

WHITE PAPER

The Business Value of the HP Proactive Insight Experience

Sponsored by: HP and Intel



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IDC OPINION/EXECUTIVE SUMMARY

As IT environments grow in size, scale, and complexity, most enterprises increasingly rely on the IT department to support both business-critical processes and demanding users on a global scale. Enterprises are faced with maintaining extensive legacy systems for core business processes while continuing to invest in innovation and new technologies to gain competitive advantage. Balancing all of this in the face of reduced budgets and fewer resources can be challenging for even the most accomplished IT managers.

IDC believes that the advanced tools, utilities, and applications available for automated support today can help IT departments navigate these challenging waters. By taking advantage of expanded automated remote support functionality, IT staff can more easily monitor and manage the day-to-day operations in the IT environment and more quickly resolve problems when they occur.

Based on an analysis of nine interviews with HP customers conducted in 2012, IDC identified how the HP Proactive Insight experience is delivering a variety of financial benefits through automated remote support and proactive IT services, such as HP Insight Online, HP Insight Remote Support, and HP Proactive Care Services, including:

- Risk mitigation/improved user productivity
- Optimized IT productivity
- IT operations cost reduction
- All of the companies in the study experienced strong returns on their investment in HP Insight Remote Support. On average, the companies saw a payback in 1.2 months.

Business Value Highlights

- The aggregate analysis yields an average payback period of 1.2 months.
- Downtime was reduced by 66%, returning \$59,013 annually to each company in the study.
- Productivity gains averaged \$31,798 annually.
- Cost reductions totaled \$21,300 annually.

IN THIS WHITE PAPER

This IDC white paper describes the challenges associated with managing the growing complexity of IT infrastructures, with a focus on support services for the enterprise. It highlights the important role of support services in maximizing system performance and minimizing downtime. The paper also examines the HP Insight Online, HP Insight Remote Support, and HP Proactive Care service offerings, specifically for HP ProLiant Gen8 servers featuring Intel Xeon technologies — including an analysis of the return on investment (ROI) from these programs for existing HP customers.

SITUATION OVERVIEW

In today's increasingly competitive global marketplace, most enterprises rely on an extensive IT infrastructure to enable critical business processes. These complex IT landscapes allow organizations to integrate many aspects of their everyday business tasks and can significantly increase employee performance and productivity. However, as business managers demand higher performance from their existing IT infrastructure, most IT managers face the ongoing struggle of maximizing performance and maintaining consistent availability.

Challenges Facing Today's IT Environments

Today's CIOs and IT managers are dealing with a number of challenges in the face of constant change and new opportunities. IDC research has identified the following critical issues for IT organizations in 2013 and beyond:

- ☒ **Complexity in the IT environment.** IT organizations are introducing virtualization and "as a service" cloud solutions to take advantage of benefits such as increased power, flexibility, and agility. However, while the benefits are often immediately evident for business users, that is not necessarily the case for IT departments — where the added complexity can make IT management very difficult.
- ☒ **Improving IT service delivery.** Business managers rely on IT to improve business process continuity and maximize system performance. As more enterprises depend on the IT landscape for business-critical processes, internal and external customers demand consistent availability. System downtime can lead to significant lost revenue and is not acceptable for most organizations.
- ☒ **Cost management across IT.** With fewer resources and declining budgets, CIOs are tasked with containing and reducing the cost of IT service delivery and at the same time improving the quality of service. As a result, IT managers are seeking projects and technology solutions with a specific focus on cost reduction (as opposed to adopting technology for technology's sake).

