

## Service Plans by IndeServe

### Introduction

Finding someone to perform a simple service in the office or a home is not a task one looks forward to – it is all too complicated. IndeServe is the first company to specialise in service only and to commoditise the purchasing decision process by offering menu pricing and shopping over the Internet for common services and all-inclusive 'Service Plans' to meet the requirements of the individual Companies in every market segment. Commoditising service means simplifying the service procurement process by packaging services provided into Service Plans, pricing them in clear terms and fully describing what services are provided – the same step-by-step process a customer goes through to buy a computer.

### Why Adopt a Service Plan?

#### *Keeping Things Working*

In business there is, often at critical times, equipment you depend on to do your job that breaks or doesn't work quite the way it should. You wonder whom to call; do you ignore it or do something about it? The problem doesn't stop there, in the case of a failed computer:

- Is it the cabling, computer or the server?
- Is the computer under warranty or out of warranty?
- Do you call the computer salesperson or the computer manufacturer?
- Is there a Service Level Agreement in-place?
- Is it on-site service or return-to-base?
- Who packs the computer and sends it off for repair?

There are other simple procedural activities that regularly are over looked. In every large organisation almost every day someone is hired and someone leaves. Who is responsible for setting up the new employee, provisioning telecom services, desks and other office equipment and when someone leaves the opposite? We have seen Telecom line charges still being paid years after the telephone was taken away, because no one was responsible for informing Telecom about the disconnection. These are common events that require a "bundle of activities" authorised and delivered by experienced, cross-skilled, local service delivery teams - exactly the expertise IndeServe has demonstrated to over 2500 business Customers.

A Service Plan solves these problems; the everyday break fix and "series of actions" service problems by passing these responsibilities to IndeServe – the single point of contact for all types of services.

#### *The Cost of Keeping Things Working*

Total cost of ownership is just not synonymous with personal computers and workstations it also applies equally to all assets used in the business;

- Servers, routers, hubs, switches
- Telephones, modems and PABXs
- Printers and facsimiles
- Copiers
- Heaters and air conditioning equipment
- Lighting
- Fire alarms
- Security hardware and software
- In fact, every asset the organisation owns, rents, leases or uses

Overseas studies have shown that the after-sales cost of servicing an asset is increasing in percentage terms in relation to the original purchase price. In the broadest sense the "cost of servicing" an asset means, the money spent on:

- Upgrading the asset
- Servicing the asset
- Repairing faults

- Routine maintenance
- Down time waiting for repairs
- Asset tracking administration time

These costs can total 15% or more of the original costs of the asset and the 15% is paid out every year not just the first year. As the asset gets older and comes out of warranty the costs can jump considerably. In the case of some printers, we have seen the annual service cost increase to 50% or more of the purchase price after only a few years of heavy use.

### **Controlling Service Costs**

It is complicated to manage effectively every piece of equipment used in a normal business and it is likely to get harder not easier, for these reasons;

- We no longer buy from one equipment supplier, almost all products have become commodities allowing us to buy on price – implying we have a wider range of brands in the office than previously
- We are using more computers, electronic devices and high tech items to carry out business – meaning more equipment than ever will need to be serviced
- Staff are less willing to accept poor working conditions and expect to have the tools needed to do the job supplied by the company and for them to be in working order
- Government regulations, eg, OSH and Health and Safety, are becoming more onerous and the penalties meaningful
- Directors and managers are increasingly being held personally responsible for problems in the workplace

There are many consultants, software packages, project monitoring programmes and web-based service portals (IndeServe has one) purporting to solve these problems. But, history has proven that it is not just the planning and procedures that make for successful servicing it is the doing of the work on-site and the quality of the technician performing it that makes the difference. This is the competitive edge IndeServe has over its competition; we do the work ourselves across more services than any other company in New Zealand. Yes, we do subcontract out some tasks, but far less than any other company. We have 300+ staff around the country, most are crossed trained between electrical and security or telecommunications and computers.

