Today's enterprise datacenter must handle more requirements than ever before, with the IT infrastructure connecting distributed ecosystems of employees, partners, and suppliers. With this complexity comes the need for technology and services that ensure high availability and optimal performance of the IT delivery infrastructure.

Transformational Trends in IT Services: What Is DMSO?

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Introduction

As companies face increasing global competition for customer acquisition and market dominance, they must be able to respond quickly to modify business models and meet new market requirements. For most companies, this means relying on complicated IT infrastructures to drive new product development, support business critical processes, and improve employee productivity.

For resource-strapped IT organizations, managing these complex IT environments can present significant challenges. IT managers are focusing on driving strategic technology transformations that can directly affect bottom-line revenue rather than manage legacy IT assets. IDC research shows that more IT organizations are seeking help from support providers that can move beyond break-fix support to improve ongoing IT operations and meet demanding service-level agreements (SLAs) for both internal and external customers.

What Customers Need (and Expect) from Their Support Providers

IDC recently surveyed 1,200 companies and interviewed 30 IT professionals to determine what was important to them when working with an external support provider for datacenter assets and, more importantly, services. According to the study, 85% of enterprises stated that robust support and value-add services capabilities are determining factors when choosing a support provider. Services are one of the key drivers for digital transformation, creating a better customer experience and a high satisfaction rating, which directly correlates to customer loyalty. Customers from the study identified the following key features and abilities:

- » Asset discovery and management
- » Proactive monitoring
- » System optimization
- » Fast access to a technical expert who understands the customer's IT environment

Price/cost of support was on the list of survey responses, but it was not the highest rated, which strengthens the importance of support services and other higher-value services.

AT A GLANCE

KEY STAT

IDC predicts that in the datacenter outsourcing and support market, which includes capabilities such as monitoring, support, and system optimization, spend will grow from $216 billion in 2019 to $228 billion by 2023.

WHAT'S IMPORTANT

- » Asset management and monitoring
- » Predictive and proactive services
- » Technical account manager

The preceding abilities are key factors for customer loyalty.

Definitions

In the datacenter outsourcing and support market, IDC uses the concept of "DMSO" to delineate the following key service areas:

» **Discover.** This is the function of identifying where all assets reside in the organization and their life-cycle position (e.g., configuration, device relationships, dependency mapping, in warranty, end of service life). Most organizations still struggle with asset management and compliance, and the ability to turn to one location for knowledge on where all assets reside in the organization and associated support contracts that accompany them is key.

» **Monitor.** Knowing what state assets are in is critical to preventing downtime, while monitoring the assets on a constant basis can help prevent costly outages.

» **Support.** With IT staff already stretched thin, it is key to partner with a service provider that has highly trained engineers who know the environment and how to quickly repair any system issues.

» **Optimize.** Increasingly, optimization is becoming the number 1 service that customers are looking for. Companies buy IT assets to be used over a useful lifetime, and keeping those assets optimized allows companies to get the most value out of them.
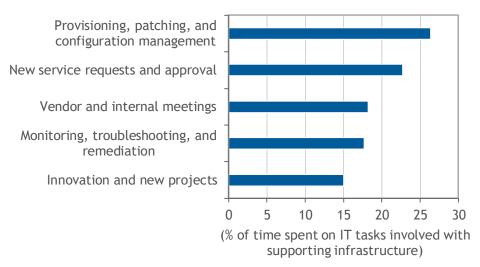
Key Trends and Benefits

Business leaders are challenged to move their enterprises to the next level through digital business transformation. To accomplish this transformation, the IT organization needs to spend more time contributing to the business. However, about 80% of IT staff time is spent on IT operations, or what might be called "undifferentiated heavy lifting," rather than enabling innovation that allows the enterprise to competitively differentiate itself. Adding to the pressure, most enterprises are asking IT departments to manage ongoing IT operations with fewer resources. Figure 1 shows where IT staff members spend most of their time.

FIGURE 1: *IT Time Spent on Tasks*

Q *Before you implemented a proactive connected support tool, or for systems that do not use a connected support tool, please indicate the percentage of time spent on the following IT tasks involved with supporting your infrastructure.*

Provisioning, patching, and configuration management

New service requests and approval

Vendor and internal meetings

Monitoring, troubleshooting, and remediation

Innovation and new projects

0 5 10 15 20 25 30

(% of time spent on IT tasks involved with supporting infrastructure)

n = 501

Source: IDC's Worldwide Converged/Hyperconverged Services Attach Rate Survey, 2018

To succeed at providing IT services, enterprises need to assess their current stage of digital transformation maturity so they can identify areas and capabilities that require strengthening. In addition, they should evaluate internal capabilities and maximize existing and potential third-party relationships. Survey work by IDC has found that enterprises are looking for vendors to differentiate themselves in the following areas:

» **Discovery and asset management.** One of the biggest challenges for companies going through any compliance process is uncovering all assets (their locations and purposes), whether under lease or purchased via a capital expenditure within their organizations. Because most of the record keeping for IT equipment is an Excel spreadsheet exercise, there can be discrepancies and incomplete inventories. Having quick and easy access to not only the location of the assets (hardware and software) but also their functions, interdependencies on other assets, and associated contracts is a key requirement for most organizations.

