



The Business Owner's Guide to Managed IT Services: A Solution for Today's Complex Technology Landscape

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IT seems to get more complicated every year.

Newer technology service areas like cloud, mobile device management, and remote desktops place more and more demands on IT teams: more vendors, more licenses, more applications, and more application interdependencies. New security concerns and solutions bubble up nearly every week. Keeping up with the competition often requires new investments in areas like analytics, business intelligence, and IoT.

Meanwhile, businesses have to navigate this complexity amidst a tight market for IT talent. Hiring is becoming more costly even as retention gets more challenging. The in-house IT personnel that are hired often find themselves tasked with understanding and supporting a dizzying array of applications and services.

In this context, providing quality technology services that drive real ROI can be a genuine technology management challenge for business owners.

- Managed services are becoming an increasingly popular solution for cutting through this complexity to develop a value-driven IT services strategy.
- Managed services are a support model that allows businesses to outsource some or all IT services to a third-party provider (called a Managed Service Provider, or MSP).
- This model can help secure skilled IT expertise while providing for enhanced cost control and technology management capabilities

Understanding exactly how managed services work, however, isn't always straightforward. Related terms are often used inconsistently or interchangeably. The actual services offered may vary substantially between one provider and the other. All too often, non-IT decision makers are simply unsure of precisely what managed services would mean for their business.

In this white paper you'll learn:

- About the challenges of managing a modern technology services portfolio through an in-house IT department (and why so many companies are moving to an MSP to address them)
- About the business impact of managed IT services, including the benefits to look for in a top-quality managed service provider.
- Some tips for picking a high-quality MSP that can help your business get the most out of its technology assets.

Who is this guide for?

This guide is for business owners who want to understand how managed services can help deliver high-quality, cost-effective IT support.

As you'll learn below, managed services not only help secure experienced experts but preserve your company's strategic (and financial) flexibility in a rapidly changing technology environment.

The MSP model isn't a requirement for every business, but managed services are growing for a reason: they offer a direct answer to some of the biggest challenges that come with managing your own, in-house IT department. We examine these challenges in more detail in the next section.

The Challenges of Managing Your Own IT Services



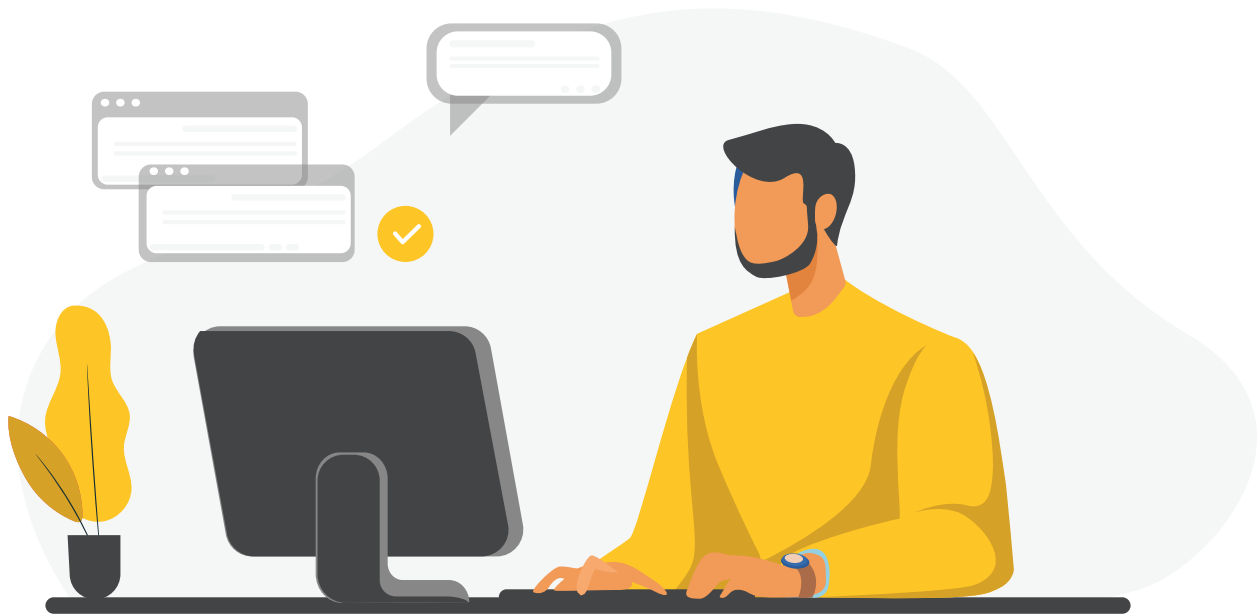
Each of the challenges below shares a common thread: managing IT services in-house comes with very real financial and operational risks.

