

Help Desk Outsourcing: Evaluation Process Guidelines and Sample RFP

Management Summary

In many enterprises, the role of IT is evolving to act as the “nervous system,” coordinating and communicating resource requirements, availability, operation and output. The operational requirements of the IT infrastructure are only loosely linked to the integrated management framework. Environmental complexity, lack of predictability, limited resources and a “warp level” rate of change will drive user organizations toward attempting simplification of their infrastructures. Unfortunately, the increasing business demands on the IT infrastructure will continue to thwart efforts to reduce complexity. Through 2002, the IS community will be critically challenged by business management to deliver increasing levels of infrastructure functionality to support individual business unit application initiatives. Most IS organizations lack strong skill sets, processes and technologies to manage the IT infrastructure and meet these expanding requirements.

With technology obsolescence, cost containment, and resource and skill constraints, IS organizations are increasingly investing in selective outsourcing. The acceptance of, and reliance on, external resources within the IS organization is also driven by the shortage of experienced operations specialists, field technicians, service desk analysts and other support personnel, as evidenced by the growing numbers of unfulfilled job requisitions. IT support managers must move beyond their comfort zone in evaluating and implementing sourcing alternatives to be successful in leveraging outside resources and retaining sufficient IS support personnel. Help desk outsourcing services will continue to grow at an annual rate of 35 percent, but outsourcers will begin to sign smaller deals to diversify their client portfolio (0.7 probability). However, the players and their focus continue to change, making the acquisition of outsourcing services more complex and risky. Many help desk outsourcers are now bidding for a broader base of deals, providing outsourcing services for a wider variety of enterprises. This requires a close inspection of the vision, commitment and capabilities of the outsourcers in providing quality help desk services. A primary vehicle for ensuring the right match between the user organization and the outsourcer is the request for proposal (RFP), which will be examined in this *Strategic Analysis Report*.

The Key Issues addressed in this *Strategic Analysis Report* are:

- What outsourcing strategies will best balance the need for providing services while maintaining control over mission-critical parts of the distributed IT infrastructure?
- How will organizations identify and select the proper mix of internal and external services to maximize service levels and minimize support costs?
- What technologies will allow organizations to evaluate, select and manage help desk outsourcers?

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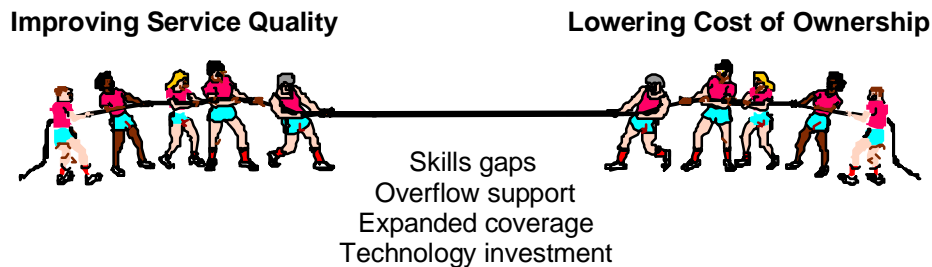
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1.0 Introduction

More than distributed technology, distributed computing environments mean distributed financial control and accountability, distributed organization responsibilities and distributed support strategies. Whether deployed by the IS organization or by business units (masking huge labor costs and risk), production and mission-critical systems — e.g., enterprise resource planning (ERP) technology — are rolled out in this fragile, unmanageable infrastructure. The primary objective of the next-generation support structure, the consolidated service desk (CSD), is to provide more-proactive, better-quality service at a lower cost. Although these two objectives are in direct opposition to each other (see Figure 1), the requirement for IT support is to accomplish both simultaneously. Usually, the IS manager can increase service quality at a higher cost, or reduce cost at the sacrifice of service metrics. For long-term success, IS organizations must meet stringent success metrics to have credibility in reducing response time, expediting call resolution time, distributing knowledge content and enabling customers to resolve their own problems. To reduce support chaos and rein in costs, enterprises must focus on best practices for consolidation, automation and *sourcing*.



Source: GartnerGroup

Figure 1. Complexity in Providing IT Support

With the growing complexity of a distributed computing environment and the IT labor shortage, enterprises are increasingly leveraging outsourcing resources in covering this important technical-support function. One of the distributed market's fastest-growing areas is help desk outsourcing. Outsourcing is defined as a contractual relationship with an outside vendor to assume responsibility of one or more IT functions. It is usually characterized by the transfer of assets, such as facilities, staff and hardware, and could include the data center, wide-area networks, applications development and maintenance functions, end-user computing, and business processes. Outsourcing relationships involve contracting out to a service provider the responsibility for the provision of service for part of or all of an enterprise's IT support and related processes. An outsourcing relationship represents a "long-term" (vs. a discrete or project-based) relationship, reveals customized content in a distinct bundling of services, establishes a performance guarantee or transfer of risk from customer to provider, and often includes asset transfer of technology or people.

A detailed framework is necessary to evaluate potential help desk outsourcers, in terms of which offer the appropriate service levels and fit with the enterprise's culture. The RFP is one of the most important tools for selecting and evaluating the best help desk outsourcing vendor. When developed correctly, an RFP will help to eliminate confusion regarding services provided vs. services required, and can assist in creating a partnership mentality between the client and the outsourcer.

This *Strategic Analysis Report* addresses the help desk outsourcing evaluation process, critical success factors and requirements for an effective RFP, and provides a sample RFP for outsourcing services.

2.0 Help Desk Outsourcing Overview

Many user organizations are considering outsourcers either to replace the internal help desk completely, or to augment the existing help desk (e.g., by taking over Tier 2 support, call routing or specific application support). There are four main reasons for completely outsourcing the help desk: 1) there is massive IS head count reduction, usually as part of an overall restructuring or downsizing; 2) management is convinced that an internal help desk is not a “core competency”; 3) there is a need to build a centralized help desk in a short amount of time where one did not exist before; and 4) the current help desk organization has completely lost credibility because of poor customer service, inadequate skills, nonexistent tools infrastructure and high costs. Other drivers motivating CIOs to consider help desk outsourcing include financial considerations (e.g., reduced operating costs, lower unit costs and avoiding capital expenditures) and IT performance considerations (e.g., lack of appropriate skill sets in-house, new management techniques, experience with new technologies, and after-hours or peak-period performance). Only by implementing a world-class technical-support function will the IS organization be able to ensure its role as the technology provider of choice among its customers, which involves viewing help desk services within the scope life cycle management services.

2.1 IT Support Within Life Cycle Management Services

Many outsourcers claim to offer an array of outsourcing services, from acquisition and fulfillment to retirement of assets — a “life cycle management” solution. Given the increasing complexity and expanding nature of the outsourcing market, a complete solution is more than most vendors can truly deliver, and what they are able to provide varies. Most user organizations are looking at hiring the best-of-breed vendor for individual IT functions, and will therefore opt for the best-of-breed approach to choosing outsourcing vendors rather than the “one-stop shopping” approach.

Hardware and Software Acquisition: Procurement, configuration, testing and installation are involved in asset acquisition. Also included by some outsourcers are product evaluations and consulting services designed to assist clients in selecting the desktop solutions best suited to the client’s overall IT environment. The leading players in the desktop market have fast access to available hardware and software as well as automated processes for rapid configuration, delivery and installation of equipment.

- *Hardware and Software Acquisition:* distribution; installation; inventory; planning; product evaluations; system integration; and migration planning

Asset Management — Desktop Hardware: Organizations that look to outsourcers for this service are typically seeking a provider to keep track of the hardware in the organization, from the various configurations to the necessary physical moves/adds/changes. Logical moves/adds/changes — the location of the hardware and software on the network — are often performed by the help desk service providers. Hardware asset management may also include technology refreshment (e.g., replacing older machines with newer ones).

- *Asset Management — Desktop Hardware:* warranty management; capacity planning; configuration management; moves/adds/changes; and retirement/technology refreshment

Maintenance — Desktop Hardware: Many outsourcers provide ongoing maintenance for hardware, with offerings such as overnight break/fix capabilities and “parts depots” for this purpose. Some vendors will even ship replacement machines to mobile users when necessary. Hardware peripherals (e.g., printers and modems) and LAN server maintenance are also covered by many outsourcers in this segment.



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- *Maintenance — Desktop Hardware:* break/fix — depot; break/fix — on-site; coverage (peripherals); dispatch coordination; LAN server services; mobile user support; parts depot; phone support; and preventive maintenance

Asset Management — Software: This area most commonly entails license management and compliance and software distribution (both by “sneakernet” and electronic distribution) of both “shrink-wrapped” applications and, less frequently, applications developed in-house. Software management encompasses tracking changes to the configurations and executing volume purchase agreements and version schedules.

- *Asset Management — Software:* capacity planning; configuration management; software license management; distribution — in-house-developed or shrink-wrapped applications; moves/adds/changes; and retirement/technology refreshment

Deployment — Software: Larger outsourcers (e.g., EDS and IBM) will provide full-scale applications development (e.g., building a mission-critical client/server application). Several smaller outsourcers, however, may only build templates to run with applications developed in-house (e.g., front-end interfaces to a Lotus Notes application developed in-house). File conversion, and ensuring the integrity of corporate data in the transfer of these files to new applications, are also services provided by outsourcers.

- *Deployment — Software:* application building; coverage — cross-platform, cross-vendor, in-house-developed applications and shrink-wrapped applications; file conversion; security; template building; and virus prevention

Support — Software: With the complexity and variability of the mix of applications on an end-user’s desk, a wide scope of coverage (multivendor and cross-platform) of industry-standard shrink-wrapped packages (e.g., Microsoft Office and Lotus Notes) will provide the best support for end users. Help desk support is also available from outsourcers — both on- and off-site, locally and globally — for both Tier 1 and Tier 2 problems. This is the aspect of software support that most directly touches the end users.

- *Support — Software:* coverage — cross-platform, cross-vendor, in-house-developed applications and shrink-wrapped applications; Tier 1 help desk — on-site and phone; Tier 2 help desk — on-site and phone; virus detection/eradication; and documentation/reporting

Training: As part of the implementation of this outsourcing solution, some outsourcers — such as Stream (formerly Corporate Software) and Vanstar (recently acquired by Inacom) — will train end users on the corporate platforms. Other outsourcers will not provide the necessary training, but will report to IS management (e.g., through help desk reports) where training is necessary. Those outsourcers that provide training for end users often provide a variety of media: both on- and off-site, standard and customized.

- *Training:* course materials — customized and standard; coverage — in-house-developed and shrink-wrapped applications; classes — on-site and off-site; and “train the trainer” offerings

2.2 Target Candidate Tasks for Help Desk Outsourcing

Complete outsourcing of the internal IT help desk represents less than 15 percent of help desk outsourcing engagements. Unlike other forms of outsourcing in which IS jobs are lost, help desk



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outsourcing often means augmenting and restructuring the existing IS staff rather than trying to reduce head count. Candidate tasks for outsourcing include the following:

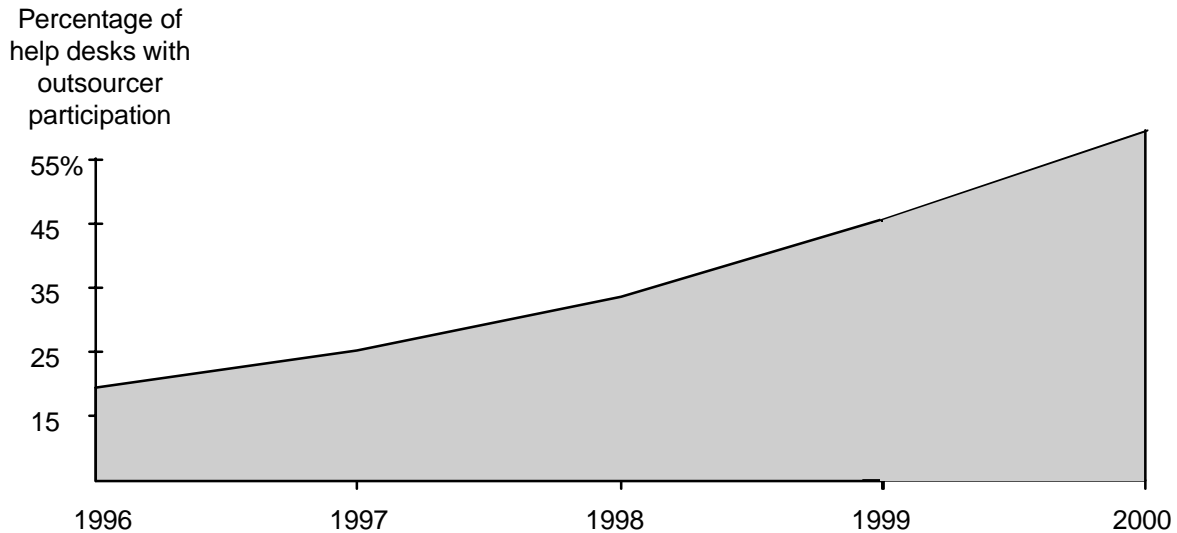
- *Day-to-day:* Tasks that are well-understood, repetitive, stable or slowly evolving, and nonstrategic are excellent candidates for outsourcing. Examples include hardware installation and maintenance, support for legacy desktop shrink-wrapped applications (e.g., DOS word processors or spreadsheets), asset management, and software upgrades.
- *Specialized:* Platforms and applications that represent a very small part of the installed base also are good candidates. The IS organization will have difficulty supporting these specialized assets because it will not be able to develop efficient expertise. An example is an organization with 1,000 Windows PCs, but only four Macintoshes in the graphics design department. In this case, IS should outsource all work associated with the Macintosh asset base.
- *Expertise transfer:* Working with outsourcers during the implementation of new technology can be useful for moving the internal IS staff up the learning curve more quickly and for providing additional labor resources. This will be especially useful for wide-scale migrations (e.g., Windows 95) that will require changes to all aspects of the installed base, including hardware, operating systems and applications.
- *Extending time and geographic coverage:* Outsourcers can be used to extend coverage when the help desk is closed. This would be especially useful for mobile computer users and location-independent workers. Outsourcers also can be used to cover satellite locations (e.g., bank branches), which could be scattered across a wide geographic area.

