ISVs Can Bring Down Product Support Costs by 40%

- **Says research on cognitive product support**

- **Research constituted by HCL and HfS Research**

Noida, India – 4ᵗʰ October 2016 – HCL Technologies (HCL), in collaboration with HfS Research, The Services Research Company™, facilitated a study on software product support to illustrate the challenges and opportunities faced by enterprises to re–architect their operations in the age of digital disruption, while grappling with an increasingly complex global business environment. The report is titled "Cognitive Software Product Support – Rethinking Software Product Support in the As-A-Service Economy".

Key Findings from the Report:

1. Moving into the 'As-a-Service-Economy' means changing the nature and focus among enterprise buyers, service providers and advisors, and also unleashing people talent to drive new value through smarter combinations of talent and technology focused on business results beyond cost reduction.

2. There is a guiding framework of eight ideals that can help service buyers and hi–tech product vendors become an 'As-a-Service Enterprise' to achieve the solution ideals of Intelligent Automation, Accessible and Actionable Data, Holistic Security and Plug and Play Digital Business Services. These eight ideals include – Write-off Legacy, Design Thinking, Brokers of Capability, Collaborative Engagement, Intelligent Automation, Accessible & Actionable Data, Holistic Security and Plug-And-Play Digital Services.

3. The current product support process is linear and most of the times outsourced to different organizations with very little collaboration. Also, the current contracts encourage focus on the number of seats, costs and legacy approach rather than customer satisfaction, intelligence and outcomes. This process can be made cognitive or intelligent by leveraging analytics, automation, and engineering approach.

4. The biggest obstacle for software and high–tech firms in achieving cognitive or intelligent operations is their existing outsourcing relationship. For instance, it was identified that **52%** of the respondents from software and high-tech firms are unconvinced that primary service provider can derive real value beyond operational efficiency and rate it as one of the top 3 obstacles. Similarly, **44%** of the respondents believed that their current outsourcing engagements do not have scope for innovation.

5. **Software and high-tech companies can save about 40% of total product support cost by moving to cognitive product support**. Hence, it's the business outcome and productivity gains committed in the contract that will drive the adoption around cognitive product support levers.

6. Apart from reduction in product support cost, cognitive product support increases customer satisfaction by reducing MTTR (Mean Time to Repair), by increasing resolution accuracy through reduction in invalid escalations to backline/frontline, increasing Self Service to maximum extent and improving forecasting accuracy.

"The emerging 'As-a-Service Economy' will be more agile and dynamic, featuring on–demand plug–and–play services targeted at impacting what matters to consumers as well as businesses. The two are increasingly intertwined because consumer insights, decisions and loyalty carry increasing weight in the success or failure of an enterprise in any industry. In light of this, Cognitive Product Support offers a compelling value proposition for software and high–tech product companies to not only reduce product support costs by upto 40%, but also realize productivity gains," said **GH Rao, President and Global Head, Engineering and R&D Services, HCL Technologies. "**Further, Cognitive Product Support promises increased customer satisfaction by reducing the mean time to repair, increasing resolution accuracy, enabling self–service and improving forecasting accuracy."

"In our research, we found out that software and high-tech enterprises want to improve their software product support process but are not clear about true path to value. This study shows the way of cognitive product support," **said Pareekh Jain, Research Vice President, HfS Research.** "The enterprises should work collaboratively with service providers which are ready to disrupt legacy product support model and contractually commit to cognitive product support and its benefits by leveraging analytics, automation, and engineering approach."

In conclusion, the report suggested that in today's age, cognitive product support can act as a catalyst in increasing customer satisfaction while decreasing cost and time in a collaborative manner. Progressive software and high-tech product companies will not hesitate to become part of this type of collaboration and future–proof their value-driven product operations.

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