Support Services: The Value of Technical Account Managers

Rob Brothers

IDC OPINION

IDC conducted a worldwide survey of enterprises to determine what value technical account managers (TAMs) brought to end-user customers. The *x86 Attach Rate Study* was conducted in the first calendar quarter of 2013 and covered the purchase of attaches (maintenance agreements or deployment services) on x86 servers over the past six months as well as other attributes of support contracts that would be of value to end-user customers to help determine overall support preferences. IDC has repeated this study over the past five years. This IDC study shows that providing a TAM to end-user customers makes good business sense, it creates brand loyalty and higher overall customer satisfaction. This study highlights a small sample of the results as it pertains to the value TAMs provide end-user customers:

- **Value of TAMs.** IDC shows how the majority of customers (over 90%) feel that TAMs add a lot of value to their overall support contract.

- **Purchase of a TAM with agreement.** IDC's survey results show that nearly 59% of hardware or software support contracts sold do include a TAM.

- **Most important ability a TAM provides.** When asked what the most important feature a TAM provides, the customer replied with "fast reactive support on mission-critical workloads."

IN THIS STUDY

The overall study presents the worldwide attach rates for x86 servers as well as other interesting facts on supporting systems and workloads. IDC surveyed 500 end users about their server purchases over the past six months. In this study specifically, IDC reviews the value of technical account managers for hardware or software support contracts.

Methodology

IDC gathered the survey data via an online Web survey. This Web survey was targeted at enterprise customers that were decision makers on support contracts and/or purchasers of x86 systems. This global survey targeted customers in the United States, Canada, Australia, Brazil, the United Kingdom, and India and asked questions about the types of support contracts they purchased for their x86 systems and also touched upon the value of technical account managers for hardware and software solutions.

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

SITUATION OVERVIEW

Support service providers have significantly advanced the features in their support offerings, which include the use of technical account managers and the adoption of tools and automation for more proactive support. These service offerings have enabled a new degree of scale and automation affording multiline services providers the opportunity to evolve their role from that of a *service provider* to that of a *service manager.* Akin to a general contractor in the building trades, this new role, lead service provider (LSP) or technical account manager, creates business value enabling IT operations staff to focus on results (i.e., uptime versus managing the minutiae of a large portfolio of individual technology support vendors). The growth in this discipline is being driven by the following key trends:

- **Dramatic changes in the IT landscape.** Technologies such as cloud, big data, mobility, and social media coupled with complex virtual environments have made datacenter workloads more complex.

- **Transformation toward a project-based approach or implementing new business initiatives as opposed to deploying new IT assets.** As IT department staffing models have changed, IT departments will need to shift from an on-demand model of providing services to a more self-service approach to providing IT services to their end users.

- **Evolution of the lead service provider.** The changing IT landscape and IT's shift in the way IT services are provided have led to the development of the lead service provider as a trusted provider, one that is responsible for coordinating and providing IT services to enterprise IT organizations. This role, LSP, can be either an internal or an external resource.

IDC shows the results from a survey that provides supporting data as to the benefits of technical account managers, the ideas of which are the starting basis of a lead services provider model. Figure 1 shows if a customer has ever purchased a TAM as a part of a support contract.

FIGURE 1

### Purchase of Support Services with Access to a TAM
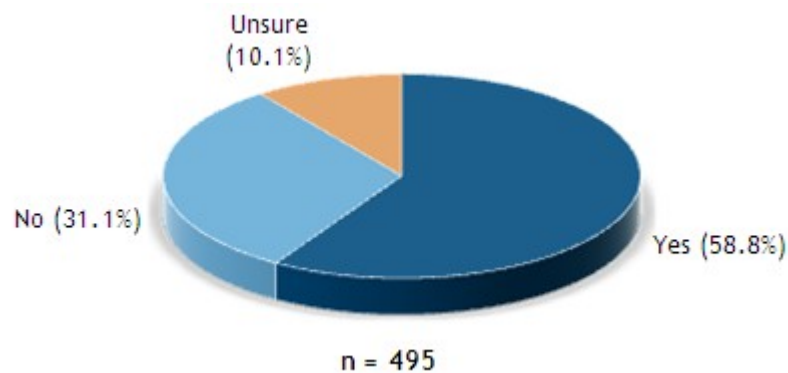
Source: IDC's *x86 Attach Rate Study,* 2013

The data clearly shows that customers are utilizing technical account manager, and some of the most important features include a faster response time and direct access to highly experienced engineers. This is according to data in Figure 2. Single point of contact was the third most popular, and with good reason; as these datacenters become more complex, it is easier to point a finger at one person, opposed to pointing a finger at many.

