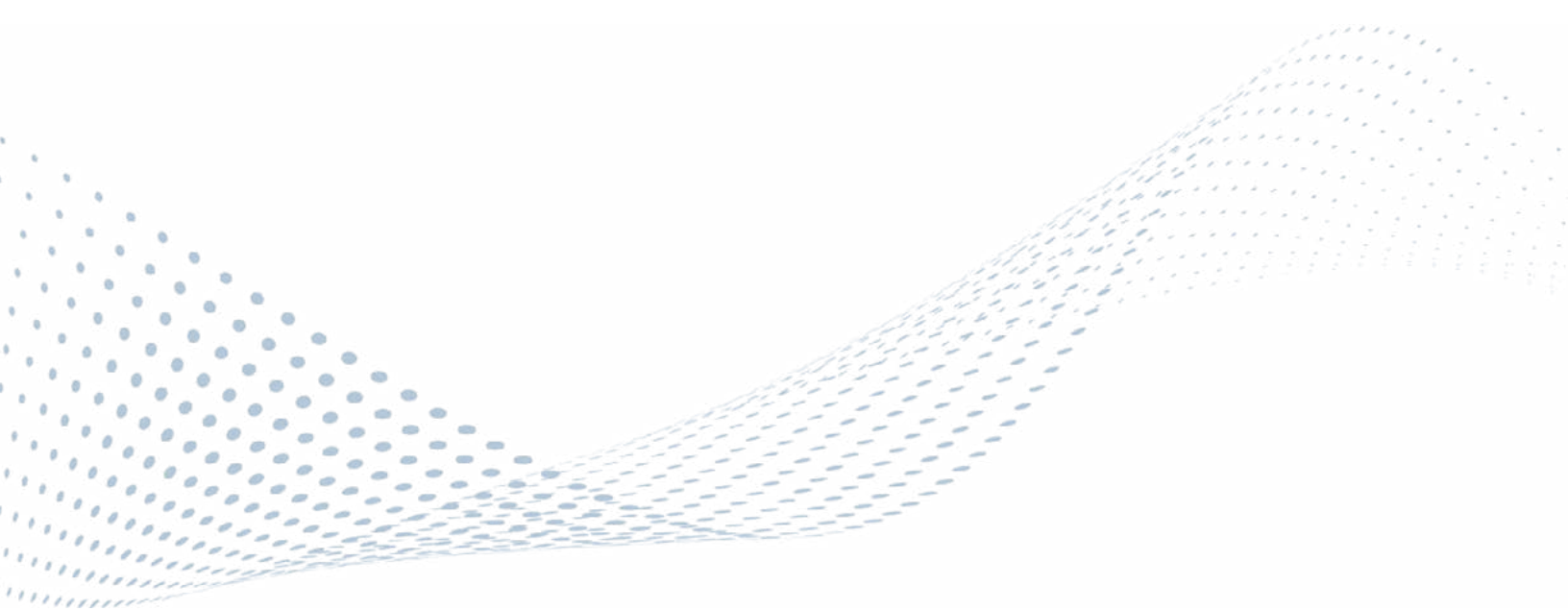# Simplifying IT with All-in-One Solutions

Research on IT purchasing trends
and the shift to all-OEM solutions

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⊕ INTRODUCTION

Around the world, companies are modernizing their IT infrastructures. But the purchasing process for that technology can be anything but pleasant. In fact, Gartner recently found that 77% of B2B buyers think that their latest purchase was very complex or difficult.[1] The typical purchase involves multiple decision makers, each armed with their own research, opinions, and objectives—making it slower to come to a consensus about purchase decisions.

Despite the time and effort required in IT purchasing, 44% of businesses plan to increase their tech spend in 2020, with another 44% holding their IT budgets steady.[2] A streamlined IT purchasing process would not only stretch these IT dollars further, but it would also provide a faster time-to-value that would benefit the entire organization. Purchasing hardware and software in a complete OEM solution, from a single provider, is an effective strategy for simplifying procurement, driving cost savings, and obtaining a single point of contact with deep expertise for the entire stack.

So, what do IT and business leaders really think about their IT purchasing practices? Would it make sense for them to purchase an all-OEM solution from a single provider? Spiceworks recently conducted a survey of IT and business decision-makers to find the answers to these questions and more. Respondents were from organizations of all sizes and spanned multiple industries, including manufacturing, financial services, construction, retail/wholesale, and hospitality.

