Maximizing Your Budget, Meet Green Objectives, and Reduce Support Costs Using TPM
Tim Kubiak
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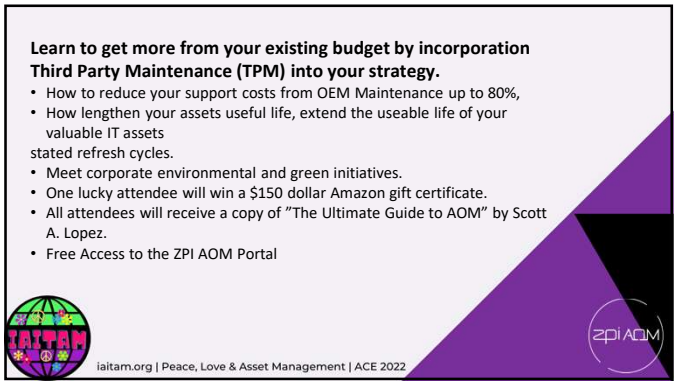
Learn to get more from your existing budget by incorporation Third Party Maintenance (TPM) into your strategy.
• How to reduce your support costs from OEM Maintenance up to 80%,
• How lengthen your assets useful life, extend the useable life of your valuable IT assets
stated refresh cycles.
• Meet corporate environmental and green initiatives.
• One lucky attendee will win a $150 dollar Amazon gift certificate.
• All attendees will receive a copy of "The Ultimate Guide to AOM" by Scott A. Lopez.
• Free Access to the ZPI AOM Portal
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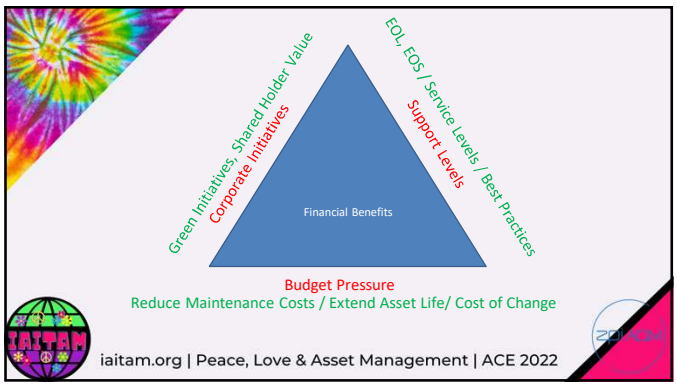
Green Initiatives, Shared Holder Value
Corporate Initiatives
EOL, EOS / Service Levels / Best Practices
Support Levels
Financial Benefits
Budget Pressure
Reduce Maintenance Costs / Extend Asset Life/ Cost of Change
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Basic Definitions
TPM (Third Party Maintenance) – Maintenance and Support provided by someone other than the Original manufacturer.
• TPM is over 25-years old
• Can cover a variety of technology segments (Networking, Storage, etc)
• a Direct Competitor to OEM Support and often competes with VAR and Channel Organizations
AOM (Alternative to OEM Maintenance) - A next generation approach to TPM that is 100% Channel led streamlining vendors
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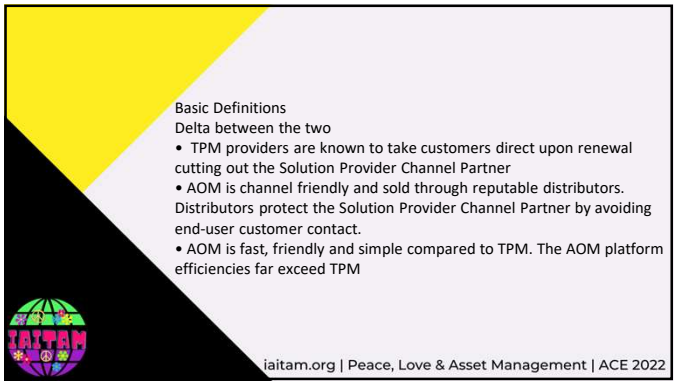
Basic Definitions
Delta between the two
• TPM providers are known to take customers direct upon renewal cutting out the Solution Provider Channel Partner
• AOM is channel friendly and sold through reputable distributors. Distributors protect the Solution Provider Channel Partner by avoiding end-user customer contact.
• AOM is fast, friendly and simple compared to TPM. The AOM platform efficiencies far exceed TPM
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Value-Added Resellers (VARs) - is a company that adds features or services to an existing product, then resells it (usually to end-users) as an integrated product or complete "turn-key" solution. This practice occurs commonly in the electronics or IT industry, where, for example, a VAR might bundle a software application with supplied hardware.
Super VARs - A VAR that operates in multiple regions, states on countries.
OEMs (Original Equipment Manufacturers) - Examples include HPE, Cisco, Juniper, Hitachi, Dell/EMC, etc.
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Cloud Service Providers (CSPs) - This is the "modern" technology consultant typically defined by long-term engagement contracts with customers that have elements of recurring revenue, service level agreements and extensive use of automation.

