EBOOK

Manage Services: Your Company's Lookout Tower

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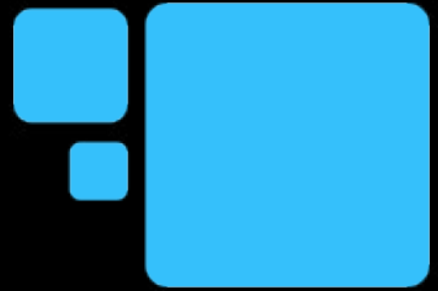
The concept of managed services is quickly gaining traction among small and medium-sized businesses as they realize the competitive edge that can be gained by outsourcing their IT. But not every company is convinced, because there's a lingering misconception that it remains more cost-effective to seek outside help only when technology issues arise.

Nothing could be further from the truth. Companies of every size need their technology to be reliable and efficient at all times, and that's simply not possible without an experienced team of IT professionals on hand 24/7. Smaller businesses are, in fact, even more vulnerable to IT issues because their resources are more limited, which means they can quickly become overwhelmed during busy times. Companies that don't have the time or expertise to carry out regular backups, patches and maintenance face an increased risk of outages or other problems that can bring their businesses grinding to a halt in seconds.
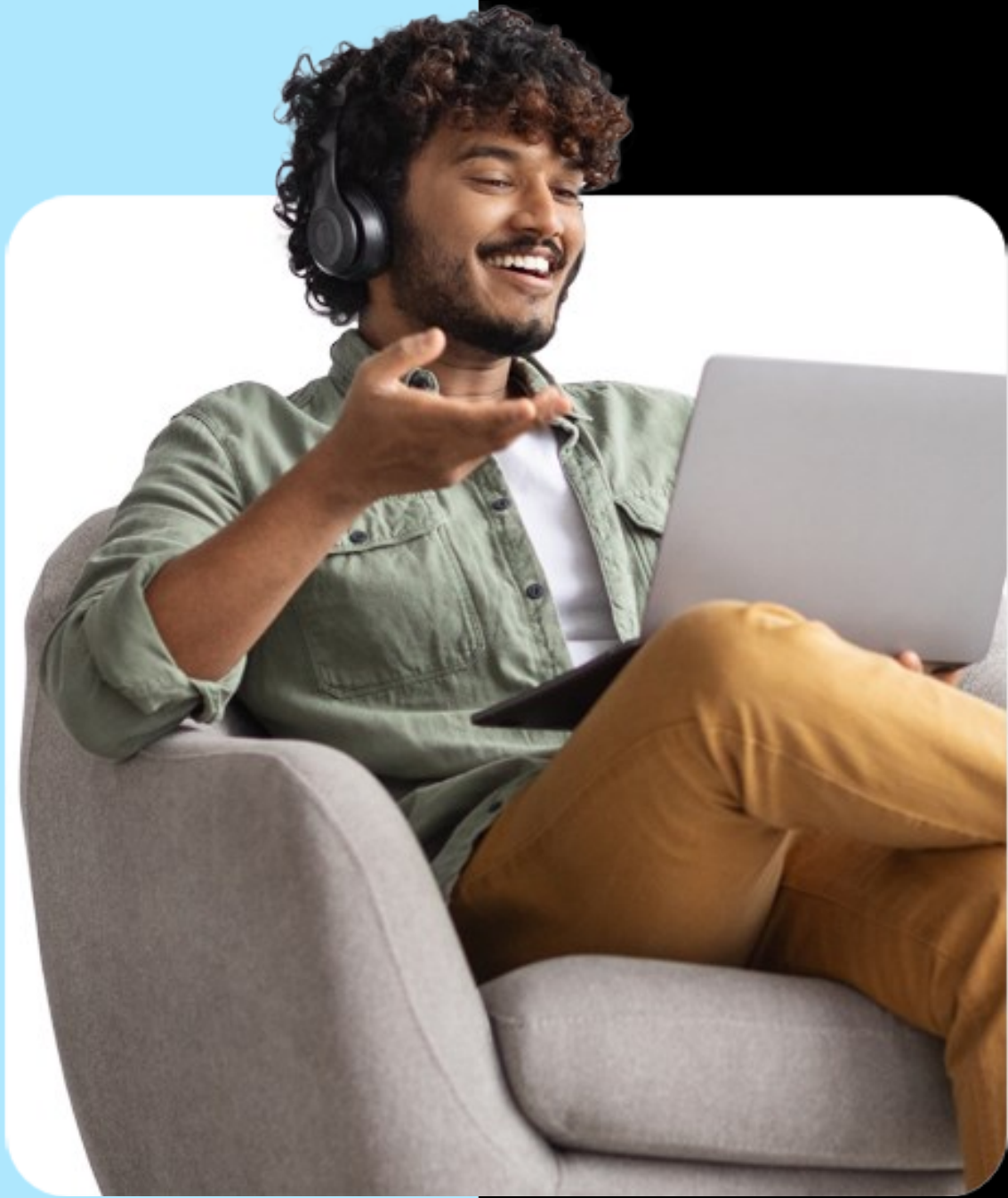
Step Up Your Game from Break-Fix to Managed IT Services