IndeServe provides Customers with the advantage of one point of contact for nationwide work, best practice implementation from 20 years of experience, tracking and measurement of service performance indicators, accounting consolidation and the expertise that comes with a large staff of trained technicians and engineers.

In simple terms, a Service Plan covers;

1. Fixing things that break
2. Keeping the workplace environmentally correct
3. Keeping things from breaking
4. Ensuring critical equipment and facilities are continuously available

Key Concepts

- The Service Plan is based on outcomes and operational efficiencies
- Pricing can be a fixed price, unit rates or hourly rates

Services include:

- Computer networks and equipment
- Back-up power supply – UPS and batteries
- Product warranty management
- Nationwide on-site service
- Project roll-out support and management
- Electrical and emergency lighting
- Air conditioning and mechanical services
- General building, signage and handyman services
- Maintenance management
- Asset allocation and tracking
- Fire alarms
- Plumbing

- Cleaning and waste disposal
- Care of grounds
- Pest control

Features include:

- Provision of effective servicing procedures reflecting the equipment manufacturer's or facility provider's requirements
- Management and administration of services delivery
- Documentation control in accordance with ISO 9001
- Provision of a 24 hour emergency service for all services

The table below gives the Service Plans, a brief description of each Plan and the market segment that would benefit from using the Plan.

### List of Service Plans

<i>Name of Service Plan</i>	<i>Description of Service Plan</i>	<i>Market Segments Benefiting</i>
<b>Managed Services Plans</b>		
Standard Services Plan	Specified services on-call services with time and material charging	Corporate Government
Integrated Services Plan	All services provided in one package	Corporate Government
Facilities Management Plan	Active management, provisioning and reporting of all services	Corporate Government
<b>Shared Risk Service Plans</b>		
Performance-based Service Plan	A shared risk service arrangement	Network Provider System Integrator
<b>Product Servicing Plans</b>		
Service Level Agreement	A product, network and systems support service	OEM Corporate Government Network Provider System Integrator
Maintenance Plan	Routine maintenance of equipment	Corporate Government

## Managed Services Plans

These plans are designed for the Company that is happy with the status quo and likes simple yet comprehensive service packages. It offers a choice of packages from basic user pays, where he/she retains control to a fully managed service, where he/she passes control to us. These plans offer the Company a fixed price for pre-agreed services over the period of the contract and detail the conditions for the ordering, performing and finalising of individual service jobs. There are 3 Managed Services Plans the; Standard Services Plan, Integrated Services Plan and Special Services Plan.

### STANDARD SERVICES PLAN

This plan offers the Company fixed hourly rates, call-out fees and after hours charges for on-site 24 hour, 7 days a week service and details the conditions for the ordering, tracking and reporting of routine and urgent service jobs. It provides for general electrical service work, moves, adds and changes of PABXs and LANs, equipment repairs and security system faults. Use of the Internet for job booking and tracking (available only if volumes justified an extranet web site) is a key differentiator to the Service Plans offered by other service providers.

### INTEGRATED SERVICES PLAN

This Integrated Services Plan adds value to the Standard Service option by including; advice on service strategies, recommendations on system upgrades to minimise servicing, improving workflows and service log analysis and reports. It is unique by including a dedicated extranet web site for the Company to book jobs, track progress and post and maintain as-builts and network drawings. Services provided are more comprehensive than in the Standard Service Plan, including; electrical, telecommunications, computer/LAN and WAN and UPS

services, patch panels maintenance, power quality checks and light replacements in the one Integrated Services Plan. The Company retains the final decision making authority.

### **FACILITIES MANAGEMENT PLAN**

Our Facilities Management Plan is totally web-centric; everything is on-the-web and all communications are electronic via the Internet. It is an outsourcing arrangement without the transfer of ownership of assets or elements of risk sharing. It is heavily dependent on benchmarking to align the cost to results. It appeals to Companies looking to outsourcing as a means to better manage their time and want a specialist service firm to deal with a non-core task. Outsourcing and facility management is in effect the selection of a long term business partner and is frequently equated to a strategic alliance or partnership in Corporate and Government circles. In the Facilities Services Plans IndeServe has the final decision making authority.

