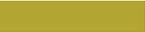


The Problem with Managed Services: Fragmented Customer Experiences

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Excelling in customer experience and creating superior customer perception in Managed Services is a critical success factor. The industry is a battlefield, plagued with Managed Service Providers (MSPs) who claim to provide excellent customer service, but their customers say otherwise.

- • **Commodity is no joke**

The market for managed services is projected to be worth a **whopping 257.84 billion USD** by 2022 as corporate enterprises increasingly hand over their IT needs.

For MSPs experiencing a saturated competitor marketplace, is this a situation where desperate times call for desperate measures? Many jump to making hasty decisions to lower prices in an attempt to retain and gain customers, advertising themselves as the “best service and value” MSP.

Although such techniques may be appealing to prospects, MSPs are often not successful in retaining newly acquired customers and the gains are easily lost at the next contract renewal. Unfortunately, both service provider and customers end up finding this out the hard way – and this downward price movement creates a lose / lose scenario for all involved.

A blurred encounter

Switching between MSPs is a taxing task for enterprises. It's difficult to gauge the competence level of the service provider, and whether they're all talk and no action. There's always the potential of receiving even poorer experience with a new provider. Outsourcing poses several risks:



Lack of visibility and control

Customers cannot see the health and performance of their network and applications for themselves, leaving them to take the service provider's word for it. This creates continual discrepancies and disagreements when service reports from the provider and the service experienced by the customer don't match up.

Additionally, IT managers lack the facts to make data-driven decisions concerning the right-sizing of IT resources and thereby cannot fine-tune network and application performance. Less technical executives are also affected as key business budgetary decisions have to be made based on guesswork.



Substandard communication

Service providers can become so focused on their own revenue performance that communication with their customer is biased towards selling versus listening. Understanding the enterprises' business needs, goals and challenges is key to creating collaborative communication. If this effort is missing, the customer sees the provider as having a "coin-operator" approach rather than being the trusted advisor they expect.



Reactive issue management

Issues are resolved only after experiencing a negative impact on the infrastructure and employees. An inability to see network and application performance in real-time, results in ineffectiveness to be proactive and preempt a condition that could lead to an incident. By identifying weaknesses across the entire ICT estate and getting to the root cause in advance moves the management approach away from "break-fix firefighting" to an efficient and professional "managed service" framework.



Disaggregated procurement

MSPs using multiple suppliers have a challenge in ensuring their service delivery chain is well-integrated. A fragmented execution of customer service management due to reactive performance problem handling is a common issue. Overlaps and gaps in service provision and day-to-day management must be resolved to ensure customer satisfaction and loyalty.

The last thing that an enterprise wants, after signing a new contract, is to discover that they are a captive and not a customer. There's no use in MSPs going above and beyond to win a new customer and then neglecting them shortly after acquiring a contract signature.