» **Monitoring/tools/automation.** In addition to asset management capabilities, online tools that can utilize artificial intelligence (AI), machine learning (ML), and cognitive abilities to enable self-help, self-healing, and optimization capabilities are other key attributes the enterprises want from their support providers. These abilities provide benefits to both the enterprise customer and the support provider. Monitoring can possibly thwart an L1 or an L2 call, which will lead to a customer who is satisfied by a faster resolution to the issue, whether it is hardware or software in nature.

» **System optimization.** While monitoring, the support provider will have the ability to identify ways to optimize a particular system for the workloads it is running. This will enable the customer to get the most out of the asset from both a performance perspective and a system longevity perspective.

» **Proactive/predictive abilities.** Customers are more concerned about the outcome of the solution than about how the insights to the issue are gained. Customers are expecting a more proactive approach to a solution and want the support provider to gather the information and provide the list of recommendations on an ongoing basis.

» **Multivendor support.** It's key not only to deliver high-quality support but also to deliver that high quality across a broad spectrum of products as a way to provide organizations with a central point of contact for all issues. Some other key features for vendor support are as follows:

- ■ **Support account managers/technical account managers (SAMs/TAMs).** In conversations that IDC had with over 30 customers during the development the *IDC MarketScape: Worldwide Support Services 2019 Vendor Assessment* study, the customers all stated that their TAM or SAM is the primary reason they continue to work with their support provider and where a vast majority of the value lies with that relationship.

- ■ **Support options.** From an SLA and cost perspective, vendors must put the right support level at the right cost on a particular asset.

- ■ **Operating system and virtualization support.** Vendors must be able to troubleshoot issues at the operating system/virtualization level, which may be where hardware issues show themselves. Understanding the orchestration layer will go a long way in catching issues.

The benefits of receiving higher-value services are as follows:

» **Customer experience.** Infrastructure managers and CIOs are looking to provide their end users with a frictionless experience, creating multicloud offerings that enable fast access to research and development to fuel enterprise growth. In turn, vendors need to treat their IT customers the same, allowing for a frictionless relationship that drives an experience and a relationship more than just providing product and support. The experience should be inclusive of multiple facets, such as asset life-cycle management, ongoing optimization or at least proactively letting the customer know how the environment is performing and what can be done to enhance output, and making solution recommendations. Enterprise customers need real-time information and education from their vendors about best practices and how to get the most out of the solution they have purchased. The services mentioned in the preceding section enable this heightened experience.

» **Business outcomes.** Business owners need to know that the partnership they have forged with any vendor is long lasting and that both parties have an interest in a positive outcome. Vendors today are interested more than ever in providing an outcome for a customer rather than just a product-based relationship. Vendors and other support providers are deepening their abilities to deliver more capabilities through better business intelligence. These newer abilities are greatly benefiting businesses with deeper insights into their IT organization, especially in complex multicloud environments. The insights and ability to better rely on internal IT for these multicloud environments will drive more business value creation.

Considerations

Companies must evaluate their own internal IT abilities as well as the goals and needs for the business. Are they aligned? What does an enterprise need to do if they are not aligned? How can an enterprise take advantage of the previously mentioned abilities that support providers bring to the table?

IDC believes that spending on IT services for datacenter transformation will continue to grow, and support providers need to be able to assist customers on this journey. IDC predicts that in the datacenter outsourcing and support market, which includes capabilities such as monitoring, support, and system optimization, spend will grow from $216 billion in 2019 to $228 billion by 2023. Companies understand the importance of focusing on their business, and given the lack of resources in the IT space, it makes sense to use outside resources to fill talent gaps or completely outsource day-to-day IT operations to companies with proven technology and talent.

Support providers are utilizing machine learning and automation tools, which can provide near-real-time insight and proactive recommendations based on policies determined by the client. Systems can dynamically be monitored and managed to ensure applications and workloads are meeting SLAs and automated updates and upgrades are continuously pushed to ensure optimal performance. Customers engage with support providers by annual contracts, with most engagements lasting one year to three years with the goal of helping customers not only maximize the technology investment but also reduce operational expenses.

Conclusion

There are many things to consider when it comes to an IT environment. Being able to monitor, track, support, and optimize assets is key to running a smooth IT operation. High-quality relationships were specifically called out when IDC interviewed IT customers, who stated that those relationships are key when working with a particular provider. IDC recommends working with vendors that invest in deepening a relationship and not just selling systems. Customers should work with support providers that have well-thought-out services portfolios with a strategic direction and that help customers achieve business goals rather than just product SLAs.

About the Analyst

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Rob Brothers is a Program Vice President for IDC's Datacenter and Support Services program as well as a regular contributor to the Infrastructure Services and Financial Strategies programs. He focuses on worldwide support and deployment services for hardware and software and provides expert insight and intelligence on how enterprises should be addressing key areas for datacenter transformation and edge deployment and management strategies. IT hardware services covered include IoT devices, converged infrastructures, storage, servers, client devices, networking equipment, and peripherals.

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We invite you to learn more about Park Place and DMSO at: *https://www.parkplacetechnologies.com/dmso-discover-monitor-support-optimize/*

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