

Creating a Culture of Continual Service Improvement



Like it or not, the reality for managed service providers (MSPs) is that they're only an SLA breach or significant outage away from losing a customer. This immense contractual pressure is a significant motivator that drives MSPs to develop sophisticated approaches to continuous service improvement.

Both in my years of experience as an MSP executive and in discussions with leading MSPs around the world, I've seen many innovative programs developed to drive home service quality. Here are just a few real world examples. And best of all, you don't need to be a Six Sigma black belt to make these changes part of your day-to-day service ethic.

Continuous Service Improvement as a Way of Life

Service improvement needs to feed into all aspects of an MSP's daily operations—including organizational reporting, hiring practices, compensation planning, customer communication, engineering operating procedures, and more.

For example, when employees are compensated (at least partially) based on customer satisfaction metrics, they are more likely to go the extra mile, and deliver service that delights, rather than underwhelms, customers. Beyond formal compensation models that drive satisfaction, managers can develop ad hoc programs that recognize excellent service "in the moment." One MSP manager I know keeps US\$50 gift cards for local restaurants in their portfolio, and uses them to recognize superlative efforts in real time.

When hiring talent, finding engineers and support professionals with advanced certifications and killer IT skills is not enough. The interview gauntlet should vet candidates for their history of dealing with failure as well as success. Despite best efforts, outages will happen. It is important that engineering and project staff are honest in their assessment of their own post-incident performance. There is no room for defensiveness. In demanding blunt assessments of their performance and that of their co-workers, unforeseen incidents can be discussed and analyzed as a learning

experience, an opportunity to improve rather than just an opportunity to be punitive. Likewise, support managers should be hired with a track record of orchestrating these "learning moments" for their staff.

Across the board, management and staff should be encouraged and motivated to come up with better ways of doing things. One MSP I know has a US\$50 prize for employees who submit a suggestion that drives a significant improvement in service quality. At an MSP where I worked, our engineering managers paid out a quarterly reward for the most creative and practical suggestions that improved the customer experience. The monetary award was appreciated, but what really made the program special was the selection process: peers would nominate their coworkers to the leadership team and submit the quality improvement case study for review. So in addition to the cash, accolades were received from colleagues and the supervisor—a motivational "home run"!

Defining the Right Measures

The saying goes that “you can’t improve what you can’t measure,” and it’s true. Establishing baselines and tracking improvements is the only way to determine whether progress is being made in improving service delivery. But how do you determine which areas are the most important to track? Following are a few of the most critical areas to measure for any MSP:

Customer retention. Highly satisfied customers stay customers, and unhappy ones exercise their right of market choice and leave. That’s why tracking retention is so vital. Year over year retention rates should be in the 90 percent and higher range.

SLA compliance. SLAs are the means our customers use to measure our performance, so it’s vital to track success in SLA compliance. How many breaches have occurred? How is that number tracking over time?

SLA credits. The degree to which an MSP is issuing SLA credits is also a similarly vital aspect to track. MSPs should track SLA credits as a percentage of monthly recurring revenue.

Customer satisfaction. MSPs should create formal processes for ongoing customer surveys, and also to do surveys after big projects, in order to gauge customers’ perception of the services being delivered.

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