2.3 State of the Marketplace/Help Desk Outsourcing Growth

With the increased popularity and explosive growth of the help desk outsourcing market (see Figure 2), many vendors are jumping in and attempting to provide help desk services for end-user organizations. By 2000, more than 55 percent of all help desks will have some form of outsourcer participation (0.7 probability). Increasingly, the emphasis of these outsourcing contracts is on “out-tasking” rather than full replacement of the internal help desk. This means that internal help desks and outsourcers are becoming partners, and the ability (or inability) of the outsourcer to perform services adequately also directly affects the ability of the internal help desk to be effective.



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Source: GartnerGroup

Figure 2. Percentage of Help Desks With Outsourcer Participation

With the increased popularity and explosive growth of help desk outsourcing, many vendors are jumping into this market (see Appendix A for a list of outsourcing vendors). It is important to determine whether the outsourcers are long-term players or just reaping revenues while the market is still “hot.” Ninety percent of these service providers are not solely help desk outsourcers, but instead have many and varied core competencies (e.g., value-added resellers, systems integrators, consultants and hardware vendors). The ancestries of the vendors include: help desk outsourcers that have been providing services since the companies were formed (e.g., Sitel); hardware resellers that provide life cycle services beyond the help desk, such as hardware and software procurement and maintenance (e.g., Entex and Corporate Software/Stream); consultants (e.g., the major systems integration and consulting firms); vertical integrators that combine all aspects of the computing environment, such as systems integration and customized applications development (e.g., EDS); or the services arms of large systems providers (e.g., IBM and Hewlett-Packard). This can affect the ability of these outsourcers to provide quality help desk services.

In addition, the offerings of some outsourcers are varied to the extent that one outsourcer can have a hand in many other providers’ offerings (e.g., IBM owns ISSC, is a partial owner of TSS and retains its own offerings), adding confusion concerning the differences among companies. To improve service quality and lower costs, user organizations need to ascertain the ancestry of the outsourcers being considered and match their needs to the competencies of the help desk outsourcer. It is increasingly difficult for enterprises to accurately assess which service suppliers can best support their needs. User organizations are increasingly seeking a single-point-of-contact provider for all of their help desk calls (e.g., one phone number and one vendor taking responsibility for the problem). In the past, it was difficult for outsourcers to provide this single source due in large part to lack of integration and lack of strategic partnerships; however, in the past 18 months, outsourcers have begun partnerships or mergers to increase their stature in this market, their overall knowledge base and their marketability. Examples include the merger of R.R. Donnelley and Corporate Software, and joint projects by Entex and ISSC.

As this outsourcing market continues to explode, the success of help desk outsourcers will be linked with both the partnerships and the adaptability of the service provider to the continually changing distributed environment. Many service providers are attempting to broaden their support offerings via mergers or acquisitions, adding volatility through growth to an ever-changing market. Their challenge is seamlessly



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assimilating these acquisitions. Users should monitor the progress of vendors, as partnerships and mergers should be complementary to the stated goals of the outsourcer, rather than a short-term addition to the outsourcer's portfolio.

3.0 Trends in Help Desk Outsourcing

- *Outsourcing is not just for reducing costs.* The decision to outsource is no longer solely based on financial goals (e.g., upfront cash for assets) but on broader strategic considerations such as improving IT support and business performance. For example, many organizations are considering outsourcing as part of a larger re-engineering decision that can dramatically change the enterprise's overall structure. Therefore, fairly easy financial decisions in the past have now evolved into more complicated business decisions that often carry serious strategic implications. The importance of IT to the business (e.g., ERP) has been exemplified in shifting the focus from financially motivated outsourcing decisions. The IT outsourcing market will undergo a transition from mega-deals based on financial restructuring to more value-added arrangements, which may lead to smaller, more competitive deals (0.8 probability). With support outsourcing (Tier 1 and Tier 2), the focus is on the redeployment of internal staff and the value-added services that can be provided by delegating out the less critical activities.
- *Outsourcing decisions have slowed as part of the shift away from cost savings objectives toward more strategic ones.* The process for making outsourcing decisions has changed fundamentally over the past several years. The decision-making cycle has lengthened in time, and corporate decisions regarding whether to outsource and with whom come more slowly. While enterprises are still interested in outsourcing arrangements, the justification of the delegation (quality) and the validation of estimated cost savings are complicating the process. With the broader demands in distributed computing environments, enterprises are often creating longer "short lists," evaluating more competitors and taking longer to make contract awards.
- *Outsourcing acceptance is forcing IS organizations to prove their value.* The emphasis on virtual corporations, core competencies and outsourcing of all auxiliary functions (not just IT) is putting tremendous pressure on IS organizations to explain their value to the enterprise. Frequently, outsourcing deals are signed when the IS organization has little credibility with executive management and is unable either to show value or to prove that it can operate as cost-effectively or as efficiently as the outsourcing vendors. This pressure to determine and explain their value has caused many IS organizations to benchmark themselves, to study "best practices" of other enterprises, and to contract with external vendors that maintain comparative databases on the cost efficiency of various IT functions.

3.1 Dispelling the Hype About Help Desk Outsourcing

- *"Outsourcing is always cheaper."*

Support managers should not fall into the trap of believing that outsourcing a task is less expensive than performing that task in-house. While help desk outsourcers can achieve economies of scale for certain tasks (e.g., phone-based support and hardware maintenance), other tasks will be more expensive (e.g., supporting in-house applications and on-site software support) as the labor requirements remain the same — with higher labor costs due to the profit margin. However, outsourcing should still be considered — even in situations where it is more expensive — if it enables IS to redeploy head count from low-value activities to high-profile, high-added-value activities.

- *"Outsourcing your current operations will fix your problem."*



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In many contracts, help desk managers fail to differentiate between the services currently being performed in-house and the required services of the help desk outsourcer. In the RFP and contract, enterprises should state in writing the scope and specific services to be performed, the associated performance standards and the specific costs associated with these services.

- *“Outsourcing relieves an enterprise of management of the support function.”*

Enterprises in need of a “quick fix” may be tempted to contract with the first available vendor, but to succeed at help desk outsourcing, clients and vendors must create a partnership. Key among the management techniques for help desk outsourcing is a relationship manager responsible for coordinating internal and external parties, organizing weekly or semimonthly meetings, and handling complaints and disagreements. Mechanisms and processes for gathering vital end-user information that can affect procurement, end-user training and IS budgets must be clearly defined.

- *“Outsourcing relationships can be working in several weeks.”*

Outsourcing deals are often quite complex, and enterprises should not underestimate the experience or time needed to make a proper evaluation or implementation of the relationship. Most enterprises set an unrealistic schedule for reaching a decision, closing the deal, and facilitating the sharing process across internal and external resources.

- *“Assume the user environment will never change.”*

Because the user’s environment will not remain static during the next several years, enterprises should include clauses for renegotiations and add-on services. Both normal and extraordinary changes must be anticipated, such as a merger or acquisition. In the case of extraordinary changes, the help desk outsourcer should agree to renegotiate.

- *“Outsourcing is a solution for everyone.”*

The most successful uses of help desk outsourcing services involve multiple shifts, staff turnover, new releases, productivity, reduced infrastructure costs, reduced training costs, legacy products, fee-based offerings and warranty enforcement. However, some areas are not suited to outsourcing — for example, in cases where IT support has very low call volumes, complex projects are involved, outsourcing is a reaction to a crisis, or the current delivery is high-quality and cost-effective.

- *“All outsourcers are the same.”*

Help desk outsourcers do not all provide the same level of service quality. Therefore, the most important component for evaluating outsourcing is to follow a disciplined and comprehensive process (outlined in Section 5). To start, enterprises should assemble an evaluation team early to avoid a “hit or miss” process.

4.0 Follow the IT Support Sourcing Road Map

In many enterprises, IS managers consider external assistance only after the IT support function or project reaches a crisis state. Often, as a quick fix, enterprises will pay the service provider to uncover the problem, then design and implement the solution. IS gets slammed for spending too much money, while the external vendor is praised for saving the internal IT group. A consistent model is necessary to provide an objective framework for evaluation of all service areas. Key Issues facing clients are: 1) Which distributed management services must the IS organization provide to meet end-user and business requirements? 2) How can the IS organization determine which services should be outsourced or “insourced”?



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4.1 Step 1. Internal Evaluation

Many enterprises are struggling to identify which core support processes should be tackled internally rather than externally. By administering end-user satisfaction surveys, meeting with key business managers and defining evaluation metrics, the support organization can begin qualitative analysis to further understand and define end-user requirements. When determining if outsourcing or “co-sourcing” is appropriate, it is essential to understand internal costs, skills sets and service-level agreements (SLAs), and compare the options available from external sources. IS organizations should pinpoint internal skills gaps and assess the potential of external services providers to assist in the aspects of support that are not desired core competencies.

What services am I providing?

- Perform end-user satisfaction survey.
- Understand and define end-user requirements.
- Perform a staff skills inventory.
- Develop evaluation metrics.

4.2 Step 2. Benchmark Support

The second phase involves enterprises participating in benchmarks to maximize the effectiveness of support by analyzing the gaps against best-in-class performers. Formal or informal benchmarks can help determine the potential for the internal IS staff to reduce costs or improve performance. Benchmarking requires both qualitative (e.g., customer, employee and management perspectives) and quantitative (e.g., call statistics, complexity and costs) comparisons to pinpoint inefficiencies, service gaps and opportunities for improvement. A detailed examination of cost performance, productivity and quality metrics focuses attention on weak areas of support and highlights potential competitive advantages. However, most critical is obtaining end-user, management and employee feedback to identify critical services. During this stage, the level of risk should be calculated for outsourcing support to an external services provider.

How am I doing?

- Measure performance vs. requirements.
- Identify inefficiencies and service gaps.
- Determine critical vs. noncritical services.
- Benchmark service provision costs.
- Analyze the cost/benefit of internal vs. external support.

4.3 Step 3. Evaluate Options

Once a requirements list is documented, the IT support organization can decide how to organize its resources to address the various service or skills gaps. Integrating external resources into internal support operations begins with the resource-planning process. The objective is to allocate resources where they will add the most value to the enterprise. By first reviewing internal IT resources, enterprises target opportunities to consolidate support resources to better leverage and train personnel providing support (e.g., peer support). Training is key to closing the skills gap and adjusting resource coverage to handle critical, value-added services for the end-user community. In re-engineering IT support, market



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research companies and help desk consultants often provide advice on sourcing strategies. Specifically for outsourcers, enterprises should map the service requirements, highlighting the non-mission-critical tasks, and decide which functions are candidates for external sourcing.

What are my choices?

- Review internal opportunities first.
- Consider training/education options.
- Review help desk consulting resources.
- Evaluate outsourcing opportunities (e.g., password resets, hardware maintenance and dispatch, legacy software support, after-hours support, and PC configuration/setup).

4.4 Step 4. Vendor Selection

This phase involves developing an RFP to identify the serious contenders in the market, whether for outsourcing or consulting services. In searching for the ideal partner, IS departments should evaluate vendors by expertise level, breadth of services, project management expertise, pricing methodology, reference sites and global presence. As hidden costs become significant during the lifetime of the project, enterprises need to determine and factor these into the selection process to determine the cost for various service solutions.

How do I select a strategic partner?

- Match internal need to vendor expertise.
- Review the breadth and scope of the outsourcer's services.
- Ensure project management expertise.
- Review the outsourcer's pricing methodology.
- Interview reference sites.
- Look for global presence.

4.5 Step 5. Structuring the Partnership

Once a service provider is selected, significant issues exist in negotiating the deal. Managing external support providers is essential for a successful contract. It is critical to get everything in writing and ensure the project is covered well on a contractual basis. Whether using a trainer, consultant or outsourcer, a formal quality control plan ensures satisfactory levels of performance. All deals should be managed as partnerships, especially outsourcing, with IS managers retaining and managing internal expertise (either in the IS department or the business units). Most important is defining and managing SLA performance levels through an appointed internal relationship manager. Both the expectations of service levels and penalties for violations must be explicit in help desk service agreements with internal personnel and outsourcers.

How can I structure the best deal?

- Set SLA performance levels.
- Assign a relationship manager to monitor the outsourcer.



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- Hold feedback sessions with staff to review outsourcer performance.
- Perform detailed monthly SLA reporting.
- Tie compensation to performance.

While many vendors claim to provide a soup-to-nuts outsourcing solution, the definition of such services varies among vendors. Users need to demand a precise definition of a full-life-cycle management solution and sign explicit SLAs with their outsourcers to avoid confusion.

5.0 Focus on the Outsourcing Evaluation Process

Every time an enterprise has to contract with a new outsourcer, it will face start-up and training costs. It is critical to get the choice right the first time. As the result of a large volume of client calls on the subject, this section provides GartnerGroup's guidelines and top 10 key criteria for determining the best help desk service providers.

To begin, follow these basic guidelines for obtaining a long-term partner in the help desk market space:

- Form the IT support sourcing evaluation team.
- Identify the scope and objectives.
- Benchmark and evaluate current opportunities.
- Identify critical criteria for the enterprise.
- Compare and review GartnerGroup's recommended evaluation components.
- Develop a short list and prepare an RFP.
- Evaluate the various RFPs.
- Negotiate the terms of the contract.
- Select a help desk outsourcer.
- Design a management program.

5.1 Top 10 Criteria for Help Desk Outsourcer Evaluation

Enterprises should consider the outsourcer's consistency, commitment, capabilities and innovation in determining the best service provider. In searching for the ideal outsourcing partner, IS departments not only must deal with current support problems, but also must attempt to predict future considerations (e.g. any negotiations).