This white paper explores the results of that survey, providing valuable insights into IT purchasing practices and how they are evolving. You'll also learn why purchasing from a single-source hardware and software provider is the right choice for many organizations, from the ease of purchase, to the speed of deployment, to the accelerated time to value.
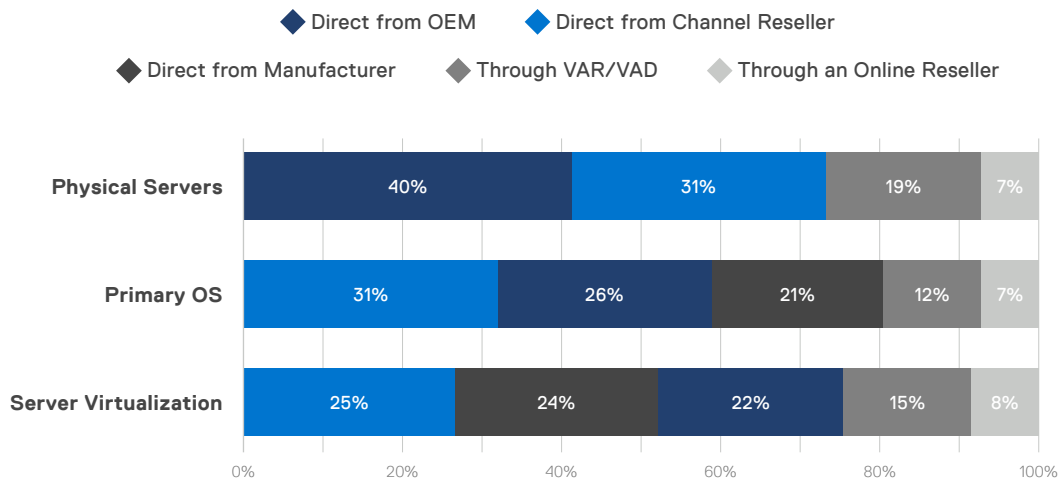
The state of
IT purchasing

Keeping IT infrastructure up to date is the top challenge for today's IT organizations,[2] and it's no surprise given the complexity of requirements and wide selection of choices available. According to the Spiceworks survey, IT and business leaders have a mix of physical and virtual servers, with a mix of operating systems, from multiple providers. Most are using physical servers from Dell Technologies with Microsoft Windows Server 2019 or VMware ESXi as their primary OS. Top server virtualization solutions were Microsoft Hyper-V, VMware ESXi, and VMware vSphere.

How do they typically purchase this IT infrastructure? The preference for purchasing online versus offline is mixed, but most organizations purchase directly from original equipment manufacturers (OEMs) or channel resellers.

PREFERRED IT INFRASTRUCTURE PURCHASING CHANNEL

◆ Direct from OEM ◆ Direct from Channel Reseller
◆ Direct from Manufacturer ◆ Through VAR/VAD ◆ Through an Online Reseller

	Direct from OEM	Direct from Channel Reseller	Direct from Manufacturer	Through VAR/VAD	Through an Online Reseller
Physical Servers	40%	31%		19%	7%
Primary OS		31%	26% / 21%	12%	7%
Server Virtualization		25%	24% / 22%	15%	8%

Most respondents (54%) prefer to purchase hardware and software outright (using a CapEx model), while others (28%) prefer to lease or use subscription-based technology (i.e., an OpEx model). The rest (16%) prefer a mix of the two models.

The good news is that most respondents are highly satisfied with their IT purchasing practices, with 71% saying they are very satisfied. They largely agree that their organizations' purchases are based on well-planned and detailed strategies, and value is given to modernized and innovative solutions.

When it comes to purchasing servers and server virtualization solutions, **most organizations (68%) tend to purchase from the same provider**—but the software is not necessarily pre-installed on the server. In other words, the Spiceworks survey showed that 32% opt for an all-OEM solution with the software pre-installed, while 36% purchase the hardware and software separately.

What are the top reasons for purchasing from a single provider? A single point of contact (29%), easier procurement/management (24%), and pricing discounts (23%) are at the top of the list. Yet, priorities differ between the IT-focused and business-focused respondents. IT decision makers (ITDMs) are more likely to cite the single point of contact and pricing discounts as drivers for single-sourcing, while BDMs point to time savings and quicker deployment as being more important.