Most legacy IT environments adopted what's called a "break-fix" approach to IT maintenance, rather than managed IT services. As the name suggests, break-fix essentially means fixing problems as they crop up.

Back in the days before the internet had quite such a global reach, the break-fix approach was adequate for most organization's needs, as IT outages didn't have such a significant impact on their bottom lines. But in an age where consumers expect companies' services to be available 24/7, the break-fix model simply doesn't cut it anymore, as it means the performance of critical business applications is impacted while waiting for whatever problem has occurred to be fixed.

That's why the number of companies choosing managed IT services is soaring. A managed IT services provider takes a proactive approach to safeguard your company's IT infrastructure, thereby eliminating the need to react to problems after they crop up. By being proactive, managed IT services providers can identify issues or glitches before they cause any problems, negating any or most impact they might have on your company's IT. The second benefit of managed IT is it allows employees to be more productive, as they have more time to focus on their job rather than fixing technical problems.

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Numerous logical arguments exist for adopting a managed IT services approach. For one thing, traditional break-fix support providers have little incentive to be proactive and make your network as stable as possible, as they only get paid when you have a problem. Break-fix providers won't invest in the latest network management and automation tools either, because there's no incentive for them to do so. Response times can be slow too as the longer it takes for the support provider to fix your problem, the more money they get paid.

Finally, never forget this – your major disaster is their biggest payday of the year – it's almost as if they're just waiting for something to go wrong.

More companies are realizing the benefits of having a well maintained, proactive service network in place. As the old adage goes, "prevention is better than the cure," and when it comes to IT it really is a no-brainer. The break-fix model is broken, it's time to step up your game before it's too late.

5 Qualities of an Outstanding Managed Service Provider

Now you're convinced of the need to proactively monitor your company's IT infrastructure, the next big question is which managed service provider should you choose? A quick Google research reveals hundreds of such providers all vying for your business, with different competitive offerings and prices. Some managed IT providers are more geared for large enterprises, while others target the small business market, and still others look to specific industries.

Nonetheless, whichever managed IT service provider you choose should possess the following basic characteristics:

1 Industry Expertise

IT systems are complex beasts at the best of times, even more so when they're tailored to a particular industry. The managed service provider you choose should be able to demonstrate it has the appropriate experience needed to handle each facet of your network. It also needs to be well-versed in active directory, application and desktop virtualization, core applications, databases, networking, security, and servers.

2 Full Service

The most capable managed service providers all offer a wide range of services. After all, the provider you choose is effectively going to become your IT department, and that means you'll need to be able to count on them to carry out the day to day management of your network, while simultaneously handling administrative tasks. Your MSP also needs to be able to handle backups, take care of business continuity, database recovery, security and anything else that's a regular requirement in your IT environment. A managed service provider should also offer hosting options, should your company decide to migrate to the cloud at some point in the future.

3 Responsive

The provider you choose needs to be responsive to your company's needs while sharing all of the information they have about your IT systems. That means being able to access the system yourself via a management dashboard so you can monitor the health of your IT yourself, whenever you desire. Managed services companies should also offer extensive support, which means telephone, text, email, and messaging, and should be prompt in their replies and investigations.

4 Competitive Price

A key consideration for any business. The best-managed service providers will use the latest software and automation tools to keep your costs as low as possible. There's no need to pay a human to keep tabs on all of your servers and virtual machines when software can do it for you at a significantly cheaper price.

