

E X E C U T I V E S U M M A R Y

The Switch to Independent Third- Party Software Support

50 Companies Analyzed

A recent US Cloud study examined the savings realized by 50 Microsoft Premier and Unified Support customers who made the switch to independent support partners.

Third-party support for the Microsoft stack is a viable, and now time-tested, option to reduce software support costs by up to 65% without sacrificing service or reliability.

Missed Opportunities

IT cost-containment efforts typically target big software agreements. Annual support fees are largely an already-budgeted expense that must be paid without question.

But by looking deeper at the total price of enterprise software, IT and procurement leaders are finding millions of dollars wasted on software support models that are overpriced and out of step with their company's needs.

"We hear two requirements from CIO's regarding support: lower costs and service certainty. Third-party support specialists with financially backed SLA's can provide both."

*Robert Perez
SVP Global Enterprise Services,
US Cloud*

Until recently, Microsoft customers had no choice. Independent support specialists like Rimini Street for Oracle or Spinnaker for SAP didn't exist for the Microsoft ecosystem.

But now, Microsoft customers have a choice.

“Look at the detail and data for what you’re getting from your Microsoft support spend. Compare those hard dollar costs to other areas of need and evaluate the comparative benefit. In our case, there was little value in continuing to pay escalating Microsoft annual support fees.”

*Chief Information Officer
Global 1000 Commercial Bank*

48%

**Average Savings Realized
from Third-Party Microsoft
Support**

Proven Impact of Independent Support

US Cloud is projected to save Microsoft enterprise support customers over \$1 billion in support costs over the next 5 years. The combined savings of the 50 organizations interviewed for this impact study was \$75 million annually, representing average total Microsoft support savings of 45%.

These savings were achieved by moving away from vendor support, and switching to US Cloud for comprehensive Microsoft support. The savings are derived from four distinct sources:

- Support Fees
- Only Pay for What You Need
- Performance and Customization Support
- Self-Support

Next: Avoid Unnecessary Support Costs

Avoid Unnecessary Support Costs

Are you paying for product support you won't use? One of the most important tasks around determining the value of the software support you are buying is doing a full audit of what software is actually being used, by whom, and with what level of necessary support. This audit helps inform both what type of support to purchase and how much you need.

In Microsoft's case, the move from Premier to the Unified Support model came with "all-or-nothing" pricing based on software purchase totals. This negated the ability to tailor support to the actual needs of an organization. Because of this approach, many Microsoft Support clients find themselves with huge price increases that do not add proportional value, wasting support fees for products they aren't using. This dynamic is primarily what has led companies to seek out independent alternatives like US Cloud who have more flexible (and affordable) options for Microsoft Support.

Next: Know Your Roadmap to Avoid Surprises

Buy Only the Support Needed -- Independent Providers Offer Flexibility

"We decided that the value of upgrading to Microsoft Unified was just not there."

*Chief Technology Officer
\$12B Insurance Company*

**Average Projected
Support Cost
Increase by Year 5**

276%

"We decided that the value of upgrading to Microsoft Unified was just not there."

*Chief Technology Officer
\$12B Insurance Company*

Know Your Roadmap to Avoid Surprises

Sourcing, Procurement and Vendor Management (SPVM) need to look beyond their current contract negotiations to improve support forecasting and more accurate IT budgets.

At least 3 months prior to a Microsoft Support renewal, companies should conduct an audit on the proposal to fully understand how the price is calculated. Typically, audit rights allow a look-back over a 3-5 year timespan. Clients should ask for the information as a spreadsheet, not a PDF. The information should include: contract number and type (Enterprise Agreement, MPSA, etc...) and a detailed list of every product in the contract, annual cost, and type.

Companies that are accelerating Microsoft 365 or Azure adoption, your Unified pricing may see substantial increases in years two and three. Unified Support costs increase 10% – 12% for every dollar of new M365 and Azure annual spend.

Next: Reduce Costs of Self-Support

Reduce Costs of Self-Support

In general, clients in the survey found US Cloud support for Microsoft to be more proactive, responsive, and personalized than the support provided under traditional Microsoft software maintenance contracts. US Cloud support includes a Premier Support Engineer (PSE) as the main point of contact to address general inquiries, troubleshoot issues, assess code to diagnose problems, and identify real solutions.

Most organizations in this study had to budget for the additional resources and headcount required to address the inefficiency of their previous software vendor support, including but not limited to:

1. Ticket resolution time: The cost and time of IT teams hunting online for potential issue resolutions on vendor support portals or forums—or being forced to replicate an issue in a vanilla environment. US Cloud support eliminates this type of self-support.
2. Advisory and roadmap consulting: An organization's cost to engage consultants to help determine the future technology roadmaps and utilize Microsoft best practices are included in US Cloud support.

Next: 5 Case Studies

Additional FTE's for Independent Support Model

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"We took the money that we had budgeted for Microsoft support and were able to leverage that to help us build new applications to keep our existing clients happy and aggressively attract new customers."

*SVP Information Technology
Major Global Apparel Company*

\$5.3 Billion Sports Apparel Company

Savings Realized

Background:

- Iconic \$5.3 billion global apparel brand with more than 16,300 employees
- Dissatisfied with high support costs
- \$3–9 million over three years for Unified Support
- Hybrid environments with fairly standard use cases across the Microsoft stack

Impact of Moving to Third-Party Support:

Support savings: Over \$1.4 million annually, at least \$9 million over 5 years

Reinvested in innovation: “We took the money we saved and put it toward automating a substantial portion of our supply chain. Today that product segment is worth about \$300 million a year.”

EVP and Chief Information Officer



Category	Annual Oracle Support Costs	Annual US Cloud Support Costs	Annual US Cloud Support Savings
Annual Support Fees	\$1,066,000	\$746,200	\$319,800
Designated Support Engineers	\$758,000	\$187,000	\$571,000
Proactive Support Credits	\$221,000	\$0	\$221,000
Supplemental Internal Client Resources	\$375,000	\$0	\$375,000
Totals	\$2,420,000	\$933,200	\$1,486,800

\$14.1 Billion US Health System

Background:

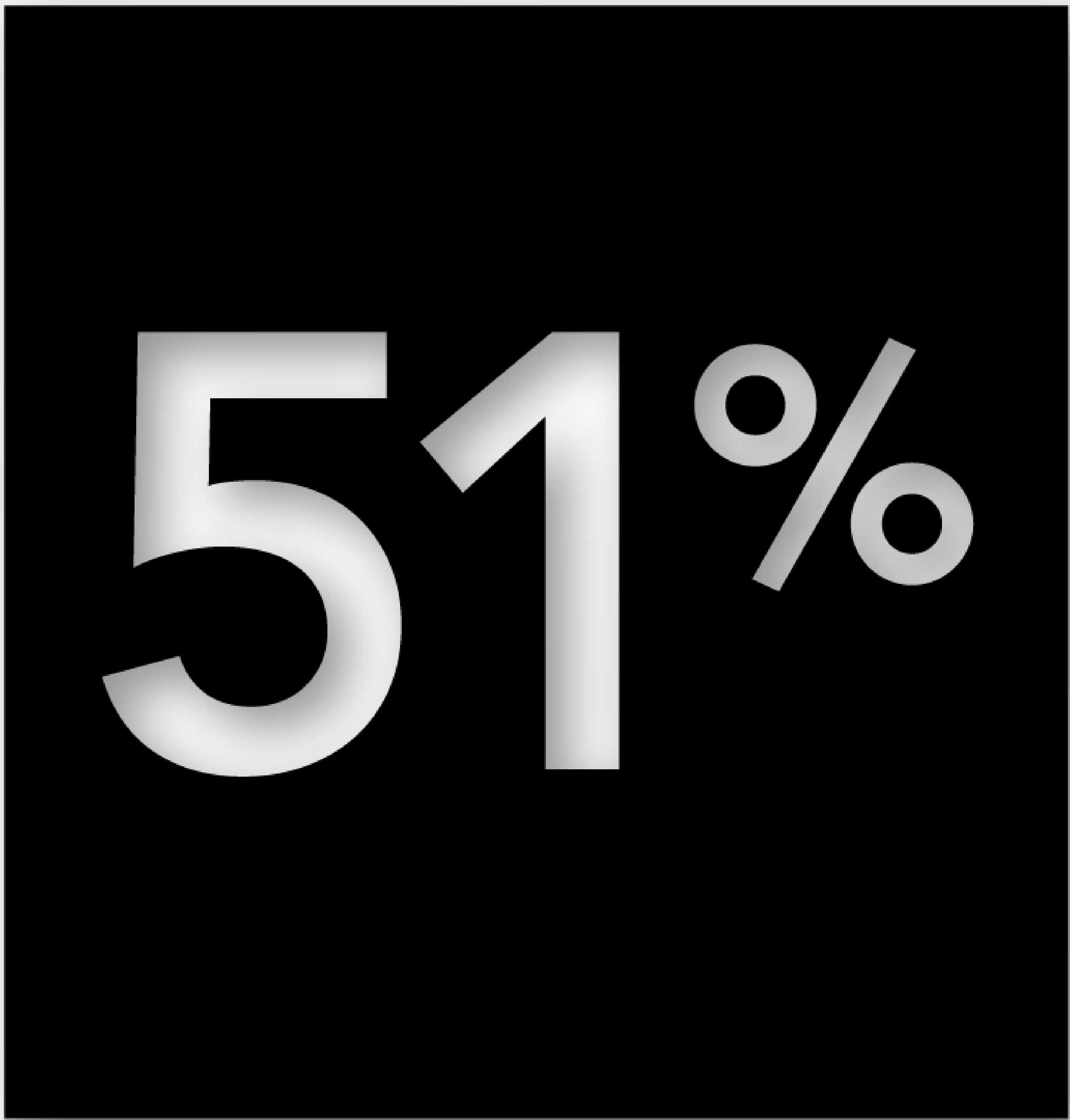
- A massive healthcare conglomerate with 400 acute care hospitals across the U.S., Puerto Rico and the U.K. with over 80,000 employees
- Extremely complex cloud-heavy Microsoft ecosystem that is fragmented due to consolidations and acquisitions

Impact of Moving to Third-Party Support:

Support savings: Almost a million dollars saved

The substantial savings allowed the Client to continue with critical Epic system consolidation. This effort would have been put on hold to fund the Unified Support price increase and would have extended security vulnerabilities inherent with connected Epic instances from smaller, less sophisticated hospitals.

