

One cup of coffee then I'll go - CompuCom's Solution Cafe opens

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On-site service-desk operations are waning in the face of remote monitoring and management capabilities, which means that one of the IT group's main end-user touch points is being eradicated. And yet, with the rise of BYOD, maintaining high end-user satisfaction rates is a growing challenge for IT services. To address this, CompuCom's reinvigorated management team has launched its Solution Café to enhance the value of end-user devices, increase end-user productivity and improve end-user satisfaction rates.

The 451 Take

CompuCom views itself as an 'end-user-first company,' which means that it will endeavor to provide end-user support wherever and whenever it is required. This is what the Solution Café is all about: it provides a new face for IT in the business by literally pulling IT support out of the back corner and into the social hub of the organization. At the mobile-device level, employees will likely love the 'walk-up' support capability the approach provides. Although providers such as CSC have provided this sort of capability in the recent past for key accounts, CompuCom is the first to create a trademarked offering as an outsourced service in this way. And the company's ongoing development of the idea to improve support for enterprise remote and mobile workers while also opening up the ability to service the SMB market is very clever indeed.

Context

Over the past year, privately held CompuCom has appointed a new CEO and made some interesting changes to its senior management team. In February, Don Doctor was appointed CEO of CompuCom. Doctor was a member of the Thomas H. Lee Partners' investment team that evaluated CompuCom prior to buying it in April 2013. Dan Stone has been appointed senior vice president of CompuCom and president of the company's end-user enablement (EUE) business unit. Before joining CompuCom, Stone served as president and general manager of Lenovo Latin America.

In addition, CompuCom named Pam Baxter as CIO. Prior to CompuCom, Baxter worked for Getronics as VP, global service delivery systems, where she led global development delivery and software engineering of all global service delivery systems – managing more than 200 engineering resources globally. Following her appointment, we expect an announcement later this year on how CompuCom is expanding and reengineering its global delivery network.

In April, the company hired George Karidis as SVP of CompuCom and president of the new cloud technology services business unit. Prior to joining CompuCom, Karidis served as chief strategy officer and chief operating officer at SoftLayer Technologies, where he led marketing, business development, strategy and operations to support growth through private investments, acquisitions and the company's purchase by IBM in 2013 – growing revenue from \$20m to more than \$400m.

CompuCom's operational organization is also changing as it moves from five portfolio service towers to three portfolio groups now run as separate lines of business. These three groups are: end-user enablement; service experience management and cloud technology services.

Services

The Solution Café is part of the EUE business, and the longest-running café has been in existence for 18 months. The company has built more than 30 Solution Cafés for clients and has a backlog of more than a dozen. As part of the offering, CompuCom helps the CIO with location selection (the café is best placed near coffee machines or corporate cafeterias) and operating model for the café, such as the design, hours of operation and content. CompuCom helps put the policies in place for end users and assists the IT group with rebranding and associated cultural change. Once a Solution Café is up and running, CompuCom offers service management for all devices that employees can pick up and carry in. In other words, it provides all the things you would expect from desk-side support but focused on BYOD requirements defined in a catalog of services. The café offers several 'zones':

- level one technician to meet and greet end users
- kiosk ticketing service to manage queues
- learning and collaboration zone where end users can learn about new corporate equipment, apps and processes
- lounge zone with laptops so that end users can check email while waiting, with an optional digital wall to communicate new corporate initiatives internally
- product demo zone where end users can drop in to play with new technology (this enables the IT group to get immediate feedback on what will work in its corporate context; it could also be run as a 'pay to play' area for technology manufacturers, providing a new revenue stream for the IT department)

- secure mobile printing zone
- the tech zone, where level two and level three technicians provide end-user support and repairs

Staffing levels for a Solution Café depends on the volume of end-user traffic. For example, a company with 1,000 employees might need three or four technicians to staff the café, although CompuCom field workers can rotate into this staffing model as a shared service. A Solution Café typically requires a \$30,000-400,000 investment. A top-of-the-line café with all seven zones could run in the hundreds of thousands of dollars, whereas a simple technology zone can be put in a conference room for \$30-40,000.

Customers

The first customer pilot was with the IT group of a large US pharmaceutical company that wanted to reduce overall IT support costs and rebrand itself. The Solution Café model was initially developed with this customer. CompuCom has since expanded the population of Solution Cafes to eight campus locations.

Before the Solution Café, CompuCom was already providing end-user services to the pharmaceutical company, so had a handful of staff on-site who managed seven to nine tickets per technician each day. By changing the service policy as part of the Solution Café to support anything the end user can pick up and bring in, each technician's productivity improved, and each began managing 12-15 tickets per day. Customer-satisfaction rates increased dramatically – for example, it used to take six weeks for new hires to get a laptop; now, new employees can be equipped in an hour.