5.1.1 Experience and References

The experience of the help desk outsourcer is the most important criterion. While outsourcers consider help desk services to be a top priority for investment and focus within the sales force, others are being forced into the market by customer demand. If the agreement is signed for an extended period, ensure that the outsourcer is committed for the long haul. Check the vendor's stability, length of time in the business and financial resources. To determine the culture match, enterprises should review the vendor's track record including previous successes, false starts or notable failures. References are extremely critical in determining a help desk outsourcer's track record with comparable types of support relationships, industries and enterprise sizes, and with similar companies. Outsourcers should



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demonstrate how they contribute to a customer's knowledge base and provide process design documentation outlining how they map to their service levels, change management and asset management processes.

5.1.2 Consistency and Commitment to Excellence

The second most critical criterion is the outsourcer's ability to offer consistent, quality service. The commitment to service excellence is demonstrated by the help desk outsourcer's development of quality and training programs. In addition, the evidence of internal focus groups and steering committees pinpoints a dedication to increasing service quality by studying and implementing best practices on the part of the help desk outsourcer. The best help desk outsourcers create and maintain formal programs to measure client satisfaction at management and end-user levels. We recommend that enterprises be wary of outsourcers searching for a training ground. (Sacrificing quality is not worth a considerable discount.)

5.1.3 Innovation and Proactive Support

With today's complex, distributed environments, many clients have emphasized the need for help desk outsourcers to adopt and provide support for new technologies early in their life cycle (e.g., ERP support), while maintaining support for older technologies. Although outsourcers need to verify a business case for the market first, as enterprises place their IT support in the hands of the vendor, it is critical that help desk outsourcers achieve a competency early in the life cycle of new technologies. Outsourcers often fail here, as demonstrated by service offerings for Windows 95 and NT, which came out months after the initial rollout in some cases.

5.1.4 Financial Viability

Help desk outsourcers must have the financial ability to withstand the volatility in this market. Assessing an outsourcer's financial resources is important, since a healthy bottom line often means investment in innovative processes and new technologies. Another consideration is whether the vendor can fund its vision, and how its investment in the support arena compares to that of its competitors. By defining enterprise requirements (prior to viewing players) and designing safety clauses, organizations can protect themselves in a market rife with spin-offs, mergers and acquisitions (e.g., the merger of Bell Atlantic Business and Decision Servcom to create DecisionOne). Acquisitions may comprise the help desk outsourcer's vision and commitment to user accounts.

5.1.5 Personnel and Account Management

Aggressive personnel development programs are critical in the outsourcer evaluation. As turnover in the support industry is extremely costly, enterprises should only consider vendors with leading-edge training and retention programs. The leading help desk outsourcers are dedicated to extensive skills refreshment training, aggressive employee satisfaction, generous benefits programs and human-resource transition programs. However, the outsourcer should retain personnel experienced in the field (avoid allowing the project to be staffed with inexperienced newcomers). Superior internal project management skills will be required for monitoring the tactical objectives of the IS organization, as well as the overall strategic objectives, in dealing with external service providers.

5.1.6 Scope of Services

The depth of services, and an ability to offer the full suite of outsourcing services necessary to the client, are critical for enterprises looking to grow into total service delivery solution. When bundled together, services offer the enterprise a deeper, seamless, more effective operation than possible with services



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that are unbundled or delivered separately (e.g., a full complement of desktop services). While some vendors offer the full range of support services, from design, to implementation, to post-implementation support (e.g., IBM), some have a very targeted approach (e.g., PC Helps Support). It is impossible for service providers to be equally capable in all aspects of outsourcing. Understanding the outsourcer's vision and business focus will allow user organizations to determine if the vendor's direction and efforts are focused on building and maintaining experienced, qualified personnel and project management skills in the help desk services space.

5.1.7 Service-Level Management

The help desk outsourcer must be able to provide a detailed break-out of each individual function or service being provided. In addition, vendors must be able to assign specific pricing modules for each service. Documenting processes and procedures is another critical requirement for managing service-level targets. Finally, the help desk outsourcer must be able to document the service levels they provide in a monthly or bimonthly "roll-up."

5.1.8 Partnerships/Global Presence

Help desk outsourcers must be able to provide any service for the help desk, any time, anyplace. In today's distributed computing and global environment, many enterprises require the "follow the sun" approach for servicing many locations throughout the world. Successful outsourcers will increasingly use alliances (help desk consultants, temporary staff, training firms and CSD tool vendors) to globally deliver and to broaden their support solutions. It is important to qualify existing relationships with well-established, reputable vendors vs. mere lists of business partners.

5.1.9 Technology Infrastructure

Some enterprises will contract with outsourcing vendors believing the outsourcer's technology is superior and can facilitate faster resolution of customer issues. Outsourcers should have the ability to allow enterprises to access their knowledge bases (Web support), as well as the ability to exchange trouble tickets seamlessly. The help desk outsourcers' knowledge databases can be cleaner and easier to use than the enterprise's own.

5.1.10 Contract Flexibility

Although outsourcing should not be a quick fix, help desk outsourcers should offer flexibility in the length of the contract (one to three years), process management (e.g., service-level tracking) and CSD technology adoption. If a help desk outsourcer sends back an RFP with a varied pricing model, the enterprise should be able to get the outsourcer to use its model.

5.2 Additional Critical Leadership Attributes

To build successful outsourcing relationships, vendors and user organizations should review this checklist, in addition to our top 10 evaluation criteria, in determining which vendors will provide the best service match.

- *Meet the requirements listed in the client's term sheet or RFP.* This includes items such as flexible pricing, value-added services, termination for convenience and willingness to partner.
- *Be willing and able to adapt to the client's unique requirements.* Although outsourcing initially was viewed as a technique to reduce costs, it has evolved into one that adds value by improving an enterprise's competitive position.



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- *Be able to gain the prospect's confidence in the vendor's account management team.* The account management team fulfills the contract's terms, and should be interviewed and approved.
- *Be responsive and flexible during the evaluation process.* During this process, a lot of "give and take" goes on; this is when the user organization identifies how the vendor will react in the future. If the service provider is inflexible now, it is unlikely to improve after the transaction is completed.
- *Provide career opportunities for the enterprise's transitioned personnel.* Most vendors want to ensure that most transferred staff continue to be assigned to the account, as they understand the business, processes and industry. An enterprise should be aware of these natural biases and ensure that the outsourcing service provider provides some career paths for transferred staff.
- *Be willing to assume risk.* The help desk outsourcer should be willing to defer some portion of its profits until its efforts result in improvements to the client's business.
- *Be willing to commit to continuous improvement relative to service levels.* SLAs do not have to be static in nature. In many instances, a vendor will agree to improve SLAs annually as the business requirements change.

5.3 Weigh Vendor Criteria for Acquiring Help Desk Outsourcing Services

A structured evaluation process will enable thorough consideration of product and vendor capabilities. In this section, we have selected key comparison points that highlight requirements for a service desk of the future. The three attributes should be weighted according to importance, on a scale of one to 10, by the enterprise's evaluation team. The major category weighting adjusts the total score to reflect overall goals. We have included a matrix for each category and a grid for totaling the vendor scores. Although functionality continues to be an important item on any evaluation checklist, other equally significant factors should be considered. By taking a broader view of help desk outsourcers, support organizations will be able to short-circuit any surprises and improve the odds of a successful outsourcing relationship and better return on investment.

5.3.1 Business Attributes

Enterprises should evaluate help desk outsourcing vendors on a variety of business factors to determine their viability and direction. An enterprise's ability to manage risk and technological aggressiveness will determine the degree to which it emphasizes individual business attributes. The right mix will enable a closer fit between the support organization and its vendors. Figure 3 shows our suggested outsourcer evaluation grid for business attributes.

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Specific Requirements	Weight (1-10) 1: Not very important	Vendor A		Vendor B		Vendor C	
		Raw	Weighted	Raw	Weighted	Raw	Weighted
1) Business Attributes							
Account management							
Distribution channels							
Domain/industry expertise							
Financial position and resources							
Flexibility in pricing							
International presence							
Management team							
Quality of personnel							
Reputation and stability							
Size of vendor and revenues							
Technical sophistication and expertise							
Third-party alliances							
Industry vision							
Commitment							
Total (transfer to summary section)							

Source: GartnerGroup

Figure 3. Vendor Grid: Business Profile

A clearly articulated vision, corresponding with industry direction and matching the evolution of the support industry, will differentiate the winning service providers from the stragglers. Vision ratings should be based on the creativity in delivery mechanisms (e.g., Web-based), technology adoption (e.g., interactive knowledge bases) and process integration (e.g., business processes). Another key criterion is management's vision, which provides the impetus for service dedication, new-service development and vendor direction. The evaluation team should assess management's industry experience, its understanding and insight regarding where the industry is headed, and its strategy to respond to changes. Outsourcers with original, clear, long-term business and product directions that align with the enterprise's needs should rank highly. In reviewing market orientation and the outsourcer's ability to execute, the link between marketing and technical masterminds should be strong. Enterprises that plan to expand globally must ensure that their help desk outsourcer is capable of similar expansion. If the IT support division represents a major part of total revenue, the vendors will focus on continuous improvements (e.g., in partnerships, integration and personnel plans). It is critical to determine whether any major events occurred (e.g., a merger or acquisition) that could refocus the vendor and alter its market position. Understanding whether the installed base is secure or in the midst of major changes will assist user organizations in setting appropriate expectations and avoiding unexpected pitfalls. A change in ownership could significantly alter the service direction. Users should document as much of the promised direction as possible in contractual obligations that would not be affected by a change in ownership. User references are the final key element of the business profile. Enterprises can understand the total costs involved in the relationship and project delivery, and prepare themselves for potential problems by checking references. An outsourcer's vision is demonstrated by its ability to sell new offerings and services beyond its current customer base. Help desk outsourcers unwilling to provide user references should be avoided (see Section 9.0).



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5.3.2 Service and Support

Figure 4 shows our suggested help desk outsourcer evaluation grid for service and support. Although references provide a valuable source of insight into a vendor's past performance, the outsourcer's internal infrastructure, scope of coverage and trained service personnel must be capable of meeting an enterprise's unique needs. Help desk outsourcers must be equipped to provide consistent, quality support with a broad scope of services to meet enterprise needs, including consulting (e.g., technology and custom product design) and education (e.g., concepts, operations and service). In addition to offering training opportunities, prospective outsourcers should provide various methods to measure and ensure the customer satisfaction of their customers. Quality service comes from friendly service, superior support, high-quality offerings and open communication. The best help desk outsourcers send out surveys, contact new customers and provide bonuses to employees for performance corresponding to customer satisfaction.

Specific Requirements	Weight (1-10) 1: Not very important	Vendor A		Vendor B		Vendor C	
		Raw	Weighted	Raw	Weighted	Raw	Weighted
2) Service and support							
Consistency							
24x7							
Local language support							
Problem escalation procedure							
Knowledge management							
Response timeliness							
Support availability and reliability							
SLAs or guarantees							
Staffing ability							
Implementation plan							
Total (transfer to summary section)							

Key

24x7 24 hours a day, seven days a week (i.e., continuous, around-the-clock operation)

SLA Service-level agreement

Source: GartnerGroup

Figure 4. Vendor Grid: Service and Support

Enterprises should ask prospects whether they have a formal program for managing and measuring the quality of their services. In designating service levels, the enterprise must specify metrics (e.g., resolution rates and response time) and avoid using subjective terms. An SLA with the chosen vendor is essential. The best outsourcer has sufficient resources to train, install and customize its services for all users worldwide.

5.3.3 Total Cost of Ownership

As the market matures, help desk outsourcers increasingly will be forced to compete based on flexible pricing, as well as service quality and service breadth. Figure 5 shows our suggested vendor evaluation grid for total-cost-of-ownership factors. Although pricing for help desk outsourcing varies depending on



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the needs of the users, there are several methods of pricing that can add to the expense: per-minute pricing (paid by credit card or monthly bills), usually with a limit in the range of \$25 per incident (an incident being defined as one problem or request); clocked or metered pricing, with no limit on time but a per-minute charge; per-incident pricing; and limited-interface pricing — an interface being defined as a contact within the user organization, usually with unlimited calls/time for a single person (e.g., for Tier 2 calls). The pricing of these services is also extremely flexible, as the varied needs of users (e.g., hours of service and sites supported) depends on the business needs of an organization. Pricing rates are often quoted as “dependent on the needs of the end user,” and can vary widely depending on the type, volume and location of a technology or user.

Specific Requirements	Weight (1-10) 1: Not very important	Vendor A		Vendor B		Vendor C	
		Raw	Weighted	Raw	Weighted	Raw	Weighted
3) Total cost of ownership							
Start-up costs							
Consulting costs							
Service guarantees							
Pooled vs. dedicated analysts							
Coverage length (24x7)							
Reporting (frequency)							
Knowledge base contributions							
Training costs							
Incremental costs (list)							
Total (transfer to summary section)							

Source: GartnerGroup

Figure 5. Vendor Grid: Total Cost of Ownership

5.3.4 Vendor Comparisons

The summary section enables an enterprise to discover which help desk outsourcers meet its requirements. Totals from each of the tables shown in this section are transferred to the vendor evaluation grid (see Figure 6), with totals calculated for the vendors the organization chose to evaluate. A disciplined evaluation process is vital to a successful outsourcing contract for help desk services.

Specific Requirements	Weight (1-10) 1: Not very important	Vendor A		Vendor B		Vendor C	
		Raw	Weighted	Raw	Weighted	Raw	Weighted
Summary section							
1) Business attributes total							
2) Service and support total							
3) Service costs total							
Vendor totals							

Source: GartnerGroup

Figure 6. Vendor Grid: Total



6.0 The Difference Between RFIs and RFPs

While RFPs and requests for information (RFIs) can improve the efficiency of procurement, the effort expended on them should be proportional to the return on investment. If the proposed project is limited in scope (e.g., temporary staff resources for expertise transfer), the enterprise can use a less formal tool instead. Both RFIs and RFPs require resources and money to manage them properly. Once the enterprise has documented the RFP process, it may wish to add criteria for when and how the support service provider will perform various steps in the process. The magnitude or nature of the acquisition could determine how much of the process should be followed. For example, an acquisition of all support services (e.g., involving millions of dollars) should go through the entire process, while a smaller acquisition (e.g., a short list of requirements) requires the vendor to simply check off which requirements it can fulfill. Enterprises can use the lessons and information gleaned from the other projects to shorten the cycle of future acquisitions with similar characteristics.

