

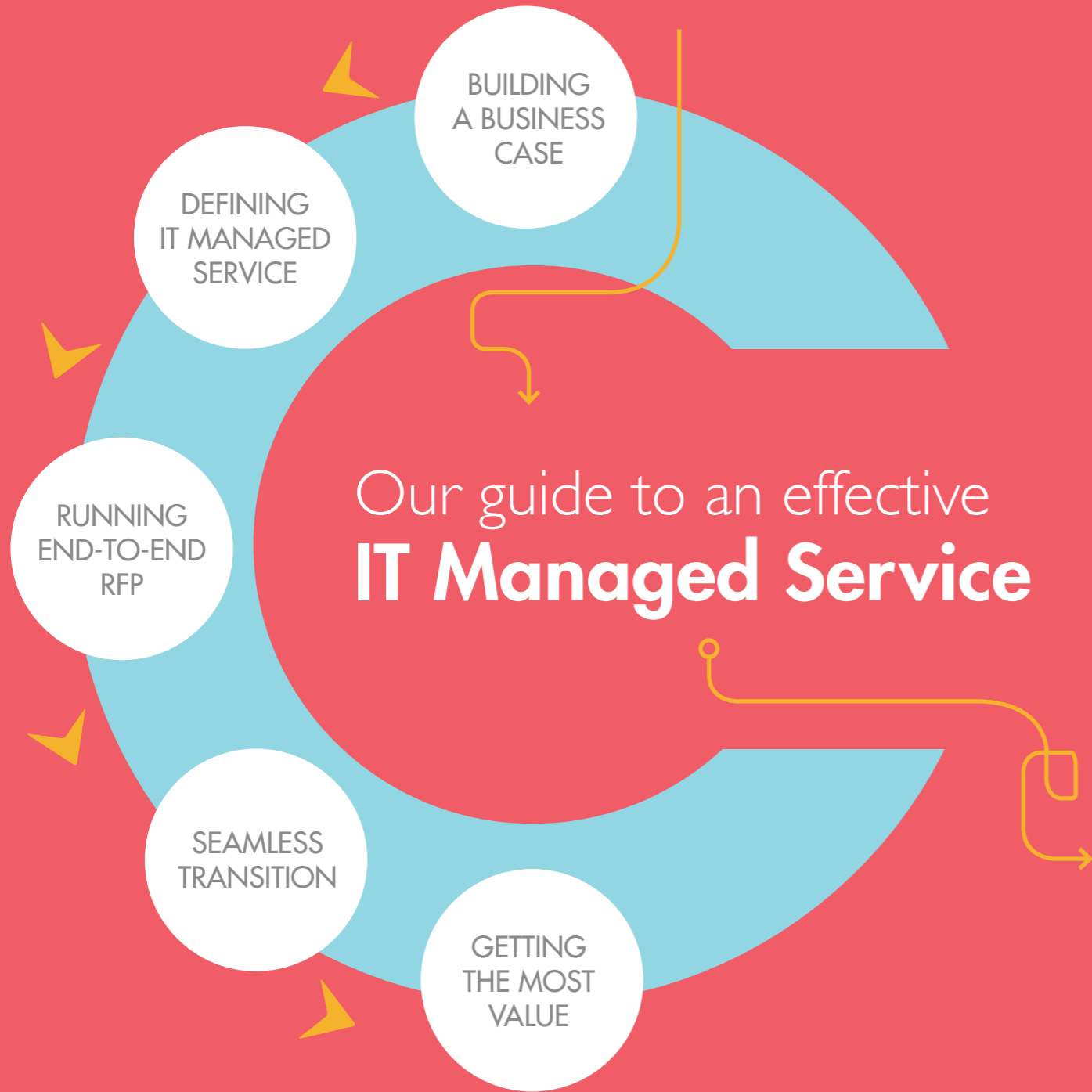


Supporting global business growth for 25 years



Our guide to an effective
IT Managed Service

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The five steps...

1.

Three steps to building a business case for an IT managed service

2.

Three considerations when defining your IT Managed Service

3.