TOP 3 REASONS FOR PURCHASING FROM A SINGLE PROVIDER

ITDM RESPONSES

Single point of contact for any IT issues or questions: 34%

Pricing discounts due to having a higher sales volume: 31%

Easier product implementation/ products compatible with one another: 27%

BDM RESPONSES

Quicker support service time: 27%

Streamlined delivery time/all products arrive at once: 25%

Quicker deployment by having the virtualization software pre-installed: 25%

For those that purchase from multiple providers, respondents say they are influenced by the ability to get competitive pricing (45%) and specialized expertise (44%). However, what these respondents fail to realize is that with OEM licensing and key partnerships, an "all-OEM" solution provider can deliver these advantages, too. OEM licensing can provide a more competitive price than "shopping" around to multiple providers, while the right partnerships help ensure that deep solution expertise can be found all in one place—without the added cost of managing multiple service contracts.
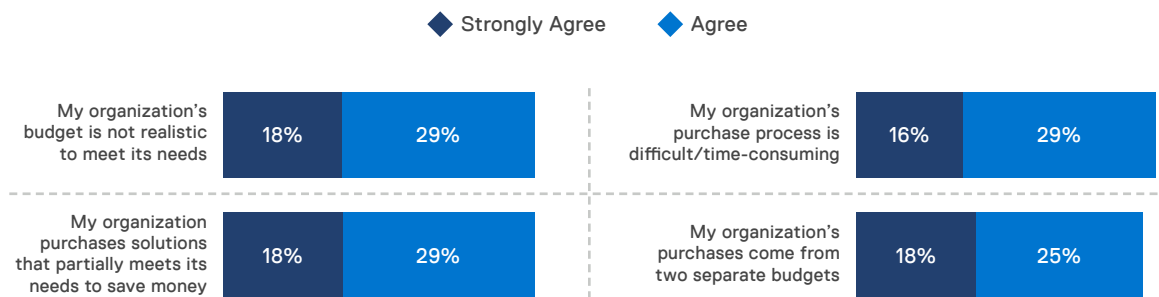
Purchasing practices:
The rise of all-OEM solutions

Although largely satisfied, **nearly half of all respondents cite key challenges** in purchasing servers and server virtualization solutions. Namely, they agreed or strongly agreed that their organization's purchasing process is difficult or time-consuming (45%), budget is lacking (46%), and less than ideal products are purchased to save money (46%). What's more, software and hardware are often purchased from two separate budgets (43%).

CHALLENGES IN IT PURCHASING PRACTICES

◆ Strongly Agree   ◆ Agree

My organization's budget is not realistic to meet its needs	18%	29%	My organization's purchase process is difficult/time-consuming	16%	29%
My organization purchases solutions that partially meets its needs to save money	18%	29%	My organization's purchases come from two separate budgets	18%	25%

But as 32% of respondents already know, all-OEM solutions provide a welcome alternative to the traditional IT purchasing process. The magic is in OEM licensing, which allows a single trusted provider to deliver a complete solution (with hardware and OS, virtualization, and database software pre-installed). This typically gives you access to more aggressive pricing and simplified support—all from one provider.

SOME KEY BENEFITS OF AN ALL-OEM SOLUTION INCLUDE:

Fast time to value: When the OS is pre-validated, pre-configured, and pre-installed, the servers "just work" right out of the box, saving time, effort, and money.

Ease of doing business: The purchasing experience is simplified with a single point of contact for fully integrated solutions—rather than separate transactions.