5 A Desire to Please

Managed service providers are in the service business, and that means their over-riding goal should be to keep their customers over the moon with the support services they provide. That's especially true in light of the sometimes poor performance of break-fix support services, which are often unresponsive or slow, and sometimes ineffective, patching issues up rather than fixing them at their core to ensure problems don't crop up again at a later date. MSPs need to apply the latest automation tools with a strong service attitude; only then will you be getting your money's worth.

CHAPTER THREE:

The Growth of IT Outsourcing
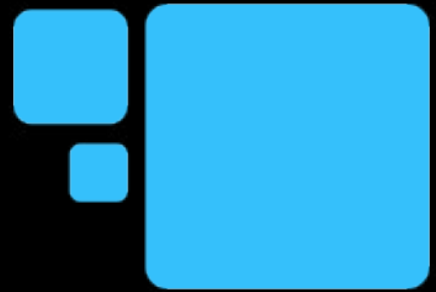
Once upon a time, the vast majority of IT was performed in-house. Companies would take care of IT operations, payroll, customer service, accounting, and more, all by themselves. That was the norm, and it wasn't until the 1980s that IT outsourcing started making waves.

In those early days, companies like IBM Corp. and Electronic Data Systems (EDS) virtually dominated the IT outsourcing industry, offering limited services such as mainframe data centers. As we moved into the 1990s, we finally saw the emergence of smaller players, called application service providers (ASPs) that came up with the novel idea of allowing enterprises to basically rent applications over the internet, instead of building their own.

ASPs were originally quite successful, but their moment in the limelight soon passed as the limitations of their business model became more apparent. Many ASPs were unable to properly support the applications they provided to customers, especially in the case of more complex apps.

In addition, some ASPs made it their business to handle sensitive corporate data, a task that few companies are willing to outsource today, in an age where cybersecurity fears are all too real. Another problem was ASPs sometimes going out of business, which meant the applications they provided suddenly disappeared.

In the late 1990s, the first managed services providers emerged, essentially taking over from ASPs as the main purveyors of outsourced IT services. MSPs made an impact because they offered a more trustworthy and reliable approach to IT outsourcing, not to mention more scalability, allowing companies to increase or decrease the number of outsourced IT functions as desired.

Outsourcing Today

With the rise of MSPs, IT outsourcing has taken off to the point where it's rapidly becoming the norm. Indeed, MSPs are more often than not viewed as strategic partners rather than subcontractors; such is the vital role they play.

Key to the rise of IT outsourcing is the advent of cloud computing, which has made an entirely new breed of IT services available to even the smallest of organizations, including data storage, computer power, complex data analytics, and a wide variety of business applications, all of which can be provided and managed by outside providers with no need to invest in expensive hardware.

A second reason for the popularity of IT outsourcing is cost. Managing an on-premise data center is an expensive and time-consuming task, so much so that one Microsoft Corp. study revealed that the average organization spends 89% of its IT budget on maintaining infrastructure, with only 11% going towards the development of new applications that can help a company take its business forward.

IT outsourcing is set for a bright future, and organizations across all industries can benefit from making the switch.

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Joining Forces with Your Managed Service Provider

The annals of history are filled with partnerships gone wrong. One of the earliest such examples is the alliance between slave revolt leaders Spartacus and Crixus, who, after successfully winning their freedom, argued about what to do next. The two parted ways with their respective groups of followers, only for both groups to be subsequently killed by the Roman legions.

A past story concerned Facebook founders Mark Zuckerberg and Eduardo Saverin, who created the social network together in their Harvard University dorm. The subsequent feud that ended their partnership has been recounted in numerous articles, not to mention the 2010 movie *The Social Network.*

Virtually every partnership begins with a shared vision and similar goals. Sometimes disagreements can quickly destroy those relationships, and so anyone entering into a partnership needs to be aware of the risk of conflict. It's no different when you hire a managed service provider to outsource your IT, so certain steps should be taken to minimize the chances of falling out and ensure that your relationship is long and prosperous.

Creating a Strategic Alliance With Your MSP

There are six key areas of consideration your company needs to think about when forming a relationship with a managed services provider:

1. Engagement Strategy

It's necessary for both sides to understand what the terms of the agreement are, including the scope of work to be performed. This is about more than just ironing out service-level agreements; it means clearly defining the managed services provider's responsibilities, and also those of your company. While this sounds simple enough, there are numerous examples of relationships going sour because companies believe the MSP will handle things not specified in the agreement.

