

Q&A for Determining Whether Oracle Advanced Customer Services Is Right for You

Pat Phelan

Oracle Advanced Customer Services can be a valuable investment, but organizations should assess the level of service needed, and the time sensitivity of responses to service requests, to ensure that the investment is worth the return.

ANALYSIS

Oracle Advanced Customer Services is a global business unit within Oracle Support — an extension of the Premier Support program — that includes proactive and personalized services. Premier Support is a prerequisite; and with Advanced Customer Services, Oracle is attempting to "be continual" by spanning the software life cycle to help customers maximize the performance and value of their Oracle investments. The program provides tools and services to help customers identify areas where they can improve the performance and availability of Oracle application operations, while helping customers comply with IT Infrastructure Library (ITIL) v.3 standards. The program can also play a role in the planning and design of software implementations and upgrades.

Oracle's aim for the program is to provide an intersection between Oracle Development and Oracle Support. The service offerings are intended to be more extensive (for example, preventive support, delivered more quickly by more-experienced resources, more-personalized attention) than traditional software maintenance programs, but the offerings stop short of being project-oriented engagements that typically are provided by management consultants. The additional support requires additional investment, which may be unwarranted for stable implementations and those with a low level of immediate business risk from disrupted application availability or inefficient system performance. However, for situations in which an application outage, or the length of the outage, could mean significant revenue loss or reputation damage, the cost of Advanced Customer Services could more than pay for itself in a single incident, which will be resolved more quickly due to the personalized customer support feature. Likewise, eliminating costs associated with poor system performance could make the preventive and proactive services a worthwhile investment, but users should weigh the program fees against estimated improvements annually to confirm ongoing business value.

What types of support services are included in Advanced Customer Services?

Depending on the level of service desired, customers can select from such service components as an assigned account manager, dedicated toll-free telephone number, enhanced service-level agreements or on-site support. The program is organized into six support areas (see Table 1).

Table 1. Oracle Advanced Customer Services Support Areas and Purposes

Support Area	Purpose
System availability	Improve system uptime
Technology adoption	Accelerate return on IT investment
Change management	Reduce change-related cost, risk and complexity
Performance optimization	Continual operational improvements
Account management	Personalized support
Faster problem resolution	Expedites the time from application problem notification to resolution

Source: Gartner (April 2008)

What's included in "system availability" services, and is it worth the investment?

Oracle has a portfolio of products and services aimed at improving system availability. For example, the preventive support feature is a proactive service in which Oracle uses tools, such as the Software Configuration Manager, to monitor its database of customer information for system performance and issue trends across participants. Oracle notifies Advanced Customer Services participants about potential issues based on problems reported by other participants. It also recommends environmental changes that could yield improvements based on what other participants have done in similar environments. Likewise, if a performance issue or system problem is reported by many participants, then Oracle will proactively notify other participants of the problem and resolution. One customer reported a 70% reduction in the number of critical service requests when using the system availability services.

The value of this aspect of support diminishes as the system and operating environment become more stable, but new users and those with dynamic application and operation environments can potentially benefit from the service. Reducing the risk of just one outage of a critical process during a critical time frame could more than pay for the cost of system availability support. The additional investment may be small compared with the financial impact of reducing the length of an outage.

Are the "technology adoption" and "change management" services similar to planning services offered by a management consultant?

Technology adoption services are geared toward helping customers plan and design software implementations and upgrades, as well as develop long-term operational plans that include changing over to new Oracle technologies. Change management services are aimed at keeping the application releases current. This includes trying to simplify the patch/update processes, as well as ensuring ongoing security and compliance. Customers that are committed to Oracle's road map and applications, and that intend to take advantage of application upgrade options offered by Oracle, are best suited to these services. Although management consultants offer similar services, and customers with strong partner alliances with Oracle should be aware of Oracle's plans for product and service offerings, the difference with these Advanced Customer Services components is their capability to gain "first person" insight from Oracle on new technology developments and product availability dates.

Technology adoption services can be valuable when planning technology projects that depend on new capabilities becoming available, or when planning and budgeting for upgrades based on version release dates. However, Oracle's input should supplement your company's objectives, budgets and timelines when developing plans, rather than driving your technology adoption pace and direction. Also, avoid being too dependent on Oracle's planned functionality and software release target dates because these projections and estimates are subject to variables that could affect availability.

How do the "performance optimization" assessments improve return on investment?

Oracle uses operations improvement tools to address an area of support that's traditionally been "undefined" among the customer; system integrator; and hardware, software and middleware vendors — how to tune the overall solution (including the application and the environment in which it runs) to achieve optimal performance. These services also include upgrade readiness

assessments, implementation best-practice assessments, performance assessments, configuration assessments and production management assessments.

Client references indicate that the assessments normally would be used once or twice a year, rather than for ongoing analysis, because results must be transformed into changes and then monitored to confirm that improvement occurred. Although there is a charge for the assessments, the resulting operational improvements can make the investment worthwhile. If operational improvement (and associated reductions in operational costs) is your motivation for using performance optimization services, then as soon as the initial improvements have been realized, re-evaluate your annual need for the service. A stable environment with little change will benefit less from repeated improvement analyses, while a dynamic environment will need the ongoing operational improvements and expertise offered by these services.

How do the "account management" support and "problem resolution" services work? Why should I pay extra for a more-rapid response to a service to which I already subscribe in the Premier Support program?