In the face of these challenges, most IT organizations support their infrastructure with a mix of internal support resources and external support services from technology vendors and support providers. Complex IT environments often require considerable time, effort, and advanced knowledge to manage all aspects of support and deployment across integrated systems and heterogeneous technology. As a result, IT organizations often struggle when engaging with external support providers as well as

with internal resources for self-diagnosis and resolution. IDC research shows that key challenges with support delivery include the following:

- ☒ **Time to resolution.** Speeding the time to resolution for issues that affect IT operations is a primary concern for most IT organizations. When an IT problem occurs that disrupts critical business processes, many IT managers now face SLAs with internal and external customers that must be met. As such, improving IT staff productivity when troubleshooting problems and working with support providers to decrease time to resolution is a critical metric in support delivery.
- ☒ **Self-diagnosis and resolution.** With new technologies and expanding access to information, most IT organizations make significant efforts at self-diagnosis and resolution when problems occur. These efforts can be quite substantial, and the IT staff often has difficulty accessing the relevant data and information quickly and efficiently. In addition, taking advantage of peer knowledge and experience using fragmented online sources for problem solving can be time consuming.
- ☒ **Proactive and preventive support tools.** Most support providers and technology vendors have introduced advanced tools and utilities to deliver support and increase the effectiveness of support services. However, these applications often require specialized implementation and configuration, as well as ongoing patches and upgrades. As a result, managing and using these tools can be challenging for even the most sophisticated IT organization.

While IT organizations are working with their support services providers to address these challenges, they are faced with increasing pressure to improve IT system performance. Business units are demanding that CIOs reduce downtime across the enterprise and improve service levels to internal and external customers. As more enterprises adopt "as a service" solutions that require further support and integration with legacy systems, these challenges will only increase in size and scope.

HP Insight Online and HP Insight Remote Support Capabilities and Potential Benefits

HP Insight Online, accessed through the HP Support Center portal, is part of an expanded portfolio of tools focused on infrastructure monitoring, management, and support. It offers secure single sign-on access to product and HP support information specific to a customer's IT environment with standard HP warranty, Care Pack, or contract services. It is designed for IT staff who deploy, manage, and support systems, as well as HP Authorized Partners that support IT infrastructure on behalf of their customers. HP Insight Online includes the following capabilities:

- ☒ Access personalized dashboard to monitor device health, events, and support status anytime, anywhere
- ☒ View and manage all devices in the IT environment, as well as associated support contracts, warranties, and service credits by device
- ☒ Monitor auto-generated hardware events and support cases

HP Insight Online gives customers full control to organize their IT environment and to more easily monitor and manage devices, events, and support status. Users can both auto-populate the list of devices managed and add devices manually. HP Insight Online users can share device information with HP or HP Authorized Partners to help expedite support and system recommendations.

HP Insight Remote Support is an advanced support program that offers expanded remote monitoring for HP servers, storage, networking, and printers as well as select third-party products. HP Insight Remote Support includes the following capabilities:

- Remote monitoring 24 x 7 to track potential hardware service events, with 24 x 7 "phone home" to HP call centers
- Automatic notification of potential hardware problems for customers and partners
- Automatic support case generation and status tracking, including HP and HP Authorized Partners, if desired
- Support diagnostics and detailed problem resolution information
- Seamless integration with HP Insight Online to enable monitoring and device management across the IT ecosystem
- Advanced installation wizards to discover and verify readiness of devices

The HP Insight Remote Support functionality is available for no additional cost as part of the HP warranty — no support agreement or Care Pack is required. For hardware problems that require parts, HP Insight Remote Support features onsite service dispatch.

HP Insight Online and HP Insight Remote Support can also take full advantage of the technologies available in HP ProLiant Gen8 servers, including the latest Intel Xeon processors. The HP ProLiant Gen8 servers were specifically designed to offer a variety of advanced remote support capabilities, including agentless setup for HP Insight Remote Support. In addition, HP ProLiant Gen8 servers feature Active Health Monitoring functionality that can monitor and capture system changes across 1,600 unique parameters.

