Best Practices for Managing Maintenance and Support Contracts

Managing application infrastructures is a very demanding endeavor, and most companies struggle to manage their application environment cost-effectively. Business applications require both extreme vigilance from IT departments and ongoing maintenance and support for their underlying infrastructure.

When companies cannot identify the IT assets required to run their business, they face a dangerous disconnect between their business operations and the underlying technology that supports those processes. This quandary not only endangers their current operations efficiency, but it impairs their ability to take advantage of new, cost-saving technologies and strategies that can reduce capital and operation expenses.

In these situations, the inability to react to change drives up costs and reduces the availability of business applications. Therefore, companies require the ability to dynamically map and model their business applications to their underlying infrastructures—helping reduce any business risk associated with application support, capacity provisioning, and any other ongoing infrastructure issues.

Here are ten best practices proven to promote cost-effective capital and operational cost controls—so you can reduce ongoing IT costs and increase business application availability.

1. **Centralize and Consolidate Manufacturers’ Contracts**

To stay informed, corporate decision-makers need to see all relevant maintenance and support documentation. That’s why you should centralize and consolidate all manufacturers’ contracts in a repository, viewable from a single dashboard. This dashboard allows organizations to search, sort, and group asset information according to their business needs. Additionally, you can usually export centralized, online support contract information into other data formats such as Microsoft Excel, Adobe PDF, and XML—simplifying collaboration with peers, management teams, and other business analytics applications.

2. **Identify the Total Cost of Ownership (TCO)**

Efficient data center management demands the ability to account for assets and optimize them for the future. To accomplish this, IT departments must identify the total cost of ownership (TCO) for their IT environment, based on asset inventory information. With this information, you can accurately determine how much your organization currently spends on its application services and how much these services will cost in the future. These calculations help your company plan budgets, implement budget controls, and curtail expenses.
3 Get Timely Expiration Notifications

Pro/fitable businesses require the ability to forecast support costs across various timelines so they can plan projects appropriately. Without this ability, businesses struggle to forecast support costs accurately or in a reasonable amount of time. Therefore, you should provide asset line-level costs for current contracted products normalized to an annual or monthly period.

Make sure you can view each support contract associated with each business application environment, including support contract and line item (individual equipment) expiration dates.

4 Determine the Support Level and Support Service

Like any financial asset, you must manage the complete lifecycle—acquisition, configuration, deployment, maintenance, and support. To ensure the proper checks and balances for each application environment, determine the support level and its associated support service for IT equipment. The reason is simple: Companies that have their support services in place are significantly more prepared for potential business disruptions.

For example, this practice is essential in disaster recovery planning. When establishing the recovery time objective, you must ask, “Are the support contracts in place? What equipment do we have covered by support contracts, and what does that support entail? Have the necessary vendors reviewed the disaster recovery plan, and have we included all the vendors in the escalation processes?” Determine the support level and entitled support service with each application environment, and you can easily answer these questions.

5 Make Informed Decisions

In order to make appropriate budget and managerial decisions, employers need access to the necessary information in a timely fashion. Only when this information is both available and accurate, can business organizations make informed decisions regarding their IT infrastructures.

Companies that lack standards for sharing information between individuals often encounter difficulties when other departments attempt to determine the cost outlay of IT assets. Every business should have ready access to the support entitlement details—at both the contract and equipment level—associated with each application environment.

6 Deploy Similar Support Levels

Companies should deploy similar support levels across the supporting IT equipment for applications, projects, or application tiers. Make sure assets from different manufacturers for a given application environment or project are similar.

7 Budget and Forecast Support Costs

Pro/fitable businesses require the ability to forecast support costs across various timelines so they can plan projects appropriately. Without this ability, businesses struggle to forecast support costs accurately or in a reasonable amount of time. Therefore, you should provide asset line-level costs for current contracted products normalized to an annual or monthly period.
8 Track the Relationship Between Hardware and Software Support Licenses

Be sure to track the relationship between hardware and software support licenses. You want to view individual support contracts with detailed information, based on real-time data. Then you can compare asset inventory support coverage across different manufacturers using generalized levels, compared across project, location, or application dimensions. Link hardware and software resources together to illustrate connections between software licensed to specific application environments.

9 Determine If and When to Renew Maintenance Contracts

Organizations find it difficult to conduct financial analyses without advanced notice of pending contract expirations and details of connected software products. Before support contracts expire, companies must determine whether to renew their support contracts or replace equipment with new assets. When your company has access to support and maintenance information, it can more effectively produce cost analyses for these support-renew versus asset-replacement decisions.

10 Identify and Control Asset Information

In order to maintain data integrity and accuracy, IT organizations require proper access controls. You can easily establish these controls by rigorously managing asset and inventory information according to who can change it and decide which information is viewable to which users. Only personnel who have direct ownership, management, or support responsibilities for the equipment should modify or update this information.

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About the Author

Mark Teter is the Chief Technology Officer at Advanced Systems Group. He is an internationally recognized authority on information technology who regularly advises IT organizations, vendors, and government agencies on a broad range of information management issues. Each year, Mark conducts dozens of seminars and training programs for corporate and government institutions. He sits on several financial industry advisory boards and has recently published Paradigm Shift: Seven Keys of Highly Successful Linux and Open Source Adoptions.

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