Four steps to
Developing a Service
Management Strategy
for Midsized Business

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In today's competitive business environment, small and midsized businesses that want to grow and sustain an edge in the market must continually streamline and improve core business practices. In many instances, technology-based solutions are integral to achieving operational efficiencies and to furthering key business objectives.

As businesses progress from small to midsize organizations, their dependency on IT solutions also increases. If you work for a midsize firm, your company has probably already automated several core business functions, such as inventory management, customer relationship management, and Web site content management. As these systems become more critical to keeping the business running smoothly and to ensuring customer satisfaction, they increasingly dictate that service desk personnel must handle problems more efficiently and effectively.

This often presents a challenge for midsize companies, many of which simply lack the IT staff and budgets needed to deploy, run and manage the industrial-strength help desk software solutions designed for large enterprises.
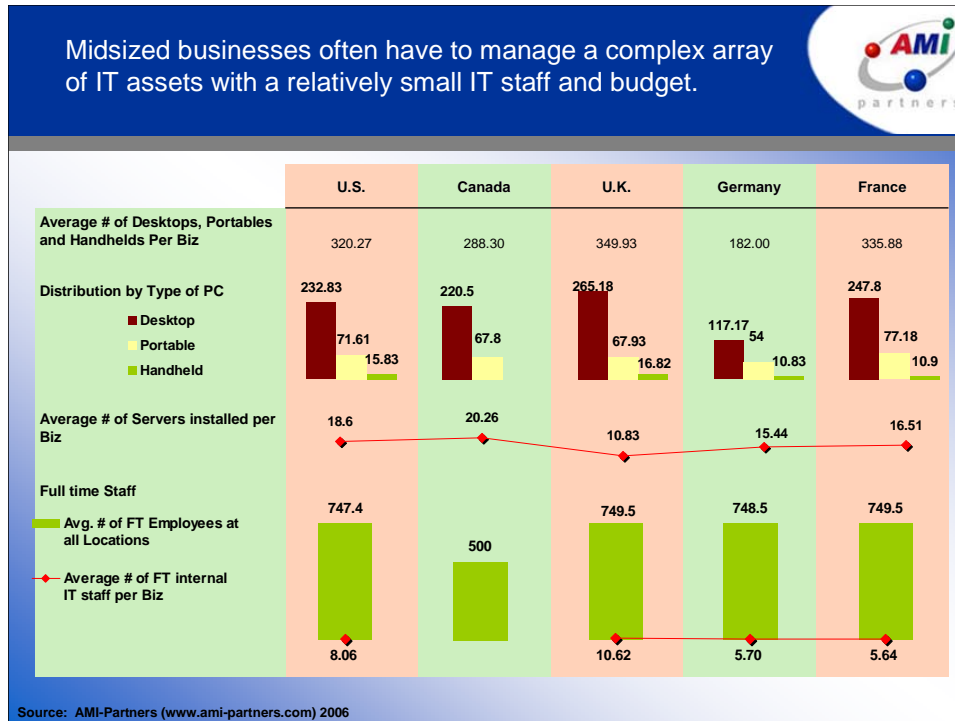
Section 1: The Small and Midsized Business Mandate—Managing More with Less

Most midsize companies have IT goals and objectives that are very similar to those of their large enterprise counterparts. They want to align IT resources to provide their businesses with the agility and responsiveness necessary to keep pace with rapidly changing market and competitive conditions. Chances are, your organization has already invested considerable staff and financial resources to deploy IT solutions to help your business to:

- Strengthen customer relationships and improve new sales and retention
- Improve internal efficiencies
- Make better business decisions
- Reduce business risks
- Improve individual employees' leverage of time, skills and resources
- Gain competitive parity with larger companies
- Interact, transact and integrate with larger suppliers and partners
- Meet regulatory requirements

As most IT managers are painfully aware of—IT resources don't necessarily grow in proportion to a company's increasing reliance on IT. For example, as shown in Figure 1, midsized businesses often have to manage a complex array of IT assets with a relatively small IT staff and budget.

Figure 1: IT Assets and Resources, North America and Western Europe
Source: AMI-Partners

Midsized businesses often have to manage a complex array of IT assets with a relatively small IT staff and budget.