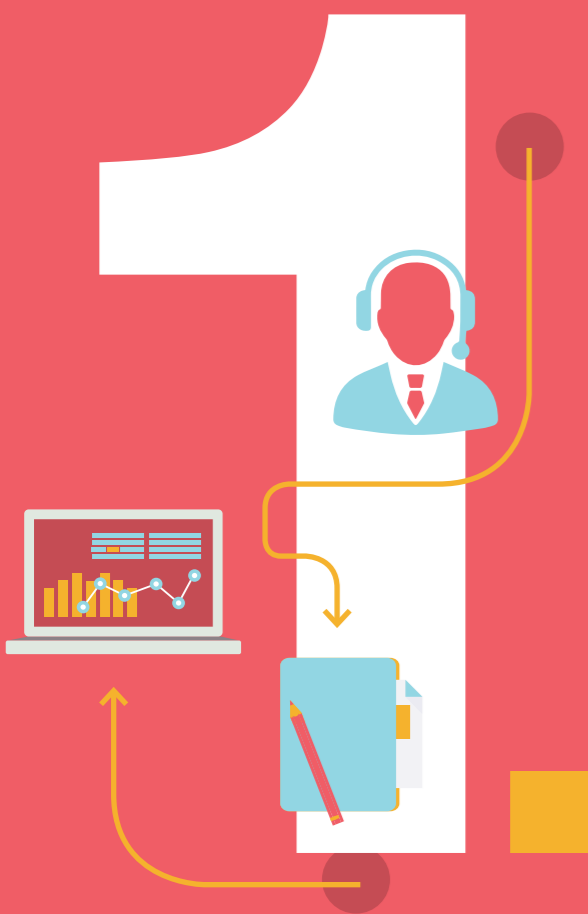
Five steps to running an end-to-end RFP

4.

Key steps to a seamless service transition

5.

Getting the most value out of your Managed Service



STEP 01

Three steps to building a business case for an IT Managed Service

You are tasked with one of the most critical jobs in the company – keeping it running. You may not have a title starting with a ‘C’, but rest assured, the responsibility is huge.

The responsibility sitting on your shoulders to the business, your colleagues, every piece of hardware and software, whether it sits with IT, or was purchased by another function (shadow IT), keeps you awake at night. Not only do you have to maintain all of the above, but you also must deliver the strategic initiatives handed down to you by the CIO.

No mean feat considering you currently have a recruitment freeze and a CIO who’s promised the delivery of these strategic projects to the board in very tight timelines.

You know that your team are more than capable of delivering the strategic priorities and they understand the business far better than any

consultant. You also know that given the increased volume of support tickets over the last two quarters and the future expansion plans, you’re going to struggle to maintain the quality of service built up over the last few years – the continuity of service will ultimately begin to suffer and affect not only the day-to-day, but also the future objectives.

You know that the best solution for your company would be to hand over the undesirable and time-consuming tasks associated with keeping IT functioning and always on, to a Managed Services Provider (MSP). By defining clear and robust SLAs and KPIs, the provider could maintain the current IT Service Desk, infrastructure and network support services your

function provides, scale and grow with the business and allow your team breathing space to get on with the long-term strategic project delivery.

Not only will this benefit the business and slow down the development of grey hair; but it will also help your CIO keep their promises to the board – it’s a win-win situation, however...

Your CIO remembers when IT Managed Service Providers called themselves IT Outsourcing Services and scarred on their mind are the poor service levels and the scripted robotic voices on the other end of the phone. But most of all, they remember the good reputation and foundations IT had built internally, destroyed by a poor service put in only to reduce costs.

