GRIP I.T.
EXPERTISE IN I.T. SOLUTIONS

Understanding & Evaluating Managed Services

165 East Beaver Creek.
Richmond Hill.ON L4B 2N2
416.907.8181
www.gripit.ca

Information Technology – Service, Maintenance and ROI

Just as in the case of larger enterprises, Small and Medium Businesses (SMBs) also need technology to operate efficient and compete effectively in the marketplace. Very few organizations today can operate without effective technology strategies. But, as reliance on IT grows, resources required to support an increasingly complex IT environment may not. Typically, many SMBs have limited IT resources and are quickly overwhelmed with the day-to-day responsibilities of ensuring their IT infrastructure is up and running which adds to overall inefficiencies, and in some cases, business or financial loss.

Organizations often feel that they are at the mercy of their IT. According to a 2012 Gartner report, less than 20% of an organizations' IT budget is dedicated to business innovation. Businesses typically don't have resources to monitor and measure performance of the systems, thereby creating a critical deficiency in their business operations. People cannot be empowered to achieve their goals if there is a lack of management tools at their disposal.

THE JUGGLING ACT – IT Maintenance vs. IT Innovation

SMBs are constantly challenged in addressing their IT departments' maintenance workload vs. the company's goal of furthering their product/ service by using technology as an engine. Since business functions are significantly intertwined with IT, the dependability and reliability of the businesses' IT can significantly limit/ accelerate the business.

IT interruptions are unacceptable. To mitigate the risk, IT management systems and software should be leveraged. When constantly 'fire-fighting' due to maintenance requirements, the IT culture can, over time, become more re-active than pro-active.

The balanced approach that has gained significant positive results is that of outsourcing the 'maintenance' aspect of the IT infrastructure to an IT service provider. This frees up existing IT personnel to focus on innovative projects that result in lowering the Total Cost of Ownership (TCO) and increasing Return On Investment (ROI) for the organization.

Traditionally, SMBs have looked to different technology support models namely:

- IT contractors to handle issues on a part-time basis
- IT service companies to address their general IT systems on a 'pay-as-you-go' basis
- IT service companies to address specific systems maintenance and/or software support
- Additional outsourced IT service companies to augment the existing internal IT department

All models have their advantages and disadvantages as an IT service model, however, the unique offering of the latest technology trend and recent popularity is that of 'Managed Services'.

What is MANAGED SERVICES?

Managed Services is a heavily marketed term (similar to 'cloud services') in the IT industry. It allows the client to offload specific IT operations to a service provider. A.K.A. a Managed Service Provider (MSP).

The MSP model typically takes responsibility for monitoring, maintaining and/or managing specific IT functions or IT infrastructure within the clients' premises. Services can include:

- alerts of critical failure
- security updates and maintenance
- patch management
- data backup / basic recovery

Client services such as desktops, notebooks, servers, storage systems, networks and application can be included for a fixed price per month per device basis.

A few benefits:

Consistent uptime with guaranteed SLA (Service Level Agreements)

Reporting on assets, firewall, bandwidth, etc.

Trusted provider for technology review

Forecasting and planning with business

Basic services from an MSP often start with a monitoring service which alerts the MSP and the client of a problem which the client may choose to resolve on their own. This is a great starting point for clients who may already have an IT department and are looking to leverage a higher uptime rating for a said Service Level Agreement (SLA) to their end-clients.

On the high-end scale of an MSP service, the IT service provider offers a fully 'Managed service' that includes everything from monitoring, maintaining and, in some instances, unlimited helpdesk support.

To gain an appropriate view of the network architecture, the MSP traditionally conducts an assessment or audit that should include: Asset Summary, Basic Security Audit and Network review.

The Managed Service – The Managed Solution

A successful MSP should consist of: the right people, the right process (workflow), the right technology. The typical role of a MSP provider is that of:

- monitoring and maintaining devices to ensure continuous availability
- optimal performance of network
- maximum security
- automated alert systems in case of critical alarms.

In achieving these Key Performance Indicators the MSP services result in a predictable IT budget and a measureable success metric. Furthermore, the 'Managed Solution' allows clients to engage SMBs in an à la carte system where an additional Service Level Agreement (SLA) provides support through help-desk service, service escalation, remote and on-site assistance.

Behind the Scenes Technology

The MSP relies on a variety of staff skill sets and technologies for proactive responses and successfully delivered service. Some of these technologies include:

- Skillsets of engineers classified as Level 1, 2 and 3
- Performance Management and Remote Monitoring tools
- Multi-layered setup for security and malware
- Remote diagnostic tools to automatically create 'self-healing' scripts to minimize downtime
- Backup and data protection tools that provide on-site/ off-site storage to promote business continuity and an enhanced disaster recovery plan

Depending on the client's industry vertical, only a few SMBs can afford to acquire all of the risk-management technologies to maintain their infrastructure on a 24 x 7 basis. And none can afford not to have these systems in place.

