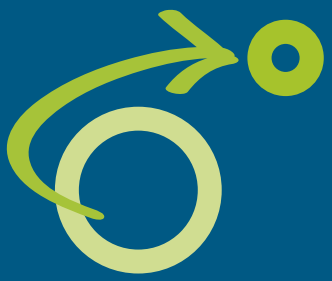


Virtual CIO Advanced Standardization Guide

Building on the foundation of the original Standards & Training Manual, this version introduces advanced concepts of the vCIO role. Sections such as The Essence, Forming a Standards Committee, Building Strategic Relationships, Planning a Client Budget, and Meeting with Clients include expanded details, step-by-step instructions, and test scenarios.

As a bonus, Case Studies of real vCIOs show us what is similar, different, and unique about each person fulfilling the role.

Powered by TruMethods Moving Business Forward & myITprocess™

Table of Contents

Advanced vCIO Introduction

The evolution of the break/fix IT company has come a long way. The Managed Services Provider made time and materials a thing of the past. Advantages include the best tools, proactive maintenance, and consultation. TruMethods has taken the next step by developing the Technology Success Provider (TSP). Its focus is on standards and alignment of a customer's IT infrastructure. The building blocks are twofold: the Technology Alignment Manager (TAM) and Virtual CIO (vCIO).

First, the TAM performs technology alignment reviews onsite at a customer location. They align technology with pre-defined standards developed by the TSP. Standards alignment includes industry best practices, federal regulations, and private compliance. Customers aligned with standards have reduced business risk and increased efficiency. Standards marked as aligned are checked during the next visit. Misaligned standards become noted and handed to a vCIO.

The second part of Technology Success is vCIO. As an MSP evolves into a TSP the roles must adapt to the new environment. Reframing clients to understand the positive impact of alignment is difficult. Some clients are not open to change and feel their process is working in its current state. An outside perspective sees it is not and attempts to change may be difficult to impossible.

Herein lies the problem: how is a customer convinced to reframe? When and where does a vCIO begin to introduce changes to a customer's environment? What type of meeting structure, schedule, and patterns need to be satisfied? What is the recipe for a successful strategic business relationship?

It is interesting to point out that the vCIO process does not happen overnight. It can take days, weeks, or even years depending on the situation. A TSP who reframes in weeks over one who takes months is not more successful. Consider quality over quantity when putting customers on the right track.

The basics of vCIO explain the responsibilities that introduce someone to the role. Unique touches, meeting frequency, and technology reviews are useful at ground level. Higher detail and granularity for each function is what makes the role essential. This advanced vCIO guide will break down the responsibilities into detailed sections. It will cover new customer handoffs to maintaining firm strategic relationships.

Without standards and alignment, a vCIO offers the same advice as anyone else in the industry. Labeled as a Virtual Captain Obvious (vCO), there is no strategic value in their recommendations. Telling a customer to upgrade a server or replace a desktop computer is obvious. But what is the short- and long-term impact on the organization?

It seems naive to consult customers with obvious recommendations. Advice without a strategy is a blind sales pitch. Assessing business impact with valuable advice is how strategic relationships remain relevant.

The vCIO Standards & Training Manual is a sugar-coated overview of the role and its responsibilities. It does not present a holistic approach to performing the job function. As a step above the previous document, this guide will dive deeper into the following topics:

- The Essence of vCIO, measurable drivers and the priorities, steps, and tasks involved.
- Establishing the relationship, understanding a customer's business, budgeting, and technology business reviews.
- How to put together a Standards Committee, when to meet, what to discuss, and why all this is necessary.
- The communication process between a TAM and vCIO.
- Building a strategic roadmap, what to include, and how to present it to a client.
- Creating a workable budget for 1-5 years in the future.
- How to plan meetings, the frequency they should occur, presenting metrics, and handling action items and follow up.
- Working with a Design Desk to produce solutions and present to clients.

The information above includes assumptions on the reader. It will make more sense with the following prerequisites:

1. A member of TruMethods with access to myITprocess.
2. Either a) an established TSP familiar with the process or b) a current MSP transitioning to the TruMethods Framework.
3. An understanding of the TruMethods Framework, Technology Success Practice, and Technical Alignment.
4. Someone transitioning to or starting the vCIO role.
5. Has read the previous vCIO Standards & Training Manual.

It is imperative to understand how a Technology Success Practice operates before starting. A solid foundation before advancing will make the transition smoother. Feel free to brush up on the topics mentioned above before moving on.

Related Content

As mentioned before, this guide builds on the understanding of a few key resources. Below is a list of those resources and links to their respective pages. Any vCIO working through this process should have a firm basis of what this guide builds upon.

Recommended Reading

vCIO Standards & Training Manual
Length: 56 pages
Summary: Demystify the popular and ever-evolving Virtual Chief Information Officer (vCIO) role. We perform an analysis broken into individual components and build formal best practices. Standardization of core fundamentals will help MSP's manage employees fulfilling the position.

Recommended Videos

Introduction to Technology Success
Gary and Bob give an introduction to their new business model for MSPs, Technology Success.

The Essence of vCIO
Learn about the essence of the vCIO role.

The Virtual CIO Role
We will discuss the process of assessing the business impact of technology and creating a technology strategy for your clients.

Strategy & Budgeting
In this webinar, you will learn how to develop a true business relationship with all of your clients.

Standards and Alignment
Standards are the first piece of creating "Your Company Way". You will learn the steps to define your standards, document those standards and evaluate your client's environment against those standards.

Building a Standards Library
Bob is joined by Product Specialist Rob Danser and Standards Manager Brian Dappolone to discuss the essentials of building a world-class technology standards library.

Building Strategic Relationships
Learn how changes in the way you think about vCIO can lead to improved strategic relationships with your clients.

Additional Videos

[Design Desk]
This role works directly with the vCIO and Project roles to administer the proposal creation process.

[How the 5 Delivery Areas work together]
Gary and Bob detail how the 5 Delivery areas work and communicate with each other.

[The Essence of Network Administration]
Learn about the essence of the Technology Alignment Manager (formerly Network Administration) role.

[Implementing Network Administration and vCIO]
Watch this month's Focus on Success: Quarterly Business Review webinar where Gary and Bob, along with a few special guests, discuss implementing net admin and vCIO.

[Standards & Best Practices]
In this session, we discuss creating and implementing standards and best practices. Standards are the first piece of creating "Your Company Way". You will learn the steps to define your standards, document those standards and evaluate your client's environment against those standards.

Developing the Virtual CIO Role

Attaining the title of vCIO is easy: talk to customers, make recommendations, and propose projects. But to fulfill the position as intended requires more than what is on the surface. Anyone can make upgrade or sales recommendations and convince customers to spend money. The real value is the business relationship maintained with decision makers.

Sitting in the chair and making occasional phone calls will not count as consulting. There is more involved than performing the role from a fixed location. It is necessary to 'get in the zone' and be wrapped in the responsibilities of the position. Virtual CIO is a one-stop shop and requires continuous development to keep pace.

The Essence of vCIO

When a strategic relationship forms with a decision maker, the game changes. Not only is the vCIO discussing how to spend money, but why and its long-term benefit to the organization. The essence of the role is what ties the functions together and delivers results.

- Results: The impact on the client, business, and the person fulfilling the vCIO role.
- Essence: The spirit of the role which ties the Core to the Results.
- Core:
    - Math: The measurable quantitative values.
    - Process: The priorities, steps, and tasks necessary to execute the measurable drivers.

The Essence of vCIO appears in the original Standards & Training Manual, but there is more to it. To recognize the seriousness of the role requires in-depth analysis for the responsibilities. Performing consultation is not all about putting numbers in the customer's face. It is about recording metrics to track activities that constitute a business relationship.

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 of vCIO splits into two parts: Math and Process. First, the math part is measurable drivers. Metrics provides quantitative data that can be analyzed and repurposed for many uses. The measurable items are what a vCIO keeps tabs on, limiting the amount available to the client. This is not due to confidentiality. Decision makers presented with an overabundance of numbers tend to lose interest. The best use of this data is to adjust meeting frequency, the number of clients handled, and when to check in.

Clients & Monthly Recurring Revenue Managed

There is no magic pill. There is no special formula to discover the exact client count and Monthly Recurring Revenue (MRR) a vCIO should manage. This is a measurable driver that varies between TSPs due to many variables. Why is this the case?

- Not all customers are the same size.
- Not all customers are of the same complexity.
- Not all customers pay a standard rate.
- Not all customers will be in the same industry.

The best we can do is create an example of assigned clients and MRR to manage. At best, this will create a baseline for generating a generic working formula. It is possible these numbers may work for a majority of TSPs; though, it is not recommended to set them in stone. TruMethods has recommended the following as baseline figures:

- Manageable client count per vCIO: 35 to 45
- Monthly Recurring Revenue per client: $2500

To put this into perspective:

Clients	MRR per Client	Total MRR per vCIO
35	$3500	$122,500
45	$3500	$157,500

These numbers may seem high or low to some TSPs. For those who do not have this many clients total, they may have a part-time or owner-led vCIO. Sometimes MRR is not high enough to justify a full-time vCIO commitment. Others may have someone handling more MRR than shown above. Higher MRR does not always constitute a higher complexity in the environment. This is a topic discussed further into this document.

The takeaway from this is rather simple:

1. It shows there is no set MRR or client count a vCIO can or cannot handle.
2. Every TSP will be different and the situation will fluctuate.
3. Client and MRR managed are situational. One client with $100,000 MRR may not be equal to 10 clients with $10,000 MRR.
4. Do not overload a vCIO. There is a threshold each TSP will discover that determines the breaking point. Other factors will contribute to the vCIO's success and mentioned later.

Strategy Meetings

Delivering recommendations to a decision maker defines a strategic relationship. Strategy meetings do more than sell products or services. They lay out the groundwork for the long-term. A strategy is not a one-time deliverable; it is a continual circling plan of success.

Because strategy meetings are a measurable driver, there are metrics involved:

- The number of meetings scheduled at least one year in advance.
- The number of meetings completed in the last 12 months.
- The number of unique touches completed in the last 12 months.
- The number of technology summaries completed in the last 12 months.
- The number of budgets approved in the last 12 months.
- The number of proposals approved in the last 12 months.

It is best to keep track and update these numbers whenever possible. Up to date metrics will guide a vCIO to schedule better meetings for other clients. Maintaining this data will streamline the process and provide a more efficient meeting schedules. If these metrics are trackable in a Professional Services Automation (PSA) system, it could be a potential benefit. Otherwise, a spreadsheet application can simplify the process.

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 tracking meetings and proposals using a spreadsheet (vCIO Playbook)

Most meeting metrics should remain internal to the TSP. They gauge how dedicated a customer is to 'your company way'. Requiring a customer to adhere to scheduled meetings drives the strategic relationship. Using this data as reinforcement prevents the derailing of the business connection.

Details to keep in mind when planning strategy meetings:

- Keep track of meetings scheduled/completed and how many presented recommendations are approved.
- Meeting metrics are sharable with the client (when necessary) to measure progress.
- A low ratio of approved recommendations indicates standards misalignment.
- Constant misalignment of standards put a burden on the Service Desk. It will inflate the Reactive Hours per Endpoint per Month (RHEM).

Non-Recurring Revenue

Revenue generated on a set frequency is Monthly Recurring Revenue. For the most part, MRR is the big focus because it allows a TSP to generate stable cash flow. Incoming MRR derives from All In Seat Price (AISP), which is the customer's cost per seat for support. Revenue generated from projects will fulfill a Non-Recurring Revenue stream.

Non-Recurring Revenue (NRR) comes from completed Professional Services projects. A TAM completes a standards review and hands recommendations over to a vCIO. The vCIO will create a technology summary to review with the customer. The technology review is the source of proposals for customer approval. Projects stem from these proposals and generate a one-time project fee.

The idea of NRR is to provide cash flow. Implementations, like installing servers or upgrading wireless devices, are billable projects. Monthly recurring support handles all break/fix issues as part of a customer's agreement. Since the installation of new products and services are not break/fix, an implementation cost is applicable.

Rules to remember for generating NRR:

- Revenue generated by accepted recommendations should equate to 30% of MRR. For example, a customer paying $2500 per month should generate an additional $750 in NRR.
- A vCIO contributes to a continuous backlog of work for Professional Services.
- A line exists between MRR and NRR and both should remain separate sources of revenue.

It is important to note that a vCIO understands MRR and NRR. Revenue from MRR is from a client's recognition of support services. Project revenue is the implementation of something new in their environment. Some clients, especially those that are new, may have a hard time grasping why they have to pay for projects.

Priorities, Steps, and Tasks

As mentioned before, the Core of vCIO splits into two parts: Math and Process. The math dealt with using quantitative data to track and adjust certain outcomes. The second half incorporates priorities, steps, and tasks required for daily activities. All aspects of this process involves interacting with decision makers.

Strategy through Alignment & Impact

If the vCIO is not using alignment reviews they are making generic recommendations. Technical alignment is what completes the Core of vCIO. Without the use of alignment, a decision maker will not see the value of the vCIO. Assessing business impact though standards and alignment are what maintains a business partnership.

Using alignment and impact to drive strategy is key to the whole vCIO process. Some clients may push back on traditional consulting services. They feel constant recommendations are a sales pitch. Without a prioritized TAM making the right recommendations, the vCIO cannot manage a client's best interests.

The Essence commits to building and preserving strategic relationships. This requires the person in the role to stand their ground when necessary. It is important to define the line between vCIO and support early in the relationship. Client education creates efficient customers and keeps the vCIO free from mundane tasks.

Dos and don'ts of a vCIO as a strategic alignment and impact resource:

Do:

- Focus on business goals, prioritizing high-value tasks, and reinforcing objective standards.
- Deliver a consistent process across all managed clients. A customer that sees consistency in the process will understand what the role entails.

Don't:

- Use the role to gather technical information about a customer's IT environment. A vCIO performing this work would indicate a non-prioritized TAM.
- Become a direct-line technical support resource for decision makers. All support requests go through the Service Desk.

Budgets & Proposals

A vCIO juggles many responsibilities, all which intertwine in some fashion. Consulting, budgeting, and proposals are a few of the hats each vCIO must wear. Meeting with clients to develop a budget and propose improvements is a primary focus of the role. Developing proposals is time-consuming due to research, quoting, and proposal generation required. It is an undeniable fact a vCIO should have a technical background; understanding technology from a high level may need a specialist.

Even when generating proposals fall under the vCIO, it is beneficial to have dedicated personnel assembling these documents. Design Desk fills the gap between the vCIO and TAM by putting in the time and effort to create proposals. Design Desk will translate TAM findings and create a viable document. Design Desk will research, design, and craft a proposal with all relevant information. Design Desk proposals are often written in plain English for decision makers.

As a TSP grows the personnel requirements grow with it. One or many Design Desk resources are beneficial to maintaining a 30% NRR revenue goal. Design Desk resources provide the TSP and vCIO with a unique skill set. More information on Design Desk and how it operates is in Appendix A: Introduction to Design Desk. Below is a list of some of the highlights from the Design Desk responsibilities.

- 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.
- 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 planned 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.
- The anatomy of a project proposal consists of many areas: detailed steps, the time required, and the resources necessary. The accuracy of time and materials determines the cost of projects. Project proposals contain at least of four sections: steps, timeline, equipment, and resources.
- 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 advance using best estimates.
- Design Desk consolidates functions in the role. Buying technology and maintaining relationships with distributors or vendors falls under the role. Consolidation creates a point of contact for pricing and availability requests.
- 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.

