



Outsource Customer and Service Management to Focus on Innovation and Transformation

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Digital Transformation Drives Increased Need for Speed and Process Efficiency

The technology industry is changing rapidly and companies feel a growing urgency to transform their businesses to keep pace with competitors and avoid loss of market share. Customers' expectations for their technology providers are high and include being best of breed in mission-critical technology and services, which require very different business models and investment strategies.

Success in supplying a full spectrum of product and customer life-cycle management services demands:

- Significant investment in infrastructure, automation, and services operations expertise
- An ecosystem of global partners able to provide everything from supply chain and logistics to customer support and field services

Absent these critical capabilities, company success metrics like revenue and margin expansion, customer satisfaction, and net promoter score will be negatively impacted.

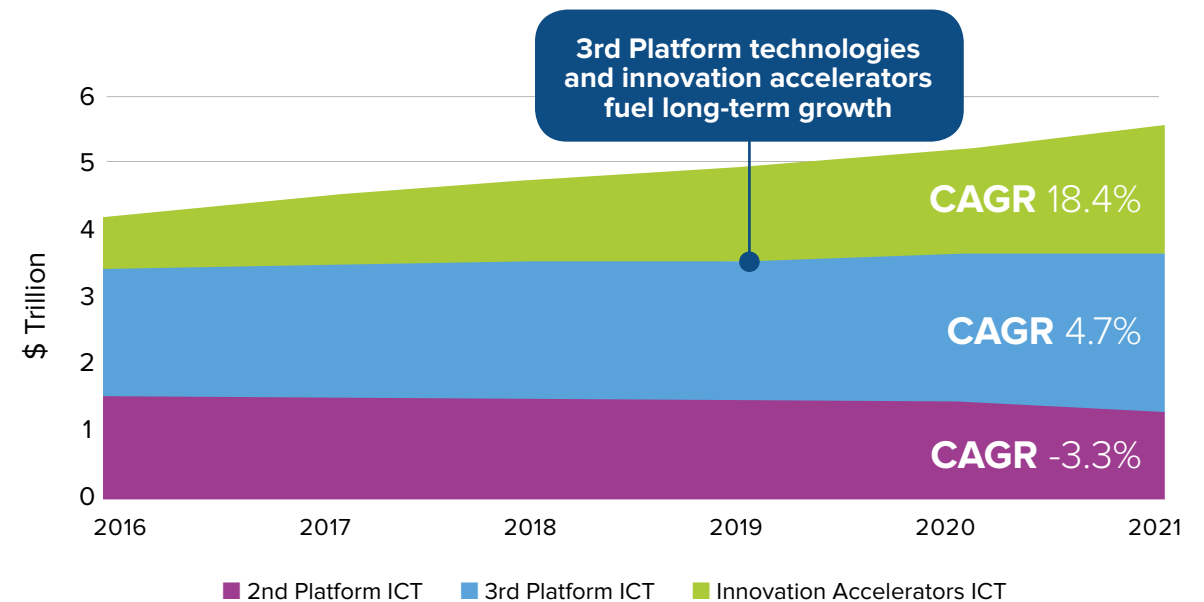
IT Growth Requires Focus on New Digital Opportunities While Attending to the Installed Base

The need to digitally transform their businesses has driven companies away from traditional IT products and services and toward the 3rd Platform, the intersection of cloud, mobile, social, and analytics. These technologies in turn enable innovation accelerators such as advanced security services, the Internet of Things (IoT), artificial intelligence (AI), augmented reality/virtual reality, and robotics. What does this mean for technology providers?

- **While the technology industry is expected to grow 6% annually, traditional on-premise hardware and software will decline 3% each year.**
- **3rd Platform products and services will grow 5% annually, but the true drivers of growth will be the innovation accelerators.**

Growth sustained from the 3rd Platform and Innovation Accelerators

(Overall 2016 - 2021 CAGR 5.6%)



Freeing Up Capital and Investing in New Initiatives by Offloading Customer and Service Management

Success in the digital transformation era requires much more than technology. New ecosystems and partnerships are needed by technology providers to access key services, skill sets, and pricing models to have the best chance of success in emerging innovation accelerator markets like the IoT and cognitive AI.

Customers and resellers are looking for value beyond the technology itself. The ability to provide services adds value for customers and new opportunities for reseller partners.

Success in the digital economy requires both great technology and the ability to help customers adopt new business processes as a result.



Today's IT Life Cycle

Outsourced services are available for technology providers across the product and customer life cycle and include:

- Supply chain management to increase efficiency, enhance profitability, and automate key processes
- Integration, field, depot, and support services to ensure customer satisfaction and maximize the value derived from their technology investments
- Customer and partner management services that drive bottom-line improvements through revenue growth and lower SG&A

The following use cases highlight how major technology industry players pivoted their businesses toward more profitable growth by outsourcing their life-cycle management services.

The Case for Outsourcing Product Life-Cycle Management: A Large Global Data Storage Company

As a new company with a yet-unnoticed brand, this emerging player in the data storage market lacked both a reseller network and the infrastructure needed to support customers and resellers.

Tech Data provided the young company a means of entry into a critical reseller network, gaining it access to channels unavailable to companies of its size. With the success of the product distribution relationship, this customer looked to Tech Data to add more value to its business.

As the once-small data storage company grew into a multinational enterprise, Tech Data enhanced the company's own customer service and support abilities with advanced consulting and deployment services, integration services, and supply chain management. This company chose to leverage Tech Data's extensive infrastructure, capabilities, and expertise instead of investing outside its core mission as a technology manufacturer and potentially diluting its profitability.

The Case for Outsourcing Supply Chain Management and Enhancing Reseller Engagement: A Large Electronic Products Manufacturer

Supply chain inefficiencies meant this large electronic products manufacturer was losing business to competitors able to provide critical two-day turnaround to dealers.

Its large dealer network also needed to evolve from a product-centric to a solution-centric approach, including digital capabilities. By outsourcing logistics to Tech Data including warehousing and transport services, “pick, pack, and ship,” and billing, the company could shed long-term warehouse leases.

Tech Data also designed an order entry portal for the dealer network to use with the company’s and other tech manufacturers’ products and services, enhancing the dealers’ abilities to move to a solution model. The company has seen increasing profitability for the past four years and a significant gain in dealer satisfaction and performance.

The Case for Outsourcing Customer Life-Cycle Management: A Popular Manufacturer of End-user Client Devices

This fast-growing manufacturer was so focused on maintaining momentum with its largest accounts that it had difficulty managing the acquisition, development, and retention of new resellers to expand its market.

Tech Data worked to educate the resellers about the manufacturer's many discount and bonus programs, as well as back-end funding programs that increased gross margins substantially. Resellers were also encouraged to take advantage of the manufacturer's marketing programs.

Tech Data built a single portal for all reseller and customer programs that quickly increased program percentages and increased sales as the manufacturer shifted away from account acquisition to segmented and strategized account management. The manufacturer's initial segment managed by Tech Data has experienced a seven-year CAGR of 65%, using a team of over 100 dedicated Tech Data services professionals.