In House IT Challenge One: High Attrition for IT Personnel

The market for IT talent is tight, which results in a situation where skilled IT professionals are often being lured away by other companies. This tight labor market drives high turnover rates in IT positions, and this churn presents a multi-faceted challenge.

First, continually hiring new personnel comes with burdensome administrative costs (and new employees may require months of onboarding before they begin generating real ROI). Second, finding new IT talent is rarely easy, and delays risk leaving crucial knowledge gaps on business-critical services.

Finally, turnover presents a risk to the long-term development of your IT knowledge-base. In theory, the opportunity to build up institutional knowledge over time is an important part of the value proposition for hiring in-house IT experts. High attrition, however, risks negating this important advantage.



In-House IT Challenge Two: High Hiring Costs for IT Experts

Retaining IT talent isn't easy, and hiring it in the first place isn't cheap.

These expenses not only hurt the bottom line but create financial pressure to stretch the capabilities of existing IT personnel wherever possible. This tendency can result not only in overworked technology professionals but individuals working outside their core areas of expertise.

The high compensation of IT experts also means that staffing out an internal IT department represents a large capital outlay, effectively locking in a large portion of your technology spending.

The tight hiring market for IT professionals doesn't appear set to change any time soon.

For companies with stable, predictable technology needs, in-house hires may make perfect sense. For companies, however, with unpredictable technology needs, large capital outlays on long-term, in-house hires can create real waste. Whenever compensation exceeds the value of the in-house IT team (or whenever the skills of hires made years ago don't match the technology challenges of the moment) a business's IT spend isn't generating optimal value.

In-House IT Challenge Three: Inflexible CAPEX Limits Strategic Agility

Hiring costs are just one important part of the capital expenditures required to scale up an effective IT team.

Investments in licenses, hardware, data center infrastructure, and more all represent substantial investments. These investments mean that in-house IT services come with a high upfront capital cost.

The sheer size of this initial investment often means that companies are compelled to project their technology needs for years to come. Projecting fast-changing technology needs this far out, however, is difficult, if not outright impossible. Large, inflexible capital investments can become a strategic liability in a marketplace where every new year seems to bring major technological change.



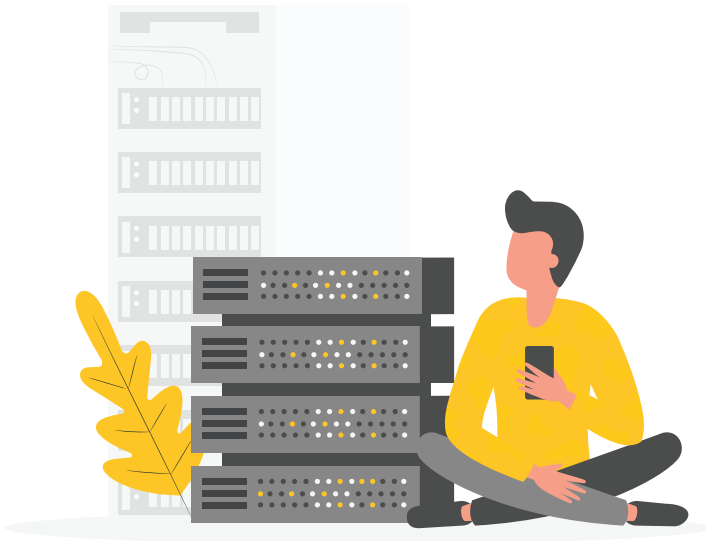
In a technology environment that's changing fast, these large investments can fence your business into a particular technology strategy that won't necessarily make sense looking into the future. In-House IT Challenge Four: Security Management

Security threats are becoming more numerous and varied with each passing year. These growing threats create a real challenge for IT: best practices are being continually updated across a variety of key technologies, new security concerns require frequent updates, and security knowledge is becoming more specialized than ever.



