

## White Paper

# The Business Value of HPE Datacenter Care

Sponsored by: HPE

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## EXECUTIVE SUMMARY

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To adopt innovative business models and transform the customer experience, enterprises are moving quickly to plan and execute strategies for digital transformation across their IT environments. At the same time, business managers still expect IT service delivery at a very high level to support business-critical processes across the enterprise. Managing these complex hybrid IT landscapes can present significant challenges, even for the most sophisticated IT organizations.

IDC believes CIOs and IT managers will increasingly rely on support providers with comprehensive offerings that can help improve the efficiency of IT service delivery and optimize IT operations – freeing up IT resources to focus on innovative technologies that can drive new business models. IDC recommends considering support providers with a proven history of innovation in support delivery, especially in advanced technologies for automated remote support that drives predictive analysis.

IDC carried out interviews with a global subset of Hewlett Packard Enterprise (HPE) customers to understand how HPE Datacenter Care services help them support their IT infrastructures. Study participants linked HPE Datacenter Care to ensuring that they can maintain requisite levels of availability and performance for key business applications while making their IT infrastructure teams more efficient. IDC's analysis demonstrates that these benefits are yielding substantial value for the organizations, which IDC calculates will be worth \$29,037 per 100 users per year (\$1.52 million per organization), in the following areas:

- Improving application and system performance and availability, thus reducing the productivity cost and revenue losses associated with unplanned outages
- Providing support and best practices that make IT infrastructure teams more productive and efficient
- Helping IT organizations optimize spending on hardware and related operational costs through better visibility and configuration

### Business Value Highlights

- 398% three-year ROI
- \$29,037 in benefits per 100 users per year
- 5 months to payback
- 25% more efficient IT management
- 44% less time spent keeping the lights on
- 70% fewer unplanned outages
- 67% less revenue lost due to unplanned outages

## SITUATION OVERVIEW

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As enterprises face increasing global competition for customer acquisition and market dominance, they must be able to respond quickly to modify business models and meet new market requirements. For most enterprises, this means relying on extensive and complicated IT infrastructures to drive new product development, support business-critical processes, and improve employee productivity.

For resource-strapped IT organizations, managing these highly complex IT environments can present significant challenges. Most CIOs and IT managers are focusing on driving strategic technology transformations that can directly affect bottom-line revenue, not on managing legacy IT assets. IDC research shows that more IT organizations are seeking help from support providers that can move beyond break-fix support to improve ongoing IT operations and meet demanding service-level agreements (SLAs) for both internal and external customers.

### Key IT Challenges Across the Enterprise

To meet the demands of digital transformation, CIOs and IT managers are facing a number of challenges in IT operations. IDC research has identified the following critical issues for IT organizations:

- **Deploying new technologies to meet changing business requirements.** As enterprises move quickly to embrace digital transformation, CIOs and IT managers must work closely with business managers to determine the right mix of IT services that can meet changing requirements. Deploying these new technologies while maintaining legacy systems that support the business can pose significant challenges – especially given the rapid changes in IT capabilities as enterprises move to the 3rd Platform.
- **Improving IT service delivery.** While implementing new technologies is a key initiative for most enterprises, business managers continue to task IT organizations with improving application and system performance and availability, especially for critical business processes. Reducing performance degradations is a key goal for most CIOs and IT managers as more and more enterprises move toward real-time data analysis and decision making.
- **Managing the complexity of hybrid IT.** There is no question that new technologies such as cloud and advanced analytics can offer benefits to business users – faster access to data, more flexibility when designing new products, and the ability to more easily modify existing business processes. However, these technologies typically increase the complexity of IT management – making ongoing support and optimization very difficult.

Given the sprawling nature of today's IT environments and the challenges of supporting a complex mix of cloud, on-premises, and legacy IT systems, CIOs and IT managers are increasingly looking to support providers for help. Most IT infrastructures could benefit from a comprehensive approach to support that can span integrated systems and heterogeneous technology, and the old model of break-fix support delivery fails to meet the support requirements of these modern datacenters.

### The New Face of Support for a Digital Enterprise

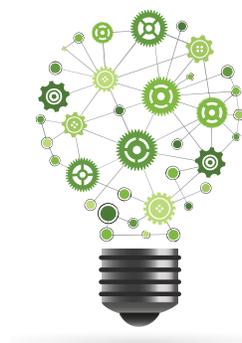
The increasing importance of IT infrastructure in supporting enterprise business processes has altered the support landscape dramatically. Initially, support services were largely reactive support services that fixed problems, provided patches and updates, and addressed requests for new features and functionality. However, as the size, scale, and scope of IT environments continued to grow, these services could not resolve customer IT problems quickly enough to support the business. In fact, IDC believes reactive support services alone cannot properly support today's datacenter.

