

Meeting the challenge of Cisco technical services delivery

Assessing the needs of MSPs, integrators and other organisations and the challenges they face when sourcing quality third-party professional project and technical services for Cisco technologies

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Managing relationships more effectively

Managed services businesses that provide project support and professional and technical services for Cisco technology solutions in the UK face significant challenges in meeting customer expectations, and at the same time, recruiting, training and retaining good quality Cisco-qualified personnel.

Many of these organisations will be focused managed services providers (MSP) and / or active Cisco systems integrator and value-added reseller partners. Others will be facilities management (FM) companies, or specialist third party organisations or consultants who get involved with project planning and delivery. The IT departments of end-user organisations may also be responsible for providing these services.

Whatever their exact position in the marketplace, these businesses and organisations share the same challenges with regard to Cisco technical services delivery, and frequently need to call on the services of third-party organisations to fill the gaps in their own resource and capabilities.

While this would seem to be an easy and sensible way to address the problem, using external suppliers also brings its own issues and MSPs, Cisco integrators and other organisations making use of third-party services will often find themselves frustrated because they can't get the quality or levels of services they need, when they need them, and at a price they are happy to pay.

This report examines these needs and challenges and explores some of the potential responses MSPs, integrators, consultants, end-user organisations and other businesses might be able to take to improve satisfaction levels with external providers.

The survey sample

We spoke to 58 organisations for this survey, a mix of managed services providers, systems integrators or VARs who are Cisco qualified (and in many cases the respondent could be identified as being both an MSP and a qualified Cisco partner), facilities management companies, communications services specialists, end user organisations, and third party consultancies that are involved in the delivery of Cisco projects. There were also a small number of vendors and channel services companies who gave responses.

It was clear that all or at least the vast majority of these businesses or organisations were involved in some way with the sourcing and commission of Cisco third party technical services on a fairly frequent basis.

Breaking down the sample, it was possible to clearly identify that 52 percent of organisations were significant MSPs or Cisco reseller partner businesses, or indeed acted as both. It is becoming almost essential now for established VARs to offer managed services as part of their portfolio and we would expect most Cisco partners to have developed and be offering some managed services capability by now.

A small proportion (around 10 percent) were identifiable as smaller reseller businesses and here too, there would be a requirement for Cisco third party services, as there would with communications specialists (5 percent of the sample), who will often become involved in the delivery of the networking infrastructure as well as the connectivity element of projects.

If treated as a single entity, these four groups made up two thirds of our sample.

Around 7 percent of the survey sample could be identified either as specialist vendor or channel services

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companies; in other words, organisations that either provide products or services to MSPs and resellers as their main business. These companies may also become involved in project deliveries that require high level technical services and expertise in Cisco equipment from time to time.

Two FM specialist companies were amongst the respondents and these companies are in a very similar position to MSPs when it comes to the delivery of technical services; it will be essential for them to provide excellent implementation and management when Cisco solutions are required, but this won't be absolutely core to their business.

Just over 10 percent of the sample were from end-user organisations, one was from a large public sector organisation, who were clearly using third party contractors to provide Cisco project delivery.

A little over 12 percent of the sample could not be placed easily into any of these categories but would seem to have some involvement in commissioning of third party services for Cisco technologies, either in a consultative capacity or as the active provider of other related services.

In conclusion, the sample provided us with a good cross section of the organisations that are using Cisco professional and technical services and in particular, gives us a very strong basis on which to assess and consider the views of managed services provider companies that are frequently involved in delivery and / or support of Cisco solutions.

As we noted earlier, over 50 percent of the sample could be directly identified as being involved in some way as delivering managed and / or integration services. The remainder is quite diverse, so the purposes of simplicity and clarity, we will mostly refer to the companies that provided responses for us as 'MSPs' or as 'MPSs and other contracting organisations', throughout this document.

Number of suppliers used

Of the 86 percent of respondents who confirmed that they had used an external supplier, more than half (54 percent) had used more than one supplier (24 percent had used two, 20 percent had used three).

Survey respondents chose to use external suppliers for a several reasons, primarily lack of availability of their own resources (44.8 percent), and a need for specific expertise in a Cisco technology track (43.1 percent). Lack of capacity (22.4 percent) and dissatisfaction with other suppliers (19 percent) were cited by about one fifth of respondents. Other reasons included the desire to use the best supplier in the market and cost.

