



# How to Hire the Right IT Services Provider and Live Happily Ever After

## Introduction

Once upon a time, IT services were pretty simple. If you had a problem with a computer, you called someone to come fix it. You paid an hourly charge or a set fee for the service, and went back to business as usual.

If only it were still so simple! But that was a long, long time ago, and a lot has changed since then. Today, IT systems are far more extensive and complex, and they're becoming increasingly more critical to businesses. And while the old break/fix model is still right for certain kinds of companies, most businesses are instead choosing a more proactive approach.

70% of small businesses surveyed in 2013 considered technology very important to their success, compared to 65% in 2010.  
- 2013 Technology Survey, National Small Business Association

32% of companies surveyed from 2012-2013 said they would be increasing their IT outsourcing investments.  
- 2012-2013 The State of IT Outsourcing Report, Bluewolf

So what's the right answer for you? And who's the right choice to provide the services you need? This book is designed to provide the information you need to help answer these essential questions – so you can make good decisions that will result in your IT systems running reliably for years to come.

On the following pages, we'll explore:

- What choices are available to you for IT services
- How to determine what type of service or services you need
- How much IT services cost (and how much some can save)
- Which key questions to ask potential IT services providers

Whether you're looking for IT services for the first time, or you're thinking of making a change from the way you've been doing things, you're more likely to get the happy ending you want if you go into the process well-informed.

# Chapter 1: Understand your choices.

## The Three Main Types of Managed Services

1. Managed computer services include hardware support, software updates and helpdesk services; usually it includes monitoring to detect and resolve issues remotely.
2. Managed security includes a variety of network security components, such as anti-malware, anti-spam, anti-virus and firewall services.
3. Managed hosting includes hosting the offsite servers, applications or websites used to deliver IT on an “as a Service” basis via cloud computing environments.

There are basically three types of IT services providers available to help businesses handle their needs. In this chapter, we’ll look at who they are and what they do. In the next chapter, we’ll explore how to align your needs with their offerings, so that you can confidently determine which one is right for you.

## Hourly providers

IT services providers who charge an hourly fee are typically small companies – sometimes even just one person – who provide break/fix services. From a full-blown hard drive crash to a slow computer, if you have an IT problem, you can call an hourly provider to take a look, do some troubleshooting and hopefully resolve it completely.

The obvious advantage to an hourly provider is that you only have to pay for their services when you have a problem. As long as everything is running smoothly, you incur no costs. Of course, that can make it hard to budget when a big problem does come along. Unless you’re allocating a regular amount to set aside funds for potential problems, a break/fix approach can leave you in – well, quite a fix, financially.

Another point to consider is that the simple break/fix approach may not be as simple as it seems. For example, the big problem that drives you to finally call in an hourly provider could turn out to be something that could have been avoided with ongoing, more proactive IT services – which hourly providers don’t offer.

## IT project providers

IT project providers specialize in coming in to carry out major technology initiatives, such as equipment upgrades, software migrations or other IT improvements. Here are a few examples of circumstances under which you would consider using an IT project provider:

- The servers you’ve relied on for so long aren’t so reliable anymore.
- You’re ready to move your email to a Microsoft Exchange environment.
- You need from-the-ground-up network design and security.
- You want to replace your traditional phone service with a VoIP system.
- Your business is starting the shift from on-premises systems to the cloud.

As those examples suggest, the scope of what IT project providers do is much larger than anything you would call in an hourly provider to do. Yet the two types are similar in that they are typically engaged to come in to handle one specific problem or project, as opposed to providing ongoing consultation about your IT environment as a whole.



That leads us to the downside of engaging a provider on a project basis, which is that they're operating in a sort of vacuum. They have no knowledge of the larger general IT issues in your business that might influence how best to execute on a particular project. For this reason, we often recommend that companies that need help with one project find it from a managed services provider (MSP) rather than a project provider.

## Managed services providers (MSPs)

MSPs manage an organization's entire IT operation for a fixed monthly fee, maintaining workstations and servers, keeping software up to date, monitoring performance to detect potential problems, providing help desk services, managing network security, providing managed hosting for companies that use cloud services – and doing whatever else a business requires to keep technology operations running smoothly. In short, MSPs do everything in-house IT would do, but on a contracted basis rather than through a full-time, fully staffed internal department.

Hiring an MSP instead of having IT in-house makes sense when technology is not a core competency for a business, nor part of its main mission. By contracting out ongoing IT management to a specialized company, businesses can avoid the hefty cost of a high-end full-time employee or team while still ensuring that all their IT needs are met. (We'll take a closer look at the cost of IT services in chapter 3.)

Another important advantage of MSPs is that they get to know the systems they support extremely well, which means they have in-depth knowledge that can be invaluable when it's time to plan and implement upgrades or other special projects.