	U.S.	Canada	U.K.	Germany	France
Average # of Desktops, Portables and Handhelds Per Biz	320.27	288.30	349.93	182.00	335.88
Distribution by Type of PC — Desktop	232.83	220.5	265.18	117.17	247.8
Portable	71.61	67.8	67.93	54	77.18
Handheld	15.83		16.82	10.83	10.9
Average # of Servers installed per Biz	18.6	20.26	10.83	15.44	16.51
Avg. # of FT Employees at all Locations	747.4	500	749.5	748.5	749.5
Average # of FT internal IT staff per Biz	8.06		10.62	5.70	5.64

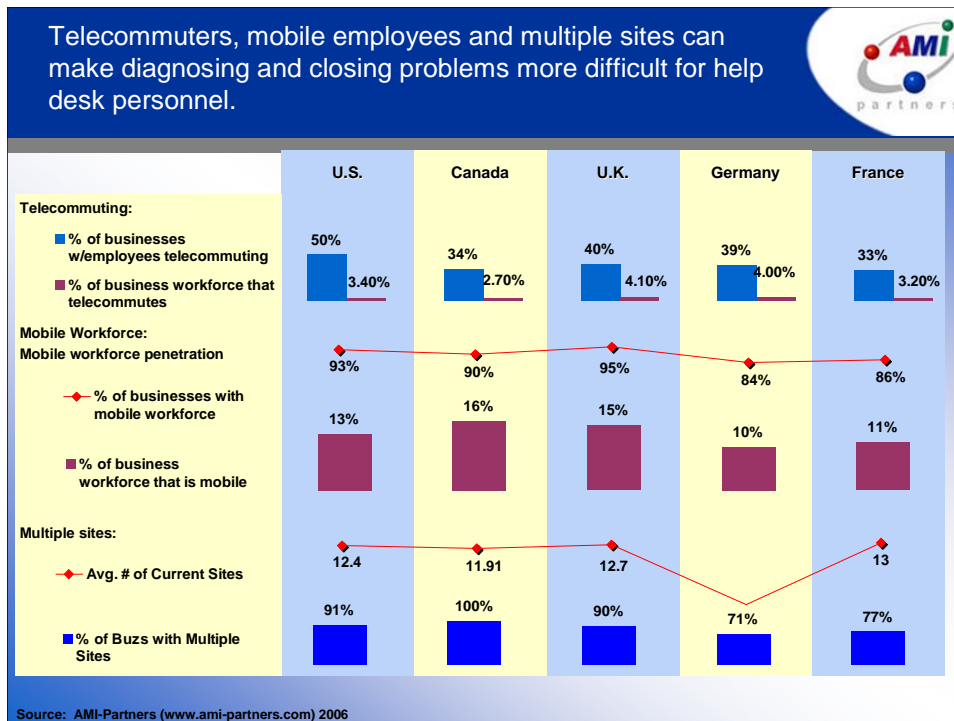Source: AMI-Partners (www.ami-partners.com) 2006

In addition to supporting end-users at corporate headquarters, IT staffs in mid-market businesses typically need to service end-users across multiple branch offices. In North America and Western Europe, the vast majority of midsized businesses have more than ten locations, as indicated in Figure 2.

Service desk staff must tend to the needs of mobile and telecommuting workers as well. For most midsize firms, having a mobile workforce is a necessity, requiring that service personnel support a significant percentage of mobile workers, ranging from about 10% in France to 13% in the U.S. and up to 16% in Canada. Help desks must also increasingly factor telecommuters into the support equation. In the U.S., for example, 50% of midsize firms are now employing a population of telecommuters.