Managed Service Providers (MSPs) - A company that remotely manages a customer's IT infrastructure and/or end-user systems, typically on a proactive basis and under a subscription model
• National Service Providers (NSPs)

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Personas

IT Pro –an individual whose position is assigned work associated with the establishment of and enforcement of standards and specifications for network computer systems; or the development of computer systems applications; or the development, installation and maintenance of local area network and mainframe computer systems or server environments; or the development, installation and maintenance of telecommunications systems; or provision of user support for any such systems.

Professional Asset Manager – "individuals and organizations involved in any aspect of IT Asset Management ("ITAM"), Software Asset Management ("SAM"), Hardware Asset Management and the lifecycle processes supporting IT Asset Management in organizations of every size and industry across the globe."

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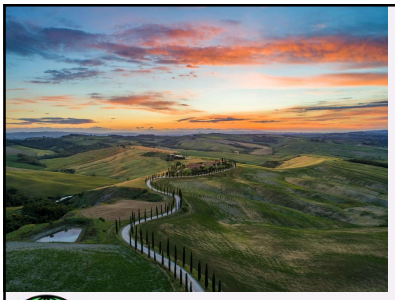

Defining the TPM/AOM

Opportunity Landscape

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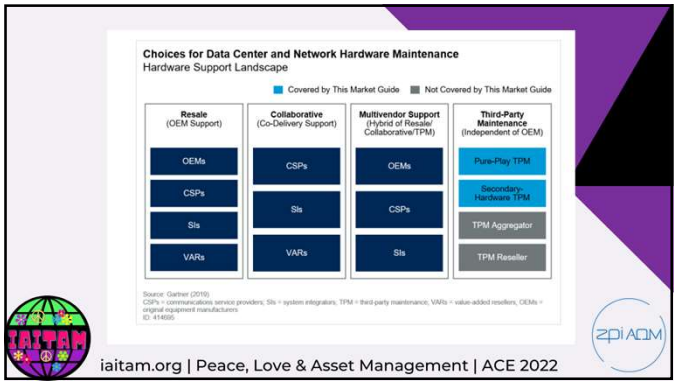
Choices for Data Center and Network Hardware Maintenance
Hardware Support Landscape
Covered by This Market Guide
Not Covered by This Market Guide
Resale (OEM Support)
OEMs
CSPs
SIs
VARs
Collaborative (Co-Delivery Support)
CSPs
SIs
VARs
Multivendor Support (Hybrid of Resale/ Collaborative/TPM)
OEMs
CSPs
SIs
Third-Party Maintenance (Independent of OEM)
Pure-Play TPM
Secondary-Hardware TPM
TPM Aggregator
TPM Reseller
Source: Gartner (2010)
CSPs = communications service providers; SIs = system integrators; TPM = third-party maintenance; VARs = value-added resellers, OEMs = original equipment manufacturers
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Gartner Study - "over 10 million data center assets under TPM support"
Strategic Planning Assumptions
By 2021, 100% of existing TPM providers with $20 million or more in TPM revenue will be acquired by a larger TPM provider, owned by private equity firms or both.
By 2021, 85% of North American hardware resellers/value-added resellers (VARs) will have an active, commission-based sales partnership with at least one TPM.