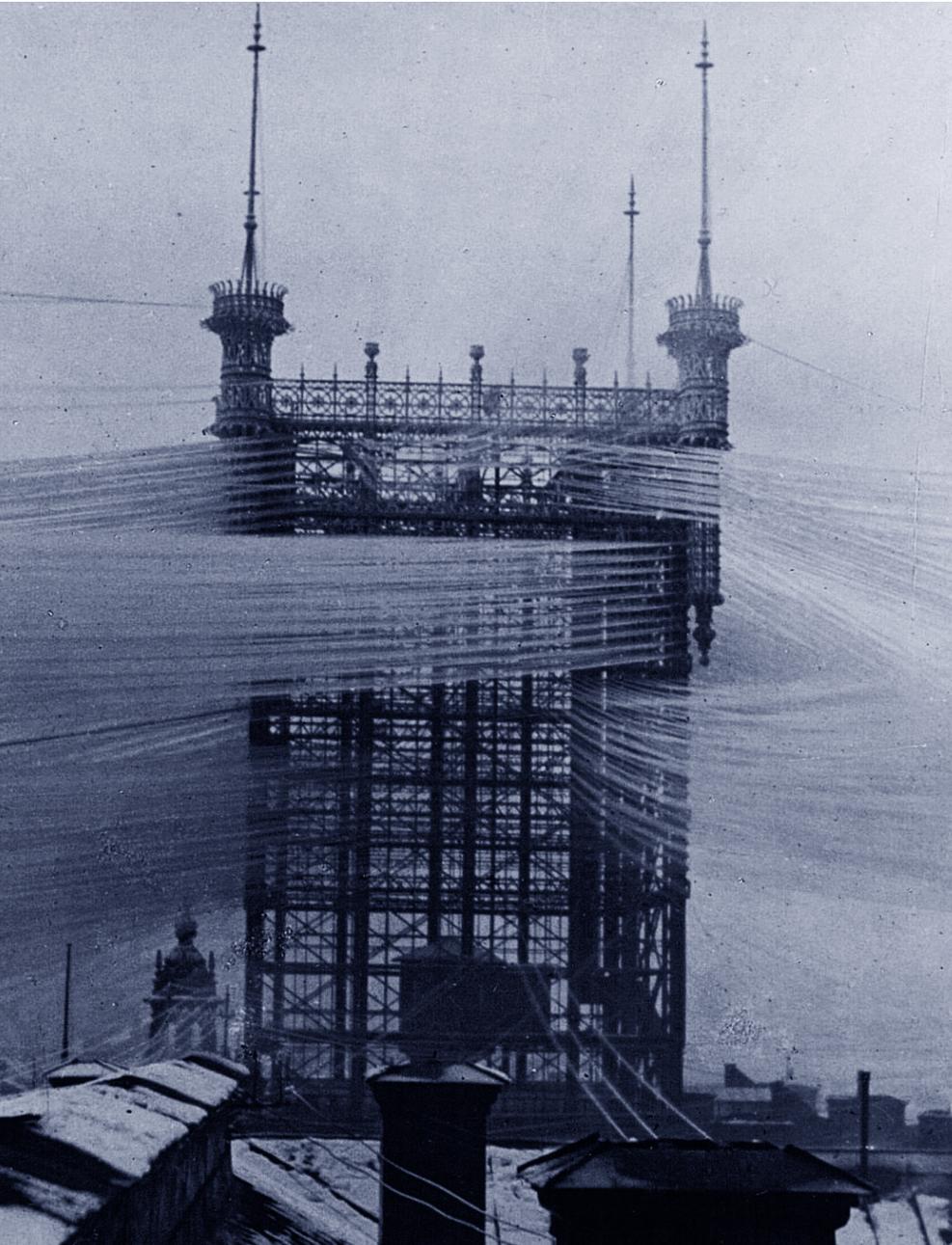
The MSP industry's multi-headed beast

The customer all too often experiences four different versions of service truth:

1. What service they contract for from the MSP
2. What the MSP orders in their systems
3. What service the MSP delivers
and finally...
4. What service the MSP bills for

Time is wasted trying to rectify damage done to the customer's expectation of what was promised against the service delivered, not to mention damage to the provider's credibility. In the majority of service provider organisations there is no single reliable source of truth from which the two parties may work in partnership, and where the business-focused data is seen as impartial. If both parties are to be strong strategic partners they need a shared and consistent data source throughout the life cycle.





A bad word goes a long way...

Bad experiences kill loyalty, brand reputation and erode revenue.

Word of mouth recommendations are effective, but for people to actively recommend their provider to others, the MSP must be delivering something remarkably unique. Several MSPs use Net Promoter Score (NPS) as a selling point to entice prospects, while ignoring underlying issues that exist within current customers – as long as the service looks enticing on the surface, that's all they care about.

While a low score is cause for concern, a high score isn't necessarily good news either because customer satisfaction doesn't always equal customer retention. Customers can be satisfied with a service without thinking anything extraordinary about it, and often those who fill in NPS survey forms are not the ones who have experienced the service for themselves. Thus, it is not always a true reflection.

• • The bottom line: what do customers expect?

- **High quality service** - infrastructure and applications working as they should, network downtime minimised, and problems pro-actively managed
- **Consistent communication** - prompt response to queries, regular follow ups, receiving additional value from an MSP focused on service excellence
- **A trusted advisor** - customers want to be informed and supported on their journey, receiving guidance on business activities – capacity planning, solid business continuity, disaster recovery solution, budgeting and right-sizing infrastructure to meet their needs and not the MSP's revenue drive

The right tools can be the biggest enabler to an MSPs success. Without equipping employees with the correct means to deliver excellent service to customers, success is far from sight. Most tools used by MSPs are focused on enabling Engineering and Operations personnel. What about the Sales Account Managers, Service Managers and Customer Help Desk colleagues?

