IDC MarketScape

IDC MarketScape: Worldwide Support Services 2022 Vendor Assessment

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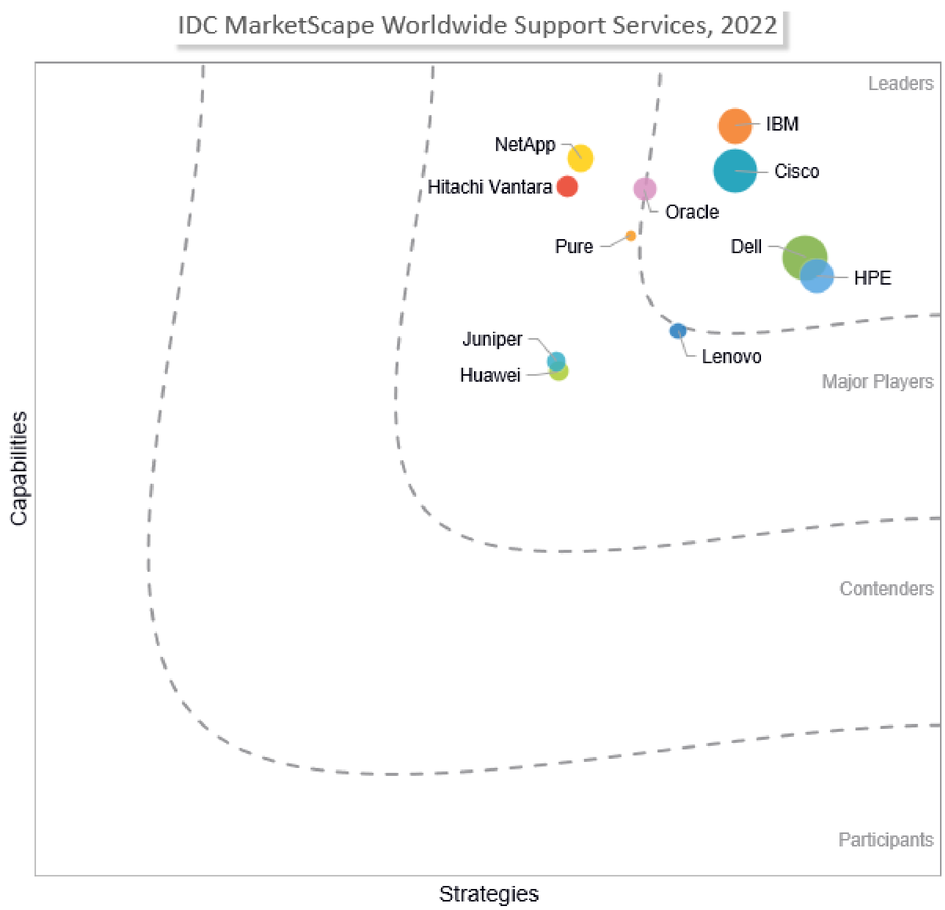
THIS IDC MARKETSCAPE EXCERPT FEATURES HPE

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Support Services Vendor Assessment



Source: IDC, 2022

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

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IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Support Services 2022 Vendor Assessment (Doc # US48896919). 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

This study assesses 11 support providers that are participating in the worldwide support services IDC MarketScape model. Vendor selection included the major OEMs with extensive support portfolios. 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 — some of the initiatives we are beginning to see implemented by the more active vendors in the support market that is helping them propel themselves past some of their competition — include:

- Increasing adoption of consumption-based portfolios, which drive 100% attach rates for some services
- Assisting companies with new IoT and analytics solutions, which will need 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
- Investing in the customer experience (CX), taking into consideration product and all aspects of service (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

In this IDC MarketScape assessment, support services providers must be able to maintain either servers, storage, or networking assets in a datacenter environment (details are provided in the section that follows) and have a minimum support revenue of $500 million per year to be included in this assessment.

Datacenter Equipment Support

- **Enterprise networking equipment:** This 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 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 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.

VENDOR SUMMARY PROFILES

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 each vendor's strengths and challenges.

HPE

Hewlett Packard Enterprise (HPE) is positioned in the Leaders category in this 2022 IDC MarketScape for worldwide support services.

Overall, IDC views HPE Pointnext Services as being committed to its strategy to evolve into a service and solutions-led company, and this can be seen by the aggressive push of HPE GreenLake Ede to Cloud Platform (which includes HPE Pointnext Complete Care). HPE has placed an emphasis on services to assist customers on their digital transformation (DX) journey. Over the past couple years, the organization has streamlined and enhanced the support portfolio, everything from offering more in the base warranty to refreshing the portfolio with new offers — HPE Pointnext Tech Care and HPE Pointnext Complete Care (replacement to HPE Proactive Care [Advanced] and HPE Datacenter Care).

IDC's understanding of the HPE Pointnext Services strategy is to focus on services that align with customer requirements for high-value services. As such, HPE Pointnext Services is investing and refining its service portfolio: services that "follow the box" such as integration and performance services, which will increase solution adoption and satisfaction; services that "go out with the box," such as support, which are strategic and critical for solution success such as configuration and replatforming; and services that "go out before the box." These services are strategic consulting-led services that help accelerate DX initiatives. The capabilities within this suite aim to bring together various stakeholders and align IT initiatives with business priorities. HPE Pointnext Services also provides support/operational and managed services across a wide range of multivendor hardware and software products.

Strengths

- Investments in the technology and software platforms to become more proactive and predictive with the company's managed support services and HPE GreenLake cloud services
- Becoming a services-led organization where HPE is more concerned with solving an outcome than selling a system
- Continual expansion of support offers starting with the base warranty and extending that to HPE Pointnext Complete Care with global consistency and abilities around the offers (HPE does an excellent job of enhancing existing offers with new abilities rather than creating new service offers.)

Challenges

- HPE needs to keep partners and customers educated on portfolio changes and how to extract the most benefit from the company.
- HPE will need to continually train its existing workforce as well as its partner community on how to sell a service-led solution, especially HPE GreenLake cloud services.
- Customers are still leery of being "connected." This hampers the ability for the vendor to be, either fast reactive or proactive, in their abilities to add real value. Educating the customers and assisting them on how to get connected and the value creation from being connected needs to be addressed and doing that on an ongoing basis.

APPENDIX

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 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

Related Research

- *What Capabilities Are Key When Selling Support Services Contracts?* (IDC #US48781222, January 2022)
- *Worldwide Datacenter Systems Support and Deployment Services Forecast, 2021–2025* (IDC #US48261221, October 2021)
- *Tactics: Possible Areas of IT Savings to Free up Cash for Digital Transformation* (IDC #US47015820, December 2020)
- *The Cost of Downtime in Datacenter Environments: The Cause and Effective Measures to Alleviate* (IDC #US46505517, June 2020)

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 assesses providers relative to one another and to those factors expected to be most conducive to success in each market in both the short term and the 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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