Effective acquisition planning starts with RFIs and RFPs. While not a prerequisite to the RFP process, the RFI can help reduce the cycle time necessary to complete an RFP by identifying potential vendors or solutions early in the process. The primary difference between RFPs and RFIs is their purpose (see Figure 7).

	Request for Information	Request for Proposal
Purpose	Data gathering	Evaluation
Length	Short	Long
Detail	General	Specific
Send to	Many vendors	Few vendors
Reply	Cover letter with literature	Customized response
Review	Task force	Enterprise

Source: GartnerGroup

Figure 7. RFI vs. RFP

The RFI, an educational tool, helps the enterprise gather data about the market relatively quickly with minimal effort. After identifying the requirements, the RFI provides an overview of help desk outsourcers, helping filter out unqualified service providers early. It should be concise and should emphasize goals and deliverables, not processes. If an enterprise decides to use an RFI, the same team formed for the RFP should write the RFI to ensure continuity. While RFPs should be focused and sent only to a few vendors, the enterprise can distribute the RFI widely to obtain the required information.

The RFP, a comprehensive document, defines what, how, when, who, where, for how much, and the consequences of failure. The RFP serves to evaluate and compare vendor offerings. Moreover, the RFP belongs to the document trail that leads to a legal contract. RFIs and RFPs also differ in the amount of organizational control they require. The enterprise does not have a paramount need for processes to review, track or approve RFIs since they are educational tools, whereas RFPs require an extensive review and approval process.

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6.1 Help Desk Outsourcer RFI Checklist

RFIs serve to narrow the procurement's focus and provide possible parameters for final evaluations. The RFI should *never* replace an RFP; the RFI gathers information and does not provide the depth of information necessary to make a well-informed vendor decision. This section highlights the requirements for the RFI process.

6.1.1 Mission

The RFI should help to identify which service offerings provide a quality solution to a business need, and which outsourcers an enterprise should consider in a final vendor evaluation later in the project.

6.1.2 Scope

The ideal length of an RFI is five or six pages; at a maximum, it should not exceed 10 pages. The enterprise should make clear to the vendor(s) that it seeks a general solution, not a formal evaluation.

6.1.3 Organizational Controls

Since the RFI serves to gather data and requires no extensive review and approval, the enterprise should empower the project leader to develop and distribute RFIs. Organizational consideration should be paid to ensuring that the "technical environment" section is accurate and up-to-date, which having RFI templates available on a file server can ensure.

6.1.4 Distribution

The enterprise should distribute the RFI broadly and include product manufacturers as well as value-added resellers and systems integrators (see Appendix A).

6.1.5 Position in the Acquisition Process

The enterprise should send out the RFI only after it has drafted the business requirements and performed some preliminary market research. The information gathered by the RFI process will drive the refinement of the business requirements as well as vendor selection.

7.0 The RFP Overview of Help Desk Services

In the RFP, enterprises should state in writing the specific services to be performed and their scope, the associated performance standards, and the exact costs associated with these services. Formalizing the procurement process represents a significant investment of time, effort and resources. Despite the effort, however, enterprises often overlook the dual nature of what this process accomplishes. It involves a systematic review of market offerings, and represents an enterprise's attempt to build a consensus for action among the various groups involved.

Enterprises often do not recognize the latter point's importance. However, as units outside the IS organization increasingly share IT budgets and responsibilities, the need to build consensus for action is a determining factor for long-term success. Individuals' and units' frustration with the high investment of resources an RFP requires may indicate a lack of a shared vision within the enterprise. In such cases, the RFP process highlights their differences, and resolving them takes most of the time and effort, not the RFP process per se. Successful implementation of programs across an enterprise requires cooperation and consensus from a variety of areas, including the finance, purchasing and IS organizations; business units and departments; and users.

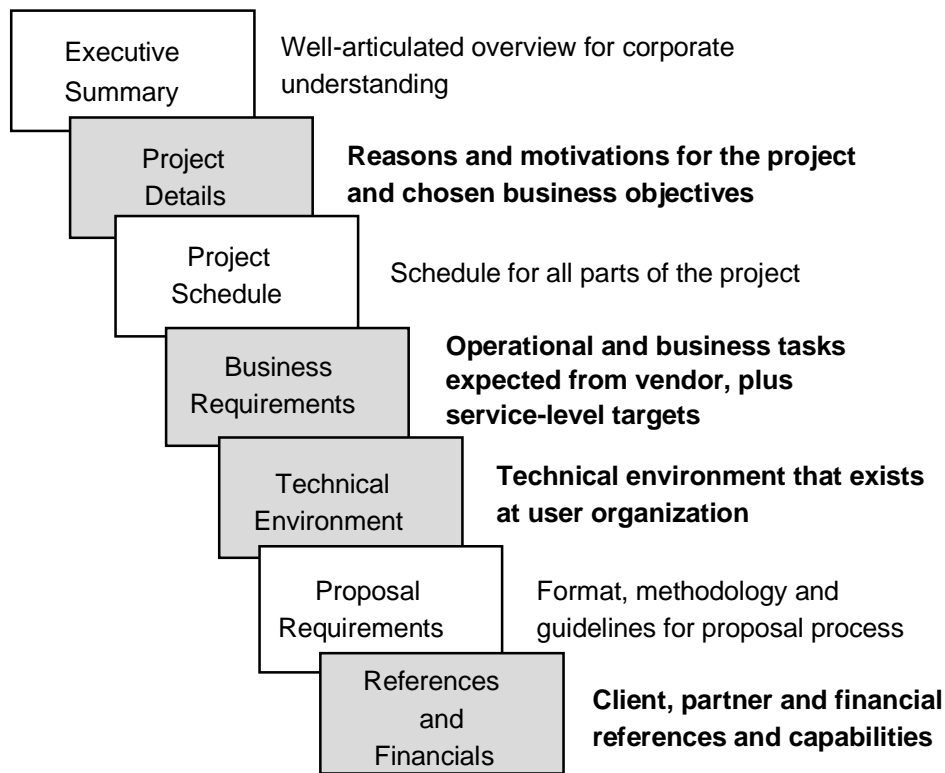


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Participation by functional groups across the enterprise is vital. Including *purchasing* professionals in the acquisition team pays significant dividends, and the *legal* department typically uncovers snags when it participates actively and reviews the process. Since a financial evaluation of each key vendor should be required for all critical procurements, a *credit* professional should conduct a formal financial evaluation of all qualified vendors.

7.1 Help Desk Outsourcer RFP Checklist

By freeing up personnel, management time and capital that can be devoted to core business functions, outsourcing the help desk has become an attractive option for many enterprises. Outsourcing shifts much of the risk of technology management and employee retention to a company whose core business is providing support services. By developing an RFP for help desk outsourcing services, enterprises will avoid outsourcing deals that are quick fixes (0.8 probability). This section provides a checklist for creating an RFP, and offers guidelines for detailing each section of the RFP itself (see Figure 8).



Source: GartnerGroup

Figure 8. RFP Elements for Help Desk Outsourcing Services

7.1.1 Introduction

Background material provides the help desk outsourcer with important information on the potential client's organization. Detailed descriptions of the corporation and the project requirements will help the vendor tailor a response specific to the client's needs. Providing this data, and requiring the same from the outsourcer, will facilitate a comparison of the cultures of the various vendors and the client organization, which is critical to the success of an outsourcing relationship.

- Purpose of the request for proposal
- Background on the enterprise and support organization

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- Background on the project, including committees or teams
- Statement on the confidentiality of the information

7.1.2 Project Detail

The reasons and motivations for the engagement will be drafted in detail in this section. Statements of the business problem, the vision for solving the problem, and the scope of work and objectives for the help desk outsourcing arrangement are key components of a bid proposal. Written specifics are critical to determine if RFP recipients can bid for the project.

- Statement of business problem with a business perspective
- Statement of mission/vision
- Statement of scope and objectives

7.1.3 Project Schedule

The organization should include a schedule for all phases of the RFP process, including deadlines for outsourcer questions, dates for conference calls and vendor meetings, and the proposal due date. By detailing the deadlines and proposed start date, vendors can determine if resources are available for the project during the projected time period.

- Vendor RFP question deadline
- Vendor analysis meeting (optional)
- Proposal due date
- Vendor demonstration day (optional)
- Final decision
- Proposed implementation start

7.1.4 Business Requirements

This section outlines the requirements for the services of the help desk outsourcer, including detailed service-level goals and an indication of performance penalties. There should be “out” clauses and terms and conditions for breaking, canceling or renegotiating the relationship. Reporting requirements should be developed by the client’s assigned relationship manager, so the client organization will have access to the necessary information to determine if service levels are met. SLAs should be outlined to cover all products supported under the contract and all related metrics. Outsourcers must be able to provide clients with statistical information in a calendar month summary to readily validate all items covered in the SLA. Customer satisfaction surveys should be drafted with time lines for proposed distribution to the client’s end users. Outsourcers should provide the client with a responsibility matrix or a management and procedures manual to facilitate seamless handoff of issues for effective problem resolution. This should include a complete description of the workflow process and diagram as it is customized to meet the final solution that is implemented for the client. Project management requirements should outline the types of personnel to be assigned to the account and list the corresponding personnel from the client organization. Outsourcers should provide a resume, background information and references for the account manager and for his or her backup. Other terms and conditions should include expected training



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levels, techniques for managing turnover of help desk staff, integration with existing support processes, and requirements to meet extended service levels. This section outlines a methodology for presenting costs (e.g., per seat or per incident) and a proposed payment schedule.

- Detailed business requirements
- Project management and reporting requirements
- Performance criteria for success of the project
- Terms and conditions
- SLA targets
- Detailed performance penalties

7.1.5 Technical Environment

A well-written RFP must describe the technical environment to be supported by the outsourcer, as well as any projected changes during the life of the contract. The outsourcer must remain up-to-date on all products outlined under “product details,” and for any additional products contracted in an “additional service opportunities” section. Vendors should discuss their solution approach and performance verification methods, including potential risks; describe how technical performance requirements will be achieved; and discuss technical interfaces with the existing processes, software and client staff. Proof of reliability and serviceability is also critical. A concise technical/management proposal will facilitate evaluation and source selection. Responses should be no longer than 50 pages, yet written to reflect the complexity or level of development of the proposed solution.

- Current technical environment (e.g., hardware and software)
- Technical architecture, including potential future changes

7.1.6 Proposal Requirements

Client organizations should detail the contents and format of the proposal, and obtain customer account references. A weighting/evaluation system will provide feedback to vendors on their strengths and weaknesses, and how these affect the decision to award the contract. Proposal requirements should include documents that establish the vendor’s financial stability.

- Contents of the proposal, including references and key vendor personnel
- Proposal format and number of copies
- Guidelines on how to present costs
- Documents to submit to establish vendor financial stability

7.2 Managing RFP Time Lines

The competitive landscape can change within the space of a week, as prices change, products are introduced and technologies evolve. Because of the rapidity of these changes, enterprises should carefully manage the timetable of an RFP, although they do not always do so. The time enterprises devote to the RFP process varies widely. An enterprise can complete a thorough and exceptionally well-



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managed RFP process in eight weeks, but in other enterprises RFP projects have sometimes wandered hopelessly and remained open for more than nine months.

Before starting any discussions with help desk outsourcers, RFP teams should carefully map the process they wish to follow and establish time lines. Enterprises should strive to reduce the cycle between launching the RFP process and installing the equipment. They should set specific time schedules, such as:

- Ten business days: collecting responses to an RFI, identifying key vendors and winnowing the list to a manageable number (i.e., two or three)
- Twenty days: collecting vendors' responses to an RFP
- Ten days: deciding on a vendor and making the award
- Thirty days: awaiting delivery

Such an aggressive timetable requires considerable planning upfront. The enterprise must proceed slowly at first to finish quickly. Most enterprises take the opposite approach: They start without a firm direction, and then become mired in evaluating vendor responses and negotiating contracts. Aggressive management of the RFP process can significantly shorten the enterprise's time to market — and time to market is a critical measure of success in the global economy.

A sample RFP for help desk services is provided in Appendix B of this *Strategic Analysis Report*.

8.0 Critical Success Factors in Help Desk Outsourcing Deals

For a successful relationship, organizations need to follow “best practices” for evaluating, selecting and managing help desk outsourcers. By 2000, more than 55 percent of all help desks will have some form of outsourcer participation (0.8 probability). However, 30 percent of help desk outsourcing deals will have inadequate management oversight, and 10 percent will be viewed as unsuccessful by senior management (0.7 probability). This section outlines the key success factors to ensure long-term, successful partnering with help desk outsourcers.

