SINGLE POINT OF CONTACT

CUSTOMER SERVICES

INPUT

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Customer Service Program

Single-Point-of-Contact Customer Service

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Abstract

This report from INPUT focuses on an emerging trend in customer services; the shift to a single-point-of-contact for all customer services requirements. Under this concept, a single vendor acts as the primary provider of customer services. This single vendor may then contract for service requirements it cannot provide directly.

The report defines the concept, analyzes current offerings by customer services vendors, and reviews the level of acceptance of this concept by the buyer of customer services. The single-point-of-contact concept is new and, as this report describes, is not yet well understood by the user and in many instances, by the vendors. The report contrasts the vendor and user viewpoints and makes recommendations for strengthening the offering.

The report contains 64 pages and 32 exhibits.

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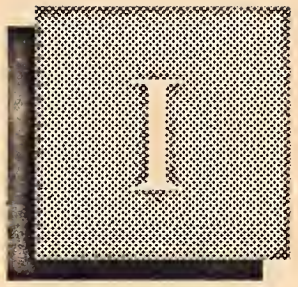
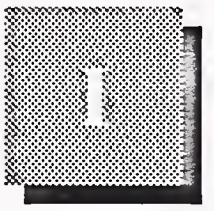
Exhibits

Exhibits (Continued)



Introduction



Introduction

A Purpose and Scope

A growing proportion of today's workforce requires computing hardware and applications to perform day-to-day functions—additionally, there are now businesses that exist solely as applications for hire. This evolution of end-user dependence on information-processing technology can be identified through the following trends:

- The explosive use of networks
- The advancement of product technologies to increase productivity and bring more computing power to the desktop
- The proliferation of applications and the greater emphasis on software and operating-environment issues in the purchase cycle

Exhibits I-1, -2, and -3 provide a structure from which to examine how these trends have influenced the computer and information services industry over the past decade.

Exhibit I-1 itemizes the service relationship that existed within a product-oriented organization. Product differentiation was the basis of market competition, and product margins were high enough to deserve priority. Service was seen as a necessary cost of selling the product. For purposes of this and other INPUT research, INPUT defines ISO, IMO, and TPM to mean the same type of companies. These identifiers may be used interchangeably by INPUT.

- ISOs (independent service organizations), IMOs (independent maintenance organizations), and TPM (third-party maintenance) companies are not affiliated with a computer system manufacturer and provide hardware maintenance and affiliated engineering and consulting services.

EXHIBIT I-1

Traditional Aspects of Service

Service Market Characteristics

- On-call OEM service
- Reactive service infrastructure
- Warranty service
- Time and materials

Service Contract Issues

- Preventive maintenance
- Emergency repair
- Standardized hours/availability

As shown in Exhibit I-2, the industry has evolved into a buyer's market, the service end-user having the advantages of high service/product substitution, relatively low switching costs, and a high level of information regarding the types of services available.

EXHIBIT I-2

Evolution into ISO/IMO Competition

Service Market Characteristics

- Service portfolio defined by end-user requirements
- Cost competition
- Sales emphasis on education of end-user to values of service
- Evolution of service contract as primary profit generator

Service Contract Issues

- Restructuring of contracts in response to VMS demands
- Response times, first-visit fixes, as primary user issues

Internal Operations

- Refinement of inventory controls, just-in-time methods
- Development of real-time call-handling concepts
- Focus upon increasing revenues per field engineer

This environment puts tremendous pressure on the service vendors to differentiate the services they provide and to increase the price performance of their service portfolios. Exhibit I-3 displays the types of maneuvers currently being designed and implemented by vendors to gain market advantage.

The traditional aspects of hardware maintenance and repair have become a virtual commodity in the services industry. The requirements for success in the services industry have focused on the ability of the given vendor to cater to the specific needs and requirements of the end-user. The current loci of competitive activity is the development and delivery of value-adding soft services. Network management, systems integration, disaster

recovery services, etc. have become dominant themes in the continuing refinement of the service portfolio.

EXHIBIT I-3

Application/Technology-Driven Service Market

Service Market Characteristics

- Traditional aspects plateaued/margins being squeezed
- Leverage relevant expertise to expanded service products
- Leveraging expertise into niche and cross-industry markets

Service Contract Issues

- Decisions focusing on bundling/unbundling of services
- Roll-out of value-adding professional ancillary services

Internal Operations

- Development/implementation of real-tme response capabilities
- Implementation of problem/resolution information pipeline
- Overall development of a proactive service infrastructure

Roll-out of a single-point-of-contact customer service/support agreement is a method of bundling services to compete in an applications-and-technology-driven services market.

The single-point-of-contact (SPOC) service arrangement is defined for this study as:

- The delivery, through a single vendor, of all-inclusive multivendor hardware support services bundled with support for systems software, applications software, and professional services related to the development, continuing refinement, and planning of the end-user's information-processing needs and requirements.

In theory, participating in a SPOC agreement would allow the end-user full support of systems, regardless of the nature of the problem or need, through one service agreement, contracted with one vendor.

This study was designed to answer the following questions regarding SPOC service arrangements.

- Is this type of service arrangement actually being sold and delivered by vendors? Subsequently, is this seen as a viable arrangement by the end-users; what is the demand for this type of service?

- What mechanisms have been devised by the vendor to handle the increased service demand/equipment density?

- Has the single-point-of-contact approach had any impact on the service quality? How does the end-user perceive the benefits of this approach?

B
Methodology

This report is based upon structured telephone interviews with 30 end-users and 20 service vendors. Sampling was distributed across geographic and industry segments. The overall study methodology was designed to provides insight regarding how identified concepts and trends were being accepted and implemented within the computer and information services marketplace.

Exhibit I-4 provides the demographics of the user respondents. Although a modest majority are manufacturing companies, the same does represent the more dominant vertical sectors used by INPUT in its industry-specific market definitions.

EXHIBIT I-4

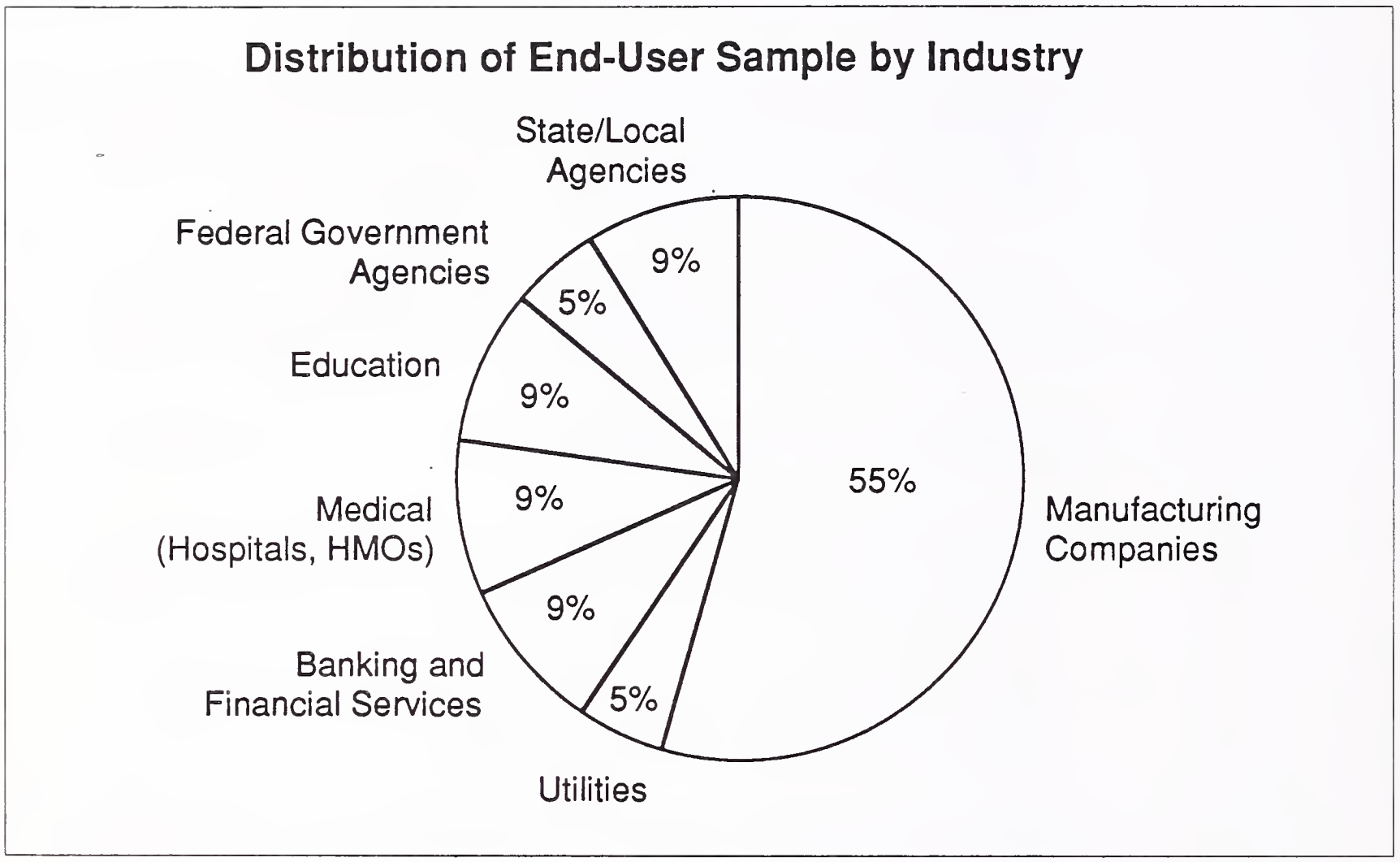
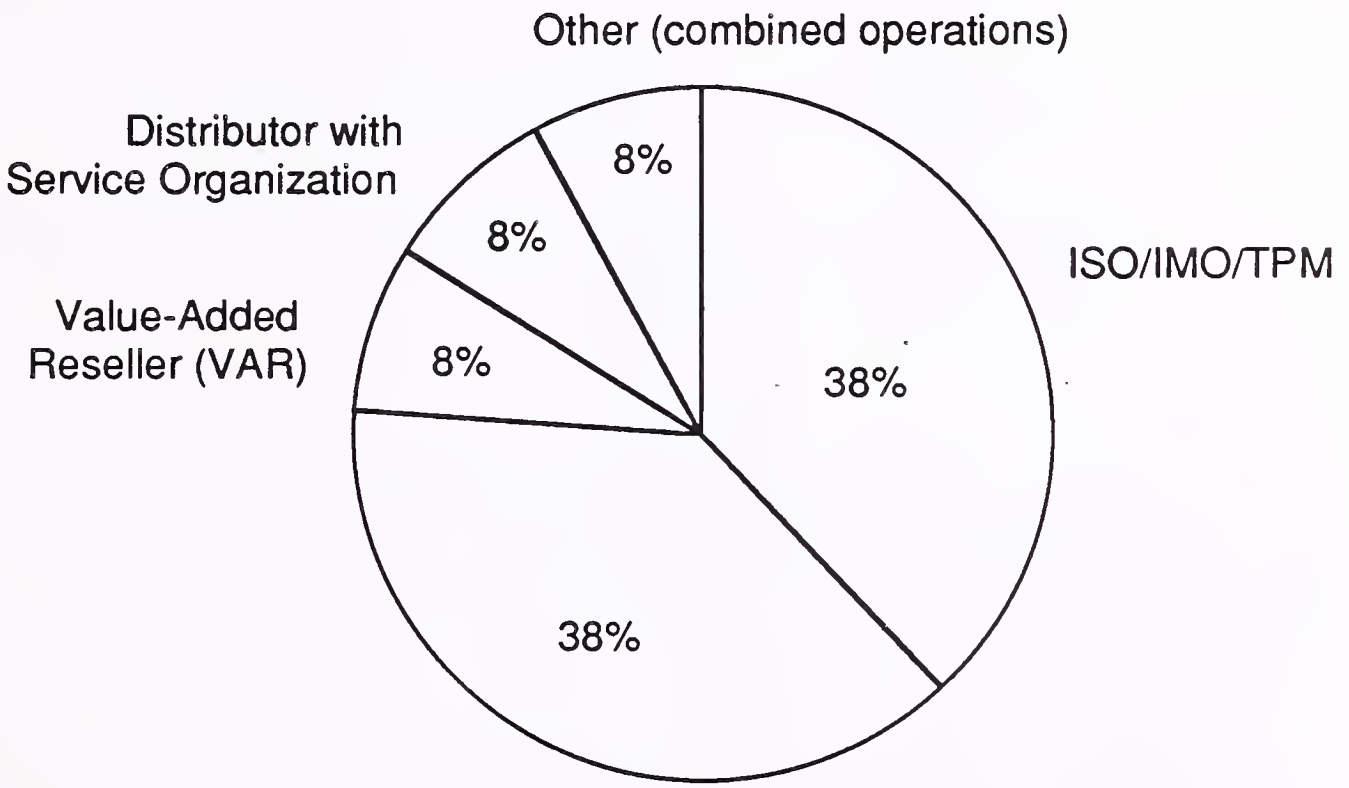


Exhibit I-5 provides the demographics of the vendor respondents to the vendor questionnaire. This sample generally represents the demographics of the customer services industry.

EXHIBIT I-5

Distribution of Vendor Sample by Type of Service Organization



C

Report Organization

The report is organized as follows:

- Chapter II - Executive Overview: provides a brief summary of the findings and recommendations.
- Chapter III - Isse, Background, and Definition: refines the definition of single point of contact (SPOC) and places this service concept in perspective with the more traditional customer services offerings.
- Chapter IV - End-User Requirements and Issues: describes end-user service requirements and investigates user sensitivity to the SPOC concept.
- Chapter V - Vendor Service Offerings, Implementation Status: examines current service vendor portfolios and current implementation status of the SPOC concept as a separable service product.

- Chapter VI - Conclusions and Recommendations: summarizes the findings and recommendation of this study.

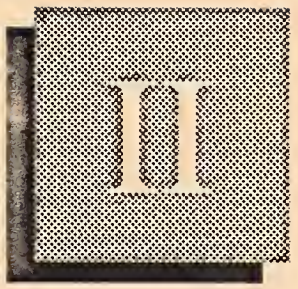
- Appendixes A and B - User and Vendor Questionnaires: provides the detailed questionnaires used in conducting the research for this and related INPUT reports.

D
Related Reports

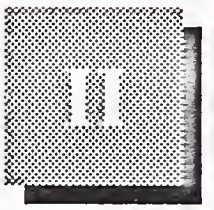
The topics covered in this report and in related issue reports under the INPUT Customer Service Plus program have been identified as a priority issue by the FCCSP subscribers.

Related INPUT reports include:

- *U.S. Customer Services Market, 1991-1996*
- *Impact of New Support Technologies*
- *Innovative Service Offerings*



Executive Overview



Executive Overview

Roll-out of a single-point-of-contact customer service/support agreement is a method of bundling services to compete in an applications-and-technology-driven services market.

