SmartSource IT
INNOVATION WITHIN REACH

Third-Party Maintenance: Weighing Risk vs. Reward

Make Smart Hardware Maintenance Choices

For IT and Procurement management considering third-party maintenance (TPM), carefully weighing the risks and benefits is essential. A simple way to evaluate TPM is by examining how maintenance dynamics evolve over time after a product's release.
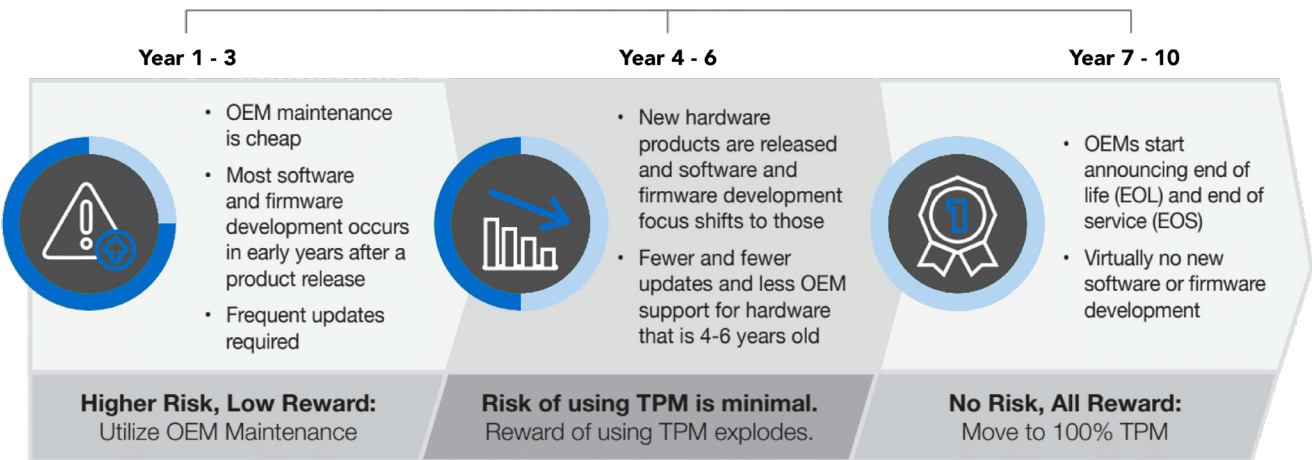
In the early years after release:
- OEM maintenance is relatively inexpensive.
- Parts are scarce and costly.
- Software and firmware updates are frequently needed.

Around four years post-release:
- OEMs increase maintenance costs.
- Parts become more readily available and affordable.
- The need for software and firmware updates diminishes.

OEM VS. TPM: AN INVERSE RELATIONSHIP

Year 1 - 3

- OEM maintenance is cheap
- Most software and firmware development occurs in early years after a product release
- Frequent updates required

Higher Risk, Low Reward:
Utilize OEM Maintenance

Year 4 - 6

- New hardware products are released and software and firmware development focus shifts to those
- Fewer and fewer updates and less OEM support for hardware that is 4-6 years old

Risk of using TPM is minimal.
Reward of using TPM explodes.

Year 7 - 10

- OEMs start announcing end of life (EOL) and end of service (EOS)
- Virtually no new software or firmware development

No Risk, All Reward:
Move to 100% TPM

REMEMBER:

The perceived risks of using TPMs are greater than the actual risks.

Hardware lifespan often exceeds its planned service life.

The reward is saving 50% to 85% on maintenance costs.