To meet the needs of today's IT organizations, support providers must identify, isolate, and resolve potential issues before they affect critical systems and disrupt business processes. In addition, as their requirements change, CIOs and IT managers are asking trusted support providers for services outside traditional support engagements (such as as-a-service platform and infrastructure offerings). IDC research has found an increased need for comprehensive offerings that can merge support services and IT operations process improvement and delivery in the areas shown in Figure 1.

**FIGURE 1**

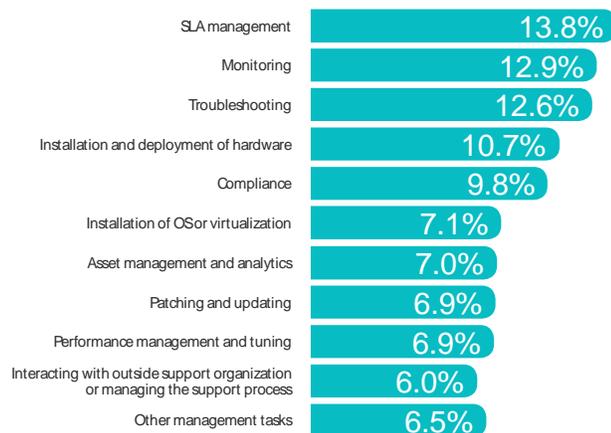
**Allocation of IT Staff Time**

**IT staff spends too much time on routine support tasks**



IT needs to **drive innovation** to enable the organization to differentiate itself in today's **competitive digital business environment**.

**% of IT staff time spent on...**



n = 275

Source: IDC's *Convergence Survey*, 2016

To meet these new requirements, support providers have made significant changes to their offerings for enterprise IT customers. New and expanded capabilities include the following:

- Comprehensive multivendor support that offers integrated support delivery, providing a single point of contact and eliminating the "blame game" often typical of cross-vendor support
- Services that can help optimize IT service delivery outside the scope of traditional support engagements, such as deploying IT process automation or infrastructure-as-a-service and platform-as-a-service offerings
- Tools and utilities designed to help isolate and resolve customer problems more quickly, including automated remote support capabilities
- Key supportability features built into enterprise hardware and software to improve the availability and efficacy of self-support and help support staff solve problems quickly

- Advanced remote monitoring and system management for routine tasks in the datacenter, allowing the IT organization to focus on initiatives directly relevant to business managers
- Preventive and predictive analytics that can identify and resolve potential issues before they affect critical systems as well as provide operational guidance for the IT environment

As CIOs and IT managers continue along their digital transformation journey, increasing the complexity of their IT landscapes, support requirements will change significantly. IDC believes more IT organizations will consider support providers with broad offerings that can cover all aspects of the datacenter. Support portfolios with robust packages and deliverables that can help IT organizations improve ongoing operations while allowing critical resources to focus on strategic innovative initiatives will be well positioned in 2017 and beyond.

## HPE DATACENTER CARE SERVICES

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HPE understands that customers are innovating on the 3rd Platform to enrich their offerings around IoT, artificial intelligence (AI), augmented reality and virtual reality, and robotics, to name a few. HPE's service offerings can help businesses navigating digital transformation create value and extend their competitive advantage through new business models, new products and services, improved customer experience, and increased operational efficiencies.

HPE Datacenter Care services are a portfolio of support offerings designed around a comprehensive support team to cover server, storage, and network infrastructure as well as operating software sourced from multiple suppliers under a single consolidated service contract. These comprehensive offerings offer broad coverage for many systems in the datacenter, which can simplify vendor and contract management. In addition, these capabilities can help IT organizations looking for a single point of contact in support, which can significantly reduce the cross-vendor "finger-pointing" when problems occur.