When used together, HP Insight Online and HP Insight Remote Support can offer a range of potential benefits for IT organizations looking to "do more with less." By pairing the device management, anytime/anywhere functionality in HP Insight Online with the advanced remote monitoring and support capabilities in HP Insight Remote Support, IT organizations could see the following:

- Improved resolution time for all monitored technology in the IT landscape
- Increased efficiency of the entire IT organization
- Reduced overall risk in the IT environment
- Lower total cost of ownership

BUSINESS VALUE OF HP INSIGHT ONLINE AND HP INSIGHT REMOTE SUPPORT

In the fall of 2012, IDC interviewed nine organizations that had deployed HP Insight Online and HP Insight Remote Support. The interviews were designed to elicit both quantifiable information and anecdotes so that IDC could interpret the full impact of HP Insight Remote Support on IT operations.

Study Demographics

The organizations ranged in size from 14 employees to 20,000 employees, with the median being 1,000 employees. HP Insight Remote Support was used primarily to monitor the operations of 159 physical servers (61% virtualized). The study base represents an international view, with organizations from France, Italy, the Netherlands, Singapore, the United Kingdom, and the United States (see Table 1).

TABLE 1

Demographics

Average number of employees	4,918
Employees using the workloads supported by HP Insight Remote Support	2,101
Physical servers managed by HP Insight Remote Support	159
Percentage of servers virtualized	61
Average virtual instances per server	6
Average number of SAN ports	18
Average number of arrays	2
Average TB of storage	151
Countries	France, Italy, the Netherlands, Singapore, the United Kingdom, and the United States

Source: IDC, 2012

These organizations selected HP Insight Remote Support primarily because it provided the best hardware monitoring tool. Prior to deploying HP Insight Remote Support, six of nine companies in the study were using manual methods or homegrown solutions to monitor their servers. Two of the companies were extensively using other HP management tools, and one company had been using a competing product. In addition, about 70% were also using another HP support service — Critical Services (CS), Proactive 24 (P24), or Proactive Select.

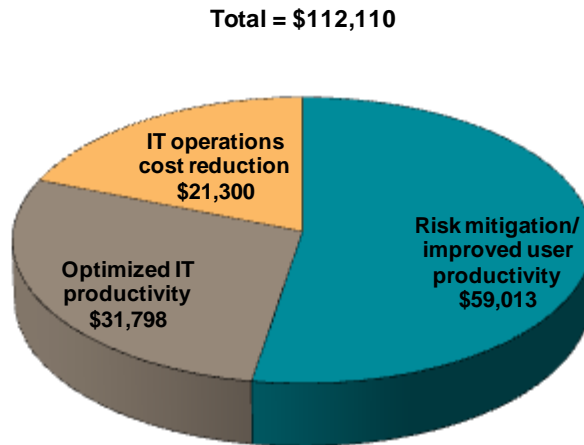
FINANCIAL BENEFITS ANALYSIS

Overall, the organizations recognized financial benefits in the following areas (see Figure 1):

- ☒ **Optimized IT productivity.** By automating proactive services, organizations were able to reduce the cost of keeping the lights on and reprioritize IT staff resources. Total productivity gains averaged \$31,798 annually.
- ☒ **IT operations cost reduction.** Because of the remote management capabilities, organizations in the study reduced their IT staff travel costs to support remote sites. In addition, for several organizations, HP Insight Remote Support replaced fee-based and less effective products. These combined savings totaled \$21,300 annually.
- ☒ **Risk mitigation/improved user productivity.** The most significant benefit was from reducing unplanned downtime, which also enhanced user productivity. Downtime was reduced by 66%, adding 9.2 hours of productivity to each user and returning \$59,013 annually to each company in the study.

FIGURE 1

Total Annual Benefits



Source: IDC, 2012

Optimized IT Productivity

The primary benefit mentioned by nearly all customers interviewed was that HP Insight Remote Support enabled them to be more proactive, especially in regard to monitoring server performance. As one spokesperson related, "It saves time in that, as I mentioned ... before an event becomes a major event, it's much easier to fix something small. Over the last six months, there have probably been a handful of incidents. Specifically, we have had hard drives that fail. So that's an easy fix. If we fix

it before the second drive fails, it saves a ton of time. Without the tool, if I miss the notification, and the second drive fails, we're talking about a full day to recover."

