Virtual CIO Standards & Training Manual

Demystify the popular and ever-evolving Virtual Chief Information Officer (vCIO) role currently used by IT Managed Services Providers (MSP). We will perform a role analysis, break into individual components, and build a formal standardization when creating and managing a vCIO. Standardization of core fundamentals will help MSP's manage a number of employees fulfilling the position.

TruMethods
Moving Business Forward

Table Of Contents

Understanding the TruMethods Framework

TruMethods methodologies are the foundation of a Technology Success Practice. The TruMethods Framework explores development a World Class TSP. To grasp the concept of TSP, World Class, and the delivery areas, it is best to start from the beginning.

Anatomy of a World Class TSP

A World Class TSP does not form overnight. Developing "your company way" takes time, hard work, and dedication. There are certain qualities a World Class TSP must adopt to be successful.

- 2-4x industry-average margins
- 50% more service revenue per employee
- Consistently adding new Monthly Recurring Revenue (MRR)
- Delivering only high-quality support
- Setting & achieving financial goals

Achieving the right goals needs the right expectations. World Class delivery demands rebuilding your service delivery structure from the ground up. Analyzing metrics, strong sales, and end result focus are aspects of a better business. A staunch approach will be your guide to executing this plan.

TruMethods defines the customer price commanded per user as the All In Seat Price (AISP). The average MSP prioritizes reactive tasks, causing low margins due to low AISP. Inconsistent sales processes add low-margin Monthly Recurring Revenue (MRR) and result in downward price pressure and low customer leverage. Insufficient leverage over a customer will result in their decision to be less proactive. Mastery of the delivery process, sales, and support are key factors in gaining command and staying on top.

Qualities of a World Class TSP

There are five essential qualities that every World Class TSP has in common. Unlocking those valuable secrets can prove how any MSP can become a Technology Success Provider.

Business Planning

Staying afloat in a sea of tickets and buried in reactive work has become an overwhelming task. These factors prevent an MSP from creating a more effective business plan. This is the exact reason why a better process needs to be in place.

Business planning is the leading indicator of success for a successful company. IT providers need more than a plan to increase monthly recurring revenue; they need a process to turn those goals into reality. Service delivery and customer retention rates suffer without an efficient process. An effective process is necessary for all TSPs regardless of size.

Many IT providers do not know how to create a business plan, or they do not have a system in place to serve as a framework. TruMethods offers the tools and resources to increase profit margins through business planning and other methods. Learning the right business planning process:

- Turns a vision into an actionable plan
- Aligns actions with goals
- Ensures that the team has clear priorities
- Provides a framework for discipline

Packaging And Pricing

Without the right strategy for packaging and pricing, the business will suffer in areas including sales, service, and finance. Why? Because packaging and pricing reflect the value a company offers. When pricing matches the quality of services offered, it is easier to generate leads, make sales, and maximize profit margins.

Packaging and pricing should help define "your company way." In other words, what is your key value proposition? How are customer businesses affected? These questions relate to the organization.

The worry of not generating monthly recurring revenue due to an overload of IT tickets and a rigid market is expected. What is needed is an IT process that decreases reactive costs while delivering rave-worthy client results, like:

- More productive employees
- Better morale
- Increased functionality
- Reduced risk
- Enhanced security

Only then can services be priced competitively. Many MSPs miss the core concepts of effective packaging and pricing. It is important to understand what clients:

- Needed five years ago
- Need today
- Will need in five years

Sales Focus

Many IT providers struggle to add recurring revenue to their business and are unable to charge enough for their services. To grow the company, a steady flow of monthly recurring revenue is necessary. With the right pricing, this revenue is the lifeblood of technology success providers.

Expert sales coaching helps decrease the cost of reactive services and provides the results that keep clients coming back. When clients welcome extra services, the ability to command higher prices is common. In this way, a reputation is built for quality service, which impacts the potential for IT leads and TSP sales.

There is a difference between being sales-focused and being sales-interested. Most MSPs are interested in growing their sales, but to maximize monthly recurring revenue, it is necessary to have the right process in place.

An organization does not require prior sales experience, a huge sales team, or a substantial marketing investment to increase monthly recurring revenue. But, it does require a disciplined approach. Gain a greater understanding of the key factors involved in growing sales, including:

- A repeatable process
- Focused resources
- Accountability

Process-Driven

World Class TSPs are process-driven in all areas of their business. Are you concerned your organization needs a better system for managing clients or improving sales? Successful TSPs execute an efficient IT process in the following areas:

- Business and planning
- Sales
- Finance
- Service delivery

To become a top-performing IT solutions provider, process-driven culture must be encouraged. Bring team members into the discussion and establish a process for making improvements within the organization.

A strong process has a positive impact on every aspect of the company, including profitability. Whether it is aligning clients' technology with your company standards or responding to IT tickets more efficiently, the process affects the bottom line.

One of the most vital goals should be to achieve a rhythm. Daily huddles involving team member discussions help the company develop this rhythm and implement effective processes.

TruMethods offers TSP training, equipping anyone with the information, guidance, and resources needed to create an individualized process that works. Get tips on:

- Establishing a culture of process
- Institutionalizing processes within the organization
- Developing processes for documentation

Command

Having control of key metrics and KPIs grants empowerment to reduce IT tickets and deliver the type of high-quality services clients seek. Reactive tasks would not bog down service delivery and prevent growth in profits. To gain control of the business, you must have command.

Command is a 360-degree view of packaging, pricing, service delivery, sales, and accountability. As command over metrics and KPIs increases, the business moves closer to becoming a World Class MSP.

Packaging and pricing – what is sold, how much it is sold for and who it is sold to – impact service delivery. When packaging, pricing and service delivery function cohesively within the right business model, it increases the MSP sales and profit margins. Learn more about:

- What's necessary to achieve a 360-degree view of the business
- The benefits of gaining command over the organization
- The difference between generating $100,000 and $150,000 in annual revenue per employee
- How to determine the company's unrealized profitability

The Five Delivery Areas

Within the TruMethods Framework, IT services fall into five fundamental delivery areas. Delivery areas impact pricing, packaging, sales, finance, and service delivery efficiency. Why service delivery areas?

- **Roles & Responsibilities:** Define clear roles and their responsibilities.
- **Clear accountability:** Each role knows what success means to them when they understand their responsibilities.
- **Consistent delivery:** What to expect from the team and all clients receive the same level of service.
- **Separate proactive & reactive tasks:** Unclear service delivery area tasks get muddled together and create more issues.
- **Manage cost drivers:** Increases efficiency by effectively managed costs.

Centralized Services

Centralized Services administers proactive maintenance from a central location across clients. The focus of this role is to cut reactive service requests to the support team. Reduced tickets increase efficiency, enhances end results, and builds a unique competitive advantage. Deployment of remote agents on user endpoints track potential problems. Remote Monitoring and Management (RMM) tools track agents and receive alerts for proactive resolution. Example remote agent deployments are:

- Patch Management
- Antivirus, Antimalware, Antispyware
- Monitoring & Automated Maintenance
- Backup & Disaster Recovery
- Cloud Services

Technology Alignment Manager (TAM)

The focus of this role is to adopt standards and best practices for a customer's IT environment. The technical alignment review process delivers a unique end result. Standards and best practices definition, management, and implementation create 'Your Company Way'. This creates a unique difference over competitors.

Technology Alignment Manager is a true proactive service with standardization through best practices. It works to reduce reactive issues, identify technical risk, and provide long-term planning. Standards allow the definition of technical best practices and aligning clients against them. Reviewing them shows progress and identifies technical risk. This provides an end result that many MSPs do not offer.

Virtual CIO (vCIO)

A vCIO creates a business relationship with a decision maker. A TAM performs an alignment review and passes recommendations to the vCIO. An alignment review creates recommendations to remediate misaligned standards. The vCIO meets with a decision maker for client strategy meetings. The purpose of each meeting is to plan budgets and identify business risk

The vCIO role is hard to master without a proper TAM process. Accurate technical risk identification reinforces the need for communication with a decision maker. It is difficult to achieve business goals when a vCIO cannot work with decision makers.

Service Desk

Service Desk provides a point of contact for issues via phone, email, and RMM alerts. It is what sets a client's expectations for service quality.

Onsite dispatch is another component necessary to round out reactive support. Issues may need physical intervention when not resolved by remote tools. Simple moves, adds, and changes like installing a printer need an onsite visit. Visits are often escalated from the Service Desk to the Professional Services team. Many moves, adds, and changes are usually unscheduled and can be expensive to do. A Technology Success Process will prevent problems and enable better planning for onsite visits.

Professional Services

Professional Services is a high-level technical team tasked with the implementation of new technology. The Service Desk handles reactive issues in a remote capacity. Professional Services performs onsite work billable for time and materials. A project manager plans for implementation of proposals upon client approval. Professional Services, for the most part, holds the highest level of technical experience. Service Desk problems requiring higher tier support are escalated here for this reason.

Introduction to myITprocess

Being a World Class TSP does not stop once you write your initial business plan, develop your first IT Standards or sell your services to a few clients. The key to continuous improvement is TruMethods' myITprocess. We have created this software to help you implement the MSP process you establish in our FormulaWon program and leverage your standards across all clients.

Standards

What if we said you could lower your ticket count, cut down on reactive work and have more time to form long-term strategic relationships with your clients? Achieving this is simple when you invest in myITprocess, a platform that enables you to create and follow IT standards for your company.

Alignment

Progress does not stop once your clients are signed and on board. IT alignment with the standards you have developed is essential to staying profitable and proactive.

Strategy

Once IT standards are established and aligned clients to them, there is plenty of time for IT strategy. Forming strategic partnerships not only benefit clients but also creates long-term relationships and increases your opportunities for monthly recurring revenue.

World Class is Simple Math

World Class can be drilled down using simple math. For instance, solving a math problem with one variable is easy. However, solving a math problem with multiple variables is impossible. In the industry, a math problem with multiple variables is present and has become complex. Variables including balance sheets, income statements, and SLAs make the math more complex than it needs to be.

Three numbers are necessary to achieve World Class, also known as Smart Numbers. Smart Numbers are used to generate efficiency, which in turn creates higher margins. When you know the math of your business and each variable it is simpler to achieve your goals. There are three simple numbers:

1. **Average All In Seat Price (AISP):** You can decide this price, but must deliver a higher level of value to command the right price.
2. **Average Monthly Recurring Revenue (MRR):** You can decide who your target clients will be and set a minimum MRR to protect your averages.
3. **Reactive Hours per Endpoint per Month (RHEM):** Your total time available going towards reactive support.

Commanding the right price and the right clients stems from having optimal RHEM completion times. Solving customer issues in the least amount of time (and putting processes in place to ensure fewer issues arise in the first place) will differentiate you from competitors and grant the leverage needed to command higher All In Seat Price, therefore maximizing your Monthly Recurring Revenue.

The Five Delivery Areas and Metrics

Leverage gained by each delivery area stems from the metrics that influence them. A breakdown of the delivery areas shows how the three simple numbers (AISP, MRR, RHEM) affect each region. Control of distinct areas gives your TSP greater leverage over your customers. It will also allow greater focus on the stability of variable delivery modules.

