

Bonus Tech Chapters to:

The Absolutely
Unbreakable Rules
of Service Delivery

How to Manage Your Business to
Maximize Customer Service, Profit,
and Employee Culture

By Karl W. Palachuk

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Intro to the Bonus Tech Chapters

I've been writing books since 1995. Well, let's be honest, I was writing before that. I've been *publishing* books since 1995. And while I've written books for the non-technical audience, my largest audience is IT professionals, mostly running their own small businesses.

So, I knew that a book on "Service Delivery" for a general audience would be missing some very tech-centric rules. Therefore, I've decided to create a tech supplement to The Absolutely Unbreakable Rules of Service Delivery.

And while the smart business owner of any business might find some value here, these chapters are unabashedly for the IT crowd. So, be warned, if you're not in IT, some of this may not make a lot of sense for your business.

The chapters are:

- The Philosophy of Managed Services
- We only sell and recommend business class equipment
- Replace all hardware at end of warranty
- Technicians must work in real time
- Use a TSR Log (Troubleshooting and Repair)
- Use a PSA (Professional Services Automation)

Assuming you've read the book, you know these rules emerged from the daily practices of my IT consulting companies. I could give many

more tech-focused examples in the book, but I'm sure you get the picture.

Note: I make every attempt to honestly state what I believe and enjoy the freedom of writing whatever I feel like in my books and blogs. A mention of any product or service is not an endorsement.

As always, I thank you for your support and welcome your feedback.

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T1. The Philosophy of Managed Services

“Managed Service consists of the maintenance of the operating system and software”

First, a story (a true story).

Many years ago, I bought a brand-new car. And there was a tire dealership just one block from where I parked. It was one of those places that promised absolutely top-shelf service. In fact, they made a point of saying that I could trust all my warranty work to them.

So, I took my car there – for everything. I told the mechanic that I’m putting my new car in his hands. I went there for oil changes, alignments, scheduled service, etc. Everything.

Then one day, after about two years, they told me that I needed new tires. What? I don’t drive that much. How could I need new tires?

The mechanic explained: It looks like these tires have never been rotated.

WHAT?!?!?

How is that possible, I wanted to know. I took my car in to their shop exclusively. They did all the work. They adjusted the breaks. They did the inspections. They did everything.

And – more importantly – I was a great customer. I didn’t complain. I didn’t resist. I spent every penny they asked me to spend and I had them perform every bit of maintenance they recommended.

Why have you never rotated my tires?

“You never asked us to.”

Period.

I explained how much I had trusted them, and put my car in their loving hands. They should understand why I expected them to take care of all the details. But they did *not* understand. Was I wrong here? Was I expecting too much?

Yes, I was wrong. Yes, I expected too much.

For the record: It’s too bad that you can’t turn over your car to someone and have them just fix everything, and do perfect preventive maintenance.

I was trying to buy something they didn’t sell. I had made assumptions about how much of my maintenance could be turned over to someone else. And, it turns out, it’s less than “everything.” (For the record, I still find this odd since the car comes with a book that lists every single piece of maintenance that needs to be done – including rotating the tires.)

But there’s still a limit to how much maintenance you can turn over to someone else. Sadly for me, there was no “managed service” equivalent in the world of automotive maintenance.

It’s important to remember this. The customer’s assumptions and the service providers assumptions may be very different. Clients want to delegate as much responsibility to you as possible, for a reasonable fee. But, of course, there are also assumptions about what is reasonable.

There is always a line between what's included and what's not. Period. This is simply one of the truths of the universe. It's true in all businesses at all levels. A corollary of that truth is that the client will always assume that more is included than what the service provider thinks is included.

Before I became a consultant, I managed all the technology for computer systems in the company I worked for. It was a vast and dizzying array of old and new, large and small. We had HP 300 mini computers, Microsoft servers, Novell systems, fax servers, banks of modems, multi-state Internet connections, five different backup systems. It was a big, confusing conglomeration. But one thing was clear: Whether directly or indirectly, I was responsible for all of it.

When I went out on my own and became a consultant, I assumed the same responsibility. I told clients that I would be responsible for everything, if they turned it over to me. I asked them not to make changes, not to buy new equipment, and forbid other vendors from touching anything without my knowledge.

It was years later that I discovered that almost no one provides this kind of service when they start out. Many learn hard lessons along the way and end up providing comprehensive service, but few start that way.

I take pride in being one of the early pioneers of managed services. And for me, it will always be a maintenance-focused service offering. Managed service does not require a flat fee, monthly billing, an RMM, or a PSA. But it *does* require preventive maintenance as *the* key component.

