

Scaling out the Dell services infrastructure



Dell entered the service market very much the way most hardware vendors do. We wanted to ensure a positive customer experience both before and after sales. Over the last few years, however, Dell has explored ways of making a difference in the IT services sector.

The key points of our differentiated service strategy directly address the feedback we consistently hear from IT executives:

“I feel like I am held hostage by inflexible contracts that no longer meet my business or operational needs.”

“I never know what I am paying for. The scope of my third-party service providers—when it matters most to me—is always ambiguous.”

“My users are dissatisfied.”

“I like the idea of outsourcing. I need to do something to standardize and reduce costs. But I don’t want to lose control of my infrastructure.”

“Service pricing is not keeping pace with hardware pricing.”

In response, the challenge for Dell became one of building flexibility, process rigor, defined Statements of Work, and performance measurement into a service delivery strategy that also provides outstanding value. To achieve this, we drew upon the Dell™ direct model.

The economics of efficient and high-velocity supply chains apply to service delivery as well as systems production and delivery. In a traditional service support organization, the “warehouse” is full of inventory: a standing army of engineers awaits work orders. The management challenge is to efficiently allocate work to free engineers. In this traditional model, because of geographic and base coverage requirements, Dell estimates that the level of inevitable inefficiency can be as high as 20 percent.

By using partners for most of our service work, we dramatically reduce standing army costs—and Dell can

pass these savings on to our customers. Our partner network also allows us to allocate work among our certified partners in a way that best leverages their excess capacity. Moreover, as in systems development, we can immediately leverage industry best practices. Because we are not burdened with a standing army, Dell can allow much more flexibility—both in our Statements of Work and in our contractual time frames.

Comprehensive but flexible service arrangements that address operational and business requirements have repeatedly proven attractive to our customers. By compiling standard service elements in custom ways, Dell can optimize solution fit and minimize cost. Our menu-driven approach to services focuses on the customer, not on our need to utilize a base of field engineers or consultants. As a result, the risk of Statement of Work changes is dramatically reduced for both our customers and ourselves.

However, we must emphasize that although Dell partners provide much of the professional and break-and-fix services, Dell owns the service design and the service-level commitment. This arrangement provides a strong single point of control and contact and drives the operational performance of the contract.

In EMEA alone, 1,500 Dell employees form an envelope of support around our customers. As in systems production and delivery, we can provide the Dell customer with an integrated service solution—built to order—that provides excellent value. **D**

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