



Today's IT Leaders on Market Trends

The New Reality of Service & Support

Value takes center stage

CHANGES IN THE NEW ECONOMY HAVE CREATED A LASTING IMPRESSION

on CIOs already faced with driving more value while navigating shifts across the IT industry. As a result, CIOs are reassessing the relationships they have with service and support providers and going beyond the value of support itself to unlock the maximum value of their technology investments.

A recent IDG Research Services survey of CIOs worldwide identifies their need for more strategic relationships with IT service and support providers to derive more value from their technology investments, as well as the growing adoption of proactive support, and a preference for a single point of accountability across the complete technology stack.

The Expanding Role of IT Services

In a recent IDG Research Services survey, 80 percent of CIOs worldwide say they consider partnerships with external IT service and support providers to be critical or very important to the overall success of their IT organizations. What's more, the majority of senior executives say that their company's reliance on external IT service and support providers has increased over the past 12 months. The significance of this trend cannot be underestimated, as it underscores services' strategic role in enabling IT solutions that address business needs and explains why CIOs find value in their service and support provider partnerships. In fact, it is typically only through the combination of these partnerships and annual subscriptions that IT can receive and deploy the latest technology innovations that enable their success.

When asked to consider their IT priorities, the majority of respondents listed improving the business value of IT (92 percent), reducing the total cost

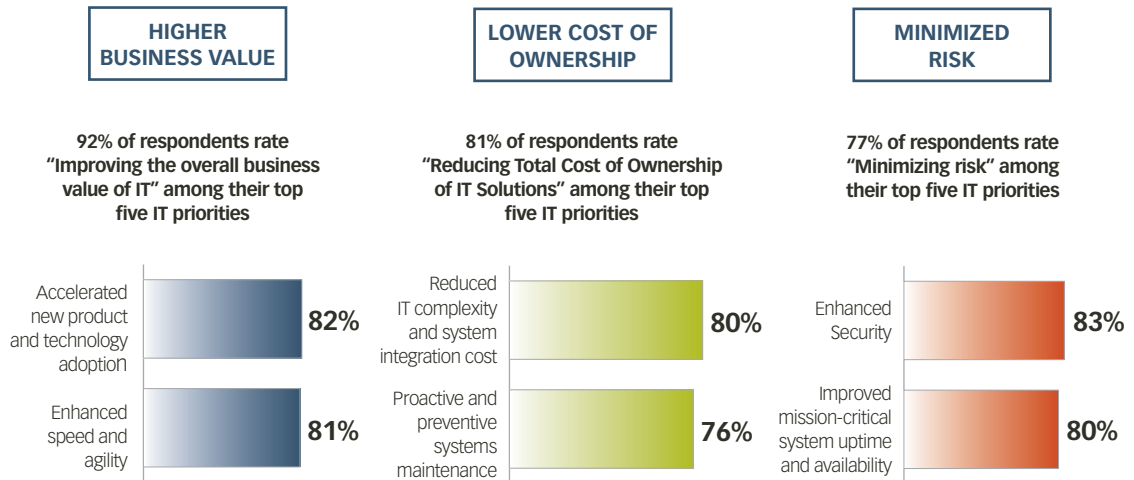


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About CIO2CIO:

This peer-based thought leadership program analyzes quantitative research and tests it via qualitative, one-on-one interviews with CIOs. The resulting executive insight is then disseminated via IDG's multimedia assets.

FIGURE 1: IT PRIORITIES DRIVE CUSTOMER SUCCESS



Source: IDG Research, January 2010.

of ownership of IT solutions (81 percent) and minimizing risk (77 percent) among their top five.

For service and support providers this presents an opportunity to create value and help CIOs accomplish their IT goals. For starters, accelerating new product and technology adoption and enhancing speed and agility will help improve the business value of IT. Reducing IT complexity and system integration costs, as well as providing proactive and preventive systems maintenance, will contribute to a lower total cost of ownership. And enhancing security and improving mission-critical system uptime and availability will minimize risk for customers.

Early and often engagement is critical, as confirmed by the survey respondents, who believe it would be valuable for service and support providers to play a greater role in the earlier stages of the IT lifecycle, such as design (54 percent) and strategy (50 percent). This is further evidence that it's not simply an annual relationship with a service and support provider, but a long-term partnership, which enables success across the IT lifecycle.

Calling for Proactive Support

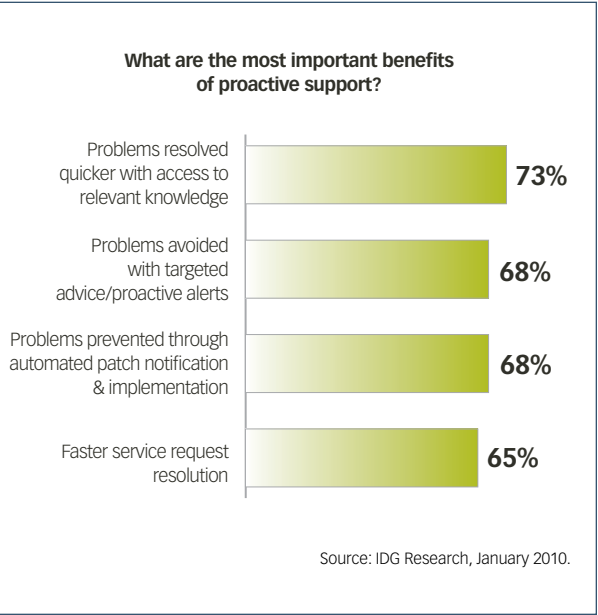
It seems customers are clamoring for the entire

IT industry to become more proactive. Proactive service innovations and capabilities are changing not only the way services are deployed but also the customer support experience. It's not about "break fix" support or an "insurance policy," where something breaks and is then fixed. Put simply, anticipating and preventing IT problems can increase uptime and reduce costs.