By 2021, hardware TPMs will compete directly against at least one other TPM in 60% of TPM greenfield opportunities and 75% of TPM renewals.
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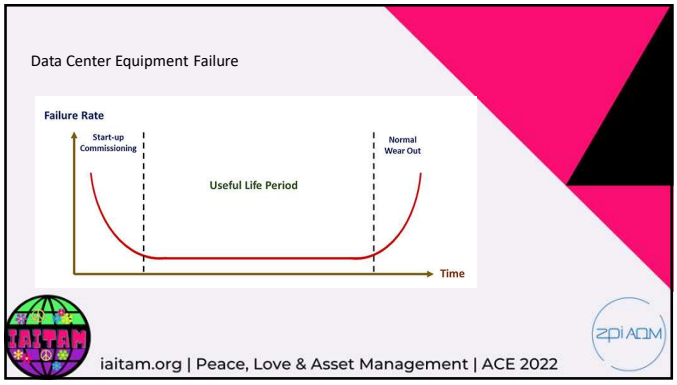
Data Center Equipment Failure
Failure Rate
Start-up Commissioning
Useful Life Period
Normal Wear Out
Time
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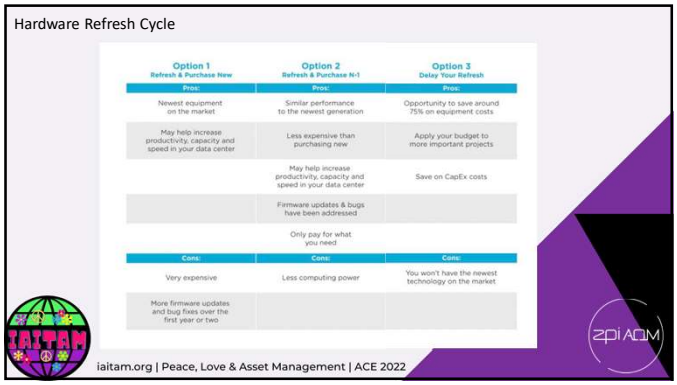
Hardware Refresh Cycle
Option 1
Refresh & Purchase New
Pros:
Newest equipment on the market
May help increase productivity, capacity and speed in your data center
Cons:
Very expensive
More firmware updates and bug fixes over the first year or two
Option 2
Refresh & Purchase N-1
Pros:
Similar performance to the newest generation
Less expensive than purchasing new
May help increase productivity, capacity and speed in your data center
Firmware updates & bugs have been addressed
Only pay for what you need
Cons:
Less computing power
Option 3
Delay Your Refresh
Pros:
Opportunity to save around 75% on equipment costs
Apply your budget to more important projects
Save on CapEx costs
Cons:
You won't have the newest technology on the market
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Hardware Refresh Cycle
Option 3
Delay Your Refresh
Pros:
Opportunity to save around 75% on equipment costs
Apply your budget to more important projects
Save on CapEx costs
Cons:
You won't have the newest technology on the market
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Expected Total Company Revenue Change
YoY
Region
Company Size
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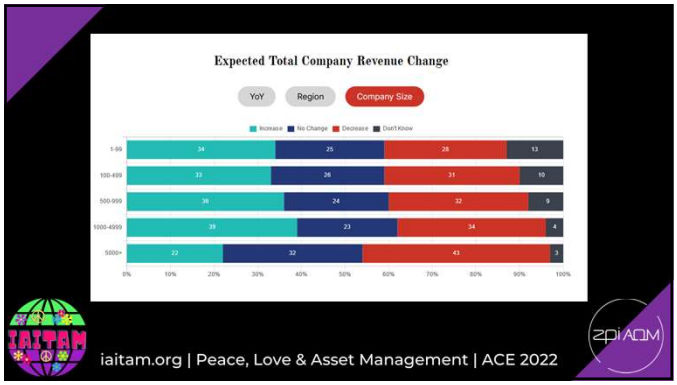
Expected Total Company Revenue Change
YoY
Region
Company Size
Increase
No Change
Decrease
Don't Know
1-99
100-499
500-999
1000-4999
5000+
34
25
28
13
33
26
31
10
36
24
32
9
39
23
34
4
22
32
43
3
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
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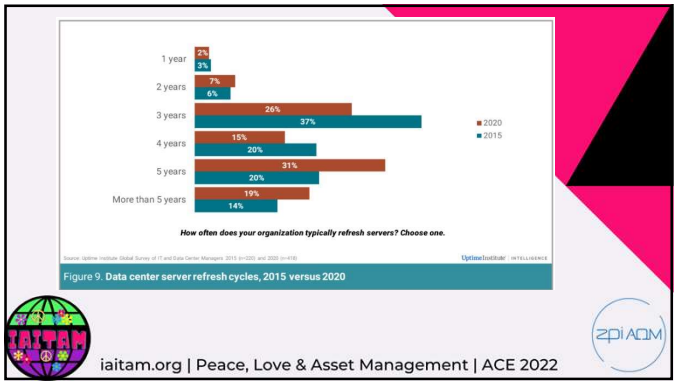
1 year
2 years
3 years
4 years
5 years
More than 5 years
2%
3%
7%
6%
26%
37%
15%
20%
31%
20%
19%
14%
2020
2015
How often does your organization typically refresh servers? Choose one.
Figure 9. Data center server refresh cycles, 2015 versus 2020
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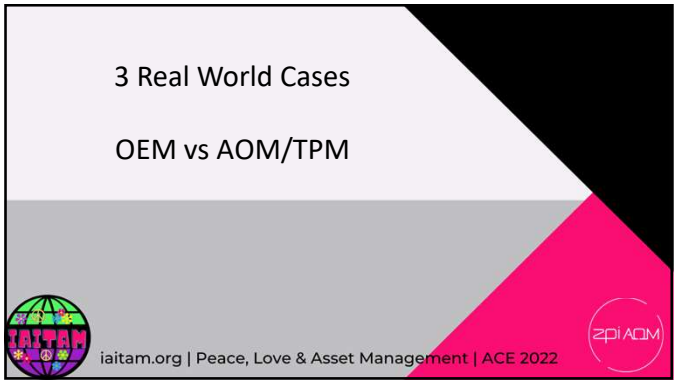
3 Real World Cases
OEM vs AOM/TPM
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Server and Storage Case Study – 130 Assets – Government Agency