Managed service is an IT service delivery model that requires a certain balance of goals in order to be successful. These goals include:

- Provide extremely reliable IT services
- Focus on preventive maintenance

And, ideally, it will include:

- Emphasis on flat-fee services
- Use modern tools to deliver services
- Use modern tools to manage internal processes and procedures
- Get paid in advance for as much as possible

The benefits of this model are numerous:

- Clients enjoy more computer/service “uptime”
- Clients appreciate predictable, flattened billing
- IT service providers enjoy predictable recurring revenue
- Service providers can manage more clients (endpoints) with fewer staff
- Service providers become more professional
- And, of course, IT service providers become more profitable *when they do it right*

That last bit is very important: When they do it right. Many people have mistaken “managed services” for flat fee billing. Flat fee is an invoicing decision, not a business model. And those who make this mistake are likely to make the biggest mistake of all: They offer all-you-can-eat pricing or AYCE.

There is no such thing as AYCE. Anyone who says that’s what they’re offering is either lying to you or lying to themselves. There are always limits. All the client can eat is all of your profit. I won’t repeat the

whole rant here, but I have lots of rants against AYCE in my blog posts, videos, and books.

Here my only point is to demonstrate how bad you can go wrong when you get the wrong mix of guiding rules.

Whenever someone tells me that they're not making money with an IT service business, or making less than before, I know for a fact that they are doing it wrong. And 90% of the time, that means they are giving away too much labor for not enough money.

When you look at the balance of things that make managed services work, it is a bit complicated. You have to have a commitment to preventive maintenance. If your service is not focused on maintenance first, it will be hard to move clients over to a flat fee model. Business models are based on value propositions. You have to get the client hooked on the value of preventive maintenance before you can move them to maintenance for a flat fee.

Another un-balancing mistake is to avoid using RMM tools (remote monitoring and management). My managed service was originally based on the price of delivering all the services manually. But additional profit comes from automating that service. For example, manual monthly server maintenance might take about an hour and a half. But with RMM, it might be reduced to fifteen minutes (to verify a restore from backup).

When MSPs (managed service providers) fail to adopt good tools, they are less likely to focus on preventive maintenance or automated maintenance. As a result, they earn less money. They also see less value from the managed service model. If you don't start with preventive maintenance, it's hard to make this model work. It's also harder to sell.

In fact, many so-called MSPs have made the ultimate mistake of never providing the preventive maintenance at all (paid or included in the fee). As a result, they have to wait until something breaks and then go fix it. That is exactly opposite to the managed service model. It is break/fix tech support – even if they’ve managed to sell it for a flat fee.

I have made the argument over the last few years that many people who call themselves managed service providers are not actually providing managed services. They have mistaken the invoicing model for the value-based business model.

Thinking About Your Business

Another truly great book you should read, if you haven’t already, is *The Emyth Revisited* by Michael Gerber. One of the key messages of that book is that you have to take time to work **ON** your business, rather than just working **IN** the business.

If you just work *in* the business, you are likely to look around, see what others are doing, and copy it. After all, you’re too busy working in the day-to-day world to figure out business models and worry about the philosophy of your business.

But if you want to be successful, you must take time to work *on* the business. From Simon Sinek’s question of *Why* to the smallest detail of daily processes and procedures, you have to create your business with intention. If you don’t spend time on this, you will have a business that has no purpose and cannot help you fulfill your personal or professional goals.

So, you need to allocate time to regularly work on your business. Work on the why. Work on the how. Think about what service delivery should look like. Think about the clients and employees you want to attract. Think about the company you want to work in – and take pride in – five years down the road.

Once you have a (somewhat) grand vision of what you want your company to be and where you want it to take you, ask this question: What are the chances that your vision will come into existence by chance? You have to admit it: The chance is zero.

My personal and business motto is: **Nothing Happens by Itself.**

Imagine that you own a lumberyard and it gets hit by a huge wind-storm. Lumber and windows and nails fly everywhere. Now imagine that the wind stops and you find a fully constructed four-bedroom home where your lumberyard used to be. What are the chances of that? Zero.

It's the same with your business. If you spend all your time taking care of the daily chores – stacking lumber – then only one thing can result from the winds of business that will hit your company over the next five years. It will be a scattered mess and you'll spend lots of time re-stacking things.

If you want the big, beautiful house, you need to make it happen. You need to lay down a foundation, begin building the framework, and bring your dream into existence. It might be more work than you imagined. It might take longer. And it might end up being just two bedrooms. But you will build it if you choose to.

It won't build itself.

And no one else will build it for you.

