ITFORCE

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SUCCESSFUL MANAGED IT SERVICES

Key Factors to Outsourcing the Right Service to the Right Provider

Introduction

Information Technology is a crucial part of any business. In most organisations, this ranges from hardware, such as servers, PCs, printers or scanners, to software systems such as database, email or web applications. These IT systems are increasingly complex with technologies like virtualization, cloud computing and hybrid technologies becoming part of the infrastructure. Advancements in technology make managing these services a complicated endeavour. Businesses are constantly facing challenges in scaling and managing their IT infrastructure while managing costs. System stability, availability, and performance are critical to running a successful organisation. Managed Services gives an organisation's decision makers control over which services will be managed by the IT company, and which (if any) will be kept in-house. In addition, it gives their users access to a team of technology experts, who are just a call or email away. As the organisations' needs change, ideally the IT Managed Services should be tailored and optimised. A Managed Services solution provides continuity of business operations with constant network monitoring, fault detection, active virus prevention, and system administration. This white paper will discuss how Managed Services work, why companies choose them, the business value of Managed Services, and what to look for in a Managed Services Provider.

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What are Managed Services?

Managed Services provide powerful enterprise capabilities to businesses for a monthly fee. Constant network availability and monitoring, expert support, and IT services are made available at a level that the business could not normally achieve on their own. Organisations can choose which services they want managed by the MSP and which they choose to keep in-house. A Managed Services solution is comprehensive and focuses on the overall health of a business's IT resources. A Managed Services Provider (MSP) provides a solution that is not limited to a warranty on a single piece of hardware, or support for one specific software application. Unlike traditional warranties, the MSP provides overall management, monitoring, and support of the enterprise network and any hardware and software components that the customer desires. This includes acting as the liaison with 3rd party support vendors for specific hardware and applications as needed. An MSP can also look for ways to optimise overall performance of the entire system. They may recommend moving a software application to the cloud (private or public) to eliminate an out-of-date server that is slowing down business operations, for example. An MSP looks at the IT system as a business tool, the same way management would, looking for cost savings and optimization in every functional area. The focus in on the entire lifecycle of the IT infrastructure as a whole, now and in the future.

9 Key Considerations to Make — Before You Move to Managed IT Services

1. Engage business and IT in formulating an outsource strategy

Whether the decision is ultimately to outsource IT, invest more heavily in internal resources, or stand pat, it is critical to engage both business and IT leadership in the outsource strategy up front. Fundamentally, executives need to discuss key business objectives and how can IT contribute to them. Further, organisations should try to assess existing IT services within a business context. Having a dollar based vantage point can be a critical first step in understanding where investments should be made and in assessing whether and where outsourcing makes sense. How much revenue is associated with the company's ERP system? How much revenue is lost when email goes down? The answers will vary widely across organisations. For a B-to-B Web site, downtime over a weekend may have a negligible business impact. For a large online retailer, even sluggish performance may lead to shopping cart abandonment and significantly impact the day's revenues. By looking at the performance of an IT service from a business standpoint, an organisation is much better equipped to make the right IT outsourcing decisions for the right reasons.

2. Assess strategic value of IT services

Next, organisations need to assess the strategic value of IT services. Some may effectively be a utility for the company, others may play a significant role in the extent to which the business can gain competitive differentiation. Looking at services in this way can help decision makers segment those services that could potentially be outsourced and those that need to remain internally sourced.

3. Do an honest assessment

For each of the services provided, both IT and the business need to take an honest look at performance. Where is IT succeeding? Where is it failing? Here, it is important to factor in both hard metrics and the more subjective opinions of users and stakeholders. Whatever performance metrics may say, if users are loyal and satisfied, outsourcing may prove risky, running counter to "if it ain't broke, don't fix it" adage, which can be problematic if user buy in and participation are important. On the other hand, if satisfaction is low in spite of relatively strong performance metrics, getting support for outsourcing that service may be a lot easier to do.

4. Assess new and emerging IT service requirements

In plotting a long-term IT outsourcing strategy, it is important to take a look at new and upcoming services that the business will need. Depending on the nature of the new service, it may be an ideal candidate to lean on a managed IT services provider to support. A few questions are important to consider in making this decision. For example, can the requested service be leveraged by other departments and groups? If so, investing in the people and infrastructure to manage the service internally may make most sense. On the other hand, the management team needs to look at the new service within the perspective of the existing team. Do we have applicable expertise or do we have to hire new staff to get the expertise required? By starting a new service with an external MSP out of the gate, businesses can avoid having to incur the cost of developing the required expertise and infrastructure—and avoid the potential cost and effort of migrating the service to a managed IT service provider down the road.

