

## **Managing the Enterprise Customer Relationship**

**A guide to help face the common challenges  
and opportunities found in the management  
of complex customer relationships**

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## Managing the Enterprise Customer Relationship

Managed service providers (MSPs) face common challenges and opportunities in the management of complex relationships while delivering solutions to the enterprise customer. In this whitepaper, we will cover several important aspects of "Managing the Enterprise Customer Relationship."

Companies in the high-tech/MSP industry often focus their Sales and Marketing efforts primarily on product "feature/function." Significant investments are poured into adding new bells and whistles to the product. Keep in mind, features and functions are an important focus when introducing a new product. Moreover, for a company's product to remain progressive, it must have updated features and functions. However, for an MSP, features soon become a commodity, putting the MSP in the position of competing solely on price and missing the mark in meeting customers' expectations.

Delivering value beyond the product features and functions will differentiate your company from the competition and enable you to meet or exceed customer expectations. This extra value is created when you effectively align your resources to truly "manage" the customers' experience. Isn't this what the customer of a managed service provider is expecting?

Let's play out a scene that demonstrates the DIRECT result of not effectively managing the enterprise customer relationship:

You are an MSP. One of your customers has experienced continued business growth, leading to increased use of your service/solution. The customer's technical resources are in daily communication with your service team working (what appear to be) "minor performance issues." Your service reps do their best, efficiently processing "tickets" that document individual (yet recurring) incidents experienced by the customer. During a particular incident, a service representative casually remarks "I think it is time you upgrade your memory (or CPU, disk, operating system, software revision, etc.)." The customer's technical contact isn't authorized to approve this "casually suggested" upgrade, and besides, he knows that if the problem occurs again, he can count on your service team to respond. Upon hanging up (problem presently resolved), each moves on to the next item on their list. Neither person is feeling any particular ownership of the "recurring issue." This cycle happens with increasing intensity until...the customer hits a wall: the "solution" goes down during prime business hours. You are unable to immediately bring the solution back online, causing the customer significant business impact.

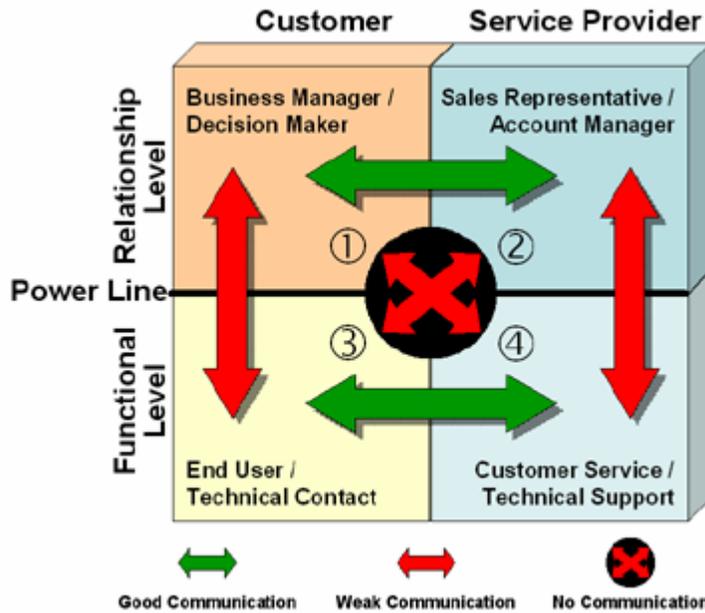
Who is to blame? You, the Managed Services Provider. What went wrong? Your resources were not aligned to manage the customer's whole experience.

Have you seen this movie before? Do you like the ending? There is a better way...

To understand how to properly align your resources, you must first understand some dynamics of the players involved. In the next issue, we will present the "Four Quadrants of the Customer Relationship." Upcoming issues will discuss approaches to ensure you experience a better ending.

## The Four Quadrants of the Relationship

There are four distinct quadrants that a managed services provider must be aware of in managing the enterprise customer relationship. This model is designed to illustrate the dynamics of the resources involved.