Service delivery is not a big, complicated business model. It is surprisingly simple to understand and explain. But that doesn't mean it's easy to execute. You have to buy into some specific beliefs (e.g., You'll be more profitable if everyone pays in advance). And you have to make all the pieces work together.

You have to have mantras to help yourself (and everyone who works with you) remember all the pieces that make up this puzzle of awesome service delivery and profit. New employees won't get it. Until they suddenly do. Clients may not get it. Until they suddenly do. You need to be an evangelist for your business model.

That requires you to spend time working *on* your business and thinking *about* your business.

This book is all about the “absolutely unbreakable rules” of service delivery that I've come up with over the years to help me evangelize to my employees, my clients, my vendors, and the rest of the IT Community.

If you're in IT service delivery, I think you'll find these rules to be about a 95% fit with your business.

But never forget where about the automobile maintenance example: You have to make sure you and the client have a clear understanding of what is – and is not – included in managed service. Every disagreement on this will boil down to a disagreement on assumptions.

You eliminate assumptions by being very clear about what's included for a flat fee, what's included for an extra fee, and what's not included at all. And then you need to make sure you deliver at least as much as what you promise!

T2. Only Sell and Recommend Business-Class Equipment



One of the most common discussions I see on various online forums is about firewalls. And within that topic there seems to be a never-ending discussion about getting clients to use a “real” firewall versus the one provided by the ISP or some low-end piece of junk they found at the office supply store.

Whether it’s firewalls, servers, switches, printers, network access points, desktop machines, laptops, or anything else, there’s an amazing variety of things that you could sell in this business. I encourage you to *only quote the best* stuff and only sell something else if a client asks you to.

Remember “don’t have both sides of that conversation.” One time I had a conversation where a client said, “Why did this break?” and I had to say, “We were trying to save you money,” and he literally said the words to me, “I didn’t ask you to save me money.”

Boom.

I’ll never forget that: I didn’t ask you to save me money.

Obviously, his technology was more important than his money. He has enough money, apparently. But just as there are people who drive old Ford Fiestas and there are people who drive new BMWs, everybody gets to choose which car they drive. Everybody gets to choose the level at which they want their network to operate. If you only sell the good stuff, if you only quote good firewalls, brand names with all

of the goodies attached, most of your clients are going to take your advice. And when they have one experience that tests that, then they will be sold on it.

I remember one time, I had a client that always bought what I told them to buy, even though they thought I was a little expensive. I only sold business-class HP desktops and HP servers. One reason for that is that I only experience two hard drive failures in almost twenty-five years. Well, one of those happened at this client. Actually, it *almost* happened. On boot-up the HP reported that a drive was about to fail.

Of course, it was under warranty. I called tech support, and that afternoon someone came to the client's office, put in a new hard drive, and imaged over the data. The client literally said the words to me, "I always wondered whether we were making the right decision to buy these desktops that you recommend and now I know that we made the right decision."

That's what you want the client to hear, not, "Why is this piece of junk failing again?" "Oh, because I saved you \$200 on a desktop." Remember: the purchase price of a desktop computer is about one-fourth of the total cost over three years. So don't try to save \$200 and end up costing the client more.

So, quote the good stuff and sell the good stuff. If a client balks and says they really can't afford it, then you can quote the lower-cost option. But start with the right choice first! Remember: It's not your job to save the client money. And don't have both sides of the conversation.

I'm a big believer that everybody should have a line card for the hardware, software, and services you sell. This is particularly important with hardware. The line card is simply a list of the preferred one or

two brands that you sell. This is good to have, even if you're the only salesperson.

For example, with printers, you can say, “We sell HP and we sell Brother. We don’t sell Epson.” There are so many kinds of printers you could be selling. Please don’t try to sell every kind of printer offered by Ingram, Synnex, D&H, Tech Data, etc.

Why not sell “everything” you can? Very simply, you can get to know the ins and outs of two brands. Your sales people and your technicians can learn these two brands backwards and forwards. You’ll know what to sell into a workgroup, into a small company, or into a specific department.

There's a right printer for everything. You cannot start out your quoting process by getting a list of every printer for sale at every distributor. It will easily overwhelm you. Instead, focus on a couple of brands for each item you sell.

Pick one primary brand for servers, and maybe an alternative. Do the same for desktop and laptop computers. Pick one primary brand and a backup brand for monitors, routers, switches, UPSs, speakers, and so forth. For each brand, you will learn the lines that are good, better, and best. Quote the best, and then when clients push back you can go with something else.