5. Look at IT service requirements

Each IT service can have widely divergent requirements—and these differences can play a big role in whether outsourcing makes sense. Fundamentally, executives need to look at how service requirements map to in house capabilities. Following are some of the core requirements to consider:

• Operating windows and availability. Some services may require 99.999% up time. Others may be fine with long backup windows during non-business hours. If supporting a service 24/7 means one support engineer is always on call, not to mention disgruntled and sleep deprived, turning to a service provider with a dedicated NOC may be the right way to go.

• Accessibility requirements. Does an IT service need to be accessible only to employees working at corporate headquarters, or to remote employees, partners and suppliers? In the former scenario, managing access control may be straightforward. In the latter, SaaS and other cloud offerings may be ideal candidates.

• Security, compliance requirements. What are the security requirements of a given service? Is it in the scope of regulatory mandates? These are fundamental issues when contemplating outsourcing, but they aren't necessarily clear cut. In some cases, if organisations have the in-house expertise and infrastructure to adhere to security and regulatory policies, the prospect of outsourcing may be a non

starter, given the potential risk. On the other hand, if a business is looking to address a new mandate, relying on a service provider that has proven capabilities may be much more cost effective than investing in the internal staffing and infrastructure required to achieve and sustain compliance and support regulatory audits.

• Scalability requirements. Are performance requirements stable, or do they fluctuate dramatically? Does the business continuously struggle to accommodate expanding storage or processing demands, or is there always excess capacity? When meeting performance requirements is challenging, turning to external service providers, particularly those with virtualized and cloud-based, pay-as-you-go offerings, often promise significant value and flexibility.

6. Assess relative costs of IT services

Often, it can be difficult to gauge the true cost of a specific service, given it may rely on a number of IT teams and a range of technologies to operate. Further, the fact that one service continues to encounter outages—and time-consuming fire drills for associated support staff—may not show up on any monthly expense report, but it will have major cost implications. However, the better an organisation can realistically assess the relative cost of each service, the better they'll be able to knowledgeably assess the potential cost savings of external services.

7. Assess "portability" of IT services

It is important to look realistically at the portability of a given service. Are home grown applications in use? What are interdependencies of a given application and service? Are standard, broadly deployed technologies in place? How routine is support of these services? Some of these factors can make external managed IT services a non starter. On the other hand, for services based on commoditized platforms for which expertise is abundant, moving to an external service may be a perfect match. Once you've decided which services to outsource, the next step is finding the right service provider. In our next section, we'll look at some keys to making sure you pick the right managed IT services provider for your business.

8. Cheapest price is not necessarily the best option

One of the biggest misconceptions surrounding MSP's is that they all provide a similar level of service. Supporting an entire organisation the way it should be supported is costly for your Managed Services Provider. These fees go towards employing top-tier talent, managing ticketing software and delivering the quality of support that your users need to be productive and effective. When a company offers bottom of the barrel pricing – the client is getting bottom of the barrel support. What does that mean? Unresolved tickets, slow response times and poor quality talent on the other side of the help desk. This will end up costing your company more in the long haul by having an unreliable IT infrastructure and service.

9. Proactive Support Vs. Reactive Support

"Prevention is always better than cure." This is exactly what you get in a proactive IT support model — your IT support team or IT provider prevents potential technical issues before they become a problem. But how does this compare to the more traditional reactive IT support approach?

Proactive support is based on prevention. With proactive IT support, IT support teams perform regular maintenance and constant monitoring. IT security vulnerabilities, and potential server crushes can be prevented before they occur. Proactive IT support gives your IT support professional ability to gain full visibility into your current IT infrastructure including, your entire environment, network, and workstations.

As always, the main driver for any business decision is usually centered on cost savings, efficiency and productivity. A proactive approach saves valuable business dollars in the long run. You don't get catastrophic issues that disable the workforce for hours while IT goes looking for a needle in a haystack. And rather than wait until everything falls apart, proactive IT professionals ensure that the system is running smoothly, 24 hours a day.

