Gabriel CONSULTING GROUP

2010-11 Unix Survey: HP Sweeps Services

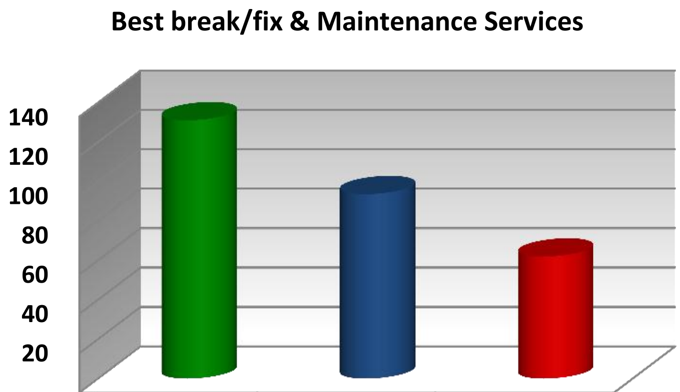
A major part of the **2010-11 GCG Unix Vendor Preference Survey** is the Vendor Face-Off section. This is where we ask real-world data center personnel to rate the major Unix system vendors (HP, IBM and Oracle) on a wide variety of technical, vendor support, and customer satisfaction criteria.

Vendors are rated in terms of their VPI score – a simple normalization technique we use to ensure that results aren't skewed. (For more details on the survey and methodology, click here.) In simple terms, a VPI score of 100 is 'par'. Scores above 100 are good, and scores less than 100 – well, they're not so good.

It's also important to point out that there isn't an overall 'winner' or 'loser' in these surveys. We ask many questions and cover a wide range of topics, some of which are more important to particular customers than to others. For example, some customers would value manageability more highly than performance, while others want high availability most of all.

The Unix system market is highly competitive; vendors push hard to differentiate their offerings on technical, management, service, and customer experience criteria. We see the results of these efforts in the Vendor Face-Off section of our surveys. Unix customers compare the major vendors on various factors and let us know who's on top, who's trailing, or if they simply don't see much difference between them.

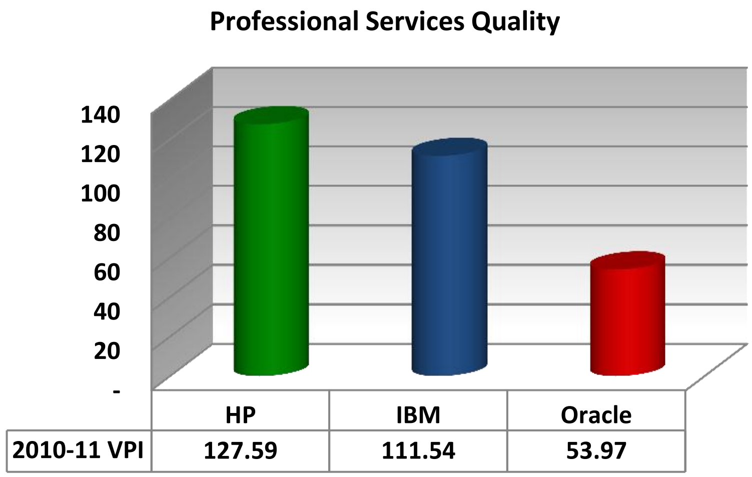
In this set of survey results, we look at how our survey respondents rate and rank the leading vendors in terms of services. These are important categories because Unix systems typically host highly important workloads that run organizations. Customers rely on vendor services to architect and design new solutions and to maintain/fix existing installations. Let's take a look at how our customers rated and ranked the major Unix vendors on break/fix and maintenance services first…



	HP	IBM	Oracle
2010-11 VPI	131.03	93.59	61.90

Hewlett-Packard takes the lead in break/fix and maintenance services this year for the first time. This caps a four-year period in which HP's scores steadily rose.