Geographic dispersion of the workforce can make support much trickier for help desk personnel. In order to diagnose and close problems that end-users are experiencing with standard corporate systems, support staff must often first factor in how settings and programs deployed by remote workers in third-party locations, such as hotels, may affect the problem and outcome.
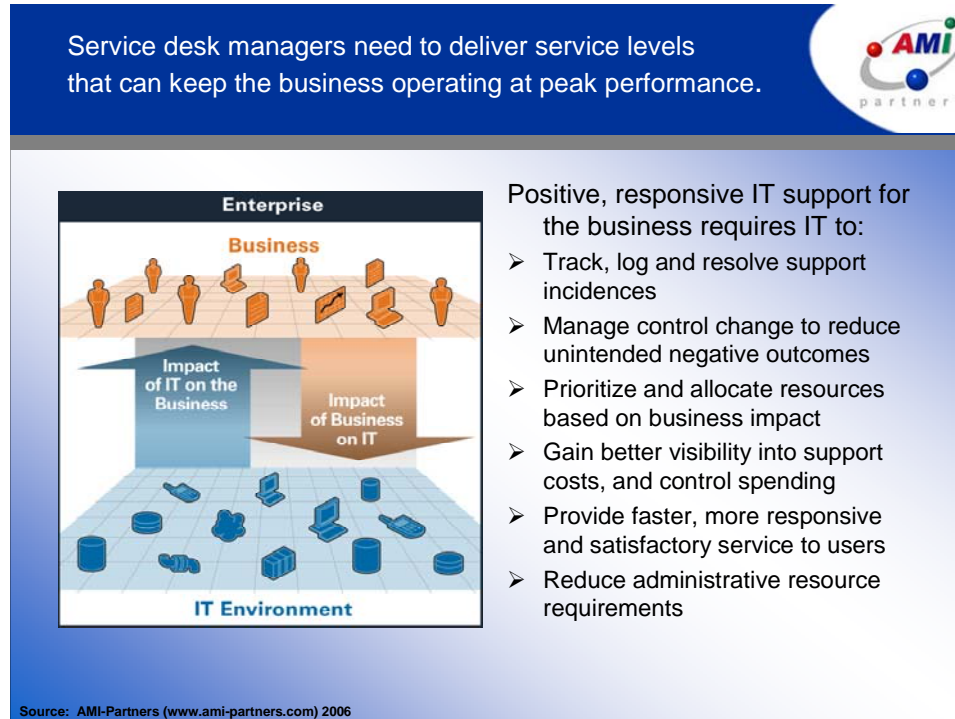
Figure 2: Geographic Dispersion of End-Users in North American and Western Europe Midsized Businesses
Source: AMI-Partners

Telecommuters, mobile employees and multiple sites can make diagnosing and closing problems more difficult for help desk personnel.

	U.S.	Canada	U.K.	Germany	France
Telecommuting:					
■ % of businesses w/employees telecommuting	50%	34%	40%	39%	33%
■ % of business workforce that telecommutes	3.40%	2.70%	4.10%	4.00%	3.20%
Mobile Workforce: Mobile workforce penetration					
◆ % of businesses with mobile workforce	93%	90%	95%	84%	86%
■ % of business workforce that is mobile	13%	16%	15%	10%	11%
Multiple sites:					
◆ Avg. # of Current Sites	12.4	11.91	12.7		13
■ % of Buzs with Multiple Sites	91%	100%	90%	71%	77%

Source: AMI-Partners (www.ami-partners.com) 2006

Section 2: The Service Management Challenge

As IT environments become more complex, and as IT systems and solutions become integral to running the business, the impact of IT on the business—as well as the impact of business on IT—become increasingly intertwined, as illustrated on Figure 3. As a result, small and midsized IT and service desk managers face increasing pressure to deliver service levels that can keep the business operating at peak performance.

Figure 3: Increasing Interdependency of IT Service and Business Performance
Source: AMI-Partners

Service desk managers need to deliver service levels that can keep the business operating at peak performance.

Positive, responsive IT support for the business requires IT to:

➢ Track, log and resolve support incidences
➢ Manage control change to reduce unintended negative outcomes
➢ Prioritize and allocate resources based on business impact
➢ Gain better visibility into support costs, and control spending
➢ Provide faster, more responsive and satisfactory service to users
➢ Reduce administrative resource requirements

Source: AMI-Partners (www.ami-partners.com) 2006

However, resource-constrained small and midsized businesses can find it difficult to manage the ever-increasing number of moving parts in the IT spectrum. Many rely on a patchwork quilt of disjointed processes and homegrown solutions to handle key service management functions such as patches, upgrades, trouble ticketing, asset management, change management and deploying new solutions.

But ineffective service management can deal a serious blow to an organization's ability to do business. For instance, time-consuming and cumbersome processes can make it difficult for help desks to keep pace with calls in peak outage situations. Without adequate logging procedures, service desk personnel can't provide follow-up to end-users, and lose the reporting and analysis capabilities that would enable them to take preventative measures in the future. End-users, dissatisfied with poor service, often end up seeking alternative avenues for support, which in turn inhibits help desk personnel from circumventing pending problems before they reach crisis stage. Of course, these calamities not only damage the reputation of the service desk, they also result in decreased productivity across the organization.