Budgets and proposals are more streamlined with a Design Desk resource in place. Unfortunately, this may not be the reality for most TSPs. A resource may not be available due to the size of a service provider or having the budget to hire someone. In a majority of instances, this is most likely the case. The process of creating proposals would default to the vCIO. The situation of a vCIO creating proposals is relative due to MRR and NRR generated. To put it into perspective:

1. A TSP with a low employee count most likely has a relative number of clients to match. This is not a bad thing. For example, a TSP with 10 clients would not have 50 employees.
2. If a TSP has a low client count, most resources are already dedicated to the five service delivery areas. In some cases, owner-led vCIO may be the current situation.
3. A vCIO handling 5-10 clients may have the capacity to create their own proposals. If not, the responsibility may spread among the other delivery area. Professional Services may provide technical research and design. A vCIO or TAM may wind up writing the proposal for client delivery.
4. As a service provider grows, the need for a dedicated Design Desk resource will become clear. If a service provider does not have one it may be for a valid reason.

Every vCIO should grasp the proposal process from TAM findings to research to delivery. Not every TSP can and will have a Design Desk resource available. Each service provider will have a way of handling proposals and evolve the process over time.

Budgeting of projects and enhancements is, for the most part, done at the vCIO level. When a vCIO meets with decision makers to discuss business goals, improvements needed determine the budget. Allocating funds for projects at a moments notice is difficult for any organization. Budgeting plans for expenses by providing plenty of forewarning. It can help spread out the implementation of a project as well as the investment amount.

Preparing a detailed budget is in both the vCIO and client's best interests. Preventing surprises achieves a higher rate of project approvals. Budget explanation is more in-depth later on, but here are some tips.

- Budget planning 1-3 years in advance is a general recommendation. Each scenario differs and may need 5, 10, or more years. A well-inventoried IT environment provides the information necessary for expenditures in the future.
- A budget should involve the decision makers at all times. Keeping them informed of costs will prevent surprises.
- Acknowledging the cost of projects months or years in advance prevents sticker shock. Constant reminders of deadlines, cost, and scope give ample time to take action.

Scheduled Strategy Meetings

An ongoing effort in the business relationship is frequent and scheduled strategy meetings. Depending on the size and complexity of a client, strategy meetings may be monthly, every other month, or every quarter. Strategy meetings preference is face to face with a decision maker. Carving out time to sit and discuss business goals is imperative to a relationship.

Meeting with a decision maker requires a bit of planning. Calling or emailing a client to see if they can meet to discuss a strategy that afternoon is very short notice. Both vCIO and decision maker need a realistic heads up on meeting times and topics of discussion.

- Schedule strategy meetings one year in advance. Getting meetings on a calendar ensures hard dates for a strategy session. It arranges a time for the decision maker's undivided attention.
- Client size, complexity, and need determines meeting frequency. Needy clients are not always complex or large, so be sure to determine why they need to meet more often.
- Ensure meetings are face to face to reinforce alignment to their goals. Scheduling meetings via web conference or telephone should not be a vCIO's first choice. Falling back to a remote option is a last resort, especially if it is the only way to get them to meet.

Client meetings are in later sections, but it is beneficial to have insight into the meeting process. Structure, topics of discussion, and frequency will vary between service providers and clients.

Forming a Standards Committee

The core components of a Technology Success Practice are standards and technical alignment. As mentioned before, without these components, a vCIO is making generic recommendations. Developing standards and aligning a customer's IT is the epitome of a World Class IT provider. It is imperative a TSP creates and maintains a standards library at all times.

Before compiling a list of best practices, it is best to choose a group to regulate the process. A Standards Committee provides many benefits over handed down or tribal knowledge. It assigns centralized governance over each standard and best practice used for alignment.

The Importance of a Standards Committee

A vCIO takes TAM findings, generates a proposal, and discusses the recommendations with a decision maker. Although this is a general order of things, there is a lot more to it. Developing standards can be a tedious process, especially on compliance or government regulations. The fact is the TAM, vCIO, or other personnel does not have to go at it alone.

Developing standards without a committee can go in two directions:

1. Individual TAM and vCIO standards based on knowledge handed down from previous experience. The trouble with this method is information will differ between people not synchronize.

2. A TAM has their own standards for an IT environment that differ from the vCIO. The vCIO may change recommendations to something they prefer before generating a proposal. Design Desk may change recommendations based on experience to give back to the vCIO. At this point, no one is in agreement and workflows stall.

Without a consensus, developing and maintaining a standards library is difficult. A committee will benefit each customer due to the standardization of alignment processes.

Committee Involvement

A committee can consist of various roles in the organization from the top to the bottom. Limitations on involvement in the group is an internal discussion. While everyone has contributions, it is best to limit participation to relevant personnel. Some examples of people to include are:

- Business owners, CEO, CTO, CIO, and other executives.
- Stakeholders or third party vendors.
- vCIOs, TAMs, Professional Services, Centralized Services, Service Desk.

The suggestions for whom to involve does not indicate complete inclusion. It is an example of how those involved are not limited to technical staff. Stakeholders and executive involvement reassure the Technology Success Practice is working as intended.

The range for incorporation in a Standards Committee is wide, but keep it specific. Although coverage is from the top to the bottom, only relevant positions need to apply. It would not make sense to include people in roles that are not involved with customers. For example, a cleaning service or the building's landlord. These people do not impact the TSP's customers so there is no reason for their involvement.

Committee Membership

A Standards Committee could have two membership methods: invite-only or open enrollment. Each have pros and cons so let us list them to compare and contrast.

- Open Enrollment:
    - The main benefit is anyone from the company can join. An open door policy grants freedom to join the group when interested.
    - A drawback to this mode of formation is it allows everyone to join. Uncommitted or irrelevant personnel may join for the sake of coming to the meeting. These members may come and go frequently.
    - Scheduled meetings may be difficult to plan. This would be due to the diverse roles involved and varying agendas.
- Invite Only
    - A walled garden has the benefit of allowing only those who develop standards. It can lead to a limited number of exclusive roles that contribute to the process.
    - A drawback of the invite-only model is it could limit the number of attendees to a specific few. The goal is to get a variety of skill sets involved and provide insight from many angles.
    - Walling off membership can pass as authoritarian. It would grant authoritative powers to the group and they decide the membership.

There is no wrong way to manage committee membership. The process is situational and may change in the future. What is important are members interested in joining the group to develop strong standards.

Many roles and external resources should have involvement in developing standards. A diverse group of people balances the generated output. It may be near impossible to have good standards and best practices with a one-sided opinion. Each role has their share of valuable input and can contribute in positive ways. Let us run down the roles and see how they best contribute to the committee.

Minimum Required Resources

- Business owner: Can assist in providing a 30,000-foot view of how a business operates. They offer support in areas of management, strategy, accounting, and human resources. A business owner will have knowledge of everyday costs that tend to creep in under the radar.
- CEO or other executives: A CEO or ranking executive has experience in day-to-day management. Operating a TSP makes the executives relatable to other businesses.
- Virtual CIO: A vCIO has the ability to contribute feedback from a decision maker. Using feedback from client strategy, a vCIO offers information not common to other delivery areas.
- Technology Alignment Manager: For the reason that a TAM already performs alignment reviews, their input is valuable. They perform the review, align customers to standards, and report findings to the vCIO. It makes sense when TAMs have regular involvement in the standards creation process.
- Service Desk: A great fit for the Standards Committee would be a member of the Service Desk team. A manager or team lead can provide valuable feedback about the type of tickets received. Knowing common problems that pop up daily will assist in crafting proactive standards.

Additional Recommended Resources

- Stakeholders: People in this group consist of board members, investors, or outside counsel. The inclusion of outside influence offers a diverse perspective from someone who has a stake in a business.
- Vendors: Third party vendors associated with a TSP on a regular frequency. There are benefits of looping in representatives from products regularly implemented.
- Professional Services: Members of the implementer team deal with the functions of configuring services. They know where standards and alignment saves time and effort during implementation.
- Centralized Services: Management of automation tools plays a key role in proactive services. Centralized Services assists with developing proactive best practices for remote agents.

The personnel available to choose from will vary dependent on the size of the TSP. Whether the pool is small or large, it may be best to limit membership to management and above. Managers tend to have the best sense of how their delivery area is functioning. They can supply the necessary information to the table. If a TSP is on the smaller side, it may have all employees present.

Building a Standards Library

Once a Standards Committee forms, the next step is to develop a standards library. The library contains a TSP's best practices used for technical alignment. Standards allow a vCIO to propose efficient and proactive strategies as a result of technical alignment.

Benefits of a Standards Library

Building standards from scratch are intimidating due to the size and complexity of customers. While going "all in" on the process of performing alignment reviews is nice, the approach must be carefully orchestrated. Overdeveloping standards from the start can cause analysis paralysis; too much input causes a lack of output. In other words, spending too much time developing and not aligning prevents work from getting done.

Having a standards library will help the vCIO in a tremendous fashion.

- Institutionalized knowledge: No more handed down or word of mouth support. All best practices, standards, and compliance requirements are recorded for the entire organization. A repository of knowledge that everyone can agree on prevents questionable methods.
- True vCIO process: Enabling the true process of vCIO comes along with a standards library. A TSP no longer has a Virtual Captain Obvious making generic recommendations. The true vCIO process enables real business impact and client strategy.
- Reduces reactive noise: When standards and best practices are in place, they reduce reactive noise. When a customer is in alignment it prevents reactive support which in turn frees up the Service Desk. Lowering the frequency of tickets through technical alignment is an indicator that the process works.

Analysis of Standards

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 breaks 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: This justifies the question to the client. If a customer comprehends the business impact, they are more likely 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 a source on that method of standardization. Include a URL to a manufacturer or vendor page describing the preferred configuration.

Aspects of each visit should have a clear definition when performing an assessment. These are about the audit as well as its performance. A standards visit includes the following:

- Establishing standards: 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 to inspect: 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 to consider healthy: Technology assessments decide what is healthy in a customer's IT environment. Elements of the assessment that are not aligned generate recommendations to the vCIO. The customer is relying on this information as part of a service commitment to them.

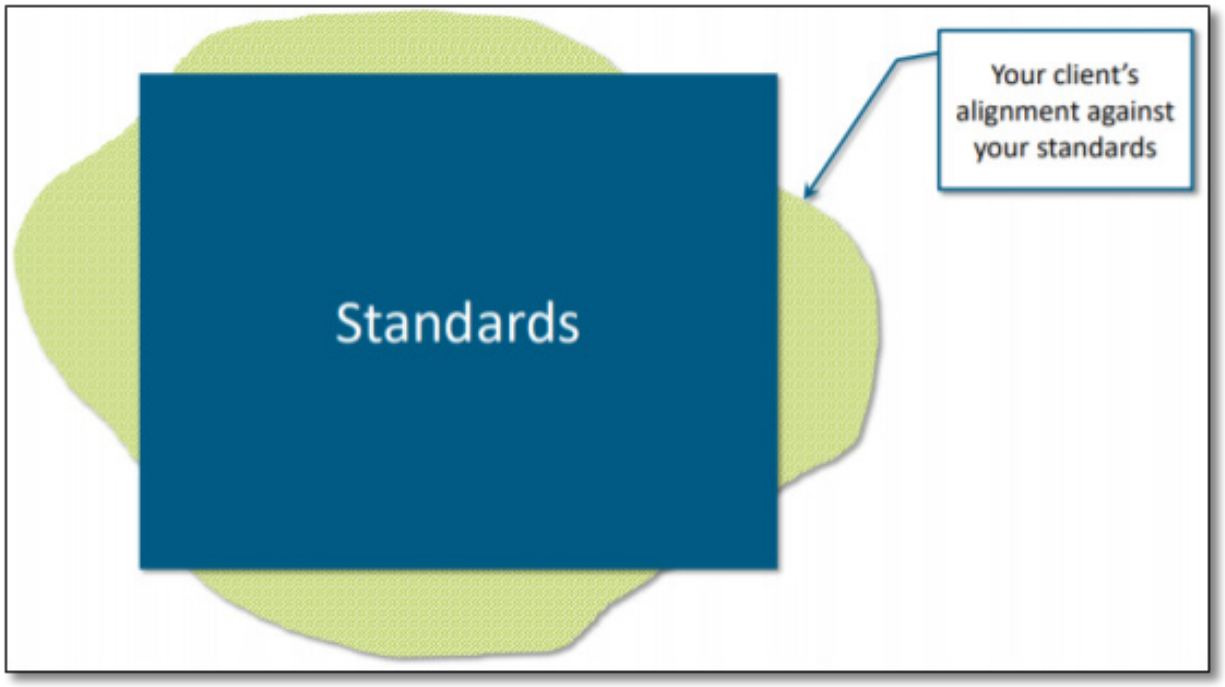
On the back half of TAM is technical alignment. This is the process of assessing customers and aligning technology against defined standards. This part is as, if not more, important than developing standards. Creating standards without performing reviews is irrelevant in the alignment process. It will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

- Standards are the definition: Alignment is a process of assessing how an environment is versus what it should be. The core responsibility is noting item alignment and passing findings to the vCIO. Company standards are the definition for this process. Without them technical alignment is irrelevant.
- Technical Alignment is objective: Technical alignment of customer technology is an objective analysis. Standards formatting dictates an answer of 'yes' as 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 the "box". The diagram below is the box and blob model. The blob represents a client's technology and their alignment against company standards. The box indicates predictable results (standards). The box is a sign of technical alignment necessary for Technology Success.



Example: 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 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 evaluation 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 the 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 need attention.

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

Where to Start

Every decision has an impact on a customer's operations. Standards development from a Standards Committee maintains assessed items delivered to the vCIO. It is more important to develop quality standards over quantity.

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. Plan Standards Committee meetings a year in advance. Ensure they are set on the calendar and resources can dedicate proper time.
2. Define a recurring meeting schedule for the Standard Committee to meet. Keeping best practices up to date requires constant attention.
3. High-impact areas address the customer's immediate needs. Preventing reactive service issues and lowering noise will contribute to customer success.
4. It takes time to develop and refine standards into a format that covers diverse areas. Make the 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 mistakes by rolling these variations into the standards library. Small improvements over time will lead to big changes.

Referencing Best Practices

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. Standardizing a 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.

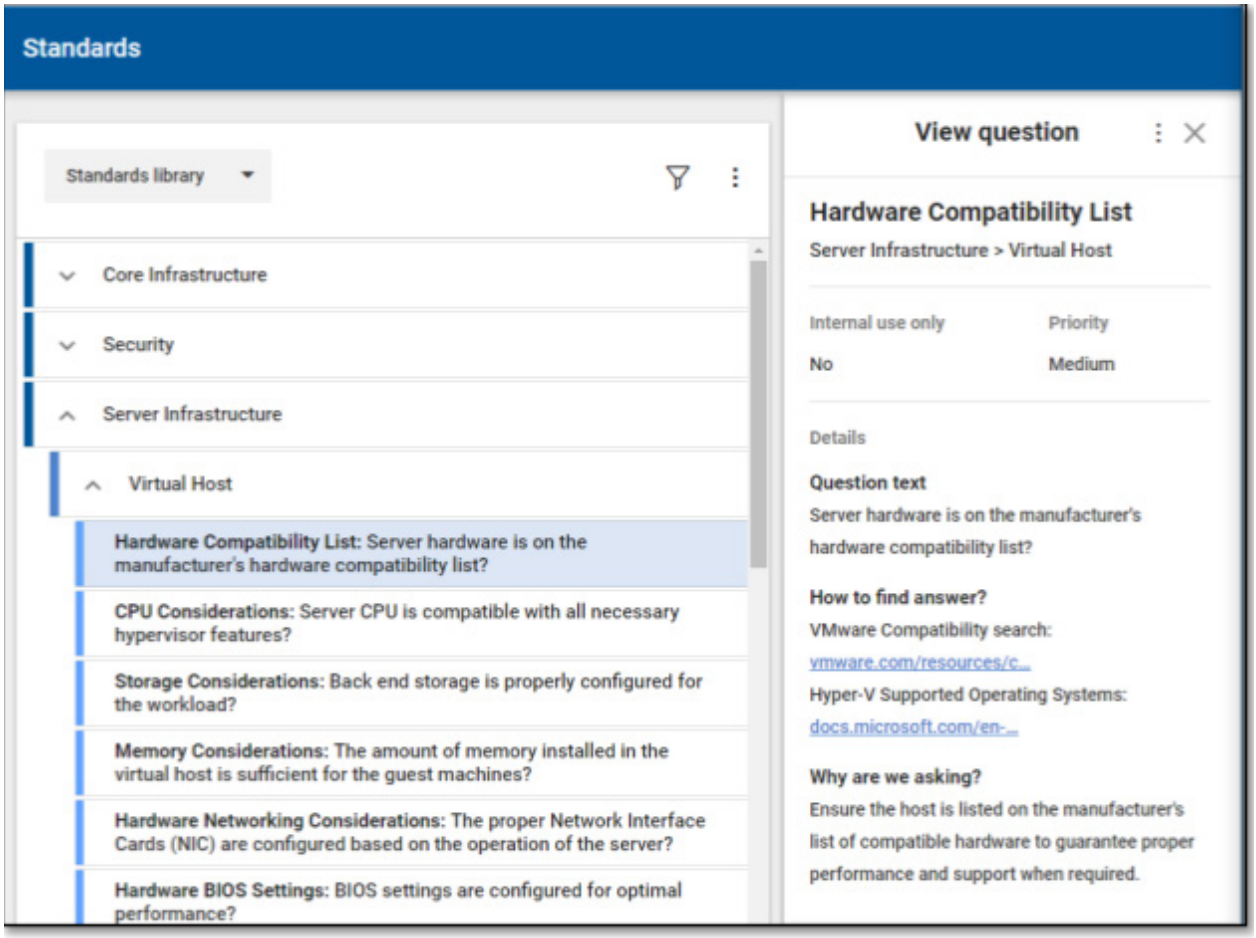
Handed down knowledge may use information no longer relevant. Following transmissions cause loss of the original solution. Personal opinions, shortcuts, and misinformation trickle down with each passing message. A manufacturer will revise best practices when their product or service changes.