Reasons for failures with help desk outsourcing:

- Inadequate time for the evaluation
- Imprecise objectives and service levels
- Usage of the help desk outsourcer as a quick fix
- Failure to implement proper management mechanisms
- Inappropriate transfer of ownership and failure to address management issues
- Insufficient protection in the contract and penalty clauses

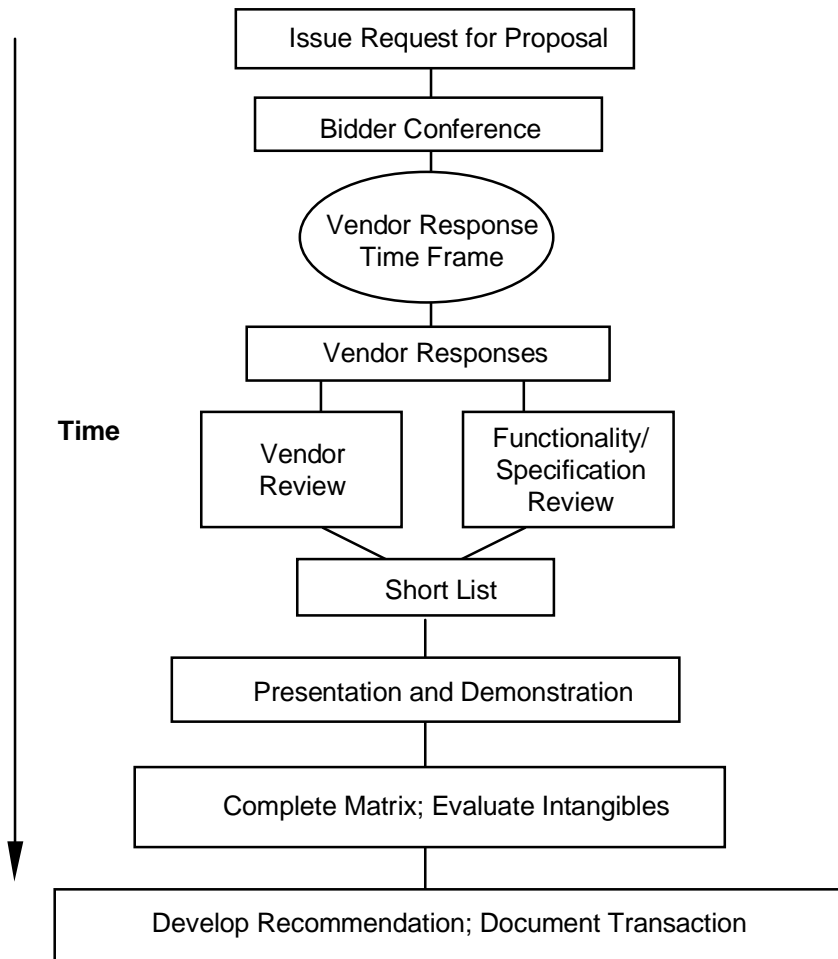
1. Outline and present objectives to help desk outsourcers. After completing an internal review of the IT support operations, an evaluation team must develop and articulate its main objectives for outsourcer participation. For example, management may see no value in the IT function or staff, and decide that time and money are better spent with outsiders performing these tasks. Another possibility is that management acknowledges the value of the IT function and staff, and wants the internal group to concentrate on value-added, business-critical activities while the outsourcer performs the more mundane



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functions. Another scenario is that the internal IT staff is overwhelmed by its support burden, and needs additional head count to perform its functions. Often, organizations without clear objectives fail because they tend to view outsourcers as a quick fix for out-of-control support. The expectations and priorities of the enterprise and evaluation team must be explicit and clear, and should be used in the development of RFPs. This information can later provide a foundation for establishing SLAs between the help desk organization and the outsourcer.

2. Develop a strict evaluation process for outsourcer selection. A disciplined evaluation process (see Figure 9) is vital to the success of an outsourcing contract for help desk services. Organizations underestimate the difficulty of the evaluation process and the impact of organizational politics. This evaluation cannot be done in a few weeks; rather, it requires participation from internal parties, the detailed analysis of various help desk service providers, and information on budgets and required staffing levels. Most critical to the outsourcing selection is developing a clearly defined scope of services. In many contracts, help desk managers fail to differentiate between the services currently being performed in-house and the required services of the help desk outsourcer. In the RFP and contract, enterprises should state in writing the scope and specific services to be performed, the associated performance standards and the specific costs associated with these services. Selecting a help desk outsourcer with a culture similar to the enterprise's — as well as solid references and past experience — is the key to a successful help desk outsourcing deal. Organizations often fail when they are anxious to transfer responsibilities without allocating the research time to determine the best long-term partner.



Source: GartnerGroup

Figure 9. The RFP Evaluation Process



3. Retain management focus and in-house expertise. End users will still hold the IS department responsible for the execution of support functions, whether they are outsourced or not. Since the majority of outsourcing deals will be partnerships, IS managers must retain and manage internal expertise, whether in the IS department or in the business units. There must be sufficient staff to collect performance measurements and ensure the outsourcer is maintaining proper service levels for customer satisfaction. Often, organizational, process and contractual mechanisms are ignored, resulting in significant problems after the outsourcing contract is signed. Key among the management techniques for help desk outsourcing is a relationship manager responsible for coordinating internal and external parties. Mechanisms and processes for gathering vital end-user information that can affect procurement, end-user training and IS budgets must be clearly defined.

4. Define and manage measurable SLAs. A formal quality control plan is critical for addressing the support organization's challenge of ensuring that the performance will meet or exceed expectations with the help desk outsourcer. A necessity for all help desk relationships are SLAs, which are the primary means of evaluating help desk contracts and agreements. However, many organizations fail to incorporate SLAs into their initial signed contract. This results in the inability of enterprises to obtain reasonable performance levels or to levy associated penalties (see Figure 10). Both the expectations of service levels and penalties for violations must be explicitly defined in help desk service agreements with outsourcers.

Sample Penalty System

In any calendar month, if the points accrued equal or exceed the levels below, the vendors will discount the monthly charge for the following month by the stated percentage:

20+ points	10%
30+ points	20%
40+ points	30%
50+ points	40%
60+ points	50%
70+ points	60%
80+ points	70%
90+ points	80%
100+ points	90%
110+ points	no charge

Points are assessed in the following manner:

- Each time a LAN is out of use during business hours for more than 30 minutes (and the problem is within the vendor's scope), 5 points will be added. Points will not accumulate for subsystems affected during this time.
- Each time a LAN subsystem is unavailable during business hours (and the problem is within the vendor's scope), 1 point will be added for each hour the system is unavailable.
- In any calendar month, for each 1 percent over 30 percent of help desk calls not resolved at the first point of contact, 1 point will be added.

Points may also be added for:

- Inadequate response times
- Significant failures in providing other required services as specified in the service level agreement.

Source: GartnerGroup

Figure 10. Sample Penalty System

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Sample help desk metrics:

- Response time
 - The average number of rings before an answer (e.g., 16 seconds and three rings)
 - The percentage of calls in the queue before an analyst picks up (e.g., 10 percent or less)
 - Average time in queue (e.g., 90 seconds or less)
 - Total time it takes to answer/respond — i.e., ring time, plus queue time, plus other (e.g., 45 seconds or less; 90 percent of calls answered in 30 seconds)
- Abandonment rate
 - The percentage of calls in which the caller disconnects before an analyst or voice mail picks up (e.g., less than 2 percent)
- Callback time
 - Length of time required for a help desk analyst to get back to the end user for status or follow-up work (e.g., next business day)
- Resolution time
 - Minutes, hours or days based on a predetermined priority (Priorities may be based on factors which include: whether a problem affects one user vs. multiple users; the location of users; and the specific system affected.)
- A percentage of calls resolved on first contact with the help desk (e.g., minimum of 80 percent of calls resolved)

Detailed service-level metrics (see Figure 11) are a critical success factor to ensure that customers' expectations are clearly defined and that the vendor understands the standards against which its performance will be judged. Enterprises are insisting that specific performance metrics, performance targets, operational processes and problem resolution procedures are addressed in their SLAs for outsourced services. As a result, there are fewer SLAs that are too high-level to be effective. Increasing numbers of SLAs, however, seem to have swung to the opposite extreme: Service performance and requirements are so narrowly defined that it is doubtful that any IS organization (internal or external) could meet expectations.

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Measurement	Service	Targets	Sample Service Levels
			Exceptions/Considerations
Notification	Help Desk	15 minutes	<ul style="list-style-type: none"> Affected user organization to be notified in 15 minutes of any problem that could affect user productivity. Severity 1 problems notification is given to client and vendor management. Severity levels are as follows: Severity 1: highest priority, impacts multiple users or major locations Severity 2: significant outage affecting a single user, application or location Severity 3: problem that can be patched without affecting user productivity Severity 4: a user inquiry or problem that does not at all affect productivity
Resolution	Help Desk	Severity 1; Immediately Severity 2; 30 min. Severity 3; 60 min. Severity 4; 2 Business Days	<ul style="list-style-type: none"> On notification, a problem will immediately be assigned a severity level and resolved according to the appropriate schedule. If no higher level severity problem is open, resources will be focused on lower severity tickets.
Mean Time to Repair	Help Desk		<ul style="list-style-type: none"> Mean time to repair is the aggregate elapsed time to restore functionality for all Severity 1 and 2 problem tickets closed during the month, and dividing by the number of such problem tickets closed during the month. Elapsed time to restore is the average elapsed time between the problem's start time as recorded in the problem ticket and the restoration of functionality. (Repair time resulting from Force Majeure events are not included.)
Escalation	Help Desk	Per Procedures Manual	<ul style="list-style-type: none"> If a problem is not corrected within the assigned time, it is escalated to the next higher level of vendor management in accordance with the procedures manual.

Source: GartnerGroup

Figure 11. Sample Service Levels

A reputable outsourcer will not take on business it knows it cannot deliver. The cost of trying and failing is an unprofitable venture, especially when performance targets are tied to service credits. A basic test in determining if an SLA target is reasonable is to understand whether it can be substantiated by internal achievement records, objective benchmarks or well-understood industry experience. Although an availability target of 99.9 percent may be reasonable in the data center, it may be unreasonable in a distributed computing environment. Vendors will not accept "high-water mark" or "stretch" targets for outsourced services unless internal user records or outsourcer experience indicates that they are consistently achievable. If a help desk outsourcer does not agree to a performance target, the next step should be to understand why and to determine if work-arounds are possible. For example, if the vendor has stated that the proposed outsourced environment is too unstable to guarantee 99.9 percent availability, options should then be explored to modify the target by phasing the desired target over time — using the stretch target only during bounded periods with a lower target set for all other times, or using the stretch target as a basis for financially motivating the vendor.

Options for modifying stretch targets:



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- Allow six to 12 months for the vendor to stabilize the environment before the performance target comes into effect.
- Agree to a lower target (e.g., 99.6 percent availability) as the minimum level of service, but provide performance bonuses for reaching the stretch target (e.g., 99.9 percent availability) as an incentive for the vendor to exceed expectations. In addition, be sure to build in a phase-out period for bonuses. If a vendor consistently reaches a stretch target, the target is no longer a “stretch.”
- Limit the stretch target to those hours of operation in which it is truly critical. If salespeople enter new orders at the close of business each day, use the stretch target only between 4 p.m. and 8 p.m., Monday through Friday. A lower baseline or minimum acceptable level of service would apply at all other times.
- Conversely, agree to a lower target when systems operations are likely to be pushed the hardest and targets are the most difficult to achieve. For example, set an aggressive performance target for the first 11 weeks of each fiscal quarter, but relax the target to account for peak usage at quarterly close of business during Week 12.

Disagreements about SLAs often arise when the user changes the service requirements after the vendor has made its bid. No operational performance statistic is too insignificant to ignore and no performance metric stands without a service credit attached. In one SLA we reviewed, the user had developed a complex algorithm to weigh each performance target in terms of its technical merits and business importance. The scale, which was precise to one-hundredth of a decimal point, was derived to avoid negative numbers in any mathematical calculation. This scheme would have been impossible to administer at any price. Although this example is an extreme case, it shows what can happen when enterprises lose sight of the SLA's purpose. Performance targets must: 1) be jointly developed by the enterprise and vendor; 2) be reasonable from a technical and administrative standpoint; and 3) reflect an understanding that quality has a cost.

How much the enterprise is willing to pay is also a factor in determining if an SLA is reasonable. The variable resource of any service is the people required to deliver it; therefore, each increment in quality generally comes at an increased cost. Best-in-class service does not come at a lowest-in-class price. This must be taken into account when setting performance targets. Working within a set budget, a straightforward approach to balancing cost and quality is to decide which elements of service delivery are most important to end users. For the help desk in a general business environment, wait time in the queue may be more important than the percentage of problems resolved at first contact. For a retail business, getting a store back in operation and able to sell merchandise is critical; therefore, problem resolution takes precedence over queue time.

The best SLAs are those in which performance metrics are meaningful, targets are technically achievable and the costs of delivering services at various levels of quality are considered at all points where delivery requirements are set. Superfluous detail, unique performance rating schemes and complex service credit calculations detract from the SLA's value

9.0 Checking References for Help Desk Outsourcing User Accounts

When acquiring services, enterprises should investigate references to determine whether the help desk outsourcer demonstrates excellence in service quality. Customer references for help desk outsourcing services are an essential piece of the acquisition process, as they provide insights into a vendor's track record (e.g., consistency of support, quality of personnel and total costs of operations). Benchmarking the performance of potential outsourcers is critical in achieving the best deal and the best fit with an



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enterprise's culture. It is important to know, however, what questions to ask, and which answers are the most critical in figuring out what the vendor has to offer. Help desk outsourcers unwilling to provide user references should be avoided. This section highlights the benefits of developing an evaluation framework and checking the references of the vendor accounts.

9.1 Guidelines for Conducting Reference Checks

- *Analyze the benefits.* References can offer valuable insight into the service provider's past performance and shed light on the outsourcer's internal infrastructure, scope of coverage and trained service personnel. Customer references help determine a vendor's consistency of service delivery, its ability to provide global, around-the-clock support, and its remote/mobile support. Also, reference accounts provide enterprises with a better understanding of the total costs in long-term support and prepare them for potential problems.
- *Create an evaluation team.* In the outsourcer review process, an evaluation team should be created, and select members of the evaluation team should take charge of interviewing references from a short list. This list should include a total of three to six references per vendor. References should be of an enterprise style (e.g., technical complexity and industry) similar to that of the user organization.
- *Develop a reference questionnaire.* The evaluation team should develop a reference questionnaire, which should highlight the "hot button" requirements for the user organization. The target is not only the user accounts but also the help desk outsourcers. Leading outsourcers have innovative practices for retaining top-quality support professionals. Some examples of staffing best practices include: rolling skills profile, competitive compensation and reward programs, and strategies for replacing team members at each skill level.
- *Select the similar references.* Simply checking the help desk outsourcer's provided list of client references is not sufficient. User organizations should request references of a similar size and industry from the help desk outsourcer's list. It is critical to look for references that have had experience with the vendor for many years, not an account that has just joined the vendor's customer base. Check for both successful initial relationships and customers who have expanded their business with the outsourcer.
- *Make interviews concise.* It is important to make the interviews with the reference accounts short and concise. User organizations should establish a rapport with customers, asking for their advice and encouraging honesty. As the customer account's time is precious, the questions should be limited and hard-hitting.
- *Target potential problems.* Personnel making the reference evaluations should be part of the sourcing team and should identify the pitfalls that other enterprises encountered in using outsourcing services (e.g., service-level management and knowledge capture). Probing customer accounts on pricing will allow the user organization to identify hidden costs (e.g., hours of staffing; number of platforms/products supported; extraordinary SLAs; increased call length; hardware dispatch; support for internally developed applications; network connection for shared information; paper and electronic reports; and dedicated project management) at the beginning of the project.
- *Review the results.* After the reference checks are completed, the evaluation team should meet to discuss the results, generate a short list of help desk outsourcers, and weigh the comments of all team members in the evaluation. The value of the questionnaire results is derived from insight into the vendor's commitment to and experience in the market (questions for the outsourcer), and the vendor's consistency of support (questions for user accounts).



