

INFORMATION TECHNOLOGY, A COMPLEX TOOL

Business is now digital—no organization can run without effective technology strategies. Yet with all the advantages, **the exploding complexity of IT infrastructure and business software has many companies struggling to get the ROI** they expect on their investments. Instead, they feel they are at the mercy of their IT, spending more time worrying about its maintenance and security than leveraging it to achieve strategic objectives across their organization.

Businesses cannot tolerate unpredictable performance and added costs that come with maintaining their IT systems. Competitive pressure require IT performance for business operations, but **less than 20% of an organization’s IT budget is dedicated to business innovation** (*THINKstrategies, p.4*). Increasingly, even small and medium size businesses (SMBs) serve customers around the world, but they are **unable to monitor and measure performance of their systems around the clock because they lack appropriate management software or staff skills.**

Critical to business operations, IT must be maintained as a manageable tool that empowers people to achieve goals.

THE IT MAINTENANCE CHALLENGE

Business assets, customer service and IT are now intertwined. Technology makes it possible to deliver goods, services, and communicate with a dispersed mobile workforce. It is increasingly necessary to have **systems monitor the systems**, to avert the possibility of critical data and functionality being inaccessible for even short periods of time.

Such interruptions are unacceptable in a highly competitive climate, where customer loyalty

There a few businesses where IT does not impact customer service. A recent Strativity Group survey found 65% of customers leave after a bad service experience, and 78% increase business on the basis of consistently excellent service.

can disappear in an instant of delayed service. To eliminate them investments in IT management systems and software must be considered. However, purchase and maintenance for individual business network tends to compile frustration, as ironically, such software and systems can be as costly and complicated to implement and maintain as what they’re supposed to manage

(*THINKstrategies*, p.4).

Rectifying the IT management issue poses numerous challenges. In house staff must be skilled enough to select and deploy the right IT management software, and be able to configure and monitor solutions around the clock. While many IT professionals are capable at installing hardware systems and common business applications, it is **unreasonable to expect** them to also have the **time, know-how and dedication to evaluate IT trend data that can uncover potential issues before they become real problems** (*Kaplan and Grubb*, p.2).

As a result, **in house IT support must react to issues rather than proactively manage their environments. Constantly “fighting fires”, they have less time to focus on strategic, innovative projects, a cycle which results in lower ROI for business technology across the organization.**

In the past, SMBs have looked for help from two sources:

- IT contractors to handle IT issues part time
- IT service companies to address specific systems and software

Neither of these alternatives can continue to address evolving technology requirements.

Individual IT contractors lack the breadth of knowledge and do not possess the necessary tools to properly manage overall IT operations. Traditional IT service companies focus on specific products and applications rather than proactively managing IT operations on an ongoing basis (*Kaplan and Grubb*, p.2).

The stunning rate at which technology continues to advance is forcing business owners to seek more comprehensive IT support.

THE MANAGED SERVICE SOLUTION

Strategic consulting services company THINKstrategies **defines managed services as** the ongoing, automated and remote management of computing resources and business applications to ensure their continuous availability, optimal performance and maximum security (*THINKstrategies*, p. 5).

Managed Service Providers (**MSPs**) **assume responsibility for proactively managing multi-vendor hardware systems, software applications, and network infrastructures to prevent downtime and increase IT effectiveness** (*Kaplan*, p. 1).

This service results in **predictable service and costs**. Managed service support is billed in regular intervals (usually monthly) at a flat rate. Comprehensive support is sometimes referred to “all you can eat” type service, where engineering support (calls to a help desk and all escalation) and service level agreements (SLAs) are maintained under the umbrella of the agreed upon rate.

Simplified expenses and clearly defined accountability allow for **measurable value from technology**, which in turn allows for precise strategic planning for technology’s role as a tool for business success.

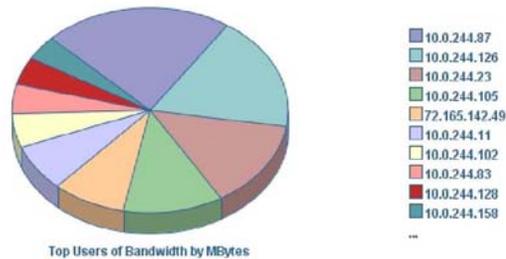
There are three key components necessary for the managed service concept to be successful: the **right technology, the right people, and the right process** (*Kaplan and Grubb, p.3*).