The HP customers also found that the HP Insight Remote Support contributed to improved IT staff productivity. According to one HP customer, "HP Insight Remote Support automatically passes the failures and the failed parts to HP, and one of the representatives calls us. In a month, I think that it saves 1.5 hours per call — and the average number of calls per week must be around 10." Another HP customer noted, "The best thing about HP Insight Online is the visibility from anywhere, which saves me time. I'd say a savings of 20 hours per year."

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The customers we spoke with for the study included IT services providers that were using HP Insight Remote Support to help manage their business. As one HP customer mentioned, "There's really two pieces to how we use it internally. Internally, we use it just to manage the general health of our own servers. And that's a wonderful thing. I've gotten notification that I've had issues, and I've been able to address those issues before they become major issues For our customers that are running it ... they have the opportunity to opt in, to give us visibility to their reports. So if they call asking for help, I'm not going in blind. I can pull the reports and see what type of configuration they have, so I can be more effective in assisting them."

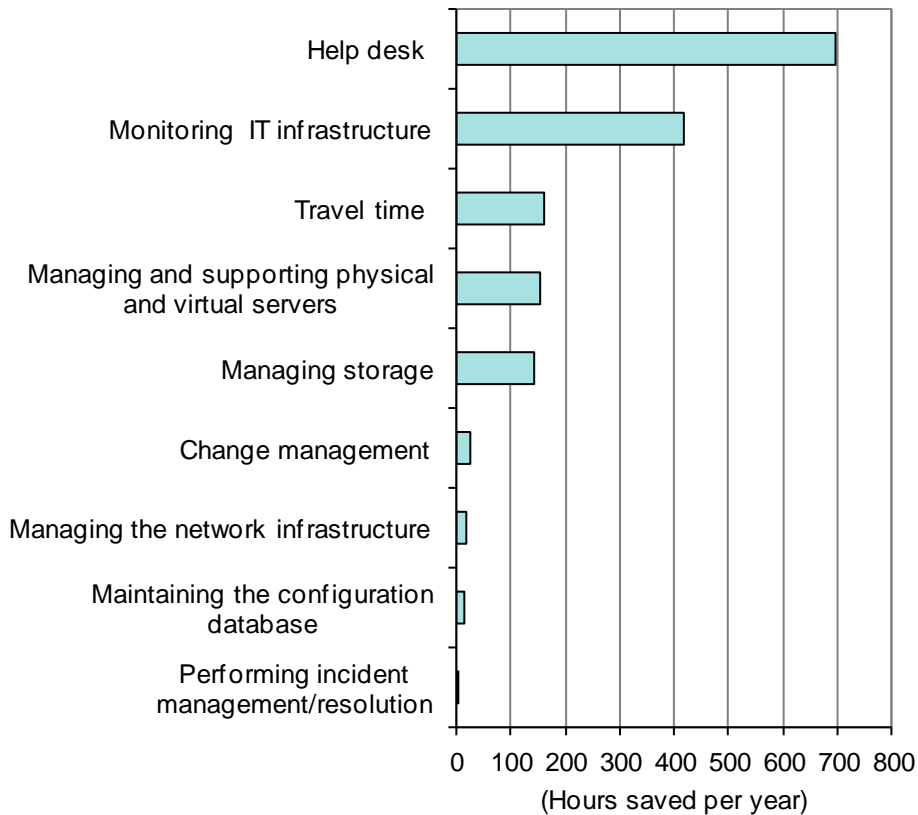
Figure 2 shows the average time savings for the IT organizations in the study. The time savings demonstrate how HP Insight Remote Support leverages the value of proactive services. In some cases, the smaller time savings are reflective of how HP Insight Remote Support was applied — for example, in the area of change management, it was used primarily for inventory changes; other HP software solutions had a larger impact.

