

The MSP Service Catalog: Why you need one



A very cool part of my day-to-day calendar is speaking with early stage MSPs. Why is it cool? Because in a prior life I worked at an early stage MSP. We were able to grow the business from an early teething period, one in which we were losing money and suffering operational pain, to reach operational maturity, where we enjoyed strong, long-term revenue and profits.

In my discussions with folks at early stage MSPs, I am often asked about critical success factors—what were the difference makers on our path to success? While we executed many key moves (some right/some wrong), my answer to that question is always another question: What’s in your service catalog?

The existence of a published service catalog, or lack thereof, is a solid leading indicator of the organization’s operational maturity and propensity to succeed. Most MSPs I speak with have a pretty good idea who they’re selling to (i.e. “We sell into SMBs, organizations with 10-50 servers”), but when it comes to what they’re selling, or how they plan to deliver, there isn’t anywhere near the same clarity of thought. A well-constructed service catalog addresses both the what and the how.

Why do new MSPs miss this critical step? Part of the issue undoubtedly is the DNA of many MSPs—and the fact they were founded as VARs. When a hardware manufacturer pushes a new box out into the reseller channel, it come with specs, support docs, marketing collateral and list pricing already on board. Because of this, VARs have little experience “productizing” their new MSP offerings. There often is no one in the company on the hook to get managed services into market.

What’s in a service catalog?

To understand the function of a service catalog, let’s get out of IT and onto the factory floor. Well run, profitable MSPs are practitioners of mass customization—just like a manufacturer.

First, they design and build IT components to a single configuration that supports high availability, i.e. they build factory “parts” with quality in mind. Parts with maximum mean time between failure. Then, they rapidly assemble those “parts” into a customized service that solves a customer business problem, i.e. the factory assembly line. It’s not sexy or mysterious, but mass customization—becoming an “IT Solutions Factory”—is the secret to superior MSP economics. Every customer can get a highly customized solution as long as it’s built out of a “parts bin” of standardized IT components. Think of your service catalog as your “IT parts bin.”

The service catalog—your parts bin—should be a living document owned by one person with contributors across all company functions. Many I have seen are “wikified” with version control in place. The table of contents of a service catalog varies from MSP to MSP, depending on market focus and technology expertise, but generally, it should look something like this:

1. General description of delivery/support framework
2. Description of services offerings
 - 2.1 Network
 - 2.2 Security
 - 2.3 Servers
 - 2.4 Database
 - 2.5 Email
 - 2.6 Other
3. Description of tiered service offerings
 - 3.1. Monitoring (Silver)
 - 3.2 Management (Gold)
4. List of supported technologies
 - 4.1. Network
 - 4.1.1. Cisco ASA
 - 4.1.2. Cisco Layer 2 and 3 Switch
 - 4.2. Servers
 - 4.2.1. Microsoft Windows
 - 4.2.2. Red Hat Linux
 - 4.3. Database
 - 4.3.1. MS SQL
 - 4.3.2. Oracle
5. Detailed task descriptions for each supported technology
 - 5.1. How to monitor—log capture, thresholding, alerting
 - 5.2. How To upgrade—testing and patching
 - 5.3. How to maintain—daily, weekly, monthly

Your blueprint for MSP success

Version 1.0 of your service catalog will become the linchpin document that informs all aspects of your MSP business. Marketing will use it as the basis for all customer facing services descriptions, including tiering your offerings, such as Platinum, Gold and Silver options.

The sales team will show it off to customers as a proof point of your operational maturity. The delivery and support teams will use it as a blueprint for how solutions are architected and managed efficiently against your SLA promises.

The service catalog gets your entire MSP organization on the same page. This consistency in approach and messaging creates strong customer confidence; they see that you have a plan—that you're not making stuff up on the fly.

The service catalog is much more than a simple menu of offerings, it's a recipe for how you run the business, shaping everything—the people you hire, the customers you target the investments you make. Without a clearly defined service catalog, it's not clear what business you're in and how to run it. An MSP that has a well-defined service catalog is one that executes with great economies of scale that come with sound, repeatable business processes.

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