How can you avoid these types of trials and tribulations from wreaking havoc on your help desk operation? To provide efficient and responsive support, IT managers need to "get their arms around" service processes. This means identifying the weak links in your existing service management process, determining the most critical points of failure, and mapping a course to establish best practices to improve your organization's ability to:

- Track, log and resolve support incidences;
- Manage control change to reduce unintended negative outcomes;

- Prioritize and allocate resources based on business impact;
- Gain better visibility into support costs, and control spending;
- Provide faster, more responsive and satisfactory service to users; and,
- Reduce administrative resource requirements.

Section 3: Developing a Service Management Strategy

Service management solutions can help small and midsized firms cost-effectively manage their IT systems, and minimize business risk by resolving and preventing problems. These solutions help companies align people, processes, and technology to help you efficiently deliver the highest level of support possible to your users. By using an automated service management solution, companies can better manage the IT support processes discussed in Section 2, and meet the service delivery expectations and objectives that the business demands.

But, given limited resources and staffing, selecting a service management solution can be overwhelming. To develop an effective yet realistic plan, we recommend the following:

1. *Start with an internal assessment.* Take inventory of where you are today. In which areas do you need to move from a reactive, firefighting mode to a proactive, enabling approach? Keep in mind over-arching business objectives and direction so that you can design your service management strategy to meet critical goals now and in the future. In addition, determine what human and financial resources you will be able to apply towards automating and streamlining service management operations.

2. *Use IT Infrastructure Library (ITIL) processes and best practices to help chart your course.* Although no two businesses will have exactly the same situation and requirements, ITIL has prioritized several core areas that small and midsized businesses should evaluate and address as part of this process. These include:

   ο Incident management, to restore normal service as quickly as possible, and minimize adverse impact on business operations ;
   ο Problem management, to find the root cause, solve and prevent the problem from recurring;
   ο Change management, to implement changes necessary to fix the problem, and to ensure that the change doesn't result in unintended negative impacts;
   ο Service-level management, to ensure that you understand and measure performance based on business requirements;
   ο Configuration management, for referencing that will help you to reduce mistakes and confusion.

3. *Establish an incremental roadmap that's right for your company.* Take a pragmatic approach, prioritizing service needs and focusing on the most critical pain points first. Resolving these first will likely provide the highest, most visible return, and setting the stage for incremental service investments that give you incremental value.

4. *Define specific requirements.* Put clear parameters around your requirements in areas such as time and ease of deployment, the resources you'll need to maintain the solution, and pricing. Think about what you need in terms of service desk and end-user training, and whether a browser-based interface, or integration with email is a pre-requisite. Other objectives might involve specific metrics for time to close support incidents, out-of-the-box reporting capabilities,

and the ability to easily create custom reports.

Section 4: Selecting a Service Management Solution

After laying the groundwork with a thorough internal assessment, you're ready to create an RFP and put out bids to evaluate and select the best solution. Of course, not all service management offerings are created equal. For instance, although vendors have aimed to scale down "enterprise-class" service management solutions, these attempts usually fail to satisfy small and midsized business requirements. While vendors can turn off some features and functions, and reduce the ticket price, this type of tweaking rarely eliminates enough complexity, or slashes enough of the cost for most mid-market firms. In addition, the implementation process for solutions originally developed for Fortune 1000 firms can drag on much longer than many small and midsized businesses may anticipate, which can quickly erode management support. At the other end of the spectrum, it's unlikely that low-end offerings can provide the breadth and depth of functionality that growing companies need.

Most small and midsized businesses need a service desk solution designed with their needs in mind from the get-go—an automated service desk solution that is easy to use, maintain and customize, and provides strong and comprehensive capabilities. To put together a solid preliminary list of solutions to evaluate, we recommend talking to peers in other companies, and with trusted vendors that you've worked with in the past. You can also consult with a local chapter of The Help Desk Institute, a global organization that provides information and research about the service management technologies, tools and trends for recommendations.

After selecting potential providers, and sending out an RFP, rate the respondents on how well they respond to your priorities and requirements. Then, ask your top picks to provide you with demos and customer references in a local or nearby market. Ideally, the vendor should be able to supply you with references from companies that share your top concerns. If possible, aim to schedule onsite demos with these customer references so you can see firsthand how well the solution is working in a real operational environment.

While not meant to be an exhaustive list, small and midsized businesses should assess key criteria during the service management evaluation process, as detailed in Figure 4, and make sure that vendors' answers measure up.