Professional Services (Fixed)

- Hourly rate - How much you charge customers to perform project work.
- Usage - The effective use of resources like time and technical experience.
- Outcome: Available resources control leverage and how much to charge. A backlog of project work controls the rate of Professional Services allocation time.

Centralized Services (Fixed)

- Endpoints - Number of endpoints supported and cost per seat.
- All In Seat Price - How much charged per endpoint at a client's location.
- Outcome: Deliverables provide leverage due to calculated costs associated with user endpoint management.

Technology Alignment Manager (Fixed)
- Number of Clients - Can support many clients dependent on Monthly Recurring Revenue.
- Average Monthly Recurring Revenue - Determines the amount of Technology Alignment Manager resources needed.
- Outcome: Technology Alignment Manager resources determined by Average MRR.

Virtual CIO (Fixed)
- Number of Clients - Can support many clients dependent on Monthly Recurring Revenue.
- Average Monthly Recurring Revenue - Determines the amount of vCIO resources needed.
- Outcome: Virtual CIO resources determined by Average MRR.

Support (Variable)
- All In Seat Price - How much charged per endpoint at a client's location.
- Reactive Time/Endpoint/Month - Time to solve problems per endpoint each month.
- Outcome: A lower RHEM provides leverage to command a higher AISP.

The TAM and vCIO are responsible for driving down noise generated by end users. Noise refers to the number of tickets handled by Service Desk and the amount of time required to solve them. Standards, alignment, business impact, and strategy assist in suppressing reactive issues. Implementing new technology generates non-recurring revenue. Professional Services assists in noise control when implementing approved vCIO recommendations.

The TAM and vCIO are important in controlling the Support variable. Service Desk must control user requests, alerts, and escalations. Otherwise, reactive issues leak into other delivery areas and decrease effectiveness. The noise that spreads across every role causes inefficiency due to misallocated resources.

Action Plan for Managing Outcomes

Managing outcomes is a process that takes time and requires many steps. Becoming World Class does not happen overnight and needs time to mature. The action plan is a list of items needed to differentiate from competitors.

Develop & Implement Technology Success

World Class status requires the development of a Technology Success Practice. Standards, alignment, business impact, and strategy must be in full effect to benefit. If RHEM is high, this may be difficult. Setting the action plan in motion requires the right discipline.

Right Clients, Right Price

Finding the right clients at the right price will be difficult. Customers need to buy into your vision, pay the right price, and use the right amount of services. Otherwise, they may not be the right fit. The right clients understand motives and how technology affects their business. These clients generate higher margins, hire the best people, and develop the right process for World Class results. All services may not be for everyone, even if this means dropping clients that do not align with your vision.

Building Strategic Relationships

Virtual Captain Obvious (vCO) is a common role used by IT service providers today. A client has a problem, it gets fixed, and you do not hear from them until another issue occurs. This model does not generate monthly recurring revenue nor build a strategic relationship. Building a strategic relationship carries more weight than a trusted adviser can offer. Benefits include Business Impact and Client Strategy through Standards and Technical Alignment.

Inventory Of Time

A team has a limited amount of time available to deliver services. Calculating RHEM will show how much available time reactive services use. Time left over is what is available to perform Centralized Services, Projects, TAM, and vCIO. Leveraging fixed areas provides more resources to help suppress variable activity. Understanding how RHEM affects business is key to achieving World Class results.

Unleashing Technology Success

Technology Success is building a competitive advantage in the marketplace. It teaches the most important piece to make changes and differentiating from the competition. Standards, technical alignment, business impact, and strategy create separation from other MSPs.

The Five Delivery Areas

The five delivery areas present the core services to offer superior service. Each area consists of fixed or variable controls that balance service delivery and the effect on margins. Commanding the right price and obtaining the right clients boils down to proper service delivery structure.

Technology Success Culture

Technology Success Culture defines how customers perceive their quality of support. A positive culture will radiate and make a positive impact on customer satisfaction. There is more to a TSPs Technology Success Culture than vCIO. Parts of the system will fail without proper balance. A Technology Success Culture revolves around standards, best practices, and processes. Although a TAM is central to technical alignment, they are not alone. Service Desk, Centralized Services, vCIO, and Professional Services work together to create a World Class culture.

Onboarding is the first step towards customer technical alignment. It uses base-level standards implementation to get clients added to a Professional Services Automation (PSA) system. It also includes deploying remote agents and completing documentation. The onboarding process is not designed to align your customers from day one. It introduces a gradual alignment increase with each onsite visit. Analysis paralysis will set in if attempting standards alignment all at once. When excessive options are available from the start, actions are never taken.

Service Desk

The Service Desk uses real-time updates to realign customers on demand. A trouble ticket entering the queue gets solved using defined technical standards. Providing fast and efficient service will cut down on RHEM. Misaligned standards should pass to a TAM as consideration for the next review. Recurring issues are what the Standards Committee uses to create or update standards.

Centralized Services

Centralized Services performs maintenance, monitoring, and automatic resolution on a grand scale. Use of RMM tools contributes to the success of this delivery area. An effective configuration of remote tools alleviates problems before they reach the Service Desk. Deployment, configuration, and retirement of tools are standards-aligned by the TAM.

Technology Alignment Manager

The TAM recommends solutions to a vCIO from technical alignment reviews. Standards alignment is a process needing regular attention as a customer's technology changes. Changes in complexity and size will have a factor on standards alignment. Bringing revisions to the attention of the vCIO is important to the business relationship. Without alignment information, A vCIO is unable to connect specific business needs.

Virtual CIO

The vCIO is the gateway to a customer's IT operating environment. Alignment information from the TAM determines how to rank the best use of resources. Presenting strategy in a technology roadmap will lead to new projects. Projects are a permanent resolution to technology misalignment.

Professional Services

Aligning standards through projects is the Professional Services delivery area. Various situations exist for breaking out types of project implementation.

- **Catch up:** Alignment steps performed while already working on something. This occurs during new customer onboarding when immediate standards alignment is necessary.
- **In scope:** Items marked as aligned or misaligned during a scheduled onsite visit. Performed in real-time with no extra costs required.
- **Out of scope:** Items that need a cost because they are not part of a scheduled assessment. This occurs when alignment checks take place during non-business hours (weekends, holidays).
- **Opportunistic:** Resolving standards alignment as part of a project and bundling it with labor in progress. If a project to install a new server offers the opportunity to upgrade the switch to gigabit, complete both on the same visit.

How The Delivery Areas Work Together

Centralized Services

Centralized Services carries the responsibility of proactivity. Using RMM tools to deploy agents to remote endpoints monitors irregularities. Low disk space, low memory, or failing hardware are examples of alerts that may trigger. Deploying network nodes to check system activity help troubleshoot issues before they happen. Configuring agents to alert the Service Desk early is a characteristic of great support.

Technology Alignment Manager
Centralized Services will keep documentation and maintain RMM tools. Notifying a TAM of changes is important and keeps customers aligned.

- Notifies the TAM of changes with remote agents or tools and updates required documentation.
- Informs TAM of any issues before working on a customer's account.
- Is the "eyes and ears" on the ground for a TAM.

Virtual CIO
Constant issues or a clean bill of health are items the vCIO needs to be aware of at all times. The CS team reports issues to the vCIO for potential phone calls or meetings with the customer. Being prepared reassures the customer that the situation is under control.

- Keeps vCIO apprised of all technical situations to communicate with the customer.
- Provides trend reports identifying issues that may need recommendations to the client.

Professional Services
Professional Services may work on projects after hours or spanning many months. Communication raises awareness of agents no longer needed.

- Involvement with project kickoff meetings and plan monitoring events.
- Changes to RMM tools need communication with Centralized Services to prevent false alarms.
- Remote agents needing reconfiguration should be coordinated with Professional Services during project kickoff.

Service Desk
False alarms can wreak havoc on a Service Desk and tie up technicians from resolving real issues. When issues with RMM tools send false positives, the Service Desk becomes inundated.

- Notifies Service Desk of issues causing false alarms.
- Mutes or disable false positives to prevent constant alerts to the Service Desk.
- Over communication is essential during a crisis.

Technology Alignment Manager

A TAM uses frequent auditing to align a customer's IT environment to a set of standards. This is accomplished by implementing standards and making recommendations to the vCIO when out of alignment.

Professional Services
While the project team is implementing new technology, TAMs can be called upon for technical help as needed. Technical assistance provided by a TAM should not be a common occurrence. This benefits the customer and TSP by preventing work stoppage or bottlenecks.

- Transfer of knowledge from standards alignment to the project team.
- Assists implementers with technical work as necessary.

Virtual CIO
TAM and vCIO work in unison to align customers against a set of standards. TAMs assist with creating standards and attempt to achieve technical alignment. Misaligned items sent to the vCIO are prepared for a customer review. The TAM communicates with end users from a technical perspective and not through client strategy.

- Develops standards for technical alignment, audits, and recommends options for remediation.
- Is the "eyes and ears" on the ground during onsite visits.
- Responsible for creating, managing, and maintaining standards and technical alignment.

Centralized Services
RMM tools are deployed during customer onboarding and maintained throughout their long-term relationship. It is necessary to develop standards for RMM tool deployment, configuration, and documentation.

- Verifies RMM tool deployment is configured to an established set of standards.
- Identifies and recommend resolutions to misaligned RMM tool configurations.

Service Desk
During a TAM onsite alignment visit, end users may ask for technical help. Unless time is already set aside, the customer will need to contact the Service Desk.

- Onboarding provides the opportunity to give training to clients on receiving support.
- While onsite, a TAM should reinforce the use of Service Desk.

Virtual CIO

The focus of a vCIO is building strategic relationships. All delivery areas communicating and working together accomplishes Technology Success. Recommendations from a TAM create the technology review used for client strategy. A vCIO should remain involved during the project handoff process.

Professional Services
A project approved by a decision maker is handed to the project team. The transfer of knowledge must be accurate to prevent scope creep. A vCIO will explain the project in detail at handoff when necessary.

- Explains project requirements, limitations, and reduce assumptions to prevent scope creep.
- Be a technical resource for planning out the project work.

Technology Alignment Manager
The TAM performs alignment reviews and passes recommendations to the vCIO. The process of reviewing improvements does not end once recommendations are in the vCIO's hands.

- Assigns alignment reviews to TAM for evaluation of IT environments. A TSP's standards determine if a customer configuration is in or out of alignment.
- Builds proposals from alignment recommendations unless a Design Desk is operational.

Centralized Services
Proactive monitoring gathers data on how IT environments operate. Information collected shows developing trends provides vital insight into being more proactive.

- The vCIO reviews reactive trends and aims for proactive resolution.
- Trends convert to standards for technical alignment in future assessments.

Service Desk
The Service Desk will review reactive trends generated from RHEM. The vCIO may review this information with the TAM during their next meeting. The Standards Committee can use this data to create new standards.

- The vCIO reviews reactive trends for proactive standards alignment.
- Relationship issues escalated immediately to the vCIO.

Service Desk

The Service Desk aims to reduce noise by solving tickets using quick remediation. Quality of service is dependent on Service Desk response and remediation time.

Professional Services
Service Desk technicians may receive support calls related to ongoing projects. The client must be aware of downtime or potential snags from the project team.

