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MSPeasy Series

OPERATIONS MADE MSPeasy

Effective MSP Tips for Boosting Operational Efficiency in 2016

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INTRODUCTION

Delivering managed services requires a complete re-working of operations from the project-focused break-fix model. Most shops take a measured approach to this transformation, typically offering a handful managed services to a small number of clients and expanding from there. As managed services businesses grow, the need for operational efficiency becomes more pronounced.

The reasons why MSPs struggle with operational inefficiency, of course, differ from shop to shop. However, there are some broad categories to look at when trying to understand how and why operational issues rear their ugly heads. These include but are not limited to: poor technology decisions, staffing/management weaknesses and ineffective operating policies and procedures. Successful MSPs achieve operational efficiency in a variety of ways. In this ebook, you'll learn strategies that increase efficiency from managed service providers that have been there and done that.

CLEARLY DEFINE SERVICE OFFERINGS

If you already have a variety of break-fix clients, you have likely developed expertise in a number of IT disciplines. This may shape your decision-making process when it comes to choosing the managed services that you will deliver. Or, if you've already developed a niche, the needs of that specific vertical might dictate the techs you offer.

Jay Strickland, President of NC-based MSP WingSwept said that the services that his company offers are based on client size rather than any specific vertical. "We look at vertical specialization as a potential liability," he said. "For example, what if you catered specifically to real estate firms in 2008? You'd be out of work."

Of course, many MSPs have had success providing services to specific vertical markets, so this decision will likely come down to your specific preference and potential clients in your region. Mark Calzone, President of CT-based Ash Creek Enterprises said that while his company does not focus on a specific vertical, that approach "could be efficient from an operations standpoint, because you're providing similar services for all or most of your clients."

When deciding on which services you will offer, it really comes down to staying on top of the market and knowing your clients needs.

Mark Calzone
President
Ash Creek Enterprises

Some common IT managed services include:

- Helpdesk
- Network/System Monitoring
- Security
- Storage
- Backup and Disaster Recovery

"When deciding on which services you will offer, it really comes down to staying on top of the market and knowing your clients needs" said Calzone. "Our clients range in size from five employees to 250, but companies with 15-20 employees and no IT staff is the sweet spot." These clients rely on Ash Creek for most, if not all, of their IT needs—which typically includes IT consulting/planning, helpdesk support, network monitoring, security, backup and disaster recovery.

Once you have identified the services you will provide, evaluate your current staff's core competencies to identify potential holes that need to be addressed. This might mean training current employees or hiring new employees. Calzone said he typically opts to train up employees to address technical needs rather than hire new staff. "Many technology vendors offer training for partners looking to expand service offerings," he said. "We take advantage of that whenever possible."

That brings up another key consideration. When evaluating technologies that you will rely on to deliver service to your clients, you'll obviously look at the features and functionality of products. But, it is also critical to consider the vendor's ability to support your needs. You need to be confident that the vendors you work with offer high quality tech support, so you can in turn deliver high quality support to your clients. Excellent support enables you to keep systems up and running—avoiding downtime increases efficiency.

According to Calzone, it's also important to standardize on specific vendors. "You want to offer the same technologies to all of your clients—one security product, one DR, etc.," he said. This is beneficial in two ways. First, it's easier to manage relationships with a finite set of vendors. And second, your staff will develop expertise working with the specific products you choose.

Customer experience

According to the 2015 CompTIA Trends in Managed Services survey, today's MSPs must deliver "an experience" -- rather than just a product or service. The study found that consumer apps and customer experience increasingly dominate end user's mindset. Some have called this "the consumerization of IT." In other words, end users increasingly expect the ease of use and always-on availability of the technologies they rely on in their personal lives. To deliver this experience, you need reliable technologies that increase your clients' productivity.