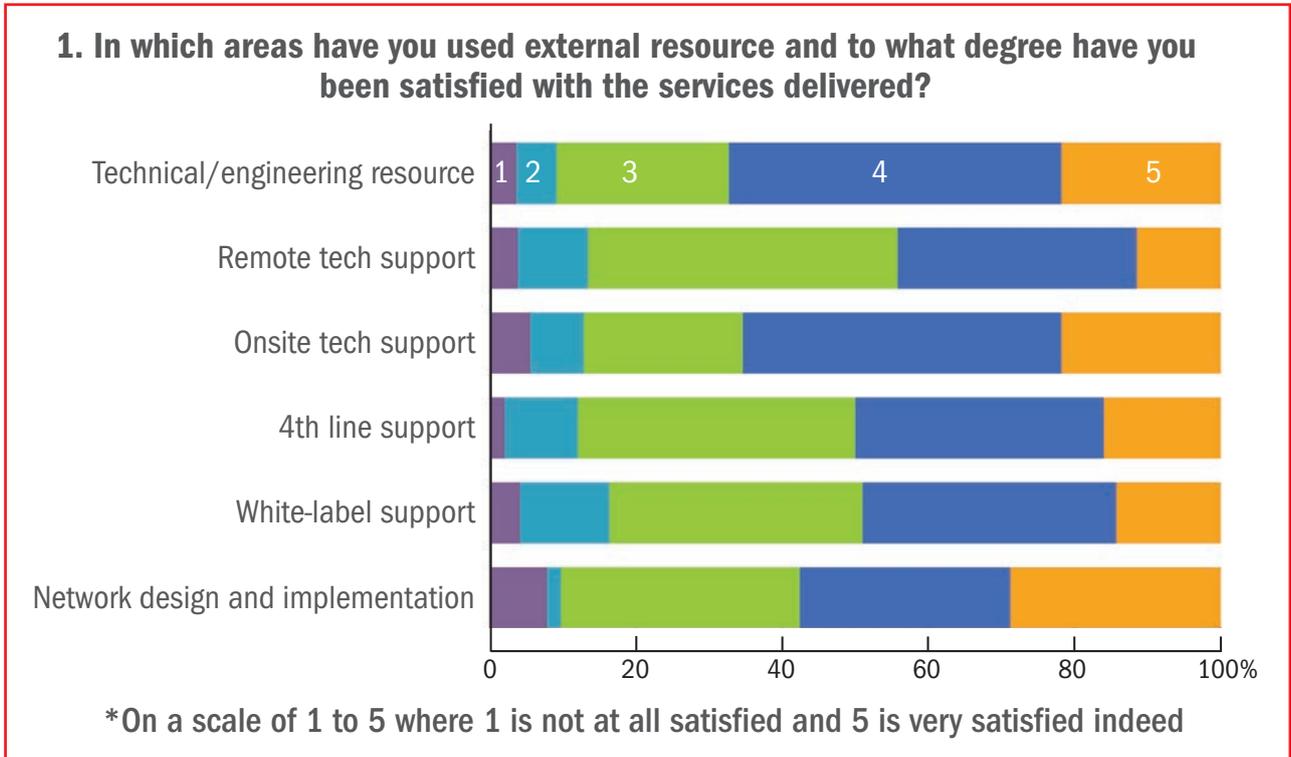
Based on these findings, it seems abundantly clear that a lack of skilled in-house capability is a significant and prevailing issue. The need for specific and/or high value skills is the other main reason for seeking out a third party provider. It is, given these findings, perhaps slightly worrying that almost a fifth of respondents were unhappy with the service provided by a previous supplier.

A proportion of respondents (14 percent), when asked how many external suppliers of Cisco technical resource they had used in the past year, gave their answer as 'nil'. Some of these may be individual freelancers, consultants or other external parties who have been involved in contracting external suppliers on behalf of their clients. A number of respondents indicated that they had this kind of role. They would fall within the 12 percent of organisations in the sample that could not be specifically categorised.

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Levels of satisfaction

On the whole, MSPs and other organisations contracting Cisco services seem to be reasonably satisfied with the services delivered by external providers (see Fig 1, below).



The average level of respondents who said they were, on balance, satisfied (scoring '4' or '5') with services delivered was 55.6 percent. More than two thirds (67.3 percent) were contented with technical/engineering resource provided, and 65.4 percent were happy with onsite support.

Network design and implementation lagged slightly behind at 57.6 percent, perhaps suggesting that this is a more involved and specialised area in which some established expertise on the part of the third party is required. The highest proportion of respondents (7.7 percent), gave this criteria a score of '1', suggesting that some MSPs have received particularly bad service levels on design and implementation. Conversely, it also recorded the highest proportion of respondents scoring services at '5'; 28.8 percent.

The satisfaction levels dip when it comes to off-site, white-label and fourth-line support. This is an area in which third party suppliers clearly need to improve. Indeed, failings in this particular area may be one of the main reasons one in five respondents had sought out alternative suppliers in the previous 12 months.