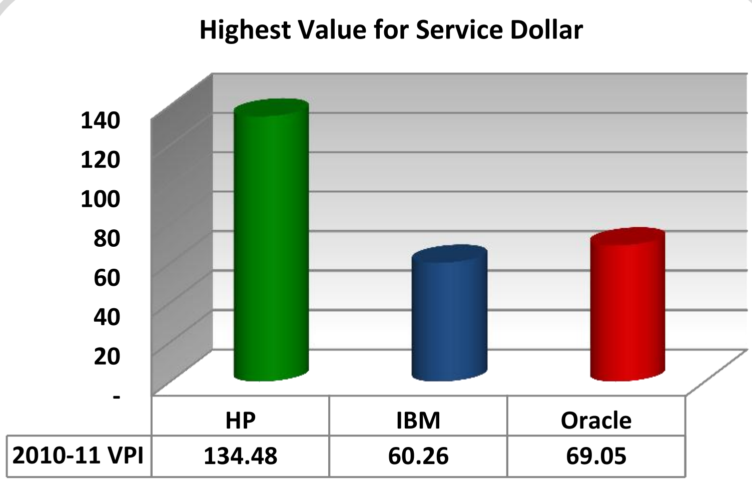
IBM had been the historical leader in this category, but their score dropped a bit from last year's winning result. Oracle finished a distant third. Sun has never won this category, but their scores were more competitive in past surveys – usually in the 70-75 range.



HP also took top honors in professional services quality for the first time. These are high-value architectural, solution design, and integration services that customers depend on when they're making big changes to their IT infrastructures or adding large, new solutions.

IBM used to own this category and still posts a very high VPI of 112 – which would normally be enough to win. But with almost half of the Oracle base voting for either HP or IBM, we run into a situation where two vendors have VPI scores >100. Not a good result for Oracle, but still an improvement over last year.

While services quality is important, it's equally important that customers perceive that they're getting solid value for the money they're spending. Services, particularly professional services, have a reputation for being lengthy and very expensive undertakings that tend to oversell the benefits and under-deliver results. We measure how well the vendor service organizations perform on services value with this next question….



HP completed the services trifecta by notching a big win in value for the service dollar, soundly beating both IBM and Oracle in this category.

This is an area where HP has done well in the past, but they were closely contested by both IBM and Oracle. Oracle's scores dropped off the table in 2007 and haven't yet recovered. IBM has also taken a drop over recent years – particularly this last year, when their score went from 81 to 60.

It looks like Hewlett-Packard may be seeing their purchase of EDS starting to pay off, at least in the eyes of our Unix-centric survey respondents. In addition to giving HP more services breadth and depth, EDS may have given HP better service management capabilities as well. At the very least, it gives HP a much larger platform that they can use to introduce and deliver new service offerings.

From what we can tell, IBM Global Services hasn't fallen off in quality or significantly changed what they do. However, their marketing has definitely gone upmarket in the recent past. They talk a lot more about business issues and outcomes rather than technical issues. While we believe this is the right strategy, it's possible that our data center respondents might regard it as a bit of a departure from the IBM GS that used to talk tech all day long.

Oracle still hasn't brought their services ratings up to the level of Sun when it was an independent company. Their scores have improved since last year, but last year was a rock-bottom for the company on a lot of our survey categories. Oracle needs to improve their service offerings and performance if they're going to make any headway vs. HP and IBM on the sales front.

We believe that services will become increasingly important, particularly in the Unix market segment. Customers have less bandwidth and expertise than in years past and will increasingly rely on third parties for both routine management/maintenance service as well as advanced solution architectural services. We see even more focus on business outcomes in the future, which plays directly to IBM's strengths.

HP is busily reshaping EDS and adding other components in order to better engage with customers in the executive suites rather than the data center. Oracle? It's hard to say at this point exactly what they're going to do. Their 'integrated appliance' strategy seems to argue that customers won't need much in the way of professional services. However, selling and installing are two different things, and most customers will want a solution tailored to their unique situation. Oracle will need to show that they have the ability and desire to provide these services.

If you're interested in finding out more about this survey (demographics, expanded results, detailed GCG analysis), click here.

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