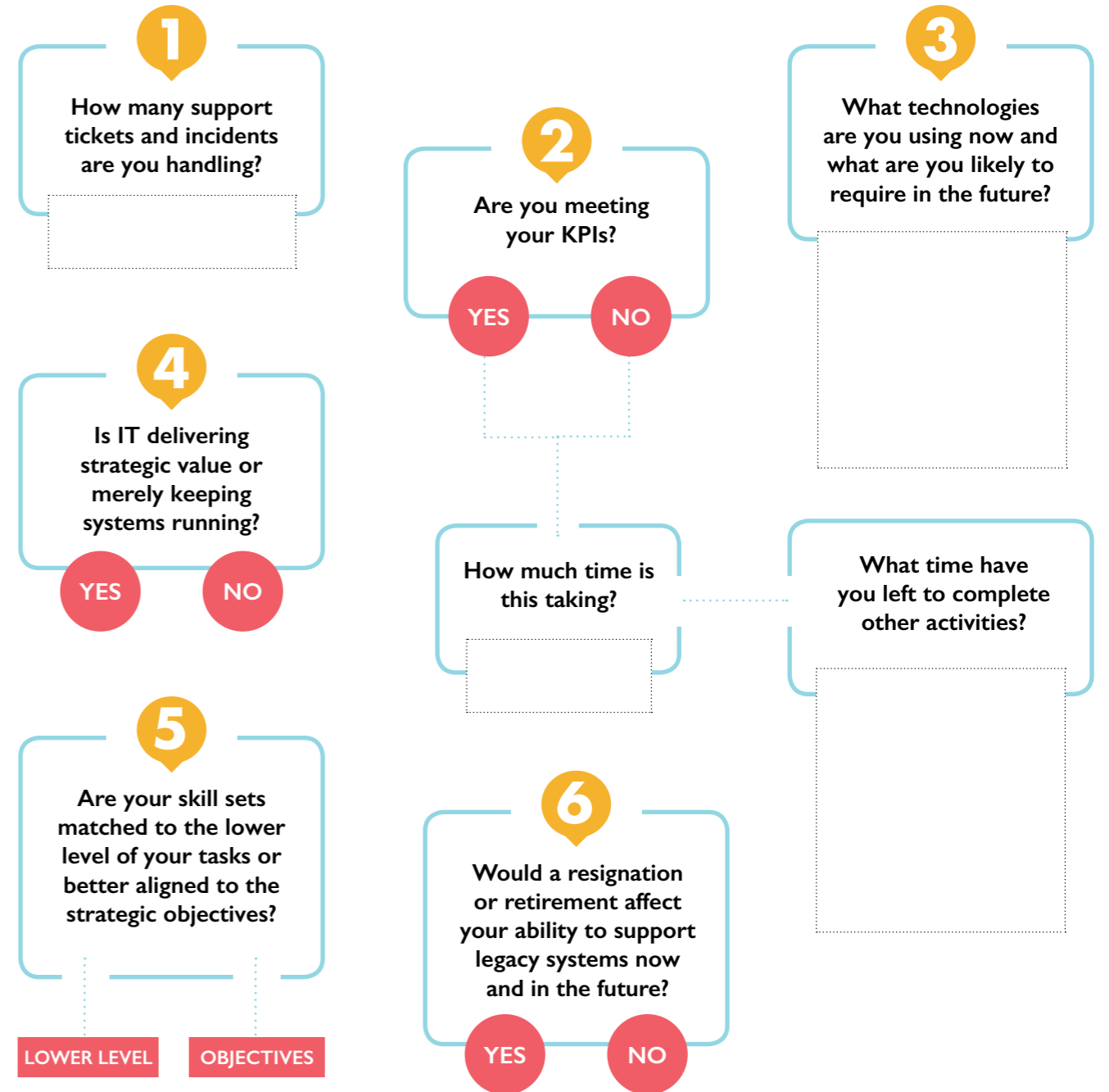
1

It all starts with some

self-assessment

Ask yourself these questions and be brutally honest with your answers.

This exercise will allow you to understand your IT maturity level, compare your internal costs and capabilities to the business needs and a provider's ability to deliver against them.

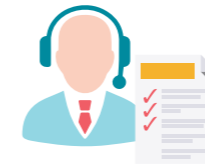


2

The discovery

From the information you gathered in the self-assessment, you can now document the high-level needs and the effort that will be required.

Your answers will tell you:



Support & tasks

What the true cost of support to the business is and plot where current skills sit compared to tasks



Skills & resources

The skill sets and resources you are missing to deliver the business goals now and in the future



Strategic activities

The time and skill sets you have available and how long the strategic activities really take to deliver



Security & compliance

The potential security and compliance risks to the business if service levels aren't maintained



Cost benefit

Determine the cost-benefit to validate the rationale behind using an MSP



Attributes

What else you require from your managed service provider:

- Agility
- IT Asset Lifecycle Management
- Industry experience – de-risk
- International presence
- Advanced Analytics

3

Define the service, document

and deliver

You should at this stage have a clear understanding of your requirements. You're ready to move forward and communicate your solution to your CIO.