Unified support model: Organizations also get a single point of contact for hardware and software support, providing dedicated access to certified experts.
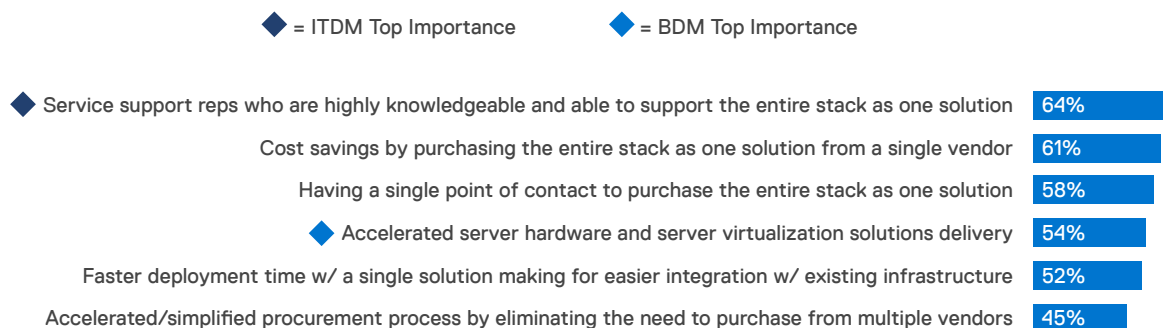
Lowest total cost of ownership: By including software licensing as part of a hardware purchase, the pricing is more competitive and extends value with one-call support. (Find out more in the TCO analysis by Prowess Consulting.)

How did these factors show up in our survey results? Across the board, respondents prefer the knowledgeable support (64%), cost savings (61%), and single point of contact (58%) provided with an all-OEM solution. But again, priorities are different between audiences. ITDMs rate the support expertise as most important, while BDMs prioritize the speed of IT solutions delivery.

THE MOST IMPORTANT FACTORS WHEN PURCHASING AN "ALL-OEM" SOLUTION

◆ = ITDM Top Importance　　◆ = BDM Top Importance

◆ Service support reps who are highly knowledgeable and able to support the entire stack as one solution — **64%**

Cost savings by purchasing the entire stack as one solution from a single vendor — **61%**

Having a single point of contact to purchase the entire stack as one solution — **58%**

◆ Accelerated server hardware and server virtualization solutions delivery — **54%**

Faster deployment time w/ a single solution making for easier integration w/ existing infrastructure — **52%**

Accelerated/simplified procurement process by eliminating the need to purchase from multiple vendors — **45%**

Even when purchasers have come to a consensus, there can still be significant barriers to getting a purchase approved. Respondents say that limited IT budgets are the top barrier to getting their IT purchases approved (37%), followed by the required deployment time (21%), security concerns (21%), and resistance by internal BDMs (20%). Legacy IT infrastructure rounds out the top five (19%).

TOP 5 BARRIERS TO GETTING PURCHASES APPROVED

37% Limited budgets	
21% Deployment time required	
21% Security concerns	
20% Resistance from internal BDMs	
19% Issues with legacy IT infrastructure	
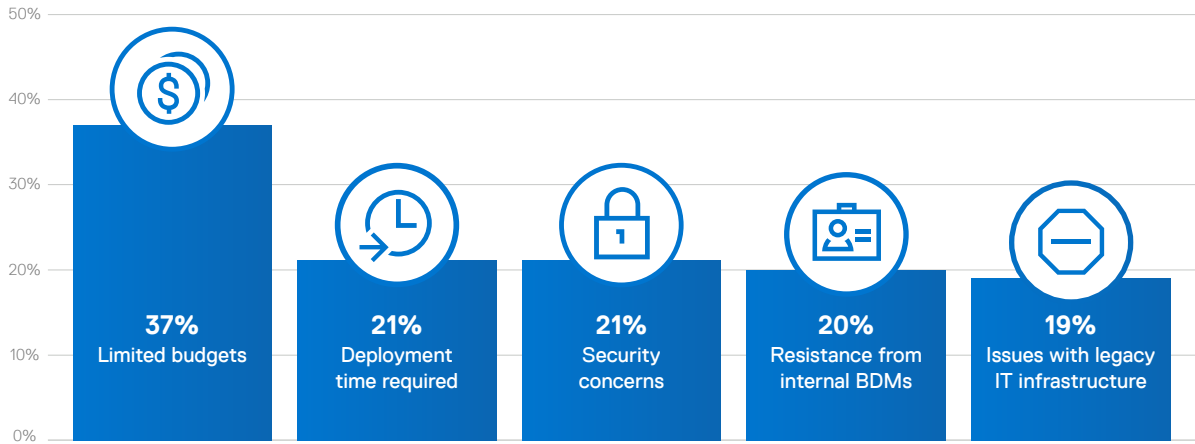
As mentioned earlier, multiple stakeholders are involved in IT purchasing decisions, with C-level executives (64%) and/or IT executives (38%) typically required for purchase approval. What do these stakeholders find the most valuable for justifying a purchase? Product pricing/value details (48%), technical specifications (30%), and performance data (27%) are the top pieces of information used to build a business case. ITDMs are more likely to use price/value information, financial details, and tech specs, while BDMs refer to industry trends, certifications, and product summaries.

