



Tips for customers – Part 2.

“An educated customer may have a firm idea about his needs, what he would wish to purchase. He may be able to specify these needs so that a supplier may understand them. A wise customer will nevertheless listen and learn from suggestions from a supplier”

W. Edwards Deming, *The New Economics for Industry, Government, Education*

The paper at a glance

In this article I provide some tips on how customers can manage their service providers so that both may benefit. These tips are written in the context of IT infrastructure service provision, but they are relevant to all service providers.

More and more business activities are now being undertaken by external and internal service providers, yet dissatisfaction with the services provided is common, as are its drivers (service failures/disruption, lack of responsiveness, same issues repeatedly).

Dissatisfaction leads to desertion – expensive for both parties. Better to work together on continuous service delivery improvement and cost reduction.

A mutually rewarding customer-provider relationship begins with a provider selection process that clearly and correctly sets consistent expectations of service scope and quality. The process also sets out the parameters for managing a successful relationship – service levels, performance reporting, multi-level communication, collaborative reviews, change management and continuous improvement.

Service quality and high customer satisfaction are not, however, solely the responsibility of the service provider. The customer also has responsibility for service assurance with regard to maintaining user competence, keeping work documentation and service documentation up to date, and testing business continuity plans and disaster recovery mechanisms (in conjunction with the service provider).

Part 2

The first part of the paper covered:

- What are service providers?
- Satisfaction with service providers
- Selecting a service provider
- Customer-Provider Agreements.

This second part will cover:

- Service Delivery
- Service Improvement
- Service Governance
- Service Assurance.

Service Delivery

Internal technical service staff

Some of you will employ internal IT staff to supplement and assist your service provider. This role will usually encompass:

- Liaison with your service providers' technical staff
- On-site assistance to your operational staff with IT-related matters
- Testing of new, upgraded or modified services and/or equipment
- Implementing local "workarounds" while your service provider pursues incident resolution
- Conduct of IT-related projects that are outside the scope or capability of your service provider

In medium size organisations, such staff can be very useful for maintaining required

TIP – *Working with your service provider, apply continuous improvement methods to reduce on-site needs to the absolute minimum.*

service availability and minimising any disruptions. Smaller organisations will generally not be able to or wish to incur such costs, as a team (2 or 3 staff) is necessary to ensure continuous support.

Your internal technical staff should be trained in all the technologies, services and procedures relevant to the service (both your and your provider's). Their skill levels should be maintained as the service evolves and technology changes.

TIP – *Agree with your service provider that your service staff be included in some of their employee programs such as induction and training.*

They **should** receive all service reports and attend all services reviews, but **should not** be given responsibility for scheduling, conducting and following up on these reviews – that your responsibility.

Service reporting

Your service provider should regularly report to you on the services provided, and the items reported must be consistent with those for which service commitments were made in the SLA.

The purpose of service reporting is to ensure consistent understanding between customer and provider of the extent, timeliness and quality of service delivery.

Reporting should:

- Be regular and frequent (monthly is a good interval)
- Be service-oriented not equipment-oriented
- Clearly show performance over time against commitment (preferably graphically with tabular data in support)
- Highlight variance from commitments and the status of any action taken to address the variance (or explanation of why no action has been taken)
- Comment on any trends that indicate action may need to be taken (e.g. “free disk storage will be below 10% in 3 months”) with options and recommendations
- Notify of any events requiring action e.g. pending software license expiry
- Set out additions/reductions to agreed monthly charges e.g. service guarantees.

Reporting should not:

- Simply show only this month’s performance or only this month and the last month/same month last year
- Reproduce system reports e.g. malware scans.

TIP – Request that standard reporting (frequency, structure, format and content) be included in the RFP response and agreed during contractual negotiations.

Service reviews

The service provider should regularly conduct reviews with you of the services provided, and the review items must be consistent with those for which service commitments were made in the SLA and MSA.

The purpose of service reviews is to ensure that the services provided to you continue to meet your needs and that the provider is receiving sufficient recompense to ensure that they are able to continue to meet your needs.

TIP – Request that standard reviews (frequency, structure, format and content) be included in the RFP response and agreed during contractual negotiations.

Reviews should cover:

- Any agreed actions from the last review
- The most recent service report (or a special report for the review covering the period since the last review)
- Actions arising from the service report
- Notification by you of changes in demand (e.g. anticipated new employees)
- Notification by the provider of changes to the service and any related charges
- Continuous improvement activities – new, active, completed
- Advice by the provider of any future events that will materially affect the services provided, the cost of those services or required capital expenditure (e.g. replacement of obsolete equipment)

***TIP** – Upon contract signing, use your desktop calendar software to invite all attendees to the next 4 to 6 meetings and add a new one as part of each post-meeting activity.*

Reviews should be:

- Scheduled well in advance
- Attended by appropriate customer and provider representatives
- Formally conducted and with minutes taken.