Choosing a Managed IT Services Provider: 10 Key Questions

When businesses look to outsource some of their technology hosting and /or administration to an external managed IT services provider, they do so expecting significant operational and financial benefits. The extent to which those benefits are realized however, is largely dictated by the people and capabilities of the managed IT services provider they choose. After years in the managed IT services space, I've often been amazed at how cavalierly some businesses approach the process of selecting their IT service provider. Some managers seem to view the process as buying a pair of shoes, effectively saying, "We'll give it a try and if it doesn't work, we'll try another outfit." However, there are significant risks to this approach. Migrating a service, defining roles and procedures, and kicking off an outsourced IT service takes a significant up-front investment. Further, a service provider's failures can present significant risks for an enterprise, including lost data, lost revenues and lost customers. That's why taking the time before hand to thoroughly research prospective vendors is such a worthwhile investment. By eliminating the cost and headaches of a failed outsourcing relationship, and the time and effort required to start the process again, businesses will be in a much better position to maximize the benefits they're looking for and see the gains faster. The fact is there are a lot of IT outsource companies, some excellent, some not. Further, the right service provider for one business won't be the best for another. To guide those in the process of searching for a new managed IT services provider, I've laid out a series of questions that businesses' executives should ask prospective IT outsource companies.

Keeping track of the numerous tasks today's IT departments must manage and complete often takes a large team. Thus, many businesses are hiring managed service providers (MSP) to help lighten the load. But are these services necessary and do they provide real value to a company? Before a business considers obtaining the services of an MSP, it should consider several important factors and ask a lot of questions. Here are what we consider to be the 11 most important questions that you should ask your potential managed service provider before deciding.

If you're already looking for a provider, don't worry because you're not alone. Studies suggest that 11% of a company's IT budget will be spent solely on MSP contractors. Finding the right provider can be a tremendous task as they need to care for company values and have the same drive as yourself. MSP isn't a minor part of an entire operation, it's integral to the success of any business. They will represent your company like any other employee, but they are required to run it all on the technical side, exercise caution with who you choose.

1. What is their reputation and experience within the industry?

Finding out what sort of reputation a certain provider has is essential to the process of finding one, they should have positive reviews from a slew of customers and ready to show all types of testimonials to you at first request. These reviews could come from Google, Clutch or Yelp. That's one sign of a reputable MSP. Experience is another big factor to consider and whether they're a veteran or a newbie to managing the network of a large-scale business. How many years is the MSP in business?

The last thing your business needs is to have a service provider that's learning on the fly. You need an IT services provider that has direct, long-standing experience in the services you've decided to outsource. Have the folks in your business that have been relevant experience ask detailed questions and ensure the answers they're given speak to deep technical and operational expertise.

Also, try to assess how and whether a service provider can meet longer term needs. While the crystal ball can be blurry for all of us, try to look at the emerging requirements, both from a technology and scalability standpoint. While it's most important to find a fit that works now, the better an IT services provider can grow and adapt along with your business, the more value you'll realise from the relationship over time.

Scalability - when our client base expands so do we

- We have rigorous built in alerts that let us know when to scale up our manpower

- Using industry standard calculations we count the number of hours expected to support each device and divide this by the number of man hours required.

- When we reach 80% we receive an alert and it's time for us to invest in more hands on deck!

2. What managed IT services do they offer?

You must know the services of a provider to ensure you're getting what you want and what you pay for. It's recommended that you set up a deep dialogue between you and the provider for them to understand what you want out of their services. A good MSP will adapt to specific requests from his potential clients.


3. What kind of cybersecurity do they provide?

You don't want the information of your clients and employees compromised, so it's important that you thoroughly discuss the provider's virus and firewall solutions to ensure a protected environment for all users of your business. Many organisations around the world and the critical systems they depend on were victims of malicious "WannaCrypt" software last year. Here at IT Force we will regularly update your IT security systems to ensure that they are totally up to date at all times. We will also regularly patch all devices to deal with any vulnerabilities in real time.