HPE Datacenter Care also offers the following support packages:

- HPE Datacenter Care for Cloud addresses the needs of private and hybrid cloud environments built on the HPE CloudSystem infrastructure, HPE Helion OpenStack, and Microsoft Azure and Azure Stack. HPE Datacenter Care for Cloud can help enterprises orchestrate SLAs across a cloud environment and can provide guidance on managing application workloads.
- HPE Datacenter Care Adaptive Management Services provide HPE's best practices for operating on-premises infrastructure by delivering 24 x 7 remote infrastructure monitoring and operational services. The services address the service operations stage of the infrastructure, servers, storage, networking, operating system, hypervisor, backup and restore, and security throughout the IT service life cycle.
- HPE Datacenter Care for Multivendor allows for single-source capabilities across heterogeneous IT environments. HPE Datacenter Care for Multivendor provides a single point of accountability across hardware and operating environments from multiple eligible vendors. This can simplify service management and problem resolution across the entire datacenter.
- HPE Datacenter Care for SAP HANA and SAP HANA Tailored Datacenter Integration includes coverage for systems running SAP products. SAP ecosystems are generally critical to business outcomes and play an integral role in helping enterprises meet strategic objectives. To assist customers in realizing the benefits of their SAP landscape, HPE provides resources and proactive services as Datacenter Care enhancements for SAP and SAP HANA, including the HPE GreenLake Flex Capacity offering.

# THE BUSINESS VALUE OF HPE DATACENTER CARE SERVICES

## Study Demographics

IDC interviewed seven organizations for this study, asking a variety of quantitative and qualitative questions about the impact of HPE Datacenter Care services on their IT operations, businesses, and costs. The average number of employees in organizations interviewed was 11,600, while the average revenue base was \$16 billion.

The experiences of study participants represented a broad spectrum of geographies and vertical industries. Geographical diversity was especially significant, with organizations from Mexico, Denmark, Australia, India, Japan, and South Korea. Similarly, there was a good level of diversity by vertical. The following vertical industries were represented: construction, electronics, government, insurance, retail, and telecommunications. Table 1 summarizes this information along with other relevant demographic attributes.

**TABLE 1**

**Demographics of Interviewed Organizations**

	Average	Median
Number of employees	11,600	2,000
Number of IT staff	450	220
Number of business applications	164	150
Revenue	\$16.0 billion	\$8.4 billion
Countries	Mexico, Denmark, Australia, India, Japan (2), and South Korea	
Industries	Construction, electronics, government, insurance, retail, and telecommunications	

n = 7

Source: IDC, 2017

Study participants reported that the primary reason they chose to use HPE Datacenter Care to support their IT environments was to ensure the availability and performance of business-critical applications. One IT manager commented on how HPE Datacenter Care helped with the all-important issue of reliability by working with a trusted partner to improve it: *"We initially worked with a local partner but didn't get the service we needed. We determined that our best option was working directly with HPE . . . . With HPE Datacenter Care, we have improved availability, and our people have much more confidence working with HPE technology."* As shown in Table 2, study participants are supporting an average of 180 physical servers, 24 storage arrays, and 90 network ports with HPE Datacenter Care.

Availability and reliability of core applications and systems are especially important for customer-facing operations, and study participants are leveraging HPE Datacenter Care to support these applications and services. Among the operations being supported by HPE Datacenter Care are:

- Factory floor operations for a manufacturing company
- A customer-facing ticket system for a transportation provider
- Distributed operations for a countrywide retailer

IT managers at these organizations noted the criticality of constant availability and uptime for these and other applications and services. A manager at the manufacturing company noted: *"We're in manufacturing, so our systems are mission critical and cannot be down even for a minute . . . . HPE Datacenter Care provides that service. We know that we have an HPE engineer available to deal with problems 24 x 7 x 365."* An IT manager at the retailer commented: *"In choosing HPE Datacenter Care, the critical business issues were technology, vendor stability and road map, support, and costs/financing. Of those, the support requirement was the most important, and we focused on the ability to offer it 24 x 7 . . . . We also needed people to support our SAP HANA implementation as it was new to us and we had no experience with the product or migrating to it."*

**TABLE 2**

**IT Environments Supported by HPE Datacenter Care**

	Average	Median
Number of datacenters	3	3
Number of physical servers	180	80
Number of storage arrays	24	10
Number of network ports	90	0
Number of IT users	5,236	2,000

