

OPERATIONAL EFFICIENCY AND HIGHER CUSTOMER SATISFACTION IN THE MID-SIZED BUSINESS

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OPERATIONAL EFFICIENCY AND HIGHER CUSTOMER SATISFACTION

Small-to-mid-sized businesses (SMB) have their “IT” hands full. Not only do they have the same struggles as their larger counterparts to meet the needs of both end users and executives, but they must do so with a smaller budget and fewer staff. One area that represents both challenges and opportunities for small and mid-sized businesses is the service desk. This function is a focal point for pressures involving operational efficiency and responsiveness, all aimed at keeping customers happy and the business running smoothly. The service desk is a personnel-intensive, externally facing component of service delivery. If it’s not run properly, the service desk can be viewed as the “single point of failure” in its relationship with its end users. In addition, a poorly run service desk can be perceived by management as both inefficient and a sunk cost.

Despite beliefs to the contrary, mid-sized companies are not any less technologically mature than larger enterprises. If anything, because of their smaller staffs, they have a greater need for tools to increase efficiency and customer satisfaction. However, the lives of these managers can be further complicated by a lack of appropriate tools. They cannot afford the industrial-strength solutions developed for larger enterprises, but still need to address the same customer-impacting issues in their smaller organizations and infrastructure. Many vendors, unable to figure out how to package their products for this space, have ignored this market entirely; others have eliminated necessary functionality as they downsized their product to lower the price.

This paper provides insight into the operational efficiencies of service desk management in the mid-sized company, and introduces one product geared to meet those needs. The Magic Service Desk Suite, part of the Remedy® IT Service Management Solution from BMC Software, was built for this market—not pared down from larger solutions, nor expanded from smaller ones. In addition, the company provides separate solutions for both the small business (Help Desk^{IQ} for the Small Business) and for enterprise users (Remedy® IT Service Management for the Enterprise), as well as a smooth transition path between products as a company grows.

State of the Mid-sized Business IT Management

According to two EMA surveys, which interviewed 150 IT managers, CIOs, and CEOs in small and mid-sized companies, these IT professionals are focused on long-term objectives. In fact, 40% of the respondents made over half of their purchases to meet an overall strategic plan. They were also leveraging many of the latest technologies in their strategies, such as converged networking.

However, they do have significant challenges of understaffing and lack of funding and information. Over 25% said they were never contacted by a channel partner without first initiating the contact. This makes it more difficult for the manager to identify the products that might best meet their needs. Nevertheless, they still prefer to “do it themselves.” 71% had no plans to use outsourced managed services. The overwhelming majority (more than 90%) said that they preferred to keep in-house every IT function, from service desk to e-commerce to network management. It is, therefore, not surprising that 35% of SMB managers say that ease-of-use is a critical driver in their decisions to purchase software.

There is a phenomenal amount of end-user provisioning activity taking place in small and mid-sized businesses. Over 50% of SMB IT managers said they had to complete additions, moves, and changes every week, with half of those reporting daily events. While security is being managed (65% are able to upgrade their virus protection at least weekly), desktop operating



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system upgrades and personal productivity patches and fixes are only being done twice a year or less. This is not terribly surprising, given that 90% reported that their software distribution method was “sneaker net,” manually carrying upgrades around from desk to desk.

Another area where SMB IT managers are showing signs of stress is in inventory management. Sixty-eight percent admitted they were able to take a software inventory only once or twice a year—this is simply a task that is not as visible to users and upper management and, therefore, is easy to move lower in the priority stack. However, it is becoming more critical with headlines trumpeting crackdowns on software license abuse, and greater business alignment and overall accountability being the watchword of the day.