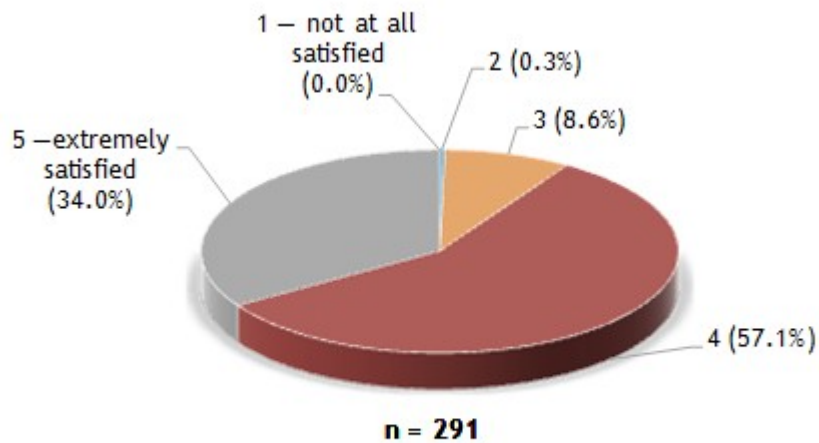## FIGURE 2

Most Important Features of TAM
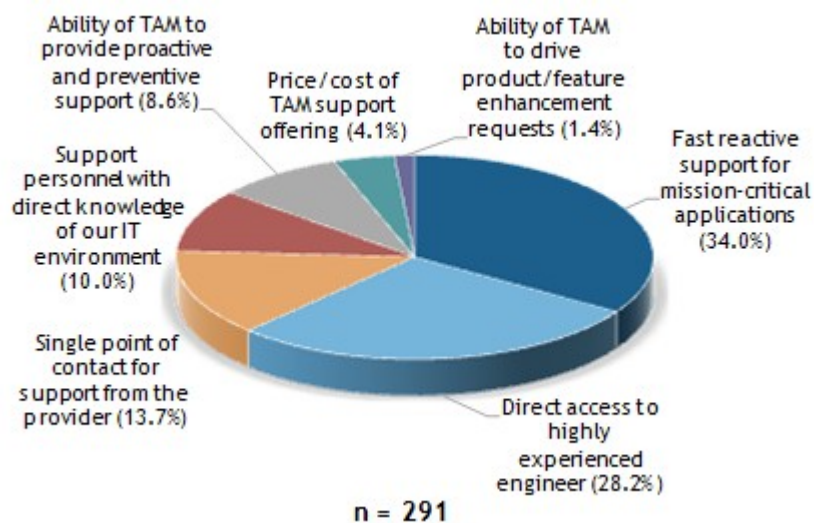
Source: IDC's *x86 Attach Rate Study,* 2013

The satisfaction rating for TAMs are extremely high and can lead to higher overall customer satisfaction with a vendor's goods and services. Over all (91%) customers were very to extremely satisfied with their TAMs (see Figure 3).

FIGURE 3

Level of Satisfaction with TAM

n = 291

Source: IDC's *x86 Attach Rate Study,* 2013

Last, IDC shows a customer's likelihood to purchase support agreements with a TAM as a part of the service (see Figure 4).

FIGURE 4

Level of Agreement with Statements About Likelihood to Purchase Support Services with a TAM

Q.   Please indicate the extent to which you agree or disagree with the following statements, where 1 indicates strongly disagree and 5 indicates strongly agree.
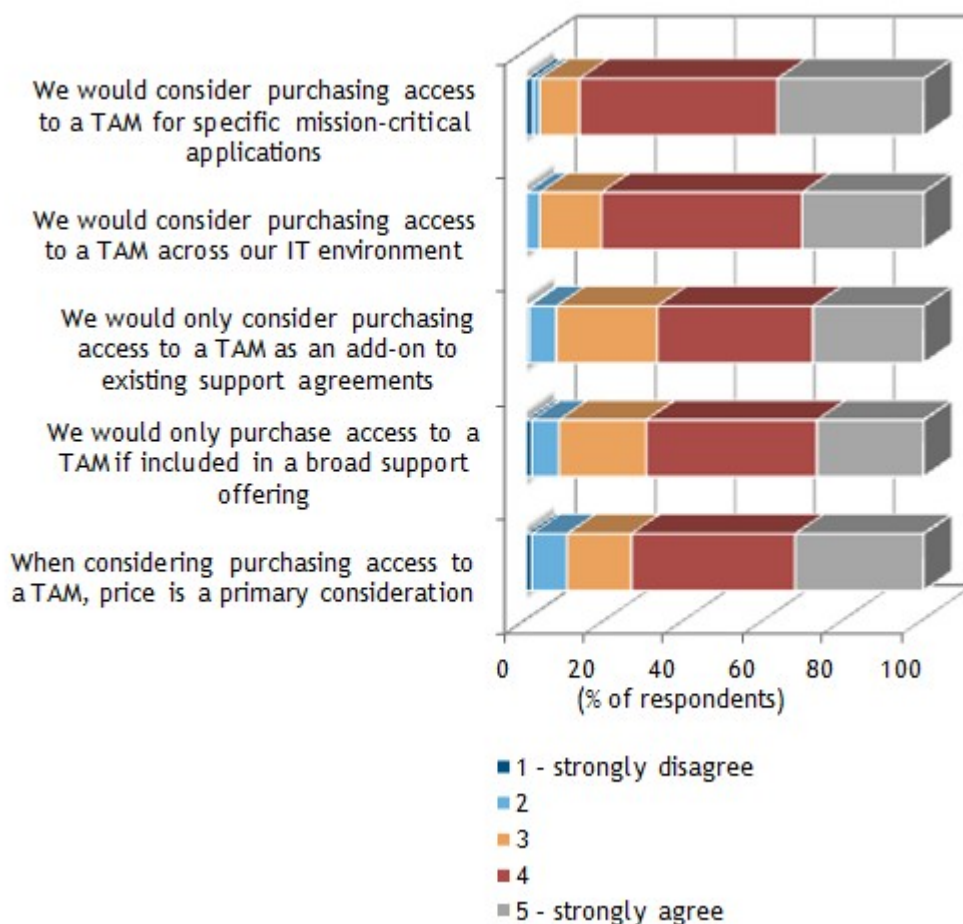
n = 495