Security also creates a unique imperative for rigorous, timely administration. If IT falls behind on a software update elsewhere in the organization, the company may be using suboptimal tools until the IT team is caught up. A lapse in security updates, however, creates a much greater level of risk.

Meanwhile, the proliferation of government data protection regulations means that good data security is no longer just good business, but a regulatory mandate for a wide array of companies handling consumer data.



In-House IT Challenge Five: Infrastructure Maintenance

Between hardware, software, networking equipment, and data storage, IT services depend on a huge array of assets.

For in-house IT departments, each new piece of infrastructure creates a new need for knowledge, administrative workflows, and another source of support calls.

Realistically, overworked IT teams are often forced to neglect key maintenance tasks, resulting in infrastructure that isn't delivering the most possible value for the organization.

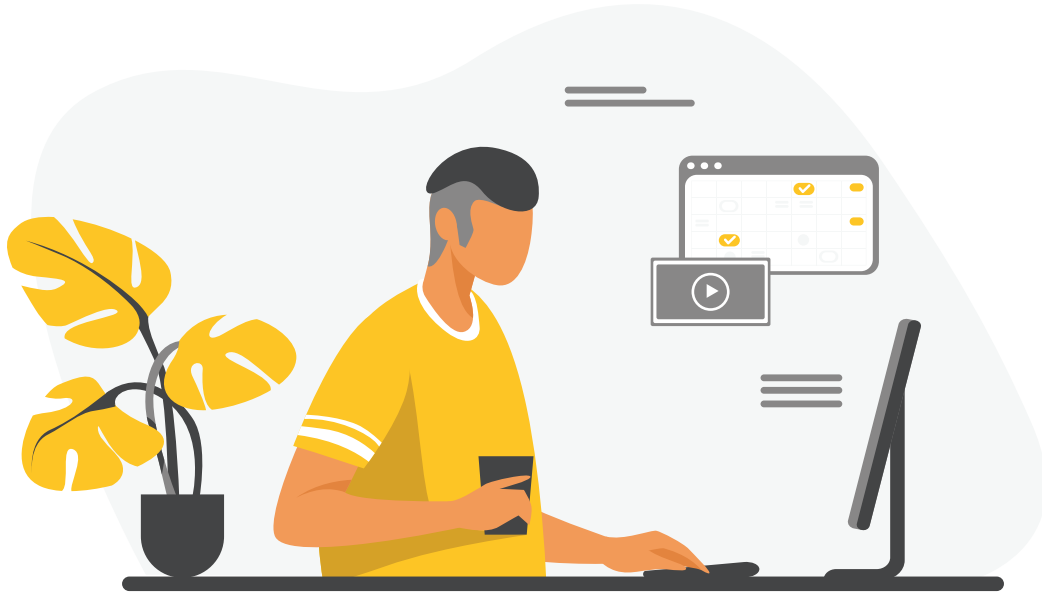
In-House IT Challenge Six: Time-Consuming Workflows

This final challenge is a natural consequence of the first five. Each new technology service comes with new workflows required for quality management practices.

As workflows pile up, internal personnel risks becoming stretched too thin. This situation can result in not only unhappy IT professionals but key workflows going unattended for weeks or even months at a time.

In many cases, relatively simple but time-consuming workflows chew up far too much time in the IT department. Much of this work can be readily automated, but reliable IT workflow automation itself requires specialized expertise and experience.