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.

The example below shows a question about hardware compatibility for Virtual Host servers. Under 'How to find answer?' are links to manufacturers to check for compatibility. Standards questions are four sections: 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 (how to find answer).



Example of Standards from myITprocess.

Standards Committee Meetings

Creating a standards library without a firm meeting date is difficult. Piecing together best practices as the backbone of a Technology Success Practice will not work. Each member would need to be present and ready to contribute on a predetermined schedule. This section will detail how to meet, when to meet, and what to achieve during these gatherings.

The Five W's of Standards Committee Meetings

The easiest way to explain the Standards Committee meeting process is to break it out into the five W's: Who, What, When, Where, and Why.

Who is meeting

- Determine who will be attending the meeting based on a list of members. As aforementioned, enrollment is open or invite only and known before the first meeting.
- Find out if anyone not regularly in attendance will join the meeting. It is best to know if a special guest or employee is making an appearance. Notice of their arrival may alter the agenda already set in place.

What topics are considered

- Decide what topics to discuss at each meeting before arriving. This prevents wasted deliberation in trying to figure out what is a priority.
- Use a collaboration tool or shared spreadsheet to keep a running list of ideas. Members can add topics they feel are relevant between meetings. The meeting organizer can decide what is and is not a priority.

Where to meet up

- If meeting during the work day, fill a conference room or gather outdoors when weather permits. Every member should meet in person and not remote when possible.
- If meeting after hours or scheduling an administration day, meet at a restaurant or coffee shop to keep the atmosphere social.
- Create a 'lunch and learn' and turn the meeting into an extended lunch break. Cater food and beverages to keep employees engaged.

When to meet up

- Decide on a frequency that makes everyone comfortable. Meeting every three months may be optimal for most TSPs. This is dependent on the client's needs and complexity. Attempt to schedule around calendars to prevent the regular absence of key members.
- Pick a time of day that works for everyone in the group. During the workday may work, but depending on schedules it may not be optimal. See if after hours is convenient.

Why the meeting is occurring

- Know the meeting agenda before the start. No one should gather without a clear view of meeting objectives in place.
- Have a set list of goals to accomplish. This will make sure the meeting stays on track.

Asking these questions when formulating a schedule will discover what serves for everyone. Meetings are scenario-driven, meaning they are not the same for all TSPs. It may take some time to work out the bugs and set a rhythm.

Topics of Conversation

When the committee reviews standards, alignment, and best practices, a few things occur. Standards and best practices are an ever-evolving list and need constant attention. Standards are added, revised, and removed from the library as industry trends change.

Running a Meeting

Standards meetings cannot be lawless and need one or more delegates running the show. There are methods to employ when deciding how to run a meeting.

- Assign someone to schedule, manage, and run the meeting on a permanent basis.
    - **Advantage:** Prevents wasting time each meeting figuring out who will run it.
    - **Disadvantage:** Assigns authoritative functions to a single person who may not welcome outside opinion.
- Rotate who will run each meeting.
    - **Advantage:** Allows everyone a chance to run a meeting and does not grant all the power to a single person.
    - **Disadvantage:** Some of those chosen may not have the skills necessary to run an effective meeting.
- Pick someone at random each meeting.
    - **Advantage:** A random person will run the meeting.
    - **Disadvantage:** Takes time to choose someone and may wind up choosing the same people often.
- No one officially runs the meeting.
    - **Advantage:** No one is in charge.
    - **Disadvantage:** No one is in charge.

The option of assigning the same person may be the best choice for a startup Standards Committee. As a rhythm gets into motion it is possible to pivot to a rotation. A random selection at each meeting is inefficient due to potential reassignment of the same group of peers. No one running the meeting is not recommended.

Meeting Agenda

Each Standards Committee meeting should have a pre-planned agenda. There may be unplanned items that require discussion on occasion. It is the responsibility of the person running the meeting to ensure a streamlined process. Completing items requires prioritization and discussing secondary items when time allows.

- Standards modification: Adding, revising, or removing standards from the library is the focus. As technology and clients change, standards should as well. Best practices need updating as deployed hardware and software solutions become implemented. A review of existing standards should occur for those that need revision or removal. Add new standards to replace old ones or fill in the gaps.
- Technical alignment: The technical alignment process goes smoothly when standards are properly updated. Addressing alignment review performance and suggestions for improvement is a talking point. Issues causing a bottleneck in the process need solutions.
- Compliance training: Regulations and compliance are more mainstream need to incorporation into a standards library. Most industries have government or private compliance requirements they must meet. Some customers are not aware they must comply which increases their business risk and financial liability. Assisting clients with compliance is easier using the standards alignment process.

Maintaining the Standards Library

When it comes to achieving a goal, it is sometimes easier to get there than to maintain your position. A standards library is no different. Forming a committee, setting meeting patterns, and creating standards takes hard work and dedication. It would be a shame to see it go by the wayside. Maintaining the standards library keeps standards and best practices up to date.

Performing upkeep on standards is a regular part of meetings. The initial development sees best practices as relevant at the time of creation. Over time they are out of date and require maintenance to stay connected to business trends.

Standards library maintenance should be the main focus of committee meetings. Once the initial standards are in place, keep a regular rhythm for updating, adding, or removing standards from the library. Falling behind on this process will plunge a TSP into a hole and to dig out is difficult.

Meeting with Clients

Meeting with decision makers is a core function of vCIO. Receiving findings from a TAM and creating a business impact assessment drives strategy. Proposal reviews are a critical process since they reinforce the importance of standards. Providing recommendations through technology reviews proves the process is working as intended.

Topics of Conversation

Meetings are for the discussion of 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 are a component to each client meeting. The focus of the vCIO is to advocate for improvements and alignment to defined standards. Support requests will decline due to efficiency, uptime, and lower reactive noise. Presenting internal metrics confuse the client and are not recommended in that format. Business reviews cover reactive support, ongoing projects, and recommendations for improvements. Meetings have specific intentions.

1. Review of reactive tickets: Review repeated problems reported to Service Desk with the customer. The vCIO should prepare recommendations for permanent resolutions.
2. 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.
3. 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.
4. Discuss upcoming projects: When a client allocates a budget, the vCIO lines up a plan for project implementation.

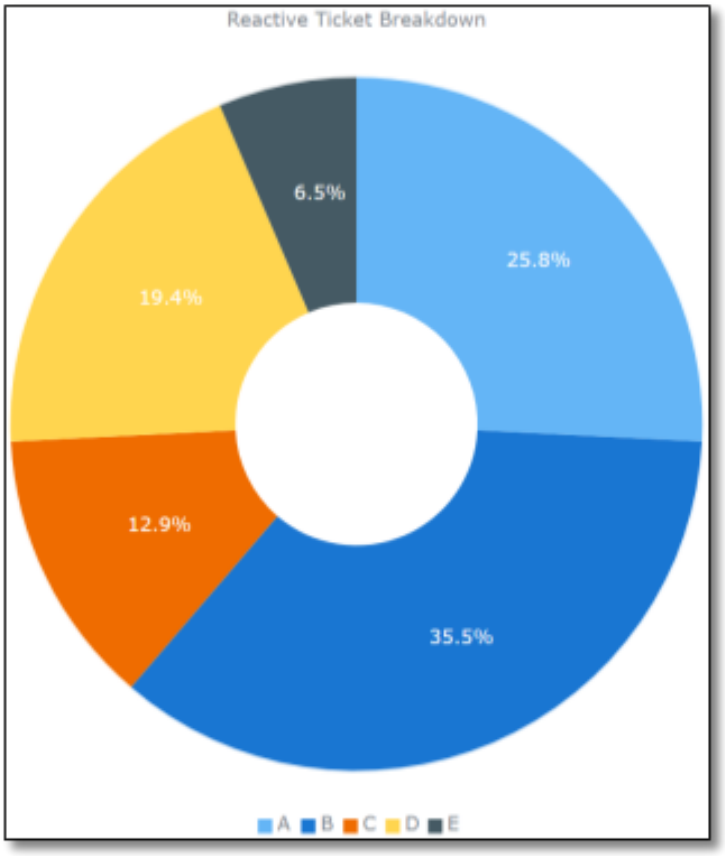
Reviewing Reactive Tickets

Reactive tickets are a surefire way to reinforce standards and alignment. Compiling simplified metrics for reactive tickets shows value in the process. A client is able to see how the TSP is delivering value.

To discuss tickets with a decision maker, focus on Reactive Hours per Endpoint per Month (RHEM).
Reactive Hours will show the total time spent resolve issues per ticket. The goal is to have RHEM of 15 minutes or less. Maintaining low RHEM signals the Support Desk is resolving matters as designed.

Flipping through many pages of metrics is not optimal for each client. Most metrics are internal and used by the TSP's personnel. Minimizing the complexity of metrics using simple techniques can keep a decision maker's attention.

1. Use simplified language to keep the attention of the decision maker. Using industry lingo or metric data that makes sense internal to the TSP may not go over well.
2. List the RHEM for the month and each previous month using a bar chart or line graph. A graphical representation is easiest to digest and understand without excess explanation.
3. Use a ring or doughnut chart to break down the areas of reactive tickets solved. This will show the customer where and why certain recommendations are being proposed.



Example of a Doughnut/Ring chart.

Review Standards and Technical Alignment

A function of the Technology Alignment Manager is to perform onsite alignment reviews. Each review intentionally aligns a customer's IT environment with best practices. Findings pass to the vCIO when standards are not aligned. Recommendations do not always need monetary investment but intend to bring issues to the table.

A part of each meeting will be reviewing and approving recommendations. There are several forms of recommendations to cover in each meeting.

- Standards alignment: Certain recommendations do not need funding allocated to make improvements. Proactive changes like password policies may not require an organization to restructure. Most can implementations occur without a hassle.
- Proposal review: Findings reported by the TAM will have its own proposal. Proposals presented to a decision maker are outlined at a high level and explained in plain English. A proposal includes the cost of hardware, software, services, and labor to put in place. Budgeting for a project over the course of weeks or months may occur.
- Reactive tickets: Reviewing how standards, alignment, and best practices impact reactive tickets is beneficial. The client is not expecting a review of the same metrics twice. Spreading out information works depending on how many topics are being discussed.

Metrics on Proactivity

Displaying metrics on RHEM and tickets closed is always a no-brainer. Do not discount other metrics on productivity. Centralized Services can produce data showing problems resolved using automated configurations. These are issues a customer never knew existed.

Metrics showing resolved background issues graphed on a bar or line chart prove historical trends. A ring or doughnut chart is best to show data from that month or quarter. The goal with automated resolutions is to reduce the number each month. Not all problems will disappear, but lowering them to an acceptable value is in everyone's best interest.

Discuss Upcoming Projects

Presenting proposals focuses on future projects. When meeting with a decision maker, approved projects may be ongoing or starting soon. As mentioned before, a backlog of project work is standard for the Professional Services team. This will give the vCIO something to talk about at each meeting.

When meeting with the customer, always have up to date information for the decision maker. The project team will keep them apprised during the implementation. Even so, a vCIO should have the latest information when meeting with a customer.

Putting Meetings in Motion

There are many variables involved in planning a meeting with a decision maker. Even when the process is well planned out, the outcome changes every time a meeting occurs. The best a vCIO can do is plan ahead and prepare as much information as possible. This section will cover important items to assist the vCIO to every meeting.

- Collecting and compiling metrics
- Escalated Issues
- Number of Client Meetings
- Technology Summaries Completed
- Budgets & Proposals Completed
- New Professional Services Dollars
- Action items and follow up

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.

Preceding the compiling of metrics is the use of the vCIO playbook. The playbook assists in tracking metrics for unique client touches, client meetings, budgets, and proposals completed. It can track weekly goals to ensure accomplishing them on time.

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

Not all the information listed on the playbook needs sharing with a decision maker. It is best to separate internal from external metrics since not all are relevant to each client. A vCIO can best differentiate what to share on a per client basis.

Unique Client Touches

Keeping tabs on a client does not need an onsite meeting in every instance. It becomes a necessity to ping customers to show involvement with their success. Unique client touches differ from meetings in that they are not comprehensive strategy sessions.

A unique client touch is the opposite of a quarterly meeting and can occur monthly, weekly, or even daily. The frequency of a unique client touch is not set in stone; it is a case by case scenario for each customer. For the most part, the customer's wants and needs will dictate how often a vCIO checks in.

Unique client touches are a non-formal onsite meeting:

- A phone call to check in with the decision maker on recent projects or support requests.
- A video conference involving one or more stakeholders who need structured updates.
- A phone or web sharing session to discuss recent recommendations or proposals.
- An email is usable as a last resort or if the customer prefers this method. It is best to attempt a phone call as it adds personalization to the unique touch.

An onsite quarterly meeting is not classified a unique client touch since it has its own metric. These are more like temperature checks or pings. The idea is to remind the client that they are not forgotten. A decision maker is likely to see the vCIO as a business partner when checked up on.

Some tips for making unique client touches successful:

- Attempt to start real-time dialog first (phone, web conference).
- If unable to reach by telephone, leave a voicemail and send an email to follow up.
- Keep the unique client touch short unless reviewing a proposal or recommendation.
- Unique client touches are not technical support. Forward the user to the Service Desk if needed.

Escalated Issues

Sharing metrics with each customer related to reactive tickets is beneficial. It can show a history of problems solved and trends on handling of issues. Escalated issues are an indicator of how well the Service Desk handles complex problems.

Issues handled by tier 2 technicians is a sign of effective Service Desk operations. Escalation to another delivery area should be rare and only used when necessary. Due to the high technical skill of the Service Desk technicians, two escalation metrics are measurable.

- Escalated Issues: This would include all issues that came into the Service Desk and escalated to a higher technical authority. An issue that requires higher-tier input comes from the Professional Services team.
- De-escalated Issues: These include tickets handed to another delivery area due to less complexity. An example would be automation problems which can go to Centralized Services.

Tracking escalated and de-escalated issues can assist with the standards and alignment process. A high number of each may require TAM intervention if problems need permanent solutions.

At some point in the relationship, these metrics will allow a vCIO to set a goal: maintaining a monthly total below a specified threshold. For new customers, it may be a few months to build a baseline that determines the goal. In the end, reducing the amount of escalated or de-escalated issues is important.