Item	OEM Cost	AOM/TPM Cost	Savings
ProLiant DL380 Gen9	$1176	$688	$487
ProLiant DL360p Gen8	$2,079	$1,029	$1,049
ProLiant DL360p Gen8XD	$269	$147	$122
HP MSA p2000 G3	875.00	$392.16	$482.84

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Server and Storage Example – Costs Per Asset Class

Item	OEM Cost	AOM/TPM Cost	Savings
ProLiant DL380 Gen9 (81 Assets)	$94,080	$55,059	$39,021
ProLiant DL360p Gen8 (34 Assets)	$70,686	$34,999	$35,686
ProLiant DL360p Gen8XD (10 Assets)	$2,421.00	$1,323.54	$1,097.46
HP MSA p2000 G3 (5 Assets)	$4,375.00	$1,960.80	$2,414.20
Totals	**171,831.00**	**$93,490.54**	**$78,340.46**

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Server and Storage Example – Savings Strategy - Service Levels

Item	OEM Cost	AOM/TPM Cost	Services Levels
ProLiant DL380 Gen9	$1176	$688	Parts and labor - 1 year - on-site - 9x5 - response time: NBD
ProLiant DL360p Gen8	$2,079	$1,029	Parts and labor - 3 years - on-site - 24x7 - response time: 4 h
ProLiant DL360p Gen8XD	$269	$147	Parts and labor - 3 years - on-site - 9x5 - response time: NBD
HP MSA p2000 G3	875.00	$392.16	Parts and labor - 1 year - on-site - 9x5 - response time: NBD

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A Retailer and a Leveraging Service Levels Solution

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Route Switch Examples – Costs Per Asset Class