The Managed Service Solution

In short, managed services are a technology service solution designed to address each of the challenges above. In a managed service model, a third-party technology support provider offers their services through a clearly defined, transparent contract (more on this below). “Managed services,” and related terms like “MSP” are often used imprecisely within the industry. You’ll find vendors branding just about any kind of IT support as a managed service. In this context, it’s important to highlight the essential characteristics that separate managed services from other forms of IT support.



What makes managed services unique?

A managed services model allows a business to take advantage of a regular contract for precisely the IT services it would like to outsource. This contract effectively allows companies to transform the capital costs that come with managing an in-house IT department into a regular operational expense.

The costs of a managed service contract aren’t necessarily identical month-to-month. For example, a business might want a steady level of monthly support services to be occasionally supplemented by added help for major projects like migrations or new service implementations.

Service level agreements (SLAs) provide a precise definition of what services will be provided.

SLA's commonly cover key subjects like:

- Which services will be supported
- How many users will be supported
- Support availability (eg. 24/7)
- Resolution times for support tickets
- A specific remediation process if services fall below the specified standard

Managed service pricing is based on the services defined in these SLA's. Pricing generally varies based on factors like the total number of users, the types of services that will be managed, and performance requirements.



For all contracted service areas, MSPs can handle core IT workflows like help desk support, security, and infrastructure management (we go into more detail on the services an MSP can cover below). For these services, an MSP can take on any task you would expect an in-house alternative to provide, including monitoring, day-to-day administration, and overseeing major upgrades or new feature implementations.

How are managed services delivered?

Managed services can be delivered through several different arrangements.

1. Remote monitoring and management of **on-premise** infrastructure
2. **Cloud-based infrastructure and applications** hosted in the data center of either the MSP or a third-party cloud hosting provider
3. A mix of both methods (often called a “**hybrid**” model) can be used, picking the option most suited for each technology service



How Managed Services Help Unite the IT Management Knot

The managed service model provides direct relief for all the IT management pain points discussed above.

First, a quality MSP will have the scale of operations needed to maintain a deep, broad roster of specialists across different service areas. Rather than constantly confronting a tough hiring market for IT talent, managed services help businesses ensure that they'll have timely access to technology experts wherever they're needed most.

Second, transforming IT-related expenses (from software licensing to labor costs) into an operational expense can dramatically simplify long-term budgeting.

This transformation allows for much greater strategic flexibility, as businesses can avoid large capital costs that effectively lock in a specific technology strategy for years at a time.

In addition to providing strategic flexibility and specialized expertise, quality MSP's will take advantage of targeted automation to save time wherever possible. IT automation, otherwise known as "infrastructure automation," uses software to take on repetitive support tasks and reduce the need for human input (like clicking "yes" on the same series of prompts each week to approve a regular security update).

Routine IT administration workflows like password resets, software updates, regular backups, and routine network management can all be dramatically streamlined with a thoughtful automation strategy.

A well-implemented automation approach will also be more reliable than human administration, ensuring that scheduled workflows are Completed on time, every time. Automation not only directly reduces costs by reducing the hours needed for IT management but frees up knowledgeable IT talent to focus on the work where they can provide the most value.

To unlock these savings, however, reliable IT automation does require some upfront investments and specialized knowledge. These investments don't always make sense for small or medium businesses with smaller internal IT departments.

For MSP's supporting huge volumes of support work across multiple client accounts, however, automation is essential. A quality MSP will bring this automation knowledge to bear on their client's most burdensome workflows, ensuring that valuable IT support hours aren't wasted on repetitive chores.

What Technology Services Can Be Managed by an MSP?

We highlight some common service areas that can be supported by MSP's below. Part of the value of the MSP model is that businesses can pick and choose which service areas make the most sense to outsource.

Some companies, for instance, simply prefer not to be in the business of technology management. These firms may be seeking to outsource virtually all of their technology services, maintaining only a small in-house IT team (or moving to a fully outsourced model with a virtual CIO).

Other businesses prefer to continue supporting some of their technology in-house. For these companies, offloading management of IT services areas with demanding workloads or specialized knowledge needs can help control costs while letting in-house personnel focus on what they do best.

