

Outsourcing IT support services in the Irish channel



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As businesses rely more and more on the availability and performance of their IT infrastructure it is critical that IT channel partners have the support services to fulfil this demand.

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Outsourcing IT support services in the Irish channel

By Paul Golden

Finding the right support partner is fundamental to the success of any IT company. A partner that combines technical expertise across multiple platforms with an understanding of your market and customer service requirements can make a huge impact on the growth of your business.

The concept of outsourcing support services is already widely accepted in Ireland. A seminar organised by the Telecommunications and Internet Federation (TIF) earlier this year heard that more than 80 per cent of Irish businesses were using one or more outsourced or managed services. According to Tom Carson, chairman of the TIF Outsourcing Services Industry Group, the difference between leading organisations and the rest is that they are thinking strategically about outsourcing. This is particularly relevant to companies dealing with the rising costs and complexity of maintaining in house support resources.

Technologies

Darragh Richardson, country manager of ICT solutions and services firm Telindus Ireland, says it is possible for resellers to maintain in-house field support staff, who need to be trained in the latest technology, kept up to date with product developments and made available around the clock. "But the question is, which technologies are core to your market offering and are not commoditised?" he asked. "If you have

the size and scale to do this and a flexible business model it can work well - if not, you would be much better off finding a partner."

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Billy Manley

Technical Director, Complete Networks

Others are even more robust in their assessment of the merits of outsourced support services. "Few service providers would be in a position to maintain all the resources required to manage large customers," said Frank Clonan, managing director of IT solutions provider Bytek, while Ben McGahon, managing director of IT solutions and project management company Comsys, says there is no business case for maintaining large internal support resources in a multi-vendor environment.

"Resellers are often focused on providing service in their areas of expertise and do not have the critical mass of customers to justify directly hiring engineers for non-core technologies. Outsourcing enables the channel to increase business without having to increase staff overheads, which is particularly valuable when investigating new vendors and areas of business."

Comac Reid, managing director of communications consulting and integration house Comms-Online, says specialisation is important for his business as is unrealistic to cover everything from your own pool of resources or to expect these staff to have all the answers. "The value of a partner like Comms-care become apparent when a volume of work hits your desk and you need to draw on additional resources."

"Comms-care can provide resources at the bleeding edge of technology, which takes time to gain traction in a market," explained Billy Manley, technical director of managed services provider Complete Networks. "Engineers need to be working on a technology all the time to become expert and keep their skills fresh and in the time it takes for a product to gain traction, the initial training might have almost become obsolete."



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Country Manager, Telindus Ireland

Supporting

In the meantime, customers are demanding ever greater levels of support as they realise that the total cost of ownership of IT infrastructure is dependent on the service and support received over the life of the products and recognise the importance of IT to their business. “Some customers view support as a ‘nice-to-have’ or something they can do in-house, but this view is changing,” said Darragh Richardson. “Larger, more internationally focused customers expect a higher level of service from an IT partner with international presence.”

According to Billy Manley, his business is all about support. “Companies often chose us on the basis of support rather than price. Traditionally, Irish companies have attempted to keep as much as possible in-house, but that is becoming more of a challenge with new technologies coming on stream in a multi-vendor environment.” The same is true for companies like Comms-Online, whose carrier customers demand 99.999 per cent service availability and expect their partners to follow up on any issues they have.

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There is particular value in support service providers who can operate in a multi-vendor environment, according to Ben McGahon. “Resellers must have the capability to provide different technologies as their customer’s environments become more diverse and complex. It is difficult to expect customers to have multiple contracts for multiple technologies. Being able to offer a single point of contact and certified, highly skilled engineers across many technologies is invaluable.” Most of the major vendors offer consistent levels of service, but Comsys’ managing director added that it is important to remember that these vendors are huge organisations with very complex and strict rules on how they provide service to customers. “These rules are necessary, but they are often incompatible with end users needs. Having smaller and more reactive service offerings, provided by local engineers and service organisations offers more focused support and in a large number of cases increases responsiveness and reduces resolution times.”