The single-point-of-contact (SPOC) service arrangement is defined for this study as:

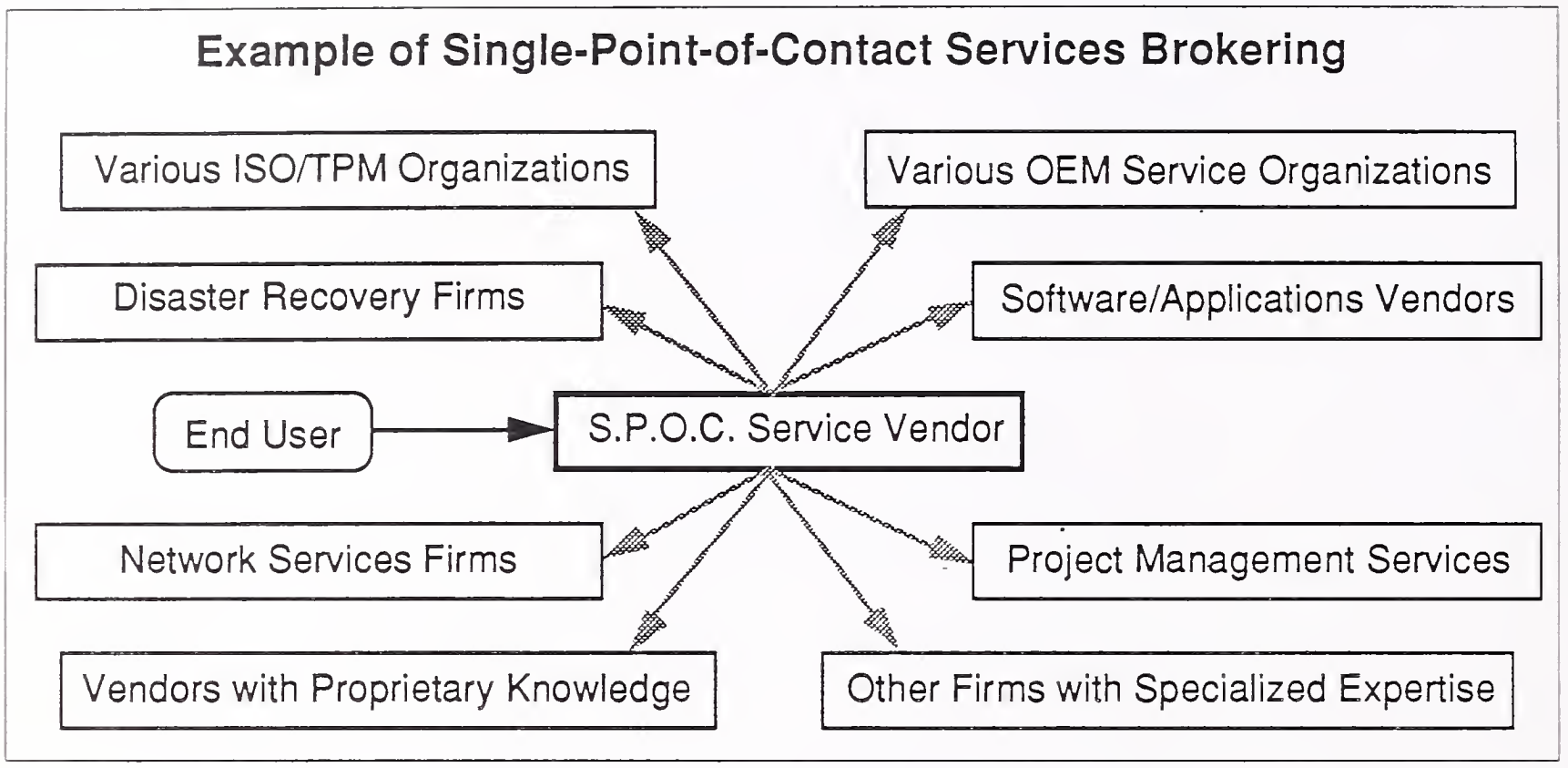
- The delivery, through a single vendor, of all-inclusive multivendor hardware support services bundled with support for systems software, applications software, and professional services related to the development, continuing refinement, and planning of the end-user's information-processing needs and requirements.

Exhibit II-1 positions the SPOC service vendor of origin as it relates to other vendors that provide hardware and software support services. As defined, the SPOC vendor serves as the single (only) point of day-to-day to contact with the user and holds all contractual obligations.

In theory, participating in a SPOC agreement would allow the end-user full support of systems, regardless of the nature of the problem or need, through one service agreement, contracted with one vendor.

In practice, the delivery of services under the SPOC arrangement utilizes a degree of subcontracting on the basis of expertise, geography, or other service parameter. Additionally, development of strategic alliances to facilitate information, personnel, and parts transfer have occurred.

EXHIBIT II-1



There is much confusion in the marketing of the SPOC concept. Delivery of the SPOC arrangement to the end-user as a separable, identifiable service package is not evident.

There were no end-users within this study who were participating in a SPOC service agreement; however, every vendor polled indicated that it offered the SPOC arrangement within a service portfolio.

End-user interest in the SPOC concept is intermediate and will not translate into a user-driven market demand. Vendor development of a SPOC product will need to focus on the delivery of highly flexible and tailored service mix. End-user willingness to pay for such product alternatives relies on the ability of the vendor of origin to respond, exactly, to user requirements.

EXHIBIT II-2

End-User Recommendations

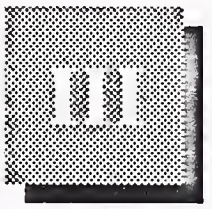
- User inquiries of current service vendors on their ability to provide SPOC service agreement and on their current delivery status will lead to a reduction in confusion about the concept.
- Users with a diverse installed base, complex systems, and/or networking configurations should investigate the SPOC concept, which should provide the broadest set of benefits.
- Solicitation of a SPOC vendor agreement should include a RFP outlining primary, secondary, and tertiary service needs and requirements.
- SPOC agreement should outline the requisites for subcontracting of services and provide channels for user feedback regarding service quality of downline vendors.

EXHIBIT II-3

Vendor Recommendations

- Communicate the SPOC concept as a separate, identifiable, value-adding service product.
- Develop defendable evidence that the SPOC concept can provide the user with comprehensive services, delivered with a consistent level of quality.
- Encourage the development of strategic alliances to augment existing service portfolio. Develop control methods for administration of downline vendors; when at all possible design transparent subcontract procedures.
- Encourage relationship aspects of SPOC agreement with user. This provides a degree of insulation from competitive vendors and leverages the long-term value of having intimate knowledge of the user's system and usage history and behaviors.

Issue, Background, and Definition



Issue, Background, and Definition

A Background and Definition

As previously noted in Chapter I and repeated here for clarity, the single-point-of-contact (SPOC) service arrangement is defined for this study as:

- The delivery, through a single vendor, of all-inclusive multivendor hardware support services bundled with support for systems software, applications software, and professional services related to the development, continuing refinement, and planning of the end-user's information-processing needs and requirements.

Exhibit III-1 positions the SPOC service vendor of origin as it relates to other vendors providing hardware and software support services. As defined, the SPOC vendor serves as the single (only) point of day-to-day to contact with the user and holds all contractual obligations.

The delivery of an all-inclusive service portfolio must orchestrate several functions—the vendor will need to competently deliver:

- The maintenance and support of multivendor equipment. This includes the support of an increasingly diverse installed base; large and mid scale CPUs, centralized and decentralized processing environments, a variety of workstation and PC configurations, and the peripherals related to this installed base of processing equipment. The administration of warranty issues associated with equipment previously serviced by other vendors will also need to be successfully included within the SPOC mechanism.

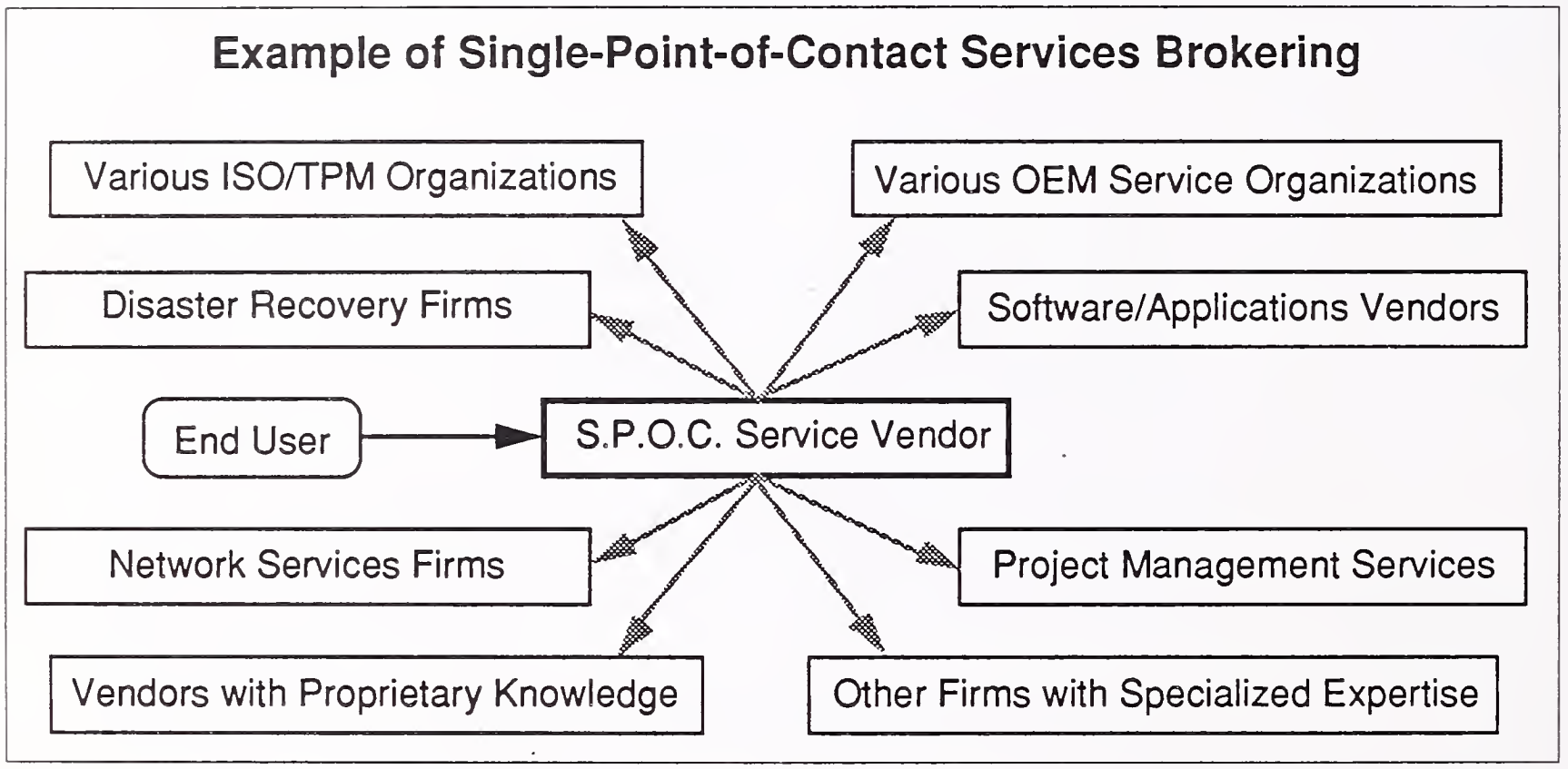
- The maintenance and support of the software aspects of this equipment and overall systems operation. Networks, protocols, systems integration concerns, etc. would fall into the single-point-of-contact scenario.

- The seamless orchestration with downline vendors that may be subcontracted to deliver a given service.

Currently, major computer service organizations have incorporated the SPOC theme within a service portfolio. DEC and IBM have been delivering levels of multivendor hardware services for several years (i.e., IBM's CSA). The most common agreements typically include coverage of all equipment hanging from a vendor's network(s), the physical network, and network management systems.

As the user market moves into a more applications-driven service demand, the SPOC concept will be a mechanism for the delivery of a more diverse service product mix, including multiple-vendor systems software support and professional services related to systems integration and design.

EXHIBIT III-1



This type of all-inclusive service offering is relatively unprecedented and is not truly defined at this point. The original focus is on the hardware maintenance and closely related field engineering aspects. But over time, the offering will expand to include systems software support and disaster recovery services, and could go beyond to address applications software and general software development and support services traditionally provided by the software products and professional services firms. In its broadest definition, the SPOC concept could see the ISO/IMO/TPM vendor acting as the primary contractor and true SPOC or as a subcontractor to another information services industry firm.

B

Vendor Benefits

EXHIBIT III-2

Benefits to SPOC Vendor

Benefits to SPOC Vendor

- Increased site/equipment density
- Increased FE/equipment density
- Increased revenues from added services
- Advantages of controlling long-term service

Obligation with End-User

- Product/service pullthrough
- Service/service pullthrough
- Subcontracting would allow greater geographic coverage
- Subcontracting would allow provision of specialized services

Benefits to the vendor by implementing a SPOC service product, as listed in Exhibit III-2, are both competitive and operational.

- Competitively the SPOC vendor drastically reduces the ability of other vendors to solicit that end-user. The SPOC vendor also enjoys the ability to control and profit from any subcontracting necessary to fulfill the SPOC requirement. As the SPOC vendor establishes itself with the end-user and increases its understanding of and influence in the user systems, the cost of that end-user switching to another vendor will become more prohibitive.

- The operational advantages of higher equipment/site densities center upon increased field engineer utilization due to reduced travel times, optimized service call scheduling/prioritizing, and additional control over preventive/predictive maintenance practices.

C
User Benefits

The primary incentive for the service end-user to enter into a single-point-of-contact service agreement is the reduction in costs associated with the administration of several service contracts on their total installed base of equipment.

Other benefits to the end-user can be associated with the ability of the SPOC vendor to gain comprehensive knowledge of the user's entire system configuration, usage behavior, and future requirements for the overall system. This understanding can eliminate the risks involved with ad hoc fixes and ill-advised additions or changes conducted by vendors with imperfect information.

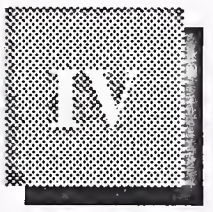
EXHIBIT III-3

Benefits to SPOC End-User

- Reduction in costs associated with multiple contract negotiation and administration
- Better systems/configuration management due to single vendor developing comprehensive knowledge of installed base, usage, and day-to-day user service requirements

At this point the benefits to the user (buyer) are less specific than to the vendor that gains, at a minimum, consumer control. Evidence of hard cost savings to the user was not identified by this study (see Chapter IV). The SPOC concept is simply too new and inadequately understood.

End-User Requirements and Issues



End-User Requirements and Issues

A

End-User Service Needs and Requirements

Historically, it has been the banking, medical, and high-technology process-manufacturing segments that have been characterized as having high service demands. The most pronounced requirement for these segments was a high density of critical systems within the overall operation.

The most important service requirements for these segments have been repeatedly noted within other INPUT reports as:

- Service response time
- Ability of FE to fix equipment correctly the first time
- Speed of equipment repair

As the overall business environment becomes more dependent upon the information-processing capabilities of computing and networking equipment, the significant service demands once associated with premium segments are being developed across industry and segment categories.

The current portfolio of service features provided to the end-user details a variety of service items in addition to the provision of parts and labor. The most important features deal with the response capabilities and overall availability of the field representative and the service organization in general.

- As shown in Exhibit IV-1, five of the top eight service features deal with response-related aspects of the services relationship.

- No service feature received an average rating of importance of less than 3.4 on a scale of 1 to 5 with 5 being extremely important.

- Nine of the 12 features received an average rating of 4 (very important) or greater.