Number of Client 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.

Onsite visits, and not remote connections, classify as a client meeting. Web or phone conferences for proposal reviews are not acknowledged as a client meeting unless circumstances prevent appearing in person.

Tracking annual meetings does two things. First, it shows the client a vCIO is sticking to a standard frequency. When a customer believes in 'your company way' this reinforces the value received by those services. The other reason is it keeps the decision maker involved. Without meeting on a set frequency, a client will lose interest in the relationship. Some general tips for meetings are as follows:

- Schedule all meetings one year in advance. Having them set on the calendar prevents the client from pushing them off. Meetings scheduled far in advance it gives the vCIO and decision maker ample of time to prepare.
- Always schedule meetings with a decision maker. Personnel handling IT or finances may not have authority to make strategy decisions. Meeting with a decision maker prevents bottlenecks by enabling direct consultation.
- Choose a meeting frequency that works best for a particular customer. Not all clients are the same and have varying need requirements.

There is no formal process for scheduling annual meetings. 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 for determining meeting frequency; but, this method is not linear. A customer paying twice as much may not need twice as many meetings.

Let us put it into perspective by using a real-world scenario. For this example, we will use variables from the TruMethods training videos. Before laying this out, the following example data is referenced 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 assumes an average size with medium IT complexity (using the math above).

Communication with clients occurs 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 to remind the decision makers 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 deciding how often to communicate.

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

Company	MRR	AISP	User Count	Complexity (1-10)	In Person Meeting	Unique Touches
Company A	$3,840	$160	24	5	1/Quarter	1/Month
Company B	$8,320	$160	52	3	1/Quarter	1/Month
Company C	$1,920	$160	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 technology as a vital business investment will have no issue with this meeting schedule. These guidelines will be different for every TSP. It is to show insight and help provide a starting point for prioritizing clients.

Technology Summaries Completed

When a vCIO works in unison with a TAM, the process is functioning as designed. Each TAM performs onsite technology reviews and aligns standards against best practices. When those standards are out of alignment, findings pass on to the vCIO. This data is then translated into common business language a decision maker understands. The technology summary is a unique method of laying out problems and solutions in an easy to read format.

Technology summaries fall under client strategy. When a vCIO engages with a decision maker it may be to review a technology summary. Each summary contains the findings of the TAM with the recommendations of the vCIO. Using the myITprocess, technology summaries format into an easy to understand report. They contain the following information:

- Impact: This measures criticality of recommendations to the customer's business operations. On a myITprocess technology summary, icons represent easy readability.

 Aligned  Marginal  Vulnerable

  - A green check mark indicates a standard is in alignment.
  - A yellow triangle indicates a standard is semi-aligned.
  - A red bomb indicates a standard is vulnerable and misaligned.
- Question: Each standard is a question written in plain English. Standards phrased as questions simplify standards alignment with a yes/no process.
- Why Are We Asking: It is best to justify each question with strong reasoning. A decision maker may not understand the technicality of a question, but this section makes it digestible. For example, the question may say "Is AES 256-bit encryption used on all wireless access points?". While the client may not know what this is, justifying it as "AES 256-bit encryption is the de facto standard recommended by NIST to secure data transmissions over wireless networks."
- Technical Analysis: A TAM performing an alignment review audits standards from a technical view. The technical analysis is a technology-related description of misalignment.
- Recommendation: The recommendation field is where the vCIO inputs suggestions for standards realignment. Recommendations educate the customer of discoveries during the alignment review. Each reference should be short and to the point. A proposal is a proper medium for laying out the costs and scope of work for remediation.

Technology summaries are the first step to aligning a customer to a set of standards. Keeping track of summaries completed can shed light on their effectiveness. Since these lead to proposals, they can show a vCIO when recommendations are often skipped.

Budgets & Proposals Completed

Monitoring budgets and proposals completed is useful data to share with the customer. Keeping tabs on proposals presented and how many recommendations receive approval is important. Proposals may contain one or more solutions so it is vital to understand if some or all are being approved. Recommendations that are on many occasions turned down are easy to detect when maintaining a list.

Budgets recorded can vary between customers. This is due to some clients may only budget once per year for IT expenditures. Other customers may budget quarterly or on demand as needed. A best practice may be to present and review at least one budget per year. This will contain all known and potential expenditures for the next 3 years.

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.

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.

An example of steps for handling action items and follow up:

1. Be sure to take notes about items that will need extra information to answer. These types of questions usually need the input of another delivery area to get a solid answer. Avoid giving statements which are not 100% confirmed.
2. At the end of each meeting, recap the follow-up questions with the client. This provides reassurance that the vCIO has noted items of importance and plans to follow up.
3. Once a vCIO returns to the office, there are two major tasks to perform:
    - If action items are small like resolving automation concerns, submit a ticket and ask for follow up from that delivery area. Set a reminder to check on the status if they do not get back to the vCIO within a reasonable amount of time.
    - If action items need more in-depth analysis, schedule meetings with those necessary parties. Some items need a full discussion to resolve.
4. Follow up with the client at least once per day. Set reminders to update them via their preferred method of communication. In most cases an email will suffice through some clients may request a phone call. For critical action items, always update over the telephone.
5. Continue to follow up on action items until the decision maker receives notification of resolution. Do not leave action items unresolved. Prevent leaving a decision maker waiting for an answer.

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. Over communication is not a bad thing, though flooding a client with emails is not advisable. When possible, group more than one update per call or email.

Building Strategic Relationships

The strategic relationship process splits 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.

Every client relationship is unique and analyzes the business impact, goals, and budget with a decision maker. Building a roadmap through recommendations paves the way for an efficient IT environment. Reframing clients to embrace technology as a strategic tool is a key to maintaining a relationship.

Discover

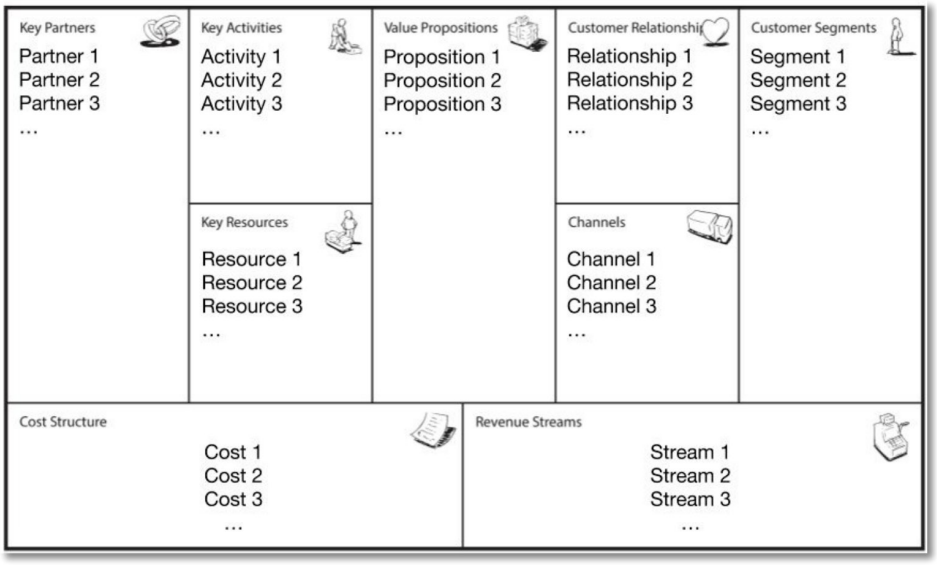
The discovery process is about asking the right questions on the direction of a customer's business. Meeting with decision makers is easier to determine goals, budgets, and business constraints. The intention of discovery is to gain insight and work that information into a plan. The discovery phase is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

Business Model Canvas

Build a Business Model Canvas 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 a customer and their market contributes to a viable strategic plan.

> *Business Model Canvas is a strategic management and lean startup template for developing new or documenting existing business models. It is a visual chart with elements describing a firm's or product's value proposition, infrastructure, customers, and finances. It assists firms in aligning their activities by illustrating potential trade-offs.*
>
> *The Business Model Canvas was initially proposed by Alexander Osterwalder based on his earlier work on Business Model Ontology. Since the release of Osterwalder's work in 2008, new canvases for specific niches have appeared. (Wikipedia)*

Creating a client profile will help a vCIO understand their business, goals, and risks. It builds a personality for the client rather than treating every customer as generic. The Business Model Canvas separates into sections for creating an individual profile.



Example of a blank Business Model Canvas.

A canvas has nine separate categories representing a building block in the creation of the product or service. The categories represent four major aspects of a business: infrastructure, offering, customers, and finances. Answering questions about every category will build a personal profile. Profiles completed with a decision maker can be a part of strategy and budgeting. Otherwise, a business canvas can be completed internally as seen through the eyes of the client.

1. Key partners
    - Who are the key partners and/or suppliers?
    - What are the motivations for each partnership?
2. Key activities
    - What key activities does the value proposition need?
    - What activities are most important in distribution channels, customer relationships, and revenue stream?
3. Value Proposition
    - What core value is delivered to the customer?
    - Which customer needs are being satisfied?
4. Customer Relationship
    - What types of relationships expect to be established?
    - How can expected relationships integrate into the business cost and format?
5. Customer Segment
    - Which class of customer is receiving those most value?
    - Who is the most important customer or industry?
6. Key Resource
    - What key resources does the value proposition need?
    - What resources are important in distribution channels, customer relationships, and revenue stream?

7. Distribution Channel
    - Which channels do customers want to be reachable?
    - Which channels work best? How much do they cost? How can they integrate into a customer's routines?
8. Cost Structure
    - What is the largest expense in the business?
    - Which key resources or activities are the most expensive?
9. Revenue Stream
    - What value are customers willing to pay?
    - How much does every revenue stream (MRR, NRR) contribute to revenue?

These questions are useful as a guide to start and build on a business model for each client. More resources and in-depth explanation are located on the web:

- Wikipedia - Business Model Canvas
- Cleverism - Business Model Canvas: A Complete Guide
- Strategyzer - Software to create a Canvas

Ask Business Questions

Asking the right questions unlocks 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 KPIs?
6. What are your business goals? What does success look like over the next three years?

Understanding a client's business goals builds a 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 place higher value around meetings when the focus is on managing outcomes. To expand on business questions, granularity should increase the more a relationship develops. It is normal to get personal and understand a decision maker's risks and goals.

- 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 takes significant effort, but the knowledge attained improves the relationship. Gathering this information provides advantages to both entities:

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

Business questions form the main component of strategy and budgeting. Documenting this information builds a baseline for developing standards for each client.

Compliance and Regulations

Always conduct proper due diligence on compliance and regulations. Most industries must follow an established government or private rule set. These include HIPAA, PCI, SOX, and a multitude of other compliance requirements. Most clients fall into one of two categories; those that know they must comply and those that do not. Some customers may push off compliance due to costs but could hurt them more in the long term.

Initial questioning can help put customers in the correct compliance categories. Meeting with a decision maker can best determine what action to take. The process is simple. Ask questions about the type of compliance to get a sense of what they need.

- What industries do you serve?
- Do you accept, store, or transmit credit card data? (PCI)
- Do you store, process, or transmit electronic Personal Health Information? (HIPAA)
- Does financial information get individually certified for accuracy by top management? (SOX)
- Are duties and areas of responsibility separated, in order to reduce opportunities for unauthorized modification or misuse of information, or services? (ISO)
- Do you keep or process any information about living people? (GDPR)
- Does your organization demonstrate a commitment to integrity and ethical values? (SOC 2)

While it seems like a lot of work, compliance and regulations are a good thing. As a vCIO, recommendations are more natural when they align with specific objectives. For instance, educating a customer on a locked server room carries its weight when backed by a potential fine. Compliance empowers a vCIO with the authority to enforce standards due to regulation. Customers that grasp the consequences of compliance will have the most success.

Compliance can be an administrative headache since regulations exist in every industry. Plus, many industries overlap and must follow many regulations. Fines for non-compliance are usually categorized as either negligence or a legitimate mistake. When an organization is non-compliant and does nothing about it, a breach may be due to negligence. A company overlapping across many regulations may not be aware and a breach is a legitimate mistake. It takes proper due diligence to ensure customers remain compliant across all industries.

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.

Strategy and Business Impact

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 status. Strategy explains the importance of technology and its role in customer success. Components of strategy consist of:

- **Business impact of misalignment:** The necessity of alignment while translating technical information into business language. The technical language of misalignment may be too complex for a decision maker. The vCIO translates technical information into coherent business language. A decision maker who recognizes business impact is more likely to take action.
- **Business goals for the client:** Go beyond technology and understand a customer's needs. Asking the right questions will determine business goals. When business goals are clearly defined, building a roadmap and budget is easier to plan out. Not knowing where a customer wants to be in 5-10 years makes the vCIO role irrelevant.
- **Strategic Roadmap:** Recommendations stem from business impact assessments and long-term goals. A roadmap lays out a budget, projects, and technical alignment goals between 1 and 10 years. Having a set plan of where the decision maker wants to be in the future makes budgeting simpler. Large projects and upgrades are more likely to happen when allocating funds earlier. A roadmap will take the guesswork out of what upcoming projects are happening and when.
- **Long-term Budget:** A budget agreed upon by the client is workable for the short and long-term. Budget development for the short- and long-term is dependent client needs. Each client has their own business goals which makes budgeting differ between them. A small budget should be in place based on a hardware or software replacement cycle.
- **Client feedback:** Feedback improves service delivery and fills gaps that prevent World Class performance. Discovering customer value from the vCIO process is vital to other delivery areas. A vCIO performing their duty reflects on Service Desk solving tickets, TAM performing accurate alignment reviews, and Professional Services completing projects on time and within budget. The vCIO should prepare for positive and negative feedback and how to handle it within the TSP.

Business Impact

Misalignment of standards affects a customer's business goals. This can cause a serious hindrance to productivity and unexpected spending. Some examples include:

- **Productivity:** Failure of hardware and services halts employee efficiency. Standards alignment prevents problems, allowing customers to perform everyday tasks. Employees are at peak productivity when job performance remains uninterrupted.
- **Business risk:** Viruses or stolen information may be a security flaw. This could lead to downtime or reduced employee productivity. All business risks are potential problems in the future. Delaying the resolution of major risks amplifies the time and funds for resolution.
- **Opportunity costs:** Downtime and loss of productivity become missed revenue opportunities. When an IT environment is down, employees are no longer performing job functions. Functions may include processing orders, managing funds, or lost sales. The losses take the form of a) lost sales on the front end and b) lost productivity time on the back end. Employees cannot process new revenue opportunities until they catch up on old work.