The following communications patterns are typical of the 4 quadrants:

- Horizontal communications are good based on a relationship of trust, developed over time
- Vertical communications through the "power-line" are sporadic, reactive and only occur when there is a problem
- Diagonal communications are nonexistent
- This communication behavior has implications in all 4 quadrants.

**Quadrant 1:** The business manager doesn't truly understand the value that is being delivered by the MSP. They only hear reference to the MSP when there is a service problem. When it comes time to reduce expenses, they are hard pressed to justify the line item representing the cost of the MSP. Meanwhile, their internal organization "bids" on the project indicating that they can do it more cost effectively.

**Quadrant 2:** The Sales Representative has little to no insight into how the company is "truly" leveraging the product, the benefits that are being realized, the issues being experienced by those using the product and the value being delivered by the "service organization."

**Quadrant 3:** The customer's end-users and technical contacts play a key role in the effective use and performance of the MSP's service. They are also key in shaping the business manager's perception of the MSP. However, the only time that they discuss the MSP is when there is a problem. They don't discuss all the great things that the MSP has done on a day-in / day-out basis.

**Quadrant 4:** Customer Service / Technical Support typically observe that "all things are well with the customer." This impression, which can often be false, is created because the customer's end-users maintain a courteous working relationship with the MSP's service personnel, to make sure that they can continue to "get things done" when they really need to.

**All Quadrants:** When a significant business disrupting problem occurs (which it WILL), the customer's end-user remains calm, cool and collected when speaking with the MSP's service team. The service team doesn't find it necessary to escalate awareness of the "incident" to the MSP's Sales Representative or Senior Management because they don't understand the level of impact

being experienced by the customer. Because the customer's business "is" being significantly impacted the business manager is engaged, becomes irate, and calls the MSP's Sales Representative and/or senior management, neither of whom is aware of the incident "in progress."

The end result is total (yet avoidable) embarrassment, lost credibility and a bunch of people resembling a deer in the headlights. MSP - Put your suit on...It is time to go meet with the customer and "fall on your sword."

Recognizing the quadrants and the dynamics at play between them will help you properly align your resources to manage the customer's whole experience.

## The Account Team

We will take a closer look at the role of the Account Team. But first, a question: what do you consider the definition of the Account Team? Often the account team is considered to be those personnel who are compensated for the revenue brought in by the account (i.e., the sales person, sales engineer, etc.). In prior editions of the newsletter we discussed the importance of managing the entire customer experience with your firm. To do so requires that personnel at your firm, beyond the sales organization, become part of the account team.

An account team should include every person that is assigned to the success of the account. In order to effectively manage the enterprise customer relationship, a company should strongly consider implementing an "account team" approach, made up of the following members, each with specific roles and responsibilities, such as shown in the table below:

Team Member	Roles and Responsibilities	Key Deliverables
<b>Executive Partner</b>	Knows the Account Team and customer on a first-name basis. Removes obstacles to customer success and supports the account team in achieving success.	Shares company vision with the customer. Instills confidence in the customer that the MSP really cares about them and the customer knows where they are going and that they are a viable company.
<b>Sales/Account Manager</b>	Overall relationship owner.	Account plan.
<b>Sales Engineer</b>	Overall technical arm of Account Manager for business development.	Configuration diagram – topical layout of the customer's solution.
<b>Professional Services</b>	Responsible for bringing the solution to "Production."	Customer's production solution.
<b>Customer Service Manager</b>	Responsible "Operations Supervisor" - responsible for the customer's ENTIRE service experience.	Operations Review Report which outlines "what we have done for you lately" and provides recommendations to respond to imminent issues.
<b>Technical Lead</b>	Operational soundness of the customer's configuration. "No one" touches the customer's configuration without advance notice, counsel and/or approval from the technical lead.	Document outlining how to effectively manage, operate, maintain and support the customer's solution. Includes the configuration diagram.



Assignment of the above roles can vary depending on the size and/or complexity of the account and/or product set. For example, some roles may be assigned on an "as-needed" basis (i.e., professional services). Additionally, each role may be a single person, or one person may own multiple roles.