EXHIBIT IV-1

End-User Service Agreements—Ranking by Mean Rating of Feature Importance

Service Feature	Mean Rating of Importance
4-Hour Guaranteed Response	4.7
Onsite Field Engineer	4.7
Uptime Guarantee	4.5
1-Hour Guaranteed Response	4.5
2-Hour Guaranteed Response	4.5
7-Day/24-Hour Service	4.2
Unlimited Service Calls	4.2
Loaner/Replacement Units	4.1
Preventive Maintenance	4.1
Telephone Support	3.9
Depot Service	3.6
Install/Moves/Adds	3.4

(1 = Not Important, 5 = Extremely Important)

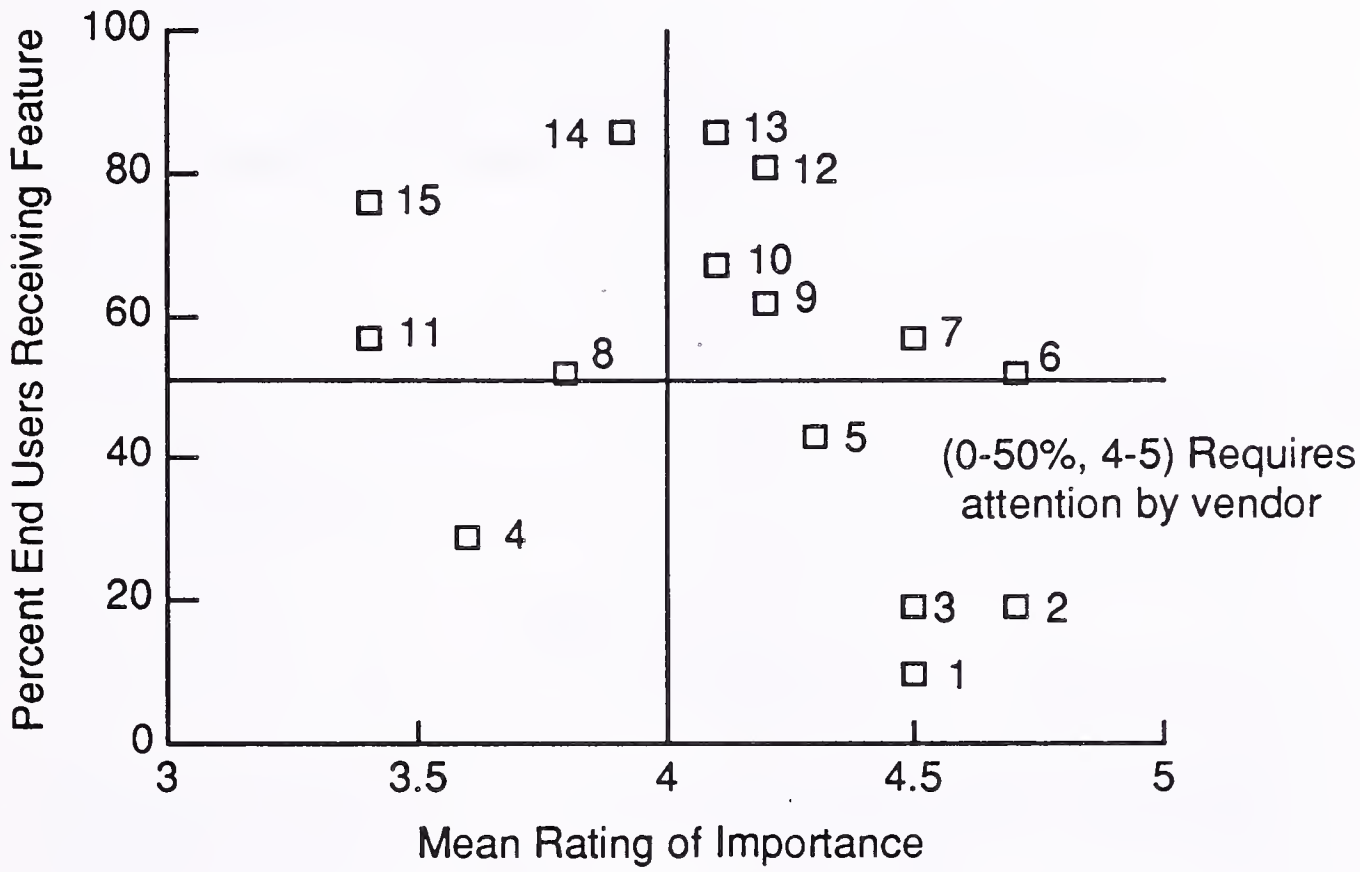
When asked if they receive these individual service items from the vendors as part of their service agreement(s), the response indicates that there are specific items not consistently delivered in the industry.

Exhibit IV-2 provides an indication of which service items are underdelivered by the vendors—specifically, the ability to provide the user with an uptime guarantee for the installed base, the availability of a full-time on-site field engineer, and a guaranteed one-hour response time rank in the top of this category.

Exhibit IV-2 also indicates the wide range with which the important services features are received (or requested) by the users interviewed. This disparity of features included in service contracts suggests the challenges faced by vendors in offering and gaining acceptance of the SPOC concept. An all-inclusive SPOC offering may quickly exceed the willingness of the user to pay, given the frequency with which the user now buys a disparate or noncommon set of service features.

EXHIBIT IV-2

Profile of Service Features—End-User Rating of Importance by Percent Delivered

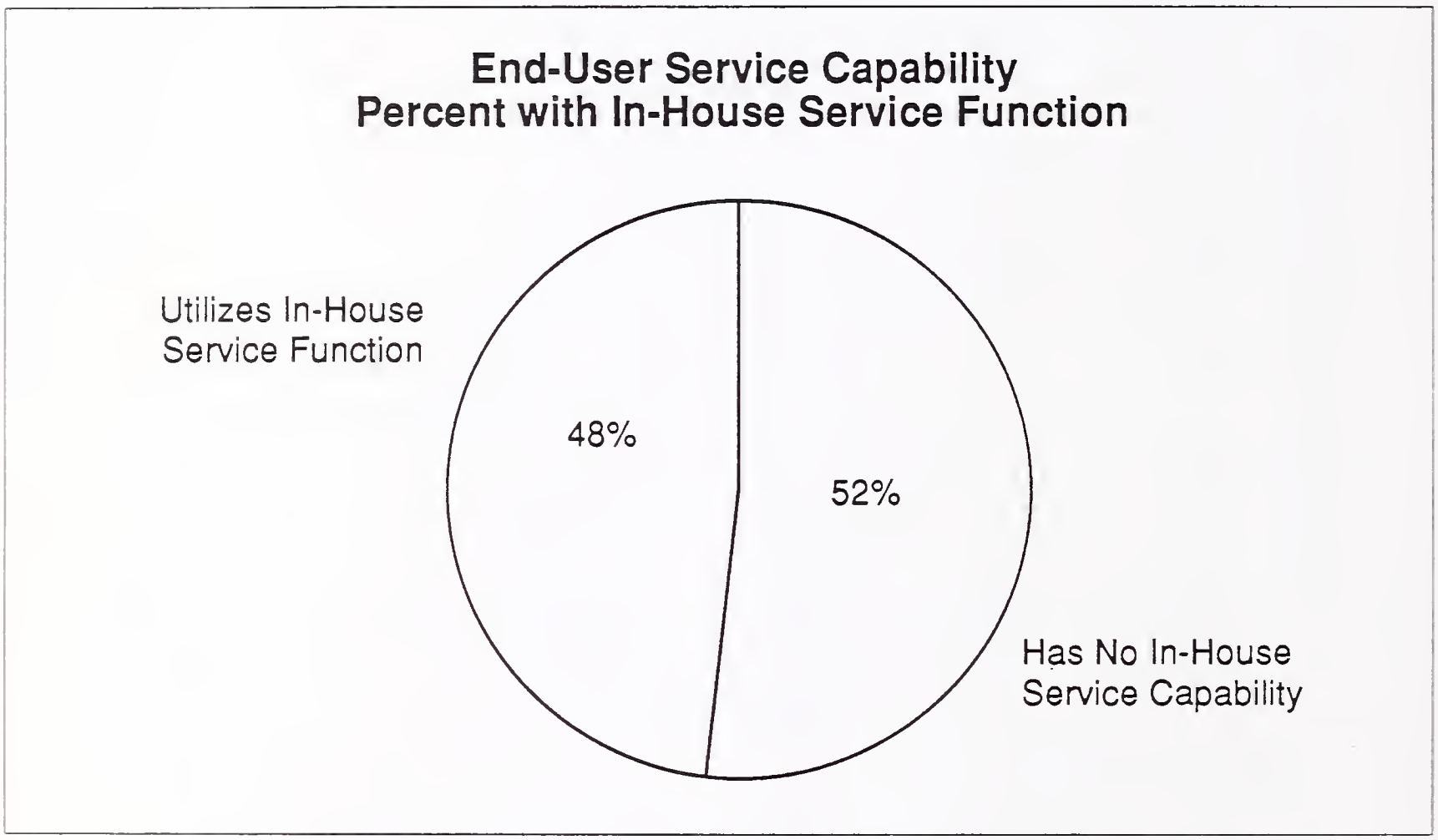


Service Feature

1 Uptime Guarantee
2 Onsite Field Engineer
3 1-Hour Guaranteed Response
4 Depot Service
5 MicroCode Diagnostics
6 4-Hour Guaranteed Response
7 2-Hour Guaranteed Response
8 Remote Hardware Diagnostics
9 7-Day/24-Hour Service
10 Loaner/Replacement Units
11 Remote Software Diagnostics
12 Unlimited Service Calls
13 Preventive Maintenance
14 Telephone Support
15 Install/Moves/Adds

A small majority (52%) of companies have implemented an in-house service capability to deal with cost issues and service timeliness (Exhibit IV-3). Primarily these in-house service offerings address hardware servicing of personal computers and desktop workstations.

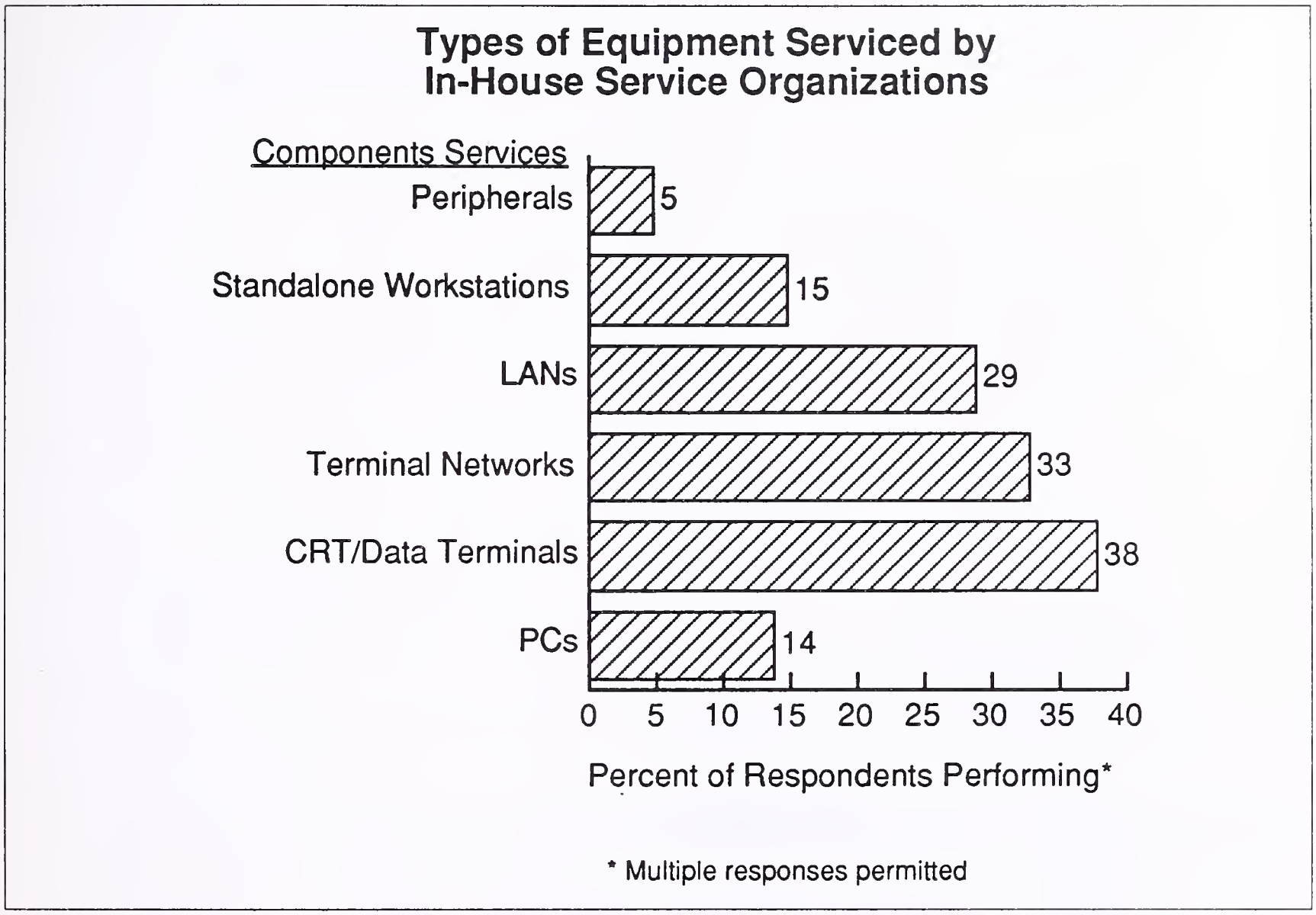
EXHIBIT IV-3



The types of equipment handled by the in-house service personnel are typically smaller computers and peripherals operating as standalone machines. As shown in Exhibit IV-4, 38% of companies having an in-house service function provide support for PCs. In contrast only 15% of the end-user sample having an in-house service function provide support for their LANs.

The other area of significant activity by in-house services groups addresses the support of traditional dumb terminals and their controllers. It is felt this service generally consists of terminal installation, location, and replacement activities.

EXHIBIT IV-4

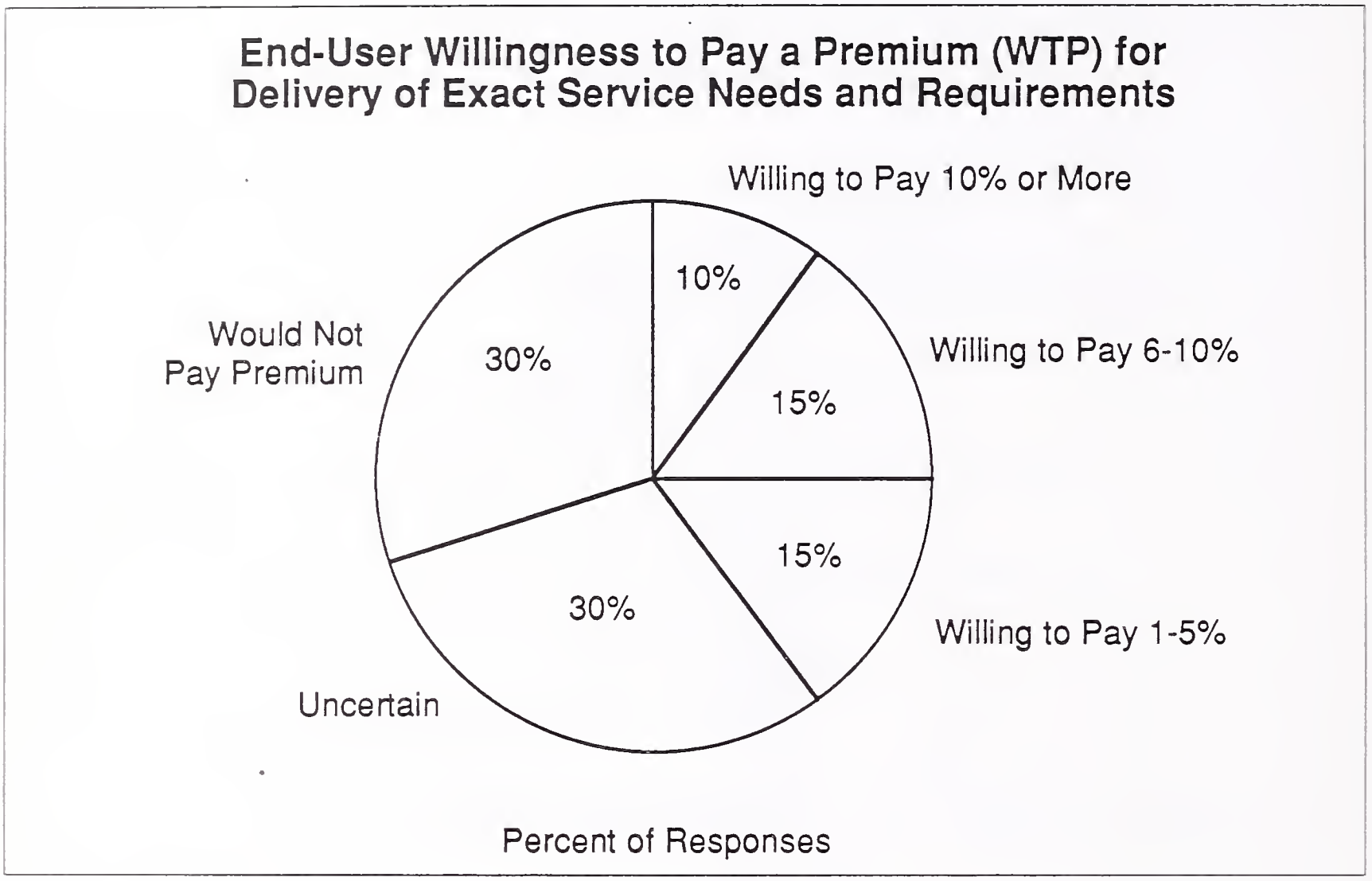


All the end-users utilized external service vendors to augment whatever service the in-house organization supported. Typically, the services conducted by in-house personnel dealt with noncritical equipment and repairs at the FRU level. In addition, in-house personnel were key in supporting successful preventive-maintenance programs. Problems requiring a high level of diagnostics or the necessity for proprietary information or specialized equipment were deferred to the external vendor.