You should also be able to define the service and wider requirements enabling you to go out to the market and short-list MSPs.

Key focus points during the definition stage:

- 1 Document your requirements
- 2 Demonstrate the ROI (return on investment) for each element of the required service – cost savings, efficiencies, processes, people and technology
- 3 Spend time with your executive team to establish buy-in for change
- 4 Qualify a shortlist of MPSs based on your requirements
- 5 Deliver your business case to your CIO

At Allied Worldwide, we understand that having a genuine need for a service isn't enough to turn it into a reality. It goes without saying Allied can provide you with a full Managed Service Solution to fit your needs but what's more, we can guide you through these three steps to help you build a compelling business case to take to your CIO or IT Director.



STEP 02

Three considerations when defining your **IT Managed Service**

The industry has rapidly evolved over the past twenty years. IT managed services buyers and providers are able to define their requirements and service delivery with more accuracy than ever before.

You have completed the initial step of building a business case for an IT Managed Service, have had approval and are all set to go to the next step; creating your RFP. Before you proceed, there are three key areas for consideration to ensure you achieve the right result.

1

Focus on the root cause rather than **the symptoms**

With the constant talk of digital transformation, it's easy to fall into the trap of making the technology your primary focus. The belief is that if you purchase the latest and best technology, it will deliver results.

Unfortunately, this is far from the truth. It is far more critical to spend time and energy on understanding the business challenges you identified when building your business case, and mapping these to the current market solutions.

You need to have a clear idea of your goal before you issue your RFP.

At this stage, you should involve stakeholders and users from across different business functions. This will help you understand end-user requirements and visualise the scope from varied perspectives, ensuring that all aspects are covered.

Undertaking this exercise will also provide you with a forum to discuss and shape how your service should look now and in the future.

The concept of purchasing a basic off-the-shelf solution at a low cost is no longer a viable option. IT departments know that dealing efficiently with the unpredictability and volatility of support requirements comes at a high cost. Identifying and working out a flexible arrangement with a suitable provider is the only way to support your growing business.

2

Look to the service provider for **innovative solutions**

Organisations are trying their best to keep up with the technological changes in today's dynamic digital era.

They do this with the best intentions, but often without the budget or resources available to truly leverage innovation in technology. With upwards of 80% of IT budgets going towards supporting legacy systems, this is hardly a surprise.

It's a challenging task to put in writing a requirement for disruptive solutions when you publish an RFP. However, through the continuous service improvement process, businesses should look to their service providers to identify innovative technologies that will improve services, processes and drive efficiencies.

Businesses tend to run procurement processes in the exactly the same way they have always been run, yet the

expectation is for the results to be different. For true innovation to be possible, the challenge is to change the approach and give service providers the space and flexibility to be able to offer and implement their ideas.

If you want an innovative solution, you should work on creating an atmosphere of openness that inspires creativity and innovation. Involve more people – users and decision makers – from across the business. It is the responsibility of the leadership team to make the culture conducive for innovators. Even though you may not ultimately implement all ideas that are offered, it is important for you to review them and pick and choose the ones that you believe would work for your business.