4. How fast are you able to respond to your situation?

A fast response time is critical to avoiding losses, so find out how fast a provider is to react to an offline server and compare with other providers. This could make or break a provider.
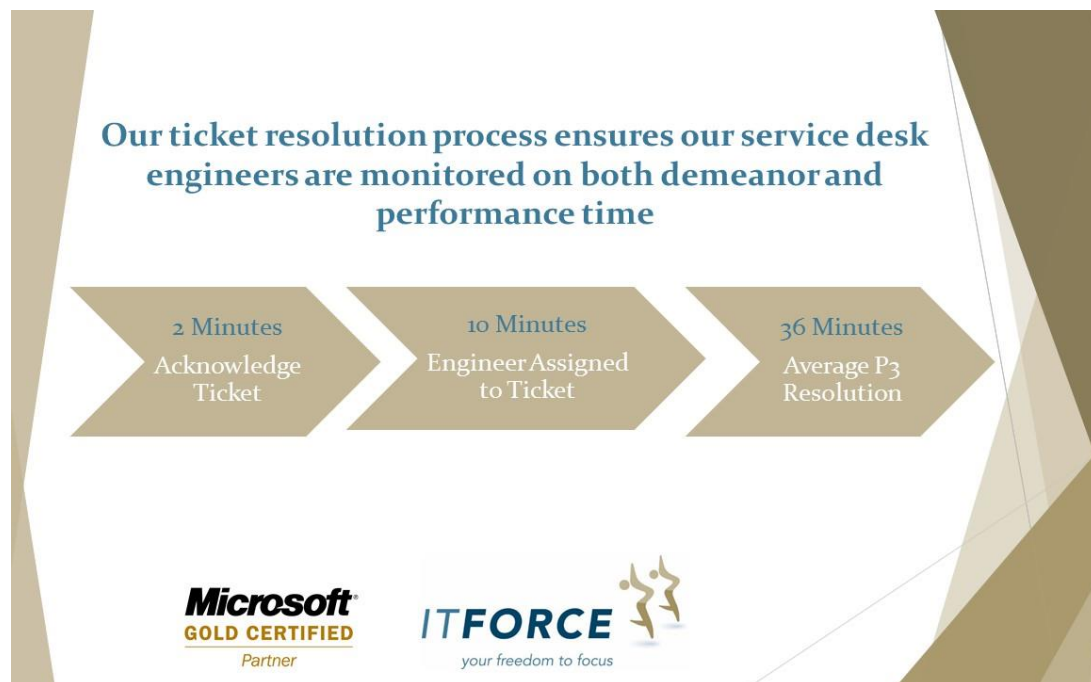
5. How do they plan to adapt to changes in technology?

A good provider would still be studying and learning even after gaining his initial qualifications, networking is a constantly changing industry, both in the physical and digital form. It's essential that your provider knows how to adapt to these ever-changing times.

6. Do they agree with the rules and values of your business?

This is much more of a culturally-orientated question but it's still important, your provider must have the same values of your business. The more your provider gels with the current system of work within your business and the employees, the better chance he/she has of being extremely productive and efficient.

7. Who will our day-to-day contacts be?

We've all had this experience: Vendor representatives come in during the sales process and amaze everyone with their savvy and expertise. After the contract's signed, those folks are never seen again, and you're left with junior team members still finding their way. This is particularly devastating in an IT service provider context, where success truly is about the people.

It's therefore essential to identify and interview the people who'll be day-to-day contacts for account management and technical support. Treat it as a job interview and get a detailed understanding of their approach to communication, their experience and their makeup. Look for tenure, both with the service provider and within the market segment.

8. How strong is their business?

To work with an IT services provider and enjoy value in the long term, long-term viability is key. To start, look at the numbers. Assess profits, operating cash flow, resource utilization, cash flow and long term debt. However, don't rely solely on numbers. If the market meltdown of the past couple of years showed us anything, it's that numbers, wherever you read them, can't be trusted. Part of this requires a healthy skepticism. Do a vendor's claims sound too good to be true? If so, they very well may be. Another key to viability is a track record. While, as any mutual fund prospectus will tell you, "past results are no guarantee of future performance," a long track record is hard to beat. If they've made it through the past 5-10 years, they must be doing some things right.

Finally, take a look at the customer base—does one customer represent lion's share of revenues? In addition, look at how the customer base maps to your business. While you don't necessarily want them to have your top competitors as clients, if they have experience with customers that are similar, whether in terms of size, industry, or business model, that background can be a strong selling point.

9. Can I speak with three customer references?

Talking to a managed IT services provider's customers is probably the most vital step of all. It's a critical way to verify that the service provider's answers to all your other questions are accurate and forthcoming. Does the customer attest to the company's claims of being responsive to inquiries? Does the up time the customer has been seeing jibe with the commitments the vendor is making? Also, look at the tenure of the customer's engagements. Here again, long track records are great to see. While ultimately you're going to need to have trust in what these customer references are telling you, try to verify whether customers have an investment in the service provider's business or otherwise have a stake in the vendor relationship that may influence their responses.