- Reports calls related ongoing projects. The Service Desk should be aware of all ongoing projects, start date, and completion date.
- Involvement during the transition from project to support.
- Escalation point for high-level technical support.

Technology Alignment Manager
Analyze trends to convert into standards is a proactive step to lower noise. Technical alignment standards reduce support tickets over time.

- Knowledge transfer prevents future problems and brings changes to the attention of TAM.
- Proper usage of the Service Desk is a necessity for normal workflow.

Centralized Services
Proactive maintenance using automated tools alleviates the pain of dealing with recurring problems. Tuning of RMM tools occurs with feedback from the Service Desk.

- Configures agents to auto-resolve issues whenever possible.
- Tuning RMM tools is possible with feedback from the Service Desk.

Virtual CIO
Delivery areas experiencing relationship problems should escalate them to the vCIO immediately. Risks to the integrity of a positive business relationship need to be a high priority.

- Escalates all relationship issues to the vCIO. When in doubt, send it to the vCIO anyway.

Professional Services

Professional Services implements hardware, software, or services. Replacing or installing new resources may resolve a recurring break/fix issue. They plan, install, and troubleshoot projects in a customer's IT environment. Once a project is complete, a knowledge transfer occurs to other delivery areas.

Technology Alignment Manager
Upon project completion, a knowledge transfer occurs between the implementer and TAM. Information on what is new, what has changed, and anything related to standards alignment is brought to attention.

- Knowledge transfer of project work occurs shortly after implementation wraps up.
- Changes to standards and technical alignment are brought to attention.

Virtual CIO
Knowledge transfer during project handoff is a key step to ensuring successful implementation. A vCIO understands a customer's environment and technology use, making them a critical resource to explain the project scope and the outcome is desirable.

- Scope, timeline, and resources needed are important factors when handing off a project.
- The vCIO is an important technical resource familiar with the customer's IT environment.
- Problems that arise during implementation need to be addressed with the vCIO.

Centralized Services
Maintaining RMM tools is key to being proactive. When a project is being implemented, Centralized Services needs to be aware of changes made. Remote agents that need installation, configuration, or decommissioning need attention.

- Notifies Centralized Services of project completion to begin the tool verification process.
- Document changes made that need tools configured, added, or decommissioned.

Service Desk
The Service Desk needs to be up to date on customer changes. When receiving technical support requests related to a project, technicians need to know where to route the call.

- Updates and document recent changes to a customer's environment.
- Support technicians must be aware of new projects and changes.
- Assists with high-level support escalations.

Introduction to Design Desk

Generating proposals and budgets are a fraction of the vCIO role. Spending too much time performing this function is not optimal for the role or customers. A vCIO does not have the time or schedule to research, plan, and write every proposal presented to a customer. Design Desk is not a delivery area but serves as a key function that helps achieve high leverage numbers.

The core purpose of the Design Desk is supporting the vCIO and Professional Services delivery areas. There are many reasons to support the five major delivery areas with Design Desk.

- Clients need changes to their technology over time. Hardware and software implemented becomes out of date and requires rejuvenation.
- Changes to technology need planning and implementation. Upgrades differ and need due diligence before a proper recommendation.
- Design Desk researches, plans, and writes implementation plans for new technology.
- Adds to client strategy by creating thought out, well-structured proposals and work plans.
- Delivery area resources have finite time: TAM performs alignment reviews, vCIO builds the business relationship, and Professional Services implements projects.
- A contribution to a backlog of non-recurring revenue helps keep Professional Services billable. Time expires after project completion. A backlog keeps NRR moving by having profitable non-recurring revenue services in the queue.

What Is Design Desk?

A Design Desk researches solutions, its business impact, materials necessary, and completion time. If a dedicated resource does not exist, the responsibility spreads among the other delivery areas. Consolidating this function will deliver on promises made during vCIO review meetings.

Some employees cannot perform this role on top of their current responsibilities. The intention of the Design Desk is to focus on research and planning of projects. This role should not be fulfilled by:

- **Sales:** A sales associate that can sell would be too expensive to take them away from selling. Someone who can sell should focus on adding new monthly recurring revenue. Their time is too valuable to design proposals and quotes. Coming across with a sales mentality will reduce trust with clients.
- **vCIO:** A vCIO cannot spend most of their time preparing proposals and must concentrate on business relationships. Not focusing on clients will prevent the generation of non-recurring revenue. The vCIO may step in to assist with research and proposal generation depending on the size of the client.
- **Professional Services:** An engineer's function is to install projects vetted by Design Desk and vCIO. An engineer's workload is billable which means every minute not billing is a loss of revenue.

Design Desk Function

To understand the Design Desk, it is best to detail the day-to-day responsibilities. The role plays an important part in the vCIO process due to constant interaction. The vCIO leans on Design Desk to generate accurate proposals with their vision for customer success.

Working With Technical Teams

Design Desk understands the technology available and how it operates in a customer's environment. A technical background is necessary to comprehend the technology recommended. On occasion, it may be necessary to consult with other technical teams for advice.

- Researching solutions may need input from Professional Services, TAM, or Service Desk. Finding the right solution for a client may rely on experience.
- The amount of time required to implement a project may be variable and not the same across clients. Technical teams may need involvement for special requirements even when aligned with company standards.
- Equipment like hardware, software, or services are not always a one size fits all solution. Consulting with other delivery areas can find the right solution for specific needs.
- The Design Desk ensures the chosen solution aligns with the customer's business goals. Solutions may be routine across customers and some will need customization.

Working with the vCIO

Design Desk and vCIO work side by side like TAM and vCIO. A vCIO handles the client's business goals and plans out strategy over the short and long term. Budgets planning 1-3 years in advance plays a big part in designing solutions. Design Desk must be aware of customer goals and budgeting when crafting proposals.

- A business case for each solution maintains technical alignment with each customer. Cookie cutter solutions work for customers who are not dependent on their technology. A customer that understands its importance requires more involvement.
- Design Desk needs to identify the area of necessity rather than creating a proposal around a specific technology. Accurate identification ensures researched solutions are designed and implemented right the first time.
- A vCIO will multi-thread and work with many clients at any given time. Design Desk must learn to meet deadlines from priorities handed down by the vCIO. This requires a non-linear work method and the ability to work on many proposals simultaneously.

Creating Project Proposals

The anatomy of a project proposal consists of many areas: detailed steps, time required, and resources necessary. Accuracy of time and materials is important because it determines the cost of projects. Project proposals will contain at least of four sections: steps, timeline, equipment, and resources.

Detailed Steps

Designing a project plan includes every step required for a successful implementation. Listing resources, technology, and a timeline are useless without proper steps of implementation. For example, replacing a server should list all requirements before, during, and after installation. Completing steps in the right order will determine the success of the project.

Each step should include enough detail so an implementer will need little to no clarification by the Design Desk. A Professional Services Engineer possesses the skill necessary to implement each project. Customers may need certain customizations depending on their environment. Situations like this are why an up to date Standards Library must be prioritized. Each client will have use cases for technology which makes detailed steps important.

Time Requirements

Each proposal calculates the time needed to prepare, plan, install, and close out a project. Some project timelines may be standard installations like switches and firewalls. Others may need customization dependent on the complexity of a customer's environment. A timeline can split into two directions when allocating it for a project.

- Over-estimating time will see a project finished sooner than expected. High costs that deter customers from future investment is something to avoid.
- Underestimating time will cost the TSP money by allocating resources longer than necessary. It will prevent other billable projects from starting.

When estimating time, key variables need consideration. It is best to estimate extra time should anything go wrong (scope creep), but not overestimate.

- **Project management time:** Time used by the project manager for a formal handoff between the vCIO and Professional Services team. It also includes planning the project, assigning resources, and scheduling implementation.
- **Implementation time:** Project implementation time according to the proposal. If planned by Design Desk, vCIO, and project manager, the estimated time should be enough. Even with scope creep, handling all assumptions before the start should remain accurate.
- **Standby support:** Support for small issues should be set aside after completion. Allocating time prevents rushing into the next project before others finish.

A small block of time should be set aside at the end of each project to close it out. Project closure includes customer confirmation that everything is complete as planned.

Hardware/Software/Service Requirements

Projects need hardware, software, or services. A proposal includes a detailed listing of items along with costs. Costs change over time so budget these items in advanced using best estimates. Be sure to build in markup to match your non-recurring revenue margins (30% or more).

- Hardware includes physical devices that are upgraded, replaced, or installed at a customer's location. Examples include virtual hosts, network switches, wireless access points, and workstations. Quoted hardware adds a markup to match your non-recurring revenue goals. Markup prevents losing money, selling at cost, and building a price cushion in case of fluctuations. A proposal should guarantee hardware pricing for a limited amount of time. Price fluctuations over the course of a few months could result in a loss.
- Software is anything installed from physical media or downloaded to a workstation or server. Examples include operating systems, office suites, and accounting applications. Some software used in business environments need licensing or support contracts. Extended support is a major consideration when proposing large software upgrades. Software best practices should include the following.
    - Currently supported by the manufacturer and not end of life.
    - Have a valid support contract through the manufacturer or third party.
    - Have full and proper licensing for the customer's environment (no shareware or demos).
    - No pirated or stolen software.
- Services are non-physical hardware or software and provided by a third party. Common examples are cloud services (email, accounting, ticketing), phone, internet, and payroll. Most cloud services are a subscription model and have a low monthly fee. The major benefit of a subscription model is the loss of a large initial investment. Monthly cloud services provide the convenience of off-site hosting. Proposals should compare the pros and cons of cloud services to provide a Time-to-Value estimation. Analyzing the monthly model versus the onsite/upkeep model is a great method of showing the total cost of ownership.

Resource Requirements

Resources refer to personnel, vendors, or stakeholders needed to complete a project. A project needs resources assigned to complete tasks, technical or not. Professional Services has engineers on hand that dedicate themselves to this process. They can divide resources at any time depending on the complexity of a project.

- Technical resources are engineers that install, maintain, or upgrade technology. The resource assignment matches the complexity of the project. A high-level project should involve a highly-skilled engineer. Tasks, like setting up workstations or installing software, can be delegated to entry-level technicians.
- Non-technical resources refer to no installation or maintenance of hardware or software. Projects may need an asset inventory documented or converting paper documents to PDF. In these scenarios, high-level engineers are not necessary.
- Vendors or manufacturers may need involvement with the implementation of technology. A high-level engineer may need a vendor for specific integrations or configurations.

Create Proposal Templates

Design Desk will mass produce proposals to create a backlog of work for Professional Services. Projects may follow the same format, include similar resources, and even labor. Proposal templates allow for efficient production to prevent starting each from scratch. Managing a templates library streamlines the proposal creation process.

Ordering Process

When it comes to consolidating functions in a role, the Design Desk does that. Buying technology and maintaining relationships with distributors or vendors falls under Design Desk. Consolidating responsibility establishes a single point of contact to request pricing and availability from suppliers.