MANAGED SERVICE TECHNOLOGY

MSPs rely on a set of **sophisticated on and off-site technologies to deliver continuous, proactive management of a company’s operations, which include:**

- Network and systems management tools to monitor hardware utilization levels and identify potential issues before they become real problems.
- Performance management tools to measure network, system, and software performance with reconfiguration processes in place so the environment meets business requirements.
- Software distribution tools to automatically update operating systems and applications to ensure proper patch management for security and compliance purposes.
- Remote diagnostic tools to quickly perform system and software analyses, and initiate self-healing techniques to minimize downtime.
- Security and malware protection in a multi-layer configuration
- Data protection tools that provide off-site storage, verifiable restoration, and both business continuity and disaster recovery plans. (*Kaplan and Grubb, p.3*)

Top Users of Bandwidth for 2007-12-31 - 2008-1-6



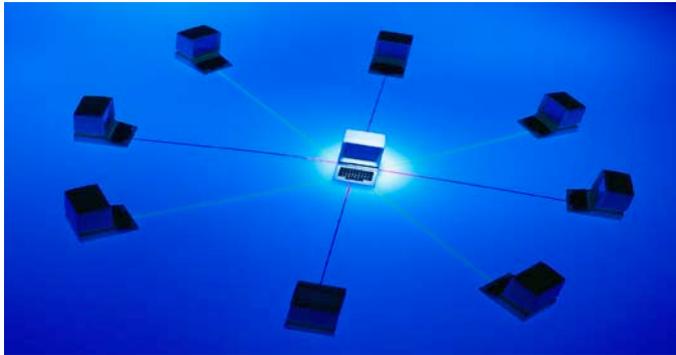
Bandwidth use is one of hundreds of reports that can be created with network monitoring tools.

Few SMBs can afford to acquire all of these management technologies to maintain their IT environments on a 24x7 basis, and increasingly, none can risk doing without them.

MANAGED SERVICE PEOPLE

Access to engineering knowledge and skill provides considerable ROI with managed services. As with the hardware and applications, few SMBs can afford to staff desktop, network, server, storage, security, and phone experts. **MSPs have a team of engineers at a central location that can monitor and analyze IT infrastructure, and escalate issues among a deep pool of skill sets.**

Support and user problem resolution is delivered through a **Help Desk**. Using remote access software, a full service MSP has the ability **to remote into desktop workstations and provide direct help to users in the environment. This provides constant and immediate access to engineering support (24x7 with a comprehensive MSP), and problems can be resolved with little difference from a hands-on onsite visit with the added cost of time, travel and gas.**



MANAGED SERVICE PROCESSES

In addition to the right staff, MSPs have management processes to perform a **series of proactive tasks** on a continuous basis to **reduce the risk of unanticipated downtime** and improve performance of IT operations. These **include scheduled software updates, hardware configurations, security testing, verifying storage back-up, and network performance monitoring** (*Kaplan and Grubb, p.3*).

Technology and skilled staff follow through on these processes in an automated and ongoing basis, and increasingly provide the only option to ensure systems are updated, with full documentation of the status of all IT assets.

A network operations center allows multiple networks to access powerful human and technological resources.

DETERMINING IF MANAGED SERVICES ARE RIGHT FOR YOU

The following questions, put together by *THINKstrategies*, can help an organization determine if leveraging managed services can help improve IT operations and achieve business objectives.

1. Asset Discovery/Management:

- a. Do you have a distributed desktop environment?
- b. Can you identify hardware and software installed?
- c. Do you have the resources to track devices and applications on an ongoing basis?
- d. Do you have an automated way to associate users with assets to monitor who is using them?

2. Software Distribution:

- a. Do you have an automated method to distribute software or upgrades to your desktop environment?
- b. How do you distribute software updates to your remote workforce?

3. Security Management:

- a. Are you confident your assets and corporate data are protected from internal/external threats?
- b. Patch Management:
 - i. Are your desktops vulnerable to security threats because you don't implement patches on a routine basis?
 - ii. Do you have the skills to assess each security vulnerability and patch all your devices and operating systems?
 - iii. Are you able to provide patch management support to remote workers who do not connect to the corporate network on a regular basis?
 - iv. Can you accurately track whether users are receiving patches and whether your environment is patch-compliant?
- c. Virus Protection:
 - i. Do you have the resources to ensure that all devices are protected from security threats?
 - ii. Do you have the resources to clean up your IT environment in the event of a virus attack?
 - iii. Do you have an automated way to uninstall old versions of anti-virus software and then deploy the most current version?