Advantages and disadvantages of using external suppliers

When asked to provide, in their own words, what advantages they had experienced in using external providers, by far the biggest area highlighted was the access to enhanced or additional expertise and knowledge. Around one quarter (27.6 percent) mentioned this as an advantage. Here are some of the comments made:

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“They are a useful extension to our own resources, usually when we have a capacity issue or sometimes when a specific skill or experience is required”

“Enables us to deliver full projects where there are areas we do not have expertise of availability of staff”

The next most-mentioned benefits were trusted advisor (17.2 percent), being able to extend offering or capacity (15.5 percent), and ease of support (13.8 percent). Flexibility was cited by 8.6 percent. Cost was mentioned by less than 5 percent of respondents. A total of 12.1 percent gave us no response or said ‘none’ (5.2 percent).

The major disadvantages cited were lack of control over quality and accountability, which around a quarter (25.9 percent) of respondents highlighted, and service suppliers being expensive, which was mentioned by 19.0 percent.

Some of the comments made were as follows:

“Lack of understanding with pre-sales scoping and requirements; they seem to be focussed on one core element of Cisco products, as opposed to a larger portfolio, so for example, a switches expert is not as useful with a project involving firewalls”

“It can be difficult to be absolutely confident that a third party resource actually has the skills you need”

One in ten (10.3 percent) said they could think of no disadvantages, but more than a quarter (27.6 percent) either did not answer or gave no clear response.

The only other disadvantages mentioned by any significant number were lack of availability (6.9 percent) and a lack of up-to-date or in-depth skills, cited by 4.2 percent of respondents.

The enhanced expertise on offer is clearly the most valued benefit of working with external providers. Being able to trust the third party is clearly important as well, as revealed by the high proportion mentioning lack of quality control and accountability as disadvantages. It is perhaps no real surprise that price was also mentioned by many respondents, as they will see the additional cost of hiring external provider as being a drain on their profitability.

It may however, be that they see price as more of a factor when they do not receive as high a level of service as they would like, as indicated earlier in the survey. This suggests that any shopping around for lower prices on Cisco technical services is a false economy.

Performance assessment – what really matters to MSPs and other organisations contracting Cisco services

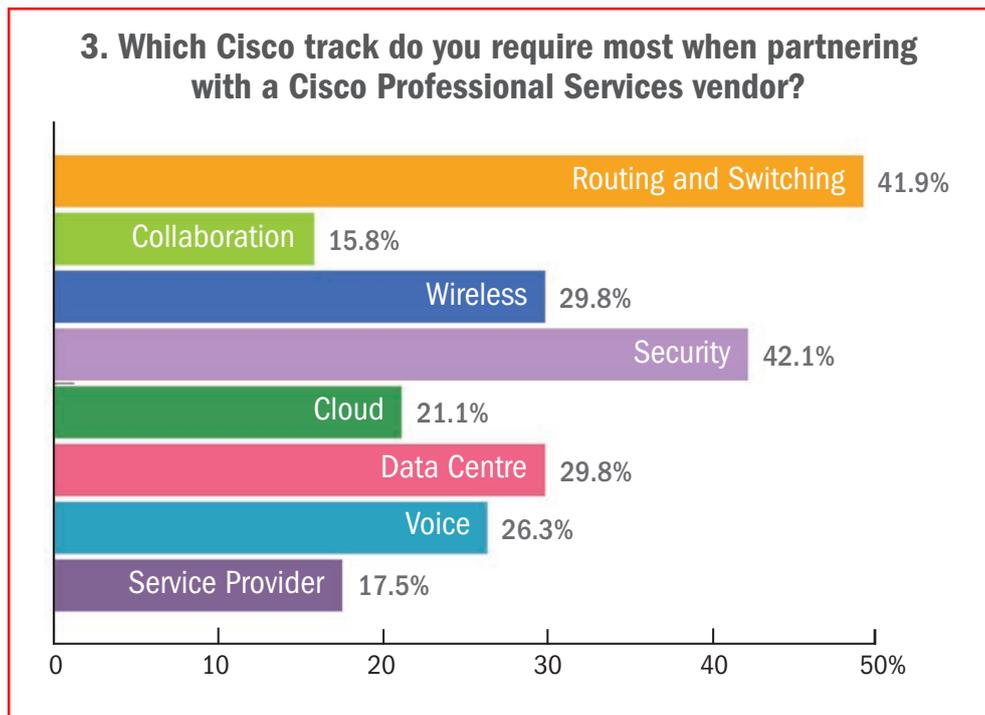
When asked to rate the key performance indicators in order of importance, MSPs and other contracting organisations put technical ability and reliability well ahead of other factors, with price, professional conduct and responsiveness the next most valued (see Fig 2, right).



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This result confirms and underlines that the Cisco technical skills of the service provider are what matter most. Reliability is also crucial and goes hand-in-hand with trust. Being price-competitive is important, but so is being professional.