Two related components of Advanced Customer Services are personalized account management and problem resolution services. With account management, customer support is personalized through the assignment of a service delivery manager, who's available as needed. In more-extensive programs, Oracle provides personalized account management via on-site solution support centers, where a support delivery team works with Oracle's 24/7 remote support resources to deliver support services. Oracle has solution support centers at nearly all of its top 100 business customers.

The goal of these services is to provide better support more quickly by having a key contact who's intimately aware of the customer's installed components and how they're configured. The service delivery manager gets to know the customer and its configuration so that when issues arise, the team is ready to respond. Along with this, being aware of current issues and system-related projects, as well as plans at Oracle and the customer, should better position the service delivery manager to resolve issues, as well as assist in planning future investments in Oracle products and services. However, the success of this service depends on the individual service delivery manager's ability to understand the "totality" of the customer's current environment and plans, and to "marry" these to the other Advanced Customer Services. As part of bringing a service delivery manager (or team) on board, you should confirm qualifications, request and check references, and assess whether there's a good personality fit. Work with Oracle to develop processes for resolving staffing mismatches and for handling planned, as well as unexpected, staff turnover.

The expedited and customer-specific support received with the problem resolution services is the source of the most-visible value. In one customer's view, having preassigned support resources — along with an understanding of the customer's business and system configuration — poised to help immediately when a system failure occurs has reduced system downtime by days. Because this customer's business has rapid inventory turnover (in which millions of dollars could be lost due to downtime), the expedited break/fix response, coupled with support resources that understood this business, is well-worth the cost of Advanced Customer Services. Even though Oracle's annual maintenance and support covers break/fix services, the difference with problem resolution services is the speed at which they're delivered and the level of personalized customer knowledge received from the support resources.

Customers with high-risk business processes running on the application(s), new implementations or implementations experiencing performance challenges are good candidates for account

management and problem resolution services. Customers with stable environments where little change is anticipated, and those where the system is performing well and the risk of outage is low, might think twice before investing in these services.

How are Advanced Customer Services licensed, and what do they cost?

Advanced Customer Services programs can be as small as a service delivery manager, plus some enhanced reactive capability, or anywhere up to a large, customized solution that includes a full-time, on-site solution support center staffed by Oracle employees. Oracle will make arrangements for time and materials, particularly for emergency situations, but it generally avoids pricing for time and materials. A small service program can be engaged for as little as \$25,000 a year, while large, extensive programs can be long-term arrangements that run into the millions of dollars per year. Services are priced individually and renewed annually.

Customers can choose Advanced Customer Services for one, some or all their Oracle products, and the process is the same whether the customer holds the software on-premises or is using a hosted environment. The list of services may be expanded or contracted, depending on the customer's needs for the coming year and the perceived value of services during the past year. However, some customers who reduced their service programs stated that a reduced set of services wasn't accompanied by a proportional reduction in total program cost. Pricing may not shrink or expand proportionally, partly because Oracle offers discounted pricing when more services are purchased.

Customers should work with Oracle to identify the total cost involved with Advanced Customer Services tools and services. Determine whether the "true" cost is more than just the Advanced Customer Services program fee. Confirm whether there are license and support fees for additional Oracle software products that must be licensed to take advantage of the program. Generally speaking, there are no additional license fees for engaging with Advanced Customer Services. However, in a few situations (such as Oracle Enterprise Manager), if the customer doesn't already own a piece of software that's used in delivering the support service, then the customer would need to license the software to use the services delivered through it. In this example, maintenance for the additional software is rolled into the Enterprise Manager maintenance and support agreement, and a subsequent decision to drop the support services wouldn't be accompanied by a drop in the customer's annual Enterprise Manager maintenance and support program fees. Users should be aware of this ongoing cost of ownership, in case they choose to drop a service that requires licensing for additional tools or software. If, however, a customer decides that it no longer requires the support service or the product needed to deliver the service, then it has the option to discontinue support for that product.

As part of the dynamic nature of the Advanced Customer Services product and service offerings, services often are incorporated into the Premier Support offering. When this happens, the fee for these services is removed from the annual Advanced Customer Services cost because it's covered by the customer's Premier Support fee. However, customers will still be required to pay maintenance and support fees associated with software necessary to receive products and services that are transferred to the Premier Support program.

RECOMMENDED READING

"Dataquest Insight: Software Support Portfolios, Oracle, North America, 2007 Update"

REGIONAL HEADQUARTERS

Corporate Headquarters

56 Top Gallant Road
Stamford, CT 06902-7700
U.S.A.
+1 203 964 0096

European Headquarters

Tamesis
The Glanty
Egham
Surrey, TW20 9AW
UNITED KINGDOM
+44 1784 431611

Asia/Pacific Headquarters

Gartner Australasia Pty. Ltd.
Level 9, 141 Walker Street
North Sydney
New South Wales 2060
AUSTRALIA
+61 2 9459 4600

Japan Headquarters

Gartner Japan Ltd.
Aobadai Hills, 6F
7-7, Aobadai, 4-chome
Meguro-ku, Tokyo 153-0042
JAPAN
+81 3 3481 3670

Latin America Headquarters

Gartner do Brazil
Av. das Nações Unidas, 12551
9º andar—World Trade Center
04578-903—São Paulo SP
BRAZIL
+55 11 3443 1509