When you focus on a limited number of brands, your sales people will become more effective and more well-informed. They can’t learn everything, so don’t ask them to try. Similarly, your technicians will learn all the quirks and undocumented features for one or two brands. They can dig much deeper into the knowledge of a few brands than they could with “all” brands.

And remember, ignore your competition. Even if your competition is Staples, do not base your prices on what your clients would pay if they

bought equipment themselves. I have always sold my hardware at cost plus 25% and it's frequently more expensive than going to Best Buy, Staples, Amazon, CDW, or anybody else. But I tell my clients, "I'm selling you the right thing."

One time, I had a client who tried to save money. He looked at the quote, got the model number, and bought a desktop PC that had the same model number. But, somehow, he managed to buy a machine with *zero* level 2 cache. He complained to me, "This is the slowest machine I've ever seen in my life. You were going to sell me this piece of junk."

And I said, "No, I was not. I don't even know where you found a machine with zero level 2 cache, but I would not have sold you that. I would have sold you the right thing, which is why it costs more." He wanted to save that money and ended up just frustrating himself.

Building the Perfect Network

There are a handful of elements that go into building the perfect network. (Perfect means that nothing ever breaks.) These include:

- Business class hardware
- . . . that's less than three years old, so still under warranty
- The newest generation of operating system, unless it revved in the last three years
- The newest generation of software
- All hardware, software, and operating systems are patched and up to date

If you sell people only the good stuff, you will have less maintenance to do. If you require that everything is under warranty, this won't

break as much. Imagine a network where everything is three years old or less, everything is patched, fixed, updated, maintained all the time, essentially nothing breaks. You get to collect your managed service fee but you don't have to actually put out any labor.

Managed service is like an HMO. You get all your money on the first day of the month. You only have to spend money when something breaks, so it's in your best interest that nothing ever breaks. When you limit your product offering, that also helps your service team because they only have to know a handful of product lines. And so forth.

And one final note: The only way you can start to get good pricing with some brands is to sell enough volume to earn better pricing. Sticking to one primary brand and one secondary brand will help a lot.

Used and Refurbished Hardware

No.

Just no.

Please do not be tempted to sell used or refurbished equipment – unless you're in the used equipment business.

If you're in the business described above, and you are pushing clients to rely on new equipment that's still under warranty, then the world of used/refurbished pulls you in the wrong direction. The fact is, old stuff breaks more. It just does.

If you focus on a business model that relies on uptime preventive maintenance, it is simply a fact that old, used, and even refurbished equipment will require more maintenance. If you've been in the business long enough, you've bought a "cheap" brand name drive that is

warranted for thirty days, breaks down immediately after that, and there's no support from the manufacturer.

Even if a refurbished piece of equipment is 90% as reliable as new, that's *a lot less reliable* than new! It is a false economy to believe that you have saved money with such equipment.

And if you buy into the flat-fee billing model, then used equipment is virtually guaranteed to lower your profit margin, due to this increased need for support labor.

On a related note, we always made sure that equipment taken out of service was marked as “bad” or “used.” And, in the case of questionable cables or adapters, we cut them in half or physically broke them so they cannot be put back into service. There are few things that will waste your time better than tracking down an intermittent connection due to a cable that was put back into service by a cheap client!

I know many technicians who have piles of old *stuff* filling their shelves. After all, an 80 GB hard drive might be perfectly serviceable. It works, in some sense. It's useless by today's standards, but it works. I know I find it hard to throw away a 250 GB hard drive. But I also have absolutely no use for it. I'm not putting it into a server, a desktop, or even a laptop. Whatever's in those machines now is guaranteed to be larger than that.

We make a habit of moving all old equipment to the recycle pile immediately. If technicians want to take something home, for their own use, that's fine. Everything else goes to the recycler as soon as possible.

I know I get preachy sometimes. But few rules have made more money for my companies over the years than this one: Sell business class equipment, intended to be in service for three years, and sell it

with a three-year warranty. And not far behind that is: Don't sell used or refurbished equipment. You're guaranteed to see it again!

T3. Replace All Hardware at The End of the Warranty

I hinted at this in the last chapter. Part of the perfect network is business class equipment. I use that term to define equipment that is intended for intense daily usage, and most of the time that means it comes with a three-year warranty. We push clients very strongly on this.

All equipment needs to be maintained. Old equipment needs to be maintained more. And maintaining old equipment costs more money. And there's a natural *downhill* slide. Eventually, hardware cannot be patched enough to be safe from new malware attacks. It becomes permanently unsafe.

In addition, old hardware cannot take advantage of new operating system functions. First one thing, then another. Eventually, it's just not very functional by modern standards.