Common IT Services Available as a Managed Service

1. Networks and Infrastructure
2. Advanced Security Services
3. Communication/VoIP
4. Cloud Infrastructure and Applications
5. Software as a (Managed) Service

For any of these services, a quality MSP should take care of any task you would normally expect an in-house IT team to perform.

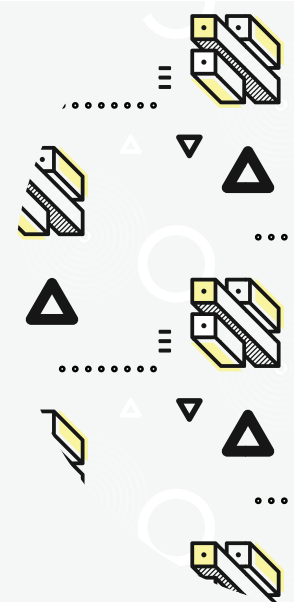
Key IT Workflows Commonly Outsourced to Managed Service Providers

- Network monitoring
- Management of major migrations
- Remote desktop monitoring
- Managing patches and upgrades
- Monitoring/patching security
- Disaster recovery planning and implementation.
- Help desk support services
- Hardware maintenance
- Asset management
- Application management
- Mobile device management

Most MSPs will be able to provide some level of service in most of the areas listed above.

However, not all MSP's are created equal.

The most impactful providers won't just provide technical expertise but will offer real insight into how technology can be used to help your business tackle business challenges, pursue new goals and maximize the ROI of your IT spend.



Benefits of Hiring a High-Quality MSP

1. Reduced IT Costs:

a quality MSP offers numerous avenues for substantial cost savings.

This contract-based approach helps carefully match the cost of compensation to your actual IT workloads. Managed services also alleviate the costs that come from conducting new hiring searches. Meanwhile, automation and a strong existing knowledge base help reduce the total hours required to implement and manage key IT services.

2. Specialized Security Knowledge:

as security threats become more diverse and solutions become more advanced, this area of IT management is increasingly coming to demand specialized talent.

Quality MSPs should offer true security experts who can ensure your business is protected (and that these protections stay up-to-date looking into the future).

3. Predictable Pricing:

in addition to the strategic flexibility discussed above, transforming technology services into a predictable operational expenditure helps dramatically simplify budgeting and long-term technology planning.

Meanwhile, a variety of common cost surprises (like the departure of a key staff member requiring an urgent hiring process) can be avoided entirely with a managed service provider.



4. A Deep Roster of Expert Talent:

economies of scale allow MSP's to retain deep rosters of talent with experts in a variety of specific technologies. From cloud applications to security, an MSP should offer the capability to match a true technology expert with each service area (with more talent on hand if larger issues arise)..

5. Proven Management Practices:

an experienced MSP will have a deep well of experience managing technology services at scale.

This experience should come with proven processes for managing technology as efficiently as possible.

6. Proactive Monitoring and Reporting:

a quality MSP won't just focus on resolving issues to keep your technology services running.

Robust, proactive monitoring of technology services help root out the ultimate causes of long-running support issues, identify opportunities for optimization, and identify trouble spots before they cause costly critical failures.

7. Access to Newer Technologies:

budgeting or knowledge limitations can prevent a business from taking advantage of the most capable options for a particular service area.

An MSP should be able to alleviate these limitations and help your business take advantage of the best tools available.

What can an MSP help your business achieve?

The benefits listed above can have a dramatic overall impact on business operations. By facilitating an organization where technology can be relied upon to deliver on its potential, a great MSP will ultimately help deliver a more efficient, agile, and innovative organization.

A Business with a High-Quality Managed Service Provider Should Achieve..

- **Improved IT Infrastructure Security** reflecting fully up-to-date best practices.

A quality MSP will offer true security experts who have the ability to focus on this increasingly specialized field. These experts will pick the most effective security tools, keep them fully maintained, and be ready to extend this protection across new services like personal devices or remote workstations.

- **Improved uptime** for key IT systems.

