Managed Services for SPM

Ways to win with Managed Services of your SPM System

1. What is SPM managed services?

2. What are the advantages and disadvantages?

3. Should you consider managed services?

      a) Who are your personnel?

      b) Calculate the real cost of an SPM professional

      c) What are the service levels you require?

      d) Remote versus dedicated managed services

4. How to pick your managed service provider?

5. How does it work and what's in it for your provider?

Managed Services for Sales Performance Management explained

SPM systems often need maintenance, solutions owners aren't always equipped to handle the changes and modifications that it needs to keep with organizational variations. A managed services provider assumes responsibility for providing a defined set of services to SPM system owners regarding the operation, update and maintenance of their systems.

There are many options for these services to be priced out. Normally, providers like Lanshore, charge a recurring fixed fee (typically monthly) for these services. The SPM system owner benefits because its solution owners can focus on more revenue generating tasks. Also, system maintenance and operation costs are easier to forecast without the fluctuations that come with an internally managed system. And let's not forget, sometimes you just don't have the skills in-house to do so.

Why a Managed Services provider and not an IT firm?

There are a few core reasons why a standard IT firm just won't do:

- SPM solutions require a specific skill set that includes understanding your business process and your unique needs.

- SPM tools are not like any other out-of-the-box tool, you need someone with experience on its process, its platform and how to effectively maintain and update without making a big mess!

- IT people are great at IT things. A customized SPM solution is anything but. They won't be able to provide the often critical immediate support your team needs.

What are the Cons and Pros?

Like any service out there, it has its pros and cons, and we always want to the be the first ones to point them out.

Advantages

- Vendor Management – Identifying, reporting, and tracking issues with the software vendor is often the most time-consuming and grueling task of an organization.   The right Managed Services provider knows how to work with the vendor to solve your issues faster.

- We can provide a consistent and predictable periodic system maintenance that adheres to your needs.

- There will be SLA's in place that will dictate our response timeframes, so you know what to expect and most importantly, by when.

- We will reduce the cost and headache of finding a full-time resource with the right skills. Usually, you will find this new hire taking too many coffee breaks since the workload is rarely FT.

- Mitigate the risks of internal turnover

- Industry Solution trends are important, and as certified partners to all major SPM vendors, we hear about them first.

<u>Disadvantages</u>

- If not trained often, you could end up without anyone that knows the system's back end.

- Although they all say they do, the wrong provider might not truly understand your business process, your commissions structures or your overall needs.

- You want to make sure that your provider is able to dedicate resources to you. Failing to do so can result in conflicts and confidentiality issues.

Should you consider managed services?

The first thing you need to consider is what your staff looks like. Does your company have resources skilled in the applications and skill sets integral to your SPM solution? There are a number of platforms that come in place to make your software work and deliver. The person in charge of maintaining it needs to be proficient in all of these. E.g. Business Objects,Informatica, SQL, Crystal Reports, plus all the integration tools that are proprietary to the solution.

Pause and think what the cost of hiring the above would be.

We covered cost, now let's talk about ramp-up time. SPM maintenance, update and configuration is not something you learn overnight. Our resources go through a lengthy process of academic training, followed by practical training, project shadowing, and project induction, before they are assigned to a client. This learning process is conducted by highly experienced resources, and they take place in an atmosphere where we all live, breath and sleep SPM.

The average time it takes for an IT professional to become highly functional with an SPM solution is 2 years. This ramp up time coupled with typical IT turnover can seriously encumber proper SPM system management.

Every organization has unique needs, so before choosing a MS provider, ask these questions internally. This will allow your provider to better service you.

- What SLA's does your process need?

- What are your processing requirements?

- What are key contractual obligations that your organization won't negotiate?

- What are your biggest pain points?

- What are the most critical months in your operation?

If you've decided Managed Services is a fit, now you need to find the right one.

What to look for

- Your provider needs to be proficient in the solution, and they need to be able to provide you with references of successful and happy clients. Plain and simple.

- They need to understand your business, your industry and why you do what you do. This will make the process more efficient and will result in even less involvement from you and your team.

- Make sure your provider has a structure in place to track your issues, and we're not talking about 20 long email threads. This will help you validate how professional they are at what they do.

- A positive relationship with your SPM software vendor. Your managed services provider should be able to communicate and work well with the software vendor.

- They need to discuss with you contingency plans and what crisis mode means to you. Your provider should be able to service these critical times effectively.

- Last, they need to be willing to educate your people when needed and not hoard knowledge.

lets examine the ways that a managed service provider can service your account:

- A team supports multiple accounts – In this model the service provider will have a point of - contract for the customer, but a team will field the work to be completed. This allows for a lower price point to the customer as it spreads the cost of service among other customers including yourself.

- Dedicated resources to an account – This model can have the resources on site or remotely located, but emphasizes that the service provider will have one person or a group dedicated to your account only. This option is more expensive because the resource expense is born by one company

- Many times, companies will by revenue to secure such a lucrative type business. This model may work well in the short term, but if your SPM service provider isn't making a profit, then it is you who will be left in the lurch.