- Distributor relationships provide direct contact with vendors who supply pricing and availability. Many organizations exist that supply IT products from their warehouses. It prevents searching for product pricing from third party sites. Most vendors assign an account manager to assist Design Desk with building proposals.
- Hardware purchases like firewalls, switches, and workstations can be standardized across many clients as part of technical alignment. Workstation build templates provide a quick solution without custom building one every time. Servers potentially need customization for most applications.
- Version maintenance is a factor when designing software solutions for a customer. Many software titles have transitioned to web-based versions and switched to subscription pricing. Understanding physical and cloud versions is vital when upgrading or implementing. Some cloud versions cannot integrate with on-premises versions.
- Licensing needs a higher level of understanding to interpret changes and legal restrictions. Some manufacturer license schemes are complex and have requirements before purchasing. Most third-party resellers have licensing specialists to sort out confusion with agreements.
- Gross margin on purchased hardware is a factor in non-recurring revenue. Hardware for projects should have a markup in accordance with gross margin goals. If the goal is a 30% margin, the hardware will have this added to the cost. For example, a server with a cost of $3000 should have a markup to the customer at $3900to create a 30% marginal gain. Design Desk is accountable for ensuring gross margin remains consistent across the board.

Key Vendor Relationships

Establishing and maintaining vendor relationships creates flexibility when quoting technology in a proposal. Vendor relationships allow for direct wholesale pricing from a reseller. Resellers tend to have their own warehouses and ship products direct. This strategy allows them to bypass typical processing delays through retail outlets. Vendors may even assist with marketing, branding, or training of certain products.

- Manufacturers may offer product training for servers, network equipment, or other technology. Training received from the source is well worth the effort, whether free or not. This will develop the best practices and standards for the Standards Library.
- Vendors keep technology information up to date as they develop or release. They announce public availability or even beta testing opportunities. Marketing opportunities like sponsorships or co-branding original content also become available.
- Design Desk will become the single point of contact for outside vendors. A single point of contact on the TSP side benefits both parties. A strategic business relationship forms like the vCIO and decision makers.

Tools

Proposals need an assortment of tools to create, manage, and deliver. Using tools for the sake of using them would be inefficient. It is best to use what may already be in place and work up to something that would be all-encompassing.

- Professional Services Automation (PSA) and Customer Relationship Management (CRM) tools are great starting points when drafting proposals. Customer details, asset inventory, and project history are accessible through these systems. Providing self-service analysis of client support history maintains a smooth process.
- Quotes made in word processor or spreadsheet can be useful. Advanced quoting tools provide extra features and streamline the proposal creation process. They allow for a text description and pull product data from vendor databases. Some even include the digital signing of proposals to speed up the approval process. Tools can be costly but pay for themselves with a high turnover of proposals generated.

Managing Design Desk

Generating proposals requires discipline since it pulls in many directions at once. It is important to rank and organize tasks to prevent bottlenecks and delivery delays. Focusing on important tasks takes precedence over external affairs.

- Beware of multitasking many proposals without finishing them. It is possible to start proposals without finishing them and not meet deadlines.
    - Set a start and end date on your best estimation of completion time.
    - Block off time on your calendar to dedicate to a particular proposal.
    - Avoid interruptions to meet deadlines.
    - Do not over promise on delivery dates.
- Focus on and organize tasks after vCIO recommendations. A vCIO should decide the priority of a proposal and assign it to the Design Desk. Complete tasks on importance rather than the length of time to complete.
- Standardize miscellaneous products to push proposals through the system faster. Configurations for hardware do not need many variations. For example, choose two workstation builds and quote them on customer needs. This allows for fast quote generation and ease of ordering from distributors.

Common Mistakes

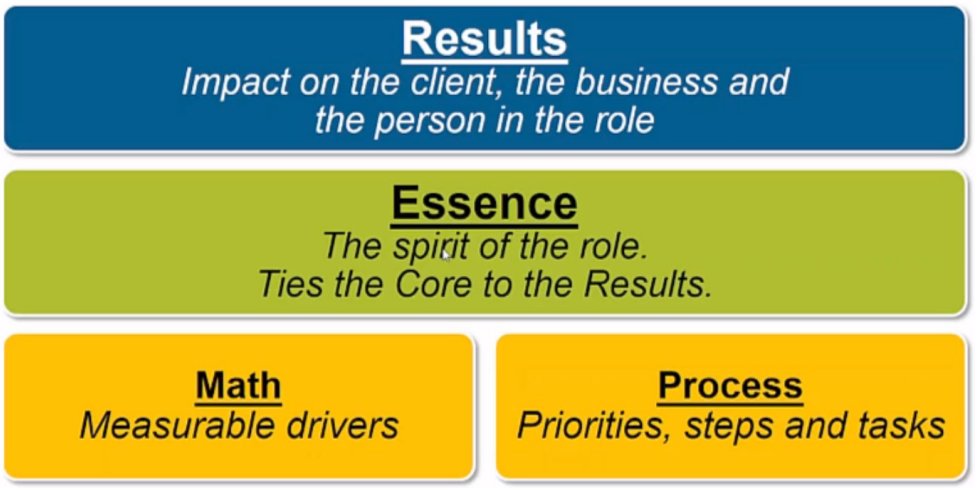
The process has no designated role as a TSP scales upward. When starting out, the role spreads out among the other service delivery areas. As a TSP grows the role must be central to an individual or group depending on necessity. Spreading the responsibility among other roles will prevent others from performing their assigned duties.
Design Desk has no process attached to it. Assembling proposals use any tools necessary to create a detailed project for a client. Without a process in place, Design Desk will suffer and fail.
Too technical or not understanding recommended technology will prevent proposals becoming projects. High-level technical resources may not translate the project into intelligible business terms. Someone who does not understand the technology well enough cannot recommend the right solution.

The Essence of Virtual CIO

The Core of vCIO includes Math (measurable drivers) and the Process (priorities, steps, and tasks). The Results are the impact on the client, business, and the person in the role. The Essence is the spirit that ties the Core to the Results.

Measurable Drivers

Metrics provides the benefit of measuring data over time. Metrics collect source data including tickets solved, client turnover, or total projects completed. They provide valuable insight into company performance. This makes it easier to adjust for the future using knowledge from the past.



The Core includes measurable drivers which keep track of numbers, revenue, and communication. Adding or adjusting resources will determine the outcome. A summary of measurable drivers is below.

- **Clients & MRR Managed:** A manageable client count for a vCIO is 35-45 with an average monthly revenue of $2500 per client. This is adjustable depending on customer count and quantity of endpoints per customer.
- **Strategy Meetings:** Numbers of client strategy meetings scheduled a year in advance and completed. Both parties need the proper commitment to strategy meetings on a scheduled frequency.
- **Unique Touches:** Check-in frequency will promote a positive business relationship. Active involvement ensures the decision maker you care about business goals. The vCIO Playbook gives you the opportunity to stay alert on challenges presented.
- **Non-Recurring Revenue:** Revenue generated by proposals should equate to roughly 25-30% of monthly recurring revenue. A continuous backlog of projects scheduled for completion is ideal.

Priorities, Steps, Tasks

The second half of the Core is the Process. This incorporates priorities, steps, and tasks required for day to day activities. These are non-numeric tasks performed to develop Measurable Drivers. All aspects of the Process involve interactions with client decision makers.

- **Strategy through Alignment & Impact:** If a vCIO is not using alignment reviews, they are making generic recommendations. When technical alignment is not defined, you cannot complete the Core of vCIO. A TSP or customer will not see the value of a vCIO without using alignment to assess business impact.
- **Budgets & Proposals:** The responsibility of generating proposals falls under the vCIO unless Design Desk is in place. A technical alignment review determines the budget for a customer's IT environment.
- **Scheduled Strategy Meetings:** Frequent strategy meetings, budgeting, and projects is a regular part of the process. Schedule meeting dates one year in advance to provide ample planning time.

The Essence of vCIO involves building strategic relationships and not gathering technical information. Digging for information as a vCIO indicates a non-prioritized TAM. Focus on business goals, prioritizing high-value tasks, and objective standards. Aim to deliver a consistent process across all clients.

Alignment information from the TAM delivers results through the review of business impact. Results are the measurement of customer relationships, not talking about outdated technology. Decision makers will want to include you in steering meetings as a trusted business partner.

Self-Assessment Questions

Two scenarios exist when performing vCIO: it is bound by the Core principles or it is not. When it is not the results are typical consulting and solutions that have no real value. A Virtual 'Captain Obvious' exists without the Core functionality in effect. Clients will not experience the business partnership they deserve. Performing a self-assessment is a first step to determine where you rank among competitors.

Results

- Do clients see your company as a valuable business resource?
- Are your vCIOs aware of potential relationship issues with your clients?
- Are your vCIOs able to explain their role in delivery of your Technology Success Practice?
- Through the process, are your vCIOs growing in business knowledge?
- Do the team members believe this role enables their personal development?

Essence

- Do business leaders attend your Strategy meetings?
- Do vCIOs understand your clients' business goals, challenges, and opportunities?
- Are your clients able to understand the business impact of technology misalignment?
- Do clients implement your strategic recommendations?
- Are vCIOs ensuring your Technology Success Practice is being delivered?

Core

- Are your vCIOs managing 40 clients (or capacity to)?
- Have you calculated the number of annual strategy meetings and scheduled them?
- Have you developed and implemented a vCIO Playbook to manage activities?
- Do you use Alignment reviews as the basis for Strategy development?
- Does every client have a Strategy and Budget?

The Virtual CIO Role

The vCIO process digs a bit deeper into the structure and workflow of the role. Relationship management, client education, and life cycle budgeting are some of the responsibilities. Many other topics encompass the position and are necessary for enhancing Technology Success.

What is a Chief Information Officer?

The term Chief Information Officer was coined in 1981 in the book "Information Resource Management" by William R. Synnott and William H. Gruber. From Wikipedia:

> *In the 1981 book "Information resource management" Synnott and Gruber (1981) coined the term Chief Information Officer (CIO), and this concept became a popular management topic in the early 1980s. They had described the CIO as the "senior executive responsible for establishing corporate information policy, standards, and management control over all corporate information resources."*
>
> *In their vision the CIO was "a senior-level executive responsible for overseeing network and data processing operations, and crafting an information systems strategy that would help a corporation achieve its business objectives through the innovative use of technology."*

The C-level position came to light in the early 1980's during mass adoption of computer networking and data processing. It made sense to dedicate a role to maintaining security standards in an IT environment. It only pertained to an executive at a firm large enough to warrant its own CIO. With the rise of outsourced IT services, it made sense to create a combined role. Customer relationships through part time consulting became the Virtual CIO.

A consultant engages customers as a trusted adviser. They may specialize in a particular industry and have working knowledge of technology. Consulting differs from technical support because they do not perform the implementation. They gather information, design a solution, and present it to their client.

Responsibilities

A Chief Information Officer is a C-level executive employed by larger organizations. They value IT infrastructure and vendor relationships as a strategic advantage. The CIO deals with external factors affecting the IT environment which differentiates the role from a Chief Technology Officer (CTO). With this in mind, the CIO has many different responsibilities.

