



Overcoming OEM Scare Tactics

Legend has it that the famed “FUD” Factor (fear, uncertainty, and doubt) was invented at IBM. FUD is planted in the mind of the customer to keep them from venturing too far from the OEM’s products and services. Some of the scare tactics include:

- If you install third-party anything, memory, anything, it voids the warranty.
- If anyone but the OEM performs repairs it voids the warranty.
- If you don’t renew before the warranty lapses the cost may go up significantly.
- Third-party maintainers aren’t properly trained or prepared to maintain the equipment as well as the OEM.

These all have one thing in common – they’re simply not true.

Wherever it came from, FUD is still in wide use today. Many OEMs still want to keep customers scared.

Why would they want to scare you?

In many respects, OEMs are in a similar boat to everyone else in the IT industry. Competitive margin pressures have driven prices down and profit out. They need to find alternative profit sources as badly as anyone, and they don’t much care who they have to walk over to get there.

Food for thought – you’d be surprised how many major OEMs provide “OEM Service” using third-party providers. Puts something of a hole in their “Third-Party Maintenance (TPM) not good” theory.

They know that a percentage of customers will simply accept these non-truths without question. Part of our purpose in providing this brief is to give you the ammunition you need to disarm them and move to a more productive conversation.



Meet Magnuson-Moss

The Magnuson-Moss Act of 1975 provides that any warrantor warranting a product by means of a written warranty must disclose, fully and conspicuously, in simple and readily understood language, the terms and conditions of the warranty to the extent required by rules of the Federal Trade Commission.

This is meant to protect consumers by defining what may and may not be included in a product warranty, especially as it applies to “locking-in” the customer so they have no choice as to where they may obtain service from.

Perhaps the biggest benefit is the provision that OEMs cannot require that only OEM branded parts and services be used with the product in order to retain the warranty. There go those threats.

Another major benefit to be aware of is that OEMs must permit the consumer to elect either a refund or replacement without charge, after a reasonable number of repair attempts if the product, or a component of the product, contains a defect or malfunctions.

Clearly, Magnuson and Moss didn’t want customers to ever feel “stuck” or “locked in.”

Other provisions preclude OEMs from holding their own software updates, patches, and bug fixes hostage, allowing only those invested in the OEM service product to have access to them. Beyond it being against these rules, quality TPM providers have excellent, legal ways to obtain whatever a customer needs to keep their systems running. Paid upgrades would, of course, be excluded. But paid upgrades are also available, simply by paying for them.

In the Context of the Customer

As with most legislation, disputes over the Magnuson-Moss provisions that cannot be resolved will find in favor of the customer.

It should ALWAYS be about the customer. This is what OEMs sometimes forget, at their own peril.



zepol productions inc.



One of the things customers love most about the channel is the flexibility and broad reach channel partners have in getting things done. Not limited by the constraints that OEMs face, distributors, channel partners and TPM providers can very effectively partner to create the kinds of programs and services customers will benefit most from.

Cost is Not the Only Concern

Many TPM providers will emphasize that they can save customers substantial cost savings, and that's important to consider.

Also important to consider is the flexibility of TPM and other channel partners working together to craft ideal solution strategies. OEMs have long struggled to achieve true multi-vendor support. TPMs do that by definition. More often than not your TPM contract will be cover far more in many more ways. Remember, the OEM is there to service their equipment. You're there to service your customers.

The ultimate in flexibility is your ability to provide hybrid strategies. Some equipment may require OEM support for logistical or other reasons. Some may be beyond your reach requiring you to include geographically dispersed resources. If the OEM doesn't have an office in a given town, they may not be able to service that town at all. You always can.

In the final analysis, the most important value available to you from third-parties and channel partners is the degree to which you can control your environment. Never let an OEM or anyone else ever dictate the terms of how your data center is operated. Bring together best of breed. Forget the FUD. Embrace your many alternatives to OEM maintenance (AOM).

Questions? Give us a call at ###-###-####!!