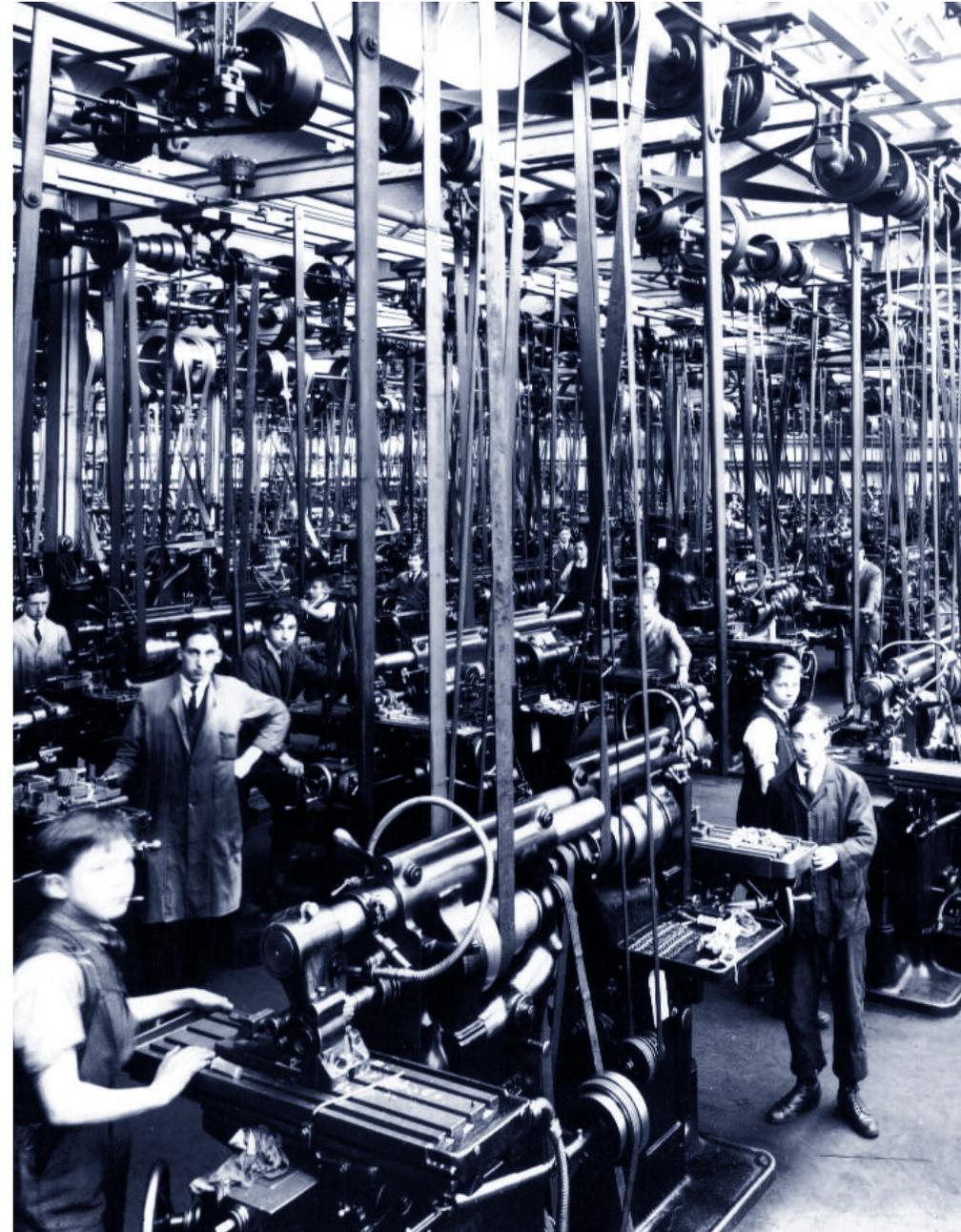
Is there a silver bullet?

These critical customer facing professionals are left to answer for the service inadequacies inside customer account meetings, monthly service reviews and the initial customer support call.

Often, a divergence of opinion about the quality of service delivered and experienced by customers prevents service providers from doing more to make their customers' business better. Conversations are based on disputed performance data and a distrust of what a person says rather than one true source of factual data from a shared view promoting positive and productive dialogue.

Without a tool that highlights what is most important to a business, it's difficult to identify business-critical applications from shadow-IT and the strengths or weaknesses of the network infrastructure performance, upon which a customers' business depends. A disjointed view of the ICT estate means there is no coherent way to deal with the complexity of the service, leaving fault diagnosis to be slow and aggravating as events are unconvincingly correlated.

When the customer can see the service quality for themselves, conversations can be driven by factual information enabling both service provider and customer to speak in the same language. Trust is built through transparency, openness and responsiveness.