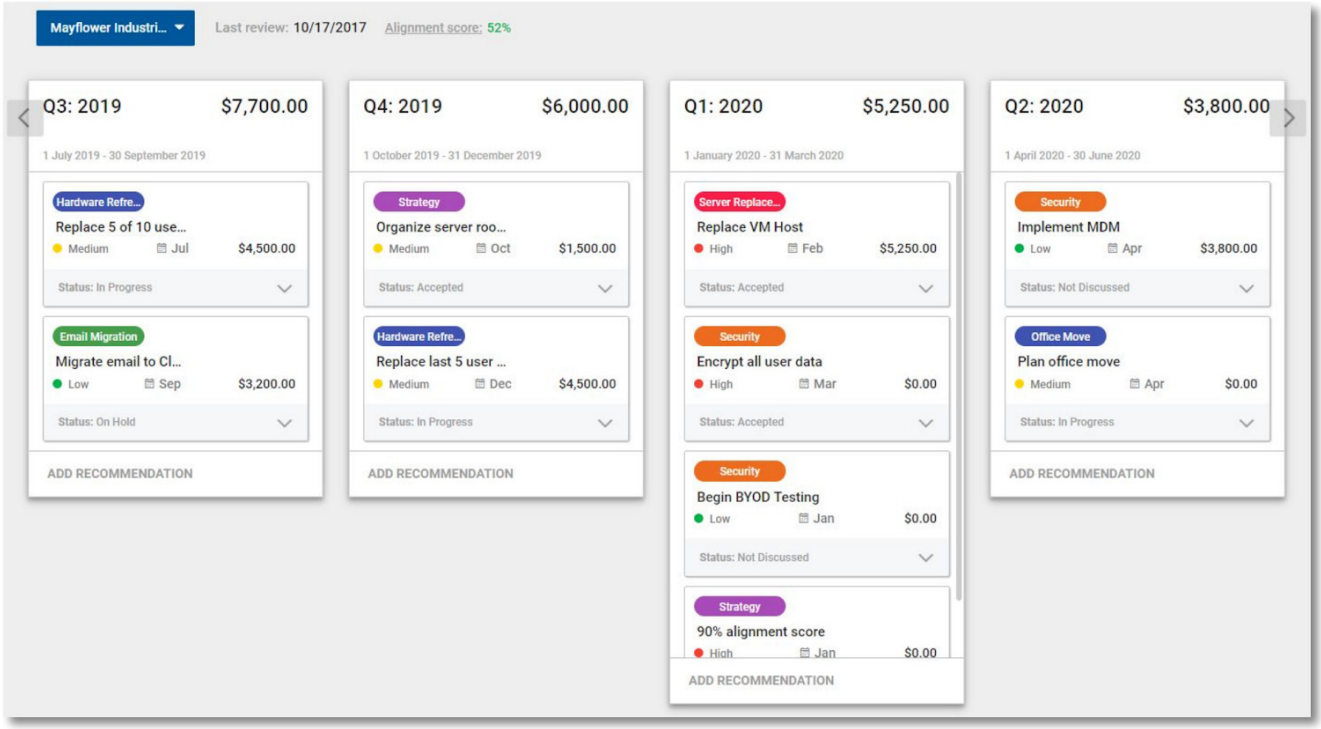
Decision makers may not be technical or understand how their IT environment works. In a strategic relationship, a vCIO breaks it down into non-technical language. To connect on a level that anyone can follow:

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.
    - Bad example: "Your RAID 5 array is faulty and causing a decrease in performance due to the lack of a hot spare."
    - Good example: "Your server has a defective hard drive and needs to be replaced as soon as possible to prevent data loss."
2. Make the connection between 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 recommendations and potential business impact. When presenting recommendations, choose a readable and well laid out format.

Strategic Roadmap

A business relationship will assemble a strategic roadmap for decision makers. Organizing recommendations into a plan is key to developing a roadmap. A plan contains projects for clients to align with a designated set of best practices. A strategic roadmap focuses on technical alignment and business goals. A minimum level of detail is necessary when presenting solutions to a client.

- **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.



Example of a strategic roadmap from the myITprocess software.

Encourage a customer to view technology as an investment after reviewing a roadmap. Employees expect reliable technology to remain productive. Allowing IT infrastructure to crumble shows neglect towards business goals.

A well-planned roadmap will instill various benefits to the decision maker.

- Spreads funding over time rather than lumping them into a single month or quarter.
- Details the short- and long-term recommendations on a timeline that is easy to follow.
- Prevents most large-cost surprises in the future through proper planning.
- Keeps the decision maker on track and less likely to back out of committed projects.

A strategic roadmap is not only for the interest of the decision maker. It can serve the vCIO and the rest of the TSP because of other factors.

- Creates a steady and reliable stream of non-recurring revenue.
- Keeps the Professional Services delivery area aware of projects in the pipeline.
- Approval of recommendations shows the process works.
- A vCIO can work more efficiently when recommendations are already laid out ahead of time.

Budgeting

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. History will help gauge how often IT investments occur. The screenshot from strategic roadmap shows the costs of each project per quarter. This is a good reference for the vCIO and decision maker when budgeting future implementations.

Budgeting is a key component of strategy sessions. Without an associated budget, declined recommendations would be common. A decision maker may never commit to a project without knowing the cost. There are many options for a decision maker to budget and allocate funds for projects.

- Pay for projects upfront with cash on hand that is already allocated for IT expenditures.
- Finance projects through business loans and pay upfront.
- Use a credit card or line of credit to pay up front and make payments with interest over time.

A general rule of thumb is to prevent non-payment after project approval. Before a project begins, terms of payment must occur. This indicates that a customer is willing to move forward.

Compliance Planning

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

1. 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.
2. Prepare a visual plan to share with a client. Make an attempt to lay out the plan at least one year in advance separated into quarters. If an initiative takes longer than one year, be sure to extend the plan to show the scheduled end date.
3. 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.
4. Avoid ballpark estimates whenever possible. A vCIO may have a grasp on the project, but the costs should funnel through Design Desk. Estimates can have a negative effect in two ways:
    - Over-estimating may deter a decision maker from committing due to the high cost. They may no longer have interest in receiving proposals regardless of the cost.
    - Under-estimating may lead a decision maker to approve a project while being set on that price. When they discover the cost to be higher, the possibility of resistance is high.

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 business and technical initiatives and is not a sales call. Customers who are unwilling to make a commitment may not be the right type of client. Ensure 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.

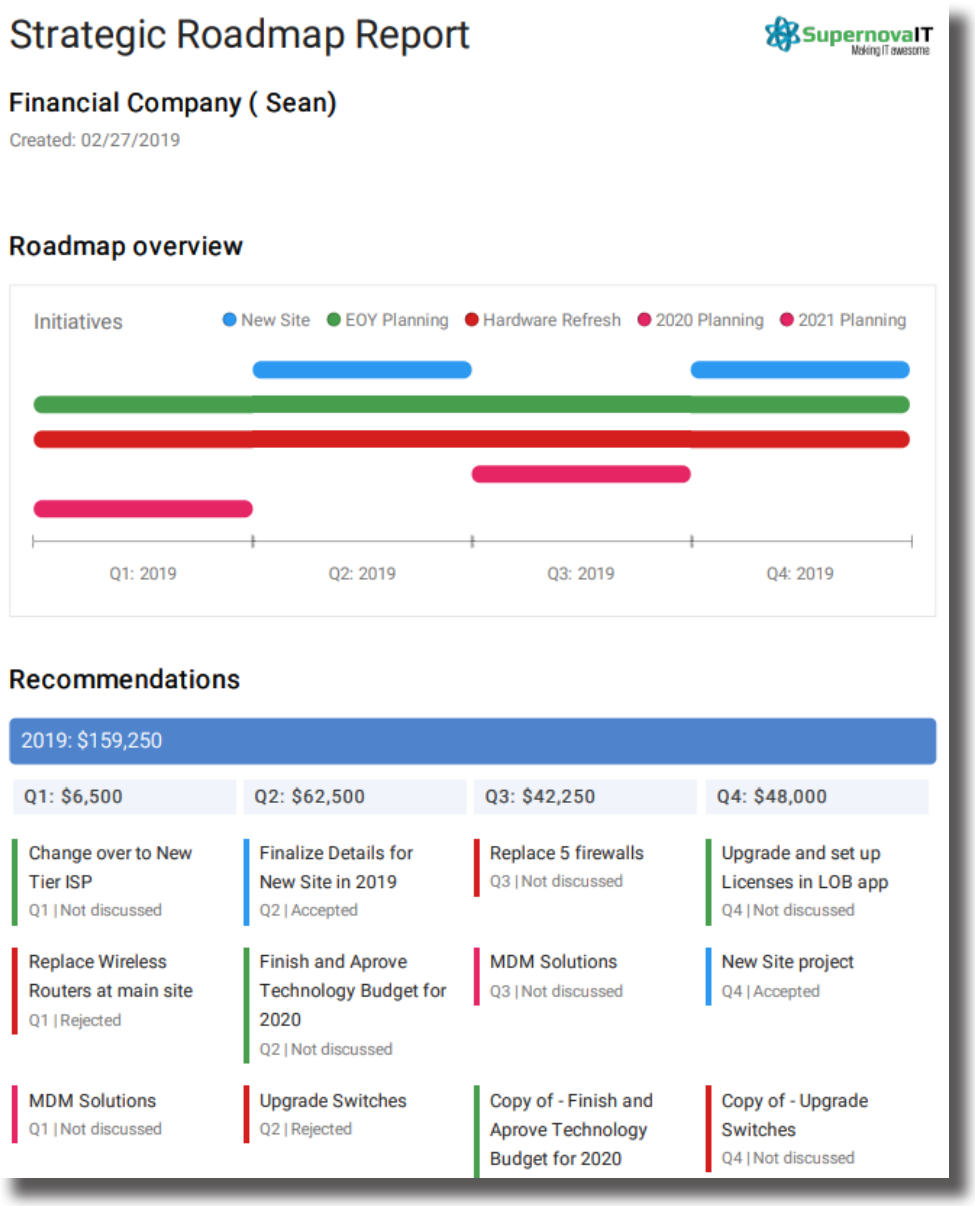
The Strategic Roadmap

When presenting a roadmap to a client, be sure to use a system that is not complex and easy to read. Present recommendations in a format that does not confuse decision makers.

- Use color coding to separate initiatives, recommendations, and projects.
- Split projects into designated quarters to display how the work spans over time.
- Attempt to add graphs, bullet points, and charts to render the presentation as visually pleasing.
- Avoid walls of text and technical language that confuses attendees and causes a loss of interest.

For ease of readability be sure to generate a report that summarizes the entire proposal. Formatting and interpreting the information on every page is essential to the presentation. A review summary should contain certain details.

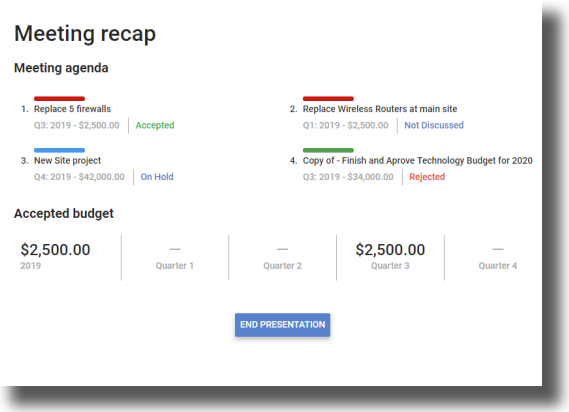
- Date and time the meeting occurred.
- The location or format of the meeting. For example, headquarters or remote web conference.
- The vCIO who performed the review.
- A decision maker and other customer staff present.
- A short summary of the discussion.
- A list of all topics with details.



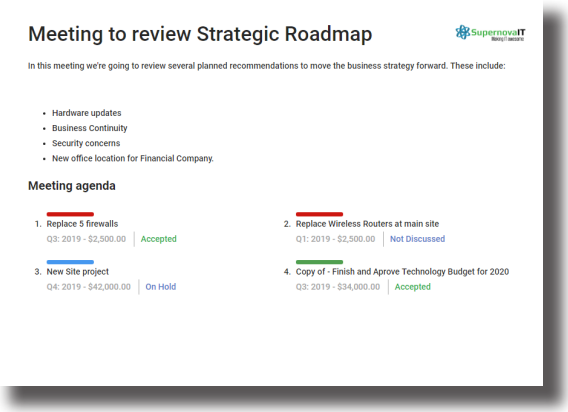
Example of a roadmap overview with budgeting from the myITprocess Strategic Roadmap feature.

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. To recap the presentation of a strategic roadmap, follow simple guidelines.

- 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 span the implementation over many months.
- 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.



Example of a Meeting Recap



Example of a Strategic Roadmap Meeting Agenda

Technical Alignment and vCIO

The vCIO is at the forefront of strategy, budgeting, and business impact. Technical alignment reviews do not involve a VCIO, but only when presenting recommendations. Because these two roles perform their own duties, this does not mean they do not interact. It is important a vCIO and TAM interact on a regular schedule to discuss clients, alignment, and findings.

Alignment is the foundation for recommendations passed to the vCIO. Without it, client strategy would be less strategic and more generic. Implementations to reduce reactive noise or maintain efficiency would go by the wayside. A vCIO and TAM both need an understanding of technical alignment and its impact on the client.

The Importance of Alignment

Technical alignment breaks down into two parts. The first is developing standards and best practices using a Standards Library. The other is performing assessments to align clients against those standards.

Company standards alignment requires a technical review that occurs onsite. Onsite visits depend on client size and technology needs and determined during onboarding. Technical alignment is not effective without scheduled alignment visits. The Technical Alignment focus is to:

- Develop and maintain technical knowledge of the client environment.
- Perform regular proactive service as a technical lead.
- Be responsible for upholding best practices and reporting recommendations to the vCIO.
- Cut reactive issues by controlling the number of submitted service requests.
- Identify technical risk and seeing technical issues firsthand.
- Be eyes and ears by mastering the environment and making recommendations.

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 items need checking more or less in a given year.
- Discuss alignment with clients to reinforce the importance of 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.

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.

Technical Alignment Review

When a TAM arrives onsite, what is the process like? What happens first and what happens last? This section will give a short breakdown of what a typical day looks like for a TAM while onsite.

- Morning meeting with the client (15 minutes)
    - A short meeting to cover basic items before the TAM begins their daily assessment.
        - What items are on the list worth mentioning with the decision maker?
        - What items are on a customer's agenda worth mentioning?
        - Are there other discussion points to mention during the morning meeting?
    - Discuss what is being accomplished and which tickets need completion.
    - Help the customer navigate Service Desk requests, ongoing projects, and recommendations by the vCIO during their last meeting.
- Complete proactive tasks
    - Complete your list necessary for standards alignment by finishing checklists and best practices.
    - Perform any maintenance items required to stay proactive.
    - Check Centralized Services tools to ensure they are functioning and test if necessary.
- Complete reactive tasks
    - Complete scheduled tickets while onsite.
    - Complete scheduled moves, adds, and changes while onsite.
    - Complete any reactive tasks at the conclusion of the full alignment review.
- Afternoon meeting with the client
    - Give a summary of your work completed to the client.
        - How much of the assessment was complete?
        - How many scheduled tickets were complete?
        - How many moves, adds, and changes were complete?
    - Note which maintenance was complete.
    - Inform customer of any unresolved items moved to the service desk for follow up.
    - Tie up any loose ends, answer questions, and confirm next onsite visit day and time.

Action Items & Follow Up with the vCIO

Once the alignment visit concludes, there will be action items to address. Even though the TAM is able to solve issues onsite, their priority is the alignment review. The delegation of these action items goes to the appropriate delivery areas.

- Have a post-meeting follow up to discuss the alignment visit and end user concerns.
- Make recommendations for misaligned technical items.
- Note which technical items were complete after the visit.
- Recommend the addition, removal, or updating of standards.

Working with the Technology Alignment Manager

The TAM and vCIO work with each client and ensure standards are properly aligned. The vCIO must recognize the importance of the TAM to funnel valid guidance for every client.

It is difficult to explain the functions of the TAM without repeating its importance. From what we know of the Technology Success Practice, the TAM is integral to its success. The role is important to the vCIO on many levels.

1. **Drives down reactive support:** A proactive role using technical alignment keeps reactive support low for Service Desk. An increase in reactive support weighs on all delivery areas in the company.
2. **Strong relationship with the client:** Maintaining a strong relationship with clients enables trust in your organization. This creates leverage, making them susceptible to recommendations made by the vCIO. An insufficient trust will cause a client to be defensive and not to invest in upgrades.
3. **Intimate knowledge of the environment:** Understanding a customer environment is integral to the TAM role. Since the TAM interfaces with the client during visits, knowledge is necessary to quarterback information to responsible parties.
4. **True vCIO will not exist:** To deliver true vCIO, this role must adhere to the development of standards and best practices. Findings become recommendations and find their way to the vCIO for business strategy.
5. **Differentiating from competition:** When you remove the TAM and vCIO roles, Centralized Services, Service Desk, and Professional Services remain. The latter three are services that all MSPs offer and do not separate one from the other. The TAM role adds value and stands out among competitors. This shows potential and existing clients the importance of World Class.