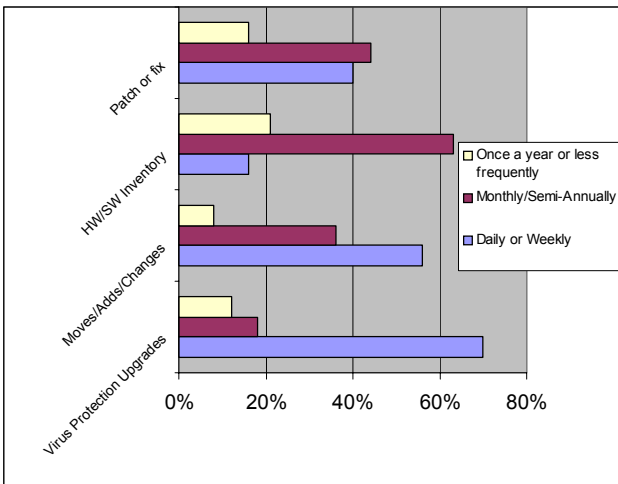


Figure 1: Frequency of Management Functions in SMB

Unfortunately, while the need exists, the ability to purchase additional tools lags behind. For almost 75% of the SMB respondents, the high cost of management software was preventing them from purchasing more functionality. This paints a rather desperate picture of the SMB IT management situation. While EMA’s research did not specifically address end-user satisfaction in SMBs, there seems little question that it is less than optimal, given IT’s difficulty in meeting its management needs. The ability to invest in these tools is critical for improving operational efficiency and for maintaining good customer (internal and external)

relationships. SMB organizations will need to begin to justify such solution acquisitions by demonstrating their impact on operations, improvements in customer perceptions of the business, and ultimately positive influences on the bottom line.

Increasing Efficiency in the Service Desk

EMA’s analysis of IT organizational maturity encompasses four phases of growth and traces the development of the service desk. In early stage IT organizations, the help desk is a stand-alone organization, used mainly as a “notification system” where users are often notifying IT that there is a problem in their networks and computing resources. In the next stage of maturity, the operations center has taken over some of the monitoring and problem notification work, but the integration between operations center and the IT group is lacking. In the third phase, the service desk begins to focus away from incident management towards gathering information for service planning. Finally in the last phase, representing the just-out-of-reach ideal, the service desk and operations center are using integrated, automated tools for inventory, incident tracking, problem resolution, as well as managing service level agreements (SLAs) for everything from performance, to problem resolution, to the number and servicing of calls. Leveraging tools to increase the operational efficiency of the service desk shows greater IT maturity. IT maturity is associated with better internal and external customer satisfaction, greater alignment of IT with business goals, and higher staff morale.

Management is eyeing the personnel-intensive service desk (and other high-labor IT cost areas) as a place where efficiencies and cost reductions can be realized. Typical service desk environments have a high ratio of staff hours to number of problems solved and it is generally unclear to executives just how effectively this resource is being used. Some organizations may have several service desks, each supporting its own applications and end users. Here the redundancy of staff, the reinvention of issue tracking and escalation procedures, and toolset investments have the finance team as well as IT management pulling their hair in frustration.

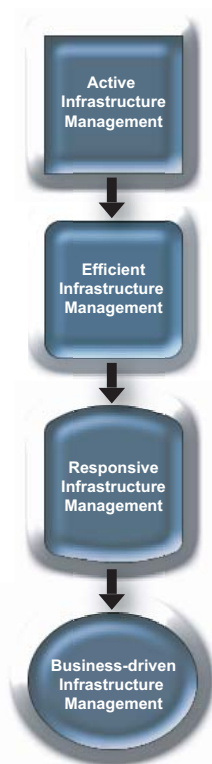


Figure 2: EMA's IT Maturity Model

Some Solutions for Improving Efficiency

There are several things SMB managers can do to improve their operations. One aspect of increasing operational efficiency is servicing more customers in less time; another is solving IT computing problems in less time. But underlying all work should be good processes so that there is a structure for that efficiency. It is never too early to begin implementing good processes for management—this is as true for IT as it is for business—even for small businesses. Whether the process structure is based on the Information Technology Infrastructure Library (ITIL), Six Sigma, or other best-practice methodologies, creating formalized processes always helps create better outcomes and higher efficiency because there is a common understanding of the approach used to solve problems and consistency which eliminates guesswork on the part of individual staff members.

