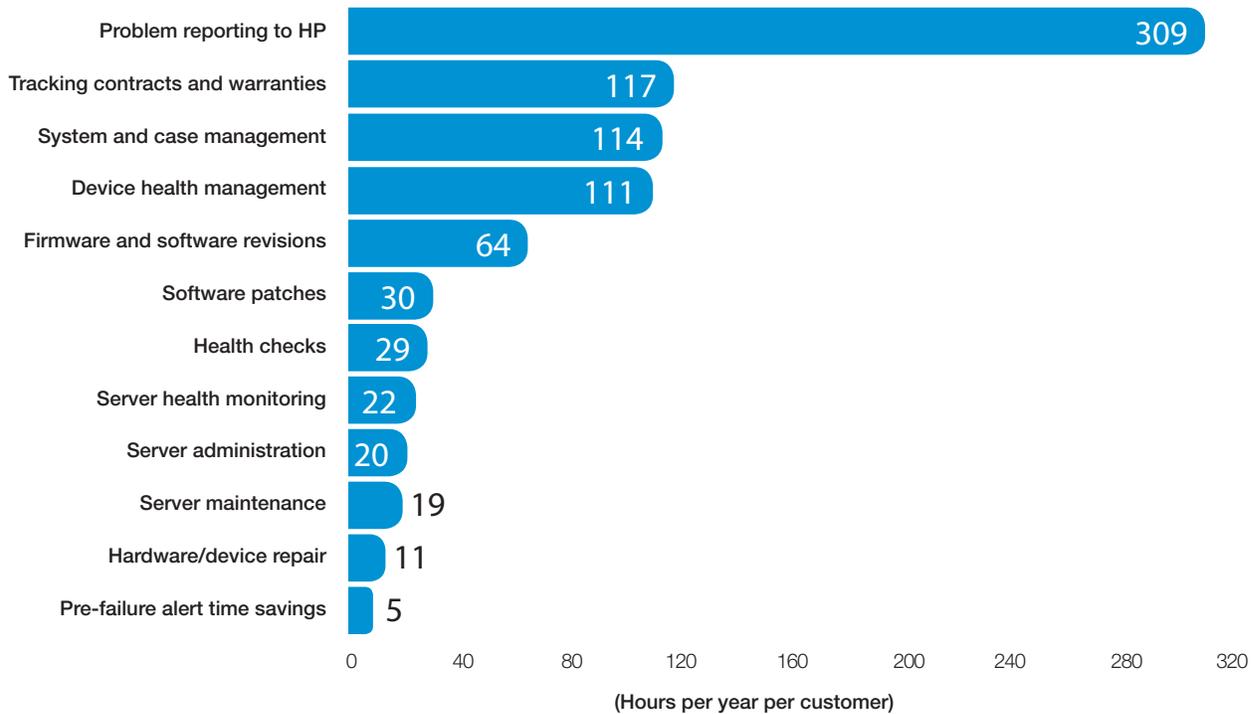
Figure 2 presents average annual time savings for the customers' IT staffs by specific area of responsibility. In aggregate, these time savings show that HP customers are minimizing the time burden of supporting and administering their datacenter hardware, including these efficiencies:

- » **Problem reporting.** Automated notification of problems is saving these organizations an average of 309 hours per year previously spent reporting problems internally and to HP and obtaining the needed support.
- » **Tracking contracts and warranties.** Having a single point of interface with HP Insight Online saves these customers an average of 117 hours per year managing hardware licenses and warranties.
- » **Case management.** IT staff can more efficiently manage hardware-related issues, saving an average of 114 hours per year.
- » **Device health management.** These HP customers are taking advantage of HP's device health monitoring services to save an average of 111 hours per year and another 29 hours per year on proactive device health checks performed by HP.

- » **Firmware and software support.** Customers benefit from proactive support from HP and its knowledge about firmware and software management and patching, saving an average of 64 hours and 30 hours per year, respectively.
- » **Server support and management.** Customers save time supporting their datacenters by consolidating administrative operations and managing remote sites from a single location with the HP Insight Online dashboard and using remote monitoring with HP Insight Remote Support.

FIGURE 2

IT Staff Time Savings



Source: IDC, 2015

Business Productivity Benefits

HP customers are also improving their operational efficiency with these HP support services and tools. They are finding ways to leverage HP support and expertise to improve the performance of critical business applications, which helps their employees do their jobs better and more productively. IDC calculates that interviewed customers will gain an average of 3,721 hours of productive employee time per year over three years because of such operational efficiencies, or 52.2 additional hours per 100 users.

One HP customer described how it is improving the tuning of its storage devices with support and advice it obtains through HP Proactive Care. As a result of improved tuning, it estimated that performance of key applications has increased by 5%, which translates to a 1–2% productivity increase for users of these applications.

Customers provided several examples of how they are achieving productivity improvements with these HP support services and tools. One HP customer described how it is improving the tuning of its storage devices with support and advice it obtains through HP Proactive Care. As a result of improved tuning, it estimated that performance of key applications has increased by 5%, which translates to a 1–2% productivity increase for users of these applications. Another organization estimated that a Web-based application it supports for a customer was performing 10–15% better with HP's support, enabling its customer to better serve its client base.