10. Do they outsource any parts of your infrastructure to other it service providers?

As prevalent as IT outsourcing is today, it can make perfect sense for an IT service provider to outsource part of their operations to an external provider. However, it is important to understand this up front. What you don't want is to encounter an issue and start seeing finger pointing among various IT outsource companies. If a vendor does use external IT services providers, make sure your clear on accountability, escalation processes and commitments. Also, take a look at the vendor's vendors, where are they located, what was the vetting process and how many years have they been working together.

11. Can I see your contracts and service level agreements?

Early on, try to assess the agreements you'd be getting into if you move forward with a new managed IT services provider. Get clarification on what obligations are. If, after a few weeks of signing up with the IT service provider, what happens if you want to terminate? What are acceptable grounds for termination? Will a refund be provided?

5 Keys to Building a Successful Relationship with Your Service Provider

When businesses turn to managed IT services providers, they are handing over the reigns of a host of ongoing efforts—efforts that often had been managed through an internal IT group in the past. However, once an agreement is signed with a new managed IT services provider, the work is still only just beginning. Following are five keys to setting the stage for a successful relationship with your new service provider.

1. Formalise communications, roles, service definitions and processes

The saying "good fences make good neighbours" has relevance in establishing effective managed IT services relationships. Clear demarcation of services, roles and responsibilities is a vital foundation. The more that's left to subjective opinion, conjecture and guesswork, the more likely that misunderstandings, mistakes and missed opportunities will result. What services are being provided and what aren't? If an issue is reported, who's on point and who's the next point of contact if that person isn't available? Detailed process documentation, well established roles and clear accountability are all vital to a successful partnership with a managed IT service provider.

2. Start with concrete IT service requirements and definitions

Similarly, there shouldn't be grey areas when it comes to IT service levels. Performance that's acceptable for one business or service, may not fly for another. Uptime requirements for one IT service will vary from those of another. That's why it's important to have a solid foundation for both organizations to be working from, a common understanding of expectations and requirements. What constitutes acceptable uptime? If an outage is reported, how long will it take to get a response and status update? In addition, particularly for performance-critical applications, businesses should establish performance benchmarks from their prior, internally hosted service, so they can effectively assess the performance of the externally hosted service.

3. Get strong service level agreements

Service level agreements are where the promises, expectations and requirements are formalized and formalized in such a way that the managed IT services provider puts skin in the game. In my experience, however, SLAs often don't meet their potential to establish success in an outsource IT relationship. While the formulation of effective SLAs can fill books, here are a few high level concepts to keep in mind:

• Carry weight. Fundamentally, SLAs should include provisions for service credits if SLAs are missed.

• Be realistic. While people like to talk about 99.999% reliability, is it required? More importantly, is it a realistic requirement? For a variety of reasons, some beyond the service providers control, it may not be. For example, with so many services going online, Internet connectivity and bandwidth are always required, but the managed IT service provider may have no control over the performance of an Internet service provider's performance.
• Tie them to real accountability. SLAs should help tie real accountability to the IT service provider. While this can be challenging, given the interconnectedness of so many infrastructure components, look to put people on the hook for metrics that they have real control over.

• Align measures with business. Ultimately, if 100% uptime of a given infrastructure element is being reported, but performance issues are still hurting business performance, the wrong measures are being taken. Try to map SLAs to metrics that really affect the business.

4. Get on-demand service status updates

Regardless of the SLAs or any other agreements in place, businesses should be able to get performance status of their managed IT services, whenever they need them. Even if an IT outsourcing company is responsible for remediation, the sooner the business is aware of an issue, the better they'll be able to mitigate the impact of the issue on their end. Many well-established managed IT services providers offer clients online access to portals that display real-time status of the monitored infrastructure. In addition, they offer automated reporting and alerts. These types of capabilities add a vital layer of transparency in the relationship, giving executives confidence that infrastructure is performing optimally, or that they'll find out quickly if not.

About IT Force

We deliver award-winning Managed IT Services and Managed IT Security Services to our clients. When engaging with any client, IT Force looks beyond simply delivering a service. Our objective is to become a reliable and trusted partner to all our clients. The process involves identifying their needs, understanding their business and the market sector in which they operate. We keep abreast of what is happening in the industry and what the trends are in our vertical markets as well as what is coming down the tracks. We stay informed as to how this will impact our clients and we ensure that they are kept informed.

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