Figure 4: Guidelines for Evaluating Service Management Solutions
Source: AMI-Partners

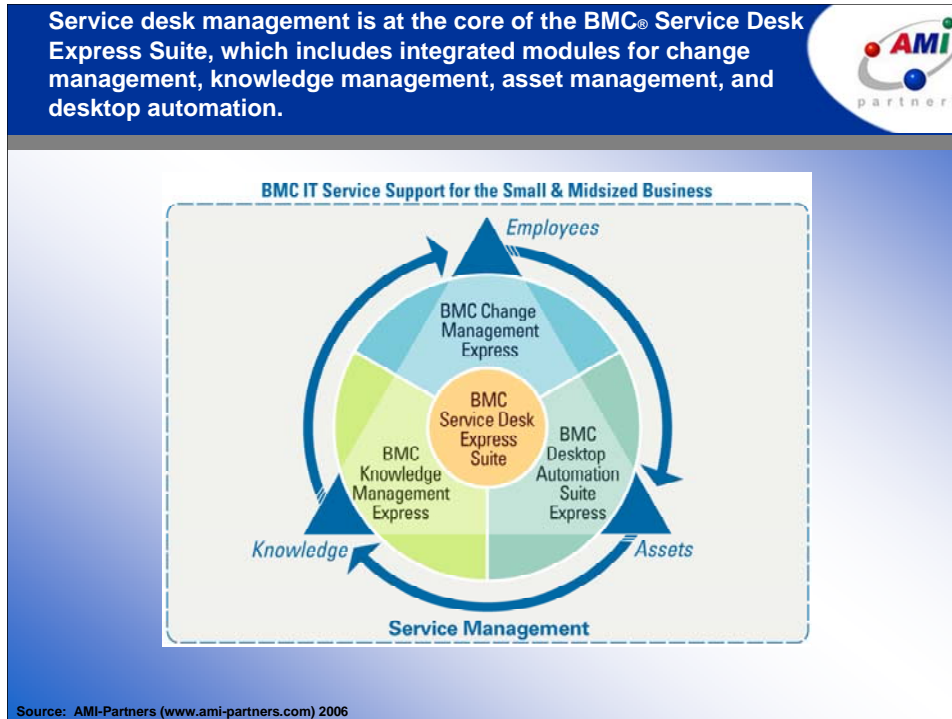| Key Criteria	Questions for Vendors
Time and ease of deployment	• How long does the average deployment take for companies with similar needs to mine? • Does the vendor offer simplified installation, configuration wizards, etc. to streamline deployment? • What types of resources (internal and external) do I need for a successful implementation?
Pricing and return-on-investment	• Costs for license, maintenance, implementation and training services? • Does the vendor offer fixed price, fixed scope options?
Ease of use	• Does the vendor offer a browser-based user interface, or does it require that I install client software? • What type of self-service capabilities does the solution have to help minimize service administration expenses? • Does the solution easily integrate with pagers and email? • Does the application give users anytime/anywhere support access?
Best practices	• Does the solution support core IT Infrastructure Library (ITIL) processes? • Can I support multiple departments on a single browser-based platform with workflow and escalation to give users priority response?
Incremental and integrated capabilities	• What modules does the vendor provide beyond help desk management? • Can I start with the help-desk component, and add integrated modules later? • What additional modules does the vendor provide (i.e. change management, asset management, knowledge management, etc.)?
Extensibility	• How flexible is the solution? • Can I customize the application to add/change screens, add databases, and change business rules? • Will I need to hire a programmer to do these things or not? • Can I adapt the solution to the needs of different departments (i.e. can I use the help desk solution for non-IT functions, such as facilities or fleet service management)?
Knowledge transfer	• What steps does the vendor's deployment team take to impart skills and knowledge to your internal team, so that they can function effectively and knowledgably once the implementation is complete?
Reporting and intelligence capabilities	• What kind of built-in reporting capabilities does the solution offer? • What is available out of the box? • How easy is it to customize reports? • Will the solution give me the insights necessary to prioritize projects, ensure correct business workflows, provide cost analysis, and archive and share critical information?