1. Maintains relationships with vendors, contractors, and service providers.
2. Manages and executes the purchasing of IT equipment from suppliers and vendors.
3. Responsible for overseeing the implementation of new systems.
4. Strong organizational skills and the ability to juggle many projects.
5. Recruiting staff necessary to perform company projects and tasks.
6. Short and long-term budgeting of IT infrastructure, systems, hardware, and software.
7. Develops short- and long-term strategy for IT systems.
8. Researches, develops, and proposes solutions.

The CIO wears many hats and assumes the risk of running IT operations of an organization. Someone in this role can be very successful with proper knowledge of the industry. Adapting to new challenges is necessary in the IT industry.

How is a vCIO derived from this? As more businesses outsource their IT talent, the need for a CIO is more relevant. But a full time position with pay and benefits does not always warrant the expense. As IT Managed Services become more common so does the need for a role that can take the place of a full time CIO. The combination of relationship management, technical knowledge, and strategy as a part-time role provides the same benefits as a full time position.

CIO versus CTO

The CIO and CTO roles are commonly confused, but each have their own set of functions. A CIO deals with the internal management of an organization's IT infrastructure while a CTO works with the external customers. The excerpt below can help with this common confusion.

> *The roles of Chief Information Officer ... and Chief Technology Officer are commonly blurred. Tom Silver, the North American senior vice president for Dice, states that CTOs are concerned with technology itself, whereas CIOs are much more concerned with its applications in the business and how this can be managed.*
>
> *More specifically, CIOs manage a business's IT systems and functions, creates and delivers strategies and policies, and places great emphasis on internal customers. In contrast to this, CTOs place emphasis on the external customers to the organization and focus on how different technology can make the company more profitable. (Wikipedia)*

Do not let the two roles lead to confusion. The purpose of a vCIO is to keep a client's IT infrastructure operational and not to deal with their customer base.

Relationship Management

A positive strategic relationship with client decision makers requires regular reinforcement. A vCIO is a business partner the client should raise issues when needed. Issues should be non-technical since the vCIO is not a technical support resource. A business relationship is not established if a vCIO is performing technical support.

The bond of a vCIO and decision maker differs from a generic technology consultant. The vCIO handles management of proactive and reactive activities. Proactive items include business impact and client strategy. The client initiates reactive issues through questions, concerns, and opportunities. The role is a balance between offense (proactive) and defense (reactive).

Understanding Their Business

A function of vCIO is to have a complete mastery of a client's business use of technology. This goes beyond basics including industry trends, business applications, or compliance requirements. This implies a vCIO needs to understand what the client does, how they do it, and what their technology does for them.

A focus on appreciation of technology is an important first step to client proactivity. Education on self-prevention of problems creates a sustainable environment. There are clients who will see technology as a convenience for them, but not rely on it. Examples of this are desktop computers, email, and accounting software. It is convenient for them to use, but business will not come to halt if something happens.

Other clients will use technology as a functional dependency. Heavy dependence on cloud services, file sharing, and virtualization can disrupt business operations. Guaranteed uptime is critical.

Client Education

A perk of having a business relationship with a client is the ability to educate them in various topics. They can range from security, company goals, compliance, and new technologies. This is not the opportunity to lecture them on what they do right or wrong. It keeps them aware of trends and shows you are making a concerted effort to stay on top of their best interests.

Education informs clients of technology, products, and services before the need to buy. If a new service may benefit them, it is best to inform them in advance before the next budget period. When the time is right to present the solution, they are already aware of the benefits.

Standards Alignment

Reiterate to clients that Technology Success is not only about tickets. They will grasp the significance of standards alignment and how to prevent problems. A vCIO client meeting ensures the client understands misalignment and where to prioritize. This falls into two categories:

- **Informational:** Creates awareness using proactive standards alignment versus break/fix ticket support.
- **Expense decision:** Involves a fiscal component for remediation.

Life Cycle Budgeting

Budgeting for the short and long-term gives insight into planned expenses. Business owners prefer planned expenses when appropriate. It is the responsibility of a vCIO to plan life cycle budgeting 1-3 years in advance. Neglecting known hardware and software upgrades will break the trust relationship. Life cycle budgeting requires reinforcement year after year to the decision maker. Schedule annual reminders for hardware, software, or services and the need for replacement.

New Technology Planning

When a client contemplates new technology, the vCIO becomes a liaison. A successful project must consider expenses, infrastructure requirements, downtime, and scope of work. The need to see value early in the decision-making process prevents unforeseen issues.

Excitement may engulf the client and force them to purchase on their own. This creates a problem: proper planning or budgeting was not involved. A well-established vCIO relationship prevents the client from making their own IT decisions. If they make choices without consulting a vCIO first, there is a breakdown in the process.

Developing a Standards Library

The first part of technical alignment is maintaining a Standards Library. Without standards and best practices, an onsite alignment visit would not make sense. It would be near impossible to come out of it with usable information for the vCIO. A standard or best practice can be broken down into three individual components.

- **Question:** These should be objective and have a yes or no answer. Questions should not be open to interpretation.
- **Why are we asking:** Why you are asking this question justifies its reasoning to the client. If the customer comprehends the business impact, they are more willing to accept the recommendation.
- **How to find the answer:** Assessments check hardware or software for particular configurations. Rather than assume the TAM is aware of how something works, document steps to complete this task. It is best to cite your source on why you decided on that method of standardization. Include a URL to a manufacturer or vendor page describing the preferred configuration.

Certain aspects of each visit should have a clear definition when performing an assessment. These are concerning what is audited as well as its performance. A standards visit includes the following:

- **Standards should be defined:** Define standards and best practices before the first onsite visit. Manufacturers and vendors often supply best practices for their products. Examples include Windows Server, Exchange mailboxes, or a UPS device.
- **Technology or Compliance:** When developing standards for onsite assessments, focus on technology or compliance. Technology standards include best practices for configuring and monitoring technology. Compliance determines whether the client is within acceptable parameters for private or government regulations. Technology and compliance play off and depend on each other.
- **Elements that should be inspected:** The client is relying on the TSP to assess their technology. They determine what needs improvement and make recommendations to a decision maker. Inspected items are what clients are counting on to keep them compliant.
- **What is considered healthy:** Technology assessments decide what is healthy in a customer's IT environment. Elements of the assessment that are not aligned with standards must generate recommendations to the vCIO. The customer is relying on this information as part of a service commitment to them.

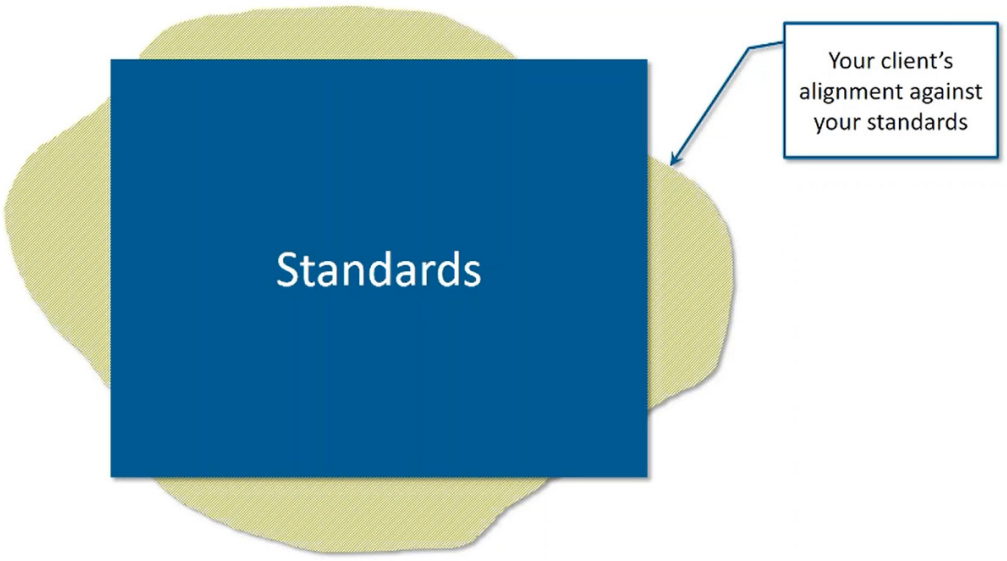
On the back half of TAM is technical alignment. This is the process of assessing customers and aligning technology against defined standards. This part is as, if not more, important than developing standards. Creating a set of standards without performing reviews would be irrelevant in the alignment process. It will be a waste of TSP resources and a severe letdown for clients.

- **Standards are the definition:** Alignment is a process of assessing how a customer's environment is versus how it should be. The core responsibility is marking items aligned or misaligned and passing information to the vCIO. Company standards are the definition for this process. Without them technical alignment is irrelevant.
- **Technical Alignment is objective:** Performing technical alignment of customer's technology is an objective analysis. Standards formatting dictates an answer of 'yes' is the rule and not the exception.
    - Good example: Is the system partition at least 40GB in size?
    - Bad example: What size is the system partition?

Elements Of A Standard

Standards consist of many elements and cover a range of categories. The development process requires these considerations:

- Define your "box". The diagram below is known as the box and blob model. The blob represents a client's technology environment and their alignment against company standards. The box indicates predictable results (standards). The box is an indication of technical alignment necessary for Technology Success.



The "Box and the Blob" model.

- It is important to know which components to inspect in an IT environment. Not every item needs a standard, but prioritizing some over others is essential.
- Certain items must be within designated parameters to align with company standards. Standards and best practice definitions dictate what to consider healthy.
- 'Why are we asking' and 'How to find the answer' is good information to have. Creating a standard without reasoning would not make sense, waste time, and be of no value to a client.
- Downtime, loss of productivity, and opportunity cost are associated with misaligned standards. Each of these examples is a business risk. Business risk is an impact on daily operations while technical risk centers around IT problems. Standards must align with business risks and not technical misalignments.

Standards and their impact on business and technical risk set their prioritization. Concrete parameters keep guesswork minimal and save time for a TAM performing a review.

- Create categories for standards ranging from email to servers to business applications.
- Specify questions for what you are evaluating to determine if it is or is not out of alignment.
- Focus on the priority of business and technical impact.
- Be specific when deciding on what to test.
- Set a frequency rule for standards like monthly or quarterly.
- Do not leave room for interpretation and create objective questions in a yes/no format.
- Be sure configuration items are important enough to include in standards alignment.
- Why a standard exists is important information to relay to your team and the client.

Developing standards for an IT environment requires a starting point. The examples below are not a definitive list, but give insight on assets that require attention.

- Patch Management
- Backup System
- Email
- Windows Servers
- Switches
- Power Management
- Cloud Services
- Firewalls
- Disaster Recovery
- Desktops
- Routers
- Wireless Access
- Business Applications
- Antivirus

Getting Started With Standards

It may be challenging to locate a starting point in the standards and alignment process. It is best to concentrate on priority areas. There are elements to consider and the list below assists with choosing where to begin.

1. Stakeholders, vCIO's, TAM's, and Service Desk have valuable input. Form a Standards Committee that meets often to create, change, and remove standards.
2. Plan Standards Committee meetings a year in advance. Ensure they are set on the calendar and resources can dedicate proper time.
3. Define a recurring meeting schedule for the Standard Committee to meet. Keeping best practices up to date requires constant attention.
4. High-impact areas address the customer's immediate needs. Preventing reactive service issues and lowering noise will contribute to customer success.
5. It takes time to develop and refine standards into a format that covers diverse areas. Make your initial standards functional, then concentrate on refining them over time. They will continue to evolve as technology and a clients' needs change.