3

Framing output-based **service level agreements**

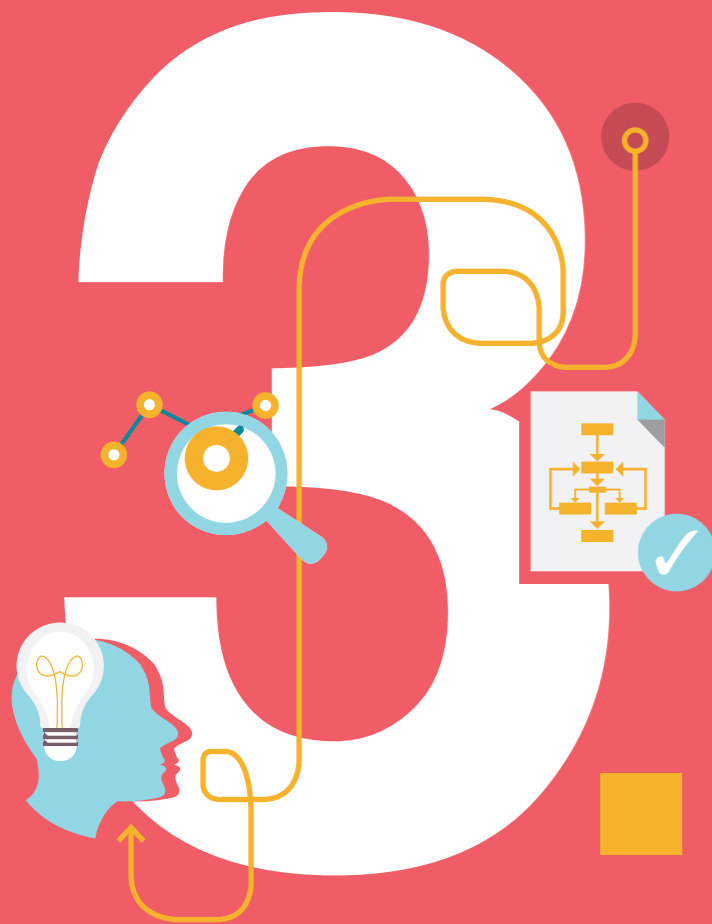
The SLAs define what the client requires from the vendor in terms of the service and quality of that service. It also defines the process and steps if the requirements are not met.

You are aware getting the right service level agreements (SLAs) is of critical importance in any IT service. A great deal of time and effort goes into creating the SLAs, however that is not enough to guarantee an excellent service.

Service levels can no longer be defined at the start of an engagement and then forgotten, they need to be constantly reviewed, improved and updated to match the evolution of the service throughout the duration of the contract.

Whilst it may seem a great idea to set service levels in stone, you may be better served by output based SLAs. These are obtained by averaging the metrics, over several months. This will deliver optimal results from the partnership and will create an agile working environment.

SLAs need to be constantly reviewed, improved and updated to match the evolution of the service throughout the duration of the contract



STEP 03

Five steps to running an **end-to-end RFP**

When you initiate an RFP for your IT Managed Service, you have one goal in mind; to find a provider whose service, approach, performance and price meet your requirements.

Planning your RFP effectively can not only speed up the decision-making process, but will also ensure the service provider meets the above prerequisites.

You may already have a long or shortlist of potential suppliers in mind and have an idea of who you would like to select. The RFP process may validate your thoughts, but may also identify a provider you hadn't considered. Following the process is the perfect way to identify a contender who will deliver above and beyond your expectations. Whatever the outcome, a high-quality RFP will ensure you end up with a high-quality service.

1

Discovery

You've assembled your team who will create and review the RFP. You have demonstrated the requirement when building your business case.

In the discovery phase, you will review your current service against business objectives and your aspirations for the future state. The first task is to create a realistic and measurable timeline for the process.

- Create timeline
- Review data and objectives
- Confirm scope
- Establish supplier longlist
- Develop RFP template
- Provide sample contract MSA

2

Market sounding

A well-run market sounding exercise provides the opportunity for dialogue between potential suppliers ahead of the RFPs release.

This not only tests the viability of your requirements and service levels but also helps define your RFP and fosters healthy competition. Your longlist of suppliers should be invited to participate in these sessions to allow you to evaluate how you might work together; Do they share your values? Do they have your best interests at heart? Where have they delivered this level of service before? The end objective is to select four shortlisted suppliers.

- Conduct market sounding sessions
- Evaluate – select four shortlist suppliers as RFP recipients
- Notify shortlist suppliers

3

RFP process

To support your shortlisted suppliers in submitting the best possible responses, you should provide as much background information as possible.

Make sure the RFP reflects how you operate as a business and your culture. Ensure the RFP has fully captured your requirements and sets out your terms and conditions for acceptance, delivery, payment and any regulatory requirements. Where appropriate, set out your expectations for the new service and ask suppliers how they will facilitate continuous service improvement. Provide your shortlist with enough time to seek clarification to questions, but do set a deadline.