- ☒ **Help desk.** HP Insight Online effectively replaces the help desk for early notification, saving 696 hours.
- ☒ **Monitoring IT infrastructure.** IT operations can move from a manual process where the IT staff is waiting for lights to come on to an automated process of early notification, saving 418 hours.
- ☒ **Travel time.** IT staff can remotely monitor sites, eliminating much of the time required to travel to remote locations, resulting in savings of 161 hours.
- ☒ **Managing and supporting physical and virtual servers.** Consolidating server admin operations into one site and managing remote sites from one central location saved 153 hours.
- ☒ **Managing storage.** Effectively managing storage reduced the frequency of storage-caused slowdowns, typical in virtualized compute environments, saving 143 hours.
- ☒ **Change management.** Change management used primarily for inventory changes saved 24 hours.
- ☒ **Managing network infrastructure.** Tracking network devices saved 20 hours.

- ☒ **Maintaining the configuration database.** Greater visibility into the infrastructure helped lessen the time for inventory, saving 14 hours.
- ☒ **Performing incident management and resolution.** Rapid identification of problems in support of other HP solutions saved 5 hours.

FIGURE 2

Annual IT Productivity Savings



Source: IDC, 2012

In addition to realizing time savings, the IT staffs in the study experienced optimized proactive benefits. They were able to reduce the time required for health checks by 89%, which meant that more frequent health checks were completed. When server calls came up as a result, they were able to reduce the time needed to resolve those issues by 50%.

All of the companies thought HP Insight Remote Support was such an easy product to install and use that it became a part of their operation, including being used for online diagnostics. One company summed it up by saying, "It's easy to use. It doesn't need much maintenance. And it's reliable."

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IT Operations Cost Reduction

By enhancing remote support capabilities, IT organizations were able to significantly reduce the travel costs associated with visiting remote sites to check on equipment or troubleshoot failures. When problems arise, IT staff members do not have to travel to the site itself for the diagnosis — they can just use the online diagnostics in HP Insight Remote Support. Travel time is covered under IT productivity, but the actual travel costs for transportation and expenses are covered here.

As one HP customer explained, "Let's say if we are supporting a remote site, we don't have to travel to the site itself. To really diagnose the hardware issue, we can just use the online diagnostics. So it does help traveling time. If we have one case per site a month, and we have four sites, you can say that we avoid four trips a month."

In addition, HP Insight Remote Support replaced other management solutions in a few of the companies. This eliminated the costs of the other solutions, which were not included as part of their warranty.

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Risk Mitigation/Improved User Productivity

The greatest area of benefit was from reducing the risk of unplanned downtime. Although HP Insight Remote Support was protecting only about 40% of the total servers, that included the majority of the business-critical environments. For interview participants, ensuring uptime was a key criterion in selecting HP Insight Remote Support. As Table 2 shows, these organizations were able to reduce their incidents of unplanned downtime by 43% and reduce the time to find the cause and return to service by 40%. The combination reduced unplanned downtime by 66%, saving each user of these critical applications 9.2 hours per year. Two of the companies were able to eliminate unplanned downtime altogether.

TABLE 2

User Productivity — Downtime Risk Mitigation

	Before	After	Savings	% Change
Incidents per year	11.2	6.4	4.8	43
Hours per incident	1.3	0.8	0.5	40
Hours of downtime per year	14.0	4.8	9.2	66
Downtime impact on productivity			49%	
Users impacted			47%	

Source: IDC, 2012

Reducing downtime is easily quantifiable, but the real benefit is risk mitigation — eliminating the risk of downtime so that companies can initiate activities to support and expand the business. When we asked study participants how they have been able to reduce their risks after adopting HP Insight Remote Support, 88% responded that they can now manage their IT infrastructure more proactively because they can detect problems before they occur. One HP customer noted, "If there is a problem on Sunday or at night, HP immediately receives the call. And they call us to say, 'There is a critical system problem to address.' In the last year, we have experienced about 50 incidents with no downtime."

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The assurance that HP Insight Remote Support can identify and replace the hardware before it fails has a planning and strategic value beyond the time savings. As one of the interviewees put it, "But it's not about saving time. I don't think that we are saving time each time we use it. It's about proactive hardware failure notification. We are avoiding downtime because of it. Because everything that we have is critical, we have redundancy. So that is avoiding a major downtime."