n = 7

Source: IDC, 2017

**Business Value Analysis**

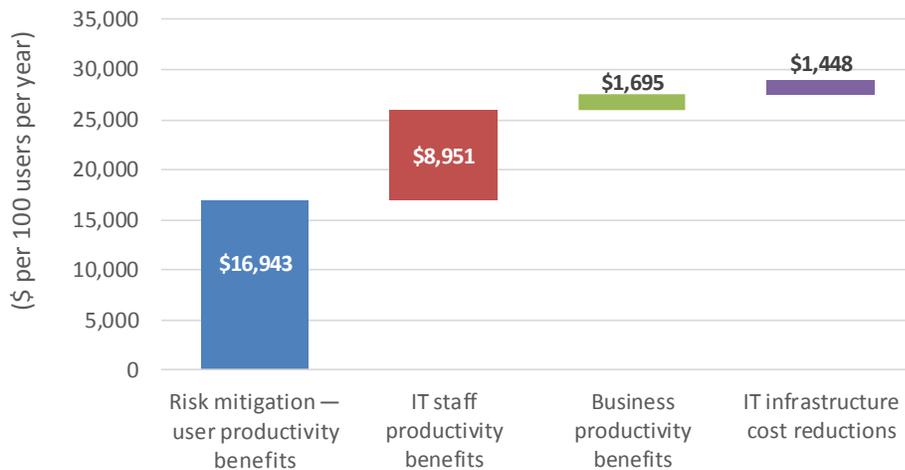
Study participants stated that HPE Datacenter Care is helping them ensure the reliability and performance of critical business applications while enabling IT staff members through support and the transfer of best practices and knowledge. The results are better operational continuity and higher productivity levels for IT teams. IDC puts the value of HPE Datacenter Care for these organizations at an average of \$29,037 per 100 users per year over three years (\$1.52 million per organization) in the following areas (see Figure 2):

- **Risk mitigation – user productivity benefits.** HPE Datacenter Care has provided support that has enabled study participants to reduce the frequency, duration, and impact of unplanned outages to applications and systems. This means that users face fewer disruptions to their work. IDC quantifies the average value of reducing the loss of productive time at \$16,943 per 100 users per year (\$887,100 per organization).

- **IT staff productivity benefits.** HPE Datacenter Care has helped IT teams responsible for managing infrastructure become more effective and efficient. The results are less staff time spent on day-to-day responsibilities and improved efficiency for these teams. IDC puts the value of time savings and productivity gains at an average of \$8,951 per 100 users per year (\$468,700 per organization).
- **Business productivity benefits.** HPE Datacenter Care has reduced the frequency of business-impacting outages for study participants. As a result, they lose less revenue during outages, which IDC calculates will be worth an average of \$1,695 per 100 users per year (\$88,700 per organization).
- **IT infrastructure cost reductions.** HPE Datacenter Care has improved visibility into and best practices with regard to the IT infrastructure configurations of study participants, which is helping them optimize use. IDC projects that the organizations will save an average of \$1,448 per 100 users per year (\$75,800 per organization) on infrastructure-related costs.

**FIGURE 2**

**Average Annual Benefits per 100 Users**



**Average annual benefits per 100 users: \$29,037**

Source: IDC, 2017

**Limiting Risk and Ensuring Availability**

Interviewed organizations reported that the core benefit of HPE Datacenter Care is that it has helped them ensure higher availability of key applications and services. As noted previously, these HPE customers decided to use HPE Datacenter Care in the context of needing a reliable partner to help them build and maintain a robust IT infrastructure to run their most critical workloads. Without a sufficiently robust IT foundation, the organizations realized that they were taking on potentially significant amounts of operational and financial risk.

Minimizing risk associated with IT infrastructure problems is a two-pronged process. First, organizations must prevent operations-impacting issues from occurring, and second, they must identify, address, and resolve these problems in less time when they do occur. According to study participants, HPE Datacenter Care is helping them accomplish both. Table 3 shows that interviewed HPE customers have reduced the

frequency of impactful unplanned outages by 70% and are resolving outages in 44% less time on average. They commented on the impact of HPE Datacenter Care in the following areas:

- **Knowledge transfer.** *"HPE Datacenter Care helps a lot with application management because it helps us find vulnerable points and make improvements – this helps with the stability of our applications."*
- **Reduced frequency of outages.** *"Without HPE Datacenter Care, we'd have two times more outages. These outages last probably a full day with impact on more than one thousand employees and hundreds of thousands of dollars of revenue."*
- **Faster resolution.** *"The biggest improvement we've seen with HPE Datacenter Care is that when there is a problem, we can recover more quickly. We seem to be getting information in a timelier manner, which enables us to respond more quickly and prevent problems from becoming bigger when they do occur."*

With regard to impact, unplanned outages can exert a cost in terms of lost employee productivity and business results. Table 3 demonstrates the extent to which interviewed HPE customers have minimized lost productive time for IT users, reducing it by almost two-thirds (64%). This means that employees are better able to work without disruptions and deliver higher value to their organizations.