Source: IDC's *x86 Attach Rate Study,* 2013

FUTURE OUTLOOK

IDC believes that the IT landscape is changing dramatically with maturing technologies such as cloud, social, mobile, and big data solutions, and demographic changes in mature economy IT staffs are combining to accelerate the adoption of a project-oriented staffing model – one aspect of which is the

continuing evolution of a technical account manager. We believe that a TAM model of service delivery will find growing acceptance within IT organizations, especially as they move to adopt a "services" strategy; that is, they define their output as a portfolio of discrete and measurable services oriented around businesses' technology requirements.

According to IDC's survey data, we are already beginning to see the acceptance of this newer model, the challenge will be to get these TAMs to continually educate themselves on new and other technologies that may not be a part of the vendors' portfolio. This will make them more robust and valuable to an enterprise organization and make them more like an LSP.

The other interesting piece of data was that customers, once they have purchased an agreement that did not include a TAM (see Figure 4), may not reevaluate their IT and deem it necessary later in their organizational life cycle. IDC feels that constant education of the customer around their full product portfolio is something vendors need to focus on, even after the initial point of sale. The cross-sell and upsell opportunities are generally low-hanging fruit for most vendors and support providers.

ESSENTIAL GUIDANCE

Advice for IT Buyers

IDC believes that as the IT landscape continues to shift, IT organizations will concurrently evolve their IT acquisition and consumption models. The traditional staffing model of organizations maintaining a comprehensive staff of domain experts will evolve to leaning more on technical account managers from their support providers for those needs.

IDC believes that organizations that embrace this shift will be in a better position for the increasingly unpredictable market conditions, will be more cost effective, and ultimately will provide their employees with more midterm and long-term career opportunities. Their IT departments will be in a better position to leverage improvements in technology such as cloud, mobility, social, and big data as they will confront few skill shortages; moreover, they will be better able to embrace these technologies as they will not have internal staff focused on maintaining the status quo.

IDC believes that three to five years out, the transition of the IT organization to an internal service provider focused on a well-defined portfolio of business-focused "services" will become the standard operating model in mature market organizations.

Creating efficient infrastructures that can stream business processes at a given SLA allows the enterprise to accurately charge a line of business for a particular use of a workload. That efficiency comes from creating an on-demand infrastructure that is easily supported by a small IT department.

Related Research

- *Tools for Advanced and Predictive Analytics: Vendor Penetration in 2013* (IDC #245093, December 2013)

- *Attaching Support Services at the Point of Sale and Lead Service Provider: The Value Proposition* (IDC #245460, December 2013)

- *Market Analysis Perspective: Worldwide Software and Hardware Support and Deployment Services, 2013* (IDC #245039, December 2013)

- *IDC MarketScape: Worldwide Datacenter Hardware Support Services 2013 Vendor Assessment* (IDC #244862, December 2013)

- *IDC's Worldwide Services Taxonomy, 2013* (IDC #239900, March 2013)

- *Worldwide Virtualization Services 2012-2016 Forecast* (IDC #236816, September 2012)

Synopsis

This IDC study explores vendors or support providers providing a technical account manager (TAM) when supporting IT environments. These TAMs or (lead service providers) act as a single point of contact for your IT to help manage and maintain systems and resolve issues in complex datacenters.

"Enterprises should consider utilizing TAMs," says Rob Brothers, program director for IDC's Hardware and Software Support and Deploy Services. "Utilizing the deep domain expertise of service providers helps free up valuable IT resources that can help advance real business objectives."

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.

Global Headquarters

5 Speen Street
Framingham, MA 01701
USA
508.872.8200
Twitter: @IDC
idc-insights-community.com
www.idc.com