Implementing an account team that includes all personnel assigned to the success of the account, representing each major aspect of the customer's experience with your firm, will ensure long-term success and profitability of the account.

## Service is the Product



We will now discuss how focusing on *service* as the "product" can facilitate the proactive management of the customer's entire experience with your firm.

This exact sentiment was reinforced by senior executives from several New England-based MSPs at a recent Massachusetts Telecommunications Council event, where a key theme was "We are increasingly focusing on service, because it is no longer just about the technology we provide." The reality is that product feature/function typically becomes commoditized with increased market adoption and competition. What then differentiates companies is "service." To respond to this situation, we offer two items: Baking Service in "Before Market" and the "Operations Supervisor."

### Baking Service in "Before Market"



It is our experience that companies typically consider service in an "after-market" mode. That is, a new product/feature is launched to the market-place, to complement a company's existing set of capabilities. After launch, questions come up such as "How can we increase efficiencies (cut costs) in supporting our customer-base? How can we improve the customer experience in their use of this product?" What if these questions were asked during the product development lifecycle? Instead of launching a product and THEN determining how to put web-based self-help in place, why not design it into the product itself (pre-launch)? That is, engineer the product in such a way as to enable the customer to view performance details and/or make minor modifications to their configuration online vs. having to call into the service organization.



What frequently occurs is that, as customers increasingly implement the new product/features, the service organization observes inefficiencies in supporting the customer base. And, at the same time customers realize that, while the MSP is an extension of their IT department, they have become a bottleneck to getting day-to-day things done such as responding to (what they believe to be) minor inquiries and requests.

In an effort to increase efficiencies and supportability, the MSP service organization must then retrofit service and support capabilities into the product "after market." To be clear, there will always be a need for "after market" modifications to a product's service and support model. However, considering service "before market" goes a long way towards increasing operational efficiencies and customer satisfaction, from the beginning.

### The Operations Supervisor



MSPs provide multifaceted capabilities to the market-place, of which various elements of their offerings are combined to form a complete solution for their enterprise customer. A key challenge, though, is that MSP service organizations are often made up of highly specialized teams, focused on the individual technical capabilities which are implemented to form the complete customer solution. To keep costs down the service organization typically designs its processes to be "transactionally efficient." Each service team (of highly specialized resources) is efficient in "clearing their queue" and reducing MTTR (mean-time-to-repair). However, no one is considering each customer's entire solution.



While there is a need to have depth in skill-set and understanding for each aspect of a company's offerings, there also needs to be an overall "operations supervisor." That is, someone who is orchestrating ALL the service / operational activities that are taking place, in such a way that the customer is supported holistically. This person would not only ensure that MTTR times are meeting customer expectations, but would also want to ensure that root-cause resolution is implemented for recurring issues. Additionally, this person would be responsible for monitoring the overall performance of the customer's solution, to proactively identify any problematic trends. This would also include looking for opportunities to offer suggestions (to the customer and/or Sales Rep for the account) on how to more effectively meet the customer's business needs. This would result in additions or upgrades to the customer's existing solution.



Implementing the concept of an "operations supervisor" is absolutely critical, to ensure that the customer's experience is holistic management of their solutions. Otherwise, their experience will be that of each specialized service team supporting the individual piece-parts, with no one holding it all together on their behalf.

## The Operations Supervisor: A Closer Look



If properly implemented, the "operations supervisor" role will ensure that effective communications are occurring between the "[four quadrants](#)" of the relationship previously discussed. This is critical to ensure that the customer:

- Clearly understands the value delivered, and has a ready answer to the question "what have you done for me lately?"
- Observes the MSP proactively pointing out existing or impending areas of concern
- Is presented the "full context" of day-to-day service and support issues, why they occur, what was done to resolve them and why they won't occur again
- Feels comfortable that they are doing business with a "partner" that truly cares about their success



The operations supervisor is a role that actually goes by many names (Premier Care Representative, Customer Service Manager, Technical Account Manager, etc.). In a nutshell, this person orchestrates ALL operational activities for a specific account / customer. This role is typically filled by personnel assigned to the success of a handful of "key" or "major" accounts. Alternatively, various aspects of what is discussed below can be provided to all customers if the appropriate processes and tools are in place to effectively "bubble-up" information on a proactive basis.