In the case of the service desk, good processes include not only recording and tracking all service requests, but

also making sure that all problem solutions are recorded and made accessible for reuse. Good processes also include: recording time spent researching the issue, time to repair, and other important details involved in the problem triage. These processes create the basis for gathering the data needed for evaluation. This is important because evaluation leads to process improvements by identifying what works well, what needs to be repaired or replaced, and even the cost of not replacing. Even for manual systems, this information can create a powerful return on investment (ROI) for purchasing technology to improve efficiency and productivity.

Many small and mid-sized companies have had their IT support grow from informal “most knowledgeable person in the department” to more organized and formalized service desks. This often means creating several groups that all supply the same kind of support. One way to increase operational efficiency is to consolidate the service and request functions into one entity that is supported by technology. Bringing the knowledgeable staff into one location helps them to leverage each other’s knowledge. Combining the budget from several separate organizations can provide the funding for the tools necessary to better support service desk needs. It can also reduce application administration costs, and simplify management for both IT and personnel management.

The case for purchasing automated toolsets should be relatively straightforward, once the personnel costs are consolidated and evaluations of efficiency and satisfaction are made. Beyond simple trouble-ticket automation, tools that automate hardware and software asset discovery, software distribution, license monitoring, and remote control will reduce the overall personnel cost of support, as well as improve the effectiveness of those processes. This provides a package that’s hard for financial managers to resist: higher personnel efficiency, faster mean-time-to-repair (MTTR), and better end-user satisfaction resulting from reduced downtime and resource failures.

Choosing the right tool for the job requires serious investigation. The IT manager will want to ensure that the vendor chosen has a reputation for standing behind



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its toolset, is in the market for the long-haul, and provides a path for migration to bigger tools. Minimal capabilities must include service request and trouble-ticket entry, and automated tracking and record keeping. The system should be able to record meta-data, such as the number of tickets entered and closed, and the MTTR by operator and by type of problem, and it should be able to create several types of reports. However, beyond these basic service desk functions, there are several other timesaving functions that can be added. The product itself must fit into the current network and system management toolset, and provide significant capabilities to improve the efficiency of the service desk and its links with the operations center.

When consolidating the service desk, it is important to make sure that distributed users still feel supported. Universal access, supported by a Web-browser interface, can help IT manage and support the infrastructure more easily. While the service desk may be separated from the end users, and from the operations center, they are nevertheless linked in real time. Also, as the above-mentioned research has shown, SMB managers rank ease of installation, ease of use, and ease of maintenance as critical criteria in their evaluation. Browser-based management solutions leverage the use of centralized staff to manage remote systems, and because of the familiar interface, reduce time to productive use. Anything to lessen the learning curve and make solutions more user-friendly out-of-the-box should be an important criterion in solution purchase.

A product utilizing an easy-to-use knowledge base can vastly improve the efficiency of service desk personnel. Solutions to problems are recorded in the knowledge base and indexed based on the hardware and software involved, and other symptoms of the problem. If the same or related problems arise, the solution can be accessed, or serve as a starting point for a new solution. Solution reuse can improve efficiency and customer satisfaction by reducing the MTTR. It allows the solution knowledge of the most senior staff to be encoded and disseminated to junior staff—and even end users. Many articles have spoken of the increasing sophistication of end users who demand ever-higher levels of service delivery, but these users can also be an

advantage to any company, particularly to SMB organizations. These knowledgeable users can become partners with IT. In the best case, they can solve their own problems, and when that is not possible, they can enter the necessary information to aid IT in solving and recording those problems. Self-service capabilities are available today to facilitate and encourage this ability, so that technicians and users have access to the intellectual capital that is built over time in all organizations. Together with knowledge-based technologies, productivity is gained in both tracking and problem resolution.

