CONSIDERATIONS IN SERVICE DESK OUTSOURCING AND OFFSHORING





is the fourth blog in our five-part series on "Delivering a World Class Service Desk." In our last installment, we presented five metrics to help you track your performance and make sure you're hitting the right targets. In this blog, we'll tackle the perennial questions of whether to outsource or offshore your service desk—and how to make sure it doesn't impair your effectiveness.

As you seek to deliver the best IT services as cost-effectively as possible, you inevitably wrestle with a common and recurring IT strategy question: is outsourcing or offshoring the service desk an appropriate choice for your organization? There's no one right answer. What's best for someone else might not work for you, and vice versa. Instead, you'll need to think carefully through the many factors that go into this decision—and that's what we'll cover in this blog.

The single most important consideration is whether the choice you make will enable you to meet the service level requirements (SLRs) of your business customers. You'll first need to evaluate and validate those SLRs to provide a context for your decision. With those requirements in mind, here are a few other points to consider about offshoring, outsourcing, and whether they're right for your business.

Outsourcing

At this point, we're all quite familiar with outsourcing: you turn your entire service desk over to a contractor to provide as a service for your users. While the ownership model is different, it's no less important for the service desk to function as a seamlessly integrated part of your organization, and respond fluidly, effectively, and reliably to the dynamic demands of your user base.

Scale-up/scale-down – Will your service provider allow you to scale up and scale down to meet peaks and valleys of demand? How quickly and effectively can they do so, and how will they bill for it? They should offer predictable cost plateaus to help plan and contain costs. Be careful not to sign up for a linear volume-based service charge or you could end up with large unplanned cost variances.

Service quality and service cost – Companies often look to outsource their service desk in order to improve service quality, drive down costs, or both. The trap they can fall into is the assumption that service support is a commodity that a third party will automatically be able to do better and cheaper. Maybe—but not necessarily. To determine how realistic these goals are, you first need to understand how you currently measure quality and cost, and then perform careful analysis of the opportunities for improvement on both sides. The last thing you want to do is to go through all the trouble of outsourcing, only to discover that you could have done it better yourself.

Managing change – We all know IT means constant change. How will the provider manage it? What processes are in place to ensure that they stay responsive to changes in your environment? What's the fee structure? If the cost for each change is too high, you'll pay a steep penalty for delivering the agility your business depends on.

Turnover – The way your provider treats its employees—reflected in its turnover rate—will have a direct impact on the attitude and quality of service your customers encounter when they call in. Ask to tour their facility. Would you want to work there? If you notice signs of employee dissatisfaction, it's likely your users will too, and that can reflect badly on your business. If they constantly have to hire new people who barely understand your environment, that'll make the wrong kind of difference too.

Talent - As we've discussed in earlier blogs, the people who work at your service desk are a critical

element of its effectiveness. How will the provider staff your business? How do they hire and train, and what practices are in place to ensure consistently high staff performance?

Documentation – How prepared are you to fully document your support environment to the point where you could hand it over to a third party to operate? Is your staff capable of documenting and communicating every significant change you make to it? If you're hesitating to answer, that can be a red flag. If your service desk provider is flying blind, it's only a matter of time before things go sideways or worse.

Dedicated vs. shared support model – Will the supplier provide you with dedicated support resources who will learn your environment as well as your own support resources? If your company is only one of several customers being supported by the same team, you're not going to get the kind of focused attention and consistent service you would with an in-house or dedicated team. The only way a provider can run a business that way is through truly commoditized service—and remember, the goal is always to provide differentiated, high-value service.

Offshoring

With offshoring, you keep the service desk in-house, but move it elsewhere—typically somewhere that support costs are more favorable than domestic costs.

Holidays – What national or religious holidays are observed in the country where your support services will be provided? How often will the office be closed, and how do these interruptions align with the calendars of your business and its customers?

Language – Are there language barriers, accents, idioms, or colloquialisms that might present challenges for effective service? Do you operate in multiple countries that require local language support? IT organizations hate the stereotype of the unintelligible service desk agent—make sure you're not contributing to it.

Culture – How well do you understand the culture where your support services would be located? Some cultures don't have the sensitivity to time management required for a rate-based service desk.

Facilities – Investments in facilities and facilitated maintenance should be considered carefully. How well do you understand the local real estate market, building codes, maintenance needs and practices, and other nuances of the place where you'd be locating? Does it seem like a sound investment—or a money pit in the making?

Management – How will offshore services be managed? What is the management culture like where you would consider locating? You'll need to maintain the right level of control over the offshore operation, while avoiding the kind of lapses or questionable practices that can cause headaches back home.

Infrastructure – What are the local telecommunications and Internet infrastructure services like? Are they available, dependable and, cost efficient? Take nothing for granted—connectivity is a make-or-break proposition for any service desk.

Multi-site support – Will you need multiple offshore and/or onshore sites for providing $24 \times 7 \times 365$ service support? Is your ITSM solution capable of supporting multiple locations—in multiple languages—with a single centralized database? Make sure your tools are well designed for the geographic footprint of your service organization. BMC ITSM can help with this one; you can learn more about our ability to support follow-the-sun service organizations here.

| Hopefully this will help you decide where and by whom your user support services should be provided. In my next blog, we'll talk about how to make sure you're getting the right kind of value for the money you're spending. |
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