### Currently Using In-House IT? 5 Signs It's Time to Start a Search

1. **You have someone in-house handling IT on top of their real job.** Sure, it seemed like a good way to save some money at first, but it's becoming clear they don't have time to do either job justice.
2. **You rely on a low-wage in-house IT person.** Then a big problem comes up, they're in over their heads and it ends up costing even more to bring someone else in to help get it resolved.
3. **Paying the going rate is costing more than it's saving.** You've got experienced, competent – and costly – IT help in-house. Now you're wondering if there's a better way to get what you need without breaking the bank.
4. **It turns out your in-house IT wasn't all you thought.** You stumble on evidence that they've been overlooking some big issues. Otherwise, you might have never known, not being an IT expert yourself.
5. **You've been through three IT hires in six months.** Obviously, you need some guidance to determine what you need and how to find the right match. Hopefully, this book will help.



## Chapter 2: Know your needs.

Now that you know about the different kinds of IT services providers, how do you know which is right for you? An hourly provider? Project-based? MSP? In this chapter, we'll offer some specific criteria to use as you make your decision.

### Hire an hourly provider if...

*You have a very small company and/or one with minimal technology use.*

By “very small,” we mean there are fewer than nine people working for the company, and by “minimal” technology, we mean you don't have or need a server. (In this age of bring-your-own-device, you may not even have or need a full complement of office computers.)

Under these circumstances, you're not likely to need more than a couple of hours of IT help every now and then. So break/fix service from a qualified hourly provider may be the best fit for you.

### Consider an IT project provider if...

*You only rarely have IT projects surface and have minimal IT needs otherwise.*

Maybe your business is relocating, and you need someone to set up a small IT operation – desktops, connectivity, other basics – on a one-time basis. Or you want to get set up to switch from traditional phone service to VoIP.

We could go on with examples, but the point is that you're running a small business with minimal IT needs, and the project you need done is relatively small and self-contained.

If, on the other hand, you have a major project within a more complex IT environment, chances are excellent that you would benefit from having an MSP to handle your ongoing IT needs and any projects that come up.

This goes back to something we touched in chapter 1: IT project providers simply don't have knowledge of the larger IT issues that might influence decisions about a specific project – or pertinent knowledge about the business as a whole, for that matter. Because they're project-based, they're not in a position to get to know the business strategy, culture and processes – all of which can have a profound effect on project recommendations and decisions, as well as on the ultimate success of a project.

If you're running a business with even just ten employees and a server, we almost always recommend that before you undertake any major IT project, you consider



starting a relationship with an MSP first. Let them get to know your needs, your network, your business – and then start working on the project.

## Go with an MSP if...

*Technology is a vital part of your business that at least ten people depend on.*

If you're looking for someone to provide IT services to your business, and the business has a significant investment in IT, hiring an MSP is almost certainly going to be the best path.

Let's say you have one or more servers, and a dozen (or a hundred, or even more) employees. Let's say, too, that IT is increasingly becoming more of a strategic asset than a necessary evil in your business. In those circumstances, it makes no sense to try to cobble together what you need by calling in hourly providers to troubleshoot problems and then engaging project providers to carry out larger projects with no previous knowledge to guide them.

Instead, look at hiring one experienced source of expert support to handle everything. This gives you the advantage of getting help from someone who will become increasingly knowledgeable about your IT environment and your business over time; having one central point of accountability for everything that goes on with IT; and incurring a fixed, predictable monthly cost for all of it.

In short, you'll have everything you get with an in-house IT department. But, as the next chapter explains, you'll have it at a fraction of the cost.

	hourly	project provider	MSP
employees	fewer than 9	more than 5 or 10	more than 5 or 10
servers	none	one or more	one or more
projects	none	one-time need, not integral	Large, integral, ongoing
IT	minimal	manageable	complex, strategic



## Chapter 3: Do the math.

**“At MyITpros, we’ve come to believe that for most companies with more than five or ten employees and at least one server, proactive managed services will likely offer distinct cost advantages.”**

Let’s look at the cost of IT services from the perspective of the big picture – i.e., what it costs to own and run your IT systems. This may not be a big issue for you if you’re one of those businesses that truly only need occasional break/fix services or one-time project services, as described in chapter 2. But if you have a relatively sophisticated IT environment, with one or more servers, multiple software licenses, networking devices, possible cloud-based applications delivered “as a service” and other considerations to factor in, cost may not be as simple as an hourly cost or project fee.

At MyITpros, we’ve come to believe based on our own experience with clients that for most companies with more than five or so employees and at least one server, proactive managed services will likely offer distinct cost advantages over a reactive, break/fix-based approach or an in-house IT team. With that in mind, let’s look at what managed services are likely to cost, compared with the alternatives.

### So, how much does it cost to have managed services?

The cost of managed services for any particular company is likely to depend on the number of computers, servers and other technology assets; the number of users; and the role technology plays in the business – i.e., how central it is to a business’ ability to operate and prosper. Costs also depend on whether services are mainly provided remotely or onsite. These days, in many cases, most services can be provided remotely.

Given all that, we’ve come up with a range based on user cost averages to help you know what to expect:

- **Remote-only:** \$40-80 per user, or \$1000-2000 a month for a company with 25 users, plus additional charges if onsite service is required
- **Onsite service:** \$100-125 per user, or \$2500-3125 a month for a company with 25 users

### Remote services

**\$40-80 per user**

or

**\$1000-2000/month**

### