



Differentiating Technical Support

Red Hat Customer Support Study
July 2007

Velociti Partners, Inc.
STRATEGY :: EXECUTION :: SUCCESS

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Introduction

With security, performance, and scalability requirements for enterprise applications rapidly increasing, choosing the best middleware in today's competitive environment remains imperative. In fact, enterprises have typically deployed multiple middleware platforms due to acquisitions / mergers, platform consolidations, ISV requirements, etc. Middleware products are improving on every front, but enterprises continue to face the arduous but necessary task of evaluating solutions to find the best fit for their unique needs. Product factors including, scalability, ease-of-use, standards support, pricing, etc., and vendor factors, such as viability, future direction, and customer references are of obvious importance. The often overlooked evaluation criterion remains the support, service, and relationship management factor.

In addition, organizations are increasingly looking for ways to lower the total cost of ownership (TCO) of their technology assets while improving the return on their investment. It is our view that expert customer support services can have a dramatic impact on both, and we are substantiated by the success of JBoss Enterprise Middleware.

Unlike competitors, Red Hat views customer support as a key differentiator which has helped propel it to become the most widely utilized middleware software. To ensure that their technical support services continue to meet this objective, Red Hat Inc. sponsored this independent study of their support customers and their perceptions.

Methodology

A random sample of JBoss Enterprise Middleware customers having recently used Red Hat Technical Support Services and technical support from a competing vendor were contacted via email and telephone. They were asked to complete a survey about their experience with the Red Hat support group and one other Java EE application server vendor they are most familiar with. Results found that a large majority of respondents had prior or current experience with support groups from other middleware vendors and were able to rate their experience. 198 Red Hat support users, a subset of the organization's customer base, participated in the study.

Participants were given a series of statements and asked to rank each by how much they agreed or disagreed based on the following scale:

- 7. = Completely Agree
- 6. = Mostly Agree
- 5. = Somewhat Agree
- 4. = No Opinion
- 3. = Somewhat Disagree
- 2. = Mostly Disagree
- 1. = Completely Disagree

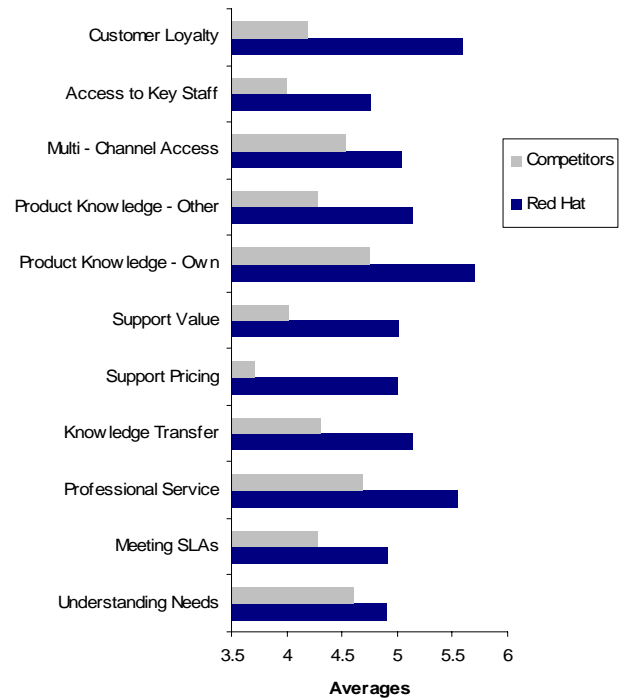
The following section discusses the aggregate rankings for each statement.

Executive Summary

Red Hat recognizes the importance of world-class technical support. Its goal is that every support interaction strengthens the clients' overall satisfaction with the Company and reinforces the strategic relationship. To evaluate the Red Hat support offering against competitive benchmarks, customers were asked to rate their level of agreement with the following statements:

- The Vendor understands the needs of my business.
- The Vendor consistently meets or exceeds my Service Level Agreements.
- The Vendor's support staff provides service in a professional and courteous manner.
- The Vendor held a knowledge transfer with my team.
- The Vendor's support pricing is competitive.
- The Vendor provides excellent value for my support services investment.
- The Vendor's support staff knows their products well.
- The Vendor's support team's knowledge extends beyond just their products.
- The Vendor's support team is easy to reach through multiple channels.
- I can easily get access to key people at the Vendor organization.
- It is very likely that I would recommend the Vendor to others.

The following chart summarizes and aggregates the quantitative results for each statement.



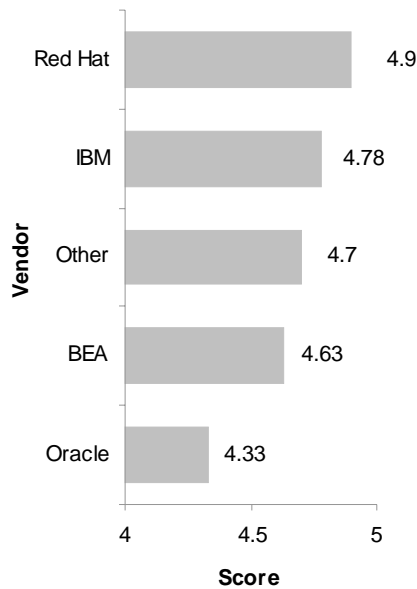
Red Hat's mission to provide expert technical support services as a differentiator is clearly being recognized by its client base. This may not come as a surprise since many know the well-being of the company is significantly dependent on the value its customer support services bring. What may come as a surprise is the comprehensive nature by which its service is unsurpassed. Every category that was evaluated resulted in Red Hat rating higher than the competition.

Survey Results

Understanding Needs

How often have you received support recommendations misaligned with your project strategy? Efficient IT support organizations spare their clients frustration and garner their trust by understanding their client’s IT infrastructure and project goal(s). Skilled IT staff leverage this information to create a solution highly relevant to the user’s requirements and organizational role(s). Understanding needs remains the backbone of any successful IT organization and is a key factor in winning a client’s future business.

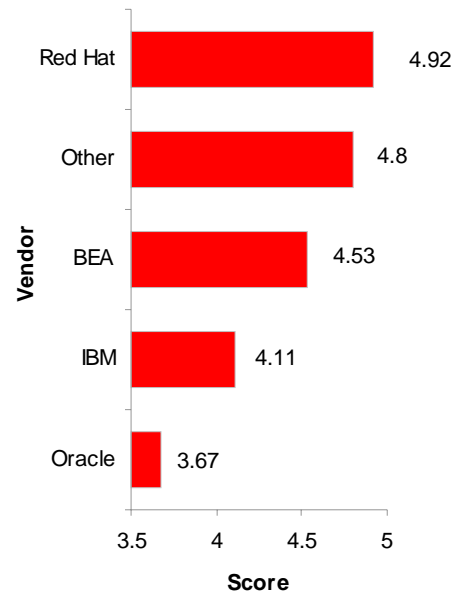
1. The Vendor understands the needs of my business. (Again, 7 is “Completely Agree and 1 is “Completely Disagree” with this statement)



Meeting SLAs

A vendor’s ability to meet or exceed service level agreements (SLAs) is a strong indicator of an organization’s integrity and ability to execute. It records the common understanding about services, priorities, responsibilities, guarantee, etc. with the main purpose to agree on the level of service. A SLA can become a very complicated document with loopholes that protect the vendor in cases of poor performance or availability. Thus, past performance should be strongly considered when evaluating prospective vendors.

2. The Vendor consistently meets or exceeds SLA expectations. (Again, 7 is “Completely Agree and 1 is “Completely Disagree” with this statement)



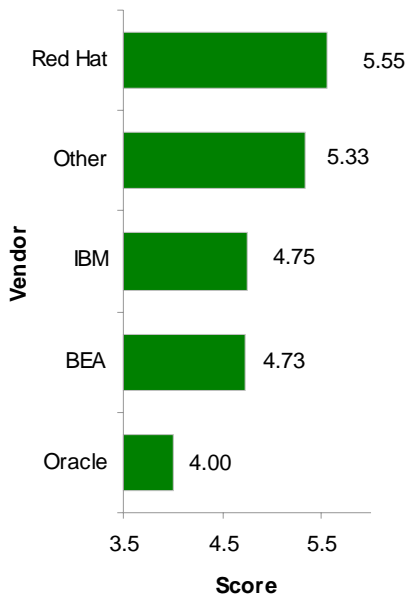
Professional Service Delivery

Organizations can no longer afford to ascribe to a ‘churn and burn’ mentality. Professional and courteous handling of support inquiries is often as important as the timing and quality of response. The vendor/client relationship becomes increasingly subject to dissolution with each negative interaction; this can lead to a highly costly predicament for the vendor and client alike.

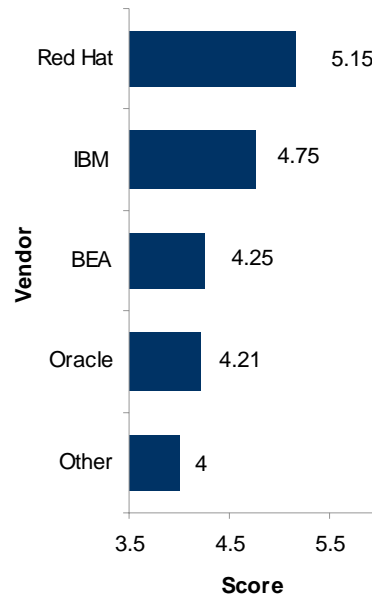
Knowledge Transfer

A mutually beneficial vendor/client relationship begins with an understanding of present and future requirements. Without a knowledge transfer, organizations run a high risk of mismanaging expectations. A knowledge transfer is most effective when the client and vendor work in tandem by clearly articulating project goals and asking intelligent probing questions. Ideally, the vendor and client develop synchronism and achieve the final vision on time and within budget.

3. The Vendor’s support staff provides service in a professional and courteous manner.



4. The Vendor held a knowledge transfer with my team.



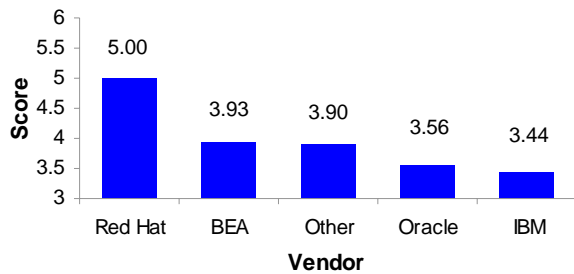
Support Pricing

Gratuitous support is an anomaly. Nearly every software vendor passes the sizable support costs back to the client in the form of support packages. When assessing software TCO, prospective purchasers often consider the support pricing and price-to-value ratio of various support packages. Although it is nearly impossible to determine the price-to-value ratio of various support offerings, fresh customer feedback can be invaluable during this consideration.

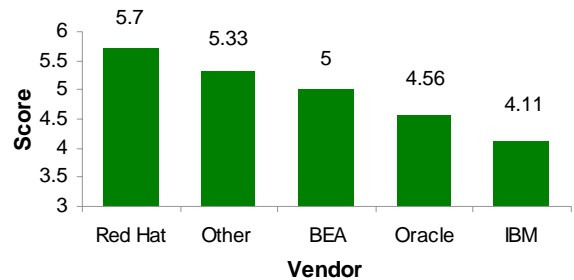
Product Knowledge

Truly understanding a product/service is a trait rarely seen in front-line support staff. Too often organizations heavily tier their technical support staff and leave the poorly skilled on the front-line. Adding too many layers to the support process simply frustrates savvy clients and compromises a vendor's image. Driving knowledgeable staff to these positions allows clients to obtain quick and proficient answers, which helps to maintain vendor/client stickiness and ultimately drives down TCO.

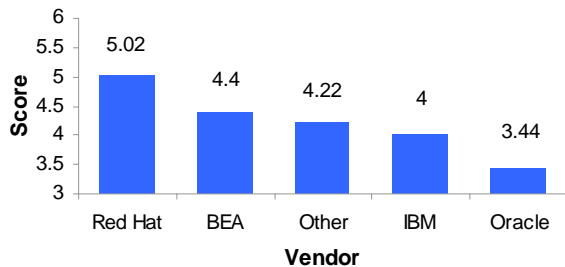
5. The Vendor's support pricing is competitive.



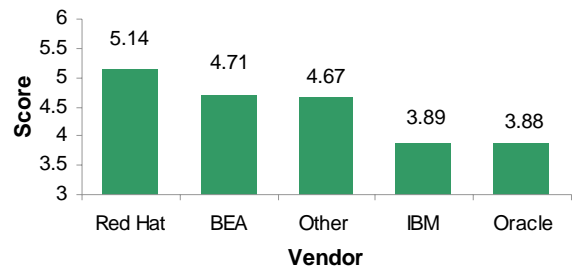
7. The Vendor's support staff knows their product(s) well.



6. The Vendor provides excellent value for my support services investment.



8. The Vendor's support team's knowledge extends beyond just their product(s).



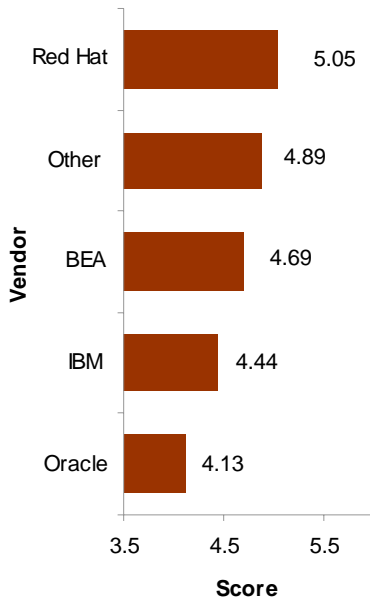
Multi-Channel Access

Access to multiple support channels empowers the customer by providing them with a communication vehicle of choice. Depending on the communication style of the customer, there is likely a tendency to either prefer phone or web/e-mail communication. Web or e-mail communication provides the benefit of clarity and explicitness, while e-mail may simply be preferred because it quickly generates a record for each instance. Other customers prefer the immediate impact of phone support. Efficient multiple communication channels will ensure a vendor is able to meet the diverse needs of its customer base.

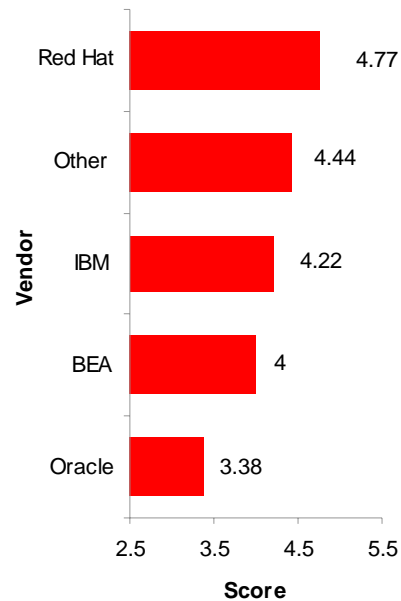
Access to Key Staff

Ability to access key staff is important regardless of the issue. Oftentimes, a relatively simple problem can hang up a work process. In these cases, customers often seek a quick and easy answer to their question to get them on their way. In the case of a more serious challenge, like system downtime, a customer will require expediency in access and action on behalf of many support staff members. Being able to rapidly establish a lifeline at the vendor organization is critical to the survival of the vendor/client relationship and spares significant lost dollars.

9. The Vendor's support team is easy to reach through multiple channels.



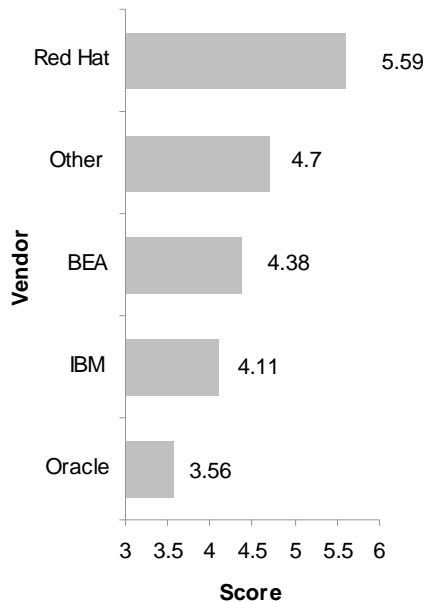
10. I can easily get access to key people at the Vendor.



Customer Loyalty

Customer loyalty is a canary in the corporate coal mine. From an outsider’s perspective, poor customer loyalty is often one of the first signs that something is amiss. Customer loyalty has pervasive effects; while churn immediately damages an organization’s top-line, poor loyalty can lead to a long-term negative image and brand. An average level of loyalty will likely yield a customer that stays with a vendor, despite the opportunity to select another. However, above average loyalty drives significant value to the vendor through positive word of mouth, participation in trade/industry events, and hopefully active promotion of product and services through various marketing channels.