In addition to downtime risk mitigation, many of the organizations mentioned avoiding performance degradation. While outages are quickly identified and repaired, performance degradation is more insidious to identify and resolve. HP Insight Remote Support can provide early notification of degradation problems. Otherwise, it can take several days to discover systems that are experiencing performance degradation.

ROI ANALYSIS

IDC uses a three-step methodology for conducting ROI analysis:

- ☒ **Gather quantitative benefit information during the interviews using a before-and-after assessment.** In this study, the benefits included IT staff productivity increase, user productivity increase, and IT cost reduction.
- ☒ **Create a complete investment (three-year total cost analysis) profile based on the interviews.** Investments go beyond any hardware and software required for the solution. IT departments spend staff time on installation and configuration, removing old equipment and/or software, and then maintaining the new solution over three years. Ancillary costs directly related to the solution, such as user input to planning, outsourced installation, configuration or maintenance, and IT staff or user training, are also included in the analysis.
- ☒ **Calculate the ROI and payback period** by conducting a depreciated cash flow analysis of the benefits and investments over a three-year period.

Because the full benefits of the solution are not available during the deployment period, IDC prorates the benefits on a monthly basis and subtracts the appropriate amount for the deployment time from the first-year savings.

IDC uses a discounted cash flow methodology to calculate the ROI and payback period. ROI is the ratio of the net present value (NPV) and discounted investment. Payback period is the point at which cumulative benefits equal the initial investment.

IDC uses a standard 12% discount factor, which allows for risk and the missed opportunity cost that could have been realized using that capital.

The three-year ROI analysis for HP Insight Remote Support is not typical, as HP Insight Remote Support is essentially free. It is included with HP warranty, HP Care Pack Services, and HP contractual support agreements. The only associated initial costs are for the installation of the software and the dedication of some part of a ProLiant server (shared or virtual). Some of the interviewees commented that the current version is much more automated and a lot simpler to configure and install. Installation required about 16 minutes per server covered.

As a result, the total three-year costs for HP Insight Remote Support averaged \$433 per 100 users. Organizations in this study received \$12,816 in benefits (discounted) per 100 users for an NPV of \$12,383. All of the companies in the study experienced strong returns on their investment by using HP Insight Remote Support. On average, the companies saw a payback in 1.2 months and an exceptional ROI of 2,859% (see Table 3).

TABLE 3

Three-Year ROI Analysis	
Benefit (discounted)	\$12,816 per 100 users
Investment (discounted)	\$433 per 100 users
NPV	\$12,383
ROI (NPV/investment)	2,859%
Payback period	1.2 months
Discount rate	12%

Source: IDC, 2012

FUTURE OUTLOOK

With growing adoption of new technologies such as "as a service" cloud solutions, virtualization, and mobility solutions, IT environments will become increasingly complex and interconnected over the next five years. Although these new technologies can often simplify business processes, they also add significant management challenges for IT staff managing ongoing operations. Resource-constrained IT organizations will look to external support providers for help managing the growing complexities of their IT ecosystems.

IDC expects that enterprises will be looking for support services that specifically focus on speeding time to resolution, minimizing downtime, and reducing IT operating costs. IT organizations will look for tools and utilities that can integrate across the IT environment with multiple software and hardware solutions, including "as a service" cloud offerings. IDC expects that with growing complexity and management challenges, CIOs and IT managers may rely on vendors and support providers for more expertise and assistance — especially through proactive services.

HP Proactive Care Services

For enterprises looking to implement more proactive and preventive support in their IT ecosystem, HP offers HP Proactive Care Services. Designed to utilize both HP Insight Online and HP Insight Remote Support, HP Proactive Care Service includes a comprehensive, integrated set of proactive and reactive support services that covers servers, operating systems, hypervisors, storage, storage area networks, and networks. Some of the key deliverables are:

- ☒ Priority access to the Advanced Solution Center, a Technical Account Manager for full case ownership, and a Technical Solution Specialist for incident support
- ☒ Firmware release and software patching analysis and recommendations
- ☒ Proactive scans and incident reporting
- ☒ Accelerated escalation management
- ☒ Remote hardware and software incident diagnosis and support

HP Proactive Care Service also includes onsite hardware repair when required, available at a variety of service levels that can be tailored to specific technologies. Customers can also add optional personalized support, availability and performance improvement, Insight software optimization, and technical skills on demand.