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Cormac Reid
Managing Director,
Comms-Online

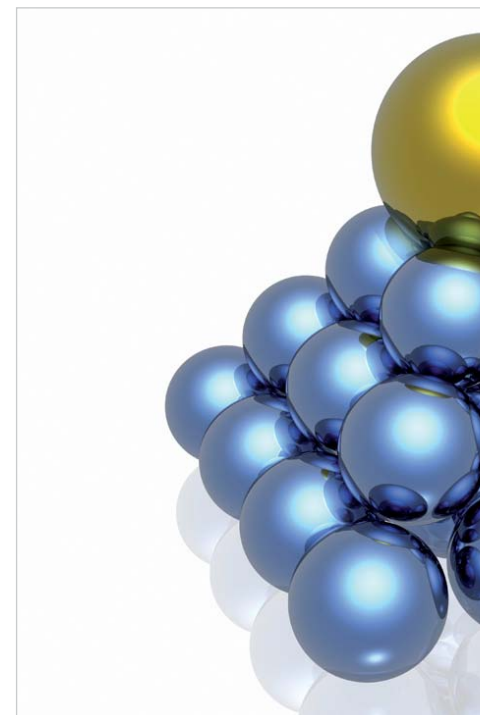


Darragh Richardson also acknowledged that there are wide variations in the level of support provided by vendors. “Obviously, some have invested considerably more than others in local resources, while some use a distributor or third party and the remainder leave you out on your own with very little support.”

Multi-vendor

The ability to operate in a multi-vendor environment is vital as most businesses now use equipment from a number of different vendors, which they prefer to have serviced by a single service provider. “In addition, vendors can only afford so many engineering staff,” added Billy Manley. “They provide remote support but getting people physically on site is almost impossible, which is what customers expect from their system integrator.”

Darragh Richardson described the availability of such services in the Irish market as ‘patchy’. “We have lagged behind other markets, but that is changing as customers become more demanding - and indeed as their own end users become more demanding also. One good measure of how the market has changed is the scarcity of skills, particularly outside Dublin and Belfast. It is difficult for one partner to have enough projects to keep a specialist in, for example, voice or security fully occupied so that has limited the investment in skills outside the major population centres.”



Increase your support portfolio

Frank Clonan agrees that there are inconsistencies in how support services are delivered. “There are a number of good quality service providers in this space. However, there are also those offering support services that do not have the full complement of skills within their organisations to deliver such services effectively.”

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According to Ben McGahon, the advent of dedicated and multi-certified channel service companies that provide support specifically to the channel has been invaluable in helping resellers move into new areas and outsource directly, while providing fully certified services to the customer. “Working with a partner with a track record of success and consistency in delivering support services allows the reseller to actively pursue new business safe in the knowledge that the service being offered will meet the demands of the end user.”

He sees obvious value in dealing with a support service company that deals only with the channel and has specialist skills in this area. “Channel-only service providers allow resellers to maintain management of their accounts in every aspect without potentially creating competition in customer sites for their own products. Many professional services companies offering indirect services to channel companies also work with end users.”

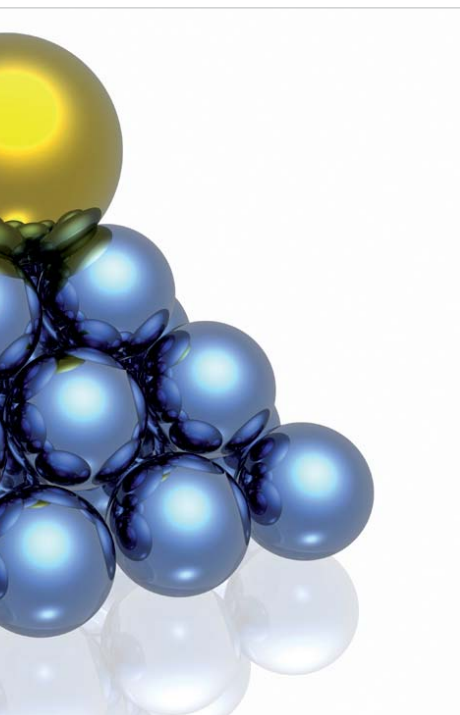
It is very useful for a reseller in particular to have access to an outsourced support service provider with an established track record, added Frank Clonan. “This is especially true if they have the multi-vendor service skills that may be missing from your own organisation and/or have geographic coverage into areas that you may not be able to reach with existing resources. For example, you may service a client who has most of their IT equipment based in Dublin but may also have equipment in more remote regions that also require support.”