The survey asked end-users how much more they would be willing to pay to receive the exact features and levels of service and support they require for their specific systems and operations. Exhibit IV-5 reveals a significant willingness to pay above the existing fee levels.

Historically this has translated into the packaging of services to cater to the specific needs of various vertical-market segments. Roughly one-third of the users voiced doubt that any single vendor or combination of vendors could provide the required services and quality.

EXHIBIT IV-5



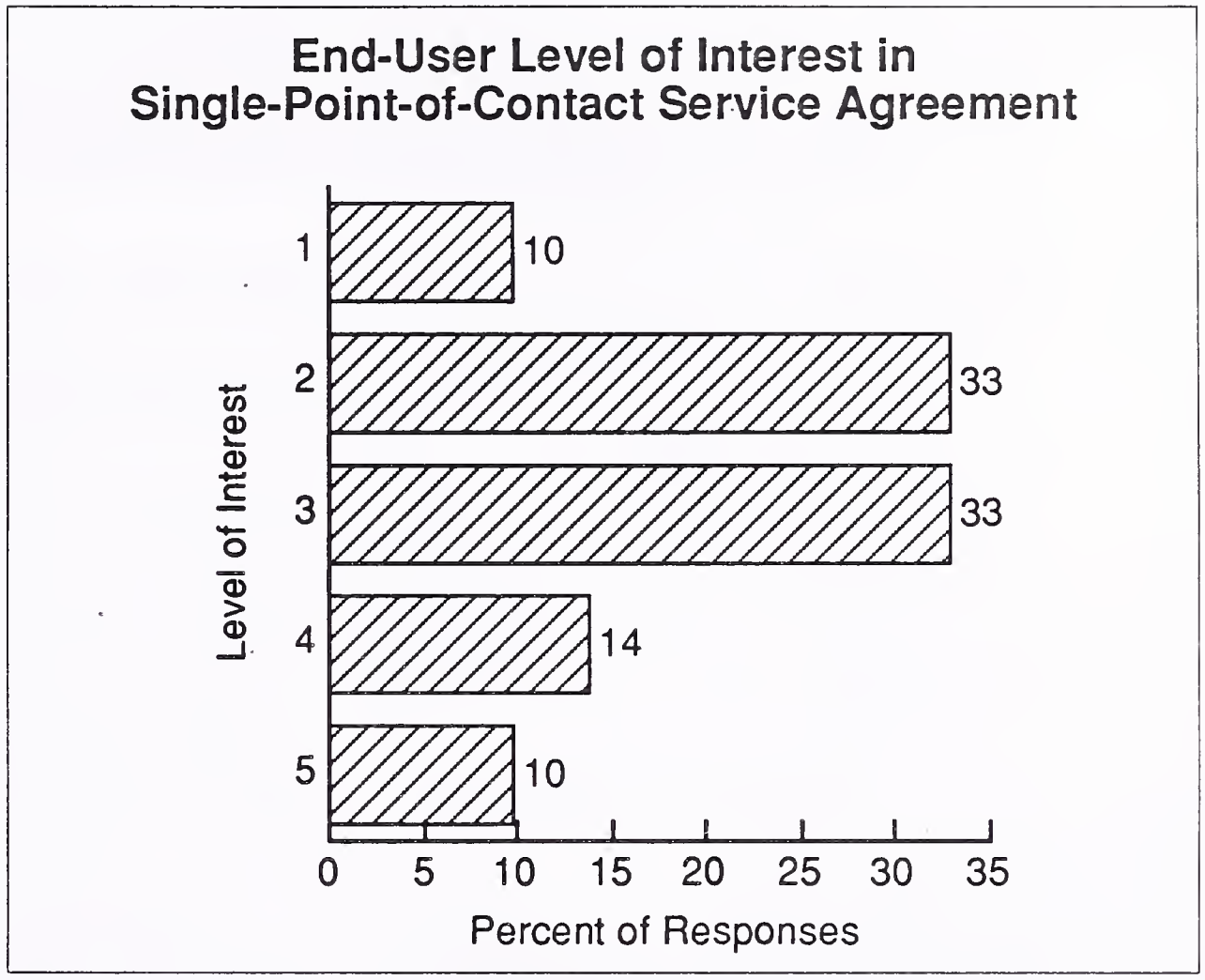
B

Participation and Interest in Single-Point-of-Contact Service Agreements

No end-users within this study were participating in a SPOC service agreement—that is, were contracting with a single vendor to provide all-inclusive service for their installed base (refer to definition in introduction). Each end-user utilizes approximately three or four external service vendors, mixing OEM service organizations with ISOs and others.

The level of interest for the delivery of a SPOC agreement was intermediate (Mean Interest Rating: 2.8), as reflected in Exhibit IV-6. There was no indication that an end-user presently dealing with more than five vendors had a greater interest in a SPOC arrangement.

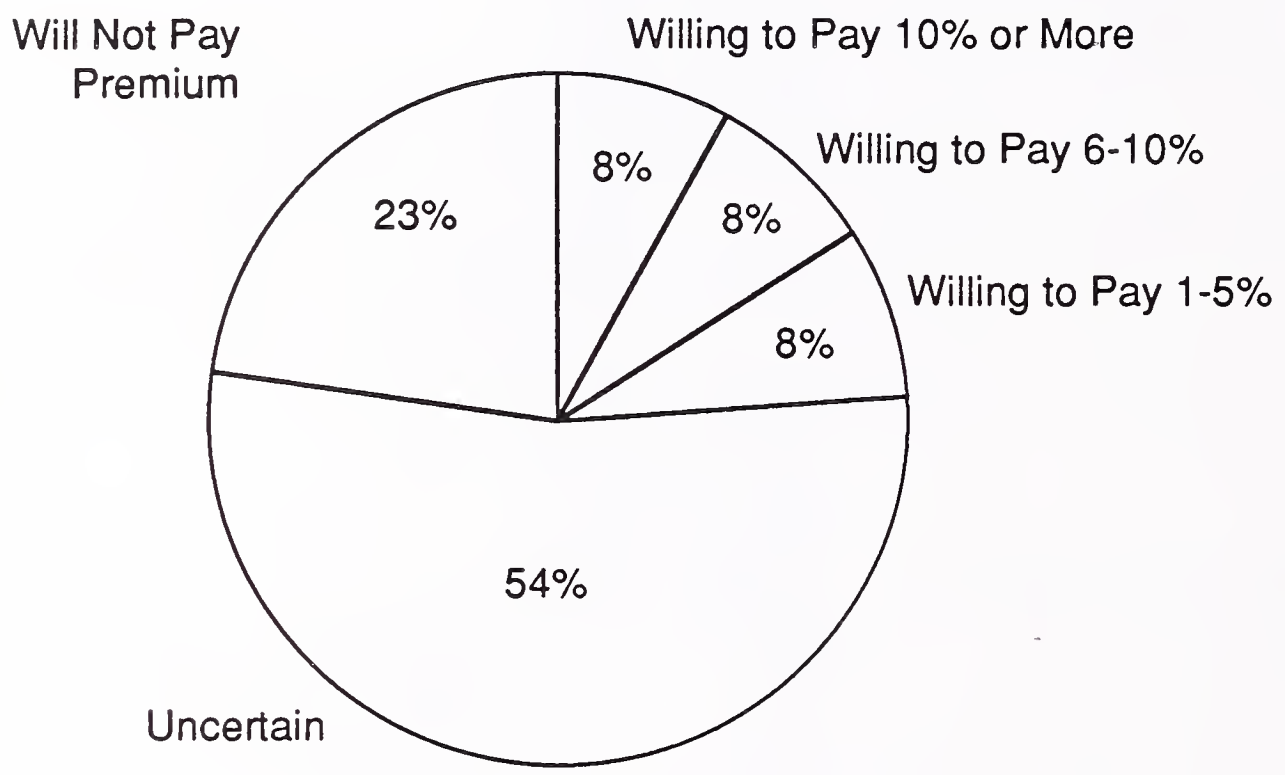
EXHIBIT IV-6



This intermediate level of interest also translated into a slight willingness to pay for the delivery of a SPOC agreement. Only one in four respondents indicated a willingness to pay a premium. (See Exhibit IV-7.) The majority of users indicated an uncertainty about the ability of the SPOC agreement to provide tangible savings. One quarter of the user sample would not pay any premium for the delivery of a SPOC agreement.

EXHIBIT IV-7

End-User Willingness to Pay a Premium for the Delivery of a SPOC Service Agreement



Percent of Responses

The most telling indicator in assessing the end-users' understanding and sensitivity to the SPOC concept can be found in Exhibit IV-8. INPUT found a strong correlation between the end-users' likelihood to pay a premium for the delivery of the exact services required and to pay a premium for the delivery of a single-source SPOC agreement.

- In the eyes of the user, exact service carries a very high quality requirement.

- In addition, at this point in the evolution of the SPOC concept, the user respondents are anticipating that a SPOC offering would include high-quality and exact services delivery. This anticipation may mean that SPOC currently is viewed as a customized premium-services offering versus a simpler definition—single point of contact. Therefore, early acceptance of SPOC may be delayed because it is considered only a premium-cost service.

The users most likely to be interested in a SPOC agreement and willing to pay an additional fee for this arrangement also have high expectations for the quality and levels of service provided within the SPOC contract.

EXHIBIT IV-8

Correlation of End-User WTP for Exact Service and WTP for Delivery of SPOC Agreement

WTP SPOC Premium	WTP for Exact Service (Percent)				
	1	2	3	4	5
1 Would not pay premium	15	8	-	-	-
2 Uncertain	8	15	15	8	-
3 WTP 1-5% Premium	-	-	8	-	-
4 WTP 6-10% Premium	-	-	-	8	-
5 WTP 10% or more	-	-	-	-	8

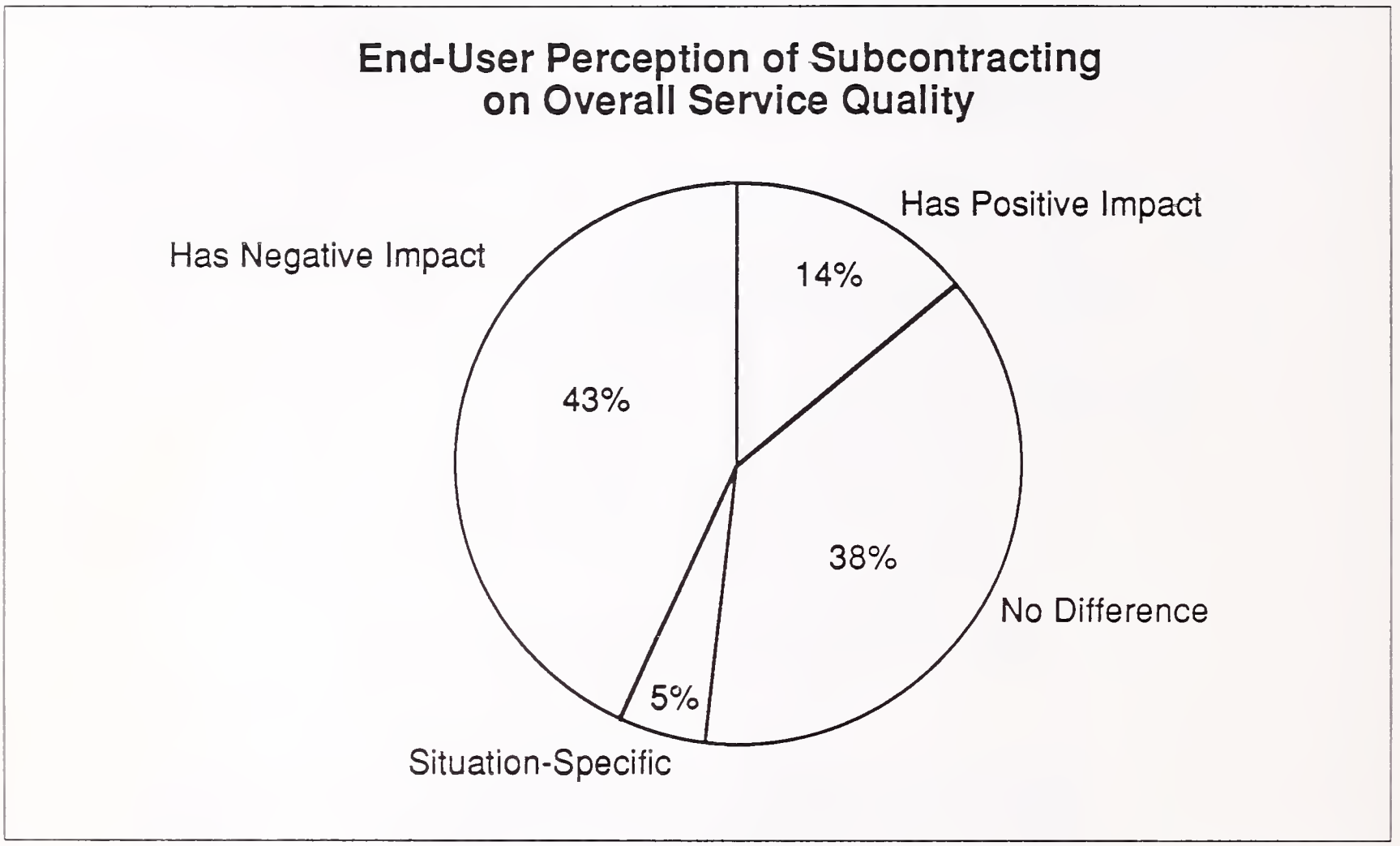
WTP = Willingness to pay
Sample = respondents indicating WTP SPOC premium

This relationship reinforces the requirement for the vendor to tailor the SPOC service portfolio on a case-by-case basis and to acknowledge critical issues (refer to Exhibit IV-2) that are a priority to the end-user.

Subcontracting is closely associated with the practice of delivering a SPOC agreement. A majority of the end-users (43%) believe that subcontracting has a negative impact on the quality of the services provided. Only 14% indicate that subcontracting has a positive impact on the quality of service they receive. (See Exhibit IV-9.)

