

# CONSIDERATIONS FOR OUTSOURCING THE SERVICE DESK

A GUIDE TO IMPROVING YOUR SERVICE DESK AND  
SERVICE DELIVERY PERFORMANCE THROUGH  
OUTSOURCING

## EXECUTIVE SUMMARY

Technologies and services that drive efficiency and reduce time to market have turned IT Organizations into strategic assets of great value. As a result, the operation and optimization of the Service Desk to fully support these technologies has grown into a paramount business imperative.

A well run modern Service Desk operates a functional unit to bridge the gap between IT and the business by allowing for the communication of key data and metrics. The more rapidly an organization optimizes the Service Desk, the more rapidly the maximum value can be realized.

Unfortunately, many organizations are lagging behind the curve. They are suffering from poor Service Delivery processes that provide support in an inefficient or ad-hoc fashion. Due to the pressures of doing more with less, there is little time devoted to formulating or developing a vision for reaching the full potential of their Service Delivery teams.

With so much at stake, it is only natural that a greater number of organizations have begun to explore their options for improving their Service Desk and Service Delivery performance through outsourcing. Outsourcing organizations can reduce the learning curve and help organization to implement a modern Service Desk much more quickly than they could on their own.

By engaging with an outsourcing partner, an organization can quickly gain a number of benefits to quickly move to a higher level of service:

- Infusing expertise and knowledge of the latest industry best practices and technology
- Swift implementation of more efficient processes and operations
- Productivity and performance improvements
- Addition of a wider range of services
- Establishment and better management of service levels
- Increased ability to focus internal resources on core or high priority projects
- Reduction in costs and lessening of the burden of employee care and feeding
- Increased flexibility to respond to spikes or decreases in volume
- Redundancy to ensure business continuity and disaster recovery

*The more rapidly an organization optimizes the Service Desk, the more rapidly the maximum value of IT services can be realized.*

These benefits will only be realized if the right outsourcing partner is chosen. Organizations must be prepared to properly evaluate potential partners and to ask the right questions. This process requires a formalized evaluation methodology which consists of self analysis to understand your needs, costs, and capabilities and then a formal process to use that information to find the right fit.

## OVERVIEW

The process of evaluating and choosing an outsourcing provider for the Service Desk must be done in a careful and planned manner. If pressures or panic related to poor internal performance result in a rushed evaluation process, there is a high probability that end result will be an inadequate contract that does not deliver the level of services required by your business.

The best practice is to take a well planned approach and run the evaluation processes as you would a phased project. Use a methodology which will ensure that you are moving through the evaluation process step by step and considering all relevant data. The approach recommended by CDC Global Services is an evaluation strategy based upon the phases of our patent-pending DNA methodology: Envision, Build, Deploy, and Manage:



- **Envision:** During the Envision phase, you will define your Vision of the Service Desk and compare that with current capabilities. You will also evaluate your true internal costs and develop a budget for your preferred outsource solution.
- **Build:** During the build phase, you will construct your RFP outlining your needed services, send it to vendors and evaluate responses.
- **Deploy:** The Deploy phase is where change management becomes essential as service delivery is transitioned from internal to external resources.
- **Manage:** Once services have been transitioned, the relationship with the outsourcing provider must be managed closely. As your new delivery model stabilizes and the partnership grows, changes will be needed to improve business processes and adjust to unforeseen business demands.

# ENVISION

## Service Desk Vision

Before you begin the process of selecting an outsourcing partner, you need to determine the vision of your Service Desk. Outsourcing is not right for all Service Desks, and understanding your vision and ability to meet that vision is an important step to understanding if outsourcing is a good option for you. Should you decide to outsource, if you don't precisely define your expectations and communicate them properly to potential vendors, the odds are that you will end up with a set of services which are underutilized or do not match your business needs. Below are some of the key questions that you should be prepared to examine:

- *What services do you want from your Service Desk?*
- *What services do you need from your Service Desk?*
- *What are the current capabilities of your Service Desk to provide these services?*

When determining what it is you want from your Service Desk, don't restrict yourself by budgets or other possible constraints. You will do that later in the process. During the envision phase, you should list out all of the services that you would want your Service Desk to be able to offer in a perfect world scenario now, 12 months from now, and 24 months from now. Include requirements that may come from new product introductions, hardware refreshes, growth, acquisition, and include requirements that may be needed in the event of a reduction in number of seats supported. Don't attempt to build your Service Desk vision in the dark. Make sure to gather input from all of the stakeholders within the organization who rely upon the Service Desk. After all, their satisfaction will ultimately determine your success.