WHAT'S MOST VALUABLE FOR JUSTIFYING PURCHASE DECISIONS?
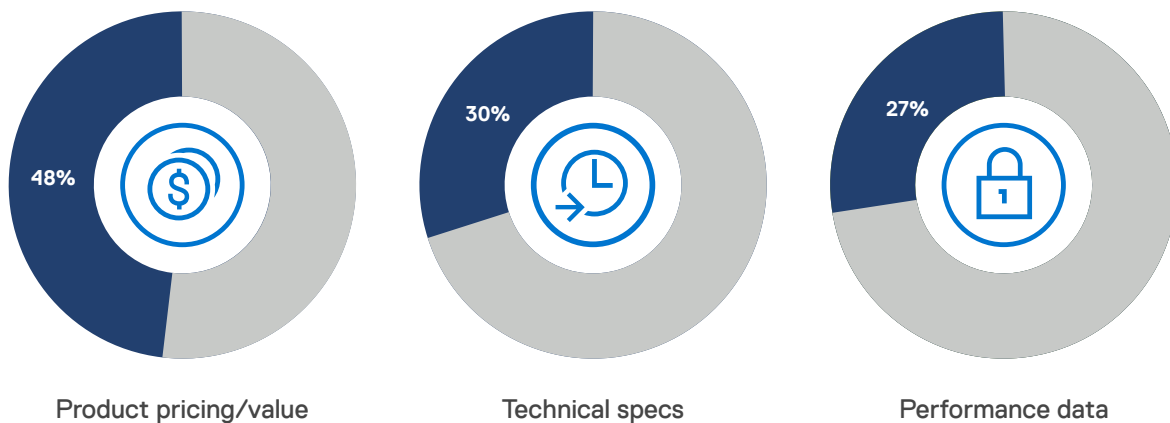
48% Product pricing/value

30% Technical specs

27% Performance data

Evaluating all-OEM solutions and providers

Today's organizations need to rapidly modernize their IT infrastructure to stay competitive, without the complexities of multiple providers, deployment inefficiencies, and disjointed support. All-OEM solution providers offer a holistic approach to IT modernization, from the server hardware to hyperconverged infrastructure (HCI) building blocks to the entire virtualization stack.

With the right all-OEM solution, you can:

Simplify IT and lower TCO: Get powerful servers with the OS pre-validated, pre-configured, and pre-installed, straight from the factory. In fact, OEM licensing can be up to **31% less expensive** than volume licensing.[3]

Empower IT with faster deployment: Spend less time on procurement and deployment. Dell EMC PowerEdge servers with pre-installed Microsoft Windows Server 2019 can be **86% faster to deploy, requiring 40 fewer steps**.[3]

Protect your investment: Simplify support with a single contact for hardware and support issues. There's no more "tech support runaround" between hardware and software vendors—just **deep expertise from one team**.

What's more, an all-OEM solution provider may offer a wide range of services, which can be an added expense when working with multiple vendors. Integrated services help you get more from limited IT budgets, which was cited as a top purchasing challenge. With the right all-OEM solution provider, you get the knowledgeable experts to help identify the right solutions for your environment, ensure faster deployment of those solutions, and extend your team with ongoing management support.

What do organizations value most in solution providers? Respondents expect for their chosen providers to be collaborative partners, have strong product knowledge, and be responsive to their changing business and IT needs.

Here's what ITDMs and BDMs say they look for in a trusted provider:

High-touch relationship

"I want a provider to listen to our needs and offer solutions that suit our long-term goals."
—*ITDM, Energy/Power*

"Transparency in pricing is important for our negotiations."
—*ITDM, Retail/Wholesale*

"I want a relationship to connect on technical questions, discounts, and win/win approaches."
—*BDM, Manufacturing*

Product knowledge

"They need to be knowledgeable, with specifics on performance and price."
—*ITDM, Consulting*

"We want technical expertise without sales fluff."
—*ITDM, Retail/Wholesale*

"We look for experience in our area of business and extensive product knowledge."
—*BDM, Financial Services*

Reputation

"We want a trusted name, with lots of industry experience and clout."
—*ITDM, Construction*

