

White Paper

Six Simple Steps to Improve Service Quality and Reduce Costs

INTRODUCTION

Do you have challenges with maintaining your SLA commitment? Does your customer support department get more complex as you adopt the very technologies, such as virtualization or SOA, that were supposed to simplify operations? The successful integration of Service Management solutions is the answer to these questions, and many more.

This paper discusses Service Delivery Best Practices, explains what Service Management is, and how a strong service delivery QA process can help you meet business needs and deliver real business value. Benefits from improved Service Management include greater IT staff efficiency, improved service delivery to the business, less risk, and lower costs.

TABLE OF CONTENTS

- Service Management overview
- Six steps to improve service quality and reduce costs
- Benefits of implementing Service Management solutions
- Conclusions

Service Management overview

Service Management is part of the supply chain management and acts as the **link between the sales department and customers**. The goal of Service Management is to optimize the service-intensive supply chains, which tend to be more and more complex. Many client-oriented businesses:

- Require larger inventories and better integration with field service and third parties;
- Must accommodate inconsistent and uncertain demand by establishing more advanced information and product flows;
- Must coordinate all processes across numerous service locations with large numbers of parts and multiple levels in the supply chain.

Service Management is usually linked to operations support systems. Systems that use Service Management can include **order management, inventory management, activation, maintenance, performance diagnostics** and several other types of support systems. A well run Service Management process ensures that these systems are running optimally and error free.

Six simple steps to improve service quality and reduce costs

MAP OUT YOUR BUSINESS PROCESSES

It looks obvious, but most companies do not map their own process flows and therefore don't understand what is going on in their organization. Most will try to use IT or Software Implementation as a substitute for process documentation - the excuse that somehow technology or software will bring structure to the process, when in fact the opposite is true. Buying software to fix your processes is the wrong way to attack the problem. You must realize that **THERE IS NO WAY AROUND THIS FIRST STEP**. You must make the investment in **mapping out the existing processes in your company**. Once you realize that you have a problem and you need to take action, how will you approach it? It starts right at the top: The first step is to acquire executive sponsorship, **such as a VP, a CIO, or a COO, to sponsor the project and commit the necessary resources to make these changes**. A few words of caution about this mapping process: Don't try to comprise all details in this map. Establish what is important and critical for your business and include only that on the diagram - implementation details are not essential for this project.

HAVE CONSOLIDATED, STANDARD PROCESSES

Standard processes start by **making sure that all the departments in your company are well aligned in pursuit of the businesses' goals**. It ensures that the sales team doesn't make promises your company can't deliver on, that IT delivers the data that operations or finance need and that all departments **agree on common objectives for the business**. Although it sounds simple enough, most companies fail on this basic level of communication and why so many of them have difficulties managing growth.

As a part of this activity, you should consider standardizing processes and integrating them across various groups. Use as reference process and control frameworks, such as the **IT Infrastructure Library® (ITIL®)** and **Control Objectives for Information and related Technology (COBIT)**, for guidance in best-practice process in your company.

QA YOUR PROCESSES

Now you've established a business process diagram, distribute it to all stakeholders of that process. If not, the quality of your services will continue to suffer, your customers will abandon you, and your investment will be wasted.

How many times have you called customer support and they transferred you to someone else, and then disconnected, and then you had to call again, and then they were unable to bring up your file, and when they were finally able to do that, they had outdated information about your problem? This is what happens when you have poor process QA and you don't have a business process diagram to guide you with it.

QA is a high priority initiative: it must be embraced by the entire organization, as this can damage your brand and the way your customers perceive you. Just try typing "Customer Service Hell" in Google and you will understand. All these problems can be avoided if you have an appropriate QA process, and your management takes it seriously.

AUTOMATE PROCESSES WITH HIGH ROI

Your staff has to handle numerous manual processes as your business changes and evolves. Identify the most critical processes that should and can be **automated**, document them, and then create a project plan to address them quickly. Keep in mind that sometimes the simplest solutions are the ones that provide the greatest impact. Look at the big picture, the way Henry Ford used to do, understand how much time each step takes, what your people are doing, and try to measure them to see if it makes sense to automate.

Although sometimes difficult to measure the return, it is also good practice to **calculate the ROI on each process automation initiative** to ensure its payback is in line with company expectations or standard practices.

Automation has another important goal: consistency. Automation can ensure best practices are consistently followed, service error rates are reduced, and customer satisfaction scores are consistently higher.

BE PREVENTIVE, NOT REACTIVE

Many IT organizations tend to address performance and availability issues reactively. Unfortunately many of these issues cause service degradation resulting in a loss of customer goodwill. A far better approach is to **anticipate problems and deal with them before they have impact on service quality.** With a predictive approach, you can analyze events and trends, assess both their short-term and long-term impact on service quality, and deal with problematic events before they have an impact on service quality.

Key questions to ask are:

- **Is my business scalable?** How fast can your business grow in terms of people, processes, and, of course, IT and Infrastructure.
- **Where and what are my service gaps?** What do I need to address in order to grow fast without compromising quality? Don't forget growing fast involves certain costs if you want to maintain a certain quality of service. In a high growth mode, you have to add more capacity that you would normally do.

DIAGNOSE PROBLEMS FASTER

As simple as it might sound, the best teacher is your customer. Make sure that **they have a very easy way to provide you with feedback.** This will complement your QA processes and will enable your company to react to a problem that has not been anticipated faster. These types of problems occur especially if your business is growing fast.

In addition, as IT infrastructures grow in complexity and become more dynamic — driven by virtualization and SOA — problem diagnosis becomes more difficult. **Try setting up metrics and checkpoints that will act as alerts for your business.** For example, if one system stops communicating with another, you must know about it before your customers do. You can simplify and speed up the problem diagnosis process by splitting up big systems in smaller ones with clear interfaces and checkpoints, so that senior level technical resources are not

required to diagnose an issue and fix it. Having the right tools will decrease mean time to repair (MTTR) and will reduce down times with operations.

Benefits of implementing Service Management solutions

If you have implemented the six steps presented in this paper, your organization should immediately start realizing the following benefits:

- **Less business discontinuities.** The frequency, severity, and duration of IT problems will be reduced, giving you smooth business processes. You can address issues proactively and solve them before they have impact on services and before users notice them.
- **Improved service delivery.** You'll set up service level goals based on metrics that are linked with business objectives and defined in a language the business understands. You'll find problems sooner, fix them faster, and prevent many problems from occurring. By understanding the relationships of business services to IT infrastructure components, you'll correct the right problems first.
- **Increased efficiency and reduced costs.** With better understanding of the business impact of issues, you'll optimize the cost and service delivery to meet service level agreements. Through more intelligent capacity planning, you'll eliminate over-provisioning resources, providing only as much infrastructure as required to meet business demands. In addition, through automation systems, you'll eliminate manual labor and reduce skill level requirements, driving down costs and increasing consistency.

Conclusions

By **modernizing your approach to service delivery through the implementation of the right Service Management solution**, you can **achieve more with fewer resources**. You achieve more by reducing service disruptions, improving service delivery, and increasing IT's agility. You'll do it with fewer resources by reducing IT staff workload, increasing staff efficiency, and lowering required staff skill levels. As a result, you'll meet the demands of the business for improved service quality, more services, and reduced IT costs.