

# Finding & Contracting Third-Party Support

## It's A Matter Of Priorities

In the enterprise, **support** is critical to business continuity. In the old days, it was good to stick with the tried, tested, and true. That meant staying with (and paying for) the support of the original equipment manufacturer. But several small to midsized enterprises have been turning to **third-party** organizations to get decent, if not better, support options. So how should SMEs go about evaluating whether third-party support makes sense as opposed to either purchasing support from an equipment manufacturer or developing the in-house expertise?

### The PeopleSoft Predicament

Until recently, enterprise application software developer PeopleSoft brought in most of the support bucks for its ERP suite. However, TomorrowNow, a third-party provider of support services for PeopleSoft products, is offering to replace PeopleSoft's annual maintenance and support services with its own support services for about half of what PeopleSoft charges. That alone would make any SME at least think about switching, right?

But money isn't the only perk. TomorrowNow is also providing some updates faster than PeopleSoft, as well as offering support contracts for as long as 10 years compared to PeopleSoft's four-year (or less) contracts. Lon Fiala, vice president of corporate communications at TomorrowNow, sees third-party support as a feasible option for SMEs. "Third-party support is a more appropriate level of support, based on where businesses are today." Fiala believes that more SMEs will jump on the third-party wagon once the pioneers start announcing how green the grass is on the other side.

### Weigh The Options

When evaluating support options, the message from the experts is clear: Tread softly and do the research. Shawn Mitchell, telecommunications manager at OLS (On-line Support), says, "When it comes time to decide on a support group type, every SME should do its homework. In your research, pay attention to items such as the cost of support, the length of contract lock-ins, as well as agreement specifics. SMEs should also figure in the costs of training and certifying in-house staff and then weigh the options from there. If a third-party vendor has been chosen, they will most often offer wide-open support over a specified period of time and then move into a more detailed agreement."

Brad Wolfe, vice president of customer service and support (itelligence Support Advantage) at itelligence, boils the weight down to finances. Wolfe says, "SMEs must consider the breadth of their technical support vs. the resources that they can commit to those issues. It's probably wiser to allocate a part of your budget to a dedicated support team that has the expertise and latest training to handle all your issues." Cost is definitely an issue for most small to midsized organizations.

If a third party is chosen as a support type, there are a number of benefits that come with the support. When associating with a third party, SMEs get involved with people who are intimately knowledgeable about the

technology without paying for dedicated support staff. Because support is their specialty, third-party vendors also have close relationships with hardware and software vendors, making it easier to deliver bona fide support.

## **Seek & Sign**

How does an SME find and contract with the right third-party vendor? Mitchell has done this before. He says, "There are a number of accessible methods to consider when seeking out third-party support. For starters, try browsing through the yellow pages of the local telephone book. Other viable options might include comprehensive Internet searching and browsing the plethora of IT-related Web forums. Companies will often showcase their talents in local trade shows, as well. These are just a few ways to start the finding and contracting process."

*Processor* readers can also find a number of third-party support companies under the showcase ads section of the magazine (particularly in the Services category). This is a convenient place to start when looking for third-party support, as several companies are listed together in a one-stop-shop format.

Fiala says, "I would definitely shy away from anyone who says finding the right support can be accomplished by reading a brochure. These days, you want to be comfortable with your providers, and beginning with a phone conversation is the best way to start." Fiala believes that even before negotiations begin, the first necessary step is ensuring a good rapport between both parties.

Wolfe heeds caution before signing on the dotted line. "SMEs should evaluate whether the third-party support provider is truly a support organization. Does it have the same people day-in and day-out that know you and are familiar with your issues? Contrast this with a collection of consultants 'on the bench' that rotate in and out and require a learning curve each time they deal with you."

## **Keep It In The Family**

Then there's the idea of keeping the support inside the SME. When should this be done? It's safe to say that most would agree with Fiala, Wolfe, and Mitchell, who all purport that in-house staff need to have the necessary skills to support the technology in question.

Fiala says, "In-house support is always a possibility if you have bright, intelligent people at the helm. But most importantly is there a vendor to call on when things break down?" Wolfe concurs. "Evaluating whether to outsource or support IT in-house depends on the competency of your employees."

Mitchell adds, "The first thing to consider would be the warranty on the hardware or software in question. If the equipment does not require support by a certified group, in-house support then becomes a reasonable option. But do not throw caution to the wind here; be sure that in-house staff can handle the problem(s) with expertise, or things may get costly and time-consuming. Every SME should compare the costs and advantages of support groups vs. trained and certified employees."

It may cost more to hire third-party support, but SMEs will generally be compensated cost-wise in the quality of support they receive. At any rate, companies must decide on their support goal: Is it just to cut costs, or is it to achieve the best possible quality? In many ways it can make sense to contract with a third party to provide support for IT equipment. But that's not so bad for SMEs when the common denominators are money and better, faster service. Priorities are priorities.

*by Chris A. MacKinnon*