

**Success Story –  
COMPAQ**

**STS Builds HDD Repair Depot for Compaq**

Compaq Global Services Organization called on STS to plan, build and operate a dedicated service and repair depot for all “warranty replaced” Compaq server hard drives and tape systems found in North America.

**Problem:**

Like most large OEM's, Compaq had managed not only the production of computer equipment and peripherals but also the maintenance. By servicing warranty and maintenance contracts purchased by customers on failure prone hard disk and tape drives, Compaq's business model continued to evolve toward professional services. Outsourcing the actual “servicing” of warranty-replaced equipment became a critical strategy of Compaq remaining focused on new business opportunities.

At the time, Compaq had several large dedicated servicing centers for all equipment returned under warrant or service agreements. Of particular concern to Compaq were the number of server hard drives and tape systems that were being returned and held for too long before being circulated back into distribution (a.k.a. “turnover”). Market and technology forces were improving the size, capacity and performance of storage systems so quickly that only a finite window of opportunity existed whereby Compaq could repair damaged devices and return them to distribution for reuse. Too long a turnover period could force repaired hardware into the gray market or into the trash bin, increasing the opportunity loss in addition to the direct expenses associated with repair.



**Solution:**

Because of STS's background and reputation in building operational IT maintenance organizations, Compaq hired STS to design and implement a multiple **Server Storage Depot** solution for all of North America.

A short design phase of just less than six months punctuated the planned efforts for the initiative that ultimately saved Compaq millions of dollars in direct expense. STS mobilized several dedicated service depots in California and Illinois that provided 7x24 remote technical field support to Compaq's North American Field Services Force. This force represented over 100,000 total devices across some 360 different model types covered under Compaq's Maintenance Programs.

STS provided a dedicated call center and secure web-based technical support for all authorized returns. And STS developed on-line application provided a proprietary tool that managed complete parts replacement, cycle management and service tracking.

All suspect equipment was sent directly to an STS-staffed Server Storage Depot where equipment was tested, repaired and recertified or determined non-repairable within 48 hours. Since a high percentage of failures on disk and tape drives are logical errors (software) as compared with physical errors, much of the equipment was found to be recoverable.

STS serviced equipment from Compaq, Seagate, Quantum, Maxtor, DEC, Sun, Exabyte, Sony and HP.

**Result:**

By outsourcing this detailed and technical service to STS, Compaq saved \$4M in direct organizational expense in the very first year while increasing the number of reclaimed and repaired hard drives and tape systems for resale by 2000%. The overall repair cost lowered per drive to nearly \$100 as compared to \$1000 when Compaq managed this capability internally.

**About STS International**

Spectrum Technical Solutions International, Inc. is a Professional Services and Information Technology Maintenance Organization that works for Fortune 1000 global companies and large private organizations that wish to cut operating costs, improve efficacy and lower business risks by outsourcing critical IT business processes.

STS is a mid-sized privately held company that has the ability to focus on customers and each project remaining nimble, not weighted down by large top-heavy corporate or partnership overhead structures. Our operational efficiency is a customer's benefit.

We deliver our services using an *integrated and vested* approach toward outsourced management of critical IT business processes. Each customer is supported uniquely, leveraging experience across many industries.

**About Outsourced Services Suite (OSS)™**

STS branded services, **Outsourced Services Suite (OSS)™**, is sold directly to our target customers *or indirectly* through channel relationships such as service aggregators and managed service providers.

STS extends our internal "operational efficiency" to our clients - providing a comparable quality of service with a high degree of customer experience, solution customization and overall satisfaction and without the expense.

**"STS is so diverse in their support capability...they can build and manage an entire IT support organization on your behalf or extend the useful life of a legacy, obsolete file server."**

*- CIO of a Public Company*

**Contact STS To Learn More**

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