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9.2 Question Framework for Reference Accounts

This reference checklist is a framework to help in the evaluation of the service provider's vision and direction, and its capabilities to adapt to changing business and technology requirements.

9.2.1 Questions for the Help Desk Outsourcer

- What percentage of revenue is derived from help desk outsourcing?
- How many organizations are supported by your help desk work force?
- Who are your top five customers (based on size and clout within your client base)?
- What kind of recruiting, training and retaining programs are you using?
- What is the turnover rate in your outsourcing staff?
- Define the average profile of your customer and tasks performed for them.
- What is your vision and commitment to the help desk market?
- How many global organizations are you supporting?
- What is the average deal size (cost, size and type)?
- What is your average length of contract?
- How do you differentiate your organization from the competition?

For the responses from the help desk outsourcers, enterprises can compare the cultures of the various vendors and their own organization. Commitment to the help desk is a major criterion — it is important to gain an understanding of whether help desk services are a top priority for investment and focus within the sales force. These questions will allow user organizations to understand the vendor's stability, length of time in the business and financial resources. In understanding the vendor's focus on excellence, enterprises should inquire about the vendor's personnel programs (training, recruiting and retention) and account management skills. To determine the culture match, the outsourcer's customer history and track record should reflect support relationships, industries and enterprise sizes comparable to what will be required by the user organization.

Enterprises must obtain the following information about each vendor:

- Mission and vision of the company
- Vendor coverage (e.g., geography and alliances)
- Customer references for the product under consideration
- Evaluation of the vendor's financial and industry position
- Amount of money spent on research and development in the past three years, and a forecast for the next three years
- Revenue and profit figures for the past three years, and copies of latest annual report and financial statements

In addition, enterprises should also consider reviewing:



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- A minimum of five customer references The enterprise should learn names, phone numbers, addresses, the number of installed sites, the types of business and the types of application. The enterprise should give the most weight to references in the same industry and occasions when the product was used in the same environment as that of the enterprise.
- Vendors authorized to sell and support the product in the geographic areas in which the product will be deployed
- Formal, significant business partnerships and their objectives

9.2.2 Questions for User Organization References

- Overall, how well does the outsourcer meet your service levels?
- What types of penalties were enforced (e.g., rebates to enterprise for noncompliance)?
- Did engaging with outsourcer help your meet IT/business objectives (e.g., offloading non-mission-critical tasks)?
- How easily did the outsourcer fit into your IT process structure and adopt your automated CSD technology?
- Were there any significant problems in integrating the external resources into your support mix?
- How was the transition handled by the help desk outsourcer? Was the transition plan adequate?
- Did the outsourcer commit the right quality and quantity of resources?
- Did you experience any problems with the service levels being met?
- What pitfalls did you experience in managing the outsourcer?
- How well did the outsourcing personnel work with the internal resources?
- Did you receive critical management data back from the outsourcer?
- What type of relationship manager is required for supporting internal objectives?
- What were the results of your customer satisfaction surveys for outsourcer services?
- How were the overall support costs for enterprise affected?
- Did the outsourcer contribute to your knowledge base?
- Did the outsourcer free up your internal resources for redeployment to higher-value activities?
- How often did personnel changes (i.e., turnover) occur in the outsourcer organization?
- Did the outsourcer hire some or all of your existing support staff? Was relocation required?
- Did the outsourcer misrepresent the skills of personnel assigned to the contract?
- Were you involved in hiring new personnel in the case of turnover?
- Did the outsourcer remove unacceptable personnel?
- What were the ratios for support analysts to end users?



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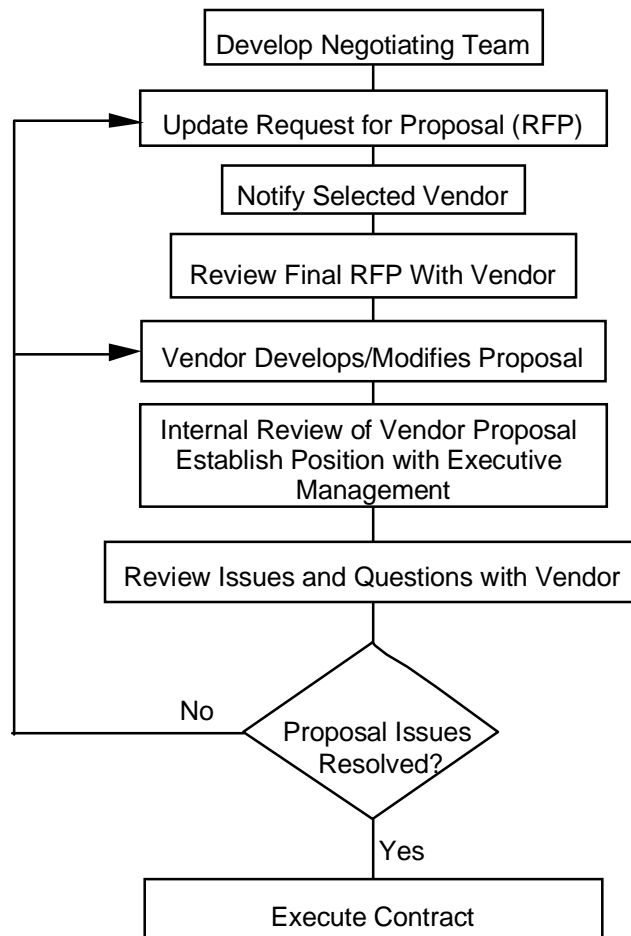
- Did the vendor's personnel actually participate in the skills development programs?
- Did the outsourcer met or exceed your expectations?
- Do you feel that there was a transfer of knowledge/expertise from the outsourcer to internal staff?
- Did the outsourcer offer opportunity for further support (e.g., dispatch or asset management)?
- Will you renew services at the end of the contract with the help desk outsourcer?
- How was the overall price of the services (hidden costs)?
- What is your overall opinion of the outsourcing services?

The answers from the user accounts should demonstrate how outsourcers have contributed to their customers' knowledge base, and how they map to customers' service levels and to their change and asset management processes. Users can determine from accounts whether the vendor acts as a seamless partner for effective problem resolution. These answers also allow users to determine the types of personnel assigned to the account and the references' input on effective strategies for management. Other answers provide insight on their training levels, techniques for managing turnover of help desk staff, integration with existing support processes and requirements to meet extended service levels. Enterprises can obtain information on whether the vendor remained up-to-date on all products outlined in the "product details" section, and any additional products contracted under "additional service opportunities." Also, users can determine hidden costs and make provisions to manage extra charges in their contacts.

10.0 Structuring the Negotiation Process

Once the selection process has narrowed the number of candidates, the next phase is negotiating the best possible deal. This phase is critical not only to ensuring a fair price, but to putting in place guarantees of deployment and vendor resources (e.g., trainers, technicians and consultants). For negotiating with vendors, enterprises must develop a structured process (see Figure 12) and timetable, usually two to nine months. All team members and the vendor should understand their roles in delivering the right contract on time. Enterprises should work on different aspects of the contract process concurrently to shorten the time for resolving unrelated issues.

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Source: GartnerGroup

Figure 12. Negotiation Process for Help Desk Services

Allowing enough time to negotiate is critical to getting a good deal. The negotiating team should never let a vendor know it has a deadline. To keep the negotiations on track, the team should set up a problem- and issue-resolution process at the beginning and assign vendor and enterprise contacts. This process should be continued throughout implementation of the application. Cross-functional teams, which include members from the IS organization, legal, purchasing and finance departments as well as the IT budget holder, have demonstrated the most success. Once established, these teams must have sufficient power and support from executive management to fulfill their charters. Teams that have fully discussed and agreed on the goals of the program and various business units' requirements are more effective at talking with and selecting vendors. Sending the RFP to two or three vendors rather than to the world makes choosing a vendor easier. Ranking the most important criteria helps to limit the number of vendors and prevents wasting time on an unsuitable vendor that would nonetheless love to get its foot in the door.

The impact of negotiating contracts for help desk outsourcing services affects not only short-term costs, but also the long-term cost-effectiveness of the solution. Planning consistently surfaces as the most critical part of a successful negotiation. A list that separates "wants" from "must haves" provides an early indication of the enterprise's nonnegotiable priorities. We generally recommend that enterprises translate business requirements into required service levels. Further, we recommend that enterprises embed: 1) key service-level requirements; 2) the definition of precisely how they will be calculated, administered, reviewed and distributed; and 3) how failure to deliver on defined service levels will be remedied,

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including escalation, penalties and contract cancellation. A best-practices negotiating strategy for help desk outsourcing services enables enterprises to negotiate beyond vendor-dictated sales and marketing strategies, and to develop contract terms and pricing structures that support the current needs of the enterprise while offering flexibility for customized offerings. It is important to realize that whoever writes the first draft of the contract usually has the upper hand in negotiations. Therefore, the RFP can be documented to act as a template for the ultimate outsourcing contract.

11.0 Buyer Beware: Implications of Outsourcer Acquisitions

As most service providers find themselves with too much work or not the right mix of services offerings for their clients, they are adopting a “merge or acquire” strategy — rather than a “hire and build” one — to meet the demands of their clients quickly. Firms are moving to augment and differentiate their current positions in the marketplace with a service offering, as well as providing a long-term recurring revenue stream. Other motivators include the need to: grow the business, broaden offerings to meet market demand, expand geographically, reduce expenses and competition, provide differentiation, and improve revenue and margins. The user impact is fewer choices in the marketplace, the sameness of solution, less competition (which could mean higher prices), increased project risk (as dust settles) and higher turnover rates. As consolidation continues in the external service provider market (e.g., Inacom’s recent acquisition of Vanstar; the acquisition of Bell Atlantic Business Systems by Decision Servcom, creating DecisionOne; and the acquisition of Dataserv and I-Net by Wang). Major acquisition drivers have been the vendors’ need to fill gaps in product lines, and outside players’ attempts to break into a growing market.

Acquisition motives include:

- Broadened product lines
- Lucrative portfolio
- Increased visibility
- Access to or creation of a larger distribution channel
- Diversification outside of the original core marketplace
- Domain expertise in a related vertical industry

Due to the unexpected confrontation with unknowns, outsourcer acquisitions pose difficulties for clients. However, IS organizations can gain some control by following the practices outlined below:

- *Watch for signs of a “price-tagged” vendor.* Interview key vendor personnel on the project and step up monitoring of vendor performance, deliverables and project milestones. Items to watch include: shrinking E:R ratio, high utilization rates, high employee turnover rates, a slowdown in sales and marketing, reorganizations and consolidations, and reduced investment in technical infrastructure.
- *Seek details of the deal.* Knowledge about why and how an acquisition was made provides background for the IS organization’s decision on whether to stay with the new organization or evaluate other options. Acquisitions are rarely a “win-win” situation for both vendors, as usually one party’s strategy, product or employees are compromised. Therefore, seek objective opinions from industry analysts and details from the perspectives of both parties in the acquisition deal.
- *Discover the short-term impact on service offerings.* Voluntary information about the handling of customer accounts will not surface at the time of an acquisition announcement. The IS organization



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should obtain written assurance from the vendor that service offerings (e.g., dedicated vs. pooled support resources) will not be compromised because of the acquisition.

- *Renegotiate service and support contracts.* Demanding a continuance of the contracted level of service and support will frequently reveal the vendor's intentions for continuous investment or support. The contracts should include contingency language to enable termination of the relationship without penalty. For example, the contract could indicate that the IS organization may cancel the contract without penalty in the event of vendor bankruptcy or a substantial change of ownership.
- *Evaluate the new enterprise's strategic direction.* Determining whether the IS organization can achieve its long-term goals with the new vendor is critical to the future of the relationship. Even if it is committed to maintaining current service offerings, the new company must show the skills and engineering experience necessary to continue service.
- *Evaluate the option of moving to another help desk outsourcer.* An enterprise can frequently leverage its position by informing the new company that it is considering moving to another help desk outsourcer.

Time is of the essence. As the new vendor makes final strategic decisions and the acquisition is about to be consummated, the opportunity for aggressive contract renegotiations becomes more limited.

12.0 Conclusions

A major transformation is taking place in the way enterprises decide what, when and which services to outsource. The means by which these services are procured and managed are changing, too. Major changes are occurring in the marketplace as new entrants emerge and vendors form situational alliances for the lifetime of a single deal. Enterprises must carefully evaluate the ability of their prospective vendors to provide services effectively and efficiently during the life of the deal.

Only a few vendors have the critical mass or diversity of skills to be full-service providers that can help clients engaged in major restructuring or re-engineering efforts. A consistent sourcing model enables IS organizations to determine the required scope of services and the vendor's capabilities, and allows the breadth and depth of these external services to be objectively evaluated. However, the ultimate responsibility for services, quality and delivery of IT support must remain in-house. Enterprises can better position themselves to avoid pitfalls in the outsourcing relationship by using our framework of critical success factors.

A disciplined evaluation process is vital to a successful outsourcing contract for help desk services. In the RFP, enterprises should state in writing the specific services to be performed and their scope, the associated performance standards, and the exact costs associated with these services.