Positive aspects of subcontracting highlighted extended geographic coverage and maintenance and repair of specific products and technologies not currently available from the vendor of origin. A small portion of the users indicated that in certain circumstances concerning specific products or technologies subcontracting allowed for better services to be delivered.

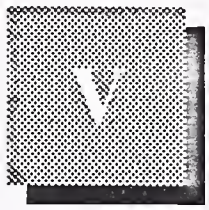
EXHIBIT IV-9



End-users did not appear to automatically relate to the SPOC concept with the notion of subcontracted services. The 24% of users indicating a significant level of interest in the SPOC concept (level of interest being a 4 or 5) viewed the subcontracted services as being a negative aspect.

This amplifies the importance of having the vendor of origin exercise extraordinary care in the choice of and the administrative procedures used by any downline vendors used in the delivery of services under a SPOC arrangement. End-users should make themselves aware of the SPOC vendor's capabilities and of where, if any, subcontracting will take place. Will the vendor of origin, for example, have responsibility for the delivery of critical emergency repair?

Vendor Service Offerings, Implementation Status



Vendor Service Offerings, Implementation Status

A

Summary of Vendor Service Portfolio

Within the service contract, vendors will supply the user with a selection of features.

The vendors solicited for this study were asked to indicate whether these individual features were categorized as basic to their service contracts.

- Exhibit V-1 identifies the features commonly considered as basic, but by some vendors classified as premium.

- Exhibit V-2 identifies the features that are truly considered as premium but are, in a modest number of instances, becoming considered basic or mainstream services. These premium features generally entail additional fees or a qualifying prerequisite (e.g., specific product line, warranty status, etc.) in order for the user to be eligible to receive that feature.

The service items treated as premium service products by the vendor are those that put the greatest stress on the response capabilities of the service operation. These premium items are also consistent with the service products most in demand by the user.

The increased delivery requirements inherent in the SPOC arrangement may significantly stress the originating vendor's call-handling procedures. The vendor must consider whether the appropriate fees can be collected to warrant any operational improvements in this function.

EXHIBIT V-1

Vendor Perceptions of Service Feature Categorization: Evaluation of Basic Service Items

Items	Percent Categorizing Item as Service Feature	
	Basic Feature	Premium Feature
Parts	100	-
Labor	100	-
Preventive Maintenance	100	-
Unlimited Service Calls	85	15
Telephone Support	85	15
Depot Service	83	17
4-Hour Guar. Response	77	23
Loaner/Replacement Units	62	38
Onsite Field Engineer	54	46
Install/Moves/Adds	54	46

EXHIBIT V-2

Vendor Perceptions of Service Feature Categorization: Evaluation of Premium Service Items

Items	Percent Categorizing Item as Service Feature	
	Basic Feature	Premium Feature
1-Hour Guar. Response	9	91
2-Hour Guar. Response	15	85
Uptime Guarantee	25	75
7-Day/24-Hour Service	31	69

B

Status of Vendor Implementation of SPOC Product

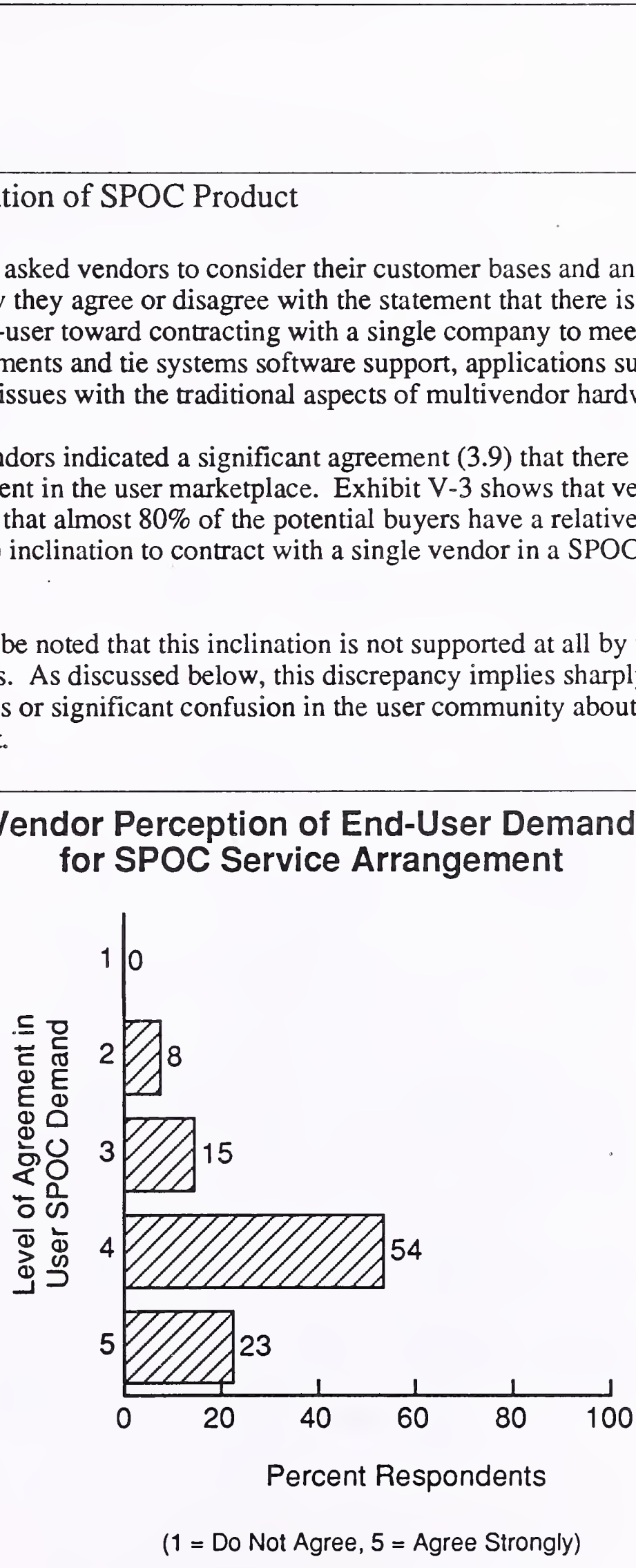
INPUT asked vendors to consider their customer bases and answer how strongly they agree or disagree with the statement that there is a swing by the end-user toward contracting with a single company to meet all service requirements and tie systems software support, applications support, and related issues with the traditional aspects of multivendor hardware service.

The vendors indicated a significant agreement (3.9) that there is such a movement in the user marketplace. Exhibit V-3 shows that vendors believe that almost 80% of the potential buyers have a relatively high (4 or greater) inclination to contract with a single vendor in a SPOC arrangement.

It must be noted that this inclination is not supported at all by the end-user findings. As discussed below, this discrepancy implies sharply contrasting opinions or significant confusion in the user community about the SPOC concept.

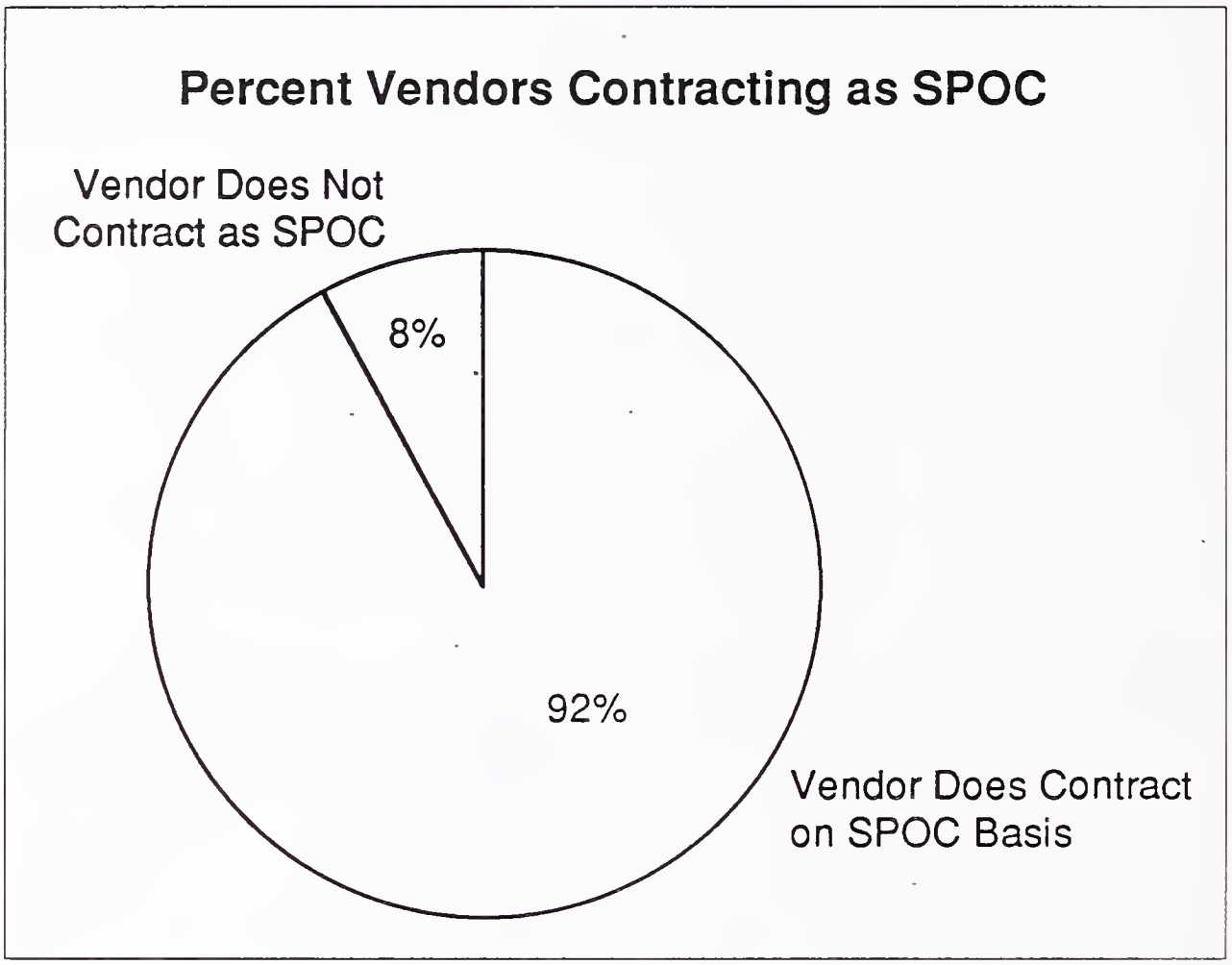
EXHIBIT V-3

Vendor Perception of End-User Demand for SPOC Service Arrangement



Ninety-two percent (Exhibit V-4) of the vendor segment indicates that they currently contract with end-users on a SPOC basis. Again, this percentage is not supported in the end-user findings, which indicate that none of the users indicate that they are participating in a SPOC contract agreement.

EXHIBIT V-4



Exhibits V-3 and V-4 communicate a tremendous amount of confusion in the marketing of the SPOC service agreement. If the vendors are indeed delivering services within the SPOC mechanism, there is no evidence within this study that the end-user is aware of the program. If the evidence is correct, the end-user is effectively unapproachable with respect to introducing any type of premium price for this service and may immediately react negatively and assume a premium cost and subcontractors—both negative aspects of SPOC in the minds of the buyer.

C

SPOC Implementation Requirements

The operational changes implemented by the vendors during the roll-out of the SPOC service package, examples of which are noted in Exhibit V-5, are attributable to three major themes:

- Cross-training field personnel
- Implementation of field service information systems to improve call handling, logistics, response times
- Strategic alliances with other vendors

EXHIBIT V-5

Examples of Operational Changes Implemented to Deliver Service as SPOC

- Increased cross-training of FEs
- Improved logistics tracking
- Improved spares delivery cycle
- Developed expert systems for diagnostics
- Increased marketing resources
- Centralized call-handling functions
- Added support [FSIS] software
- Developed alliances with other vendors
- Refined operations to improve response times

Education of personnel will become a more important requisite as the field engineer will be required to maintain and repair a wider variety of equipment technologies and as the requirements for user needs assessment grow. The management of the user's entire systems configuration will put new emphasis on the proactive capabilities of the field engineer to anticipate problems and plan suitable contingencies.

Areas of field-personnel education pursued by the vendors in this study include:

- Additional hardware training (multivendor)
- Software maintenance
- Customer relations
- Sales
- Competitive intelligence

The development of comprehensive field service information systems (FSIS) plays a crucial part in the refinement of the service delivery infrastructure to profitably handle the increased volumes and administrative concerns associated with the delivery of the SPOC concept to the end-user.

The major functions supported by such systems include:

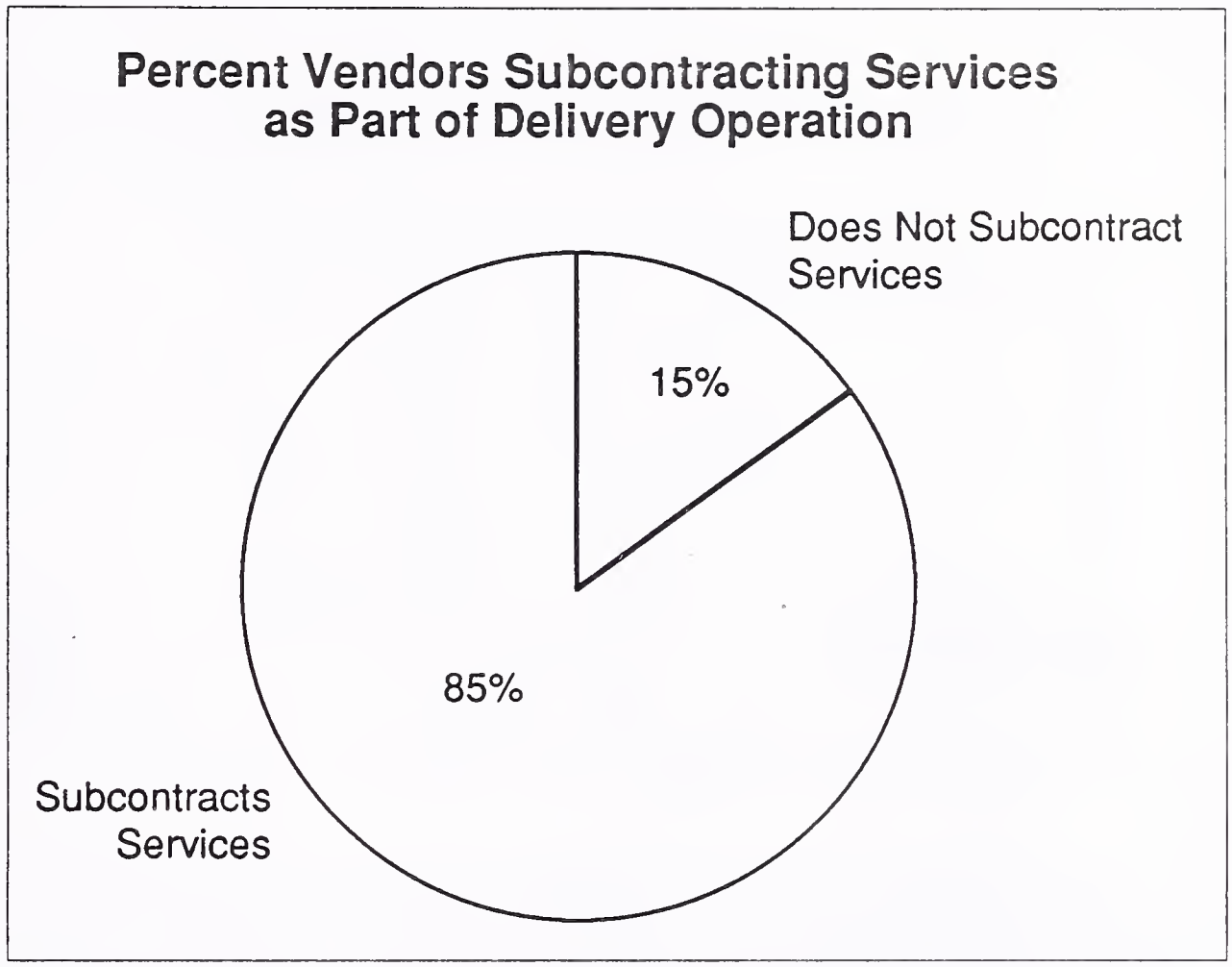
- Call handling and dispatch
- Logistics and inventory control
- Customer information file/data base
- Service billing and financial support

The next INPUT issue report, *New Support Technologies*, examines the usage and implementation of such systems.