Once questions have been submitted and answered, document them and make them available to your shortlist. This will create a level playing field and a much better set of responses.

- Review, shape and finalise the RFP/requirement document
- Finalise RFP plan, key dates
- Build communications plan and approach
- Agree evaluation approach and scoring criteria
- Engage legal re RFP approach and sample MSA
- MSA development
- Approve and issue RFP with set deadline for responses
- Support suppliers RFP proposition development
- Develop evaluation material and brief evaluators

| 4 Evaluation & selection

Once responses are received, each response must be reviewed and evaluated against your requirements.

A pre-defined scoring system should be used with each element ranked according to requirement and priority. The results of the RFP evaluation will allow you to select two preferred suppliers. These two suppliers should then be invited to a workshop style presentation where the RFP team should have prepared questions based on the response document. These workshops allow you to clear up any uncertainty and validate any claims that seem too good to be true.

The objective of the workshop is to select your preferred supplier.

- Reading and review of responses
- Complete RFP response evaluation
- Facilitate suppliers' presentation sessions
- Refine evaluation scores and run evaluation workshop
- Document results of selection process
- Down-select to two preferred suppliers (maintains competitive edge)
- Facilitate "preferred status" workshop
- Select preferred supplier

| 5 Commercial contract negotiation

You have selected your supplier, you must now create the relevant commercial, legal and service level agreements.

- Prepare Heads of Terms
- Enter into period of exclusivity
- Build MSA and schedules
- Contract and commercial negotiation
- Sign contracts
- Enjoy your service

4

STEP 04

Three key steps to a seamless **service transition**



You have been through the selection process and signed commercial contracts with your new IT Managed Service provider.

The focus is now firmly on transitioning the management of your IT to the new service provider with minimal disruption to end-users and the business.

Having spent a great deal of time and effort working towards this point, you are looking forward to having IT services running like clockwork and seeing all your efforts come to fruition.

However, there are several details that need to be considered, documented and transitioned. With any successful transition plan, the devil is in the detail.

A typical managed service transition process plan would include:

- Staff interviews to ensure contractual alignment
- Staff onboarding
- Process engagement and documentation
- Engage on security compliance
- Build service improvement register for action under CSI
- User communication

1

Transition requirements

Firstly, let's consider the transition requirements. This is a crucial step and you should not underestimate the amount of time and knowledge to get this right.

Have you been able to quantify and document the requirements, the operational details and the expected outcomes? While this fundamental step might seem straightforward, it requires a lot of thought and collaboration. Although you may not be involved in the day-to-day activities of the new service, it is vital to have an understanding and awareness of the new provider's processes and how the service will run.

During the transition phase, you should remain fully engaged with your new supplier. This ensures you do not miss out on potential opportunities or efficiencies your own knowledge and experience may identify.

Three points to remember:

- Be fully involved in the process
- Maintain open communication
- Knowledge share each way to improve services and upskill

As a part of the initial transition, you will need to support the service provider with the following:

- A senior point of contact for IT to ensure a smooth transition
- Involve HR to address and respond to any personnel concerns
- Guidance on any potential issues that may arise

- Advice on the points of contact at new sites
- Access to all required systems, folders, documentation and reports
- Contacts and processes for escalations
- Disclosure of current service level status and CSI
- Information of where services need to be improved, developed and support your personnel may require

2

Resource requirements

The next step is to document the transition deliverables in a full transition plan.

When you plan your transition, you should prepare resource requirements in advance. The transition of the service is effectively changing skills, personnel, knowledge and technology.

A service transition can be an uncertain time for your team. An open dialogue must be maintained with your existing service professionals throughout the process, answering and allaying any concerns that may arise. This will ensure your existing team understand the rationale behind the transition and fully support the process. Current processes and their outputs should be analysed, and documented and compared to the new processes ensuring they will deliver or exceed current outputs.

3

Transition deliverables

The next step is to document the transition deliverables in a full transition plan.