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Proactive monitoring of your clients' IT environment is also essential to ensure uptime. To this end, most MSPs rely on remote monitoring and management (RMM) software. These tools are designed to monitor your clients' IT systems and report on performance. RMM software also allows you to remotely trigger management tasks—such as patching or other software updates.

Integration is an important consideration as well. You'll want to choose RMM software that is compatible with the other technologies that you offer. In other words, if you are delivering security as a service (SECaaS) you'll want to make sure the antivirus software you deploy is integrated with your RMM product. RMM providers offer integration with a variety of security, storage, backup, disaster recovery and networking technologies. However, integration is worth investigating, because it is not across the board. You need to determine whether the products you currently, or are planning to, use are supported.

Increasing the number of devices each of your employees can manage is an effective way to become more efficient. If you can take on more clients without hiring new technicians, you can dramatically reduce your operating costs. Choosing products that allow you to automate routine tasks is an effective way to keep staffing costs under control.

DEFINE HIERARCHY, ROLES AND RESPONSIBILITIES

Every company needs this, right? It may sound somewhat obvious, but this is a well known challenge for IT shops. Here's why: You got into this business because you've got good tech skills, but knowing your way around a data center doesn't mean you know a thing about management. Sure, you can manage desktops, servers and storage—but can you manage a few senior IT folks while training a bunch of n00bs?

So, you've got to come up with a reporting structure and define employee roles and responsibilities. Ok how? What's the formula? "There's no single 'right' answer to that question," said Strickland. "One way might be to assign certain employees to reactive tasks and others to proactive monitoring. Or, you could have less experienced staff on the helpdesk and escalate [more complex issues] up to Level 2 or 3 engineers."

Technical support engineers are typically rated according to "levels"—typically Levels 1 through 3. Level 1 is the initial support level responsible for basic customer issues. This role may be supplanted by an outsourced helpdesk function if you choose to take that route. Level 2 implies more in-depth support from more experienced and knowledgeable engineers. I'm sure you see where this is going. Level 3 engineers are the top dogs responsible for solving the most difficult technical issues.

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According to Calzone, Ash Creek is a little different because it's staff is quite small. Still there is a clear reporting structure. "We have a senior systems engineer who serves as a team lead with three less experienced engineers reporting up," he said. "They handle day to day tasks and the team lead provides guidance or steps in if necessary. I handle operations, but have a technical background, so I can help as well."

Settling on a reporting structure that works for your company is the first task. But then, there's the whole 'being a manager' thing. Effective managers use a variety of strategies and again, there isn't one 'right' way to do it. That being said, Strickland recommended reading a book called "Encouraging the Heart." He said it changed the way he thought about managing and motivating the WingSwept team. The book offers a specific set of actions and practices that managers can use to motivate employees using encouragement. In today's workplace, this could go a long way; two of every three respondents to TINYpulse 2015 Employee Engagement & Organizational Culture Report said that they did not feel valued at work.

Strickland stressed the importance of human resources for keeping employees engaged. "In my experience, probably 90% of MSPs do not have anyone trained in human resources on staff, and 50% of MSP owners don't understand HR," he said. "Human resources provides structure and increases employee satisfaction while protecting the business against liability." If you don't have the necessary skills, bandwidth or funds to offer human resources in house, HR can be outsourced. "Outsourcing HR through a PEO

(professional employer organization) has some drawbacks, but it's a much better option than going without HR entirely," he said.

And speaking of outsourcing, you may even want to outsource some IT tasks. Calzone said Ash Creek uses it's RMM vendor's helpdesk and network operations center (NOC) services. This gives Ash Creek 24/7/365 helpdesk support, which improves overall customer experience. "Hiring a desktop support person in Connecticut would cost us about $50 to $60K a year," he said. "Outsourcing helpdesk and NOC allows us to better support our clients, and it is more cost efficient."

Finally, it is essential to eliminate redundancy. Clearly define the specific tasks each employee is responsible for to avoid duplicating efforts.