The bottom line is the vCIO and TAM must work together to achieve a common goal. A TAM checks a customer's standards and writes their findings from a high technical level. The vCIO must possess technical knowledge to translate information into business language. A simply worded recommendation is best.

Planning a Client Budget

A key function of the strategic roadmap is planning a budget. Allocating funds for individual projects need planning months or years in advance. A client is more likely to invest in technology when ample time to prepare funds exists. Springing a 5-figure bill without warning is bound for rejection and can damage the relationship.

Elements of Budgeting

The strategy behind budget planning is time, reasonable goal setting, and accurate scope. Avoid under or overestimating cost, time, and resources for a project whenever possible. A vCIO will need to take key elements into consideration when planning a budget.

- **Planning:** A budget presentation should occur early to give a decision maker time to prepare. Funds are not always available and may require third-party resources.
- **Persistence:** Setting a budget and presenting it is only the first step. Reiterating the cost, scope, and necessity of projects keeps the thought fresh in the decision maker's mind.
- **Cost:** It may be accurate to state that IT investment can have high costs and not best to present it as a lump sum. Decision makers may renege on agreements if the initial cost is too high. Smaller costs over time look more attractive.
- **Scope:** Need-based infrastructure upgrades have a process from start to completion. Projects need a detailed scope that keeps the decision maker updated as it changes. Plan outages or downtime in accordance to the client's operating hours.
- **Resources:** Assigning Professional Services, hardware, and software to a project is a balancing act. Under or overestimating resources can cost either the TSP or customer money.

Preparing the N Year Budget

Assembling a budget for clients can be tricky. Hurdles include costs, resources, and a customer's willingness to take part. Budget planning is weeks, months, or years in advance, adding a layer of complexity. Client budgets will be different depending on the size, complexity, need, or spending capability. This section dedicates the planning of a budget based on a set time value: N.

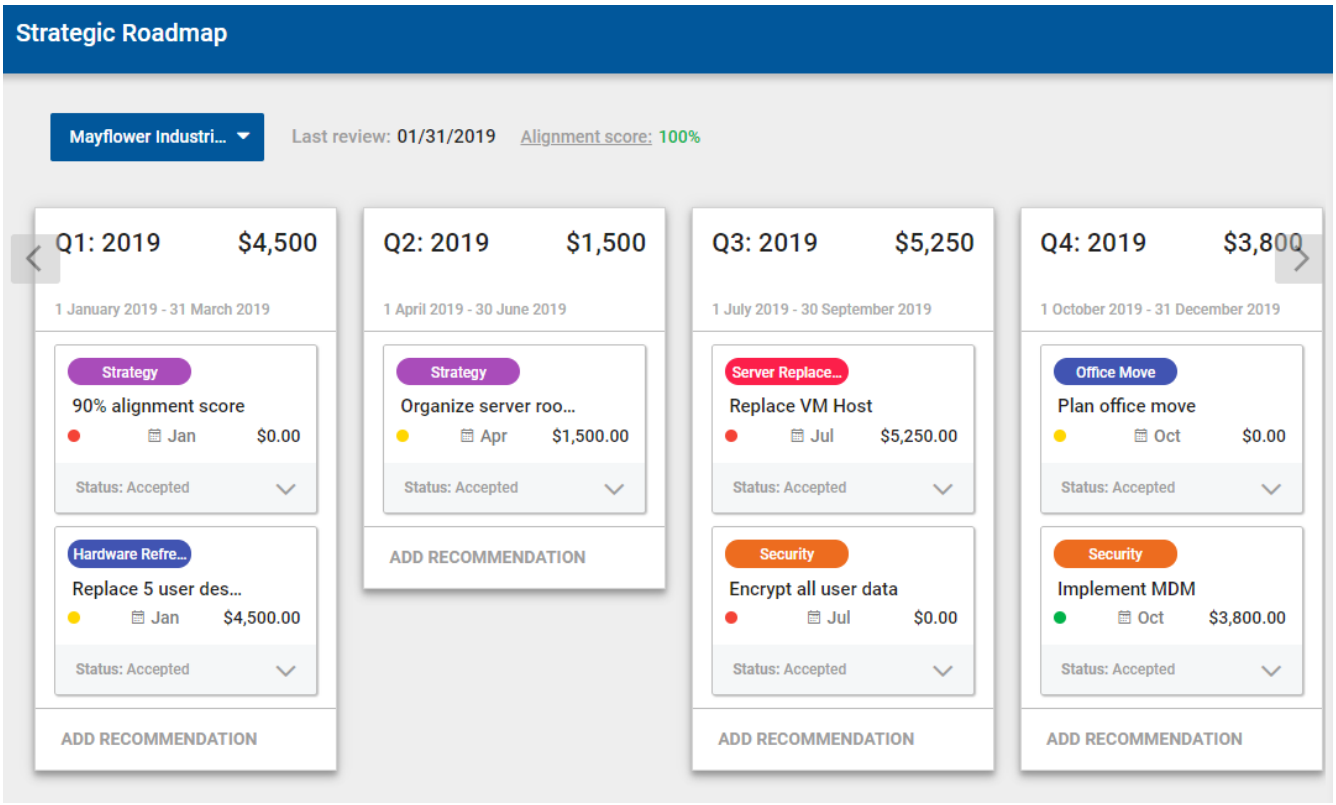
In mathematics, the integer 'N' relates to a value that is not yet known. For budget examples, N is the variable to describe the number of months or years to plan. This number is vague due to diverse circumstances which dictate advanced budget availability. This is to prevent setting a five year budget as the defacto standard for vCIO/client relationship.

How often does a server get replaced? When should an operating system upgrade take place? Many factors are present when answering these questions.

- One year budget: Small items like printers and peripherals may not need planning of more than one year. These items are often replaced due to normal use wear and tear.
- Three to five-year budgets: Larger and more important items like workstations, software applications, and servers fit into a longer-term budget. The logistics alone warrant ample planning time.
- Ten-year budgets: Office moves and major infrastructure changes fit under budget planning with an extended time table. Planning large projects 10 years out is not the intention, but scheduling incremental implementations makes the process workable.

The example demonstrated below is a five-year budget. The five-year budget is a great example of middle ground and common assumptions.

- Server and workstation hardware manufacturers tend to extend warranties between 3-5 years.
- Popular software applications have a 1-3 year release cycle.
- Server operating systems have a 4-year release cycle.
- Workstation operating systems have a 3-year release cycle.
- Popular network hardware manufacturers set their repair warranty at 5 years.



Strategic Roadmap feature in myITprocess showing quarterly Initiatives and Recommendations.

The budget breakdown above shows recommendations spread out across the year. Spreading projects over quarters rather than lumping them helps both parties. The decision maker and vCIO do not have to commit many resources all at once.

The Strategic Roadmap feature in myITprocess will streamline the process of presenting recommendations. Assigning a quarter, month, and dollar amount to recommendations presents it clearly to a decision maker.

Example of a five year budget from myITprocess Strategic Roadmap.

An annual summary presentation occurs for a decision maker to review once a completed budget exists. This breakdown shows the individual quarter commitment as well as the annual total. The totals calculated in the strategic roadmap are not set in stone and change over time. An accepted rule for non-recurring revenue is 30% of monthly recurring revenue. The roadmap and budgeting feature helps keep that goal within reach.

Planned Versus Unplanned Expenses

An N year budget designates planned expenses. Projects that keep the IT environment operational need resources allocated in advance. It may be unusual for this style of a budget to include unplanned expenses. Those funds are on a needs basis and may be separate. Technology should operate without issues “on paper”, but it does not always go according to plan. Having a rainy day fund available for the unexpected repair or replacement is always a good idea.

An article posted by Optimal Networks analyzed annual IT spending for different types of businesses. The total IT budget calculates as a percentage of total company revenue. Investment in IT infrastructure was on many factors.

- How essential IT is to your operations. Do you rely on line-of-business applications to perform your daily tasks? Do your staff members need remote access to your network? Do you have a robust disaster recovery solution in place to protect your data? Or do you not need much more than a functioning file server to keep the wheels turning?
- Your growth mode. Are you in a heavy growth mode? Steady state? Shrinking? As you could probably guess, growth translates to much heavier technology demands (and, by extension, larger expenditures). So does shrinking, though to a lesser extent.
- How much change your business is experiencing. Are you moving offices? Replacing a number of your staff members? Going through a merger or acquisition (from either side)? The more flux your company is in, the more money you'll have to put into your technology to get from A to B.
- Your service expectations. Does your ideal IT scenario include a lot of hand-holding from your technology provider? Is it important to have a dedicated representative to oversee your account? Or are you willing to sacrifice overall service in the name of cost savings?
- Your tolerance for risk. How long are you willing to go without functional technology in the event of a disaster? Hours? Minutes? How much data are you willing to lose? One day's worth? Thirty minutes' worth? Do you want to outsource all of this risk to a provider in the form of a fully-hosted solution? Across the board, lower risk equals higher investment.

*As a benchmark, then, steady-state small businesses with moderate technology needs and basic service expectations should prepare to invest **3-4% of their annual top-line revenue** in technology.*

*Companies who are in the midst of significant change or growth, those who have exceptionally low tolerance for risk, and those who rely almost exclusively on technology to get the job done are looking at closer to **5-7% of their revenue**.*

(Source: optimalnetworks.com/2015/03/06/small-business-spend-it-annually/)

The information above is important when assessing a customer's annual budgets. If using this as a guideline, a vCIO can estimate how much to budget each year for initiatives. These may not be accurate for every customer managed by a vCIO. This method can assist in developing a baseline for current and future clients.

Example: Let us do some math and show an example of calculating an annual budget using the data above. Mayflower Industries has 30 employees with an All In Seat Price (AISP) of $125. Their annual revenue is $1,500,000 and has a relatively tame IT infrastructure. With the numbers above, an estimated range is $45,000 to $105,000. Going on these numbers, Mayflower Industries has the following data.

- Generates $3,750 in Monthly Recurring Revenue (MRR).
- Estimated Non-recurring Revenue (NRR) at 30% of MRR is $1,125.
- Annual IT expenditure at 3% is $45,000.
- Annual IT expenditure at 7% is $105,000.

Using these numbers as a guideline, we can assume that:

1. Annual MRR totals $45,000.
2. Annual NRR totals $13,500.
3. A total estimate of $58,500 hits around the 4% mark for annual IT expenditure.

This is a fine example of how MRR and NRR equal the lower end of the annual IT budget allocation. It does not take unplanned expenses into consideration. MRR and NRR are values that can be set one year in advance, granted AISP may fluctuate depending on personnel. For this example, budgeting extra for unplanned expenses is a good idea and may be on the strategic roadmap.

A vCIO may be thinking, "Planned expenses and proactivity will prevent unplanned expenses." That is, if a customer spends money on proactive solutions, unexpected expenses will not occur. Unfortunately, this is not the case. General maintenance and replacement can happen at any time. Unplanned expenses like server hard drives, mice, keyboards, and printers are prime examples.

What is the best method of budgeting for unplanned expenses? Referring to expenditure as a percentage, find values a client is comfortable setting aside. In the example with Mayflower Industries, a 1.5% allocation for unplanned expenses is $22,500. If those funds are not spent in a given year a vCIO can help adjust it for the future.

The five year accepted budget in the diagram above has an average annual expenditure of $10,750. This is short of the estimated $13,500 and only 24% of MRR. The good news is it is close to the goal of 30% NRR to MRR revenue. Annual budgeting is not set in stone and warrants change according to customer strategy.

Adding planned and unplanned expenditure percentage comes to about 5% of annual revenue. In retrospect, this is not very high since IT is the backbone of most businesses in the modern era. A vCIO can use simple math to create a guideline for annual budgeting: (MRR * 12) + Annual NRR + 1% of Annual Revenue = IT Annual Budget. In our sample above, a vCIO can assume annual IT expenses for Mayflower Industries at $73,500.

Pulling It All Together

The commitment to Technology Success is in motion. The delivery areas have come together to perform their duties. The chair at the vCIO desk is waiting for someone to guide the TSP to success. Now what?

Detailing the concepts of how a vCIO can perform their function is easy. There are no real clients affected in these examples, no actual budgets to set up, and a non-existent strategy in place. This section will briefly outline the core process of vCIO using the concepts explained throughout this manual.

- Manage the Process Before the Process
- Meeting Agenda, Recommendations, and Acceptance
- Unassigned Findings and Strategic Roadmap
- The 30-Minute Client Review
- Building Strategy in Motion
- Delivering Consistency to All Customers

The easiest way to demonstrate the above steps is to assume a vCIO is by working with one customer. In reality, there are other variables like client quantity, complexity, and dedication to the process. The goal of this section is to condense the previous sections into a single summary.

Manage the Process Before the Process

It is fundamental to have the process laid out before meeting with clients. Understanding the significance of Technology Success and what it signifies to customers makes the difference. It would be inconceivable to make it up on the fly.

Managing the process ensures everything is in order so the vCIO and decision maker can dedicate themselves to making it work. Preparation involves gathering the proper materials to review recommendations, priorities, and budgets.

- **Technology Summary:** A vCIO assesses the business impact of misalignments found by the Technology Alignment Manager. The primary focus of alignment is on the areas of highest impact or most in need. A Technology Summary is supporting detail for recommendations. Business impact derives from misalignments and how they affect a customer's business. A vCIO translates TAM findings into business language a decision maker can comprehend.
- **Recommendations:** There are many ways to address misaligned technology items. A vCIO will determine this by prioritizing every recommendation. Making the change through normal service, changing a process or configuration, or creating a project are methods of resolving misalignment. Provide budget numbers when involving implementation. When a recommendation requires a project, leverage Design Desk to build a proposal.
- **Budget:** Setting advance expenditures maintains expectations and creates a continuous flow of NRR. A budget should be set well in advance, 12 months minimum, and planned by month or quarter. A budget will represent all capital expenditures over a given time. The timeline is important because it plans implementations and ensures the work is equally divided.
- **Supporting Information:** Other information relevant to the meeting includes reactive metrics. Data showing how standards and alignment prevents problems early is critical for managing Technology Success.

Preparation is key to success in technology steering meetings. It shows initiative and dedication to a client's success. Every meeting must be properly prepared before discussing recommendations. Unplanned discussions show an unwillingness to put in the effort. Even when meetings occur daily or weekly, the steps to ensure a successful meeting must be accomplished.

Meeting Agenda, Recommendations, and Acceptance

Once preparation is complete, a scheduled steering meeting with a client can proceed. Developing a templetated structure for meetings is useful between clients. Keeping a similar workflow, a steering meeting can review, recommend, and close without deviating from priority topics.

- **Client Business Update:** Begin meetings by getting an update on the client's business. Updates strengthen a strategic relationship and gathers information on business health. Did the company grow or does it plan to grow, did revenue increase or decrease, and what is their position in the market are all valid discussion points. Discussing business operations with a decision maker is invaluable to a vCIO.
    - **Initiatives:** Reviewing the client's aspirations for the coming year or decade involves getting things done. Initiatives are a formal method of grouping similar projects or goals. For instance, a client may want to button up their security in the event of an audit. A vCIO can create a security Initiative on the roadmap and include other recommendations over time. Examples include installing a server room door lock, encrypting data at rest, and implementing a secure password policy.
- **Review Technology Summary:** Before making standards alignment recommendations, review the Technology Summary with a decision maker. Findings noted by the TAM are an excellent source of best practices that a client should put in place to be more efficient. The summary provides evidence that a TSP is providing the level service promised during the sales and onboarding process. If the client is new and this is the first meeting, review standards and alignment to get the customer familiar with the process.
- **Discuss Recommendations, Plan, and Budget:** The next steps transition the Technology Summary into the recommendations phase.
    - **Recommendations:** Review recommendations necessary to achieve standards alignment. Best practices do not need a project. If change needs to occur, ensure the client is aware of how it will occur and the final outcome.
    - **Plan:** Putting recommendations into place will not be instantaneous. Implementations or need a timeframe to plan and complete the work. Present a plan of action to a decision maker to make them aware of when work is being performed.
    - **Budget:** If a recommendation requires a project, have a cost ready. If a vCIO leverages Design Desk, a well-vetted proposal will include pricing. Presenting projects without a price may cause a decision maker to rethink their investments.
- **Agree on next steps:** After recommendations have a plan and budget, it is time to agree on the next steps. At this point, a client will decide to move forward with recommendations, put them on hold, or decline. This step will determine a customer's dedication to the process. Clients who agree on next steps will be more successful due to the reduction in reactive noise. Those that do not and decline recommendations time after time may not be the right fit.