And, finally, old hardware becomes too dated to take on new hardware peripherals. Today it's the new video card standard. Next, it's the latest version of USB or Wi-Fi. Again, it just becomes less functional by today's standards.

It's an odd but natural human reaction: We don't see the money we pour into old equipment. Whether it's a ten-year-old car, a ten-year-old refrigerator, or a five-year-old phone, old stuff just costs more to operate.

This is particularly true of anything that clients use to make money in their business. Older stuff is slow, often insecure or dangerous, and has higher repair bills than newer stuff.

One way to educate clients on this is your monthly newsletter (I hope you have a monthly newsletter). That's a great place to start the mantra, and repeat it as often as you can: "As you know, we like to encourage people to replace their equipment every _____ years. So, replace some of it each year. The goal is to make sure everything's always going to be under warranty."

You can repeat that advice at every opportunity. Repeat it when you're talking to clients.

For us, this is three years. And so, we encourage clients to replace one-third of their desktops and laptops every year. That way, the cost is evened out, and everything in their office is always under warranty!

I also love to do cost projections that are one month longer than the warranty. So, for example, if equipment has a three-year warranty, I do a 37-month projection. Let's say that equipment costs \$10,000. "Here is your cost on day one. \$10,000. And here's the maintenance for 36 months. And, finally, here's the 37th month – when you'll need to buy that equipment again."

Clients are happy to see this, even though it looks expensive, because it gives them some idea of what it costs in the long run.

Note: If you sell business class equipment, as described in the last chapter, then you may be able to get away with an extended warranty. You should sell such warranties! You should also help the client to get financing and to balance out those costs over the life of the equipment.

It's also a natural human tendency to think about transactions as if they are a one-time activity, even if we know they're not. If you buy an air conditioner with a ten-year warranty, do you calculate the cost of repairs and maintenance after that? Probably not. Most people

don't. But a ten-year-old, out-of-warranty AC unit burns electricity much faster than a newer unit. Period. It just does.

We all know that new things, under warranty, don't break. At least 99% of the time. And if you sell quality equipment, it should be absolutely 100% trouble-free for at least the life of the warranty. But if the client keeps it for an additional five years, six years, etc., there will be a point at which you can guarantee that it's *going* to have problems.

In the computer world, an eight-year-old server (or laptop or desktop computer) is a piece of junk. It just is. There's no non-piece-of-junk at that age.

What's the ideal age of equipment in your industry? Talk to your clients about that number! Make it a known quantity.

Whatever your field, I'm sure you can imagine the "perfect" client setup. All the equipment is under warranty. Repairs are cheap, covered, or non-existent. Everything just works all the time. This is possible. And it's a great model for the vision your clients should have about how thing *could be*.

I know lots of clients are penny-pinchers. But don't fall into the trap of projecting that on all your other clients. Lots of people are not penny-pinchers. Focus on people who can actually afford your service. It will make life a lot easier.

Examples for Your Clients

Here are two of my favorite examples, which clients can relate to.

First: Servers. Aside from the fact that "the cloud" is a real thing and they probably don't need a server . . .

A four-year-old server is probably the slowest machine in the office. As network cards go faster, you have gradually upgraded all the machines in the office to draw more and more data from the server. In addition, the memory and processor speeds on all the desktop PCs have grown faster and faster. In the meantime, the server that was cutting-edge four years ago is now two generations behind everything in the office.

Note: You may be able to bolster this argument if you have a server with 100-mb network cards while desktops have gigabit cards. Or, similarly, if the Internet connection now exceeds the maximum speed of the server NICs.

Second: Firewalls (and, to a lesser extent) routers.

The number of mathematical calculations required by a firewall is staggering – and grows all the time. First, the speed of the connection takes a big jump. If you have a 250 mb Internet connection, you need to have an external port that's at least that fast. If you have a 100 mb card on the outside of the firewall, then your Internet speed will never exceed 100 mb. Period.

On top of that, firewalls need to do a lot more than move packets. A firewall needs to open every packet and make sure there's no malware inside it. That takes a lot of computing power. Now consider the fact that virtually everything on the Internet is encrypted. Not just your bank account, but also Facebook, Google search, and YouTube.

A modern firewall has to have enough processing power and memory to push millions of packets through, open each one, and do “deep packet inspection” of encrypted data. These requirements go up every year.

So, if you have a four- or five-year-old firewall, it probably doesn't have a chipset that *can* do this work. And it probably doesn't have a

fast-enough processor or enough memory either. In other words, it has become the chokepoint on your network. And as more and more services are now cloud-based, you have more and more data that has to pass through this chokepoint.