LOCK IN POLICIES AND PROCEDURES

Developing clear policies and procedures for specific tasks, whether they are routine or one-off projects, is a well known and proven method for improving efficiency. Your operating policies will largely depend on the specific nature of your business and can be time consuming to create, but can improve operations in a number of ways. If your business has more than a handful of employees, crafting policies and procedures should be a group effort among stakeholders that represent various departments or roles.

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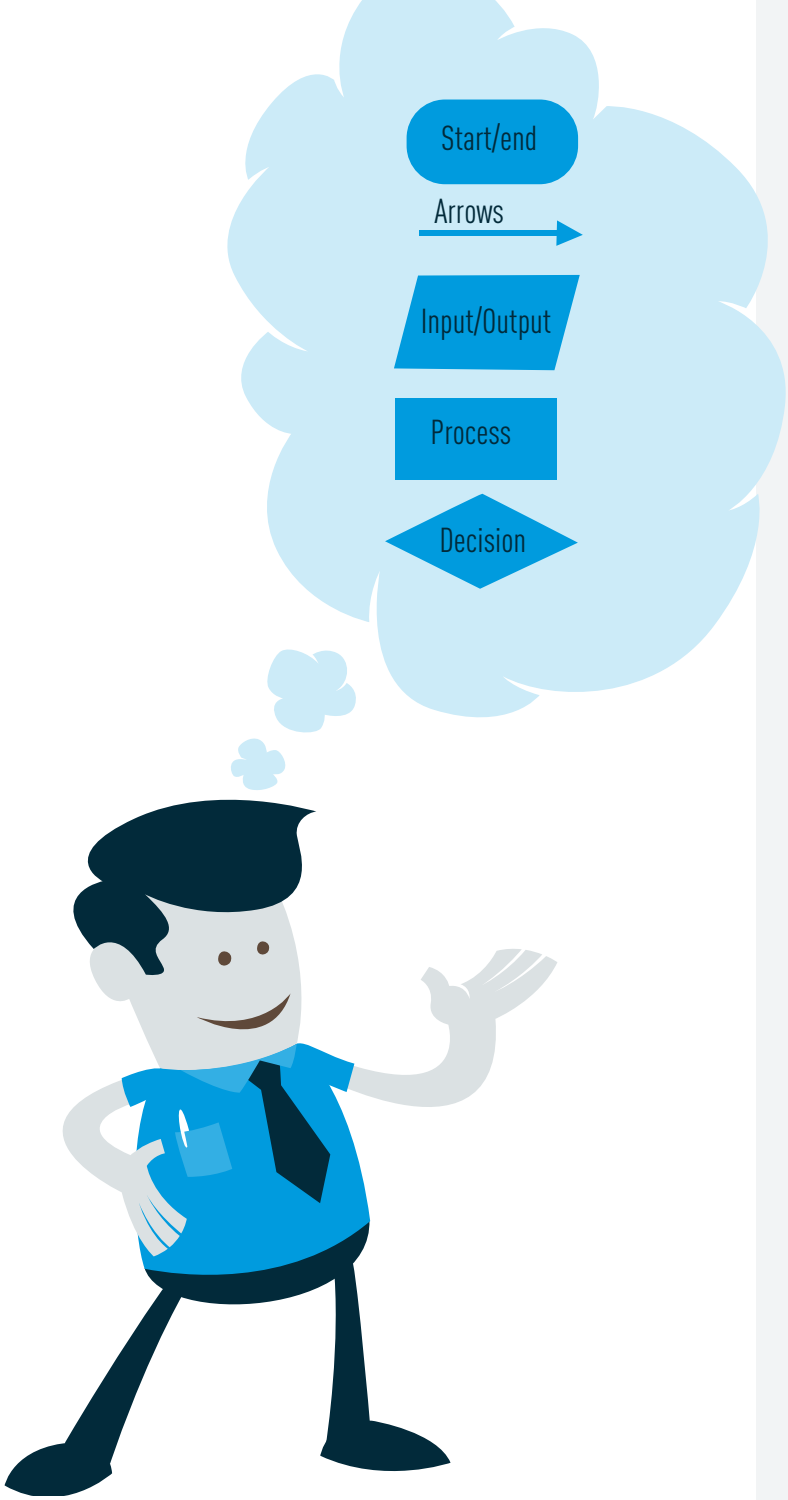