IT Infrastructure Cost Reductions

HP customers also reported that they are reducing or avoiding certain IT operations costs, including:

- » **Travel costs.** Remote support is helping organizations limit the travel costs associated with visiting sites to check on equipment or troubleshoot. One European customer explained: *"We have users all over the country. I think that we avoid, because of HP Insight Remote Support, up to 10 trips per year that would take three hours round-trip. It's not just the travel time but also the time spent on location. It's about half a day per incident of someone's time."*
- » **Support costs.** Customers credited these HP support services and tools with providing them better support at lower cost. One customer noted that it had been able to discontinue a more expensive support service while getting substantially more value from HP with HP Proactive Care through improved reliability and performance for storage boxes critical to the productivity of its employees.
- » **Server costs.** In addition to limiting the cost of server downtime, one customer told IDC that it attributes its ability to extend the life span of some servers because of support from HP.

ROI Analysis

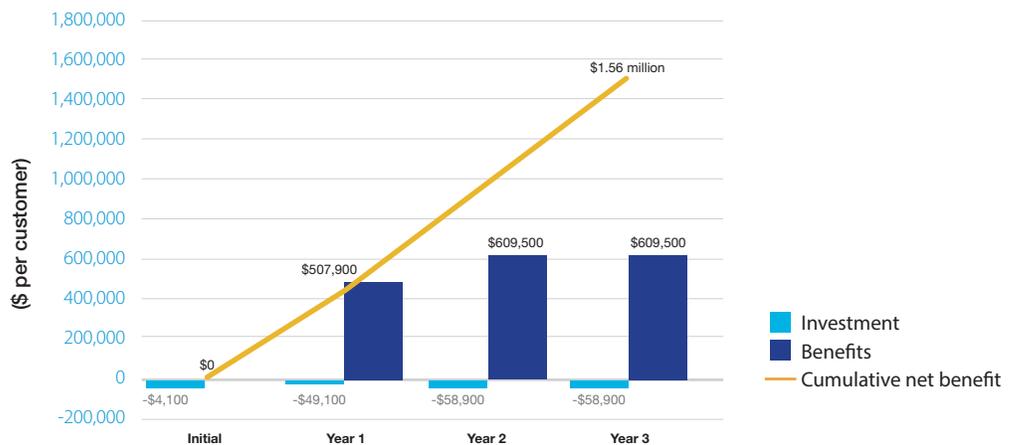
IDC uses a discounted cash flow methodology to calculate the return on investment (ROI) and payback period for the organizations' investment in and use of these HP support services and tools. ROI is the ratio of the net present value (NPV) and discounted investment.

IDC assessed the cost, benefits, and value associated with HP Proactive Care, HP Insight Online, and HP IRS/DC for the six customers interviewed for this white paper. IDC calculates

that these organizations will spend an average of \$57,000 per year over three years (\$779 per 100 users), including initial costs, to use these services. IDC projects that in return, these customers will achieve business benefits worth an average of \$575,600 per year over three years (\$8,079 per 100 users) (see Figure 3).

FIGURE 3

Cost-Benefit Analysis per HP Customer



Source: IDC, 2015

IDC projects that the average customer will earn a 904% ROI and break even on its investment in these HP services in just over two months.

IDC’s three-year ROI analysis of the customers’ use of these HP support services and tools shows that the customers will spend a discounted average of \$136,700 in total over three years (\$1,919 per 100 users) while receiving discounted benefits worth \$1.37 million (\$19,272 per 100 users). IDC projects that the average customer will earn a 904% ROI and break even on its investment in these HP services in just over two months (see Table 3).

TABLE 3

Three-Year ROI Analysis		
	Average per Customer	Average per 100 Users
Benefit (discounted)	\$1.37 million	\$19,272
Investment (discounted)	\$0.14 million	\$1,919
Net present value (NPV)	\$1.24 million	\$17,353
Return on investment (ROI)	904%	904%
Payback period	2.1 months	2.1 months
Discount rate	12%	12%

Source: IDC, 2015

Challenges/Opportunities

IDC believes that as IT organizations look to support providers for help managing ongoing operations, HP will have the opportunity to expand the adoption and utilization of HP Proactive Care Services, HP Insight Online, and HP Insight Remote Support across its customer base. Specifically, IDC recommends that HP leverage the customer success stories illustrated previously, especially highlighting the exceptional ROI and benefits associated with HP Insight Remote Support. IDC research consistently finds that IT managers rarely understand the options and functionality available in support, and marketing communications with specific customer stories can help address that ongoing problem.

IDC also recommends that HP continue adding capabilities to HP Proactive Care Services, HP Insight Online, and HP Insight Remote Support that include non-HP software and hardware. Customers often struggle to coordinate support efforts in diverse IT landscapes, and many are looking for solutions that can “just make it work.” HP has consistently demonstrated success working with hardware and software vendors to deliver integrated support across multiple technologies, and IDC expects that HP will utilize that advantage to expand those capabilities going forward.

