

Client Profile



The client develops and manages real estate in major urban markets across the United States.

Headquartered in greater Los Angeles, the company focuses on the commercial and industrial space.

Operations are decentralized in the major markets; each runs independently. IT is a centralized function that had personnel in some of the larger markets.



Internal customers include the following areas:

- ◆ Investment
- ◆ Real Estate Finance
- ◆ Development
- ◆ Asset Management
- ◆ Tenant-facing Technology
- ◆ Construction
- ◆ Marketing
- ◆ HR
- ◆ Legal
- ◆ Finance and Accounting

Business Objectives

The business was experiencing 2 major problems, despite adequate spending in IT. Spend was benchmarked against comparable organizations.

1. **Service delivery** to the business was often considered lacking but this did vary widely
2. **Turnover** in support and engineering was far above normal, impacting capacity

We were engaged to transform IT service delivery and ensure that problems would not reappear.

Fundamental Issues

Assessment of IT services revealed a number of issues. As the company grew, the issues caused degradation of service and the work environment for IT over time.

Services

IT services were never formally defined. IT staff were each doing their best to respond to requests as they saw fit. Internal customers only asked for services they thought IT delivered. This created a gap in requirements vs. actual delivery.

Process

Processes were ad-hoc creating inefficiencies and service breaks. Users directly requested help from individual IT staff. When handoffs or collaboration occurred, no clear ownership of problems existed. Tracking and proactive management were not practiced.

Human Capital

Turnover of the engineering staff was a recurring problem. Tenure of support staff was also a problem. Churn in these positions created a constant capacity shortage.

Most importantly, issues with retention prevented IT from proactive service delivery and improvement of the organization. Over time, the function had become purely reactive and frustrating for the staff. Internal customers were growing displeased with service degrading and requests not being fulfilled.

Solution Approach

Transformation of IT Service delivery involved creating a service desk model. The service desk would manage all requests for IT service and own resolution of the *business problem* as determined by the user. If the technical solution did not solve the business problem, the case was escalated to collaborate on a potential project to create a long-term and more complete solution.

Metrics

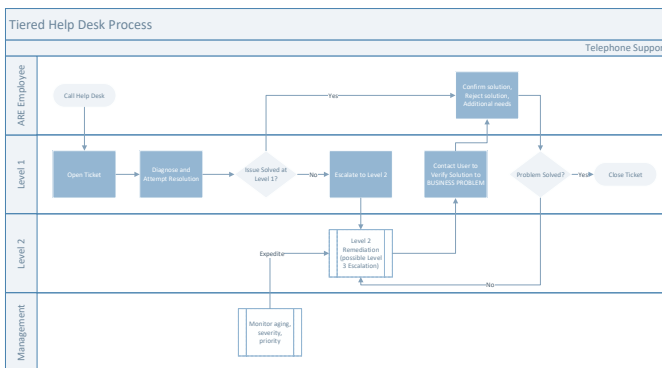
Metrics were created from end-to-end. Beginning with the users, a baseline for customer satisfaction was created. This would be the main and perpetual measure of success. Internal lean measures were used including cycle times, work-in-process backlogs, rework, and one-touch resolution. These metrics guided operations.

Process

Processes were defined for flowing requests from the service desk to other IT functions. The process tiered support to achieve a number of results:

- ◆ Senior engineering staff were focused on project work and proactive improvement of the IT environment
- ◆ Support staff could be hired and provided a career path to reduce churn
- ◆ Level 1 support could potentially be outsourced

The high level process below illustrates the clear delineation of responsibilities that did not previously exist.



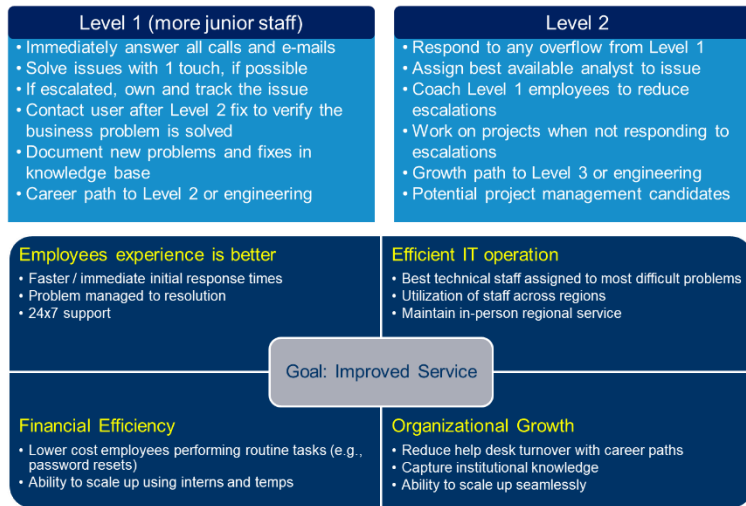
Human Capital

The well-defined and streamlined processes were beneficial to senior staff, but the model was predicated on Level 1 support resolving the majority of requests.

Outsourcing

We recommended using an outsourced service provider for Level 1 support.

Quality and services levels were established using the metrics defined earlier in the project. Maintaining and improving a knowledge base was one of the vendor selection criteria.



Level 1 (more junior staff)

- Immediately answer all calls and e-mails
- Solve issues with 1 touch, if possible
- If escalated, own and track the issue
- Contact user after Level 2 fix to verify the business problem is solved
- Document new problems and fixes in knowledge base
- Career path to Level 2 or engineering

Level 2

- Respond to any overflow from Level 1
- Assign best available analyst to issue
- Coach Level 1 employees to reduce escalations
- Work on projects when not responding to escalations
- Growth path to Level 3 or engineering
- Potential project management candidates

Employees experience is better

- Faster / immediate initial response times
- Problem managed to resolution
- 24x7 support

Efficient IT operation

- Best technical staff assigned to most difficult problems
- Utilization of staff across regions
- Maintain in-person regional service

Goal: Improved Service

Financial Efficiency

- Lower cost employees performing routine tasks (e.g., password resets)
- Ability to scale up using interns and temps

Organizational Growth

- Reduce help desk turnover with career paths
- Capture institutional knowledge
- Ability to scale up seamlessly

Overall Cost

The net cost was actually lower due to the operational efficiency of the provider we selected.

Service Delivery

In addition, service delivery was expanded. 24x7 support was available as an additional charge which never drove costs higher than the older model. In

addition, “VIP service” was defined for executives and key users. This special attention resulted in a significant increase of executive support to encourage the changes that were required of users.

Engineering and Projects

Coupled with the proactive projects undertaken by the engineering staff, end user satisfaction jumped dramatically. Projects including mobile applications were initiated to the delight of users.

Infrastructure

Infrastructure reliability and resilience increased as a tangential result. Engineering staff were no longer involved in lower level support work. This freed them up to actively improve the infrastructure and core IT capabilities.

Turnover and Employee Satisfaction

Turnover problems were eliminated. Career pathing fixed issues with spans of control being too broad as staff were promoted into supervisory roles.

Business Results

The client now has a higher performing IT organization. Measurements of internal customer satisfaction was the major indicator of success. Operational metrics demonstrated an improvement in efficiency and shorter cycle times. Backlogged requests were worked down. Most importantly, the IT staff were delighted with the new model and enthusiastic about becoming more proactive while experiencing less pressure.