A key responsibility of the operations supervisor role is that of conducting a periodic operations review process for each of their assigned accounts, in which all members of the account team participate, along with the customer. The frequency of this process and depth of the reporting that is reviewed should be commensurate with the complexity (both technical and business-wise), strategic importance and volume of activity associated with the customer. Following is a template of an operations review report.

## Operations Review Meeting & Reporting Template

Agenda Item	Description	Objective	Owner
Service Performance	Review the status and performance of the service organization as follows: <ul style="list-style-type: none"> <li>• Number of calls / cases / tickets</li> <li>• Mean time to repair by priority</li> <li>• Root-cause resolution of key events</li> <li>• Order / Implementation Status</li> <li>• Maintenance / Upgrades (taken place or planned)</li> <li>• Security patches evaluated and/or applied</li> <li>• Backups</li> <li>• Problems averted</li> </ul>	Demonstrate value delivered.	"Operations Supervisor"
Solution Performance	Review the status and performance of the customer's solution as follows: <ul style="list-style-type: none"> <li>• Customer-specific analysis, observations and recommendations</li> <li>• Configuration Review (topical layout, version levels, capacity available and used, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Identify performance concerns (present or impending)</li> <li>• Confirm that MSP and customer are "in-synch" about the customer's configuration</li> </ul>	Technical Lead
MSP Company Update	Update on corporate strategy and/or vision.	Bring the customer into the "inner-circle" allowing them the opportunity to "shape" and/or confirm the company vision.	Executive sponsor
Customer Company Update	Plans and activities.	Determine the direction of the customer's company, understand their business and how the MSP can assist in meeting their goals and objectives.	Senior Management of customer
Observations and Recommendations	Review observations and recommendations on how to better meet the customer's business needs.	Proactively manage the account and respond to their evolving needs.	Sales / Acct. Manager or "Operations Supervisor"

## The Operations Review Process

In order to ensure an effective operations review process occurs, with the best possible outcome for you (the MSP) and the customer, several steps must take place. These steps are the responsibility of the Operations Supervisor or the Account Manager, depending on the relative strengths of each person on the particular account team.

### Step 1: Pre-meeting Preparation

- Discuss and agree with the client the purpose, content, frequency and participants, for the operations review report. *It is important to include participants from all 4 quadrants of the relationship (as outlined earlier in this newsletter series)*
- Send meeting agenda to the customer, well in advance, including:
  - What will be covered
  - MSP participant list
  - Requested participants from the customer

- Perform an internal dry-run in advance of the customer meeting. This should occur 5-7 days in advance for the "initial" Operations Review meeting that happens with each client, to allow the account team to become accustomed to their roles and responsibilities in preparing for this meeting. Subsequent dry-runs for each client should then occur at least 2-3 days in advance.
  - Determine who from the MSP will lead the meeting (Operations Supervisor or Account Manager)
  - Assign ownership of each agenda item. Who will perform research or pre-work and who will cover the topic in the meeting?
  - Assign ownership for capturing meeting minutes.
  - Walk-through the agenda with each member of the account team reviewing what they will cover.
  - Make any adjustments to the material covered, the approach taken ("it is not what you say but how you say it") and assign ownership of additional research or pre-work that may be necessary to ensure an effective outcome.
  
- Prepare a quote for recommended service upgrades (Account Manager)

## **Step 2: Conducting the Meeting**

- Perform introductions
- Review agenda (items that are on the agreed upon Operations Review Report) to confirm that everyone is in-synch about what will be covered
- Discuss each agenda item
- Review action-items, ownership and due-dates
- Schedule the next meeting

## **Step 3: Post-meeting follow-up**

- Account team regroups shortly after the meeting to confirm what was achieved, ownership of action-items and next-steps / follow-through.
- Send meeting minutes to all who are involved with, and/or have a vested interest in, the meeting. Minutes should include:
  - The agenda
  - Participants invited vs. attended
  - Key points covered (agreements reached, new issues identified)
  - Action-items with ownership and commitment dates
  - Scheduled date/time/location of next meeting

A good rule-of-thumb for the Operations Reviews meeting is to keep the frequency and level of detail related to what is covered commensurate with the complexity (both technical and business-wise) and activity of the account.