"We look for an established track record and advocate for solutions, versus quick sales."
—*BDM, Food/Beverage*

"They should have a good reputation in product support and durability."
—*ITDM, Manufacturing*

Timeliness/ responsiveness

"We want a guarantee that they will be available, as a partner, if any issues come up."
—*ITDM, Non-Profit*

"We want attention and responsiveness that lasts beyond the honeymoon phase."
—*ITDM, Construction*

"If a provider can't be responsive when making a sale, you can bet their support will also be substandard."
—*ITDM, Consulting*

Trusted partners for
an all-OEM solution

Although ITDMs and BDMs expect a lot from their IT providers, Dell Technologies, Microsoft, and VMware are up to the challenge. The partners have worked together for more than 30 years, engineering an industry-leading portfolio of products and services to meet critical needs across the data center. This way, you have a single trusted source for the essential building blocks, including servers, virtualization, HCI, storage, and cloud infrastructure.

Here's how it works: Dell Technologies is your one-stop shop for hardware and software procurement and support. Dell EMC PowerEdge servers provide a solid foundation for the modern data center, and come paired in an all-OEM solution with native Microsoft Windows Server 2019 and Microsoft SQL Server 2019 technologies, as well as the latest VMware virtualization solutions. The pre-installed software dramatically reduces IT complexity, speeds deployment, and minimizes risk in your IT operations.

Dell EMC PowerEdge servers are a proven, best-of-breed solution for your software-defined data center (SDDC). Because hardware matters, even for SDDC. The performance of the software—and the storage efficiency—depends heavily on the performance and reliability of the underlying hardware. By pairing Dell EMC PowerEdge servers with SDDC solutions from Microsoft and VMware, you can:

Maximize performance across the widest range of applications with highly scalable architectures and flexible internal storage

Automate the entire server lifecycle from deployment to retirement with embedded intelligence that dramatically increases your productivity

Protect your customers and your business with a deep layer of defense built into the hardware and firmware of every server

Want more real-world data before making a purchase decision? Dell EMC Live Optics can help you analyze your current workload performance, so you can understand where to invest in new IT solutions. Learn more and get your free Live Optics assessment.
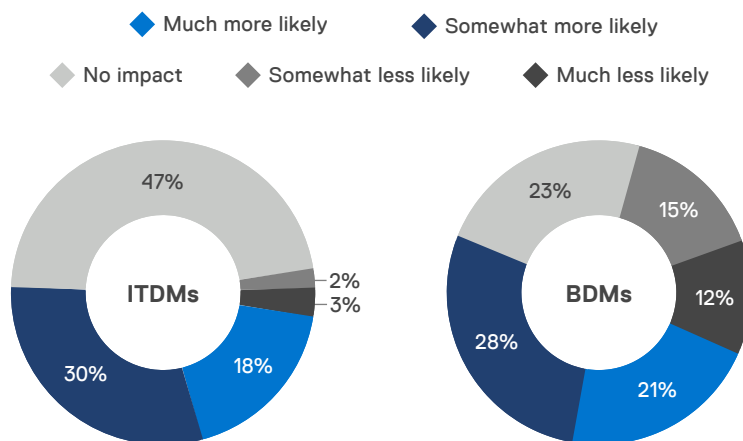
Thanks to OEM licensing of Microsoft and VMware solutions, Dell Technologies is your single point of contact for hardware and software procurement and support. This means you have **one number to call**, ensuring that any hardware or software issues are addressed quickly and efficiently. Plus, you get competitive pricing and a single procurement process for the entire software stack.

THE DIFFERENCE OF DELL EMC POWEREDGE WITH OEM LICENSING

Simplified procurement and support	High performance, scalability, and security	Operational efficiency (one point of contact)
Quick and easy management	Competitive pricing, ongoing cost savings	

It's no wonder that so many survey respondents (**87%**) are likely to consider Dell Technologies for future server purchases. Nearly half are also more likely to consider Dell Technologies for an all-OEM solution if it's partnered with VMware for virtualization software.

LIKELIHOOD OF PURCHASING FROM DELL TECHNOLOGIES IF PARTNERED WITH VMWARE

◆ Much more likely   ◆ Somewhat more likely
◆ No impact   ◆ Somewhat less likely   ◆ Much less likely

ITDMs
- 47%
- 2%
- 3%
- 18%
- 30%

BDMs
- 23%
- 15%
- 12%
- 21%
- 28%

Why are they more likely to consider all-OEM solutions from Dell Technologies? Here's what we heard from ITDMs and BDMs, in their own words.