In order to avoid these arguments, your company needs to define what it wants to achieve through hiring a managed services provider. The MSP, by understanding your company's goals, will be able to make recommendations in support of your business strategy beyond what you're doing now. Businesses can only benefit from an outside perspective, and that's what an MSP can provide.

By ensuring the business goals, processes, roles and responsibilities of both parties are clearly defined, misunderstandings can be eliminated. Good communication is key to the success of this relationship, and allows for the creation of a clearly defined plan your MSP can develop into a contract that reflects exactly what kind of service you need.

2. Your Current IT Environment

Companies should carry out an assessment of their existing technology. Is it up to date? Does it need an upgrade/replacing? How well does each specific component match with the others? If upgrades are necessary, what impact will that have on your business? The answer to these questions will have a big impact on the success of your transition to a managed service provider.

Some companies might have the capability to assess these issues themselves; others do not, in which case an MSP can perform it on your behalf to let you know how your current technology aligns with your business goals, and how it compares to industry standards. Most MSPs are willing to perform an initial assessment as a separate project, but companies should make it clear that this is just an initial step that does not guarantee moving forward.

Once the assessment is complete, you'll have a clear understanding of what is required and how long the transition process will take until completion. This information is essential in order to define timelines and establish realistic roles and responsibilities for each partner.

3. Skills Gaps in Your Organizations

Most executives are already aware of the skills gaps or personnel shortages within their IT organization. It must be considered whether or not their chosen managed services provider is able to fill those gaps, either temporarily or permanently. By partnering with a managed services provider, it may even be possible to offload certain responsibilities for good, allowing your company to focus its resources on higher-value projects.

Organizations that have experienced problems with training IT staff should make arrangements with their managed service provider to cover this, including areas that are outside the scope of normal work. Be sure to iron out exactly what training will be provided, the additional costs, and what those costs are for.

"Good communication is key to the success of this relationship..."

The more accurate a view you have of your company's IT environment and employees' skill set, the easier it will be to define exactly the kind of service you need. In addition, a competent managed services provider will be able to make recommendations using this information to help you get the most out of your burgeoning partnership.

4. Communications Procedures

Both parties will need to agree on how they're going to communicate with one another. It's vital to create a robust feedback mechanism to ensure that small disagreements don't escalate into something
more serious.

Ensure that both parties understand the format, as well as the frequency of status updates and feedback that's expected.

5. Establish Reasonable Expectations

On occasion your managed services provider may not be able to respond to issues as fast as you'd like. That's why it's important to set guidelines to ensure that whatever needs to be accomplished can be done in a reasonable amount of time.

One option is to write timelines into the contract that state the MSP must act within certain parameters. When planning this kind of timeline, be mindful of the time it takes for your own organization to provide approvals and ensure your MSP is aware of this. If this isn't part of the agreement, it can cause unnecessary frustration and create the illusion that the managed service provider is under-performing, when in reality the problem is a misaligned expectation.

Companies must demand a high level of service from their MSP, but they also need to be realistic when it comes to setting their expectations.

Be careful with contractual changes too, as these have the potential to cause friction. There should be an agreement on how changes will be proposed and handled before any contracts are signed. Some providers don't place any limits on such changes, but others may do so.

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6. View Your MSP as a Strategic Partner

Always remember that the true business value of any partnership is achieving things you couldn't do alone. That's the uniting goal of this relationship, so it makes sense to view your managed services provider as a strategic partner, as opposed to just another supplier. And in order for strategic partnerships to work, there must be trust and engagement on both sides.

Therefore it's essential to partner with a managed service provider that takes its time to properly understand your business needs, as opposed to one that just provides commodity services. It entails responsibility on your part too, as you'll need to help the MSP learn about your company's culture, objectives and goals, and—most importantly—how to work with you.

For example, are there certain ways that reports should be presented? Does your business adopt a more formal culture, or is it casual and relaxed? Are there any cultural or language barriers that may need to be addressed?

By taking the time to fine-tune your relationship with your MSP, it can develop into a prosperous strategic partnership that helps to optimize your IT environment to the maximum in support of your business goals.

All partnerships begin with the objective of achieving a specific goal, but for that partnership to grow and achieve success beyond the original objective, it's necessary to lay the groundwork first. By making that investment, you'll be able to move forward with your managed services provider and create more value for both parties.

TechAdvisors

TechAdvisors
2071 N. Bechtle Ave. #202
Springfield, Ohio 45504

https://techadvisors.us
937-528-2460