The details of the alliances developed by the vendors were cited as confidential.

Subcontracting the actual delivery of maintenance and support services is prevalent—85% of the vendors contacted utilize subcontracts in their operations, as shown in Exhibit V-6.

EXHIBIT V-6



Vendors that do subcontract services vary with respect to their perceptions of whether the subcontracting is visible to the end-user. The majority (64%)—see Exhibit V-7—state that the subcontract is transparent to the user. The user findings indicate that this transparency should be maintained—users generally perceive that subcontracted services have a negative impact on service quality.

Some vendors indicate that subcontract transparency is dependent on the downline vendor—that is, the service organization that ultimately delivers the services to the end-user. If the downline vendor requires administrative contact with the user in the vendor's own name—for whatever purposes—it is probable that the user is aware of the subcontract.

EXHIBIT V-7

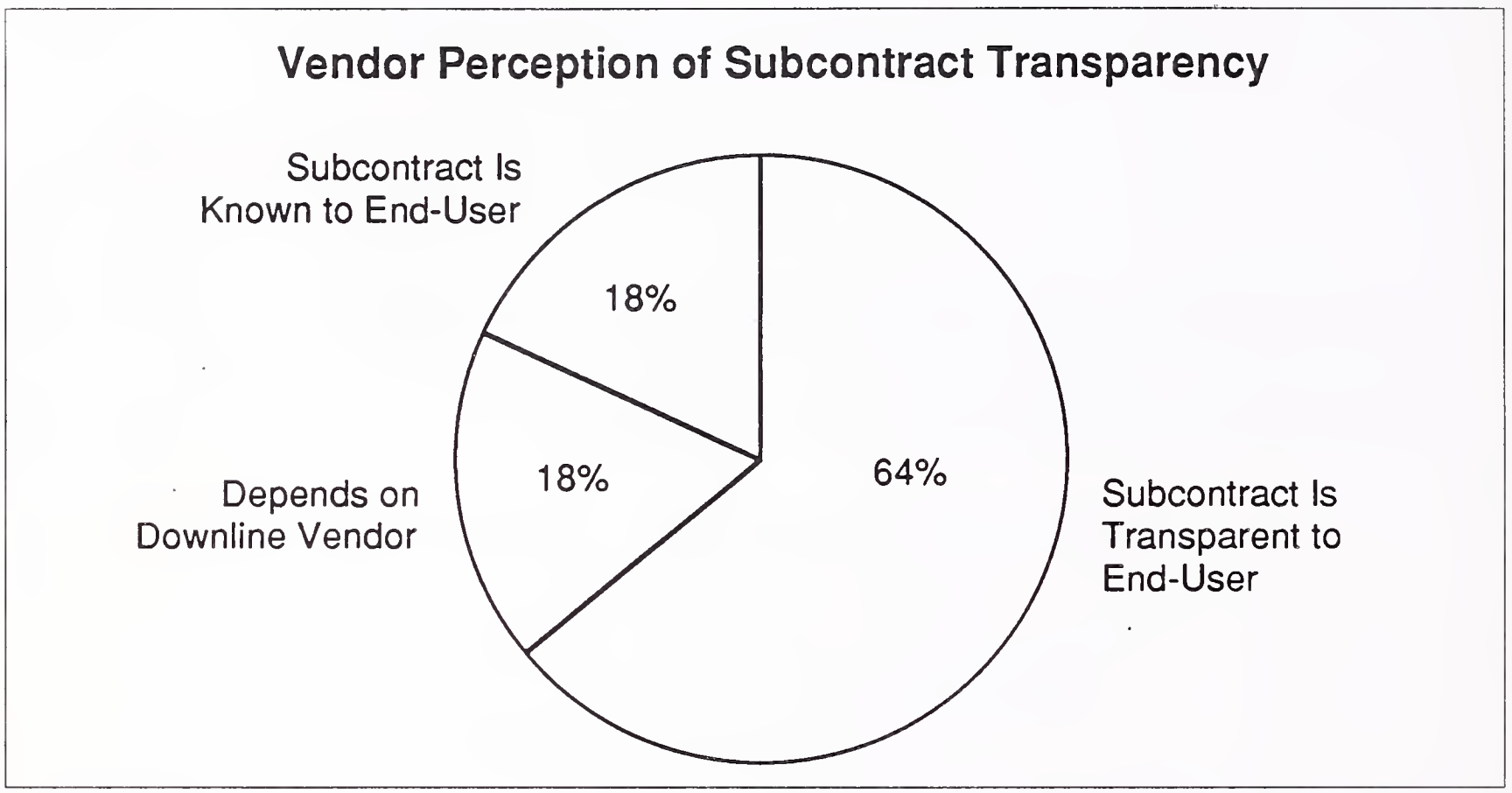


Exhibit V-8 shows that vendors utilize a subcontracted vendor to extend the physical limits of the vendor's service organization and to fill gaps in the organization's product expertise. Additionally, there appears to be a portion of subcontracting volume devoted to the delivery of low-risk, low-profit services such as one-time installations and simple field-replaceable units (FRU).

Prudently managed, delegation—through subcontracting and alliances—can allow the service company to profitably manage a larger customer base than otherwise possible.

- Exhibit V-8 lists the most commonly subcontracted services by vendors.

EXHIBIT V-8

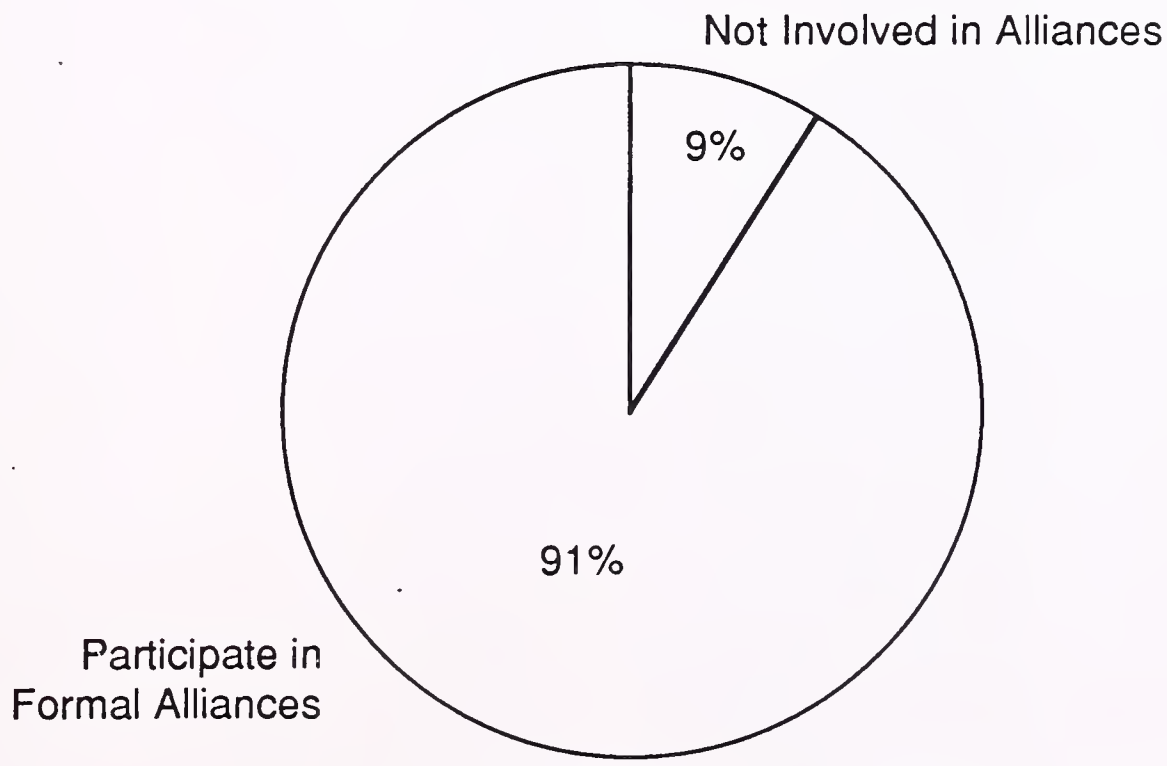
Description of Services Subcontracted by Vendors

- One-time/nonrecurring service situations
- Moves/adds/changes
- Onsite field-replaceable unit (FRU) swaps
- Service to locations not currently covered
- Service to locations outside domestic U.S.
- Product specific (unsupported brand/vendor)
- Specific technologies (proprietary diagnostics)

- Of the vendors that practice subcontracting to deliver services, 91% have incorporated formal alliances with the companies they contract with, as shown in Exhibit V-9. These alliances can be loose agreements based on problem/resolution information transfer, access to diagnostics, etc.—or they can be developed as structured contracts that assign territories, outline FE training requirements, and require tight control on PM schedules.

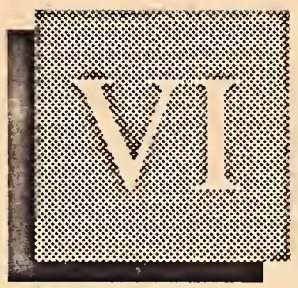
EXHIBIT V-9

Percent Vendors Having Formal Alliances (Vendors Subcontracting Services)

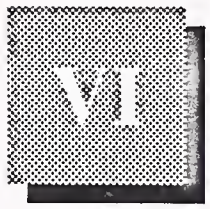


Typical alliances include the development of parts banks and/or depot-styled repair allowances. Others deal with specialized hardware expertise and/or software expertise where software support is part of the service agreement.

A development that complements the support of multivendor environment has been the establishment of independent subscription data bases for maintenance and repair solutions. This type of information clearinghouse allows a product manufacturer to distribute accurate maintenance and repair information to involved parties and extend the support of equipment beyond any formal alliance. Such a movement takes advantage of the capability of service aspects to pull through product sales.



Conclusions and Recommendations



Conclusions and Recommendations

A Summary

As shown in Exhibit VI-1, the results of this study indicate a significant lack of communication between the service vendor and the end-user regarding the availability of single-point-of-contact service agreements.

The level of interest in contracting with a single vendor is evident but not extreme. The results suggest that the implementation of such an arrangement will be driven by the service vendor, the end-user being unlikely to solicit the agreement independently. Education and the collection of evidence of hard savings or significant value-added benefits will be required to develop an active interest in the end-user marketplace and should be emphasized in the marketing program.

Actual delivery volume of SPOC service agreements appears to be well below the levels suggested by industry media attention. The awareness of the overall concept was high; no single respondent required further explanation of the concept characteristics. However, none of the end-users is participating in a SPOC agreement.

The use of subcontracted vendors for delivery of services to the end-user, regardless of whether the subcontract is conducted within the context of a single-point-of-contact agreement, requires greater controls to ensure service quality. Downline vendors must be able to deliver assigned services competently and in a manner that complements, and fulfills the end-users' expectations of, the vendor of origin.

In conclusion, avoid excessive and visible utilization of subcontracts.

EXHIBIT VI-1

Conclusions

- There is much confusion in the marketing of the SPOC concept. Delivery of the SPOC arrangement to the end-user as a separable, identifiable, service package is not evident.
- End-user interest in the SPOC concept is intermediate and will not translate into a user-driven market demand.
- Vendor implementation of the SPOC concept has focused upon operational refinements and the development of strategic alliances designed to more effectively handle an increased service demand.

B

End-User Recommendations

Recommendations for end-users are summarized in Exhibit VI-2.

The benefits of contracting with a vendor as a single source focus on the reduction of administration efforts required to maintain an installed base. Additionally, as the complexity of the computing environment increases, a single-source vendor will have a more comprehensive understanding of the user's whole system and will be less likely to perform ad hoc repairs or ill-advised changes.

Assessment of the SPOC service agreement as a viable contract alternative should be a structured process. Solicitation of a single-source vendor should require a RFP outlining primary, secondary, and tertiary service needs and requirements. The RFP process itself will provide a tremendous amount of insight for the end-user in examining current and future service contingencies.

Issues such as equipment warranty status, release of installed-base information and service records, and allowance for in-house service activities will require attention in defining the single-source contract.

EXHIBIT VI-2

End-User Recommendations

- User inquiries of current service vendors on their ability to provide SPOC service agreement and on their current delivery status will lead to a reduction in confusion about the concept.
- Users with a diverse installed base, complex systems, and/or networking configurations should investigate the SPOC concept, which should provide the broadest set of benefits.
- Solicitation of a SPOC vendor agreement should include a RFP outlining primary, secondary, and tertiary service needs and requirements.
- SPOC agreement should outline the requisites for subcontracting of services and provide channels for user feedback regarding service quality of downline vendors.

C

Vendor Recommendations

Recommendations for vendors are summarized in Exhibit VI-3.

The SPOC vendor must have a methodology for constructing contract boundaries—that is, choosing which services are not going to be provided under this contract agreement. The end-user must understand exactly where the SPOC vendor's responsibility begins and ends. This division of responsibility is a consideration that will become increasingly important as vendors provide more and more ancillary services to the end-user market.

Successful rollout of the SPOC product requires end-user education and a concerted marketing effort.

Operational changes within the overall service delivery infrastructure allow the bundling of services associated with the SPOC product concept. These changes do not, however, have an impact on the end-user demand for the SPOC service concept. The results of this study suggest a strong requirement by vendors to promote this idea to the end-user; the user will not drive the implementation of the SPOC contract.

The direct connection by end-users of the SPOC arrangement and the acquisition of services that exactly match vendor needs and requirements amplifies the necessity for the vendor to:

- Refine the service operation to enable the delivery of low response times and quality, timely fixes
- Understand that user's business and conduct needs assessments and forecasts to deal with future contingencies

The above list is relevant regardless of the final mix of services delivered to the user.

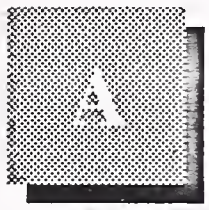
The number of items that make up the service portfolio will increase. Attention to time-related aspects of the operation should not be slighted in an attempt to develop and expand softer ancillary services. In the final analysis, if the more traditional aspects of the service portfolio are not met, the expanded services will not carry the vendor past the contract renewal date.

EXHIBIT VI-3

Vendor Recommendations

- Communicate the SPOC concept as a separate, identifiable, value-adding service product.
- Develop defendable evidence that the SPOC concept can provide the user with comprehensive services, delivered with a consistent level of quality.
- Encourage the development of strategic alliances to augment the existing service portfolio. Develop control methods for administration of downline vendors; when at all possible, design transparent subcontract procedures.
- Encourage relationship aspects of SPOC agreement with user. This provides a degree of insulation from competitive vendors and leverages the long-term value of having intimate knowledge of the user's system, usage history, and behaviors.

Appendixes



Appendix: User Questionnaire

The following two questionnaires have been used by INPUT during 1991 to conduct research in the customer support and services area. The findings from these interviews form much of the underlying research for this report.