Item	Service Level	OEM Cost	AOM/TPM Cost	Savings
ASA5515-K9	8x5xNBD Onsite	$689.00	$275.60	$413.40
ASA5515-K9	8x5xNBD Parts Only	$482.78	$193.11	$289.67
ASA5520-BUN-K9	8x5xNBD Onsite	$1,181.11	$472.44	$708.67
ASA5520-BUN-K9	8x5xNBD Parts Only	$996.11	$398.44	$597.67
AIR-LAP1131G-A-K9	8x5xNBD Onsite	$64.44	$25.78	$38.67
AIR-LAP1131G-A-K9	8x5xNBD Parts Only	$45.00	$18.00	$27.00
CISCO2911-SEC/K9	8x5xNBD Onsite	$602.78	$241.11	$361.67
CISCO2911-SEC/K9	8x5xNBD Parts Only	$481.67	$192.67	$289.00
CISCO3925-SEC/K9	8x5xNBD Onsite	$1,508.89	$603.56	$905.33
CISCO3925-SEC/K9	8x5xNBD Parts Only	$1,048.89	$419.56	$629.33

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Limited Assets Massive Impact for a Global Financial Institution

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Global Financial Institution - Service Level – Storage Approach

Item	Extended OEM Cost	Extended AOM/TPM Cost	Services Levels
2561-ed1 IBM Pure Data Analytics N2001 – 010w2 (3 Assets)	$450,000	$290,379	Parts and labor - 1 year - on-site - 7x24 – response time: 4hr

Savings $159,621 per device
Total Savings for 3 assets is $478,863/year

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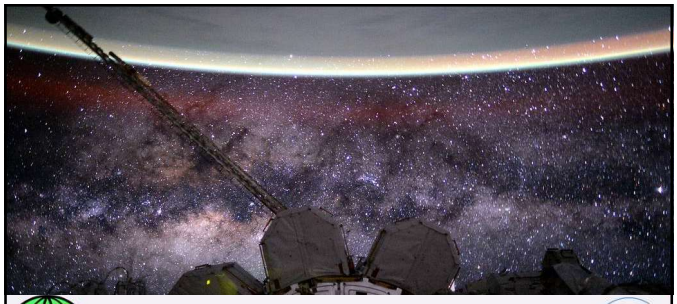