Savings Realized



Category	Annual Oracle Support Costs	Annual US Cloud Support Costs	Annual US Cloud Support Savings
Annual Support Fees	\$710,000	\$426,000	\$284,000
Designated Support Engineers	\$120,000	\$69,000	\$51,000
Proactive Support Credits	\$0	\$0	\$0
Supplemental Internal Client Resources	\$175,000	\$0	\$175,000
Totals	\$1,005,000	\$495,000	\$510,000

\$1.8 Billion Oil & Gas Multinational

Savings Realized

Background:

- A large Oil & Gas company with operations worldwide and over 5,000 Employees
- Primarily on-premise Microsoft instances with heavy reliance on very large SQL databases

Impact of Moving to Third-Party Support:

Support savings: Over \$350,000 vs. MSFT Unified

The Client’s IT Infrastructure leader received system-wide recognition for innovative cost savings. IT leadership avoided halting several initiatives to pay for Unified Support, a move that would have significantly increased their technical debt.



Category	Annual Oracle Support Costs	Annual US Cloud Support Costs	Annual US Cloud Support Savings
Annual Support Fees	\$486,000	\$291,600	\$194,400
Designated Support Engineers	\$0	\$0	\$0
Proactive Support Credits	\$145,000	\$116,000	\$29,000
Supplemental Internal Client Resources	\$135,000	\$0	\$135,000
Totals	\$766,000	\$407,600	\$358,400

\$8 Billion US Insurance Company

Savings Realized

Background:

- A large Northeastern US-based insurance company with over 18,000 employees
- Client had migrated a majority of key Microsoft systems to the cloud

Impact of Moving to Third-Party Support:

Support savings: Over one million the first year alone

The Company was considering a major layoff in IT to pay for the new Unified Support model.

US Cloud saved enough budget to retain all IT staff and created a “support pod” using consistent engineering teams on the account – increasing vs. decreasing engineering resources intimately familiar with their company and systems.



Category	Annual Oracle Support Costs	Annual US Cloud Support Costs	Annual US Cloud Support Savings
Annual Support Fees	\$1,034,543	\$672,453	\$362,090
Designated Support Engineers	\$478,000	\$191,200	\$286,800
Proactive Support Credits	\$325,000	\$260,000	\$65,000
Supplemental Internal Client Resources	\$355,000	\$0	\$355,000
Totals	\$2,192,543	\$1,123,653	\$1,068,890

\$900 Million US Healthcare Non-profit

Savings Realized

Background:

- A large national not-for-profit healthcare company with more than 3,000 employees and over 2,000 physicians
- Heavy usage and support around Office 365

Impact of Moving to Third-Party Support:

Support savings: Approximately \$125,000 saved

The company worked through an initial trial period with US Cloud and was able to let their Microsoft Unified contract expire.

The IT Team and Procurement were recognized specifically by the C-Suite for capturing seven-figure savings without sacrificing capabilities.



Category	Annual Oracle Support Costs	Annual US Cloud Support Costs	Annual US Cloud Support Savings
Annual Support Fees	\$280,000	\$182,000	\$98,000
Designated Support Engineers	\$0	\$0	\$0
Proactive Support Credits	\$140,000	\$112,000	\$28,000
Supplemental Internal Client Resources	\$0	\$0	\$0
Totals	\$420,000	\$294,000	\$126,000

"I was able to reallocate 5% of my budget growth initiatives with the stroke of a pen -- which is a big deal. We're in a position to literally drive the number- one priority of the CEO with the resources we gained back from the decision to go with US Cloud."

*SVP Global Procurement
Global Technology Company*



Explore Alternatives

Executives interviewed as part of this client study were asked "What advice do you have for other CIOs based on your experience with moving to a third-party support model?"

The executives' responses were remarkably similar, and can be summarized in four specific recommendations:

1. Determine the true value you receive for your vendor support and maintenance spend.
2. Don't upgrade to Unified just to stay supported—and don't stay if there is no business case.
3. Ensure that your teams and budgets can work on high-value initiatives.
4. Reduce support spend to free up funds for growth and innovation.

If you are building a business case for US Cloud independent, third- party Microsoft enterprise support within your organization, consider incorporating the four recommendations above.

The #1 Alternative to Microsoft Unified Support

About US Cloud

US Cloud is the ONLY Gartner - recognized independent provider for Microsoft software products. The company offers 100% USA-based premium, ultra-responsive 24/7 support services that enable organizations worldwide to lower Microsoft Support costs, free up resources for innovation, and achieve better business outcomes. Global Fortune 500, mid-market, public sector, and private companies across all industries rely on US Cloud as their trusted Microsoft enterprise support provider.

Find out more at www.uscloud.com



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