Clear policies and procedures allow you to better track progress of any given task or project. You should craft policies that allow you and your staff to easily understand progress toward completion so there is no guesswork involved. This may mean detailing a specific set of steps necessary to complete a given task, or it could be a more general workflow process. You might consider using S.M.A.R.T criteria when crafting your policies and procedures. Once you have drafted operating plans, present them clearly to staff. This may involve some level of training, depending on the current skillsets of your staff members.

You may want to illustrate processes using flowcharts. In a flowchart, a process is mapped out with arrows connecting each step. They are useful for displaying how a process currently functions or how it should ideally function. These diagrams may help staffers grasp complex processes, especially if they aren't perfectly linear. They are particularly useful for illustrate processes that are conditional in nature (e.g., "if 'yes' then X; if 'no' then Y"). There are a variety of free flow chart generator tools a quick google search away. You can also create flowcharts using word processing software or the ever-venerable pen and paper combo.

Calzone said that documentation is essential for increasing operational efficiency. There are a variety of tools available for this purpose—many shops use Sharepoint, for example. Calzone said that Ash Creek uses a tool called IT Glue, which is specifically designed for MSPs. "[The software] is easy to update and allows you

to keep track of everything in one place. Plus, it integrates with our PSA product," he said. "Good documentation is essential because it allows more people in the company be productive... you don't need to make a customer wait because only one staff member knows what's going on with their environment."

Strickland emphasized this point. "You can really shoot yourself in the foot if only one person on staff understands a client's network," he said. "If they aren't available to fix an issue, there's potential to lose a customer." He went on to say that allowing this to happen can lead to clients only seeing value in a single employee rather than the organization as a whole. "Don't let clients 'cozy up' with one engineer," he said. "Tell customers that they have to place service requests through your ticket system. And, don't allow them to contact specific engineers via a direct phone line." To avoid this, Strickland suggested using an automated phone system to route calls to available technicians.

Over time, you will without a doubt identify bottlenecks and areas in need of improvement. So, operating policies and procedures should be considered a work in progress. If something isn't working, you need to be flexible and adapt your plans. Don't get stuck in the mud with a process that isn't working. Regular reviews of your operating policies are essential. Also, you need to hold employees accountable for meeting deadlines outlined in your operating procedures, without making unreasonable demands. Meet regularly with employees to be sure that expectations are realistic.

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Mark Calzone
President
Ash Creek Enterprises

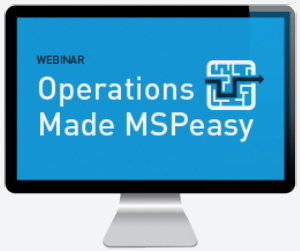
CONCLUSION

There isn't a one-size-fits-all approach for making operational efficiencies happen. Calzone and Strickland both said that there was a good deal of experimentation involved in getting to where they are today. "It's important to network with peers to see what's working for them," Calzone said. "But, sometimes it comes down to trial and error, because what works for one business may not for another."

Making good decisions about the technology you choose is obviously one piece of the puzzle. Automating routine tasks can free up staff and allow you to take on more business without hiring additional employees. Choosing vendors that offer top notch support is also essential. However, efficiency is about more than that. A lot of it comes down to being organized and working smart to get things done.

"You can have the best technology in the world, but if you don't have the operations piece, it doesn't even matter," Calzone said.

Operations Made MSPeasy is the first part of Datto's MSPeasy series. You can check out the webinar that accompanies this ebook here.



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