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"Why data centers are the new frontier in the fight against climate change"
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Diversity and Inclusion
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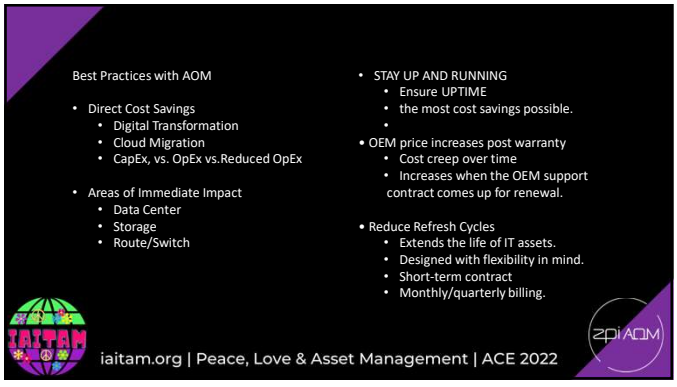
Best Practices with AOM
• Direct Cost Savings
• Digital Transformation
• Cloud Migration
• CapEx, vs. OpEx vs.Reduced OpEx
• Areas of Immediate Impact
• Data Center
• Storage
• Route/Switch
• STAY UP AND RUNNING
• Ensure UPTIME
• the most cost savings possible.
• OEM price increases post warranty
• Cost creep over time
• Increases when the OEM support contract comes up for renewal.
• Reduce Refresh Cycles
• Extends the life of IT assets.
• Designed with flexibility in mind.
• Short-term contract
• Monthly/quarterly billing.
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Amazon
Gift Card
Drawing
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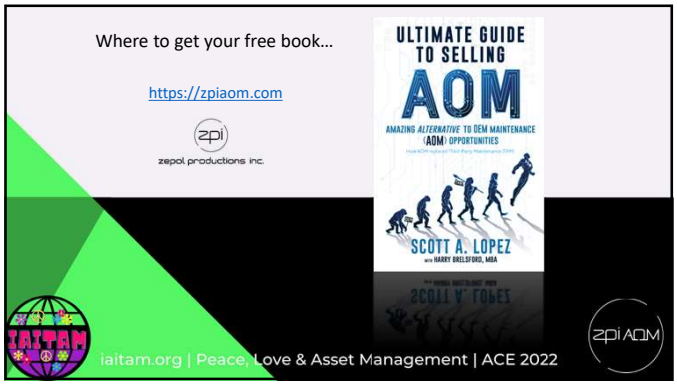
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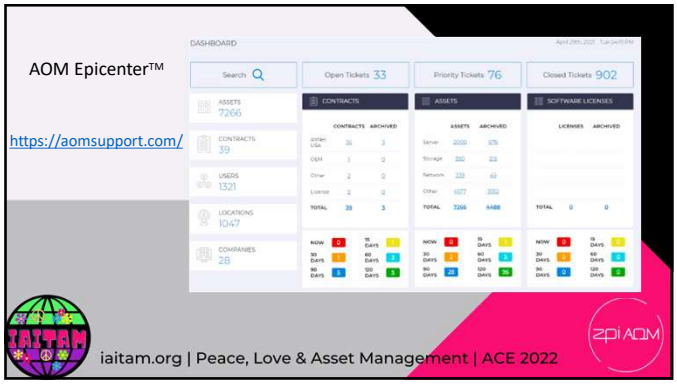
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DANKE!
THANK YOU!
MERCI!
GRAZIE!
GRACIAS!
DANK JE WEL!
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Source List
Images
1a: https://www.nasa.gov/image-feature/the-places-we-call-home
2a: https://www.computerworld.com/article/3431148/why-data-centres-are-the-new-frontier-in-the-fight-against-climate-change.html
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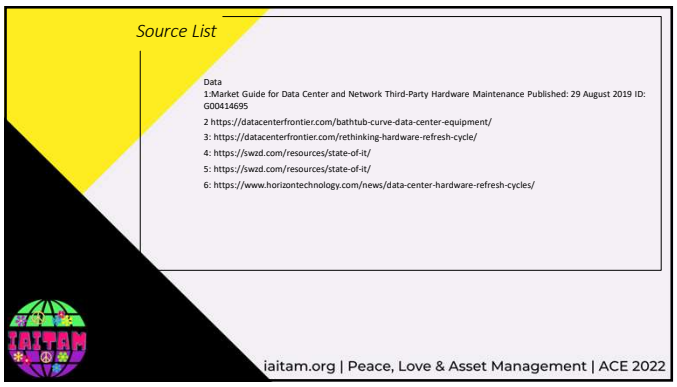
Source List
Data
1:Market Guide for Data Center and Network Third-Party Hardware Maintenance Published: 29 August 2019 ID: G00414695
2 https://datacenterfrontier.com/bathtub-curve-data-center-equipment/
3: https://datacenterfrontier.com/rethinking-hardware-refresh-cycle/
4: https://swzd.com/resources/state-of-it/
5: https://swzd.com/resources/state-of-it/
6: https://www.horizontechnology.com/news/data-center-hardware-refresh-cycles/
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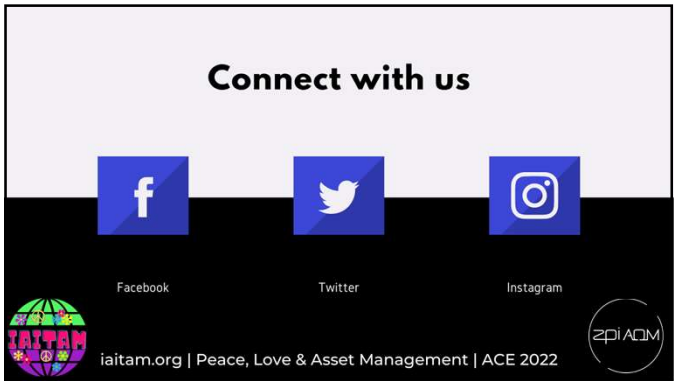
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