Cisco tracks



The Cisco tracks that partners require most when using external providers are for Routing and Switching (49.1 percent) and Security (42.1 percent), followed by Wireless and Data Centre (both 29.8 percent) and Voice (26.3 percent). Demand for Cloud was lower at 21.1 percent, but this is the newest of all these areas (see Fig 3, left).

It is no surprise that demand for technical services on Routing and Switching is popular as these are by some distance Cisco's best-selling product categories. They are also the company's best-known and most-familiar products and there will be

more Cisco-qualified technicians with good knowledge of Cisco routers and switches than any of its other product lines.

The next four most-popular product categories are all areas of growth for Cisco and all of them are quite technical and specialised. This may be one of the reasons we see technical competency being ranked as the most important capability of third party service providers.

Conversely, while it is still highly technical (and especially so considering Cisco's advanced technology and protocols), Routing and Switching is much more established and there are more individuals with knowledge and skills in this Cisco track. This may be the area in which there is the most desire for competitive pricing – and in which the quality of delivery does not always meet levels of expectation.

The high score for the Security track from respondents is illuminating. This is a big area of business for Cisco but nowhere near as important as Routing and Switching. We can conclude that the figures expose a shortage of Security skills within MSPs and contracting businesses. If, as we suspect, there is also a scarcity of technicians skilled in Cisco security solutions within the suppliers of services themselves, this may also be a cause of some frustration and disparity between expectations on the part of MSPs and the service levels delivered by third party contractors.

There may be considerable rooms for growth in the provision of services in highly technical and as yet, less well-explored tracks, such as security, wireless, data centre, voice and cloud. In all of these areas

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however, suppliers must ensure they do have knowledgeable staff and can deliver high quality services.

Future challenges

When asked about the main challenges facing them with regards to technical resource in the future, MSPs and other respondents expressed quite a high level of awareness of all the challenges they might face. The area of most concern was the lack of available, qualified staff; 62.5 percent said this was a challenge. Not far behind, on 61.4 percent, was the cost of training and / or re-training staff; and on 57.9 percent, retaining technical or qualified staff.

There is clearly a shortage of good, consistent, reliable Cisco technical services provision in the market today.

The rising cost of paying technical staff was also acknowledged as a concern by more than half our respondents (53.6 percent). Unsurprisingly, a similar proportion indicated their concern about the increasing cost of external services (50.9 percent). This seems to be an acknowledgement that there is not really any way to deliver good levels of service without paying, what those purchasing the services perceive at least, to be a relatively high price.

There is also some concern (expressed by 51.8 percent) about growing competition from third party providers. As a result, some MSPs and contracting organisations may be reluctant to use specialist Cisco technical services providers or, when forced to seek external help due to lack of resources or appropriate skills, will only do so reluctantly. While to some degree, we must always expect providers of managed and other services to worry about competition, this also indicates an inherent lack of trust in third party suppliers.

They are less concerned about competition from other similar businesses (41.8 percent), perhaps sensing that these rivals face the same challenges on technical services. Interestingly, respondents indicated the lowest levels of concern regarding the availability of external providers, and the poor quality of the services on offer. There was also only modest concern with regard to retaining Cisco accreditation.

Conclusions

There is a lot of pressure on MSPs and other organisations that frequently make use of third party Cisco specialist providers. It is difficult to find, train and keep quality technical staff. Customers demand they provide qualified personnel for their projects. MSPs make extensive use of external providers to meet the need for Cisco skills and generally rank these providers as being good. But there is still some reluctance and concern about using them, partly because they see the third party services providers as potential competitors, to a greater or lesser degree. This is only to be expected, but it is a largely irrational fear.

MSPs are also concerned about consistency and quality of third party suppliers, even though their overall satisfaction levels are reasonably high. This suggests that there have been particular instances where they and / or the customer has not been satisfied with the service delivered. As a result, they tend to shop around and use different suppliers.

But the main reason MSPs and other suppliers of services look for alternative external suppliers is the pressure caused by a shortage of good quality, reliable Cisco technical services in general. They acknowledge that training and retaining good staff is difficult and expensive; at the same time, they don't want to pay higher rates to bring in external providers. Some of them, it seems, have had their

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fingers burned by going for the lowest price available, rather than focusing on quality and reliability in their supplier.

Trust is also an important factor for MSPs and the other respondents to our survey; they need to know that the third party will deliver quality services and not undermine their position and try to sell to the customer directly.

Managed services providers will continue to rely on external providers to supply Cisco technical services and to do this successfully they need to form stronger partnerships with suppliers who they know and trust to deliver consistent, high quality and very reliable levels of service.

About the sponsor

4CornerNetworks are specialists in Cisco Professional Services and the provision of fully certified and experienced Cisco Engineers. We never compete directly with our clients as we offer a “white label” service to ensure seamless integration with our partnering clients — Branded By You, Delivered By Us. Our clients can access Cisco Engineers from CCNA to CCIE Consultants in the UK and Internationally.