Finally, I would like to encourage you to consider the “as a service” model. Imagine turning over all these headaches to us. For a flat fee, we’ll make sure the firewall is up to spec. We’ll make sure that processing power is centralized wherever it makes the most sense (in-house, in a co-location facility, or in the cloud). We’ll make sure desktops are performing well and up to date. And so forth.

I can’t help myself . . .

Sign right here and we’ll take all these headaches off your hands . . .

T4. Technicians must work in real time

Add this chapter to your reading of Section VI: Rules for Service Tickets.

What is “Real Time?” Quite simply, it means that technicians document everything as they go along. There are a couple of hard rules here, and an associated policy.

The first hard rule is that a technician will move a ticket to the *In Progress* status when they start working on a ticket. The associated policy is that each technician can only have one ticket In Progress at a time. So, for example, the service manager should never see more tickets In Progress than there are technicians at work today.

The second hard rule is that all notes and time entries must be entered into the ticket when the technician stops working on the ticket. Note: This is true whether the ticket is *Completed* or not! If a technician goes to lunch, sets a test to be run, or is waiting on a call from a vendor, they need to put notes in the ticket and move it to an appropriate status other than In Progress.

There are two primary reasons for this requirement. One is important; the other is extremely important. The important reason is that the service board should always represent reality. For example, if a client calls and says, “I thought Karl was going to be here today to set up the conference room TV,” the service manager (or office manager, for that matter) can look at the ticket and know whether Karl is on the way, working on the ticket now, or has already completed the job.

Note: It's a separate discussion of why Karl did not check in with the client upon leaving.

Where are each of your technicians right now, and what are they working on? That information should be immediately available in the ticketing system. This helps the service manager assign “next” tickets if necessary and be fully informed if clients call. If you choose to let the ticketing system track time automatically (not a best practice, in my opinion), then this policy will also keep those numbers as accurate as possible.

The extremely important reason for this policy is that it ensures that *notes* and *time entries* are up to date – up to the minute! Whether a ticket is closed or simply put in another status (e.g., waiting on parts, ready to work), the tech should put in notes about what was done up to that point. And the tech should enter the time worked on the ticket.

I am a big believer that you should track all the time in your business (see Chapter 30). This allows you to do wonderful things like determine tech utilization/billability, client profitability, etc. It also allows you to base your payroll on the time cards inside the PSA.

When employees track all of their time (8:00 AM to 5:00 PM) with no gaps and no overlaps, then you can determine exactly how much was spent on administrative work (e.g., meetings), service delivery, and personal time off. In this way, both external time (client facing) and internal time (for payroll) are visible in the PSA.

And the “real time” piece of this is most important because it's the only way to guarantee accuracy. There are only three ways to keep track of what you've done in a day. You might create a poster for this one:

**Take perfect notes,
Have perfect recall,
or
Work in real time.**

Technicians are not likely to take notes as they work, although I have seen it happen. Even if they do, it will be on some other device. It might be paper and pencil, cell phone notes, tablet, or laptop. But even then, these notes will need to be copied to the ticketing system. In my opinion, this adds an unnecessary step, takes additional time, and leaves room for error (such as forgetting to transfer notes).

No one has perfect recall. Seriously. Don't argue about this.

Luckily, technicians only have to do two things to make this procedure work perfectly. They need to move the ticket status to In Progress as soon as they start working on a ticket. And they need to put their notes and time into the ticket when they stop working on it.

That's it.

One trick we use to teach technicians to work in real time is to require a specific phrase at the end of each time entry. For us, the phrase was, "Documented work." Internally, to technicians and the service manager, that phrase means that a technician has verified the

(updated) ticket status, entered time into the system, and entered relevant notes. Externally, clients simply see a note that the work was documented.

While there are advantages to the service manager in the middle of the day, the real benefit of this policy is that

Here's one final tip to help technicians work in real time. Have an administrative assistant check all of the time cards for the previous day. All they have to look for is:

- Total hours – should be whatever the tech is scheduled for
- No gaps
- No overlaps

If there are problems, the admin rejects the time card and asks the technician to submit a corrected time card. The result: You have tracked all time for that technician (at least for one day).

T5. Use a TSR Log (Troubleshooting and Repair)

The TSR Log is an extremely valuable tool for tracking issues, working with tech support from vendors, and documenting your work. We use a TSR Log whenever we build a server, when we call any vendor, and when a tech has worked on any issue for more than 30 minutes without making progress.

For newer technicians, we might require a TSR Log for any issue that causes more than 15 minutes work without progress.

