



# International System Consultants

# Supporting your customers in a new geography

## Latin America a case study



# The situation

- One of our top customer was in trouble.
- ⦿ Upset global fortune 500 customer
- ⦿ Not delivering the services per SLA (Service Level Agreement)
- ⦿ Spare parts arriving at site one month later instead of 4hrs.
- ⦿ Loosing money
  - ⦿ Shipping multiple parts
  - ⦿ Flying people in
  - ⦿ Extra resources
  - ⦿ Customer: No back-up, unnecessary risk



# Opportunity cost

- This expansion was not in the immediate plans for ISC.
  - We were busy focusing on other geographies
  - Office in Mexico:
    - Government contracts
    - Customer support
    - Professional services
    - Software programming

But Mexico is not South America



# Our mission

- ◎ Find a reliable technical partner or partners
  - ◎ Local Field Engineers with experience and reliable
  - ◎ Local spares
- ◎ Establish an efficient supply chain
  - ◎ Exporting parts from the USA to South America in a timely manner
  - ◎ Reduce the in-country importation time
  - ◎ Place parts in FSL (Forward Stocking Locations) near the end user site and available 24/7
- ◎ Implement technology developed by ISC such as ISC-CHS™ remote monitoring



# The strategy

- ◎ Divide and conquer
  - Different departments in our company were in charge of different tasks but always coordinating with each other.
- ◎ Find and perform due-diligence on South American service providers
  - ◎ Performed due-diligence audit and test companies with field force in the geography to be covered
  - ◎ Evaluate them on their technical skills as well as delivery
- ◎ Find and perform due-diligence on US based exporters
- ◎ Pilot test the program (**10% of original contract size**)
  - ◎ **Measure, correct and test again.**



# What we learned – Reality check

- ◎ SLAs had to be adjusted
  - Some locations were remote that the SLA commitment was adjusted to 2NBD
- ◎ Sustainably shipping parts correctly increases cost
  - ◎ Prices had to be adjusted upward
- ◎ Inventory levels had to be higher than those of US based contracts
  - ◎ Prices had to be adjusted upward
- ◎ Parts had to be shipped with a full description in Spanish and/or Portuguese
- ◎ Written communication between USA and South American technical teams worked better than verbal



# What we learned

- ◎ High technical skills
  - The Latin American teams selected excelled in their technical knowledge and service call reporting
- Our Mexico City office team provided us with great contacts in South America
- ◎ Need to provide technical training to complement the product knowledge
- ◎ Site surveys need to be conducted asap
  - ◎ Finding issues ahead of time was important





# What we learned

- ◎ Work from a point of knowledge and align our customer expectations
  - Communicated to our customer the changes that needed to be implemented
  - Made sure our customer communicated the same to their end user
- ◎ Only committed to what we could deliver
  - ◎ “Under promise and over deliver”



# Results

- ◎ Once Pilot contract was successful, full contract was awarded increasing 75% in equipment supported and additional revenue
- ◎ SLA are being met 95% of the time
- ◎ Contract has expanded to an additional 5 South American countries
- ◎ Initial contracts recently renewed for 12 additional months



# Results

- ◎ Customer continued business operations in South America, and has given us additional contracts
- ◎ Expand our support to other systems that were not part of our core
- ◎ ISC now supporting other South American customers



# The take aways

- ◎ Start small
  - Run a pilot program before you eat the elephant
- ◎ Get to know the people you are going to be working with
  - ◎ Do your due-diligence
- ◎ Make all the necessary adjustments based on what you learn
- ◎ Most important: “Align your customer’s expectations”



# Bonus info

- ◎ “IT spending in Latin America has outgrown the global average by 2.1 times or more every year for the last 10 years”
  - ◎ IDC (International Data Corporation)/Cisco Networking Skills in Latin America white paper (page 7)  
[http://www.cisco.com/assets/csr/pdf/IDC\\_Skills\\_Gap\\_-\\_LatAm.pdf](http://www.cisco.com/assets/csr/pdf/IDC_Skills_Gap_-_LatAm.pdf)
- ◎ The Data Center Construction market in Latin America poised to grow 26% between 2014-2018
  - ◎ Research and markets (Dublin business wire)  
[http://www.researchandmarkets.com/research/jxvx43/data\\_center](http://www.researchandmarkets.com/research/jxvx43/data_center)



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**Thank you!**

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