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Approximately 80 percent of respondents to the IDG survey say they would like their IT support providers to offer more proactive support capabilities that would let them, for example, take advantage of preventative resources. When considering valuable innovations offered by service and support providers, CIOs place automated services such as proactive health checks and alerts based on

FIGURE 2: BENEFITS OF PROACTIVE SUPPORT



personalized system configuration information (58 percent), patch management and provisioning (48 percent), and embedded and automated configuration management (44 percent) at the top of their list.

Seventy-three percent of CIOs perceive quicker problem resolution with access to relevant knowledge as the most important benefit of automated proactive support, followed equally by problems being avoided through targeted advice and proactive alerts, and problems prevented through automated patch notification and implementation.

It's clear that CIOs see the value of proactive services—so much, in fact, that more than three-quarters of the respondents strongly or somewhat agree that their companies would be willing to give an IT vendor detailed information about their environments in order to receive more personalized and proactive service. As more IT organizations shift from reactive problem resolution to more proactive and even preventative measures, automated and personalized services will continue to top the list of valuable innovations service and support providers can offer.

An increasingly important component of the

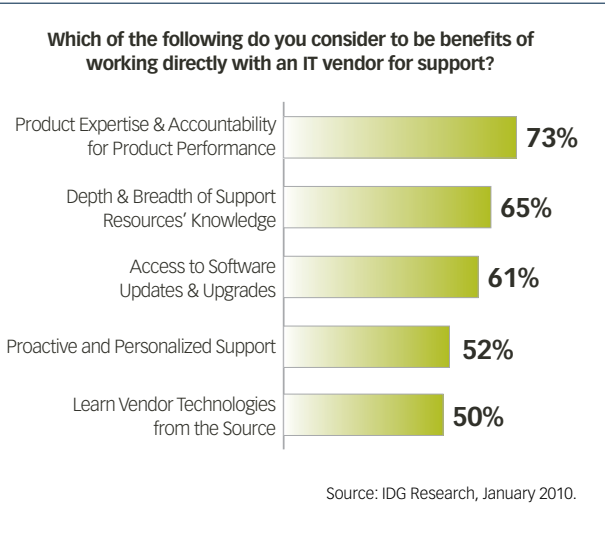
proactive support experience is online communities. CIOs say they welcome the existence of Web 2.0 support forums and recognize the value of such communities. Specifically, respondents say they find such collaboration services valuable for gaining product knowledge about existing and future offerings (including tips, white papers and so on) and for accessing hard-to-find or innovative solutions. Respondents say they want to interact, share collective knowledge and help solve each other's IT problems, versus relying on the vendor as the sole source of information. Nearly three-quarters of the respondents worldwide (73 percent) expect Web 2.0 technologies to play a larger role in their support operations in the future. The need for proactive and collaborative sup-

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port is further demonstrated with nine out of 10 CIOs surveyed worldwide saying it is important for IT providers to continually invest in product and service innovation.

Looking for the One

More than two-thirds of respondents feel it would be valuable or very valuable to have a single IT provider that is able to maintain uptime and prevent outages across the complete technology stack. And while CIOs cite responsiveness to problems, hav-



ing a single point of resolution and accountability, and predictable, stable contract pricing as their top three factors when renewing and purchasing support, they aren't the only considerations: Eighty-two percent of respondents prefer an integrated support offering (e.g., hardware, middleware, applications) that can address a whole stack, versus support offerings that address only one technology layer. This is important because an integrated support and services provider that acts as a single point of resolution can alleviate complexity in the environment—thus saving the customer time and money.

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And, beyond the value of support itself, CIOs think about it as the value of their technology investments. CIOs are investing to receive and deploy the latest technology innovations, including continuous access to updates and upgrades, which help enable IT success. The majority of respondents prefer to work directly with service and support providers, citing depth and breadth of support resources'

knowledge and access to software updates and upgrades as some of the most important benefits they receive. This is consistent with findings supporting the increasingly strategic role of IT services and further demonstrates that beyond access to innovation itself, best practices and expertise to deploy that innovation are of critical importance as well. And the value only extends from there with the benefits of proactive support lowering total cost of ownership. Furthermore, almost three-quarters of respondents list product expertise and ultimate accountability for product performance as the top benefit of working directly with an IT

product vendor for support.

While 74 percent of respondents believe there are opportunities within their IT organizations to more fully utilize the value-added services in their existing service agreements, they consider advanced and expert services such as escalation management and prioritized support, as well as dedicated technical resources, as critical to supporting their business.

Conclusion

It's clear that strategic, long-term partnerships—not simply an annual relationship—with service and support providers are critical to enabling CIOs IT success. The real value for CIOs is to protect and unlock the ongoing value of technology investments across the IT lifecycle. CIOs believe they can more fully utilize the value of their existing service agreements and prefer to work directly with the IT vendor for support. CIOs also value the latest service innovations demanding more proactive support, and the benefits of integrated support to alleviate cost and complexity in the environment—reducing total cost of ownership of IT solutions.

For more information, go to www.oracle.com/support