A great MSP will have the knowledge to quickly resolve major issues, the roster to keep up with rigorous maintenance requirements, and the monitoring capabilities needed to spot issues the moment they emerge (or even before they begin causing a problem).

These capabilities add up to IT systems that spend less time waiting for a fix and more time generating value.

- **Cost-savings** stemming from lower personnel costs, streamlined workflow requirements via automation, economies of scale, and more.

An MSP supports technology services as scale, putting them in a better position to institute advanced cost management practices than almost any in-house IT department. Expertise ensures tasks get done efficiently, automation dramatically cuts down on busy work, and the business only pays for the expertise it actually needs for the challenges at hand.

- **24/7 access to expert support.**

An MSP should have the scale of operations needed to efficiently offer truly responsive 24/7 support (a tricky, if not impossible proposition for most in-house IT departments). This backstop ensures that even off-hours technology issues can be resolved quickly and even helps position support for remote workers on different global time zones.

- **Scalability and flexibility** to navigate a changing technology environment and a growing business.

With an MSP, a costly investment in a particular IT expert or software license won't restrict a businesses' strategic freedom. As a business grows, it can seamlessly add MSP talent to its contract in situations where adding in-house hires could create months-long delays. As technology needs change, an MSP can ensure your assigned experts have deep knowledge on the relevant solutions.

- **Peace of mind** on long term costs and a deep roster of MSP experts to help navigate your next technology challenge, no matter what it turns out to be.

Ultimately, today's technology environment is full of uncertainty. A great MSP can provide peace of mind simply by ensuring you are ready for nearly any contingency. From disaster recovery systems to data backup and improved security, a great MSP should be able to aggressively de-risk the organization, minimizing the possibility of most "nightmare scenarios" for small business technology.



Example Use Cases for Managed Services

1. A small manufacturing company prefers to maintain an in-house IT team to manage their highly specialized ERP software. These ERP experts frequently find themselves bogged down with network management, troubleshooting calls, and security updates. A quality MSP can take on infrastructure management to let in-house technologists focus on their specialty area.
2. A sudden retirement leaves a consulting firm with virtually zero IT management capacity. Hiring could take months, and with a major cloud migration upcoming, it's not even clear what skills will be required. An MSP is a perfect solution to consult on the right approach to the upcoming cloud migration, help navigate the transition, and identify a cost-effective strategy for longer-term support of this new solution.
3. A small business is considering a move to an all-remote model to save on office rental costs, improve quality of life, and source talent more flexibly across the country. Their existing IT team, however, doesn't have a strong knowledge base on virtual desktop solutions or mobile device management. Hiring a full-time virtualization specialist isn't necessary or financially feasible.

An MSP can help fill these knowledge gaps, allowing for the implementation of a full-fledged remote work strategy without a large upfront capital investment.

What should you look for in an ideal managed service provider?

The benefits covered above mean a managed service provider can potentially drive serious value for your business. This potential comes with extensive responsibilities for keeping business-critical IT services performing at their best.

With all these responsibilities, sourcing a high-quality MSP is important. We'd go so far as to say it's important to find a provider who is crazy good. That's our way of saying that an MSP shouldn't just feel like a cost-saver, but a breath-of-fresh air that helps directly address your thorniest IT pain points. A high-quality managed services provider won't just offer exceptional knowledge and expertise, but a commitment to operating as a true extension of your IT services. In our experience, the qualities listed below are what truly separate a good provider from a great one.

Key Attributes of a Crazy Good Managed Service Provider



- **Hands-On Support:**

your MSP shouldn't just deliver the minimum required service levels. To truly function as an extension of your own organization, a great MSP should dive in and get to know the gritty details of your business, its challenges, and its long term goals. Detailed knowledge of your business is essential for helping technology fulfill its full potential.

- **A Transparent Provider Willing to Provide Honest Critiques:**

a great MSP should lend their technology experience to their clients. To do so, they need to be willing to critique a client's technology strategies and operations to help build the most valuable possible IT environment. Rather than robotically accepting service requests, the ideal MSP is truly engaged with strategic decision-making. The best MSP's will be skilled at working with non-technical professionals to identify the right approach.