In addition to being a GREAT documentation tool, the TSR Log is a great way to learn troubleshooting. It forces the user into thinking rigorously and documenting in such a way that you can effectively seek assistance from your co-workers or "tech support" on the other end of the phone.

By now I hope you've read Chapter Ten: *Know What You Know*. One of the important tools you have to help in this endeavor is the TSR Log.

With a TSR Log, you can state very clearly what you've tried and what the results were. You can make a change and then undo it with confidence because you have a map of where you've been. This is perfect for working with a manager, another technician, or a vendor.

I have included sample TSR logs in *The Network Migration Workbook*, and in the *Managed Services Operations Manual*. It's also available to download within the Small Biz Thoughts Technology Community (www.smallbizthoughts.org).

Other than the cover sheet information (client, machine, issue, etc.), it is very straight forward. It's basically a series of lines with a date/time stamp on each line. This is so you can take elaborate notes and track the exact order of what you did.

Thus, as you're building a server or troubleshooting any problem, you have "perfect" notes (see the previous chapter). If anything goes wrong, you'll be able to document exactly what happened and where it happened in the process. This is very handy if you find yourself rebuilding that server from scratch someday. You're going to hit the same snag and it will be very handy to have quick access to the solution.

A TSR Log helps you keep very accurate information about how long it actually takes to build a server. This number will change over time as you gain experience and Microsoft releases updates. But even though this is a bit of a moving target, the more accurate your information, the more profitable you can make your next migration! (This is true because your time estimates will be more accurate.)

Creating a blank TSR Log sheet is easy. But it can be difficult to get everyone on your team to go along with the policy to use it. Over time, you need to support one another by asking "Did you have a TSR Log?" For us, this is important enough to impact quarterly reviews. If the service manager asks to see a TSR Log and there isn't one, that's a potential career-ending incident!

You should post a PDF version of your TSR Log on your company SharePoint site or other cloud storage, so technicians can access it easily. We also require technicians to carry one printed out and ready to go at all times. We require them to use a TSR Log whenever they have been "stuck" on a problem for any amount of time.

To use the TSR Log, you need to simply fill out some key data and then proceed to take notes. There are two "triggers" for taking notes. One is whenever something significant happens. For example, when the server is rebooted, when a change is made, when an error occurs.

The second reason you enter something in the log is simply when you pass a fifteen-minute mark. Never let more than 15 minutes pass without an entry. It might simply be "Setup continued to unpack files." That way you know you didn't simply forget the log. But, more importantly, it will really help you pinpoint when things "go wrong" during an installation, configuration, troubleshooting, etc.

Once you have TSR Logs that have actually been used by technicians to solve problems, you'll need to deal with them properly. That means keeping all related notes together with the TSR Log. If you worked with a vendor to solve a problem, request a copy of their notes by email. This is true of Microsoft, Intel, HP, or anyone else you deal with.

Over time you'll see that your notes are MUCH better than theirs! Attach a copy of those notes to this document.

When the issue is resolved, three-hole punch this document and place it in the Tech Notes section of the Network Documentation Binder, or have an admin scan it into PDF format and store in the appropriate client folder.

In your PSA, annotate any related Service Tickets with a brief description of the problem and final resolution. Then simply refer to this TSR log by log number for full details on the issue.

For migration projects and server builds, you should probably keep a copy of the TSR Log in a file cabinet at your office. You can file by client/date, or simply keep all TSR logs together in one file drawer. Just make sure you can find it if you need it later.

If you're not used to TSR Logs, or rigorous note-taking, implementation of this policy might be difficult to execute. But stick with it and everyone on the team will get better at some of the most important things you do.

Remember: Most of your LOST labor comes from re-work and disorganized troubleshooting. TSR Logs can help you address both of those issues.

We all know that computers don't act randomly. They can't. So, when someone says that errors occur "randomly," they can't be correct. There's a pattern or a cause. We just can't see it.

With TSR Logs, we have a good chance of finding the pattern - and solving the problem - a lot faster!

T6. Use a PSA (Professional Services Automation) Tool

You need a ticketing system. But you need more than that: a PSA.

In any industry, we see LOBs – Line of Business applications, such as Dentrix, Yardi, or IMIS. One way or another, these tools are a form of CRM (customer relationship management) tool. In the IT world, we tend to call our systems PSAs.

This is the one tool most specifically designed to help you build a technology consulting business. On top of managing tickets, a PSA will help you manage client information, employee information, and service delivery generally.