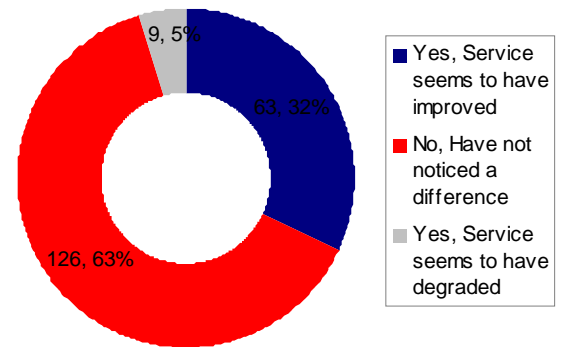
11. It is very likely that I would recommend the Vendor to others.



Post-Acquisition Service Improvement

Maintaining or exceeding service levels post-acquisition is critical. The vulnerability of the vendor/client relationship coupled with lagging IT support can quickly lead to customer churn. Forward-thinking organizations are vigilant in their approach to help compensate for any lingering uncertainty and doubt.

12. Have you noticed a difference in service since the acquisition of JBoss by Red Hat Inc.?



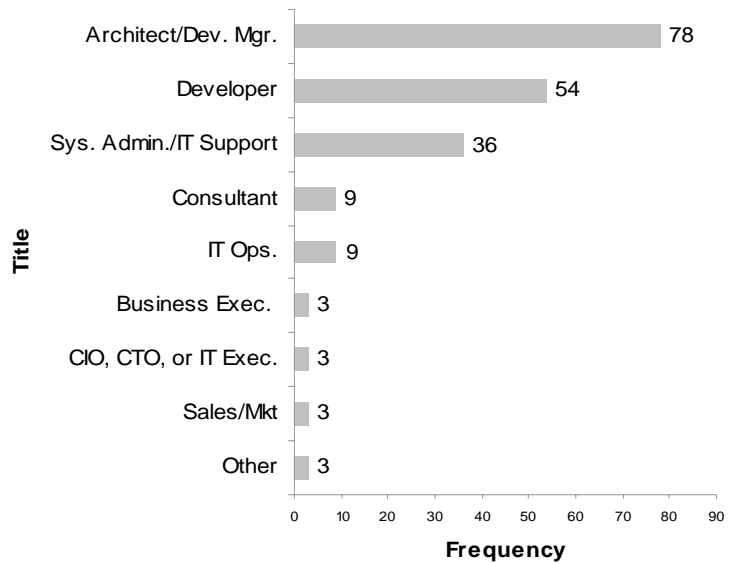
Summary

As organizations are increasingly turning to open source software to lower the total cost of ownership of IT, Red Hat Inc. meets their needs with a service organization dedicated to delivering increased savings with faster, more accurate, and more valuable support services. Every category that was evaluated in this study resulted in Red Hat rating higher than key middleware competitors. Based on the results, it is our belief that Red Hat Technical Support Services should be seen as a strategic lever to increase benefits and decrease costs when using JBoss Enterprise Middleware products.

JBoss Professional Subscription Support Services, available for the entire JBoss Enterprise Middleware stack, is delivered from the source by the very product experts behind JBoss open source projects. Services include the JBoss Subscription, Consulting and Migration Services, and Training and Certification.

About the Study Participants

A random sampling of all Red Hat, Inc. Technical Support users with experience with other middleware vendor support organizations was contacted to participate in the study. Only users that recently had direct interaction with Red Hat support were asked to provide responses.



The number of individuals providing scores for the each application server follows:

JBoss - 198

IBM - 30

BEA Systems - 57

Oracle - 27

Other - 45

About Velociti Partners, Inc.

Velociti Partners, Inc. is the premier research and marketing consulting firm for technology enterprises. Through our suite of strategic marketing services, we deliver in-depth and actionable information to some of the most sophisticated technology marketing organizations in the world. Our modular services focused on Win/Loss Analysis, Customer Insights, Competitive Assessments, and Market Intelligence are leveraged by the Fortune 500 and emerging organizations alike. Based in the San Francisco Bay Area, Velociti Principals and Senior Consultants each have several years of operational experience with leading technology firms, strategy firms, and start-up ventures and play active roles in all client engagements.

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