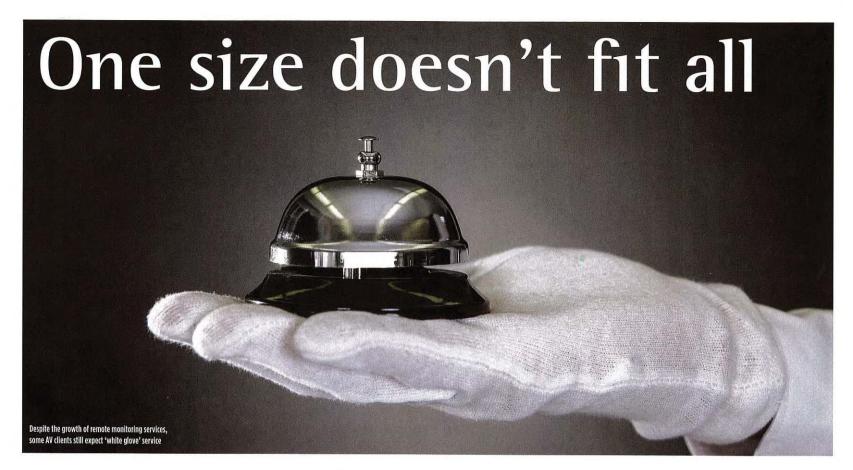
Managed service has become a fundamental part of an integrator's business. Paul Milligan looks at the skills and techniques needed to run successful service contracts.



anaged service contracts have been a godsend to the systems integrator. They came along at a time when margins on products such as projectors and flat panels, which had been so profitable for them in the 1980s and 1990s, were being squeezed harder than ever before. Service contracts were not only profitable, but allowed integrators to enjoy two, three even five years of guaranteed revenue. The following quote from Maged Amin, head of design, audiovisual at Qatar-based integrator TechnoQ, was reiterated by all those we spoke to; "Managed services is rapidly becoming one of the most important sources of revenue within the AV technology industry." AVEX in the Netherlands is a textbook example of integrators moving in to the service world, as Maarten Pruijmbom, after sales and facility support, explains; "The AVEX strategy in the last few years has seen us move away from selling boxes into full managed service offerings. Yes, we need hardware, but the real focus is on service; installation services,

66 Managed services is rapidly becoming one of the most important sources of revenue within the AV technology industry. 99

- Maged Amin, TechnoQ

maintenance and support contracts to on-site support to digital signage offerings."

So what are the skills you need to employ to make sure you win and then keep managed service contracts? Well, the first task is to find out about your client's business. "Because of the rapid changes in the market some clients are in a rush to go with managed services without a clear plan of action. We always recommend starting with understanding what the customer's environment and business challenges are. We have to educate the client about the provided solution rather than just products," says Amin.

So if you are taking on service contracts for the first time, is it best to offer a range of packages to clients, or will one solution suffice? Do clients

still want the 'white glove' treatment? "We offer a mixed matrix of different service offerings, one size doesn't fit all,' says Adrian Edwards, customer service director from UK integrator ProAV. Edwards expands on Amin's point on understanding the business you are working with; "You have to find out what the client's requirements are, how the client responds to technology, the type of culture within the business." Once you know this you can then look at how you differentiate between the different levels of service offerings you provide. Edwards gives this example; "A law firm will require a lot of people on site to support all the partners, but a technology company will need just a couple of people, to be an extension to their IT support desk."

There are many ways to differentiate between different levels of service, but the two most easily defined are remote and on-site. Does your client need (or is willing to pay) for your staff to be on-site, or can it all be done remotely, using the myriad of tools the AV world now has?

One of the trickiest parts of providing managed service is the allocation of staff, either in the onsite capacity or through remote monitoring. For example, you could have a large client, paying your top service tariff, who calls you two or three times a week, but you could also have a small client, paying your lowest tariff, who calls 10-15 times a week? Do you allocate on the basis of what the contract is worth, or how much tech support the client really needs? "With on-site managed service it's a body on the ground, it's a resource contract (10 people on one site, for example). Also, it's a contractual thing, when one person is sick you have to provide another to cover them for example. In that respect it's straightforward because you know how many people to provide at each time," says Paul Brown, general manager, corporate solutions for global

## 66 I'm against outsourcing your helpdesk, because that is the first point of contact your client gets. 99

- Paul Brown, Electrosonic

integrator Electrosonic. "With managed services of a different type, it's difficult because you don't know how many times you will get called, so you have to flex your workforce accordingly," Brown adds. Edwards has some advice on how to measure what you will need to provide; "If we are going to deliver a service contract on the back of a project, we would start by looking at the size of the project. You can assume that by looking at the revenue value and the number of rooms to support. You can determine it pretty quickly by also looking at the bill of quantities. For example, if it's a €1m project and a new building and the client isn't used to using the technology, you will need a couple of people, so they can do a 7am-7pm shift and support the client at both ends of the day."