After you have constructed the list of services that you want, highlight the list of essential services that you need. What are the essential services that your Service Desk needs to offer to support the business today? Don't discard those "perfect world" and future services, as they will come in to play during the evaluation of vendor offerings.

After determining your list of services, determine the capabilities of your current Service Desk. Do you have the facilities, hardware, software, infrastructure, and talent to provide those essential services? If there are gaps between your needed level of service and your capabilities, document those listing what upgrades need to be completed, timeframes for the upgrades to occur, the level of effort required to complete, and the cost. If you can't quickly or easily upgrade your capabilities, or the costs of doing so are considerable, then you have the beginnings of a good business case to support an outsourced solution.

## Understanding Internal Costs

With shrinking budgets a reality of today's business environment, controlling cost is major objective for IT organizations. Unfortunately many organizations work from the assumption that outsourcing is the more expensive option. This is because they are only considering costs of associated with labor. But when comparing and sourcing solutions, you need to understand all of the costs involved. Knowing the true costs of an internal Service Desk will allow you effectively compare the prices being offered by vendors.

Maintaining an internal Service Desk requires that you provide the facilities, hardware, software, infrastructure, training, health benefits and so on. Additionally, if there are gaps between the services that you need to provide and your current capabilities, then you will need to factor in the cost of making any required upgrades. Depending upon what is needed, these upgrades could be quite expensive. All of these costs must be considered over the duration of an outsourced contract in order to draw a fair comparison of costs between the insourced and outsourced model.

Outsourcing can provide some creative approaches to lowering costs over time where an insourced model rarely does. As operations stabilize and processes are put into place, options for moving services to more cost effective models may present themselves. In addition, fixed-price models incent the outsourcing provider to find ways to deliver services more efficiently. The classic "time and materials" staffing models incent providers to bill more hours; if cumbersome processes exist, more effort is required, and more hours are billed. Where is the incentive for the provider to identify inefficiency and implement improvements?

## BUILD

A well crafted RFP for outsourcing the Service Desk needs accomplish two basic objectives: 1) Articulate your Service Desk requirements and expectations, 2) Qualify or disqualify potential vendors. By completing the Envision phase, documenting your vision for the Service Desk for inclusion in an RFP has been mostly completed.

What is often more problematic in constructing an RFP is asking the right questions to evaluate perspective vendors. There is a temptation to judge a vendor's response based solely on their asking price. Although price is a key consideration, there are many other factors which will determine the value and success of your outsourcing relationship. Developing an evaluation criterion for RFP responses in advance of issuing the RFP will help to objectively evaluate potential partners. You may wish to weigh the criteria so that the most important criteria carry the most weight when scoring responses.

## Cultural Match

Finding the right cultural match is one of the most overlooked considerations when choosing an outsourcing provider. But the fact is that the more compatible you and your provider are culturally, the greater is odds of success in your partnership.

Your organizational culture permeates throughout your business and your processes and is what binds your company together. If the outsourcing provider and your organization do not share a similar culture, the two organizations will have a difficult time working in unison. Misunderstandings and miscommunications may eventually take place leading to mistrust. In this environment, there is no way to form a lasting partnering relationship.

If a potential vendor can't articulate the pillars of their organizational culture, then the odds are they don't have a very good one. Organizations that don't seem committed to developing their employees and don't provide for management of employee performance probably won't make for a good business partner. To obtain an understanding of the vendor's culture, ask the questions related to their policies, people, and practices. Such questions could include:

- *What is their vision or value statement?*
- *What types of employee benefits programs do they offer?*
- *What is their on-boarding process for new employee?*
- *What processes do they have in place to govern compliance with company policies and rules?*
- *How do they manage the evaluation of employee performance?*

When evaluating final round vendors, request an on-site visit with one of their major clients. It is common to ask for references in an RFP, but actually seeing a vendor in action and spending some time with one of their clients may reveal more about the vendor's culture and character than anything found in an RFP.

## Flexibility of Solution

Your organization and its Service Delivery needs are unique. What works for somebody else may not work for you. Outsourcing firms that use a "cookie cutter" approach with methodologies and models that are inflexible will not make the best partners. The result will be inconsistent performance, poorly matched resources, organizational resistance, and ultimately little realized value.