Minutes/actions should be distributed very soon after the meeting.

Service Improvement

Structured and formal service improvement is necessary for the services provided to continue to meet your business needs, making you a satisfied, loyal and referenceable customer for your provider.

You should:

- Commit to making yourself and your staff available to participate in service reviews and service improvement activities
- Involve your provider in your existing continuous improvement activities (where relevant), and request your provider to involve you in their existing continuous improvement activities
- Review all relevant continuous improvement activities in the service review meetings

***TIP** – Unless you and your staff are already familiar with Lean or Six Sigma stay away from them – they are too complex and time consuming – just learn and apply some simple improvement tools and techniques such as the [Seven Basic Tools of Quality](#).*

- Apply proven continuous improvement tools and techniques to ensure effective and permanent improvement at optimum cost

Service Governance

Key to continuing alignment of services and needs are formal governance mechanisms between a customer and its provider.

There are three key levels of governance:

1. **Strategic** – this would normally involve your CEO/Owner and similar from the service provider, depending on its size. As its name indicates, these interactions are concerned with strategic change and improvement and be less frequent than service reviews (see above)
2. **Tactical** – these are the service reviews discussed above
3. **Operational** – day to day interaction between customer and the provider; most commonly this is at the user and/or technical staff level, and with service centre staff and other support staff from the service provider.

***TIP** – Upon contract signing, establish a formal service relationship management structure with your service provider.*

Issues are hopefully resolved at each level although some may escalate from operational to tactical to strategic as required.

Service Assurance

Making sure that your IT capability continues to meet your business needs is not solely the job of your service provider. As set out above, you should:

- Be clear and open about your business needs when engaging and working with a xSP
- Read the service reports to be aware of action you must take
- Participate in service reviews and service improvement

But there are other important things you must do to maintain your internal capability:

- Train your users
- Document your procedures
- Test your business continuity and disaster recovery plan

Train your users

The money you spend on your IT services will only be fully and effectively utilised if your users are competent in the use of the hardware / software / netware / dataware products you have chosen.

You should:

- Regularly bring in experts to provide refresher training and to identify and eradicate any bad habits that may have developed.

- Consider paying staff extra to compensate for any of their own time spent on building their competence; send them on advanced training course at your expense and during work hours (and backfill their roles); and, do the same for attendance at user conferences and the like.

TIP - Seek keen members of staff to be "super users" of key application software.

You should not use existing staff to train new employees; they need to have formal training to ensure they do not pick up bad habits.

Document your processes

All standard processes within your business should be documented – as procedures and/or work instructions - as a means of maintaining knowledge and improving

TIP - Use a "one-page-work-instruction" format to support more detailed procedures and to improve procedure usability and maintainability.

performance (consistency, completeness and correctness) - allowing work to be conducted efficiently and effectively, thus saving you money and making **your** customers happy and loyal.

Similarly, the processes through which you engage with your service provider should be documented and kept complete, current and correct. Not only will they provide a sound basis for continuous improvement, but they will help you help your xSP serve you more efficiently and effectively.

TIP - Assign responsibility ("ownership") for maintaining procedures to your work teams (who can also operate as "quality circles" supporting continuous service improvement).

Test business continuity and disaster recovery

It's important that the service offerings of your chosen provider give you the capability to deal with – to the level required

TIP - Drills and tests can be spread throughout the year but you should cover all aspects at least once every year.

- disasters and disruptions to your business operations. Your procedures and work instructions should also cover this need as should your user training.

Activation of your business continuity plan (BCP) and disaster recovery (DR) activity with your service provider is unlikely, but when they are needed, they must work! For

TIP - Link your BCP/DR testing with other related tests, e.g. fire drills, to make the scenarios more realistic.

you to be assured they will work when needed requires you and your team to undertake testing and practice using the BCP/DR procedures.

Seek proof of cybersecurity

Cybersecurity is a critical aspect of assuring service availability. However, I've not seen an xSP who provides proof of their level of cybersecurity, such as through reporting the results of penetration tests (and few customers request it). You should

TIP - Include cybersecurity testing in your annual BCP/DR exercises.

employ some form of cybersecurity testing by an independent 3rd party provider – not your xSP. However, your xSP may be able to arrange such testing as a service to you.

You already have an xSP and you're not happy

Some readers of this article will already have an xSP (or more than one) and may not be completely happy with their service.

In this situation your options are:

1. Do nothing
2. Wait until it's time to renew the MSA.
3. Initiate the replacement of the incumbent with a new provider
4. Work with the service provider to improve their service.

I recommend working with your xSP collaboratively on activity that will lead to better outcomes for both organisations.

TIP - Use the matters set out above as a form of checklist on the health of the relationship and as the basis for an improvement-focused discussion.

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