Further, IDC expects that HP will continue to work closely with product development teams to continue improving performance and supportability across HP hardware and software. The HP ProLiant servers are a good example of these efforts, taking advantage of the performance in Intel Xeon processors to deliver a comprehensive approach to remote monitoring and problem diagnosis and resolution. IDC believes that HP will expand those capabilities to both HP and non-HP technologies, including a tighter integration of system and performance management software with support processes.

However, IDC also anticipates that HP will face some challenges in the market as support services evolve over time. Most importantly, HP should focus on maintaining and improving support delivery when customers contact HP directly for support. While there are many advantages to automated and proactive/preventive support, they must be coupled with outstanding service when customers reach out directly for assistance. As customer interactions with support staff decrease, the importance of each interaction increases substantially. All support interactions must be high-quality, high-value engagements to maintain high customer satisfaction and improve customer loyalty.

Further, IDC expects that HP — as well as the software and hardware support market in general — will face increased competition from single-source, integrated system providers with regard to high-quality support services and overall solution performance. The promise of integrated systems is one of thoroughly tested, fully integrated solutions guaranteed to work together without issues of heterogeneous complexity and cross-vendor support. In addition, support services can often be

IDC expects that HP will continue to work closely with product development teams to continue improving performance and supportability across HP hardware and software.

IDC believes the support deliverables available in HP Proactive Care, as well as HP Insight Online and HP Insight Remote Support, can be suitable for customers looking for advanced, comprehensive automated support tools and utilities.

delivered quickly and efficiently to all components in the stack from a single provider. Although these high standards have yet to be achieved by any single technology vendor and remain very difficult to attain, IDC expects that pressure for this improved performance will continue to reverberate throughout the support industry for the foreseeable future.

Conclusion

As enterprises migrate to the 3rd Platform, incorporating mobility, business analytics, and cloud solutions, the IT environment will continue to grow in size and complexity. To optimize ongoing operations and expand IT service delivery, CIOs and IT managers will increasingly look for external support providers to help address IT operational issues — especially routine, mundane tasks like problem identification/notification, case logging, and monitoring of patch and upgrade status. IDC believes the support deliverables available in HP Proactive Care Services, as well as HP Insight Online and HP Insight Remote Support, can be suitable for customers looking for advanced, comprehensive automated support tools and utilities. By utilizing the full set of functionality in these offerings, HP customers can take advantage of robust automated remote support technologies — potentially freeing IT resources to focus on innovative, strategic projects that can directly impact business managers across the enterprise.

Appendix

Methodology

IDC utilized its standard ROI methodology for this project. This methodology is based on gathering data from current users of the HP support services discussed in this study as the foundation for the model. Based on these interviews, IDC performs a three-step process to calculate the ROI and payback period:

- » Measure the savings from reduced IT costs (staff, hardware, software, maintenance, and IT support), increased user productivity, and improved revenue over the term of the deployment.
- » Ascertain the investment made in deploying the solution and the associated training and support costs.
- » Project the costs and savings over a three-year period and calculate the ROI and payback for the deployed solution.

IDC bases the payback period and ROI calculations on a number of assumptions, which are summarized as follows:

- » Time values are multiplied by burdened salary (salary + 28% for benefits and overhead) to quantify efficiency and manager productivity savings.
- » Downtime values are a product of the number of hours of downtime multiplied by the number of users affected.
- » The impact of unplanned downtime is quantified in terms of impaired end-user productivity and lost revenue.
- » Lost productivity is a product of downtime multiplied by burdened salary.
- » Lost revenue is a product of downtime multiplied by the average revenue generated per hour.
- » The net present value of the three-year savings is calculated by subtracting the amount that would have been realized by investing the original sum in an instrument yielding a 12% return to allow for the missed opportunity cost. This accounts for both the assumed cost of money and the assumed rate of return.

Because every hour of downtime does not equate to a lost hour of productivity or revenue generation, IDC attributes only a fraction of the result to savings. As part of our assessment, we asked each company what fraction of downtime hours to use in calculating productivity savings and the reduction in lost revenue. IDC then taxes the revenue at that rate.

Further, because IT solutions require a deployment period, the full benefits of the solution are not available during deployment. To capture this reality, IDC prorates the benefits on a monthly basis and then subtracts the deployment time from the first-year savings.

Note: All numbers in this document may not be exact due to rounding.

IDC Global Headquarters

5 Speen Street
Framingham, MA 01701
USA
508.872.8200
Twitter: @IDC
idc-insights-community.com
www.idc.com

Copyright Notice

External Publication of IDC Information and Data — Any IDC information that is to be used in advertising, press releases, or promotional materials requires prior written approval from the appropriate IDC Vice President or Country Manager. A draft of the proposed document should accompany any such request. IDC reserves the right to deny approval of external usage for any reason.

Copyright 2015 IDC. Reproduction without written permission is completely forbidden.

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.