THIRD PARTY MAINTENANCE RISK VS. REWARD



MAKE SMART HARDWARE MAINTENANCE CHOICES

It's important for IT and Procurement management contemplating third party maintenance (TPM) to evaluate the associated risks and rewards as they consider the service. Here's a simple way to look at it:

In the early years after a product release:

- · OEM maintenance is cheap
- · Parts are scarce and expensive
- Need for software & firmware updates is greatest

4 years after a product release:

- · OEMs raise maintenance cost
- · Parts become abundant
- Need for software & firmware updates decreases

INVERSE RELATIONSHIP OEM VS TPM

Year 1-3



- OEM maintenance is cheap
- Most software and firmware development occurs in early years after a product release
- Frequent updates required



- Year 4-6
- New hardware products are released and software and firmware development focus shifts to those
- Fewer and fewer updates and less OEM support for hardware that is 4-6 years old



- Year 7-10
- OEMs start announcing end of life (EOL) and end of service (EOS)
- Virtually no new software or firmware development

Risk of using TPM is minimal. Reward of using TPM explodes.

No Risk, All Reward: Move to 100% TPM

Source: Gartner, 03 March 2017

Higher Risk, Low Reward:Utilize OEM Maintenance

REMEMBER



The perceived risks of using TPMs are greater than the actual risks.



Service hardware life is nearly always greater than their planned service lives.



The rewards are saving 50% to 85% on maintenance costs.