An important note about standards is they are a living, breathing rule set. Standards change over time from new technology, processes, and procedures. Reviewing standards at least once per year keeps them up to date as the industry shifts. Learn from your mistakes by rolling these variations into your standards library. Small improvements over time will lead to big changes.

Technical Alignment

Standards are the definition of the Technology Success Process. Technical Alignment is the ongoing analysis of a client's technology against company standards. Assessments performed by the TAM mark a standard either aligned or misaligned. It is also their responsibility to add supporting detail to develop more standards.

Alignment Cycle

The frequency of performing alignment must be on a regular schedule. The ever-changing landscape and evolution of information technology demand constant attention. The Standards and Alignment process is never completed and continues to change. A TSP adapts to an alignment cycle as standards change.

- Alignment will change over time and more than expected. Moves, adds, and changes cause the process to be ever-evolving like break/fix issues.
- Check categories on a defined schedule, especially risk-based or frequent failure occurrences. Perform a frequency update if you feel items need to be checked more or less in a given year.
- Discuss alignment with clients to reinforce the importance of their business conforming to standards. Keeping them updated makes recommendations easier to process when they are well informed.
- Use alignment to drive Strategy, allowing the vCIO to focus on business issues and growth.
- Set targets for reviews, analyzing metrics, and determining the completion rate to meet obligations.

Getting Started With Alignment

Like creating standards, finding a starting point for alignment may seem difficult. The trick is to start small and work your way up. The process takes effort to put in place and needs time to acclimate. This is why input from other delivery areas and Standards Committee meetings are important.

- Choose core clients and ensure your relationship with them is in good standing. A client with a strong relationship will support the changes that are coming into effect. Include noisy clients to reduce the reactive support burden on Service Desk.
- Schedule TAM meetings at least one year in advance. Allowing the client to be aware of this obligation stimulates preparedness.
- Perform TAM assessments on site and use a full day. A remote analysis is possible in extreme cases, but the onsite visit shows commitment. A physical presence confirms visual parts of the assessment.
- Keep the client involved and show them what you are doing onsite. Keep the discussion small and talk about your findings. Suggest forwarding more complex items to the vCIO for review.
- Make the client accountable for your findings by discussing the problem. Having a customer aware of the issue transfers liability to them and forces them to take action.
- Provide feedback to the Standards Committee when a standard is not valuable.

Effects of Technical Alignment

Standards and Alignment does more than reduce noise and increase monthly recurring revenue. The process will make delivery areas more efficient by changing information and workflows.

- Tribal knowledge becomes company knowledge, getting information down on paper. Best practices become standardized and known throughout the company and clients.
- An objective view of technology eliminates the "versus for opinions" - meaning how something is set in its way and not debated.
- The organization of tiny details into something of use. This narrows down the topics for the vCIO to discuss with clients.
- Frees the vCIO to focus on business impact for the customer. Otherwise, the vCIO finds themselves performing job functions other than impact and strategy.

Feedback from TruMethods members describes the success achieved through standards and technical alignment. Implementing the framework and following the Technology Success Process, they have transformed into a TSP. Some have even shared what common components they implemented to deserve such triumph.

- Standards are alive in their organization and are part of the rhythm of daily workflows.
- The Framework streamlines the process and creates accountability.
- Metrics like reviews completed or summaries delivered measured to look for improvements.
- Tags and frequency are of common use in the myITprocess software. A TAM can track standards and completion status.
- Virtual CIO leans on alignment to drive strategy with each client.
- Everyone understands the Essence of the TAM and vCIO roles and how they impact MRR, AISP, and RHEM.

Developing standards and aligning technology is the keystone of a World Class TSP. Standards impact all areas due to institutionalized knowledge and delivering Technology Success. Alignment is how delivering value lowers reactive noise and increases margins.

Business Impact and the Customer

Every decision has an impact on a customer's operations. Neglecting the installation of software or no viable offsite backup are examples. Standards development from a Standards Committee maintains assessed items delivered to the vCIO. It is more important to develop quality standards over quantity. As with everything else in a TSP, there is a process to this.

Defining Your Standards

It is hard to believe a majority of technology used today is a product of standardization. Without it our lives would be more frustrating. Standards build upon old methodologies and improve them for efficiency and cost. What is the formal definition of a standard?

> ***standard***
> *noun stan·dard \ 'stan-derd *
> *Definition of standard: something established by authority, custom, or general consent as a model or example.*

Standards prevent confusion, inefficiencies, and unnecessary delays by reducing variables. A great example is the Phillips head screw tip. The cross-shaped pattern is universal and anyone can make a Phillips screwdriver.

The Anatomy of an IT Standard

Standardizing your customer's technology without reference to a regulatory body is difficult. Standards modeled after best practices show customers consistency in the technology industry.

Bad Examples

- It's the way things have always been done.
- Steve from accounting knows a guy who does it this way.
- This is how Microsoft said to do it 12 years ago.

Mock Conversation

Technician 1: When setting up a server as a virtual host, uplink all Ethernet cables to the switch and configure them independently.
Technician 2: Why?
Technician 1: That's how Microsoft says to do it.
Technician 2: Can you show me where that's documented?
Technician 1: Um… no.

Handed down knowledge may use information no longer relevant. Following transmissions cause loss of the original solution. Personal opinions, shortcuts, and misinformation trickle down with each passing message. A manufacturer will revise best practices when their product or service changes.

Good Examples

- Standards referenced from regulatory bodies including the National Institute of Standards and Technology (NIST) and the International Organization for Standardization (ISO).
- Vendor-specific from Microsoft, Cisco, HP, Dell, Datto, and Symantec.
- Third party vendor-neutral organizations like CompTIA and the Payment Card Industry Data Security Standard (PCI DSS).

A prepared IT partner showing awareness of industry trends will earn a customer's trust. Rather than assuming, always reference an authoritative body on best practices.

Mock Conversation

Technician 1: When encrypting devices for security be sure to use AES 256 bit as a minimum.
Technician 2: Why?
Technician 1: It's recommended as a best practice by NIST in their FIPS 197 document regarding the Advanced Encryption Standard (AES).
Technician 2: Can you show me where that's documented?
Technician 1: Sure, you can obtain it directly on the NIST website under FIPS 197 or in our document management library.

The table below shows examples of security-based standards centered around password policies. Each is broken up into four columns: Name of the standard, what the standard addresses (question text), the justification for the standard (why we are asking), and how to configure settings after vendor best practices.

Name	Question Text	Why Are We Asking?	How to?
Organizational Password Policy	Is a secure password policy in place?	A secure password policy ensures security and integrity of company data. Elements that comprise a secure password would be length, complexity, aging, reuse, authority, and password security.	Best Practices for Enforcing Password Policies https://technet.microsoft.com/en-us/library/ff741764.aspx
Password Timeout Policy	The password policy denies future logins for a set period of time after a specific number of failed attempts?	It is relatively easy for an unauthorized user to try to gain access to a computer by using automated software tools that attempt all passwords.	To allow for user error and to thwart brute force attacks, a setting above 4 and below 10 could be an acceptable starting point for your organization. https://technet.microsoft.com/en-us/library/hh994574(v=ws.11).aspx
Inactive Session Timeout	Inactive user sessions are automatically locked after a designated period of time?	Locking inactive sessions after a designated period of time prevents unauthorized access to a workstation or server and any resources on the network.	https://technet.microsoft.com/en-us/library/jj966265(v=ws.11).aspx

Yes or No, but not Maybe

A TAM performing an alignment review has two options when deciding if a standard is in compliance: yes or no. A customer aligned with a standard is 'yes' or 'no' if not. Avoid using 'maybe' because standardization is not open to interpretation.

For example, a question phrased "How much free space is left on the C: drive?" is open-ended and should be worded like "Is there at least 20% free space remaining on the C: drive?". Setting standards as a yes/no option remove any guesswork and give a definitive answer. Software systems like myITprocess features this style of standards alignment.

Lastly, define standards as if they are in alignment like "A battery backup unit is plugged in and operational?". Questions like these have a 'yes' answer because standards should align to the desired outcome.

Roles and Responsibilities

Meetings have a method to discuss progress on standards alignment and operational efficiency. Administration is the planning, executing, and developing action items for follow up. Customer meetings consist of many parts and a decision maker expects preparedness.

Technology Business Reviews

Technology business reviews are a component of a client meeting. The center of the role is advocating improvements and alignment to defined standards. Support requests decline due to efficiency, uptime, and lower reactive noise. Tickets solved per month causes customer confusion since these are internal metrics. It is best to quantify loss or gain of productivity by other means. Technology business reviews cover reactive support, ongoing projects, and recommendations for further improvements. Intentions for a technology business review meeting are as follows:

1. **Included with monthly services:** An in-person meeting reassures the client you care for their needs. Without a face to face meeting at least once per year, the relationship will dissolve.
2. **Discuss upcoming projects:** When a client allocates a budget, the vCIO lines up a plan for project implementation.
3. **Review of reactive tickets:** Review reoccurring problems reported to Service Desk with the customer. The vCIO should prepare recommendations for permanent resolutions.
4. **Review standards and technical alignment:** The TAM produces a technology review to the vCIO for client discussion. A decision maker will approve a plan of action to resolve standards out of alignment.
5. **Metrics on proactivity:** Glance over numbers showing how standards and alignment prevents issues. Do not spend much time explaining numbers to the decision maker as this will cause confusion.

Topics above are an example of what a customer expects to hear during a review meeting. Always plan out subjects ahead of time for a proper meeting structure. Time is precious so do not spend considerable time focusing on a single item.

Creating a Meeting Agenda

Meeting agendas will contain a standard list of items to address. It is best to have an agenda created and sent in advance for review. Allowing enough time to review items you have added lets them prepare on their end. The complexity of the discussion will determine how far in advance to send the agenda.

An important thing to mention about a meeting agenda is perspective from the other side. A client may have concerns they want to bring up while meeting face to face. Draft a questionnaire before meeting looking for input on topics and send it to your contact. These steps are essential in maintaining a positive business relationship.

Action Items & Follow Up

At the conclusion of a meeting, there will be takeaways to address. A list of action items stems from 'to do' items brought up in the discussion. This is a normal byproduct of talking points branching off into other items. Action items will have the following traits:

1. Items discussed by the vCIO and the client.
2. Next steps for vCIO and client handling action items moving forward.
3. A set date for follow up with a status or plan.
4. Solution or resolution.

Action items are not usually solved at the meeting. Consulting the other delivery areas may be necessary for resolution. List action items and check them off when completed. Updating the status should trigger a notification of the status to the client. Over communication is not a bad thing, though flooding them with emails is not advisable. When possible, group more than one update per call or email.

Setting Meeting Patterns

Hold formal meetings with decision makers to present recommendations and review concerns. Meetings scheduled one year in advance give the vCIO and client ample time to prepare. Also, advanced notice limits rescheduling due to last minute changes on their calendar.