Your plan should include a complete breakdown of all the tasks that are being transitioned along with the details of personnel, data, timelines and deliverables involved.

What do you expect to achieve at the end of the transition phase? Having this clearly defined enables you to measure the success of the transition against your objectives.

Crucial to a successful transition and service is keeping communication lines open, building your relationship with the service provider.

Key points to consider:

- The transition should be focused on people, and process rather than just the requirements
- The transition must be focused on how the service will be delivered going forward to ensure it doesn't become a process focused on itself
- Work on targeted staff retention
- Ensure existing knowledge is retained and verified as correct
- Risk mitigation
- Service evaluation - conduct a gap analysis on skills, requirements, deliverables and metrics
- Relationships - Who does what? Who needs what? Why? And by when?
- Commercials - Lower implementation cost from knowledge base
- Liabilities – Money and labour, how we can realign/ re-task?
- Full Documentation Suite - SOM, JDs, Processes, Contacts, etc. – This keeps key-stakeholders aligned and aware of their responsibilities in the transition

Post transition, you need to reinforce the output based SLAs in the contract and as highlighted in part two, 'Three considerations when defining your IT Managed Service', you must continue to review and update them as necessary. More about continual service improvement is discussed in part five 'How to get the best out your IT Managed Service'.

Crucial to a successful transition and service is keeping communication lines open, building your relationship with the service provider. This will support the service to grow, evolve and keep the service running optimally in terms of efficiency and cost.



STEP 05

Getting the most value out of your **Managed Service**

So, you have your new managed service in place. The transition went well with minimum disruption to the business, with SLAs and KPIs being consistently achieved.

Let's define what continual service improvement means to your business

Quite simply, the continual service improvement (CSI) process is based on ITIL methodology with the aim to continually improve the effectiveness and efficiency of IT processes and services, in line with the concept of continual improvement adopted in ISO 2000. Sounds simple, right?

Fig.1 shows the ITIL CSI lifecycle

The main objectives of CSI are to identify, improve and evolve service delivery processes and identify potential cost saving opportunities for your business.

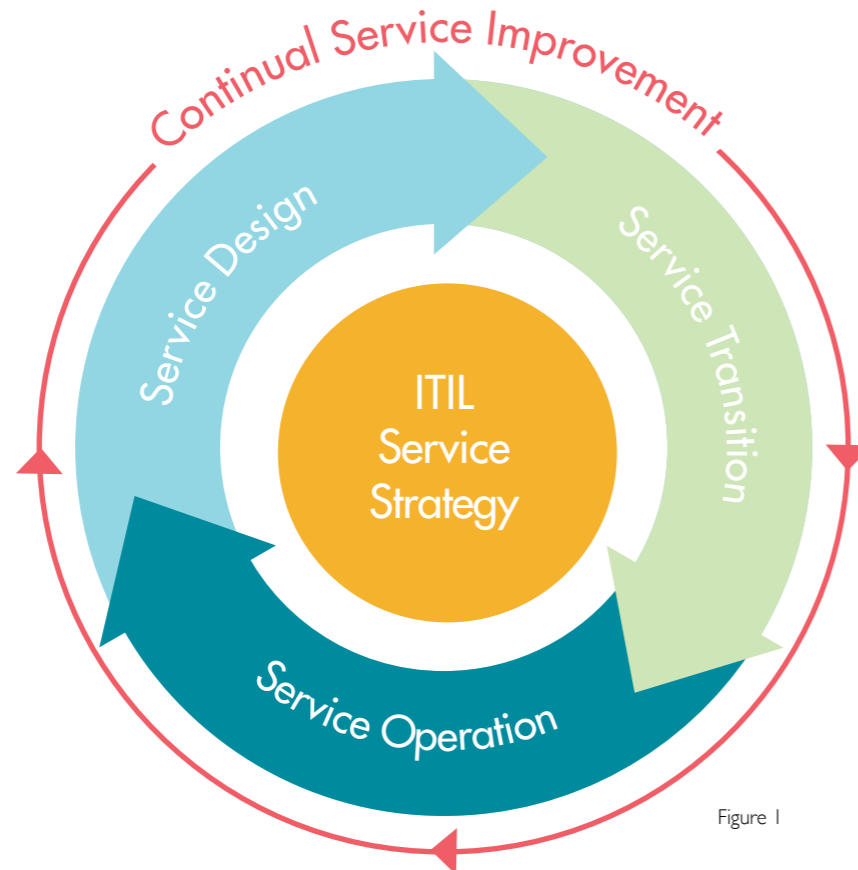


Figure 1

How should CSI be approached and what should you expect from your supplier?