### **Shared Risk Plans**

Shared risk plans appeal to Companies that are prepared to pay additionally for exceptional service and expect a discount if the service is performed poorly – measured against pre-agreed thresholds. These Plans are applicable to services that are performed routinely and in high volume and typical are priced on unit rates or codes per service type delivered.

### **PERFORMANCE-BASED SERVICE PLAN**

This plan spells out the services to be provided, the price per service and a set of KPIs for measuring performance. If performance exceeds the KPI's upper limit threshold a bonus is paid, if performance falls below the lower limit the customer receives a rebate. This plan uses 'benchmarking' to set the original unit rate for a particular service, with both parties taking a risk that they can skew the outcome in their favour. This is essentially a unit rate type of plan, where the service is typically routine, performed in quantity and reasonably straight forward. The Company wants a fixed price for each job and expects the service provider to profit on the so called 'swings and roundabouts'.

### **Product Servicing Plans**

These plans guarantee that a serviceperson will be available within a set time and over a defined period. It meets the requirements of Companies concerned with system up-time and reliability and Companies prepared to pay a premium for the service to achieve it.

### **SERVICE LEVEL AGREEMENT**

Service Level Agreements require our technicians to be trained on the product and the company to be certified as an 'authorised service agent'. These plans spell-out exactly how the service will be carried out, the escalation procedures when things go wrong and the documentation required. This plan covers to computer, servers, network products, printers, PABXs, security systems and other products or systems that require full-time operation and are critical to performance.

### **MAINTENANCE PLAN**

Maintenance plans are generally taken on equipment and systems that require routine maintenance and servicing to operate efficiently when in use. Power systems, ie, UPSs and generators are usually sold with a maintenance plan. For example, data storage systems with fans that need to be checked and cleaned regularly are ideal candidates for a maintenance plan. All products sold have a period of warranty that is funded by the manufacturer, usually 12 months from the date-of-purchase. This plan covers both the service performed during the warranty period, in which case it is billed to the manufacturer and out-of-warranty where the service is billed directly to the end customer. Under warranty the price is usually fixed per service and out-of-warranty it is charged at an hourly rate plus the price of parts.

### **Service Plan Content**

<i>Service Plan</i>	<i>Services Provided to Meet In-house Needs</i>			
	<i>Equipment Repairs</i>	<i>General Service</i>	<i>Installation</i>	<i>Maintenance</i>
Standard Services Plan		√	√	√
Integrated Services Plan	√	√	√	√
Facility Management Plan	√	√	√	√

Performance-based Service Plan		√		
Service Level Agreement	√			
Maintenance Plan				√

## Service Plan Pricing

Service Plan pricing has moved from a cost build-up and time and material charging model to an annual license fee (for the Software Product component) and unit rate model. To arrive at a price for each Service Plan the price of each Software Service Product included in the Plan was summed to arrive at the selling price. Service Plan prices are shown below.

### Service Plan Pricing

<i>Service Plan</i>	<i>Pricing Model</i>	<i>Software Product included in the Service Plan</i>	<i>Selling Price (See Note)</i>
Standard Services Plan	Pre-agreed rates	ServicePoint E Tech	Agreed rate + annual license fee
Integrated Services Plan	Unit rates for labour	ServicePoint E Documents	Unit rates + annual license fee + per drawing per month
Facilities Management Plan	Block hours of support pre-paid	ServicePoint E Documents	Fixed amount + annual license fee + per drawing per month
Performance-based Service Plan	Shared risk	ServicePoint	Bonus/rebate + annual license fee
Service Level Agreement	% of purchase price	ServicePoint	% of purchase price + annual license fee
Maintenance Plan	Unit rates or user pays	E Tech	Negotiated rate + annual license fee

Note: These prices are indicative and final prices are subject to negotiation.

For more information on the Service Plans above contact IndeServe today.