**TABLE 3**

**Impact of Unplanned Downtime on User Productivity**

	Before HPE Datacenter Care	With HPE Datacenter Care	Difference	Benefit (%)
Frequency per year	7.3	2.2	5.2	70
MTTR (hours)	11.4	6.4	5.0	44
Lost productive time (hours per year per user)	8.6	3.1	5.5	64
FTE impact	24.0	8.7	15.3	64

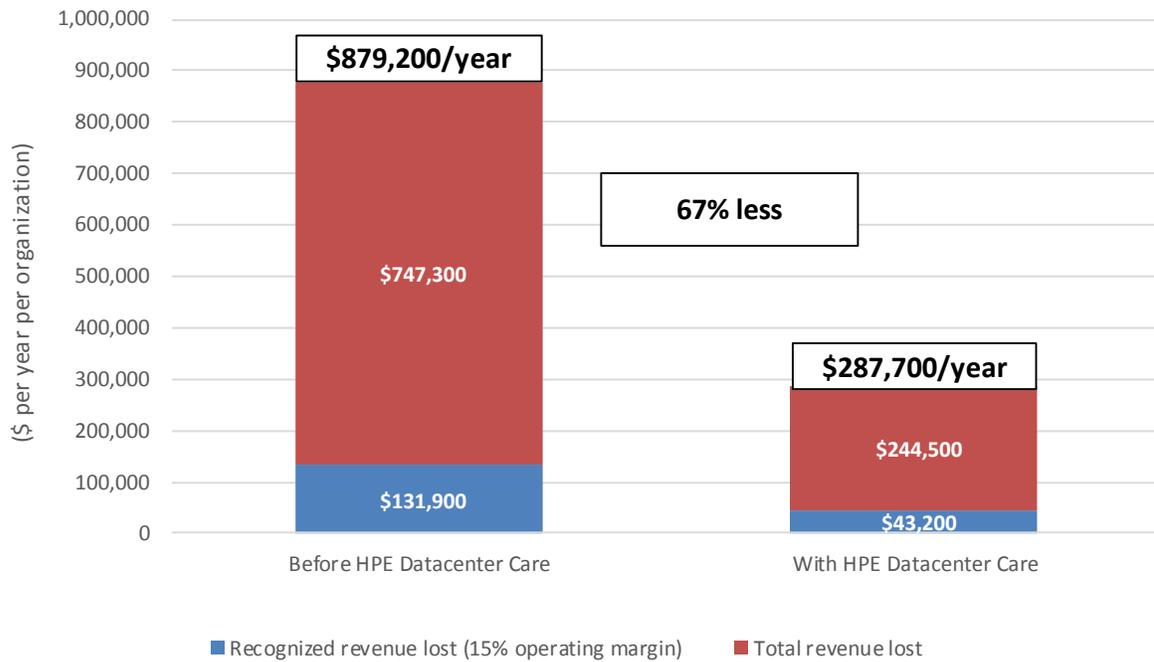
Source: IDC, 2017

Interviewed organizations reported that unplanned outages can also have a significant impact on their businesses. For example, manufacturing product lines may stop working, or customers may not be able to access online ticket portals. When this happens, these HPE customers can lose revenue into the hundreds of thousands of dollars. One study participant commented: *"We provide a public service that our customers depend on. The system supported by HPE Datacenter Care is essential to smooth operations. Now, we're not having as much downtime, so our customers aren't being impacted."*

Interviewed organizations reported that HPE Datacenter Care is helping them minimize this business and financial risk by ensuring business continuity. Figure 3 shows how reducing the frequency and duration of unplanned outages with HPE Datacenter Care results in a substantial decline in revenue loss – 67% less.

**FIGURE 3**

**Impact of HPE Datacenter Care on Lost Revenue Because of Unplanned Outages**



Source: IDC, 2017

HPE Datacenter Care is also helping surveyed companies undertake planned maintenance (including regular upgrades and patching) with less impact on business operations. As one manager stated: *"We can plan maintenance windows more easily with HPE Datacenter Care, and the staff is better able to perform maintenance windows quickly. I would estimate 20% faster."* As shown in Table 4, the results are 43% less productive time lost because of planned maintenance windows and benefits such as higher security and uptime associated with regularly executed upgrades and patching.