Section 5: BMC® Service Desk Express Suite—Built for Small and Midsized Businesses

Small and midsized businesses trying to fill the service management gap will want to consider BMC software. Rather than scaling down its market-leading Remedy® IT Service Management for the Enterprise solution, BMC chose to offer small and midsized businesses a solution designed specifically for their requirements. In 2004, BMC acquired Magic Service Desk Suite, developed from the ground-up for small and midsized businesses. Built on a Web-based platform, with a separate business logic layer, BMC selected the suite because it met ease of use, functionality, flexibility and cost of ownership criteria discussed in Section 4.

Since then, BMC has invested additional resources in development and marketing of the solution and re-branded the suite as BMC® Service Desk Express Suite. The solution offers customers an integrated suite of solutions that cover the spectrum of service management needs. As one of the world's largest software companies—with annual revenues of more than $1.48 billion—BMC has invested its expertise and resources to improve and extend Service Desk Express capabilities. In addition to adding additional key capabilities, such as active directory synchronization, and POP3 and IMAP4 support, BMC has also maintained a relentless focus on ease of use, streamlining the user interface, simplifying installation, adding configuration wizards and an easy to use query wizard.

As illustrated on Figure 5, service desk management is the foundation of the offering, but customers can add modules for change management, knowledge management, asset management, and desktop automation in an incremental, yet integrated fashion. The current version, BMC® Service Desk Express Suite 9.0, provides added business visibility capabilities, enabling IT personnel to format, consolidate and view data more quickly and easily. Other enhancements extend ITIL support, simplifying the creation of service levels, enabling IT staff to tailor user level service level agreements (SLAs) to the needs of different groups of users, and automating the escalation process. New usability improvements, additional reporting features, and simplified installation and upgrade enhancements also address key small and midsized businesses requirements.

Figure 5: BMC® Service Desk Express Suite
Source : BMC Software

Service desk management is at the core of the BMC® Service Desk Express Suite, which includes integrated modules for change management, knowledge management, asset management, and desktop automation.

BMC IT Service Support for the Small & Midsized Business

Source: AMI-Partners (www.ami-partners.com) 2006

Section 6: Getting Results

More than 4,000 customers are using the BMC**®** Service Desk Express Suite to automate ser-vice desk best practices and reduce administration costs—and to provide their business with more responsive service.

Select Comfort

Select Comfort, maker of the Sleep Number Bed ®, was struggling to provide service to its growing user base, spread across almost 400 retail locations, three manufacturing facilities, and a distribution center. As the company grew, its homegrown incident management tool became inadequate to handle increasing call volumes from its 1,500 users. On average, help desk per-sonnel spent 3.5 minutes from start of logging to recording a call. Stressed just to keep up with call volume in outage situations, help desk staff stopped logging calls. As a result, Select Com-fort couldn't perform root cause or trend analysis, or provide necessary follow-up with users, leading to low satisfaction ratings. While users accepted inefficient customer service up to a point, ultimately, many chose alternate channels to fix their IT problems—creating a vicious cy-cle that made it even more difficult for help desk and IT staff to assess and correct problems, and take preventative action to avoid problems.

Since becoming a BMC**®** Service Desk Express Suite customer two years ago, Select Comfort has deployed the solution across eight IT groups. Because it is Web-based, Select Comfort could easily roll the solution out to its 50-plus IT people, and to retail and inventory operations

staffs in different locations. BMC® Service Desk Express Suite helps IT personnel to quickly log calls and send out automatic notifications to users. Corporate-wide root cause and trend analysis capabilities aid help desk personnel in spotting what problems are occurring and what applications are causing them, and resolve them more efficiently. As a result, the help desk is more accountable to end-users, raising confidence levels and increasing call volumes have gone up.

Reporting features help IT to provide business units with metrics that reflect the business costs that IT problems incur. Using BMC® Service Desk Express, IT can easily create a Top 10 incident report for monthly management meetings, and develop action plans based on this intelligence instead of anecdotal information. Business unit managers are excited because IT has a better handle on their problems, and can work with them to proactively uncover and resolve IT issues that may be impeding business results.

NHS Trusts

The NHS Trusts in Gloucestershire UK is comprised of various hospitals across Gloucestershire County. Healthcare groups such as the Trust in Gloucestershire are under immense pressure to maximize levels of efficiency, while ensuring patients receive seamless, high-quality patient care. Because technology underpins most healthcare services, the Trust merged its technology resources in order to optimize efficiency.

Until recently, whenever the Trusts' employees had an IT-related inquiry, they called one of several Trust IT help desks. Lacking a clear view of the technology infrastructure dispersed across the region, it was very difficult to resolve enquiries to a rapid and satisfactory standard.