INTRODUCTION; **END-USER** QUESTIONNAIRE

(ASK FOR SPECIFIC CONTACT IF AVAILABLE FROM SAMPLE. IF NONE EXISTS, ASK TO BE CONNECTED WITH THE PERSON RESPONSIBLE FOR THE ACQUISITION OF MAINTENANCE, REPAIR, AND SUPPORT SERVICES FOR THEIR COMPANY'S INSTALLED BASE OF COMPUTER AND ELECTRONIC SYSTEMS AND EQUIPMENT, INCLUDING NETWORKS.)

(INTRODUCTION TO OPERATOR); (IF NECESSARY):

Good morning/afternoon/evening. I'm Mr/Ms _____ calling long distance from INPUT in _____, and we are conducting a study about the support services available for computer and electronic systems and equipment, including networks.

(WHEN MANAGER COMES TO PHONE: INTRODUCTION TO MANAGER/EQUIPMENT SERVICE MANAGER)

Good morning/afternoon/evening. I'm Mr/Ms _____ calling from INPUT in _____. We are conducting a study to assess overall service quality with regard to computer and information-processing equipment and systems.

A. Just to check, do you have computer and information processing equipment operating or otherwise installed at this location?

[ ] Yes (CONTINUE)
[ ] No (THANK RESPONDENT AND TERMINATE)

B. Do you have managerial responsibility for the ongoing operation and support of these systems and equipment at your company?

[ ] Yes (GO TO INTRODUCTION)
[ ] No (CONTINUE)

C. May I please speak with that person? (OBTAIN NAME/TITLE/DEPARTMENT AND ASK TO BE CONNECTED)

(NOTE: BEFORE CONTINUING TO MAIN QUESTIONNAIRE, RESPONDENT MUST ANSWER "YES" TO QUESTIONS A AND B)

(INTRODUCTION)

As part of INPUT's continuing research programs, we are conducting a survey of end-users to assess their service needs and requirements and investigate the sensitivity to developing service issues. Your response will ultimately lead to better support options in the future. We would be happy to supply you with a summary of our findings from the subsequent report.

Would you have a few minutes at this time, or would you prefer I call back at a more convenient time?

[ ] IF AVAILABLE, CONTINUE WITH MAIN QUESTIONNAIRE, Q.6

[ ] IF NOT AVAILABLE, ARRANGE FOR CALLBACK

Callback Date: _____

Specific Time: _____AM/_____PM

MAIN **END-USER** QUESTIONNAIRE

I. BACKGROUND (TO BE VERIFIED AND RECORDED AS INTRODUCTION IS CONDUCTED)

A. Known Systems/Equipment:

_____ _____

_____ _____

_____ _____

B. Title of Respondent: (DO NOT READ LIST)

[ ] MIS Director
[ ] Director Data Center Operations
[ ] Director of Purchasing
[ ] Other (Specify: _____)

(REMAINDER TO BE CONDUCTED AS QUESTIONS TO BE READ VERBATIM)

II. CURRENT SERVICE/SUPPORT STATUS

1. For each of the following types of equipment that I list, please indicate approximately how many units are under your charge—that is, where you are responsible for the administration or management of service for that equipment.

2. For the equipment categories you mentioned, do you service any of this equipment in-house? If so, exactly what kinds of service do you provide for this equipment?

TYPE OF EQUIPMENT	NUM. OF UNITS	IN-HOUSE SERVICE		KIND OF SERVICE DONE BY IN-HOUSE PERSONNEL
DATA PROCESSING:		Y	N	
- Mainframe (MIPS/UNITS)	#_____	1	2	_____
- Minicomputers (MIPS/Unit)	#_____	1	2	_____
- Workstations (H.End PCs)	#_____	1	2	_____
- PCs	#_____	1	2	_____
- CRTs/Data Terminals	#_____	1	2	_____
NETWORKS:				
- Terminal Networks (Nodes)	#_____	1	2	_____
- LANs (# Nodes)	#_____	1	2	_____
PERIPHERALS:				
- Printers, other periphs,	#_____	1	2	_____
- Disk Drives (GigaBytes)	#_____	1	2	_____
OFFICE AUTOMATION:				
- Copiers	#_____	1	2	_____
- FAX machines	#_____	1	2	_____
OTHER:				
_____	#_____	1	2	_____
_____	#_____	1	2	_____
_____	#_____	1	2	_____

3. What is the name of your **primary** external service supplier?

   Primary Vendor: _____

4. How many external service suppliers do you currently have providing service and support for your installed base of equipment?

   Number of External Service Vendors # _____

5. Which of the following service features do you have provided to you for those types of equipment you have mentioned. (RECORD BELOW; READ THROUGH ENTIRE LIST)

6. Please rate the importance of each service feature provided to you on a scale from 1 to 5, where 1 = NOT IMPORTANT and a 5 = EXTREMELY IMPORTANT. (READ BACK LIST OF SERVICE FEATURES THAT ARE BEING PROVIDED TO RESPONDENT. RECORD BELOW)

SERVICE FEATURE	CURRENTLY HAS W/ SERVICE (Q.5)	RATING OF IMPORTANCE (Q.6)
Parts	1	_____
Labor	1	_____
Preventive Maintenance	1	_____
7-Day/24-Hour Service	1	_____
Guaranteed 4-hour response time	1	_____
Guaranteed 2-hour response time	1	_____
Guaranteed 1-hour response time	1	_____
Unlimited Service Calls	1	_____
Factory Depot Service	1	_____
Replacement/Loaner units	1	_____
Uptime Guarantee	1	_____
On-Site Service Engineer	1	_____
Telephone Support/Help Desk	1	_____
Installations/Moves/Adds	1	_____
Remote Hardware Diagnostics	1	_____
Micro-Code Diagnostics/Repair	1	_____
Other Software Diag./Repair	1	_____

IF YES TO DIAG. QUESTIONS:

7. In the delivery of the software/hardware diagnostics and repair services, do you have access to the service vendor's problem/resolution data base?

[ ] Yes [ ] No

8. Do you have the ability to upload or download problem or solution information to your service vendor?

[ ] Yes [ ] No

9. Do you currently receive any of the following discounts off your service pricing? (RECORD BELOW)

10. If you do not presently receive any discounts, what is your level of interest in the mentioned discounts? Rate 1 to 5, where 1 indicates LOW INTEREST, and 5 indicates HIGH INTEREST.

TYPE OF DISCOUNT	RECEIVES	L.O.I.
Multiyear Contract/Agreement	1	_____
Prepayment	1	_____
Call Screening/Problem Manag. Dispatch Avoidance Meth.	1	_____
Deferred Response	1	_____
Other: (Specify:_____)	1	_____

III. PERCEPTIONS ON EXPANDED/INNOVATIVE SERVICES

11. Do the external customer service vendors provide you with any of the following expanded services or product offerings? (READ THROUGH LIST; RECORD BELOW IN COLUMN A)

12. Of the expanded services provided to you by your service vendors, please rate (on scale from 1 to 5) how important this service is to your company. 1 indicates that the service category is of LOW IMPORTANCE, and 5 indicates that the service category is of EXTREME IMPORTANCE to your company.

13. Please rate the level of performance you receive from your service organization in delivering these expanded services. Again use a scale from 1 to 5, where 1 indicates NOT AT ALL SATISFIED with the service performance and 5 indicates that you are EXTREMELY SATISFIED with the performance of the service organization in delivering these expanded services to you.

EXPANDED SERVICE PRODUCTS	RECEIVES SRV.ITEM (Q.11)	RATE IMP. (1 TO 5) (Q.12)	PERF.RATE (1 TO 5 (Q.13)
PLANNING/DESIGN SERVICES:		____	____
- Design & Engineering	1		
- Site Planning	1		
- Purchase Consultation	1		
NETWORK SERVICES:		____	____
- Cabling	1		
- Network Maintenance	1		
- Network Management	1		
SOFTWARE AND SERVICES:		____	____
- Applications Training	1		
- Standardized Software Products	1		
- Custom Applications Development	1		
HUMAN RESOURCES:		____	____
- Recruitment/Staffing	1		
- Temporary Personnel	1		
DISASTER RECOVERY SERVICES:	1	____	____
SECURITY SERVICES:		____	____
- Network/System Security	1		
- Security Planning	1		

14. Approximately when did your service vendor begin offering these expanded or nontraditional services.

Date expanded services rec'vd ___/___/___

IV. ONE-STOP CUSTOMER/FIELD SERVICE AND SUPPORT

15. Some service vendors are now in the practice of contracting to supply a single point of contact for all of the end-user's service needs—tying systems software support, applications support, and related services with the more traditional aspects of multi-vendor hardware services. Are you presently participating in this type of service agreement?

[ ] Yes **(skip to Q.18)**

[ ] No

16. On a scale of 1 to 5, what would be your level of interest in this type of "single point of contact" service arrangement? 1 indicates NO INTEREST, and 5 indicates HIGH LEVEL OF INTEREST.

No Interest 1
2
3
4
High Interest 5

17. How much of a premium would you be willing to pay to have this "single point of contact"?

[ ] Would not pay premium
[ ] Uncertain
[ ] Willing to pay additonal 1-5%
[ ] Willing to pay additonal 6-10%
[ ] Willing to pay more than 10%

} **(skip to Q.20)**

18. When entering into this "single point of contact" service agreement, was your company required to submit any type of application to be eligible to receive this service?

[ ] Yes

[ ] No **(skip to Q.20)**

19. Which, if any, of the following information was required on this application?

[ ] Equipment Inventory: ("did this include")
- [ ] Number of Units
- [ ] Location(s) of all units
- [ ] Manufacturer
- [ ] Model Numbers
- [ ] Serial Numbers
- [ ] Current Warranty Status

[ ] Overall Service Expenditure Information
[ ] Availability of Equipment Service Records

20. Some service suppliers are in the practice of subcontracting certain services to third parties. Do you feel this:

[ ] Has a negative impact on service quality
[ ] Makes no difference
[ ] Has a positive impact on service quality

V. PERCEPTIONS REGARDING SERVICE MARKET AND DEMAND TRENDS

21. Many industry sources cite the advancement of computer and electronics technologies and their applications, especially the expanding use of networks, as creating an increased sensitivity by the end-user for service and support of this equipment. Compared to, say, two years ago; how much more sensitive are you toward service and support issues in general? Rate with 1 indicating LOW SENSITIVITY and 5 indicating HIGH SENSITIVITY.

Low Sensitivity	1 2 3 4	} **(skip to Q.23)**
High Sensitivity	5	

22. What issues are most important to you?

[ ] Response [ ] No Response

(Probe: network maintenance, response times, configuration design development)

23. Do you consider the support needs of "Open Architectures/Systems" and/or UNIX systems as different from those of other systems?

[ ] Yes [ ] No **(skip to Q.25)**

24. Why?

[ ] Response [ ] No Response

25. How much more would you be willing to pay for the exact features and level of service and support you need?

[ ] Would not pay additional fees
[ ] Uncertain
[ ] Willing to pay 1-5% more
[ ] Willing to pay 6-10% more
[ ] Willing to pay 10% or more

26. **(RESPONDENTS WITH NO SERVICES PROVIDED IN Q.11)**

How likely is it that you will utilize your current service vendors to provide you with the expanded and nontraditional services we've been discussing?

[ ] Very Likely
[ ] Somewhat Likely
[ ] Uncertain
[ ] Somewhat Unlikely } **skip to Q.29)**
[ ] Very Unlikely

27. **(RESPONDENTS WITH SOME/ALL SERVICES PROVIDED IN Q.11)**

How likely is it that you will switch service suppliers over the next 12 months?

[ ] Very Likely
[ ] Somewhat Likely
[ ] Uncertain
[ ] Somewhat Unlikely } **skip to Q.29)**
[ ] Very Unlikely

28. Why?

[ ] Response [ ] No Response

_____

_____

_____

29. How much was paid to external service vendors over the course of 1990 for service and support on all of your establishment's installed equipment base?

[Note ALL exceptions, clarifications] $_____

30. How much do you expect this figure to change for 1991?

[ ] Increase (by what percent? _____%)

[ ] Remain the same **(skip to Q.32)**

[ ] Decrease (by what percent? _____%)

31. Why?

[ ] Response [ ] No Response

_____

_____

_____

32. How much do you anticipate this figure to change in the next 5 years?

[ ] Increase (by what percent? _____%)

[ ] Remain the same

[ ] Decrease (by what percent? _____%)

33. Compared to your Fiscal Year 1990, has the proportion of your total annual operating budget dedicated to service and support changed for 1991?

[ ] Increased (by what percent? _____%)

[ ] Remained the same

[ ] Decreased (by what percent? _____%)

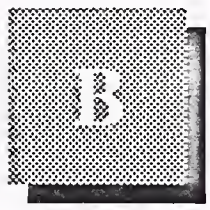
34. To wrap this up, may I ask what you would consider to be the single most important service and support issue for the computer systems end-user?

_____

_____

_____

(THIS COMPLETES THE QUESTIONNAIRE. I WOULD LIKE TO THANK YOU ON BEHALF OF INPUT FOR HELPING US TO COMPLETE THIS STUDY. TO EXPRESS OUR APPRECIATION FOR YOUR TIME AND EFFORTS, WE WILL BE SENDING YOU A "THANK YOU" PACKAGE CONTAINING A SUMMARY OF THE RESULTS FROM OUR SURVEY. TO MAKE SURE YOU RECEIVE OUR COMPLIMENTARY REPORT SUMMARY, LET ME CHECK THE SPELLING OF YOUR NAME AND ADDRESS INFORMATION. **CONFIRM AND RECORD ON COVER SHEET**)



Appendix: Vendor Questionnaire

INTRODUCTION/SCREENER; **VENDOR** QUESTIONNAIRE

(ASK FOR SPECIFIC CONTACT IF AVAILABLE FROM SAMPLE. IF NONE AVAILABLE, ASK TO BE CONNECTED WITH THE PERSON RESPONSIBLE FOR BUSINESS DEVELOPMENT AND MARKETING OF MAINTENANCE, REPAIR, AND SUPPORT SERVICES FOR THE COMPANY.)

(INTRODUCTION TO OPERATOR); (IF NECESSARY):

Good morning/afternoon/evening. I'm Mr/Ms _____ calling long distance from INPUT in _____, and we are conducting a study about new trends in services delivery in the computer and electronic systems and equipment marketplace.

(WHEN MANAGER COMES TO PHONE: INTRODUCTION TO MANAGER / CUSTOMER SERVICE MANAGER)

Good morning/afternoon/evening. I'm Mr/Ms _____ calling from INPUT in _____. We are conducting a study to assess new trends in service delivery with regard to computer and information-processing equipment and systems and their end-users.

A. Just to check, do you have responsibility for business development and marketing of your company's service portfolio and organziation?

[ ] Yes (GO TO INTRODUCTION)
[ ] No

B. May I please speak with that person? (OBTAIN NAME/TITLE/DEPARTMENT AND ASK TO BE CONNECTED, THANK INITIAL CONTACT, AND TERMINATE.)

(NOTE: BEFORE CONTINUING TO MAIN QUESTIONNAIRE, RESPONDENT MUST ANSWER "YES" TO QUESTION A.)

(INTRODUCTION)

As part of INPUT'S continuing research programs, we are conducting a survey to investigate current and developing trends in service products and delivery innovations. Your response would lead to more-effective support options in the future. We would be happy to supply you with a summary of our findings from the subsequent report.

Would you have a few minutes at this time, or would you prefer I call back at a more convenient time?