Continual Service Improvement incorporates the following steps:

- Measure (against objective outputs)
- Assess (gap analysis)
- Design (remedies or enhancements)
- Transition (roll-out service)
- Measure (effectiveness of service)

Your service provider should provide a robust governance structure against which the services are monitored, reported-on and assessed.

An example of our tried and tested service delivery governance framework is demonstrated in fig.2. Why not measure your existing provider's governance structure to compare and contrast; are you getting the most out of your service?

Your supplier's Service Delivery Director, Account Manager, Service Delivery Manager and ICPM (Incident Change and Problem Manager) should be working together (and collaborating with you), to drive improvement and cost saving initiatives forward.

This is achieved through daily contact with the Service Delivery Teams, monthly and quarterly business reviews and your supplier aligning their services to your key business objectives. Any service improvement processes and changes should be documented and audited on a regular basis.

MEETING	AGENDA	FREQUENCY	ATTENDEES
Operational Review	<ul style="list-style-type: none"> Review Weekly Report Outstanding Issues 	Weekly	<ul style="list-style-type: none"> Client Service Delivery Manager Service Delivery Manager Operational Team as required
Operational Monthly Review	<ul style="list-style-type: none"> Review monthly performance of the team Service Improvement Plan Updates from future IT needs 	Monthly	<ul style="list-style-type: none"> Client Service Delivery Manager Service Delivery Manager Incident Change & Problem Manager
Service Review	<ul style="list-style-type: none"> Review SLAs Review Escalations Review Red/Amber Issues Review project progress to Review service improvement recommendations Commercial Review 	Quarterly	<ul style="list-style-type: none"> Client Service Delivery Manager Operations Director Service Delivery Manager Incident Change & Problem Manager Client Head of IT Account Director

Figure 2

What reporting frequency should you expect?

You will have outlined your expectations for service reporting in the RFP. Every business will require various levels of reporting depending on the nature and scope of the service delivered.

A typical IT Managed Service reporting suite should be presented to you in your desired format and provide monthly and quarterly reports on:

- High-level service summary
- Monthly/Quarterly SLA review
- Monthly/Quarterly ITSM Incident SLA review
- Number of tickets by engineer
- Performance by location
- Incident types, trends and service requests per location
- Quarterly Credit Review
- Quarterly Finance Review
- Agreed changes or proposed service improvements to service (proposed/accepted)

Your service provider should provide a robust governance structure to which the services are monitored, reported and assessed.

Continual service improvement is not just a phrase

CSI shouldn't be something that appears in your suppliers RFP response and then gathers dust. To deliver your service and help grow your business, CSI is a prerequisite. You should never hear the phrase "We will do this at renewal", if you do, change your provider.

CSI should be a part of your supplier's culture; at a minimum they should be running quarterly business reviews internally using a service improvement register to:

- Record: recommendations, approvals and rejections
- Track: previous changes and the status of approved recommendations
- Measure results: did it deliver to expected outputs and budget, if not, why not?

Your supplier should also be running debate days. These provide a valuable forum to evaluate internal and external processes, peer to peer issues and opportunities.

The key thing is dialogue; as a famous actor once said, "It's good to talk" and in today's age of emails and instant messaging, the value of dialogue is more important than ever, and it should never be underestimated.



Founded in 1992, Allied Worldwide has been supporting its customers to grow their businesses through its Global IT Managed Services, IT Support and Business Solutions.

With a proven track record of delivering services to global organisations and Fortune 500 companies in over 60 countries, we have delivered millions of pounds in cost savings to our clients.

We have offices in the UK, Europe, India and the US and have clients spread across six continents.

To find out more about our IT Managed Services please get in touch, we'd love to hear from you.

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