- **A Success Advocate:**

the best MSP will be truly invested in your long term success as a company. That means everything from rigorously following SLA's, to staying attuned to opportunities for cost savings, to proactively making strategic recommendations.

If you're seriously considering sourcing the services of an MSP, we recommend taking the time to conduct a careful, thorough selection process. The questions provided below will provide a great foundation for discussions with potential providers.

Questions to Ask Managed IT Service Providers



1. What value will you bring to my business?

A firm should be able to articulate their technology solution and how it will translate into business value. The ability to present a complex idea in readily digestible terms is a great test for a firm's experience in the marketplace.

2. What services are covered under my contract? Are there notable exceptions?

There's no substitute for understanding exactly what services you are purchasing. If a provider lacks a key service area (Voice Services are one common gap) you won't benefit from the strategic flexibility offered by a more comprehensive provider.

3. What is your service desk response time?

Timely service helps avoid costly downtime. Even a 24 or 48 hour delay can be hugely costly if it holds up key work. The most responsive MSP's will offer on-call technicians for around the clock support: responsive support is the key to minimizing downtime to maximize the value generated by your technology investments.

4. Who will be responsible for my account?

Stability for IT expertise is a key part of the managed services value proposition. The best-managed service arrangements shouldn't have any single individual as a point of failure. Clarify how many experienced, senior resources will be available to help on your account. The goal here is to avoid firms that are stretching the senior resources too thin and passing off clients to less experienced employees.

5. Do you deliver services proactively?

To truly function as an extension of your organization, an MSP can't just robotically perform their specified task list. The most impactful MSP's will be proactive, carefully attentive for opportunities to solve chronic issues, keeping an eye out for issues bubbling up down the road, and actively working to generate as much value as possible from your technology services.

6. How do you monitor our network conditions? Is it something we can see?

A quality MSP should not only take a rigorous, data-driven approach to monitoring, but make that data freely available for your business. This information can generate crucial insights into network performance and hardware limitations. Tools like graphic dashboards can help avoid crawling through data and help quickly digest network data.

7. Do you offer cybersecurity services too?

As we've discussed throughout this paper, security is one of the biggest challenges for modern IT management. It's a service area where the robust rigorous management processes and knowledge base offered by quality MSP's can be particularly valuable for mitigating risk. When talking to a potential MSP for your business, be sure to drill down into precisely what security services and guarantees the provider can offer.

8. How do you provide recommendations? Do they require a paid assessment?

An impactful MSP should play a role in recommending new solutions and planning the ongoing evolution of your technology services strategy. Some MSP's treat this service as a separate business line, charging for paid assessments whenever new recommendations are required. We think MSP's can provide the most value when recommendations are developed by the senior technologists who have worked with your business long enough to develop deep knowledge on your technology challenges. Ideally, this knowledge should be backed by analytics and knowledge-sharing provided at no additional cost.

9. Do you offer virtual CIO services?

The CIO acts as a valuable point-person for IT strategy development in larger enterprises. For smaller firms, however, supporting a full-time CIO in house doesn't always make sense. An MSP with virtual CIO services can function as senior IT leadership for your organization, helping make strategic technology decisions with confidence.

10. How long has your company been in the business? Do you have references?

Don't neglect these fundamental questions a website visit is no substitute for a detailed discussion about experience and references. If an MSP only speaks vaguely about their experience, this should be a red flag. A veteran managed services provider will be eager to share case studies, success stories, and detailed data points about their history in the business.



Learning More: Talk to a Managed Service Expert

Thanks for reading. We hope this paper has provided a helpful overview of managed services.

At BlackPoint IT, we are passionate about providing crazy good managed services. And we've proven our ability to support a wide variety of clients across multiple industries. We would love to talk about the challenges your business is confronting (and how a good managed services strategy can help).

We offer a free Managed IT Services assessment that can be a great way to get started exploring opportunities for your business to get the most possible value from its technology spend.

If you're interested in learning more, you can reach out to us using the button below.

Talk to the Crazy Good Managed Service Experts