**TABLE 4**

**Impact of Planned Maintenance on User Productivity**

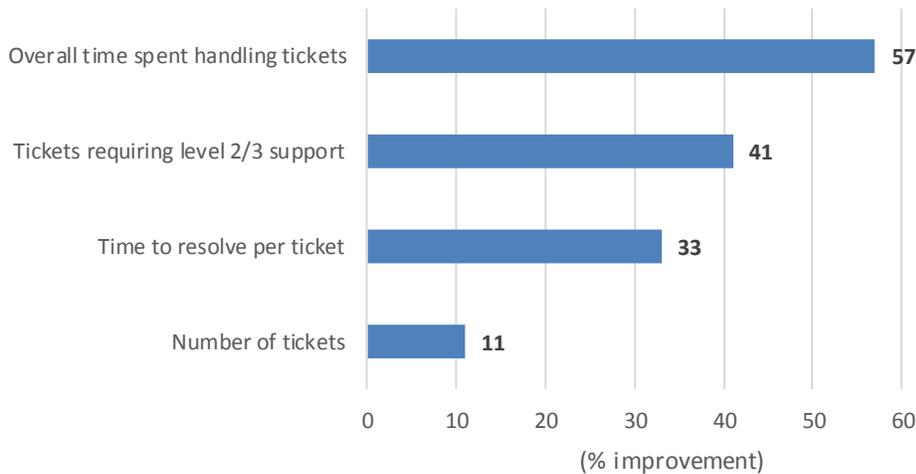
	Before HPE Datacenter Care	With HPE Datacenter Care	Difference	Benefit (%)
Frequency per year	17.7	5.3	12.4	70
MTTR (hours)	10.0	4.3	5.7	57
Lost productive time (hours per year per user)	0.8	0.4	0.4	43
FTE impact	2.1	1.2	0.9	43

Source: IDC, 2017

As shown in Figure 4, HPE Datacenter Care has helped study participants improve the efficiency of their help desk operations. Overall, they have reduced the time spent handling tickets related to their environments supported by HPE Datacenter Care by an average of 57%. As one survey participant noted: *"Our staff is better prepared to deal with issues that arise with HPE Datacenter Care. HPE personnel are available to us when additional assistance is needed."* Another survey participant stated: *"The biggest improvement with HPE Datacenter Care is that when there is a problem, we can recover more quickly. We seem to be getting information in a timelier manner, which enables us to respond more quickly. The service also helps us prevent problems from becoming bigger when they do occur."*

**FIGURE 4**

**Impact of HPE Datacenter Care on Help Desk Key Metrics**



Source: IDC, 2017

**Enabling More Efficient and Effective IT Operations**

IDC also asked these organizations about how using HPE Datacenter Care impacts their IT operations, especially in terms of day-to-day administration and management of datacenter resources. Interviews show that HPE Datacenter Care helps IT teams in key areas such as hardware monitoring and problem identification and through the transfer of knowledge and best practices. The result is that core IT teams at these organizations need to spend 44% less time "keeping the lights on" and enjoy the benefits of higher team efficiency levels. This is important for these organizations, which generally face resource constraints in supporting growing businesses. As one IT manager explained: *"We have a small IT staff. The expertise, skill, and knowledge that we receive from HPE through Datacenter Care raise the level of support we can provide."*

Interviewed organizations provided various examples of how HPE Datacenter Care has enabled more efficient IT operations. As one manager said: "*Proactive maintenance that we can take on with HPE Datacenter Care saves us time that we were spending doing investigations. So, we have nine people who are now spending 25% of their time keeping the lights on, compared with 40% before HPE Datacenter Care.*" Moreover, improved system and application performance means less time spent troubleshooting and responding to issues. In addition to freeing up staff time, this also helps IT teams avoid challenging, stressful situations described by HPE customers (see Table 5):

- **Proactive identification of problems:** "*Because there is a high level of customization to this installation, HPE is committed to making it work – to our benefit. For example, just before Christmas, we had an issue arise. Out of the blue, HPE contacted us. They had monitored the same problem and had a solution ready for us.*"
- **Improved IT team morale:** One IT manager described how HPE Datacenter Care had alleviated pressure on her team to the benefit of increased staff retention. She said: "*We're spending less time responding to problems, so our team is less strained. I don't know if we would have needed to add staff without HPE Datacenter Care, but we would have lost people. The previous environment was stressful and frustrating.*"