The following pitfalls should be avoided:

- *Delaying notification of support personnel about the sourcing decision*

Although there may be legitimate concerns that the best analysts may leave when they hear of a potential outsourcing deal, the "flip side" poses greater risks. Word gets out eventually, and employees will not believe managers if they wait too long to communicate the news. Aside from the desire to "do the right thing," there are also business reasons to keep staff informed. User organizations: 1) do not want their employees' resumes "on the street"; 2) do not want the remaining staff to resent the way other employees were treated; 3) need staff on board to assist in the conversion to the outsourcer's environment; and 4) need critical staff at work on Day 1 of the deal.



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- *Failing to include required parties in the negotiations*

It makes it much easier to administer the contract if the people charged with this task are involved in the negotiations. Otherwise, a considerable amount of time and energy is expended, once the deal is in place, trying to figure out exactly what was meant by certain clauses. Day-to-day life will be easier if the future account manager is present at the negotiating table. This is where teamwork and trust develops, as both sides work through a common understanding of the issues.

- *Being vague and imprecise about the scope of the deal*

Users must define the scope precisely and comprehensively in both the RFP and the contract. If the vendor devotes hours to putting together a good bid, and the user leaves something out of the RFP and tries to “throw it in” later, it will cost the user more. If a user does not adequately identify the major components of a deal in the contract, that user will not be able to remove those costs from its books, because the it will be left providing that service itself. Vendors will only provide the services that were specified in the contract for the base price.

- *Using a “back-of-the-envelope” approach for comparing bid financials*

The RFPs should be constructed so that the bids can easily compared in structure and costs. A comprehensive financial model (based on net present value analysis) should be constructed to compare vendors’ projected charges against the client’s own costs.

- *Postponing sticky issues for post-contract resolution*

The more issues that are deferred for post-contract resolution, the greater the risk of serious problems in the early implementation stages. Therefore, all issues should ideally be resolved before the deal begins. Resolving issues after the contract is signed also opens the door for the vendor to start changing the contract. However, if the resolution of certain issues must be postponed (e.g., agreeing on performance standards), specify that these will be addressed in an amendment to the contract.

- *Believing that the vendor relationship guarantees a true partnership*

In outsourcing relationships executed today, cost and risk are not equally shared. The help desk outsourcer needs to make its profit targets, obtain follow-up business and get good references. A user needs to get the job done efficiently and effectively and obtain a certain level of savings. At times, each party’s objectives may be at odds with one another. If a vendor were to enter into a true partnership, it would have to share its costs with the user, which does not happen.

- *Transferring all staff over to the outsourcer*

Enterprises often underestimate the effort required to manage and administer these contracts, particularly in the first year. There are many important functions that somebody on the user payroll must oversee. If too few employees remain with the user, these functions will not be performed adequately and the odds of the relationship proceeding smoothly will decrease.

- *Accepting any account manager the vendor assigns*

Good account managers are difficult to find, and most vendors are stretched to their limits. It is important to include provisions in the contract about having initial approval of key account management personnel.

- *Choosing the wrong vendor for the user organization*



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The outsourcer should be a good fit with the user organization, from a cultural perspective and a personality standpoint. There should be a common approach to problem solving and business issues.



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Appendix A: Selected Help Desk Outsourcing Vendors

800 Support

18277 SW Boones Ferry Rd.
Building A, 2nd Floor
Portland, OR 97224
Phone: 1-800-777-9608; 1-503-684-2826
www.800support.com

CompuCom Systems

7171 Forest Lane
Dallas, TX 75230
Phone: 1-800-488-5266; 1-972-856-3600
www.compucom.com

Convergys (formerly Matrixx Marketing)

500 International Parkway
Suite 300
Heathrow, FL 32746
Phone: 1-407-333-4433
www.matrixx.com

DecisionOne

50 East Swedesford Road
Frazer, PA 19355
Phone: 1-888-287-9202; 1-610-296-6000
www.decisionone.com

Digital Equipment

111 Powdermill Road
Maynard, MA 01754
Phone: 1-978-493-5111
www.digital.com



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Hewlett-Packard

3000 Hanover Street
Mountain View, CA 94304
Phone: 1-650-857-1501
www.hp.com

IBM

Old Orchard Road
Armonk, NY 10504
Phone: 1-800-426-4968; 1-914-765-1900
www.ibm.com

Inacom

10810 Farnam Drive
Omaha, NE 68154
Phone: 1-800-843-2762; 1-402-392-3900
www.inacom.com

Keane

400 Interstate North Parkway NW
Suite 1150
Atlanta, GA 30339
Phone: 1-770-850-7270
www.keane.com

National TechTeam

835 Mason, Suite 200
Dearborn, MI 48124
Phone: 1-800-522-4451; 1-313-277-2277
www.techteam.com



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NCR

1700 South Patterson Boulevard

Dayton, OH 45479

Phone: 1-937-445-5000

www.ncr.com

PC Helps Support

1 Bala Plaza, Suite 434

Bala Cynwyd, PA 19004

Phone: 1-800-869-9327; 1-610-668-3516

www.pchelps.com

Sitel

111 South Calvert Street

Baltimore, MD 21202

Phone: 1-800-257-4835; 1-410-246-1505

www.sitel.com

Software Spectrum

2140 Merrit Drive

Garland, TX 75041

Phone: 1-800-824-3323; 1-214-840-6600

www.softwarespectrum.com

SPS Payment Systems

2500 Lakecook Road

Riverwoods, IL 60015

Phone: 1-847-405-3000

www.spspay.com



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Stream International

275 Dan Road

Canton, MA 02021

Phone: 1-888-223-8880; 1-781-575-6800

www.stream.com

The Sutherland Group

1160 Pittsford-Victor Road

Pittsford, NY 14534

Phone: 1-800-338-4557

www.suth.com

Sykes Enterprises

100 N. Tampa Street

Suite 3900

Tampa, FL 33602

Phone: 1-800-867-9537; 1-813-274-1000

www.sykes.com

Unisys

PO Box 500

Blue Bell, PA 19424-0001

Phone: 1-215-986-4011

www.unisys.com

Wang Global

290 Concord Road

Billerica, MA 01821

Phone: 1-978-967-5000

www.wang.com



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Appendix B: Sample RFP for Help Desk Outsourcing Services

Section A — Introduction

A.1 Purpose of Request for Proposal (RFP)

Company X's Information Systems Center (ISC) is investigating the feasibility of outsourcing its direct end-user telephone support service for its internal customers in Location Y. This includes the areas of PC applications, operating systems, network operating systems and utilities in a client/server environment. Company X requests proposals to provide services for the off-site maintenance of a help desk to support end users in Location Y.

A.2 Background

The PC Help Desk supports:

<i>Location</i>	<i>Number of End Users</i>
Location Y	700

All service requests to the PC Help Desk are tracked via Problem Resolution Tool A from Vendor B. Requests are received in one of the following manners:

<i>Method</i>	<i>% of Total Requests</i>
Phone calls to the help line	78
Electronic mail	5
"While you're here ..."	3
Walk-ins to the PC Help Desk staff's area	2
Calls to PC Help Desk staff's private lines	1.5
Facsimile or internal mail (for LAN registration)	5

Customers can use any of the methods to contact the PC Help Desk. However, nearly all standard software support questions come in through one internal extension (ext. 1234). An ACD is in place in front of this number for future direction of calls by product, and to collect call statistics (e.g., average wait times). Outage announcements are placed in front of the ACD to avoid calls to the PC Help Desk when the impact is to several users. Calls are logged into the problem-tracking system. If answered immediately, they are closed. Open calls are researched by analysts until an answer is obtained. Once communicated to the customer, the call is closed in the problem-tracking system.

The Location Y PC Help Desk has the following responsibilities:

- LAN server maintenance
- LAN availability and performance
- LAN connectivity to mainframes and other LANs (WAN)
- User registration and security rights
- Dial-up access to the LAN



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- Break/fix for hardware (desktops and printers)
- Installation of desktop and LAN-based office products (excluding functional-area business applications such as Matter Manager for the legal organization)
- Direct end-user telephone support for standard software products
- Acquisition/deployment/redeployment/disposal of PCs and printers
- Teaming with internal customers and IT on application deployment (e.g., electronic policies via Adobe Acrobat)
- Support for presentations/vendor demonstrations

PC Help Desk Organizational Structure:

<i>Position</i>	<i>FTEs</i>
PC Help Desk manager	1
Technical team leader (supervisor)	1
LAN administrators	1.5
Telephone support staff	2
Break/fix/deployment staff	3.5
Customer/internal projects staff	1.5
<i>Total staff</i>	<i>10.5</i>

Requests to the PC Help Desk range from consulting issues to movement of hardware. Exhibit B reflects the product categories tracked in the Problem Resolution tool. Exhibit C explains in more detail what types of requests are grouped in the more general categories.

Exhibit B reflects the number of requests received by the PC Help Desk by product category. Two months of data are available and it is estimated that there were 10 percent to 20 percent more requests during this period than were recorded.

The following initiatives are under way at the Location Y:

- Migration from Banyan Vines to Windows NT
- Deployment of Lotus Notes Release 4
- Migration from Windows 95 to Windows 98 (NT for some power users)

These initiatives are currently in the planning stages. Actual migration is expected to commence in October 1998 and completion is expected by October 1999.

While we do not expect the Supplier to assist with the migration efforts of these initiatives, we do expect support for the products.

A.3 Statement of Confidentiality

This RFP and all materials submitted by Company X must be considered confidential. Company X requests that this RFP not be forwarded to any third party for evaluation or for any other purpose without



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the express written consent of Company X. When submitting confidential material to Company X, the bidder must clearly mark it as such.

Section B — Project Detail

B.1 Statement of Business Problem

Company X has experienced significant growth in the past year, and the ISC has not been able to keep up with the pace of growth. While most internal customers are satisfied with the service they receive from the help desk, there have been increasing complaints about hold time and the inability to reach a support professional after normal business hours. With a shortage of IS personnel, Company X is investigating the feasibility of redeploying existing help desk personnel and contracting with an outsourcer to provide support services.

B.2 Scope

The scope of this RFP applies to direct end-user telephone support for standard software products. The specific products are listed in Section E of this RFP.

Other support responsibilities may be considered for outsourcing with the selected Supplier at a later date.

Section C — Project Schedule

The anticipated processing schedule for this RFP is outlined below:

- RFP released 12 January 1999
- RFP responses due 28 January 1999
- Respondents notified 12 February 1999
- Migration to new service complete 30 April 1999

Section D — Business Requirements

D.1 Customer Service

The required availability for telephone support is 24 hours a day, seven days a week (24x7).

If the Supplier’s solution includes having Company X internal customers dialing off premises, then a toll-free telephone number must be available.

The Supplier must ensure that only authorized Company X Location Y users utilize the telephone support.

D.2 Service-Level Metrics

- | <i>Measurement</i> | <i>Metrics</i> |
|---|---|
| • Average answer time (number of rings) | 90 percent answered in less than four rings |
| • Total calls placed on hold | Less than 10 percent |
| • Time placed on hold, maximum | 5 percent at less than two minutes |
| • Abandoned calls | Less than 2 percent |

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- Percent of calls resolved at Tier 1 85 percent or more
- Percent of calls resolved at Tier 2 10 percent or more
- Percent of calls resolved at Tier 3 5 percent or less
- Percent of calls unresolved after SLA times Less than 5 percent
- Percent of calls unresolved 0 percent
- *Resolution time for Tier 1 calls:*
 - Telephone time for Tier 1 Up to 12 minutes
 - Total elapsed time for Tier 1 Up to 12 minutes
- *Resolution time for Tier 2 calls:*
 - Telephone time for Tier 2 Up to 25 minutes (in addition to Tier 1 time)
 - Total elapsed time for Tier 2 Up to four hours
- *Resolution time for Tier 3 calls:*
 - Telephone time for Tier 3 Less than one hour (in addition to Tier 1 and Tier 2 telephone time)
 - Total elapsed time for Tier 3 Less than 24 hours
- Customer satisfaction Will be negotiated and reflected in the SLA

The Supplier will provide an account administrator for Company X who will be the first point of contact for contract performance inquiries.

The Supplier must be willing to allow Company X to “test drive” the service before the contract is finalized.

Is 24x7 support available 365 days per year, including holidays? If “no,” please list holidays and hours available on nonholidays.

Please describe any other process changes and associated pricing that could improve customer satisfaction, given that the roles and responsibilities will be shared between the Supplier and Company X. For example, the Supplier takes all phone calls and routes those related to onsite support back to Company X, or the Supplier customizes our ACD to route calls appropriately.

Is there an online knowledge base of the “frequently asked questions” for the products supported by the Supplier, and is customer access to this knowledge base available?

Is customer access (preferably online) available to check the status of an issue the Supplier is addressing?

D.3 Deliverables

D.3.1 Service-Level Agreement (SLA)

The Supplier will provide and modify an SLA to cover all products supported under the contract with Company X and all service-level metrics as stated above.



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D.3.2 Statistical Reporting

All report formats will be developed by the Supplier and approved by Company X. The Supplier will provide statistical information in a calendar month summary in order to allow Company X to readily validate all items covered in the SLA. Reports will be made available electronically by the 10th day of the following month.

D.3.3 Customer Satisfaction Surveys

The Supplier will compile an annual one-page customer satisfaction survey. This survey is to be distributed in April to Company X customers utilizing the Supplier's services. The results are to be collected in April and distributed to Company X management in May. A sample of questions is provided in Exhibit D.

The Supplier will conduct random customer satisfaction surveys throughout the year. The results are to be summarized and distributed to Company X management by the 10th day of each month.

Section E — Technical Environment

E.1 Minimum Requirements

Product Support

The Supplier must be able to provide support for the following standard software products, network operating systems, desktop operating systems and utilities.