Obviously, this list of potential capabilities for the service desk must be viewed as a wish list, with managers determining where their organization requires new tools, and where existing tools are adequate to meet current needs. These tools can be purchased as stand-alone tools, although managers must take care that their solutions will be easy to integrate. One vendor that produces a suite of such tools is BMC Software with Magic IT Service Support for the mid-sized business.

The Magic Service Desk Suite from BMC Software

BMC Software provides IT Service Management solutions for businesses of all sizes through its Remedy Solutions. From the smallest companies to the largest enterprises, the company has the service desk covered. For the small business that is lucky enough to have an IT group much less a service desk, there is Help Desk^{IQ}. For globally distributed enterprise users, Remedy IT Service Management for the Enterprise provides industrial-strength service management options. The Magic Service Desk Suite is a good solution for the mid-sized business, which will be discussed here. All three of these products were designed from the ground up to meet the needs of their market space; none is a knock-off, none is a solution that has outgrown its scalability. And, although these products began life as individual products, the company has created a smooth transition path to enable a company to grow from one space to the next, leveraging investments in both training and usability as their needs evolve.



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The Magic Service Desk Suite is a browser-based solution, enabling companies to implement incident, problem, asset, and change management processes. It utilizes automation to leverage IT staff time, by providing asset discovery, root-cause analysis, and knowledge-based technology. It is relatively easy to install and configure, and quickly begins discovering hardware and software assets, logging inquiries, and notifying staff of problems. It supports ITIL (industry standards for best practices in service management) process descriptions, so a company can take advantage of best practices in defining its own approach to problem management. The Magic Service Desk Suite automates workflow and escalation procedures, to streamline problem management processes and supports many of the recommendations made here to improve an organization's operational efficiency. For instance, substantial economic and efficiency gains can be realized when automated escalation processes are utilized because it avoids the very time-intensive manual process of multiple employee contacts that are necessary to ensure quality services without them.

EMA's Perspective

As a company expands beyond its small roots, the demands on its IT department also expand. With an ever-increasing number of personnel, and often increasing MTTR, the service desk has become the focus for management scrutiny. Automating the service desk and carefully developing the policies and procedures around it can supply tremendous gains in operating efficiency, increasing IT personnel productivity, reducing MTTR, and improving end-user satisfaction and efficiency.

While many products provide the minimal capabilities, such as creating and tracking trouble tickets and service requests, mid-sized companies are finding that those functions alone are not adequately supporting their needs. Better links to operations, better use of senior personnel, and greater efficiency are now required. IT organizations can become more efficient by leveraging automated technologies—such as root cause analysis, auto-discovery, and knowledge-based databases—and leveraging personnel for self-service—including sophisticated end users.

BMC Software provides help desk and service desk products for companies of all sizes. The Magic Service Desk Suite offers just the support needed by today's well-informed mid-sized IT manager to improve operations and the standing of the IT service desk in its corporate community.

About Remedy Solutions

Remedy delivers Service Management software solutions that enable organizations to align internal and external service and support processes to business goals. More than 10,000 customers worldwide, from small and mid-sized businesses to global enterprises, have chosen Remedy's IT Service Management and Customer Service and Support software to automate their support processes, improve service levels, manage assets, and lower costs. As part of BMC Software, Remedy's highly flexible, best-practice applications enable enterprise-wide Business Service Management, and allow customers to easily adapt to unique and changing requirements. Learn more at www.remedy.com.

About BMC Software

BMC Software, Inc. (NYSE:BMC) is a leading provider of enterprise management solutions that empower companies to manage their IT infrastructure from a business perspective. Delivering Business Service Management, BMC Software solutions span enterprise systems, applications, databases and service management. Founded in 1980, BMC Software has offices worldwide and fiscal 2004 revenues of more than \$1.4 billion. For more information about BMC Software, visit www.bmc.com.

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