**TABLE 5**

**Impact of HPE Datacenter Care on IT Operations Related to Infrastructure Management**

	Before HPE Datacenter Care	With HPE Datacenter Care	Difference	Benefit (%)
Time spent "keeping the lights on" (%)	59	33	26	44
FTEs managing IT environment	24.9	18.2	6.8	25
Hours per 100 users per year	895	652	243	27

Source: IDC, 2017

**Supporting the Business**

Support from HPE Datacenter Care can also translate to more efficient and effective business operations for study participants. Speeding up business processes was one of the benefits cited. One IT manager at an organization with an SAP HANA implementation supported by HPE Datacenter Care commented: "*HPE Datacenter Care helps us provide full reporting on complete data sets to store managers overnight. Each night, we send out thousands of reports to store managers. The next morning, they can see what sold [and] what areas were strong or weak. This helps reduce product loss – you can discount what is not selling instead of throwing it away.*" Improved agility was another benefit: "*HPE Datacenter Care has improved and increased our business agility. Capacity flexibility makes agility more seamless . . . In general, the system is much faster, and we can do things that we couldn't dream of before.*" These types of experiences demonstrate how HPE Datacenter Care helps these organizations ensure that their IT foundations are serving their businesses and improve the effectiveness of their business operations.

## Optimizing IT Infrastructure Spending

HPE Datacenter Care is also helping study participants optimize their spending on IT infrastructure by providing greater flexibility in terms of capacity and improved visibility that helps better manage expenses. One study participant explained: "*With HPE Datacenter Care, we can manage expenses more closely on a monthly basis and project costs more easily. This helps us only pay for what we need.*" Although these savings constitute a relatively small portion of the overall value for study participants of using HPE Datacenter Care, there is always value in achieving cost savings, which IDC calculates will average \$1,448 per 100 users per year (\$75,800 per organization) over three years.

## ROI Analysis

IDC interviewed organizations using HPE Datacenter Care services to support their IT environments. Based on these interviews, which focused on the impact on IT and business operations, IDC has calculated the benefits and costs to these organizations of using HPE Datacenter Care. IDC used the following three-step method for conducting the ROI analysis:

1. **Gathered quantitative benefit information during the interviews using a before-and-after assessment of the impact of HPE Datacenter Care services.** In this study, the benefits included staff time savings and productivity benefits, revenue gains, and IT-related cost reductions.
2. **Created a complete investment (three-year total cost analysis) profile based on the interviews.** Investments go beyond the initial and annual costs of using HPE Datacenter Care and can include additional costs related to planning, consulting, and staff or user training.
3. **Calculated the ROI and payback period.** IDC conducted a depreciated cash flow analysis of the benefits and investments for the organizations' use of HPE Datacenter Care services over a three-year period. ROI is the ratio of the net present value (NPV) and the discounted investment. The payback period is the point at which cumulative benefits equal the initial investment.

Table 6 presents IDC's analysis of the benefits and costs for study participants of using HPE Datacenter Care services. IDC calculates that these organizations will invest a discounted average of \$13,977 per 100 users (\$0.73 million per organization) over three years in HPE Datacenter Care. IDC expects that in return, they will achieve \$66,167 per 100 users in discounted benefits (\$3.46 million per organization). This would result in a 398% three-year ROI and breakeven on their investment in five months.

**TABLE 6**

### Three-Year ROI Analysis

	Average per Organization	Average per 100 Users
Benefit (discounted)	\$3.46 million	\$66,167
Investment (discounted)	\$0.73 million	\$13,977
Net present value (NPV)	\$2.73 million	\$52,190
Return on investment (ROI)	398%	398%
Payback period	5 months	5 months
Discount rate	12%	12%

Source: IDC, 2017

## CHALLENGES AND OPPORTUNITIES

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IDC expects that as more CIOs and IT managers turn to trusted support advisors for additional capabilities, HPE will have the opportunity to expand the offerings within HPE Datacenter Care services. The success of HPE GreenLake Flex Capacity, coupled with a strong push for consuming IT as part of opex expenses, will produce a sizable market opportunity for similar services. CIOs and IT managers have demonstrated they are looking to partner with vendors traditionally seen as support providers for advanced, nontraditional all-encompassing offerings such as HPE GreenLake Flex Capacity. IDC believes the market for these services will continue to grow, and HPE is well positioned to take advantage of these opportunities.