Why third-party supplier relationship management is important

Third-party suppliers require just as much attention as an MSPs corporate customers. Arguably, an MSP must be in a position to manage the service delivery chain both upstream (from their supplier) and downstream (to the customer). Suppliers may deliver a stripped back service to which the MSP adds their value. Inevitably it is the MSP whose relationship, integrity and service promise that must remain strong in the eyes of the customer throughout the contract. Behind the scenes, the technology of key suppliers may well shape the MSP's brand in the marketplace, positively or negatively.

Limited interaction and integration with key suppliers may become the biggest barrier to forming deep relationships between MSPs and their customers.

The fact is that excellent suppliers are hard to come by. MSPs that have worked closely with particular suppliers for a long period of time increase their chances of building valuable insight and expertise in the deployment, delivery and optimisation of services for their customers. A significant track record with accrued knowledge to determine the best course of action for unique requirements is essential, ensuring a personalised and high quality experience is delivered.

Critical success factors to attain customer service excellence

Taking an MSP's business from average to excellent requires:



Becoming knowledgeable of the customer's industry with a heightened awareness of their critical business challenges and strategic objectives in order to provide insight



Being an expert in the customer's network infrastructure and applications



Having a shared, unbiased and transparent single source of service performance that enables Sales Account Managers, Service Managers and 1st level Help Desk personnel deliver personal, attentive and professional conversation with each customer engagement



Proactive, rather than reactive, efficient management of the service and third-party suppliers on behalf of customers. Ensuring effective service delivery process integration and day-to-day service management



Providing credible guidance and "trusted advisor" recommendations based on factual, high quality data during incident handling and business and network capacity planning activities

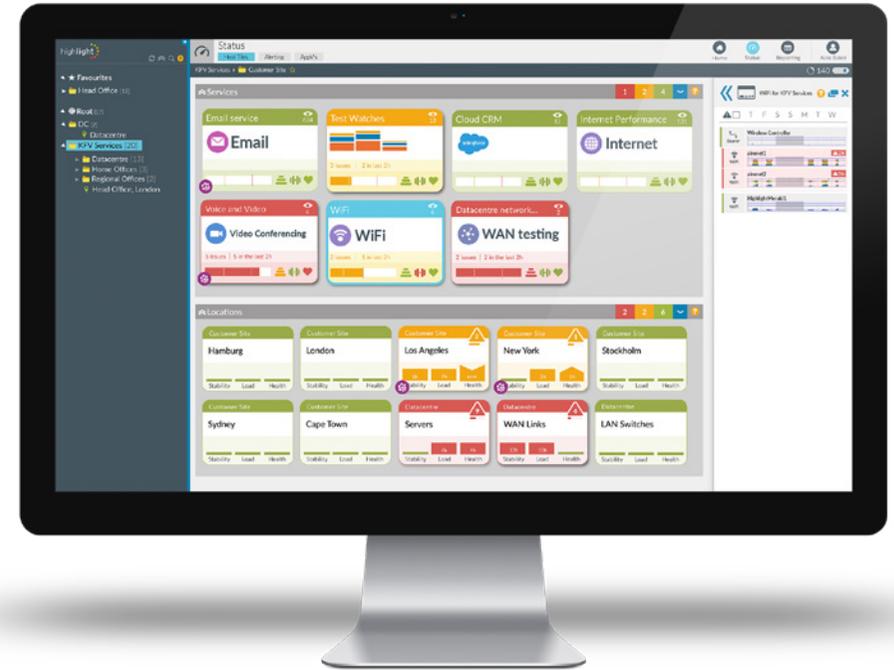
The bottom line...

These are critical success factors for an MSP's business to excel in customer service, as well as ensuring a positive reputation in the marketplace. The right tools can facilitate a superior customer experience, but an MSP mustn't stop there since the battle for customers' loyalty must be won daily.

About Highlight

Highlight is a powerful cloud-based network monitoring and reporting tool which enable Sales, Service and Operations Managers to see clearly, showing managed services through a single pane of glass. Highlight provides accurate, impartial evidence of applications and network service performance across all locations, creating trusted advisor relationships between service providers and their corporate customers.

The Highlight service is used in 90+ countries, on 7,500+ enterprise networks including 33% of the FTSE-100.



Pg3: Monovision - Billingsgate Market, ca. 1910
Pg5: Radio telegraphy ca. 1900s
Pg6: Stockholm Telephone Tower ca. 1890
Pg7: Browne & Sharpe Machine Shop, Massachusetts ca. 1900
Pg8: Orient Saloon at Bisbee, Arizona ca. 1900

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Get in touch

If you are a service provider and want to know more on how Highlight can help you improve your customer's experience, please get in touch:

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