

## A FORSYTHE CASE STUDY

# Maintenance Strategy

## A Global Consumer Products Manufacturer

### Business Challenge

Recently when a global consumer products manufacturer had a portion of its maintenance contracts come up for renewal, it did as most organizations do. The organization sent out a multi-vendor maintenance RFP to a variety of resellers to find the best possible pricing. Rather than responding to the RFP with a price quote, Forsythe proposed a different approach. Forsythe wanted to help the customer examine its overall maintenance strategy before agreeing to help procure its contract renewals

Gartner estimates that organizations spend more than 50-80% of their annual IT budgets on maintenance and support. However, these costs can be reduced significantly with an effective maintenance strategy. With this in mind, Forsythe presented a plan for evaluating the customer's current approach to maintenance, helping the customer to define its desired state, and then developing a more effective strategy for closing the gaps between current and desired states. While this required the customer to invest more time on the front end, the savings and business value that resulted were significant.

### Solution

The Maintenance Strategy Review that Forsythe proposed consisted of four primary activities – an automated inventory discovery, a review of existing contracts and documentation, a reconciliation of data, and a review of the customer's current state for each vendor platform by Forsythe maintenance professionals.

To kickoff the Maintenance Strategy Review, Forsythe created a baseline of the company's current environment using Forsythe's Inventory Audit Service (IAS). The IAS offering provided a fast, non-intrusive method for discovering and recording the assets the manufacturer currently had in its environment.

The next phase focused on reviewing the customer's current maintenance contracts and interviewing personnel within IT, Procurement and Finance to discover the role that each function played in its current maintenance strategy. Forsythe reviewed the terms and conditions of the company's contracts with StorageTek, IBM, Sun, EMC and HP and then utilized schedules for reconciliation based on the inventory audit.

The interview process produced valuable insight into how the company could alter its approach to maintenance to reduce costs significantly. The customer discovered that from an organizational

perspective, it had no standards in place for maintenance or technology refresh. All of its equipment was on a 7x24x365 coverage schedule, including development and test environments. Additionally, contract updates were reliant on manual notifications to specific individuals. And generally speaking, the company found its vendors to be difficult to deal with in terms of invoicing and keeping schedules accurate.

Forsythe then compared the findings to the inventory baseline that was established during the inventory audit to create discrepancy lists for each equipment manufacturer within the customer's environment. Forsythe discovered that there were significant gaps between the equipment the customer had in its environment, the equipment it thought was covered by its maintenance contracts and the equipment that was actually covered. These discrepancy lists were then used for the final phase of the Maintenance Strategy Review, which Solutions for managing IT cost and risk. included a review of the current state of each platform and recommendations for change.

As part of the reviews, Forsythe developed a graphical representation of where the company stood within the technology lifecycle for each of its platforms. The customer discovered that it

was at a critical point for technology refresh for several of its platforms and the end-of-service life date was quickly approaching. The ramifications of this meant that it was paying much more for maintenance coverage than it would on newer equipment and that once the end-of-service life date passed, it would not be able to cover the equipment under vendor maintenance contracts.

Forsythe was able to present a plan for technology refresh that would produce significant cost savings over continuing coverage on equipment that was approaching its end-of service life. Forsythe also presented strategic opportunities that would produce additional value for the company beyond maintenance cost savings. For example, Forsythe recommended that the customer consolidate its IBM servers and upgrade to AIX 5.3, which would boost performance by 30% and give the company advanced virtualization features. By virtualizing the server workload, it could improve operational efficiencies, respond more effectively to end user requirements and improve service levels.

With a new maintenance strategy in place, Forsythe was able to help the customer secure multi-year contracts that were to be paid annually, with price protection year over year, special discounts extended over the full term of the contract and Forsythe volume discounts.

For ongoing support and management, the company turned to Forsythe's Maintenance Management Program. As part of the program, the customer has access to My Forsythe, Forsythe's online asset management tool. Forsythe loaded all of the company's maintenance contracts and portfolio data into the My Forsythe database, which enabled extensive reporting and streamlined moves, adds, changes and deletes capabilities. The customer can now submit change requests through the portal for Forsythe to process and track the changes back to the customer. Forsythe also works with the manufacturers to provide credits back to the customer when they are due.

My Forsythe gives the customer a central repository for tracking its maintenance and inventory data including relationships between assets, regardless of whether it's hardware or software. My Forsythe can also integrate with the manufacturer's asset management and change tracking system for automatic updates.

As a final piece to the Maintenance Management Program, Forsythe provides regularly scheduled maintenance reviews to ensure that the customer's maintenance strategy is still valid and delivering the desired results and its coverage is accurate and sufficient.

## Results

To date, Forsythe has saved the customer more than \$375,000 in annual maintenance expenses, with additional savings growing over time through the active management of contracts. The global toy manufacturer now has appropriate coverage on all of the assets in its inventory and its maintenance tracking information is completely in sync with the records of each of its equipment manufacturers. Moving forward, Forsythe will continue to provide insight into potential cost saving opportunities during the regularly scheduled reviews.

**For more information about Forsythe's offerings, visit [www.forsythe.com](http://www.forsythe.com)**