4. Online Backup:

- Do you currently have a backup program in place for your organization to protect valuable data?
- Are you currently relying on end users to back up their own data?
- Do you have systems and processes in place to perform data restoration, particularly for remote workers and critical corporate data?
- Are you consistently getting data off site, and do you have both business continuity and disaster recovery plans in the event they should be required?

5. Remote Access:

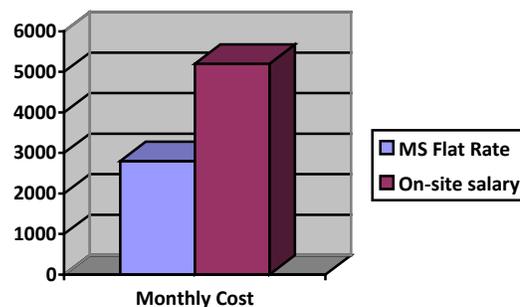
- Can you support remote and mobile users?
- Do you have the resources to provide onsite assistance to all your users?

An organization which is uncertain or answers any of these questions “no” should consider a managed service solution to strengthen their IT management capabilities.

COST ADVANTAGES

In some cases, the cost benefits of managed services are obvious. The level of resources managed service bring are in most cases an impractical investment for individual SMBs; access to a team of engineers and the technology of a network operations center can actually bring startling cost reductions compared to on-site support.

A manufacturing company was able to defer hiring an extra on-site IT staff member by implementing full managed service support, including automated offsite back up. The monthly cost was nearly 50% less than the expected salary and benefits for one employee.



But in order to determine the overall economic value of managed services, it is essential to fully evaluate the current costs of your IT operations. In addition to looking at direct costs of IT hardware, software, and staff expenditures, it requires examining the indirect costs of IT downtime on the organization’s business, and opportunity costs associated with unnecessary

staff time dedicated to reacting to problems rather than focused on strategic initiatives (*THINKstrategies*, p.7).

INITIAL EVALUATION

How to manage and maintain IT all comes down to impact on a business' productivity and profitability. Technological solutions by themselves have no value--they must be specifically tailored to continuously meet business needs. **Strategic decision makers, such as owners and CFOs**, must be on the forefront of the decision making process for something like managed services, *because the impact is strategic*.

Should IT decision making impetus be only tactical, unnecessary investments, deployment of overly complicated software, or a vested interest in the status quo can leave a business with an inefficient, astray, and ultimately mystifying network set up.

Managed services provide accountability so it can be always be determined if the technology in place is boosting the organizations competitive edge—and if it is not—is flexible enough to be immediately changed so that goal is always primary.

CONCLUSIONS

A recent *THINKstrategies* survey found that over **90% of respondents are satisfied with managed service solutions**. Managed service support has matured and is moving from “nice to have” to “must have” for SMBs facing the evolving complexity of business technology (*Kaplan*, p.1).

Consider where your organization's IT will be in two years, five years, or even five months. Every day, dependency on information technology increases. Those that have not assessed how to leverage managed services **risk missing the opportunity to increase support levels and lower TCO to such a degree it will affect their ability to remain competitive.**

Companies cannot remain satisfied with IT support that simply reacts to problems. Instead, they must expect their IT suppliers to reduce the risk of system failures and optimize the value of their IT investments.



WHITE PAPER

UNDERSTANDING THE VALUE OF MANAGED SERVICES

Starport Consulting, and its **Network Operations team** is located in Toronto, Canada. Starport Consulting **helps organizations overcome the escalating challenges and spiraling costs of IT management**, with solutions to enable them to leverage their IT assets to achieve their business objectives.

The next step is to meet with one of our experts. By analyzing your specific requirements, we can develop a strategy on how managed services can play a role in maintaining your IT as an investment to support overall strategic efficiency and bottom line profitability.

Resources:

Jeffery M. Kaplan and Edward J. Grubb: *Small and Medium Size Firms Can Benefit From Successfully Leveraged Managed Services*, special to *The Legal Intelligencer*, 2008.

THINKstrategies Inc: *A White Paper for Business and IT Decision Makers, Leveraging Managed Services to Optimize the Business Benefits of Your IT Investments*, published by THINKstrategies on behalf of Insight Enterprises Inc., 2007.

Jeffery M. Kaplan: *Managed Services Becoming Mainstream*, SMARTBIZ, 2006.