- **Schedule the next steering meeting:** Getting together with a decision maker is on the calendar well in advance. It is best to schedule steering meetings one quarter in advance to ensure the date is set in stone. Even if three months seems far away, doing this with all clients will make sense in the long run.
- **Meeting length:** As a general rule, meetings should not exceed one hour in length. This may not seem like a lot of time, but prepared deliverables make a meeting flow. Taking up too much of a decision maker's time is unproductive for them and the vCIO.

After the first meeting, subsequent gatherings become more structured and scripted. This is a good practice because it promotes consistency across customers of most shapes and sizes. There are exceptions to the rule and a vCIO can learn to adapt.

Unassigned Findings and Strategic Roadmap

The TAM references the standards library to perform a review. They arrive at a location, perform the review, and pass findings to the vCIO. They work inside their own bubble of standards and technical alignment. It is crucial to differentiate between the TAM and vCIO role.

During the review process, a TAM will mark a standard as aligned or misaligned. In myITprocess they mark questions yes or no and add a recommendation. Once complete, they submit their report and their recommendations transfer to the vCIO. The vCIO will decide which questions get assigned to initiatives or remain unassigned.

Unassigned findings are discoveries that have no associated initiative. A vCIO's responsibility is to make their own determination on next steps. They have two options: leave findings unassigned or nest them in a current Initiative. Findings may remain unassigned if the vCIO feels they are not a priority and can nest them at a later date.

The 30-Minute Client Review

After a technical alignment review, the vCIO must develop a plan to best prioritize findings. There is a delicate balance when moving recommendations into strategy. Too many and a client may feel overwhelmed, too little and they may feel a lack of commitment.

Attempt to allocate 30 minutes of client review time every week. It is a small window that makes a big difference. During this time, a vCIO will determine recommendations and their priority to move onto the strategic roadmap.

- Spend 30 minutes per week reviewing clients, prioritizing recommendations, and adding them to the strategic roadmap.
- Determine the priority of and categorize unassigned findings into new or existing Initiatives.
- Clear up recommendations with a Technical Alignment Manager to ensure findings are accurate (when needed).
- Determine if priority recommendations can be specced out by Design Desk.
- Confirm steering meetings are on the calendar for clients with pending recommendations.

Setting aside 30 minutes for client review should be the least amount of time dedicated to this process. As a vCIO managed more customers, this window of time may expand to accommodate increased customer needs.

Building Strategy in Motion

The purpose of a strategy is not to solve an issue with a single recommendation, but develop an overarching goal of achieving victory. A vCIO will pursue a specific client strategy (roadmap) using the correct tactics (recommendations). Recommendations are a building block on the roadmap with each successful implementation as another step towards customer strategy.

A vCIO can never expect to develop a customer strategy in one fell swoop. It takes time, dedication, and customer input to start the process. A strategy has no hard stop; the process is a continual evolution with adjustments made along the way.

- Building a strategy for clients will not happen overnight. A vCIO will build strategy as they go and adapt to changes in a customer's environment, business goals, and technology needs. Ongoing strategy develops the business relationship and maintains the attention of decision makers.
- Do not be afraid to change or alter the initial strategy. Sometimes things do not go as planned and problems begin to snowball. It is best to course correct for the benefit of the client.
- Exploit the best resources to manage client strategy. The process is difficult to maintain without the use of proper tools. Using the myITprocess Strategic Roadmap feature gives a vCIO the flexibility to plan, budget, and present recommendations to every client. Best of all, all information resides in one place for easy reference.

Delivering Consistency to All Customers

The key to making vCIO a success is consistent quality service over a customer base. Starting with a single customer, it is easy to maintain standards and workflows for a client's strategy. As clients come on board the system can break down and subsequent accounts could receive less than stellar service.

In a perfect world, it is simple to deliver a consistent service delivery model. All customers would have the same environments, have the same problems, and approve the same recommendations. A textbook example always works on paper because there are no grinding gears. In the real world, customer environments are not the same, they have different problems, and recommendations are often discarded due to time or budgeting. These constant disturbances make a vCIO want to give up, but in fact, should encourage them to trust the process and keep customers on track.

- Adhere to the plan. There are moments when the process seems to go haywire and nothing seems like a fix. When a vCIO believes in the process and trusts it can make their customers successful, sticking with it will have a positive outcome.
- Apply the same quality service to all customers regardless of size and complexity. Clients trust the services of a Technology Success Provider to help them meet their goals. When a prospect buys into the idea of "your company way", they expect the same level of service.
- There are no exceptions to the rule and when delivering services, offer all or none. Customizing services from client to client begins to degrade the quality. Do not tailor a service offering to fit individual clients. Reframe them to understand the importance of technology and the benefits of Technology Success.

vCIO Case Studies

It is often the case where a vCIO will read a how-to manual for their role and have doubt in their process. It is normal to wonder if the vCIO process performed by one is the same as others. The answer is simple: yes. While the process in this manual relates to most of the day-to-day work, it will be different among TSPs.

The following case studies are real vCIOs working under the TruMethods Framework. They describe daily interactions, details on their role, and hurdles they must overcome.

- Company names are fictitious and used as an example.
- vCIO names differ from the original contributor.
- Other details related to the contributor's organization are generic.

Each case anonymizes the vCIO to protect the identity of those involved. Information is from the accounts of real vCIOs.

Mayflower Industries

Anna has been a vCIO with Mayflower Industries for three years where she works with management to align with the Technology Success Practice. The company has been a member since before her arrival, helping to jumpstart her role and follow the framework. Before Mayflower, Anna had no vCIO experience in the technology industry and worked with medical practices.

The vCIO role development was with the CEO since he was performing an owner-led position. Breaking out into its own role was necessary and she continued the work of her predecessor. What interested her in this position was her love of strategy and business operations. Finding ways to be more efficient at a lower cost is the epitome of customer strategy and Anna loved doing it.

Enjoyment in the role can have its down side. While she likes to talk strategy and budgeting with clients, the hope is to have them be more engaged. Managing over 50 clients is not a burden, but having them trust her as a business partner remains a challenge. As a female, she finds it even more difficult to meet with C-level males who believe she can be of any help. Many of the females she meets with are not in decision-making roles and gaining credibility is a continuing struggle. Most C-level executives still prefer to meet with Anna's CEO which adds another layer of complexity to her position.

Typical Schedule

- 7:30am: Review emails, check overnight service desk tickets, finalize document prep for scheduled on sites.
- 8:00am (Mondays only): vCIO meeting to discuss the upcoming week and what remains from the previous week.
- 9:00am: Morning huddle for all staff.
- 9:30am (Tuesdays only): All staff meeting followed by project meeting.
- 10:00am and beyond: This time is dedicated to everything vCIO. It includes taking calls from clients, working with the support desk to troubleshoot a client process, updating a machine report, researching products that need a formal upgrade path from a specific vendor, and so on.

A structured schedule helps her maintain her workload throughout the week. She finds that even when hectic and having a full schedule, she does not find herself doing work after hours. Her functions and job role stay at work.

Onboarding New Clients

When it comes to attending new client onboarding, Anna does not involve herself with the process. Admittedly, she wasn't technical enough and was impeding progress. Her first touch is scheduling the post-onboarding meeting.

To prepare for customer meetings, she uses a templated outline using Evernote, a tool used to document and organize notes. Before heading onsite, Anna familiarizes herself with the customer's environment discovered during the onboarding process. The initial meeting with a decision maker establishes the relationship and coming prepared shows dedication to their business goals.

Client Meetings

When meeting with clients, Anna has a goal: walk away with at least one project approval regardless of size. Quotes and proposals do not go with her to meetings unless previously discussed. She wants them aware of the quote so a thoughtful discussion can take place.

Anna's meetings are onsite and over the phone. These focus on the complexity and needs of each customer. Meeting types are first gauged using MRR followed by network complexity. A customer may need extra coaching to get them on the right track.

Examples of strategy sessions and alignment proposals:

- **Successful strategy session:** Technology Alignment Manager identified lack of complex passwords with a customer for the fourth or fifth time. Anna took an article describing HIPAA fines levied on a medical practice like her client. The customer scheduled the implementation of complex passwords for the next month.
- **Less successful strategy session:** Technology Alignment Manager identified an expired server warranty for the fifth time in a tow. Server was beginning to show errors and Anna explained a quote for replacement would be forthcoming. The customer declined the replacement due to costs being higher than he wanted to spend. He was curious why his previous IT guy was able to do it "cheap" and Anna reiterated the proper method of deployment. The customer pushed it to the next quarter or until it fails and was tolerant of the risk of significant downtime.
- **Successful alignment proposal:** Anna met with a customer in person to explain the server was in imminent failure. Due to the successful business relationship, the customer approved a replacement without a formal quote. They only asked to keep the cost under a certain value and work from there. The client understood the value of preparing and planning for the changes in technology and budgets for server replacements every five years. The customer often replaces PCs and is open to new technology that makes sense to their bottom line, even if the initial investment is large. They tend to amortize the investment per employee and determine its benefits.
- **Less successful alignment proposal:** Anna met with the customer in person to discuss their server's imminent failure. The customer was not willing to have technicians scrambling to replace it and have unwanted downtime and declined the replacement option. Six months later the server failed and Anna's technicians scrambled to get it replaced and running. She likes to save moments like these for the project wrap up meeting to remind the customer that proactivity is beneficial to the customer.

Standards

Mayflower develops its standards through the use of a committee. Anna is a member and they meet quarterly to discuss maintenance of the standards library.

Who is involved with the Standards Committee and how are standards handled?	Involved: vCIO, CEO, Operations, N/A, Centralized Services, and Level 3 engineer. If a question is still relevant it remains in the standards library. If no longer useful it is reworked or removed.
How are standards and the TAM process introduced to customers?	During the sales process and onboarding.
What are some hurdles with the standards process?	Clients do not seem interested in being in alignment. As long as their environment is functional and costs do not increase.
What organizational method is used for standards in myITprocess?	Documentation, Backups, Email, Networking, Server, Workstations, and Web filtering are the primary sections in the Standards Library. Not all sections are applied to every client. The frequency of applying standards is dependent on the size and complexity of the customer.
What was the process for transitioning clients to standards alignment?	Transitioned a few customers at a time until they had at least one review completed.

Role & Responsibilities

When performing a Quarterly Business Review (QBR), Anna covers a set list of topics at each meeting.

- Relationship: How are we (the TSP) doing at getting the job done?
- Changes: Any types of changes the vCIO should be aware of like staffing, buying or selling, budget cuts, and so on.
- Projects: An overview of projects completed since the last meeting.
- Upcoming projects: Projects scheduled to start soon or urgent enough to cause a risk to operations.
- Strategy & Budgeting: Usually 1-2 years in the future.

Every meeting agenda has a template to ensure Anna covers all her bases. A major benefit to templating major items is it can change on the fly by adding or removing items as necessary. Once a meeting concludes, Anna takes action items to the CEO/Operations manager if items need ticketing. She creates reminders using Microsoft Outlook and Evernote and updates her vCIO Playbook.

Setting a meeting frequency can be a challenge so Anna explains how she meets with a variety of clients.

- vCIO meeting occurs 1-2 times per year.
- Large or complex customers have a quarterly meeting. In rare cases, she meets with some on a monthly recurring schedule.
- Some clients need 10 minute phone “huddles” daily.

Customers differ and depending on their complexity, meeting frequency may never be the same. Each meeting includes the discussion of metrics like tickets completed; however, the number of meetings attended or missed is not a talking point. Other metrics covered include tickets escalated and why, technology reviews completed over a given period, and proposals completed or declined.

Strategy & Budgeting

Talking about strategy and budgeting with clients is a key focus for vCIO. Anna presents the business impact of misaligned standards through examples of downtime and loss of productivity. Most of her clients do not make the connection between downtime in relation to salary and loss of profit. To them, downtime and loss of productivity are passive and the thought of losing money does not cross their mind. Anna pushes the importance of proactivity to prevent these problems from occurring.

Every meeting discusses business goals. Most clients do not have business goals they can articulate. Anna does what a vCIO does best: translates technical data into business language. Business impact has a real-life impact on the short- and long-term goals of her customers. Shedding light on the reality of business impact can help customers see more clearly.

Anna develops a strategic roadmap for all clients, but not all are willing to cooperate. Her larger clients engaged with the Technology Success Process are more open to a strategic roadmap. Smaller customers are less likely to look into the future and worry more about technology working today. The larger organizations are more open to long-term success by understanding how alignment affects their bottom line. The smaller clients most likely bring in less revenue, or have smaller profit margins, and are not concerned with future expenditures.

Budgeting for her clients is in two styles. The first is a short-term expenditure list of 12-18 months in the future. This offers the client an understanding of immediate needs and securing funds sooner. The second budget spans 3-5 years to present a future outlook based on current trends. Presenting both budgets is smart because it provides time to earmark funds for projects.

Anna notes a key tactic for maintaining a strategic relationship is tying technology to a bottom line budget item when possible. Showing a customer how technology affects the bottom line tends to keep them interested in the process. Reframing customers to realize this may be a challenge. While no customers have been 'fired' in the 3 years she has been a vCIO, it has happened in the past. Clients who refuse to reframe and cause too much noise in support tend to be the first to go. Others who do not accept the Technology Success method and refuse the standards process may no longer be a client.

Summary

Anna's role as a vCIO seems to be well established in her organization. A lot of her actions are 'by the book' and she fills in the gaps using expertise and real-life scenarios. To sum up her experience as vCIO so far:

- Meets with customers on a scheduled frequency based on MRR and network complexity.
- Uses the vCIO playbook to track metrics.
- Demonstrates how downtime and loss of productivity will affect the bottom line.
- Uses the experience of one client to prevent the same issues at another.
- Attempts to reframe all clients to follow technology alignment and business impact.
- Builds strategic relationships by translating goals into relatable scenarios.
- Presents a short- and long-term budget to customers at meetings.
- Has a structured meeting agenda to cover similar topics while adding or removing items as necessary.

Zorg Enterprises

Zorg Enterprises has been a member of TruMethods for three years with Korben as vCIO since the start. Korben is a business owner who pursued the Technology Success method to provide better service for their clients and maintain stability within the MSP. As a solo vCIO heworks with two Technology Alignment Managers, three Professional Services members, three Support Desk technicians, and a part-time Centralized Services administrator.

Zorg Enterprises is making full use of the technology Success Practice framework. This helped when Korben transitioned from Project Manager into the vCIO role. Meeting with clients to plan a stable and predictable IT environment is what interested him in the position. Assisting clients into a defensible, supportable, and productive scenario makes him, his TSP, and the customer proud.

Typical Schedule

As a vCIO Korben handles a lot of legal and medical practices. His typical day consists of tracking action items and managing projects to keep a client moving forward. It is not unusual to have 2-3 onsite meetings with clients. Most days include preparation for upcoming meetings like creating presentations or proposals. A 9-hour workday is normal for the workload assigned, allowing for time to manage many clients.

Onboarding New Clients

The onboarding of new clients has a few steps to ensure the process is smooth for the customer and TSP.

- The first formal meeting is updating the business update collector.
- The update collector makes the client comfortable with the template used by the vCIO.
- The template requires many phone calls and status update emails to inform the client on progress.