## It's Not What You Say But How you Say It

Words are very powerful communication tools, critical for conveying ideas. The words you choose, the order you use them in, and the method you use to convey them are all important considerations in making sure you best communicate your message.

Consider the phrase "awful pretty." Now, let's take those same words in a different order: "pretty awful." While this may be a crude example, it demonstrates that the words we use and the order in which we use these words can have a dramatic impact on the message received. Now let's apply this to our topic of "Managing the Enterprise Customer Relationship."

If you are in charge of managing an enterprise customer relationship, you certainly have had the unpleasant opportunity to deliver less than stellar news to a client. Perhaps it was a broken promise or a missed performance level. Your ability to properly communicate this information to the customer will determine if you maintain credibility with the client or not.

As an example, let's say that you are the project manager for a critical initiative that you are driving for the client and a critical milestone is in jeopardy. Knowing that "bad news does not get better with age" you want to alert the client. Your approach to providing this update will literally determine if you are an amateur or a professional at managing customer perceptions and expectations.

The amateur's approach is that of calling the customer and stating in a downtrodden voice: "We have just hit a major obstacle, which puts the launch in jeopardy. I just wanted to let you know." Upon getting this off of his or her chest, the "amateur" lets out an audible sigh of relief.

A professional would take a different approach. With a positive/confident tone of voice, he or she would inform the customer, also in a timely manner: "We have hit a speed-bump. Here is how we got here. We have the following options...It is my every intention to ensure that there is no delay to launch, or that any impact is minimized. I will report back in 24 hours on a suggested course of action and impact to the plan (if any)."

Some might say "why not wait until you had all the information before you alerted the customer?" Consider that you are working with a multi-faceted and complex enterprise customer. If you don't alert the customer in a timely manner, that naysayer (customer employee) on the project will be happy to do it for you. And, they may not share the news in the context within which you would deliver it. If you recall from prior editions of this series, you own the entire customer experience. As such, you are in a better position to control customer perception during these critical moments by providing the advance notice, within context, and promise additional details in a specific period of time.

Another important consideration for communicating, both internally and externally, is the delivery mechanism. Some subtleties (tone, humor) can be lost in written communication. While your words might be clear, your tone can easily be misinterpreted by someone reading your message in a different mindset, particularly if that person doesn't know you very well. What you intended as humor might be misconstrued as anger. Even what you think is a simple detailing of facts might be seen by others as trying to place blame. When preparing communication, a professional will consider not only what words to use, but also how best to convey them.

## More About Customer Centricity, Inc.

Customer Centricity, Inc., is a business consulting firm that works with companies to align their resources to exceed customer expectations in the most efficient and effective manner possible. We leverage our real-world experience to help our clients continuously improve their service delivery and management capabilities to:

- Increase profitability
- Improve customer satisfaction and retention
- Increase operational efficiencies
- Improve employee satisfaction

Customer Centricity optimizes the interaction between people, process and technology in several ways:

- Comprehensive assessment methodology to identify the actions that will yield our clients the greatest return
- Skills Training to enable customer-facing personnel to deliver exceptional levels of customer service
- Design and Implementation of business processes to serve the customer and manage corporate resources in efficient, effective and consistent manners
- Identification of the appropriate business processes to automate, enabling companies to get the most from their investments in technology

Customer Centricity's approach is to work closely with our clients to help them understand what they are doing right, and their opportunities for improvement. We provide pragmatic recommendations that provide immediate benefits, and we drive continuous improvement programs help our clients realize significant return on investment in a very short period of time (measured in weeks, not months or years).

To learn more about Customer Centricity, call 603/491-7948 or visit our web-site, [www.customercentricity.biz](http://www.customercentricity.biz)