Billy Manley says true third party service provision is a relatively new concept in the Irish market and has obvious appeal for integrators and resellers concerned about losing business to outsourcing partners. “We can be confident that Comms-care is not looking to poach our business - it only deals in service for systems integrators and resellers. One of the common concerns expressed about outsourced support services is that when a customer wants to deal with a specific engineer that they have worked with on a project and the engineer who has installed the equipment is not readily available, it can create a problem in your relationship with the customer.”

Because Comms-care engineers work under the umbrella of the reseller organisation, they also eliminate concerns on the part of the customer over whether the reseller has the resources to manage their business. “It can make customers wary if you have to outsource expertise,” admitted Manley. “This is a potential downside, but we have been upfront with customers where we have worked with Comms-care and this approach has worked well. Some technologies are relatively new to the Irish market, which is a good reason for using an external resource.”

Balancing engineers and technology

The balance between the cost of getting engineers accredited on a technology and that technology being taken up in the market is vital. Some products take several years to gain traction and keeping in-house expertise on tap represents a sizeable financial commitment - the challenge is to sign up enough customers to justify that investment, which can take several years. “The upfront outsourcing of engineers is still a relatively new approach for Irish customers, who are used to their resellers or system integrators bringing in engineering resources straight from the vendor,” continued Manley. “Customers may be concerned that they will not have access to this resource going forward, which is why a partner with the track record and resources of Comms-care is so valuable.”



Evaluating the market

Cormac Reid suggests that if a customer has taken the time to evaluate the market, they will find that there are several specialist support providers out there, but also a number of generalists. The question then becomes ‘what exactly do you need?’ Will a general service provider who will give you a mediocre experience suffice, or are you in an environment with specialist infrastructure that demands specialist support?

“Our customers have periods of peak activity from time to time where they need extra resources, which is where Comms-care brings value to the relationship. We know their people have the right credentials, especially when our resources are employed elsewhere. They would normally operate under our brand and we brief them thoroughly as they might be in situ for several months at a time.” These customers need support partners who can add value to their infrastructure, particularly around newer technologies in the contact centre environment where there are fewer resources available in the Irish market place. “There is obvious value in Comms-care’s methodology,” Reid concluded. “They are high level partners with many leading

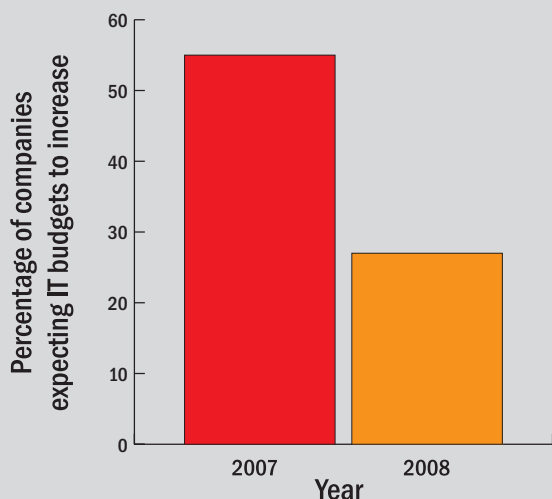
vendors and by working with them, the value stays with the reseller. They become an extension of our team on demand, displaying the same business ethics and values.” As Darragh Richardson put it, your reputation is dependent on an outsourced partner meeting your promises to the customer so their track record is critical - if the customer is let down you can be sure they won’t thank you for using a third party with insufficient experience or expertise. “This is really about trust. In an ideal world, if you have a mature working relationship with another provider it should not matter, but in the real world there is always the danger that the partner will go direct or try to take over the customer relationship.”

“We have had bad experiences of partners in the past going direct and cutting us out of the loop, so you have to keep a careful eye on your partners ‘go to market’ model. However, Telindus has worked closely with Comms-care across a number of different markets and built up that level of trust.” As a pan-European company with a strong local presence, Comms-care is uniquely positioned to provide network and IT maintenance support to channel partners across Ireland.