You may find that many outsourcing providers are more entrenched and inflexible with their methodology and model. This is because they gain economies of scale by using the same solution over and over again with multiple clients. Just because a provider may have a recognizable name, does not mean that have a Service Delivery model that meets your needs. Look for a provider that is willing and

able to tailor their base Service Delivery model and methodology to your organization. Ask questions such as:

- *What elements of their methodology are available to customization?*
- *How does their methodology manage change?*
- *How do they incorporate feedback back into their processes?*
- *How do they assure that there is continuous improvement?*

## Qualifications & Expertise

One of the benefits of outsourcing is the infusing of expertise and knowledge into your Service Delivery team. The vendor should be able to demonstrate that their resources are dedicated Service Desk professionals who are committed to providing high levels of service. There is difference between a vendor who employs and develops Service Delivery professionals and one that uses a “butts in seats” approach by staffing roles with the most inexpensive resources they can find. To get the benefits of knowledge from resources and for them to really learn and understand your environment will take time. Resources who aren’t dedicated won’t stick around long and a high turnover rate will result in inconsistent service delivery and poor client satisfaction. Look for vendors who show commitment to their employees through professional development and training. Some questions to ask regarding expertise would include:

- *What is the average tenure of their Service Delivery staff?*
- *What is their recruiting process? How do they evaluate and obtain their resources?*
- *What is the ratio of full-time employees to contractors?*
- *What percentage of their staff has gained a professional or technical certification?*
- *What are the types of certifications held by their employees?*
- *What is their turnover rate?*

## Additional Value

As you begin to eliminate potential vendors from consideration, those remaining will be harder to distinguish from each other in regards to their capabilities. One differentiation factor could be their ability to provide additional value to your organization.

Additional value could lie in their ability to bundle some portion of the services from your perfect world list into the contract at little or no additional cost.

Secondly, many vendors have relationships which they can utilize to provide you with access to low cost training, expertise, or products. These could include:



- *Training Vendors: Do they have relationships with training partners?*
- *Technical Partnerships: Are they partnered with any of the major technical organizations such as Microsoft?*

## DEPLOY

Selecting a vendor is one thing, but assimilating them and their Service Delivery model into your organization is quite another. The vendor you chose should be able to document and outline their process for transitioning their staff and processes into your organization. Again, look for flexibility here and a willingness to work with your internal staff and end-users rather than through or around them. You should ask questions that require the vendor to reveal how they deal with aspects of people, process, and technology during the transition period. One of the biggest challenges to the transition process is organizational resistance and the ability to manage people. Look at their transition timeline and make sure it's not too aggressive for your organizational culture. Ensure that they have a methodology for communicating change and involving key stakeholders in the process. Questions to ask regarding transition would include:

- *What is their timeframe for transition of services?*
- *What is their methodology for communicating change?*
- *What is their willingness to involve your internal staff or subject matter experts?*
- *How do they process and react to feedback?*

## MANAGE

When you choose an outsourcing provider, you are entering into what should be a long and mutually beneficial business partnership. To ensure that both sides live happily ever after, there will need to be a formal means of communication to deal with the inevitable changes that will occur as your business needs evolve after time. It is important to designate someone within your organization in a senior management role to represent your organization. Identifying the correct individual and specifying the responsibilities of the position can be done during the design phase of the evaluation process. The vendor should be willing to supply a dedicated Relationship Manager and build this role into the contract. Having a Relationship Manager available allows for the proper pathway to escalate and resolve any issues which arise. Some questions to ask a vendor to gauge their commitment to relationship management would include:



- *What is their methodology for Relationship Management?*
- *How much access will your organization have to their senior or executive management?*
- *What is their process for making changes or adjustments to their contract?*
- *How do they resolve instances of non-compliance to contract SLA's or other contract terms?*

## SUMMARY

Selecting the right outsourcing partner for your Service Desk is a significant decision. Choosing wisely will provide substantial value to your organization for years to come. On the other hand, a poor choice can result in a mismatched service model or organization issues related to cultural barriers. By proceeding through the process in a thoughtful and methodical manner, you will better understand both your Service Desk requirements and the capabilities of potential vendors to meet those requirements.

## ABOUT GIVA

Founded in 1999, Giva was among the first to provide a suite of help desk and customer service/call center applications architected for the cloud.

Now, with hundreds of customer driven releases, the Giva Service Management™ Suite delivers an intuitive, easy-to-use design that can be deployed in just days and requires only one hour of training. Giva's robust, fast and painless reporting/analytics/KPIs quickly measure team productivity, responsiveness and customer

satisfaction resulting in faster and higher quality decision-making. Customization and configuration are all point and click with no programming or consultants required to deliver a substantially lower total cost of ownership.

Giva is a private company headquartered in Santa Clara, California serving delighted customers worldwide.