"It's a **one-stop shop** for both hardware and software, which is a plus."
—*ITDM, Legal*

"The partnership means that server-software bundles are **highly compatible** and provide **cost value**."
—*ITDM, Entertainment/Media*

"All this knowledge/capability merged together in a single offering would **simplify configuration**."
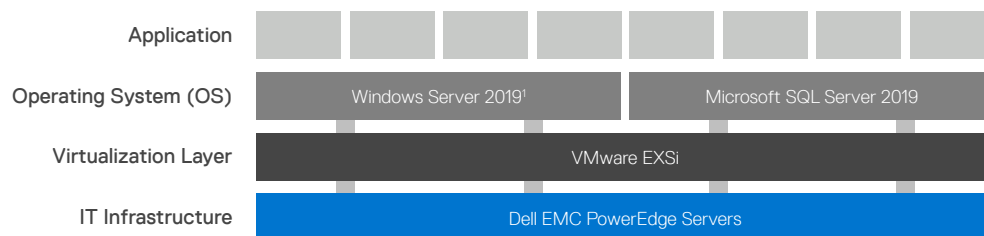—*ITDM, Financial Services*

"A Dell partnership with VMware makes us think that the product is more **powerful and reliable**."
—*BDM, Retail/Wholesale*

"A single-box solution from Dell and VMware is like getting **two tech leaders** in one purchase."
—*ITDM, Non-profit*

Dell EMC PowerEdge servers with Microsoft and VMware OEM licensing deliver the combined strength of world-class portfolios, a single Dell Technologies line of support (with Microsoft and VMware-certified technicians), and a single industry-leading management console for managing your modern SDDC environment.

Application		
Operating System (OS)	Windows Server 2019[1]	Microsoft SQL Server 2019
Virtualization Layer	VMware EXSi	
IT Infrastructure	Dell EMC PowerEdge Servers	

Simplify your
IT with one team

Wherever you are in the journey to a modern data center, purchasing an all-OEM solution from the right source can make all the difference. Dell Technologies, Microsoft, and VMware have been working together for years to make your infrastructure simple, more efficient, and secure. In fact, Dell EMC PowerEdge servers are #1 in the world[4], so you can count on them for superior software-defined compute, storage, and networking performance.

When you add Dell EMC ProDeploy Services to your all-OEM solution, you get expert onsite assistance for a faster time to value. In addition, Dell Technologies has employed 8x more VMware Certified Design Experts (VCDXs) around the world than the next largest competitor.[5]

Winner of more than 50 Microsoft Partner of the Year awards, Dell Technologies extends your team with the right expertise, including 14 global Microsoft competencies and 16,000 certified Microsoft service professionals. What's more, Dell ProSupport includes more than 1,800 VMware-certified support professionals, efficiently resolving calls without escalation to VMware.

SCALE EFFICIENTLY WITH DELL FINANCIAL SERVICES
Dell Financial Services, part of the Dell Technologies family, offers flexible payment options for all-OEM solutions. Our trusted advisors can tailor the payment options to ease your IT budget constraints, so you can modernize your infrastructure in the manner that best fits your needs.

Ready to simplify your IT transformation?

Learn how an all-OEM solution from Dell Technologies, Microsoft, and VMware can help ensure the performance, efficiency, and security of your infrastructure—and deliver value to your bottom line.

Learn More

Sources

[1] "The New B2B Buying Journey," Gartner Inc., 2019.
[2] "The 2020 State of IT," Spiceworks, 2020.
[3] Prowess Consulting report commissioned by Dell Technologies and Microsoft, "Streamline Your Server Deployments by Choosing Dell EMC PowerEdge Servers with Preinstalled Microsoft Software," 2020.
[4] "IDC WW Quarterly Cloud IT Infrastructure Tracker, Q3 2018," January 2019. Based on vendor revenue from sales of infrastructure products (server, storage, and Ethernet switch) for cloud IT.
[5] Official VCDX directory 02/18/19 yielded 8 Dell EMC individuals and 1 HPE individual holding Data Center and/or cloud VCDX certifications.