Client Meetings

Korben meets with clients quarterly as part of their standard practice. Meetings are on the same day, week, and month of each quarter. Performing monthly meetings wound up being more work, regardless of client size. Every meeting covers quarterly budgets, an annual budget rollup, historical Key Performance Indicators (KPIs), a list of recommendations, client overview showing audit scores in graphical form, and tracked meeting action items to keep people organized.

Most meetings are onsite and quarterly except for web conferences for long distance clients. Clients who request fewer meetings per year (1-2 on average) tend to generate the most noise in support. This is likely due to their lack of interest in a stable environment. For customers who value technology, Korben meets about business IT strategy at least one hour per quarter.

Examples of strategy sessions and alignment proposals:

- Successful strategy session: The vCIO met with a client to share the concern about a rise in downtime for staff the previous quarter. The issue pointed to an unstable SQL server. After many tickets with third parties and Microsoft and a workaround implemented, he recommended a long-term solution. He suggested splitting the SQL servers into two instances since both applications may be conflicting. The client agreed to review a formal quote and when received, approved the project. The server deployment was a success and one vendor resolved an issue with their application. The client is now on stable, current versions of SQL server and has not reported any issues since.
- Less successful strategy session: Korben met with a client to inform them of the Windows 7 and Server 2008 end of life dates in 2019. The customer did not see the big deal with this. The systems would be more susceptible to downtime, viruses, lack of security updates, and no longer supported by Microsoft. The client was not in the mood to spend money and declined to upgrade. The advice given was to keep a positive business relationship and prevent problems in the future. The customer refused an upgrade path claiming the vCIO only wanted him to spend money. Warning the client it could cost them more after the end of life period was the best alternative.
- Successful alignment proposal: A recent audit showed risk to the server infrastructure due to failing battery backup units. The client was informed of the issue and given a ballpark quote with parts and labor. The client questions the labor part, asking why they had to pay to have this implemented. Korben noted that replacing the battery backup units was more complex than plugging them into an outlet. They required a proper hardware configuration to integrate with the server hardware and operating system. Doing so would start a graceful shutdown in the event of a power outage and automatic startup when power came online. He explained they have certain standards for installation, ones which the previous provider did not possess. The client approved the expense and the project successful.
- Less successful alignment proposal: A recent audit showed problems with the battery backup units. They appeared to be aging and not able to keep the servers protected. The client refused to spend money on battery backup systems, reiterating they wanted no downtime and the TSP was being watched. When Korben attempted to inform the customer that UPS systems are part of the business strategy, he was cut off by the client. They stated they were spending zero dollars on computers for the foreseeable future. The vCIO had to table this discussion and move on to other matters.

Standards

Zorg Enterprises develop their standards using a committee. The group consists of a representative from Service Desk, Centralized Services, Professional Services, TAM, and vCIO. Korben is no longer on the committee and they meet once per month for a few hours at a time.

Who is involved with the Standards Committee and how are standards handled?	Involved: Service Desk, Centralized Services, Professional Services, TAM, and vCIO. Perform a root cause analysis on tickets and look at ticket data for the largest categories and time spent.
How are standards and the TAM process introduced to customers?	The audit gets updated with the questions and then the items are brought up in the vCIO meetings with clients. NRR sales close the deals and the projects are dispatched to Professional Services.
What are some hurdles with the standards process?	The biggest hurdle is the time and discipline to get the committee to function. Korben spent 2 years driving the process and dragging people along until it stuck as a habit.
What organizational method is used for standards in myITprocess?	All sections and questions are applied to every audit. We perform quarterly audits.
What was the process for transitioning clients to standards alignment?	Current client base was up sold for those that wanted into the TM framework. Then put every client into the framework as they came onboard. It would have been much better to follow Pica's advice and bring in new clients at the right price, but hindsight is 20/20. A bunch of legacy clients really do not understand what they have signed up for and have a low AISP because of the upsell.

Technology Alignment Manager

A Technology Success Practice has two differentiating roles: Technology Alignment Manager and Virtual CIO. It is important both roles meet to discuss clients, their problems and agree on a resolution.

Korben meets with his TAM once per week for an hour. They use the 'Traction' book format for meetings and have 10-minute ad hoc gatherings to review, sync, and edit the strategy list before client Quarterly Business Reviews (QBR). A data exchange file passed between the TAM and vCIO monitors tasks. These tasks do not warrant a full PSA ticket but need tracking.

Once the TAM completes the alignment review, Korben receives a notification to grade the myITprocess audits. Korben and the client receive a formal 'end of day' template report after each onsite visit. The audits and visit notes build strategy recommendations.

Zorg Enterprises has determined that a monthly TAM visit per client is standard unless they are large and need more attention. A monthly visit for small clients burns down their margins but decided to maintain this standard to keep consistency. The exit plan will be bringing in new MRR at the correct margins and either 'right sizing' existing clients or let nature take its course.

The TAM onsite process consists of the following:

- Standardized checklists with suggested time allocations for monthly, quarterly, and annual tasks.
- Checklists are worked according to the frequency.
- Two hours of client time is budgeted per visit for ad hoc support requests.

Role & Responsibilities

When performing a Quarterly Business Review (QBR), Korben covers a set list of topics at each meeting.

- Business Update
- Recommendations
- Budgets/KPI data
- Action items/New Business

Using this standard template, Korben is able to create templates for each meeting, speeding up the process for reviews. Having a template ready prevents creating them from scratch every time. Action items resulting from meetings follow a repetitive process. The standard cadence is a monthly touch point with each client to track, process, and track the assigned action items.

Korben uses repetitive meeting schedules with all his clients. Quarterly meetings fall on the same day and week of each month. He discusses various metrics with the client except for meetings attended or missed. Approved, denied, or on hold recommendations are tracked and discussed as well as adding brief notes. Ticket metrics tracked in the KPI section and is not the main focus. They use them to calculate RHEM which is the real value they track. RHEM doubles down and drives a Bollinger bands parameter which shows how much RHEM impacts the client's revenue on a high and low scale.

Rather than discuss escalated tickets, Korben now incorporates them into the action items/new business section of his meetings. Having an escalation section seemed irrelevant and adding them to action items seems more useful. Using a graphical overview, Korben tracks audit scores in the KPI section of his meetings. He shows the client a quarterly block representation based on the sectional categories of the audit results. Proposals are not tracked as NRR sales conversions.

Strategy & Budgeting

Korben uses the Recommendations section of the vCIO QBR template to discuss misaligned standards. This is where he lays out issues, risks, and items that will improve the client's business. They make this a standard part of the conversation every quarter. Business goal analysis is in the first two meetings with a client. Then, generic quarterly questions fill in the blanks if there have been any changes.

Korben builds a strategic roadmap using at least a full year's worth of recommendations. To keep it manageable for clients, only the top one or two items receive fulfillment. But every recommendation laid out ahead of time keeps the client aware of all concerns.

When establishing a written budget for clients, Korben has it planned out in two parts. The first is a quarterly budget, then an annual rollup which includes the past, present, and next 8 years. As a general strategy, he only populates a few years at a time. The reason a 10-year budget template is set is to stress the effect of long-term planning.

Reframing clients can be a bit tricky in the Zorg environment. There is no sales pipeline which creates a disadvantage, and they are unable to draw hard lines. This presents the fear of dropping cash flow from clients who refuse to accept the new way of operating. This creates many underpriced clients. The benefit to their situation is they are aware of which clients make them break even on revenue. Understanding this is the first step to taking on clients with a better AISP and higher margins.

Maintaining a strategic relationship with clients is part business and part pleasure. Quarterly touch points in meetings maintain the business side of the relationship. Occasional gifts or outings with larger clients put the vCIO on a personal level with the decision makers.

Summary

Korben's role as a vCIO is very established within the organization and with their clients, regardless of their resistance to reframing. There are notable takeaways from his daily work as a vCIO.

- Has regular onsite meetings to establish a face to face business relationship.
- Works with new client onboarding to familiarize them with the process early.
- Is not afraid to put his foot down with clients to warn them of impending issues.
- Remains involved with the standards committee even while no longer a direct member.
- Maintains a well-templated, structured strategy meetings to remain consistent across customers.

Weyland Corporation

Michael is a vCIO with the Weyland Corporation. He has worked for the company since 2009 as a support technician, service desk coordinator, Technology Alignment Manager, and vCIO. Throughout his personal progression, his organization chose to pursue the TruMethods model to transition to a true MSP model. They currently make full use of the Technology Success Practice methodology and have two vCIOs, two TAMs, one Centralized Services, three Professional Services, and five Service Desk employees.

A dedicated Design Desk position allows Michael and other vCIOs take advantage of a high-level technician. Design Desk will free him up for strategy and budgeting. He has been a vCIO under the TruMethods framework for 4 years while having no prior experience in the role. His interest in the role stemmed from helping non-technical business people understand their technology. He enjoys the personal and social side of working in Information Technology. Transitioning to the planning, and not technical, side of the team was natural.

Managing over 30 clients can be challenging due to the variety of decision makers. The company has become much better at preventing reactive issues. Technical issues are no longer handled by vCIOs due to help by management. He does not specialize in particular verticals to build familiarity and expertise with his clients. He tends to work with engineering firms while his colleague manages financial and legal customers.

Typical Schedule

For Michael, every day starts out with a structured schedule.

- Begins by attending a daily scrum (a short meeting to facilitate communication and the flexible reassessment of plans) with his fellow co-workers.
- After the scrum, he has a daily review of assigned tickets, tasks, projects. Then he handles emails which takes about 15-20 minutes to organize his day.
- Days will be split between strategy meeting preparation, project management, and attending 2-3 onsite meetings most weeks.

The workload Michael carries out exhibits a normal work-life balance. He works into the evenings or weekends when needed, but his schedule is usually predictable and is able to maintain a work-life balance.

Onboarding New Customers

Michael involves himself with the onboarding of new customers. There are step-by-step procedures when moving a new customer into the vCIO process.

- vCIO attends the final sales meeting when the sales process expects to close.
- The next step is a kick-off meeting when the vCIO lays out the onboarding process for the new customer.
- A one week and one-month in-person vCIO meeting allows immediate review of initial findings and sets expectations for the implementation of standards over the coming weeks.

The Weyland Corporation involves its vCIOs from the end of the sales process and into the kick-off process. This creates a smooth transition from sales to account ownership and establishes the strategic relationship early.

All new client meetings have a set structure and follow a specified list of items to accomplish.

- Technology Steering meetings are in person.
- Standardized agenda page, notes, current asset report, and budget planning document comes to every meeting.
- Shown to the client is a collection of standards documentation, known as the 'Technology Library'. It contains associated risks and reasoning for each standard.
- Earlier meetings focus on initial findings of onboarding. As the relationship matures, budgets planned in focus more on long-term projects and business strategy.

Client Meetings

Weyland Corporation sets a precedent with their strategy meetings: in-person and once every quarter. Meeting every quarter and in-person is a standard across all customers. Exceptions exist for larger or smaller clients, but these are generally avoided.

Standards

Standards development is through a Standards and Innovation Committee. This is a continued effort through TAM and vCIO conversation with the TAM team lead. Michael is not a member of the committee but works with the TAMs. Standards and Innovation meet on a monthly schedule.

The Standards and Innovation team meets monthly and contains members from vCIO, TAM, Centralized Services, and Professional Services. Other members are welcome to join meetings if they choose to do so. Standards identified are remediation to recent issues, responses to common vulnerabilities, industry trends, and vendor best practices. Most come from the TAM and Centralized Services team. The final decision to include a standard weighs on the TAM team, but the input and consensus of the standards team is often the deciding factor.

The standards process is first introduced during the sales process and is a component of IT leadership. Ensuring standards apply to the entire client base can be the main hurdle for Weyland Industries. It affects the long-term technology stack and they need to make sure standards put in today are working for plans tomorrow.

Standards organization operates on types, for example, security, networking, and licensing. Recurring categories work for standards requiring more frequent checks or prone to coming out of alignment over time. Static items review is less often such as once per year.

The process of maintaining a Technology Success Practice is ongoing. Most of the company structure works on the TruMethods foundation. While they cannot say they are 100% transitioned to the framework, their primary alignment strategy comes from the process.

Transitioning of clients to standards alignment is continual. Over the years there was a large push to align as many customers as possible. It has involved letting some go, prioritizing some, and in uncommon cases deprioritizing others. The actual move was more ‘all at once’ with customers identified as being mature enough to understand the value of standards alignment.

Technology Alignment Manager

Michael meets with a Technology Alignment Manager once per week as part of their proactive team meeting. The meeting focuses on proactive and Professional Services strategy and goals. Two vCIOs and two TAMs live in the same physical officer to allow continual communication between the teams.

When a TAM performs and completes an alignment review, the results generate a findings report for the client. Depending on the content, this report is either reviewed during the next technology steering meeting or the findings work into the budget and presented as a project proposal.

Determining the number of clients a TAM can handle begins with MRR and seat count. The next factor is on need and more aligned customers may need less proactive attention. New or misaligned clients may have increased TAM attention to bring them into alignment sooner.

When a TAM arrives onsite, the day begins with a meeting to check in with the primary contact. If necessary, new tickets created are for the support team. A health check of basic critical infrastructure occurs. A critical part of the day centerson the myITprocess review and alignment process. A small block of reactive time is set aside for the afternoon. A block of time allocated at the end of the onsite is to send a follow-up email to the primary contact outlining the day's accomplishments or issues recorded.

Role & Responsibilities

A standard technology business review has a set list of topics Michael covers with each customer.

- Relationship check-in.
- Business review: Current goals and struggles.
- Proactive IT review: myITprocess findings review.
- Budget review: Chronological budget planner for projects, workstations, and so on.
- One decision: Introduction and pre-approval to apply company standards when required in the future.

The topics outlined above are part of a standard meeting agenda Michael has with every client. Every so often adding or modifying topics occurs depending on the status of the customer.

An action items recap is at the conclusion of every meeting. An email sent to the decision maker has a summary of action items recorded in the meeting agenda. Items captured in the technology steering meeting become delegated to other staff as individual support tickets.

Technology steering meeting frequency is set every quarter and in person as a standard for every customer. Larger customers may need more frequent gatherings. Michael does not review metrics like response time, ticket volume, or uptime unless there is a specific reason. The number of meetings attended or missed are reviewed with the decision maker. Budget items are tracked as opportunities in ConnectWise and will be a future metric.

Tickets escalated for high-level technical assisted are not a common topic of discussion. Resolution falls to the reactive support team with help from TAMs and other senior technicians. A vCIO may get involved to manage larger issues. In these cases, they close the loop before the next steering meeting. Solving the root cause of the problem may be an agenda item to add to the budget.

Strategy & Budgeting

The myITprocess report review details the business impact of misaligned standards. Minor items which a TAM cannot resolve during their visit will trigger a risk/impact discussion of the misalignment. More serious items end up on the budget planner and covered in-depth so the customer understands the risks and the recommendations.

A strategic roadmap includes a planned 24-36 month budget. Their standard budget planner covers 36 months at a time. The timeline moves forward each quarter since long-term uses the same budget planner. Old versions become archived and retained.

Reframed clients need to understand the value and risk of standards alignment. If they are not engaged, implementing recommendations, or seeing Weyland leading their IT then they are a poor fit. This identifies when the vCIO and TAM time invested has no return of value for the TSP or customer. Managing a strategic relationship requires regular, valuable IT leadership. They differentiate themselves from being 'another vendor' by staying proactive and sustaining their meeting process.

Summary

Michael and his team have a solid understanding of the Technology Success Practice and why it is important for clients to be in alignment.

- Has a well-structured daily regimen for handling vCIO duties.
- Integrates himself into the onboarding process to build familiarity and relationship with new clients.
- Develops a standard meeting schedule to meet every quarter and in person.
- His organization has a well-established standards committee and process for developing best practices.
- Seems to have a firm understanding of the vCIO role and its place in his organization.

Appendix A: 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 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 skills 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 a 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 advance using best estimates. Be sure to build in markup to match 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 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 needs 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 of $3900 to 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 a 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 the best estimation of completion time.
    - Block off time on the 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.

Appendix B: 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.