BMC® Service Desk Express now automates many of the Trust's service desk processes, and lowers the total cost of support operations. The customizable, browserbased service management solution combines best-in-class help desk software with powerful workflow software. This enabled the IT service desk to increase the percentage of enquiries resolved at initial point of inquiry from 30% to 90%. Today, when a user has an IT inquiry they contact the service desk and the agent uses the unified view of the user's technology environment to resolve the inquiry there and then, without escalation to other departments.

Addison Avenue Federal Credit Union

Headquartered in Palo Alto, California, Addison Avenue Federal Credit Union serves employees and family members of Hewlett-Packard (HP), Agilent Technologies and other groups. For years, Addison Avenue operated as an organization with HP, but in 2002, the credit union formed its own company. This split required that Addison Avenue build its own IT infrastructure and a help desk that could respond to 300-plus employees located in more than 20 branches.

Prior to this, Addison Avenue's one-person help desk, received about 30 calls per day. The help desk had to manual query a Microsoft Access database to find new tickets, and cut and paste each ticket into an email message to notify engineers. This tedious process led to poor service levels, and low credibility for the help desk.

To function effectively as an independent IT organization, Addison Avenue realized it would need to automate help desk problem notification, tracking and reporting. The company chose BMC® Service Desk Express Suite because it offered Web-based access, out-of-the-box reporting capabilities, and a user-friendly interface. Since deploying the BMC® Service Desk Express Suite for its IT, facilities and human resource departments, Addison Avenue has added marketing, accounting and its ATM departments to the system, dramatically increasing return on its

investment. And, while call volumes have increased 150 percent since deploying its own IT infrastructure, help desk productivity has increased, SLAs are being met, and customer satisfaction has risen. In fact, even when the company converted its core banking system—and the volume of help desk calls doubled—the help desk was able to resolve 74 percent of priority 1 calls, and 85 percent of priority 2 calls on time.

Section 7: Summary

To survive and thrive, small and midsized businesses will need to continue to invest in IT-based solutions to gain and maintain market advantage. As businesses become more reliant on technology, IT performance becomes ever more intertwined with business performance, and help desk and IT staffs are increasingly pressed to deliver higher service levels to more effectively support key business goals.

While some small and midsized businesses may be able to survive using a patchwork of disjointed service processes, few will be able to thrive unless they automate and streamline these functions. As market and competitive pressures intensify, more small and midsized businesses will determine that aligning IT resources and investments to fulfill business requirements is a necessity, not a luxury.

However, small and midsized businesses need service desk solutions that they can deploy quickly, are easy to use and maintain, flexible enough to customize to their individual requirements, and offer a quick time to value. In creating a short list of potential solutions, small and midsized businesses need to assess how well potential solutions can measure up to their personnel, budgetary, functionality and ease-of-use requirements, to ensure that the solution they select will map to their needs. The answers to these questions will determine whether the solution will give you both the IT and business value and outcomes you need for the future.

For more information on BMC® Service Desk Express visit BMC on the web at
www.bmc.com

Access Markets International (AMI) Partners, Inc., Company Profile

AMI-Partners specializes in IT, Internet, telecommunications and business services strategy, venture capital, and actionable market intelligence — focusing on global small and midsized business (SMB) enterprises. The AMI-Partners mission is to empower clients for success with the highest quality data, business planning and "go-to-market" solutions. AMI was founded in 1996 under the name of Access Media International (USA), Inc. by Andy Bose, formerly a group vice president at IDC. Since its inception, the firm has built a world-class management team, each with ten to fifteen years' experience in IT, telecom, online communications or multimedia.

AMI-Partners has helped shape the go-to-market SMB strategies of more than 150 leading IT, Internet, telecommunications and business services companies over the last ten years. The firm is well known for its IT and Internet adoption-based segmentation of the SMB markets; its annual retainership services based on global SMB tracking surveys in more than 20 countries; and its proprietary database of SMBs and SMB channel partners in the Americas, Europe and Asia-Pacific. The firm invests significantly in collecting survey-based information from several thousand SMBs annually, and is considered the premier source for global SMB trends and analysis.

For more information on AMI-Partners or our global SMB surveys, please visit www.ami-partners.com, e-mail ask_ami@ami-partners.com or call 212-944-5100.