Sometimes the size of client dictates the amount of support you need to provide, but not always in the way you might think says Brown. "The client may have a very confident first line support, with the bigger clients you tend to get called less, because they are not relying completely on your service, whereas the smaller clients might not have that expertise internally, so they come to you. If they have a high level of internal support they won't be calling you out because a plug has come out of the wall."

On the surface managed service would seem to be quite labour intensive, as many helpdesk are run 24/7 365. Does this mean service contracts are only for medium-to-large sized integrators? "Anyone can do it," says Edwards, "It's really a case of whether you have the capacity to deliver >

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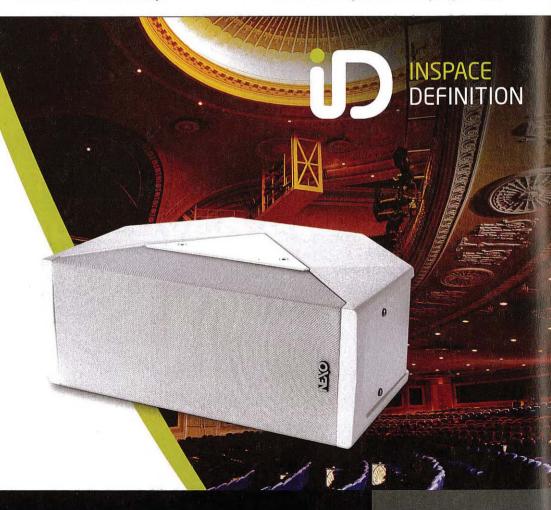
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With low cost video conferencing now widely available, and the growth of remote monitoring software, do support staff ever need to be based on a client site these days? "I think the way things are going in the AV industry is that technology is becoming simpler. We have cloud-based services, which means you don't typically need technical expertise on-site," says Brown. "From a break/ fix point of view, I see that requirement being reduced, because you can go down the route of monitoring." Brown sees parallels in this with what the IT world has gone through in the last decade; "If you look back to IT and desktop computers, we used to fix them on people's desks, you don't do that anymore. Over time the traditional services of going out and fixing it will reduce, what will become more popular is video networking and remote monitoring services. Most large integrators have VNOCs. One part of what we do is placing people on site, when I look at the clients we've got now, I don't necessarily

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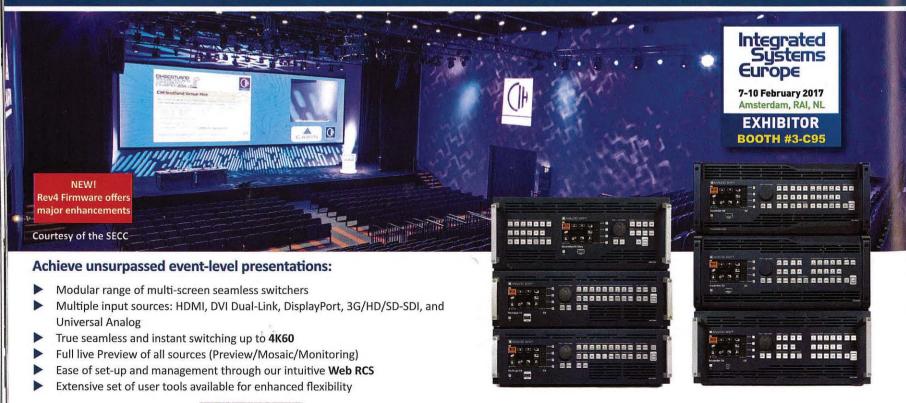
see that as a growth business. I see it declining over time, because you will need less people on site than you do today. It will never go to zero, because senior execs don't like doing their own support. VIP and white glove services will remain, it's more of the 'business as usual' services which will reduce, such as visiting a room to see if the AV kit is working OK in the morning or setting a room up for a presentation."

Others, like AVEX, were seeing an increase in clients asking for on-site assistance.

What is the best way to manage incoming calls? Is outsourcing the helpdesk element of a service contract the best approach? "We have a level one helpdesk, manned by call handlers, 24/7. They live in our customer service centre, they take calls and log them into CMS, if they can't resolve the call it goes to level 2, where our technical support, who live in our operational centre, will take the call on," says Edwards. Most, it seems work in a similar way to ProAV, "I'm against outsourcing your helpdesk, because that is the first point of contact your client gets. The calls come through our people. We have a service operations centre, and schedule engineers and resources from there," adds Brown.

To give you an idea of the resources involved in providing service contracts, AVEX has doubled its service team in the last five years and runs multi-language helpdesks in Belgium, the UK and the Netherlands. ProAV runs a helpdesk supporting seven languages and 600 customer sites, and Electrosonic looks after 250 customers around the world from its helpdesk. N

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