There is no formal process for scheduling meetings per year. It is best to create a guideline across clients. Determining annual onsite meetings is not the same for every TSP. MRR is often used as a point of reference in determining meeting frequency; however, this methodology is not linear. A customer paying twice as much may not require twice as many meetings.

For this example, we will use variables from the TruMethods training videos. Before laying this out, the following numbers should be used as a guideline:

- An average vCIO can handle 40 clients with a total MRR of $120,000.
- Dividing $120,000 by 40 will yield a value of $3,000 per client to use in this example. In the real world this value may fluctuate between $2,500 and $3,500 which is why $3,000/client is an average.
- Each client is assumed to be of average size with medium IT complexity (using the math above).

Communication with clients is through many media: in person, over the phone, video conference, or email. While the method of contact with clients is case by case, the frequency should be from the math above. Terms used for meetings can be:

- **Quarterly meeting:** A formal onsite visit to meet with a decision maker four times per year. An average MRR of $3,000 per client has at least one formal visit per quarter (based on average guidelines).
- **Unique touches:** Some form of contact or communication with a decision maker. This can be a phone call, web conference, online meeting, or an email exchange. It is a proactive technique the vCIO engages in to remind the decision maker of their involvement.

The onsite meetings and unique touches are not linear. A customer who pays two or three times more than the average may not be a justifiable reason to meet more often. A vCIO must consider size, complexity, and needs when determining how often to communicate.

The table below is an example of how the math and logic above comes into play. There is a breakdown of MRR, client size, complexity of environment, and unique touches per client.

Company	MRR	AISP	User Count	Complexity (1-10)	In Person Meeting	Unique Touches
Company A	$3,000	$125	24	5	1/Quarter	1/Month
Company B	$6,500	$125	52	3	1/Quarter	1/Month
Company C	$1,500	$125	12	8	Every Other Month	2/Month

- Company A is an average example of these guidelines. An average size customer with medium complexity would receive one quarterly onsite meeting with at least one proactive unique touch per month.
- Company B has more than twice the average MRR and users, but a low complexity environment. This example shows that more MRR does not always cause more unique touches.
- Company C has half of the average MRR, but the complexity is much higher. Customers that fit in this range may need more unique touches even though they pay less than average.

Customers who understand why technology is vital to business should have no issue with this meeting schedule. These guidelines will be different for every TSP. It shows insight into the process and helps provide a starting point for prioritizing clients.

Collecting and Compiling Metrics

It is one thing to tell a client they are doing well and another to show them. Metrics provides an important aspect of managed services. Customers can see how investing in technology decreases Time-to-Value. It is best to focus on metrics that concentrate on areas of concern or points of interest. Metrics preparation can be a set of guidelines that vary from customer to customer.

Number of Meetings

Keeping track of meetings is good practice. Show clients how getting together is critical in the decision-making process. Review previous meetings, takeaways, action items, and follow up and conclusion. Begin by summarizing the resolution of items from the last meeting.

Budgets Completed

The completed budget count shows the funds required to keep their business operational. Easy to read proposals with accurate budgeting gives insight on yearly spending. Budgeting is usually broken down into short- and long-term projects.

Short-term budgeting incorporates items that need immediate replacement like keyboards and mice. Stress the need for available reserve funds for peripherals. Long-term budgeting refers to projects that may be one to five years away. A TSP is aware when hardware or software needs replacement. Through the effective use of documentation, instant retrieval of information is possible. A customer aware of expenses makes spending easier to digest with advanced notice.

Support Requests

A simplified collection of support tickets is an excellent idea for customer meetings. Solved support requests can display how proactivity is benefiting their business. But it may show not being proactive as promised and requires improvement. Metrics the customer needs to be aware of:

- Low call volume indicates fewer users calling for support. Providing a list of users provides a training opportunity for those who call in often.
- While phone calls is a quality metric, it can be beneficial to show numbers of tickets created in your PSA. Break them down into user-requested support and automated resolutions. This demonstrates issues resolved behind the scenes.
- The frequency of similar problems is a reason for an alignment review. Revealing recurring problems to the customer and the recommendation helps justify the expenditure.

Escalated Issues

Support Desk will handle most issues, but high tier technicians may assist if needed. It is good to note metrics on escalated issues:

1. Escalated items can determine if a customer's environment is out of alignment.
2. Issues that need frequent escalation solidify a case for a permanent solution.
3. Customers should be aware of complex user requests. Training and awareness may prevent support ticket frequency.

Technology Reviews Completed

Completed technology reviews maintain customer alignment with technical standards. Completing technology reviews before a vCIO meeting is part of the function. Metrics on alignment reviews completed show they are being completed.

Each meeting should check previous technology reviews and reiterate recommendations or projects. It will provide insight into what occurred since the last session and correct lingering problems.

Proposals Completed

Creating proposals is a core function of vCIO. Allowing the customer to view quality recommendations created benefits the business relationship. Metrics for completed proposals shows action items are being handled with great speed. If the relationship ever comes to question, proposal metrics prove the vCIO took the proper initiative to resolve issues.

New Professional Services Dollars

A decision maker knows they must spend money to keep the lights on. Since they rely on the vCIO to make accurate recommendations they may lose track of how much they spend. Keeping a record of projects completed, how much they cost, and their purpose is good to have on hand at any meeting. Providing transparent budgeting shows a willingness to justify all dollars spent.

Dollars spent on Professional Services can create trends and help predict future expenditures. If a customer has a 20% annual growth rate, past budgeting can assist in allocating future funding.

Strategy and Budgeting

Standards and alignment is the process of creating a collection of best practices. Using standards to perform technical reviews will determine a customer's alignment with them. Strategy explains the importance of technology and its role in customer success. Components of strategy consists of:

1. **Business impact of misalignment:** The necessity and importance of alignment while translating technical information into business language.
2. **Business goals for the client:** Go beyond technology and understand a customer's needs and wants. Asking the right questions will determine business goals.
3. **Strategic Roadmap:** Recommendations stem from business impact assessments and long-term goals.
4. **Long-term Budget:** A budget agreed upon by the client workable for the short and long-term (1-3 years on average).
5. **Client feedback:** Feedback improves service delivery and fills gaps that prevent World Class performance.

Business Impact

Misalignment of standards affects a customer's business. Some examples can include:

- **Productivity:** Failure of hardware and services may cause employees to work at partial efficiency or not at all. Aligned standards make it easier for customers to do everyday tasks.
- **Business risk:** Viruses or stolen information may be a security flaw. This could lead to downtime or reduced employee productivity.
- **Opportunity costs:** Downtime and loss of productivity become missed revenue opportunities.

Decision makers may not be technical or understand how their IT environment works. In a strategic relationship, you help them understand by breaking it down into non-technical language. To connect on a level anyone understands, be sure to:

1. Use clean, non-technical language when explaining the technology. If the decision maker is not technical, it is best to keep details as uncomplicated as possible.
2. Make the connection between their technology and business goals. Explaining how the technology works from a high level will not go over well. A conversation is more relevant when it affects their goals, growth, or ambitions.
3. Present concise technology summaries while detailing your recommendations and potential business impact. When presenting recommendations, choose a readable and well laid out format.

Business Goals

Understanding a client's business goals builds the strategic relationship. A vCO's recommendations have less value and add non-recurring revenue with no reduction in support costs. Why a customer is in business, their goals, and setting a 5-year plan signifies a genuine relationship. Clients will place higher value around meetings because the focus is on managing outcomes. The first step is to gain a comprehension of a customer's business:

- **What market do they serve:** Do they concentrate in small, medium, or large markets? Is their service offering niche and why do their clients buy from them? Interpreting a customer's business connects technology with the markets they serve.
- **What is their position in the market:** What percentage of their industry do they have control over? Are they local, national, or international? Determining the scale of operations allows proper planning to support that environment.
- **How do they make money:** Are they a volume or margin business? Low margin sales rely on volume while high margin may not. High margin items sell less volume compared to low margin items.
- **What is their sales and marketing strategies:** What type of sales force is in place to find new customers? Do they only market on social media, traditional media, or both? Is it in-house or outsourced? How customers advertise and market their product can hint to their technological competence.
- **What is their business environment:** Is the company experiencing growth, shrinking, or stagnant? How do they hang on to customers and how well does it work? Is their market expanding or contracting? Market conditions will dictate alignment status and how to scale recommendations.
- **What are their short- and long-term business goals:** Are there any plans to grow company sales? Are new products, services, or clients on the horizon? Introducing new products and services can alter alignment and which recommendations take priority. A customer may not have the infrastructure to handle new users or support requests.
- **What are their biggest risks and obstacles:** What is the company culture, purpose, and core values? These features attract the best talent, retain top employees, and improve company morale.

Interpreting business operations is a significant amount of work, but the knowledge attained improves the client relationship. Gathering this information provides advantages to both entities:

1. Trust the process to learn about the business. All businesses are not created equal. Understanding how one business operates may not relate to others in the same industry.
2. You get to establish connections with awesome business people. Decision maker relationships strengthen service quality due to the level of trust gained.
3. Those considered less-awesome receive the help needed to get them going and keep their business successful.
4. Clients will view the TSP as a strategic partner. Building trust and value is an inclusive invitation to their business decisions.

Strategic Roadmap

A business relationship produces a strategic roadmap for decision makers. Organizing recommendations into a plan is key to developing a roadmap. A plan contains projects that enable clients to align with a defined set of best practices. A strategic roadmap focuses on technical alignment and business goals. Details to consider when presenting solutions to clients include:

- **Recommendation:** What is the recommendation you are making and how does it solve a problem? Presented solutions solve standards alignment and help clients achieve business goals. Do not install technology for the sake of the sale, but ensure it is a win-win for both client and service provider.
- **Budget:** How much money is set aside for a project? Proper budgeting allocates funds in advance. While break/fix issues may occur at random times, project planning occurs ahead of time.
- **Time frame:** How is time allocated towards the completion of a project? An established time frame is critical, especially when expecting downtime. Notify a customer of all planned outages that affect productivity and business operations.

Encourage a customer to view technology as an investment after reviewing a roadmap. Employees expect reliable technology to get their work done and remain productive. Allowing IT infrastructure to crumble shows negligence towards business goals.

Budget

A budget is as equal in importance to recommendations and a strategic roadmap. Planning and allocating funds ahead of time prevents surprise expenditures. A budget should always be:

1. Planning expenditures for end-user/infrastructure technology 1-3 years in advance. Large clients may need future budget planning of 5 to 10 years.
2. Broken down per month or quarter. Granular budgets make planning for items more manageable.
3. Include capital expenditures like servers and network equipment used to maintain business operations. Some local and state governments offer tax-free incentives for capital improvement projects. This is to encourage business owners to invest in their business.
4. Have a timeline written showing what funds are being spent and where. A timeline with estimated spending gives the client more confidence. Advanced awareness of projects and their costs puts a decision maker at ease.

Client Feedback

Feedback from customers is vital to gauge how well service delivery is performing. The phrase "if no one complains then nothing is wrong" should not apply. Frequent checks with the customer for feedback should occur on a routine basis. Track feedback for various reasons:

- Did they accept the recommendations made? If not, why? Recommendations made to a decision maker are less likely turned away. A point of contact may not have the authority to make business decisions.
- Are there any changes that need to be made? Whether good or bad feedback is being received, there is always room for improvement. Collect, compile, and analyze feedback to discover if changes are needed. Cross-reference issues with other clients to discover common denominators.
- Are there new initiatives from the meeting? A client may introduce more variables including mergers, acquisitions, or letting employees go. Roll these factors into a plan to stay ahead.