<i>Vendor</i>	<i>Product</i>
Banyan	Vines 5.53(6)
IBM	Lotus Notes r.4
Microsoft	Access 2.0
Microsoft	Project 4.0
Microsoft	Excel 7.0
Microsoft	Windows 95
Microsoft	Windows NT (NOS)
Microsoft	Windows NT
Microsoft	PowerPoint 7.0
Microsoft	Word 7.0
Netscape Communications	Netscape 3.04

E.2 Additional Service Opportunities

Products

Support for the following products is highly desirable, but not required:



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<i>Vendor</i>	<i>Product</i>
Adobe	Acrobat
Alcom	Lanfax
Command Systems	F-PROT
Microsoft	FoxPro
Microsystems Software	CaLANdar
STAC	Reachout
WinWare	Visual Help
PKWare	PKZip
Reach Software	MailMAN
Systems Compatibility	Outside/In for Windows
Wall Data	Rumba

The Supplier should specify which (if any) of these products are covered under the Supplier's standard offering. Those products not covered but available for support outside the standard offering should be noted, and the associated pricing information should be reflected in the pricing model (on diskette).

Please describe the process and pricing method for adding other products to the contract at a later date.

PC equipment at the Location Y consists of the following:

- *Desktop PCs:* 90 AST/IBM clone 386s, 380 AST 486s, 250 HP Pentiums
- *Laptop PCs:* 125 AST/IBM 486s with docking stations and modems for dial-up
- *Servers:* 15 Compaq machines
- *Printers:* Wide range of LAN-connected HP printers from IIs to 5si's, as well as Techtronix, Ricoh Fiery and several locally connected dot matrix printers.
- *Desktop Operating Systems:* Primarily Windows 95, with approximately 15 Windows NT users
- *Network Operating System:* Banyan Vines 5.53(6)

Section F — Proposal Requirements

F.1 Proposal Preparation

Your proposal must be submitted in separate volumes, and in the quantities indicated below:

- Volume 1 — Technical/Management (five copies)
- Volume 2 — Cost/Documentation (five copies)

F.2 Scope of Effort

Your proposal shall address all items in the technical specification and associated other documents contained herein. The effort described in these documents, and the contractual provisions and other



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documents referenced in this RFP, closely resemble those that would appear in a binding contract between Company X and the selected bidder.

F.3 Proposal Submittal

Your proposal shall be submitted in accordance with Exhibit A. The due date of your proposal is 12 noon PST, 28 January 1999, and the proposal must be received by the time noted or it will be considered as nonresponsive. Your company, by offering a proposal, represents that it possesses the capabilities, hardware, software and personnel necessary to provide the efficient and successful installation of properly operating services and equipment, and the provisions for its continued maintenance and support. In the event that you decide not to submit a proposal, it is requested that this RFP be returned in its entirety within 10 days of receipt, with a cover letter stating your intention not to propose.

F.4 Contact

Contact with Company X during this proposal cycle can only be accomplished by written correspondence through the bid control desk. Answers will be quickly generated and the questions with answers will be provided to all bidders. Upon receipt of this request for proposal, you should immediately contact the bid control desk and identify the name and fax number to which updates, questions with answers and other rush correspondence should be transmitted. The Company X bid control desk information is provided in Exhibit A. If for some reason you cannot reach the bid control desk, the buyer, whose name and number is on the cover letter, is the only authorized back-up person you may contact. No bidder conferences will be conducted for this proposal.

F.5 Duration of Proposal

Your proposal must remain valid for 120 days from 28 January 1999.

F.6 Acceptance of Terms and Conditions

The terms and conditions, and other provisions included and/or referenced in this RFP, should be thoroughly reviewed, and a statement of acceptance thereof, or specific exceptions (with detailed supporting rationale and prepared substitutions), must be included in your proposal.

F.7 Right of Rejection and Disclosure of Proposal Contents

Company X reserves the right to reject any or all proposals as well as waive any deviations it deems appropriate. Company X reserves the right to use any information presented in any response to the proposal. All Company X divisions reserve the right to select their own service provider.

F.8 Cancellation of RFP

Company X retains the right to cancel this RFP.

F.9 Company X Not Responsible for Preparation Costs

All proposals and other material submitted become the property of Company X and may be returned only at Company X's option. Company X is not responsible for the Supplier's preparation costs.

F.10 Conflict of Interest

The Supplier or any individual working on the proposal cannot have a conflict of interest with respect to Company X.



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F.11 Key Personnel

The Supplier must provide name, background (e.g., training programs and certifications) and geographic location for each of the key personnel who will be primarily accountable for servicing the account. The contract will request that in the event that key personnel are removed or diverted, the Supplier will notify Company X at least 14 days in advance of the action and provide information on the proposed substitutes or replacements, including the name, background and geographic location of each.

F.12 Proposal Evaluation

Each proposal will be evaluated based on a point system to ensure it meets the minimum specification level. Once the proposal is deemed technically acceptable, the evaluation will be based on cost and best value to Company X.

F.13 Disclosures

You are not authorized to make public or cause to be made public any disclosure relative to this solicitation without the written approval of Company X. Further, all information contained herein is to be treated as Company X proprietary information.

F.14 Proposal Documentation

One copy of your cost proposal must contain original signed copies of all documentation. Exceptions taken to any provision of this RFP shall be identified with adequate explanation, and suggested alternatives. Please provide the name, title and phone number of the person responsible for your response to the RFP.

F.15 Technical/Management Proposal Instructions

Technical/management proposals should be written in a concise manner, conducive to effective evaluation and source selection. Please limit your response to 50 pages maximum; however, this volume should be written in a manner consistent with the complexity and/or level of development of your proposed solution. *You must cross-reference your proposal to the technical specifications in this RFP in a manner that allows easy identification of your answer to each technical requirement.*

F.15.1 Technical Overview

Discuss your solution approach and the extent to which it meets the technical specification.

Discuss performance verification methods, including potential risk areas inherent to your solution.

Describe how the technical performance requirements will be achieved. Discuss how the technical interfaces with the existing processes, software and Company X staff will function.

Describe your reliability, availability and serviceability and how it is to be employed for your solution in quantitative terms (e.g., 98 percent).

F.15.2 Management Overview

Provide a detailed master scheduling plan through delivery and installation of all items, assuming the starting point is the authority to proceed.

Describe the approach to organizing and managing all resources to be used to support initial startup and ongoing operations.



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Provide sufficient past performance documentation to demonstrate success on related efforts. Include a list of similar programs, providing the customer, contract number and value, the end product, and a performance assessment for each.

Provide information on the Supplier's organization structure and all levels of authority, including access to top management.

Discuss your company's current level of commitment and related activity with respect to total quality management objectives and implementation.

F.15.3 Technical and Management Evaluation Criteria

Proposals will be evaluated based on a point system, with overall technical services and capabilities being most important, followed by cost of services and management commitment. The following specific criteria, as well as appropriate subcriteria, will be identified, weighted and approved in accordance with source selection policies prior to any proposals being evaluated:

Technical

- Services approach
- Performance characteristics
- Background verification
- Reliability, availability and serviceability

Management

- Schedule management
- Project management
- Logistics support

The Technical/Management Proposal Instructions should be followed in order to respond to all source evaluation criteria set forth above.

F.16 Cost Proposal Instructions

The Supplier will complete the accompanying Excel spreadsheet to provide pricing information. The diskette containing the Excel spreadsheets allows for several variations of pricing methods. The two primary methods (one of which *must* be completed) are 1) price per seat (or user month) and, 2) price per incident. Models A and B on the diskette reflect these two methods respectively. Both Models A and B allow for pricing of any additional services. For any unique pricing structures, the Supplier can create another model (e.g., Model C). However, the Supplier should be aware that this model will not be given the same consideration as Models A and B. In addition, completion of an optional pricing model does not relieve the Supplier of the necessity to complete at least Model A or B on the diskette.

Failure to complete either Model A or B, or any changes made to the format of Model A or B on the diskette, will disqualify the bid.

The following must also be identified:

Nonrecurring Prices Including Conversion/Transition: Describe all pertinent factors along with a description of variable matters which could impact the eventual price to implement.



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Recurring Annual Prices: Include all factors along with a description of variable matters which could impact the eventual price to provide these services. Provide price in current-year dollars, along with rationale for changes in base price.

Note: Any cost information listed outside the spreadsheet will disqualify the bid.

F.17 Contract Term

A three-year service contract with two additional one-year options is contemplated. The pricing model (on diskette) reflects just the first three years for comparison purposes.

F.18 Volume Discount Pricing

Describe in detail your volume discount pricing model and price points. This clause should allow for automatic rate changes without penalizing Company X for not maintaining pre-negotiated volume levels. If your pricing model uses volume bands (e.g., based on call volume or number of users) for price stability, explain how this model works.

F.19 Bulk Service Discounts

If this offering has any impact on any other service currently provided to Company X (or its divisions), state this in sufficient detail to allow Company X to price said impact.

F.20 Contract and Pricing

Identify what pricing arrangements are available.

Attach a copy of your standard contract.

What penalty charges (as a reduction to the Supplier's contract) are applicable in the event that the deliverables are not completed on time or SLA metrics are not attained? This will be addressed in any contract signed by Company X and the Supplier.

What termination charges are applicable in the event this contract is canceled?

F.21 Responsibility Matrix/Procedures Manual

The supplier will provide Company X with a responsibility matrix and/or a management and procedures manual to facilitate seamless hand-off of issues for effective problem resolution. This should include a complete description of the call flow process and diagram as it is customized to meet the final solution implemented for Company X.

F.22 Account Manager

The account manager (and this individual's backup) will be available to Company X management during the normal service hours (PST) offered to Company X by the Supplier. The Supplier will provide a resume, background information and references for the account manager and his or her backup.

F.23 Technical Ability

The Supplier must remain current and up-to-date on all products outlined in "Minimum Requirements," and any additional products contracted in "Additional Service Opportunities."

F.24 Supplier Information Requested

F.24.1 Contract Information



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What is the corporate address, mailing address and phone number of your company's main office?

Who in your sales organization will be the primary contact during the evaluation process? Provide this individual's direct phone number, fax number, and address if different from the one above.

Who in your organization is authorized to negotiate a contract with us? Please provide this individual's name, direct phone number and fax number.

Provide an organization chart of the executive and management levels involved in both operating and selling your help desk services.

List name, address and internal contact of two references (in Southern California, or elsewhere on the West Coast) with whom we can speak regarding your help desk services.

List name and address of a user group or advisory council, if one exists.

F.24.2 Company Information

Provide a brief history of your company, including its vision and financial strength.

How many years have you been in the business of providing end-user help desk services?

To how many accounts do you provide end-user help desk services?

How many end users are supported in your largest account? Smallest account?

Describe how you differentiate your company from your competition in the area of end-user help desk services.

Describe how you keep your staff trained and up-to-date on the products that you support.

Describe the minimum qualifications of your staff:

- Telephone support staff
- Tier 1 staff (if different than telephone support staff)
- Tier 2 staff
- Tier 3 staff

What is the total number of staff (full-time equivalents) your firm employs at each level described above?

Describe any alliances you have with hardware, software or other service providers focusing on the benefits or limitations to Company X.

Provide the name of the call tracking system you use. Identify the current version and release you are running in production.

How many calls per month do you handle?

Please describe how your company handles growth. This should include (but not be limited to) such factors as facilities, telecommunications infrastructure and staffing.

Please describe your company's current global presence and any plans for expansion.

Please provide a copy of the standard reports you generate for your customers (if any).

F.24.3 Services Provided



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Please provide a current list of supported software, hardware, networks, operating systems, utilities and peripherals.

Describe your call flow process. This should include areas such as call greeting, call ownership, call receipt, call logging, call resolution, call prioritization, call escalation and customer communication/status on open issues. This should also indicate what occurs when a support person is unable to resolve a problem.

Please provide a call flow diagram.

Do you subcontract any part of end-user help desk services? If so, describe the areas which are subcontracted and how this service is provided.

Please indicate the location (city and state) of your support center(s).

Please describe how you plan to differentiate between Company X customers and your other customers.

Please describe your support center's disaster preparedness and disaster recovery plans.

Please describe the process used to determine new products that will be supported in your standard and premium (or custom) offerings.

Please describe the process used to determine which products will no longer be supported in your standard and premium (or custom) offerings. This should include the method of customer notification and lead time.

How do you provide support for mobile users?

Please describe the process for adding/deleting customers from your service and how your billing process works.

Please describe how you ensure the confidentiality of customer information on documents you need to review to resolve problems.

F.24.4 End-User Customer Satisfaction

Can the account manager assigned to Company X be contacted any time of day or night, if required?

Please provide a recent customer satisfaction survey form sent to end users of an existing customer.

Please provide your company's actual service-level metrics (for all customers). Try to ensure that you address all metrics listed.

Please provide a copy of your standard SLA, including the metrics your base pricing covers.

What mechanism(s) do you use to ensure that all requests (calls) are closed from the customer's perspective?

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F.24.5 Deliverables

Specify how long it will take to prepare the deliverables specified in this document.

Describe in general terms your plan to transition from the current support environment to one supported by your company. In person hours, how much time can Company X expect to spend on activities such as setting up the pilot and providing customer profile information to your organization? Please be specific on any call history or other customer information that would need to be transferred to your enterprise and the required method.



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Exhibits

Exhibit A — Bid Instruction Sheet

Important Bid Instructions

The following guidelines must be adhered to in order to ensure the validity of your bid/quote.

Bids/quotes must be directed to the Bid Control Desk as follows:

COMPANY X

Company Address

City, State

The invitation to quote or RFP number as well as the response due date must always be recorded on the outside of the sealed bids/quotes.

Bids/quotes can be hand-delivered Monday through Friday, but only to the Protective Services Officer, Building 90 Lobby, between 8 a.m. and 4 p.m.

Electronically transmitted bids/quotes addressed to the Bid Control Desk *must* be faxed to 1-XXX-XXX-XXXX and followed up with your formal written quotation. The voice number to the Bid Control Desk is 1-XXX-XXX-XXXX.

Compliance with the response due date is critical. Any bids/quotes received by the Bid Control Desk after the due date are technically unresponsive. Therefore, it is to your benefit to allow an adequate amount of time for mail/delivery services.

If you anticipate submittal of a late bid/quote, a request for an extension must be submitted in writing to the buyer.

Please do not, under any circumstances, provide a facsimile or verbal quotation to the buyer. Bid/quotes are to be directed to the bid control desk only.

