

What is Third-Party Software Support?

In short, software support is an ongoing service that resolves unanticipated technical issues and includes general inquiries on usability, features, break/fix services, vulnerability management, tax & regulatory compliance updates, and interoperability support.

The first support service you'll have for your software is generally purchased from the publisher, along with the software, and it kicks in after you start using the solution(s).

These services — sometimes called maintenance—were delivered live via remote means such as email, telephone, or online communication so that you could work directly with engineers and developers to solve issues or have technical questions answered. Over the past five to seven years, publishers have increasingly restricted access to live engineers, instead promoting self-service support through online knowledgebases.

Publisher Support Does Not Come Cheap

Top enterprise software companies receive at least half of their revenue from support. For non-cloud solutions, the annual support expenses are 18–25% of the total license price — and those increase by 2–5% per year.

The cumulative cost of support begins to reach or exceed the purchase price of the original licenses after three to five years.

With traditional on-premise products, the first year's support costs are included with the purchase of software licenses, requiring continuous renewals for one or more years afterward. Annual support fees also include the rights to any release upgrades. The newer cloud products (also known as Software-as-a-Service, or "SaaS") include support and upgrades in the subscription fee.

Most organizations budget for – and justify – these expenses, which can quickly amount to hundreds of thousands to millions of dollars annually. Using the logic that no one could be more capable of supporting their enterprise software than its publisher, they write the fees off as an unavoidable part of doing business. Eventually, the imbalance between incremental business value and costs is too much to ignore, which is when organizations start to weigh the value of their support against their own product and business roadmaps.



DEFINING SOFTWARE SUPPORT BY A THIRD PARTY

Third-party software support is an organization that's independent of the software publisher. It's always at least half the cost of publisher support but typically provides more services through an assigned support team and other personalized service components.

The term "third-party" can be a little confusing regarding software support. But when you put it in the context of, say, trusting a third-party mechanic to service your car instead of a dealer or calling a third-party repair service to fix your broken dryer; it's easy to see that "third-party" really means "specialty." Third-party support offers more convenience, interoperability, and affordability than the vendor, including phone systems, laptops, or mainframe hardware.

Third-party support for enterprise software has been around for more than 15 years. While it began with specific Oracle applications (JD Edwards, Peoplesoft, and Siebel), third-party support is now available for virtually any on-premise enterprise or infrastructure product set – including the newest versions. Most 3PSS vendors have teams of highly experienced engineers who hail from consultancies, integrators, or the software vendors themselves.