Strategy

Enterprises currently have to manage a complex, heterogeneous end-user-device environment, with business needs and demands varying greatly among end-user groups. The consumer-driven ability to access information anytime, anywhere from any device means that requirements for – and expectations of – enterprise IT support has changed. This also means that service providers need to change what they offer, which led to the development of the Solution Café.

In order to provide its device lifecycle services, CompuCom has, over the years, developed centers of excellence from which it provides configuration services, dispatch services and its service desk. To better serve the EUE market, CompuCom is augmenting these centralized services by adding its Solution Café and Technology Zone capabilities, which are local technology drop-in centers designed

to be as attractive as a high street retail experience. So, for example, large corporate buyers that have operations scattered all over the place can have their technology support rehoused in a Solution Café in their own corporate environment. In this way, CompuCom can shorten the time for remote deployment or technology refresh, as well as reduce time to repair. Solution Cafés are aimed at companies with 2,500-50,000 employees.

The Solution Café concept is primarily designed as a way for CompuCom to deliver enhanced services to the enterprise customer and to deliver greater value for IT-related services, although the company can also offer consulting services to help an IT department establish its own Solution Café internally. With existing customers, CompuCom bases service scope on the active contract; for new customers, it is defining services as part of the offering.

To serve smaller clients that don't have a large enough operational footprint to justify a Solution Café, CompuCom is planning to set up Tech Zones in business parks, which would be staffed by its own remote level two and level three field technicians. The zones would include enough real estate to store parts and equipment for its corporate customers, and CompuCom could dispatch technicians to support these customers. At the front of these properties, it would offer services to SMBs, as well as support the remote or mobile workers of its large accounts. Servicing SMBs is a new business stream for CompuCom, so it has set up a learning lab in Charlotte, North Carolina to pilot the approach. If it is successful, the intention is to launch about 100 Technology Zones in business parks across the US in 2016.

CompuCom is already working on its next generation of the Solution Café. It is experimenting with providing vending machines for computer peripherals that either CompuCom can sell or offer leasehold with a restocking contract. The company is also experimenting with a Smart Locker concept so that items such as projectors can be kept in distributed, easily-accessible locations and picked up by employees when needed, or portable items can be dropped off for repair. For example, remote or mobile workers could open up a ticket to receive a code to open the locker in a metro location, then drop off the item for repair. As soon as the locker door is closed, a new ticket is generated, creating a chain of custody. When the technician is finished, the end user is notified and can then collect the item.

Competition

End-user workplace services is a well-established market dominated by erstwhile (IBM) and continuing (HP, Fujitsu, Dell) PC manufacturers; systems integrators, such as CSC, HCL, Infosys, TCS, Unisys and Wipro; and service providers with a background in managed network services, such as AT&T. Although workplace services has been a somewhat stable area of the IT services market for a decade, the adoption of consumer devices and technologies, along with the requirement for mobility, is disrupting that stability.

A year ago, CompuCom was one of the first companies to offer Persona Service Management, a differentiated approach to its end-user services, which speaks to CIO requirements to manage organizational IT in a similar way to the practices in the consumer IT space. While other vendors also offer role modeling, CompuCom has taken the approach to another level in addressing the service management dimension throughout the lifecycle of each persona created. Now, CompuCom is building on this leadership to bring a fresh approach to the outsourced delivery of end-user support services by being the first to introduce the tech retail experience into the large enterprise via a trademarked offering, the Solution Café.

SWOT Analysis

Strengths

CompuCom's leadership team is taking advantage of the retail expertise within the group of companies that T.H. Lee owns (such as Party City and Dunkin' Donuts) to rethink how IT support services might be better delivered to end users with very different requirements and expectations than in the past. The Solution Café offering will make a lot of sense to enterprise IT groups looking to raise end-user satisfaction rates without increasing IT headcount in this complex landscape.

Opportunities

As CompuCom has already identified with its Technology Zones pilot, this model has the potential to open up a plausible way for the company to address the SMB market. The Solution Café also suggests different partnership and channel models with technology vendors, such as the introduction of the computer peripherals vending machine and the 'pay to play' enterprise demo areas.

Weaknesses

The café model requires a rather different way of working for field technicians, and it will be interesting to see how well CompuCom manages its internal change management program as it scales to support this in a way that is not disruptive for customers. There is also the question of CompuCom's limited global reach to service large enterprises around the world in this way.

Threats

The model would not be very difficult for competitors with access to a large field service resource to copy, so if it's successful, it is likely to be rapidly replicated by others.

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