By incorporating the support technology available in HP Insight Online and HP Insight Remote Support, customers that purchase HP Proactive Care Services can take full advantage of comprehensive proactive service delivery. HP Proactive Care Service uses the data gathered through HP Insight Remote Support to produce reports addressing specific issues in the customers' IT environment. The HP Proactive Care Service team analyzes that data for the reports included with Proactive Care Service, operational insight, and ongoing IT optimization.

CHALLENGES/OPPORTUNITIES

IDC believes that as IT organizations look to support providers for help managing ongoing operations, HP will have the opportunity to expand the adoption and utilization of HP Proactive Care Service, HP Insight Online, and HP Insight Remote Support across its customer base. Specifically, IDC recommends that HP leverage the customer success stories illustrated previously, especially highlighting the exceptional ROI and benefits associated with HP Insight Remote Support. IDC research consistently finds

that IT managers rarely understand the options and functionality available in support, and marketing communications with specific customer stories can help address that ongoing problem.

IDC also recommends that HP continue adding capabilities to HP Proactive Care Service, HP Insight Online, and HP Insight Remote Support that include non-HP software and hardware. Customers struggle to coordinate support efforts in diverse IT landscapes, and many are looking for solutions that can "just make it work." HP has consistently demonstrated success working with hardware and software vendors to deliver integrated support across multiple technologies, and IDC expects that HP will utilize that advantage to expand those capabilities going forward.

Further, IDC expects that HP will continue to work closely with product development teams to continue improving performance and supportability across HP hardware and software. The HP ProLiant Gen8 servers are a good example of these efforts, taking advantage of the performance in Intel Xeon processors to deliver a comprehensive approach to remote monitoring and problem diagnosis and resolution. IDC believes that HP will expand those capabilities to both HP and non-HP technologies, including a tighter integration of system and performance management software with support processes and deliverables.

However, IDC also anticipates that HP will face some challenges in the market as support services evolve over time. Most importantly, HP should focus on maintaining and improving support delivery when customers contact HP directly for support. While there are many advantages to automated self-diagnosis and resolution and extensive proactive and preventive support, they must be coupled with outstanding service when customers reach out directly for assistance. As customer interactions with support staff decrease, the importance of each interaction increases substantially. All support interactions must be high-quality, high-value engagements to maintain high customer satisfaction and improve customer loyalty.

Moreover, IDC expects that HP — as well as the software and hardware support market in general — will face increased competition from single-source, integrated system providers with regard to high-quality support services and overall solution performance. The promise of integrated systems is one of thoroughly tested, fully integrated solutions guaranteed to work together without issues of heterogeneous complexity and cross-vendor support. In addition, support services can often be delivered quickly and efficiently to all components in the stack from a single provider. Although these high standards have yet to be achieved by any single technology vendor, and remain very difficult to attain, IDC expects that pressure for this improved performance will continue to reverberate throughout the support industry for the foreseeable future.

CONCLUSION

The IT landscape in most organizations will continue to grow increasingly complex and sophisticated as companies deploy advanced technologies such as mobility solutions and business analytics applications. Optimizing IT operations in these complicated IT environments will present significant challenges for resource-strapped

IT organizations. As a result, CIOs and IT managers will continue to look for external support providers to help improve IT operational issues. IDC believes the support deliverables available in HP Insight Online, HP Insight Remote Support, and HP Proactive Care Service can be suitable for customers looking for advanced, comprehensive automated support tools and utilities. By utilizing the full set of functionality in these offerings, HP customers can take advantage of robust automated remote support technologies, improved device management, and expanded mobile support capabilities.

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