In addition, IDC anticipates that HPE will continue to expand predictive and preventive support capabilities available through the HPE Datacenter Care portfolio. IDC research shows that the majority of IT organizations are increasingly automating IT processes and are more open to considering automated remote support. Unfortunately, even with these advancements, CIOs and IT managers struggle to coordinate support efforts across complex IT landscapes – so most are looking for support providers to "just make it work." With a proven history of working closely with technology partners and the robust multivendor capabilities in HPE Datacenter Care, HPE is well positioned to integrate these tools across disparate technologies and technology partners for seamless support delivery.

However, IDC also anticipates that HPE will face some challenges in the dynamic market of support services. Across the industry, sophisticated CIOs and top support providers are moving away from traditional technology asset support toward support focused on business outcomes. Increasingly, more enterprises measure and track metrics associated with business outcomes supported by IT. However, IDC research consistently finds that many IT organizations struggle to translate support deliverables and IT management into business outcomes and success in the enterprise. HPE will have to continue shifting the support discussion away from technology delivery to improved performance and availability for business processes. The results of this IDC Business Value study, coupled with ongoing customer references and testimonials as part of the sales process, can help address that problem.

Further, HPE must also ensure continued delivery of high-quality reactive support while delivering more automated predictive support. While the improvements in preventive and predictive support are growing and automated remote support is increasingly adopted across the industry, IDC research shows that when problems occur, high-quality reactive support remains a critical deliverable for CIOs and IT managers. As the number of interactions with support staff decreases, the importance of each interaction increases significantly. All support interactions must be high-quality, high-value engagements to maintain customer satisfaction, especially for reactive support.

## CONCLUSION

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As CIOs and IT managers struggle to manage complex hybrid IT environments, they must also optimize IT service delivery to deliver key benefits that can directly affect the business. IDC believes that IT organizations will look for support providers that can help them navigate these challenging mandates with a broad, comprehensive approach to support across the IT landscape. In addition, IDC expects IT organizations will prefer support providers with expanded offerings that include the expertise and guidance necessary for successful digital transformation – with a focus on new technologies that can improve business performance. To better meet the needs of these demanding customers, HPE has designed HPE Datacenter Care services to include almost all aspects of

datacenter management across heterogeneous technologies from multiple providers. IDC believes HPE Datacenter Care is a suitable choice for customers looking for a single-source support provider that can address specific IT and business strategies in today's complex IT environments.

## APPENDIX

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IDC's standard ROI methodology was utilized for this project. This methodology is based on gathering data from organizations currently using HPE Datacenter Care services as the foundation for the model. Based on interviews with these study participants, IDC performs a three-step process to calculate the ROI and payback period:

- Measure the savings associated with using HPE Datacenter Care in terms of reduced IT costs (staff, hardware, software, maintenance, and IT support), increased user productivity, and business impact measured by revenue over the term of the deployment compared with the previous infrastructure environments.
- Ascertain the investment made in using HPE Datacenter Care.
- Project the costs and savings over a three-year period and calculate the ROI and payback for the deployed solution.

IDC bases the payback period and ROI calculations on a number of assumptions, which are summarized as follows:

- Time values are multiplied by burdened salary (salary + 28% for benefits and overhead) to quantify efficiency and manager productivity savings. For purposes of this analysis, based on the geographic locations of the interviewed organizations, IDC has used assumptions of an average fully loaded salary of \$77,900 per year for IT staff members and an average fully loaded salary of \$54,500 per year for non-IT staff members. IDC assumes that employees work 1,880 hours per year (47 weeks x 40 hours).
- Downtime values are a product of the number of hours of downtime multiplied by the number of users affected.
- The impact of unplanned downtime is quantified in terms of impaired end-user productivity and lost revenue.
- Lost productivity is a product of downtime multiplied by burdened salary.
- The net present value of the three-year savings is calculated by subtracting the amount that would have been realized by investing the original sum in an instrument yielding a 12% return to allow for the missed opportunity cost. This accounts for both the assumed cost of money and the assumed rate of return.

Because every hour of downtime does not equate to a lost hour of productivity or revenue generation, IDC attributes only a fraction of the result to savings. As part of our assessment, we asked each company what fraction of downtime hours to use in calculating productivity savings and the reduction in lost revenue. IDC then taxes the revenue at that rate.

Further, because IT solutions require a deployment period, the full benefits of the solution are not available during deployment. To capture this reality, IDC prorates the benefits on a monthly basis and then subtracts the deployment time from the first-year savings.

*Note: All numbers in this document may not be exact due to rounding.*

## About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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