Although technology aids in automation of alerts and monitoring, the MSP's staff is a vital component for its success. MSPs typically have a central office where the team of engineers monitor and analyze IT infrastructure (aka NOC – Network Operations Centre). Staff pool their knowledge base (and if needed, vendor support) to provide end-users resolutions for their problems delivered through a helpdesk.

Remote access software is typically used to provide direct help to end-users in their desktop or server environment. This results in a quicker resolution rate where 90% of the problems can be resolved remotely. This minimizes the need for dispatching an engineer on-site and thereby reduces additional time and travel costs.

As part of the typical process MSPs deploy regularly scheduled software updates, hardware configurations, security testing, storage backup-verification and network performance monitoring.

Is Managed Services for you?

To help ascertain if Managed Services are the correct choice for your organization, the following questions should assist you in make that decision:

1. Asset Management:
   a. Does your current IT department or service provider provide a way to assist with asset management? I.e. do you have the resources to track devices, desktops, etc. and determine the hardware and software installed on it?
      This assists in ensuring licensing compliancy.
   b. Can you automate distribution of software to the endpoint, user or device?
2. Network Management:
   a. How do you provide anti-virus/ security updates or patch distribution to the endpoints?
   b. What level of alerting and monitoring does your infrastructure have? Do they proactively mitigate a server/ service down scenario?
3. Security Management:
   a. How confident are you that your assets and corporate data are protected from virtual and physical threats?
   b. Is your organization require PCI-DSS compliance, ITIL compliance or HIPAA compliance? (if needed)
4. Data Protection & Management:
   a. Does your infrastructure currently provide a reliable backup process that is verified? Stored in two locations for quick recovery?
   b. Does your backup get co-located off-site? Is there a pre-determined disaster recovery plan? Has it been reviewed recently and has there been a failure process tested?
5. Support:
   a. Can you support your staff, mobile, branch office and end-users remotely?
   b. Do you have the resources to provide on-site assistance to all your users in a timely manner?

If you have any concerns in these areas you should consider a Managed Service Solution to strengthen the backbone of your organization's IT.

KEY POINTS

Organizations must undertake Managed Services as part of a considered sourcing strategy.

All sizes of organization can make use of Managed Services.

Using Managed Services allows organizations to focus IT resource on delivering strategic benefits rather than repetitive services.

Managed Services customers should seek to pay for actual usage, rather than maximum usage, of services.

Commitment is required from all levels to make the Managed Services model work for the organization.

Customers need to spend time, effort, and money to support a Managed Services contract, through an in-house management team.

Managed Services allow for increased business and financial flexibility through the reduced need to commit to a long period of involvement with a single supplier.

Service Level Agreements (SLAs) are an important element of Managed Services and need to be controlled and maintained.

Network, voice/data convergence, and security services are the highest Managed Services growth markets.

Almost 40% of organizations are likely to outsource aspects of their infrastructure in

Value vs. Benefits

Depending on the size of the organization some Managed Services portfolios are not suited for all! It is NOT a one-size fits all solution. SMBs in the 10-175 desktop range are the ideal candidates for this type of service, or at the very least, add-on service.

Bringing a team of engineers and leveraging the technology of a NOC (Network Operations Centre) can introduce measurable cost savings, increase uptime availability, create a seasoned outlook toward technology, and build a strategic roadmap *where IT does not become a cost centre but, instead, becomes a profit centre.*

It is essential for SMBs, particularly decision makers, owners and CFOs be involved as key leaders in the process of aligning their IT (Information Technology) and IS (Information Systems) needs. Since the impact of this decision is strategic, it is vital to fully evaluate the current IT operations cost and include indirect costs associated with IT downtime, staff time redirected from their main functions/ priorities towards 'fighting fires', etc.

CONCLUSIONS

Every SMB should have a technology roadmap that defines IT initiatives for the next 3 – 5 years. Downtime is not acceptable to most SMBs into today's business environment therefore your IT should be proactive – not reactive.

"90% of respondents are satisfied with Managed Services Solutions" according to a THINKStrategies survey - MSPs provide SMBs a valuable role as a business partner that brings value, accountability,

GRIP *I.T.* has a handle on I.T. so you can continue to focus on your core business. **GRIP *I.T.*** focuses on your IT, providing metrics to help you achieve your goal.

GRIP *I.T.* is ready to meet with you! Meet one of our experts. We'll analyze your specific requirements, develop, deploy and support these initiatives and maintain your IT investment for the future and growth of your organization.