A PSA is a program (or service) for keeping track of all information related to your consulting service. This includes most or all of the following:

- Clients
 - Client Contacts
 - Client Technology Configurations
- Contracts
- Billing
- Employees
 - Employee Time / Payroll
 - Internal Tasks
- Service Requests / Service Tickets / Cases
- Projects
- Reporting

- Accounting
- Customer Relationship Management (CRM) / Sales
- . . . and more.

The Service Board is a subset of the PSA. When you look through my 4-volume set of books on SOPs (*The Managed Services Operations Manual*), you'll find excruciating detail about all the things you should be doing inside your PSA. As you can guess from the list above, this includes:

- Tracking your employees
 - . . . and all their activities
 - . . . and their billable time (and non-billable time)
- Tracking your clients
 - . . . and all your interactions with them
 - . . . and all their technology/computer systems
- Tracking all the work you need to do
 - . . . internally and externally
- Tracking all your contracts
- Tracking all your sales
- Connecting to all the other tools and services you use to run your business
- Reporting all of the above
- . . . and more.

Choosing Your PSA

No matter how large or small your consulting business is, you should have a system for tracking all this stuff. A PSA designed for your business is a great investment.

Today there are literally dozens of systems you can use to run your business. The “800 Pound Gorillas” are Autotask (Datto) and ConnectWise.

Some other contenders include TigerPaw, SolarWinds, Atera, Ninja, and Kaseya. And, of course, you can use a wide variety of CRM products that are not necessarily intended for the IT industry.

I encourage you to look at several options and determine which is best for your company. You should also talk to other IT professionals and see what they are using.

Among the dozens of tools available for running your business, you will find that they each have a different subset of features. You need to make sure that the one you pick is not missing significant features. They might be excellent at managing the help desk, for example, but don't integrate with QuickBooks or Sage. Or they are primarily a CRM (customer relationship management) tool and don't integrate contract management or employee time tracking.

When you talk to successful IT service providers, you'll see that they almost universally use the PSA for almost every aspect of running their business.

And by the way, don't worry about making a mistake. Your business will be much better off as soon as you invest in any PSA and begin using it to run your business! You can change brands. I have, more than once.

Use Your PSA's Knowledgebase

This advice is almost to the level of being an unbreakable rule. Generally speaking, you need to have some kind of master knowledgebase

where your employees can find all the information they need about clients, documentation, procedures, etc.

You can buy a separate produce for this (e.g., IT Glue, Liongard, or PassPortal). Or you can use a more generic platform such as Share-Point or even the files and folders within your cloud storage. But, if you use a PSA, remember that it already has a documentation system built in.

There are two competing “truths” when it comes to databases like this. First, you should only track things that you will actually run a report on. Don’t waste your time putting useless information in the system. Second, if you ever decide to run a report, you need to already have the information in the system. As Homer Simpson would say: “Doh!”

Luckily, there are some core things you just have to put in the system, or let the RMM put in for you. This includes basic client contact information as well as all the device configurations. You don’t need to over-document, but it’s very handy to know if you’re looking at an HP desktop or an Apple laptop.

If you keep excellent notes inside your ticketing system, then you’ll have lots of good documentation there. But most PSAs aren’t very good at digging through old tickets to find something. But they *are* good at digging through the built-in knowledgebase that ships with the PSA.

You need to decide which information you wish to enter and keep. You need to document this list as a standard operating procedure, and you need to train your technicians to track these things.

Make your PSA as usable as possible!



Other Resources from Small Biz Thoughts

Please Check Out Our Web Sites:

www.SmallBizThoughts.org

This is our worldwide Community of IT service providers. The Community site includes all of Karl's books (including those out of print) in PDF format. Many are also available in Kindle, epub, and audio formats.

In addition to books, the site contains white papers, recorded seminars, checklists, SOPs, roadmaps for improving your business, audio programs, videos, Excel spreadsheets, workbooks, and much more. Each year we add more training and other resources exclusively for Community members.

<https://store.smallbizthoughts.com>

This is our primary site for books on technical topics, managed services, running your business, and more. Includes all of Karl's "current" books as well as resources from many others.

www.SmallBizThoughts.com

blog.SmallBizThoughts.com

This is our primary web site and Karl’s popular blog for I.T. Consultants and Managed Service Providers. You can also find out about SOPs (standard operating procedures) and business coaching through this web site.

Karl’s Weekly Newsletter

Register at one of the sites above or at GreatLittleBook.com.

This weekly newsletter covers upcoming events, seminars, news, and “what’s happening” in the SMB Consulting space.

www.RelaxFocusSucceed.com

This is Karl’s site dedicated to his philosophy for work-life balance: Relax Focus Succeed™. It includes a dedicated blog as well as a link to sign up for the RFS monthly newsletter.