Reframing Your Clients

It is not uncommon for customers to continue in their old ways. Reframed clients understand how their previous results differ from new achievements. Reframing a client uses strategy and budgeting to align them with technical standards. The intention is an opportunity for a strategic partnership to reach business goals. A client that does not understand these concepts after reframing may be a bad fit in the coming months.

- If a client refuses recommendations or to buys their own equipment, they are not reframed. A strategic relationship relies on a decision maker trusting their service provider.
- Customers who see you as a vendor and not a partner have not bought into your company way. It is imperative to ensure the relationship is a partnership and not client-vendor.
- Reframing bridges the gap between their current solution and your results (Technology Success). A positive partnership is ideal for reframing to be a success. Without one, they cannot understand the impact of Technology Success on their business.

Key Takeaways

- **Alignment is 'point in time':** What their environment is like today.
- **Technology summary is 'point in time':** A summary of their environment today.
- **Strategy is a 'living process':** Continually asking business questions, alignment, and standards are the heart of what the vCIO does.

Indicators of success can be measured using variables common to MSP operations.

- Non-Recurring Revenue (30% minimum of your MRR)
- Backlog of Professional Services hours (one month of work per resource
- All In Seat Price (AISP)
- Average Monthly Recurring Revenue (charging more, moving up in market place, servicing more mature businesses)
- Culture (better place to work)
- Invitations to business meetings
- Reactive Hours per Endpoint per Month (RHEM)
- Leverage
- Profit
- Retention
- Client Satisfaction

Building Strategic Relationships

The strategic relationship process is divided into three major areas: Discover, Plan, and Present. The process assumes the vCIO is in communication with a decision maker. Relationships are not built with personnel accountable for the day to day operations.

Discover

The discovery process is asking the right questions about the direction of a customer's business. Meeting with decision makers is easier to determine goals, budgets, and business constraints. The intention of discovery is to gain insight and work that information into a plan. The discovery phase is crucial for new customers to collect information missed during onboarding.

- **Business Canvass:** Build a Business Canvass of information like stakeholders, revenue streams, and costs. Other items include opportunities for growth and challenges that prevent achieving specific goals. Constructing a client profile of their customers and the market contributes to a viable strategic plan.
- **Ask business questions:** Asking the right questions will unlock the potential for building a strategic plan that works. A point of contact is unable to provide the same answers as someone who makes decisions. Some examples include:
    1. Who are your clients and why do they buy from you?
    2. What area do you serve?
    3. What are your business-critical operations? How does technology support them?
    4. Who are your suppliers or partners?
    5. What are your most critical KPI's?
    6. What are your business goals? What does success look like over the next three years?
- **Assess technology risk:** Leverage technical alignment to identify business risk. Technology and compliance misalignment will distinguish the high and low priority areas.
- **Compliance and Regulations:** Always perform due diligence on compliance and regulations. Most industries must comply with an established government or private rule set.

Plan

The next phase summarizes business goals and technology risk into an actionable plan. Translating technical information into business goals and recommendations is critical to this process. Planning lays out a path forward for each client. Priorities and budgets allow the client, with the guidance of a vCIO, to make a decision. Advocating for the client prevents the vCO trap.

Prepare a visual plan broken down into quarters. Distributing priorities into quarters (or across many quarters) simplifies budgeting. It is important to get an idea of the customer's spending limits during the discovery phase. Gather a spending history of IT expenditures since the last major upgrade. A history will help gauge how often IT investments occur.

An area most businesses tend to neglect is compliance. The activity of storing, processing, and transmitting personal information has increased. This has led to the mainstream recognition of private and government compliance. Businesses must take planning and budgeting into account when compliance is necessary. Examples include the Health Insurance Portability and Accountability Act (HIPAA) for covered entities and business associates in the medical field or the Payment Card Industry Data Security Standards (PCI DSS) for businesses who accept, store, and transmit credit card data.

Key takeaways for the planning process:

- Translate technical information into language the decision maker can understand. Decision makers are seldom tech-savvy and may not care how underlying technology works. A client's concern revolves around Time-to-Value.
- Prepare a visual plan to share with a client. Make an attempt to lay out your plan at least one year in advance separated into quarters. If an initiative takes longer than one year, be sure to extend your plan to show the scheduled end date.
- A completed discovery phase will reveal technical risk related to compliance or regulations. Accounting for compliance and regulations is essential for budgeting and long-term planning.

Present

Once a plan is complete, the next step is to achieve consensus on a path forward. When presenting a plan to a client, be sure to avoid selling the recommendations. Strategic consulting presents the logical business or technical initiatives and is not a sales call. Customers who are unwilling to make a commitment may not be the right type of client. Be sure to receive acknowledgment that a decision maker wants to move forward on recommendations. Sorting out a budget may take time, but a commitment to recommendations is a top priority.

It is important to be consistent with the presentation process across clients. Include the most important aspects of delivering a plan to the decision maker.

- Present the plan in person when possible. Prevent reviewing a plan over the phone or sending a PDF over email whenever possible. Face to face conversation carries more influence and solidifies a strategic business relationship.
- Deliver an organized list of priorities to the decision maker. The discovery phase may have discovered improvements and recommendations. It is best to rank your findings and present those to the customer first. Presenting all findings at once can be overwhelming and give off a sales vibe.
- Show a clear description of the project, budget, and timeline. List out initiatives with a small description and a potential timeline. Transparency with information gives a client more assurance for their return on investment. Provide an estimated project cost and split the implementation over many months if necessary.
- Emphasize an initiative's importance if it relates to compliance or regulations. Complying with federal or private regulations needs significant work. In some cases, businesses are not aware they must comply or are even out of compliance. Emphasize the importance of each recommendation as it pertains to becoming compliant.

Implementing Virtual CIO

World Class incorporates Technology Success to drive standards and technical alignment. Otherwise, you are selling services centered on convenience rather than necessity. The TAM plays an important role in customer alignment. The vCIO does not sit idle and wait for recommendations; they engage with the TAM.

TAM and vCIO are a core part of Technology Success, where the rubber meets the road. Both roles work in tandem and are crucial for moving towards managing outcomes. Use of this process creates relationships that survive as the industry changes.

The implementation steps make some assumptions which are important to become World Class. If you have not completed the steps, it is not the end of the world, but this section relates to some external resources.

1. You have made the decision to develop a Technology Success Practice.
2. You have watched all the TAM, vCIO, and Standards & Alignment training videos available in the TruMethods members portal.
3. Have already developed some standards you can put in place.
4. Ready to assign resources to TAM and vCIO, even if part-time.

Virtual CIO Implementation

Completion of technology summaries on a set schedule is crucial to the vCIO role. Client check-in calls should occur at least once per quarter. Complexity of the environment and how their IT needs change determines an annual meeting schedule.

Technology alignment visits and vCIO meetings are not a 1:1 ratio. TAMs may visit clients once per month or even more depending on the complexity and needs of the client. The vCIO visit may be every 3, 6, or 12 months. It is not necessary to have a 1:1 ratio of meetings. Recommendations from the TAM do not always need an onsite visit by the vCIO.

Total annual summaries needed for completion can be calculated using simple math. Divide the number of summaries needed by the number of weeks to get your weekly completion rate. Technology steering meetings between the TAM and vCIO should occur every quarter.

The Essence of vCIO

The Essence of vCIO Core contains two parts:

1. Measurable Drivers for keeping track of numbers, revenue, and customer communications. Numbers determine whether resources need to change depending on the outcome.
2. The Process which is the priorities, steps, and tasks for daily activities. These are the non-numeric tasks performed to develop measurable drivers. All aspects of the Process involve interactions with client decision makers.

Getting Started with vCIO

The vCIO role is the other half of the Technology Success Practice. They receive alignment reviews and convert them into business language summaries for clients. The vCIO leans on the TAM to assess business impact on the customer.

- Choose high impact areas to focus on. Align these decisions with the TAM's findings from their alignment review. Pick a small section of items to focus on rather than attempting to build a full strategy from the start. You can always work on lower priority items later.
- Complete technology summaries for priority items first and review them with the client.
- As information comes from the TAM, update technology summaries as necessary. The alignment process will continue to evolve and summaries must remain up to date.
- Keep strategy high level and business focused. Prevent technical language since clients may not understand.

Create A Playbook

ABC Company vCIO Playbook Annual Summary						
	Activities					
	Unique Client Touches	Escalated Issues	# of Client Meetings	Tech Summaries Completed	Budgets Completed	Proposals Completed
Annual Objective	520	260	260	156	104	260
January	23	236	6	3	2	6
February	0	0	0	0	0	0
March	0	0	0	0	0	0
April	0	0	0	0	0	0
May	0	0	0	0	0	0
June	0	0	0	0	0	0
July	0	0	0	0	0	0
August	0	0	0	0	0	0
September	0	0	0	0	0	0
October	0	0	0	0	0	0
November	0	0	0	0	0	0
December	0	0	0	0	0	0
Totals	23	236	6	3	2	6

Example of a vCIO Playbook Annual Summary

A vCIO playbook is useful for keeping track of budgets, proposals, and summaries completed. It can track your goals weekly to ensure you are accomplishing them on time. The example above is the TruMethods version and is useful out of the box.

When vCIO goes off the Rails

There may be moments when the vCIO will go off the rails and needs to get back on track. Some reasons are obvious while others may not be. Most common errors resolve easily and get back to normal.

- A lack of discipline may form between the TAM and vCIO. In this case, the vCIO will become a Virtual Captain Obvious. A communication breakdown prevents focusing on the customer's business strategy.
- Too many client escalations passed to the vCIO. The vCIO manages too many issues that do not pertain to the client partnership. This changes their job function into an account manager. The vCIO will receive the runoff caused by a breakdown of the other delivery areas.
- The benefit of Design Desk is to create proposals on behalf of a vCIO. A vCIO creating too many proposals on their own will pull them away from client strategy.
- Dedication to completing technology summaries is important to the strategy and budgeting process.
- Keep the amount of detail in a technology summary short and to the point. Too much detail can confuse a client if overly technical.

Rhythm For vCIO & Technology Alignment Manager

TAM and vCIO need a meeting rhythm to discuss client relationships, client health, and open issues. Because the roles work together there is a necessity for both to stay on track towards Technology Success.

- Meet to review clients and how their technical alignment and business impact stand. It is best for the vCIO and TAM to understand how decisions are affecting customers.
- Discuss the client's perceived value of Technology Success. A client should understand the necessity of technology and the importance of uptime.
- Always discuss ways to improve the process. Inefficiencies leak into the practice to discover and correct these issues.
- A positive relationship is beneficial, but improving the partnership is never bad. Always talk about ways to keep the relationship strong and improve where needed.
- Address misalignments on every customer assessment. Not all customers are created equal and may need a custom solution.
- Discuss open issues that will put stress on the relationship or alignment. Bring everything to the table and do not let issues linger longer than they should.