Industry reports point to outsourcing growth

The difficult economic climate is likely to encourage more companies to explore the potential of outsourcing in 2008 and beyond. IDC’s IT Trends and Expenditure annual report 2008 found that just 27 per cent of Irish companies expect their IT budget to increase this year, compared to more than half in 2007.

This is the first decrease in planned expenditure for many years, although the emphasis on security is still strong with no reduction in the number of companies who consider it important and about a third of organisations expecting security expenditure to increase.



Source: IDC’s IT trend report 2008

The author of the report, John Gilsean, identified ‘controlling costs and improving financial justification for continued IT investment’ as the biggest IT challenge facing Irish organisations, followed by ‘migration from older technologies to more modern hardware and/or software platforms’ and ‘developing and/or implementing new strategic applications to improve competitiveness’.

The latest IT Outsourcing and Managed Services in Ireland report from Dublin-based research firm iReach suggested that the slowdown in the Irish economy and the need for businesses to cut costs would boost growth in outsourcing throughout 2008 by as much as 30 per cent, creating a market worth as much as €450 million.

But cost is not the only consideration – the iReach survey identified other key drivers, including improved support, better access to specialist skills and resources and the ability to focus on core competencies. These factors are expected to incentivise firms to harness the expertise of third party providers.

Demand for managed services is also on the increase. Building on strong growth in 2007, iReach expects activity in this sector to grow by around a quarter this year to exceed €150 million with access to improved IT support driving wider adoption. As concerns over security grow, demand will increase for outsourcers with solid security frameworks and policies, with an understanding of both the process and the industry behind it.

Comms-care in Ireland

Comms-care is a leading channel IT support services organisation, specialising in the provision of network and IT maintenance to channel partners across the UK, Ireland and mainland Europe. The company manages all aspects of ongoing support and maintenance for IP Telephony, security, desktops, routers, switches, firewalls, LAN/WAN and managed services.

Comms-care is continually adding to its vendor accreditation portfolio, which includes Cisco Gold Partner status. As a Cisco Gold Certified Partner, the company has demonstrated its depth of knowledge and expertise in selling, installing and supporting Cisco solutions across multiple technology disciplines.

“The Irish channel has really identified the advantages of using channel-only support companies as there is no conflict with the end user and they have access to a wide range of technical knowledge and experience.”

Ben Davies
Sales Director, Comms-care



The latest additions to Comms-care’s list of accreditations include VMware professional partner, Microsoft Certified partner and Arc Solutions partner and the company is working towards Microsoft Gold Partner status. VMware Professional Partner status will enable Comms-care to provide its customers with the latest VMware solutions and technical knowledge with the opportunity to further enhance engineering skills with advanced training courses and services accreditations. The Microsoft certification will offer similar benefits with access to in-depth software and product information and exclusive partner incentives and offers. The Arc suite of products will enable Comms-care engineers to address customer, employee and management communication processes.

Having steadily built its business in Ireland, Comms-care have made a considerable commitment to the Irish channel by working closely with Irish channel partners for the last five years. In addition to this Comms-care are also supporting contracts for some of their UK based customers through a network of locally appointed network support engineers.

With a real shortage of channel only support providers in Ireland Comms-care has used their close relationships with resellers to mould their support offering to suite the need of the Irish reseller. Ben Davies, Sales Director, Comms-care explains “The Irish channel has really identified the advantages of using channel only support companies as there is no conflict with the end user and they have access to a wide range of technical knowledge and experience.”

Comms-care will look to continue their support in Ireland with the implementation of further engineering resource whilst their portfolio of channel partners expands. As the global economy feels the strain of the current financial climate resellers will no doubt continue to be as resilient as ever and will look to reduce overhead to survive with ‘outsourcing’ being a truly viable option to stay ahead of the competition.

Comms-care provides their channel partners with:

- > Ireland and UK based engineers
- > Channel only business model
- > Multi-vendor support
- > Scalable technology solutions
- > 24/7 Service desk

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