

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

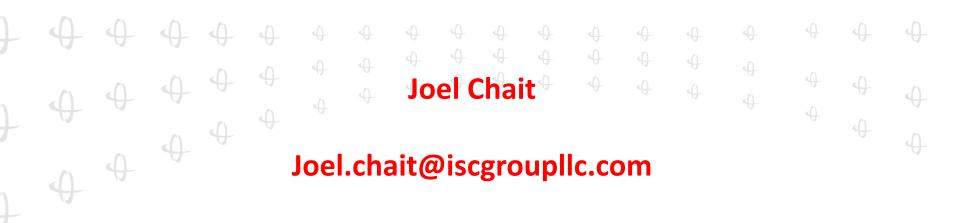
- "IT spending in Latin America has outgrown the global average by 2.1 times or more every year for the last 10 years"
 - IDC (International Data Corporation)/Cisco Networking Skills in Latin America white paper (page 7)

http://www.cisco.com/assets/csr/pdf/IDC_Skills_Gap_-_LatAm.pdf

- 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





Thank you!

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