[ ] IF AVAILABLE, CONTINUE WITH MAIN QUESTIONNAIRE, Q.6

[ ] IF NOT AVAILABLE, ARRANGE FOR CALLBACK

Callback Date: _____

Specific Time: _____AM/_____PM

MAIN VENDOR QUESTIONNAIRE

I. BACKGROUND (to be verified against sample information during the introduction process)

A. Sample Segment:

[ ] TPM/ISO/IMO
[ ] OEM Service Organization
[ ] VAR
[ ] Distributor

B. Title of Respondent: (DO NOT READ LIST)

[ ] Director Customer/Field Service
[ ] Director Marketing (Service)
[ ] Director Business Development
[ ] Other: (Specify: _____)

(BEGIN READING QUESTIONS. PLEASE READ VERBATIM)

1. How would you define your company? Would you consider it to be a:

[ ] Independent Service Organization (ISO)
[ ] OEM Service Organization
[ ] VAR (Value-Added Reseller)
[ ] Distributor with a service organization

(IF VOLUNTEERED)

[ ] Other (Specify: _____)

2. Approximately how many field engineers and/or technicians do you have operating in your service organization in total? (within continental U.S.)?

   Number of Field Engineers in U.S.: _____

3. In total, how many offices does your firm operate in the U.S.?

   Total Number of Offices in U.S.: _____

II. ONE-STOP CUSTOMER/FIELD SERVICE AND SUPPORT

4. Some industry sources suggest a swing by the end-user toward contracting with a single company to meet all service requirements—tying systems software support, applications support, and related issues with the traditional aspects of multivendor hardware service. CONSIDERING YOUR CUSTOMER BASE, how strongly do you agree or disagree with this statement? Again use the scale where 1 indicates that you DO NOT AGREE AT ALL with the statement and a 5 indicates that you AGREE STRONGLY.

Do Not Agree	1
	2
	3
	4
Agree Strongly	5

5. Does your service organization offer this type of "single point of contact" service?

   [ ] Yes**(skip to Q.7)** [ ] No

6. Do you plan on developing this type of service in the next 12 months?

   [ ] Yes [ ] No **(skip to Q.9)**

7. What technology or operational changes, if any, have been implemented to deal with the increased service demand involved with the roll-out and delivery of these new services?

   [ ] Response [ ] No Response **(skip to Q.9)**

   _____

   _____

   _____

8. Can you estimate the costs involved with these changes?

   Costs of Roll-Out $_____

9. In delivering service to the end-user, have you subcontracted certain service activities to other service vendors?

[ ] Have subcontracted
[ ] Have not subcontracted **(skip to Q.14)**

10. Which types of services you are most likely to contract out?

[ ] Response [ ] No Response

_____

_____

_____

11. Is this subcontracting activity transparent to the end-user?

[ ] Yes, subcontract is unknown to end-user
[ ] No, the end-user is aware of subcontract

12. Has this subcontracting of service developed into any formal alliances or agreements with other service organizations?

[ ] Formal alliances have been made
[ ] No formal alliances have been made **(SKIP TO Q.14)**

13. Can you identify the name or type of company you have allied with? What are the general characteristics of the agreement?

Name/Type of Company	Agreement Characteristics
1._____	_____
2._____	_____
3._____	_____
4._____	_____

III. EXPANSION/INNOVATION OF SERVICES

14. Which of the following types of information-processing equipment do you presently provide service for? (READ LIST AND RECORD IN COLUMN A.)

Which, if any, of these services were recently added to your service portfolio—that is, within the last 6 months? (RECORD IN COLUMN B.)

15. Over the past 12 months, has your service organization voluntarily stopped supplying service on any of these, or other types, of equipment? (READ BACK THROUGH LIST AS NEEDED TO ASSIST RESPONDENT; RECORD IN COLUMN C.)

16. Of those categories of equipment you do not presently service, do you plan on adding this service in the next 12 months? (RECORD IN COLUMN D.)

TYPE OF EQUIPMENT	A CURRENTLY SERVICES	B RECENTLY ADDED SERVICES	C DROPPED SERVICES	D PLANS TO ADD IN NEXT 12M
DATA PROCESSING:				
- Mainframes	[ ]	[ ]	[ ]	[ ]
- Mini (Midrange) Comp.	[ ]	[ ]	[ ]	[ ]
- Workstations/PCs	[ ]	[ ]	[ ]	[ ]
- CRTs/Data Terminals	[ ]	[ ]	[ ]	[ ]
Terminal Networks	[ ]	[ ]	[ ]	[ ]
LANs	[ ]	[ ]	[ ]	[ ]
Peripherals	[ ]	[ ]	[ ]	[ ]
- Disk Drives	[ ]	[ ]	[ ]	[ ]
OFFICE AUTOMATION:				
- Copiers	[ ]	[ ]	[ ]	[ ]
- FAX machines	[ ]	[ ]	[ ]	[ ]
OTHER:				
_____	[ ]	[ ]	[ ]	[ ]
_____	[ ]	[ ]	[ ]	[ ]
_____	[ ]	[ ]	[ ]	[ ]

17. In general, can you indicate the primary reason(s) your service organization chose to add or drop these equipment categories to your services? (RECORD APPROPRIATE EQUIPMENT TYPE WITH ASSOCIATED RESPONSE.)

RESPONDENTS WHO RECENTLY ADDED SERVICES

[ ] Response [ ] No Response

_____

_____

_____

RESPONDENTS WHO DROPPED SERVICES

[ ] Response [ ] No Response

18. The continuing delivery of systems and products utilizing advanced technologies to the end-user is evident. (e.g., CD ROM, virtual networks, image processing, extensive application of LANs)

Please explain any major effects these new technologies have on the service requirements of your customer base? (PROBE)

[ ] Response [ ] No Response

19. Which of the following service features do you provide to the end-user for those types of equipment you have mentioned. (RECORD BELOW IN COL. A.)

20. For each service feature you do offer, would you classify that feature as part of your "basic" services or as a "premium" feature?

SERVICE FEATURE	DOES PROVIDE TO END-USER	FEATURE PERCEIVED "BASIC"	FEATURE PERCEIVED "PREMIUM"
Parts	1	1	2
Labor	1	1	2
Preventive Maintenance	1	1	2
7-Day/24-Hour Service	1	1	2
4-Hour Response Time	1	1	2
2-Hour Response Time	1	1	2
1-Hour Response Time	1	1	2
Unlimited Service Calls	1	1	2
Uptime Guarantee	1	1	2
Depot Service Availability	1	1	2
On-Site Service Engineer	1	1	2
Telephone Support	1	1	2
Replacement/Loaner Units	1	1	2
Installations/Moves/Adds	1	1	2

21. Does your company specifically target any vertical-market segments when selling and packaging the service products you have mentioned? If so, which?

Vertical Market Served

_____
_____
_____
_____
_____

22. In addition to the service features traditionally offered by a customer service organization, do you provide any of the following services or products to the end-user?

EXPANDED SERVICE PRODUCTS	DOES OFFER	RECENTLY ADDED	PLANS TO ADD
PLANNING/DESIGN SERVICES:			
- Design & Engineering	1	2	3
- Site Planning	1	2	3
- Purchase Consultation	1	2	3
NETWORK SERVICES:			
- Cabling	1	2	3
- Configuration Planning	1	2	3
- Capacity Planning	1	2	3
- Network Maintenance	1	2	3
- Network Management	1	2	3
SOFTWARE AND SERVICES:			
- Applications Training	1	2	3
- Standardized Software Products	1	2	3
- Custom Applications Development	1	2	3
HUMAN RESOURCES:			
- Recruitment/Staffing	1	2	3
- Temporary Personnel	1	2	3
DISASTER RECOVERY SERVICES:	1	2	3
SECURITY SERVICES:			
- Network/System Security:	1	2	3
- Security Planning	1	2	3

23. What percentage of your service revenues would you estimate comes from the basic/traditional services, and what percentage comes from the delivery of expanded or nontraditional services?

Traditional/Basic % _____
Nontraditional/Basic % _____
100%

IV. IMPACT OF NEW TECHNOLOGIES

24. Do you provide or require continuing education for your field engineers in any of the following areas? If so, approximately how much time in days or weeks is dedicated to that topic? **(RECORD TIME IN DAYS!!!!)**

EDUCATIONAL FOCUS/TOPIC	Prov./Req.	Days/Year
Software Maintenance	1	#_____
Maintenance & Repair of New Hardware Technologies	1	#_____
Customer Relations/ Communications Skills	1	#_____
Sales Development (Cross Sales Dev.)	1	#_____
Competitive Intelligence Gathering	1	#_____

25. Do you incorporate any level of field service information system in your Organization?

[ ] Yes **(skip to Q.27)** [ ] No

(NOTE: *field service information system* (FSIS) is defined as: a software application designed to provide service management with a high level of control over the service infrastructure by providing data regarding operations, performance, accounting, inventory movement, service call histories, field personnel activity, etc.)

26. Do you have plans to implement any level of field service information system within the next 12 months?

[ ] Yes [ ] No **(skip to Q.35)**

27. On a scale of 1 to 5, how would you relate the degree of competitive advantage you feel you have received from the implementation of the FSMS in your service operation? 1 indicates that you believe the FSMS provides you with NO COMPETITIVE ADVANTAGE AT ALL, and 5 indicates that the implemenation of the FSMS provides you with SIGNIFICANT COMPETITIVE ADVANTAGE

No Competitive Advantage	1
	2
	3
	4
Significant Comp. Advan.	5

28. Was this field service information system developed as a custom application or was it purchased as a standardized applications package?

[ ] Custom FSMS
[ ] Standardized FSMS Package

29. Which of the following functions does your present/planned field service information system support?

[ ] Call Handling and Dispatch
[ ] Inventory Control
[ ] Customer Information File/Database
[ ] Service Billing
[ ] Remote Hardware Diagnostics
[ ] Remote Software Diagnostics/Repair

(DOES THIS SYSTEM SUPPORT ANY OTHER FUNCTIONS?)

[ ] Other: (Specify:_____)

30. Were these functions implemented at the same time? If not, which function did you choose to implement first?

Function Implemented First: _____

31. Which, of the system functions you mentioned, do you feel provides the greatest benefit TO THE END-USER?

[ ] Call Handling and Dispatch
[ ] Inventory Control
[ ] Customer Information File/Data Base
[ ] Service Billing
[ ] Other: (Specify:_____)

32. Approximately, what has been your total investment in implementing your FSIS to date?

Total FSIS Investment $_____

33. On a scale from 1 to 5, please rate the amount of hard cost savings each FSMS function has provided to your organization. 1 indicates NO HARD COST SAVINGS, and 5 indicates SIGNIFICANT HARD COST SAVINGS. You may use any number from 1 to 5.

FROM Q.29

[ ] Call Handling & Dispatch

No Hard Savings 1
2
3
4
Significant Savings 5

[ ] Inventory Control

No Hard Savings 1
2
3
4
Significant Savings 5

[ ] Customer Information File /Database

No Hard Savings 1
2
3
4
Significant Savings 5

[ ] Service Billing

No Hard Savings 1
2
3
4
Significant Savings 5

[ ] Remote Hardware Diagnostics

No Hard Savings 1
2
3
4
Significant Savings 5

[ ] Remote Software Diagnostics/Repair

No Hard Savings 1
2
3
4
Significant Savings 5

34. Which of these functions provides your service organization with the greatest soft benefits—that is, contributes the most to refining or improving your service delivery and quality? 1 indicates the function offers NO SOFT BENEFITS, and 5 indicates the function CONTRIBUTES SIGNIFICANT SOFT BENEFITS.

FROM Q.29		
[ ] Call Handling & Dispatch	No Soft Benefits	1
		2
		3
		4
	Significant Soft Benefits	5
[ ] Inventory Control	No Soft Benefits	1
		2
		3
		4
	Significant Soft Benefits	5
[ ] Customer Information File	No Soft Benefits	1
		2
		3
		4
	Significant Soft Benefits	5
[ ] Service Billing	No Soft Benefits	1
		2
		3
		4
	Significant Soft Benefits	5
[ ] Remote Hardware Diagnostics	No Soft Benefits	1
		2
		3
		4
	Significant Soft Benefits	5
[ ] Remote Software Diagnostics/Repair	No Soft Benefits	1
		2
		3
		4
	Significant Soft Benefits	5

V. PERCEPTIONS ON CURRENT CUSTOMER/FIELD SERVICES MARKET

35. Considering the overall services market, how strongly would you agree or disagree with the following statements, where a 1 indicates that you DO NOT AGREE AT ALL and a 5 indicates that you AGREE STRONGLY. You may use any number from 1 to 5.

A. There will be significant growth in the traditional services (10%+ annually).

Do Not Agree	1
	2
	3
	4
Agree Strongly	5

B. Significant growth in traditional customer service markets will be seen through innovative marketing and/or the restructuring of service delivery mechanisms.

Do Not Agree	1
	2
	3
	4
Agree Strongly	5

C. Significant growth will develop through the delivery of allied, nontraditional services by customer service organizations.

Do Not Agree	1
	2
	3
	4
Agree Strongly	5

D. Overall market growth cannot be assessed in the aggregate. Technology and vigorous end-user demands have brought the competition to the segment and niche level. Significant growth will be seen in specific areas, not in the overall market.

Do Not Agree	1
	2
	3
	4
Agree Strongly	5

VI. ADDITIONAL CLASSIFICATION

(FINALLY, FOR CLASSIFICATION PURPOSES:)

36. Over the past 12 months, do you estimate that your company's service revenues have:

[ ] Increased Significantly (>10%)
[ ] Increased, but at a rate less than 10%
[ ] Remained about the same
[ ] Decreased

37. To wrap this up, may I ask what you would consider to be the single most important issue for the service vendor in the current marketplace?

_____

_____

_____

(THIS COMPLETES THE QUESTIONNAIRE. I WOULD LIKE TO THANK YOU ON BEHALF OF INPUT FOR HELPING US TO COMPLETE THIS STUDY. TO EXPRESS OUR APPRECIATION FOR YOUR TIME AND EFFORTS, WE WILL BE SENDING YOU A "THANK YOU" PACKAGE CONTAINING A SUMMARY OF THE RESULTS FROM OUR SURVEY. TO MAKE SURE YOU RECEIVE OUR COMPLIMENTARY REPORT SUMMARY, LET ME CHECK THE SPELLING OF YOUR NAME AND THE ADDRESS INFORMATION. CONFIRM AND RECORD ON COVER SHEET.)

Report Quality Evaluation

To our clients:
To ensure that the highest standards of report quality are maintained, INPUT would appreciate your assessment of this report. Please take a moment to provide your evaluation of the usefulness and quality of this study. When complete, simply fold, staple, and drop in the mail. Postage has been pre-paid by INPUT if mailed in the U.S..

Thank You.

1. Report title: ***Single-Point-Of-Contact Customer Service*** (FCSP2)

2. Please indicate your reason for reading this report:
   - ☐ Required reading
   - ☐ Area of high interest
   - ☐ Area of general interest
   - ☐ New product development
   - ☐ Business/market planning
   - ☐ Product planning
   - ☐ Future purchase decision
   - ☐ Systems planning
   - ☐ Other _____

3. Please indicate extent report used and overall usefulness:

	Extent		Usefulness (1=Low, 5=High)				
	Read	Skimmed	1	2	3	4	5
Executive Overview	☐	☐	☐	☐	☐	☐	☐
Complete Report	☐	☐	☐	☐	☐	☐	☐
Part of Report (_____ %)	☐	☐	☐	☐	☐	☐	☐

4. How Useful was:

Data presented	☐	☐	☐	☐	☐
Analyses	☐	☐	☐	☐	☐
Recommendations	☐	☐	☐	☐	☐

5. How useful was the report in these areas:

Alert you to new opportunities or approaches	☐	☐	☐	☐	☐
Cover new areas not covered elsewhere	☐	☐	☐	☐	☐
Confirm existing ideas	☐	☐	☐	☐	☐
Meet Expectations	☐	☐	☐	☐	☐
Other _____	☐	☐	☐	☐	☐

6. Which topics in the report were the most useful? Why?_____

_____

7. In what ways could the report have been improved? _____

_____

8. Other comments or suggestions: _____

_____

Name _____ Title _____

Department _____

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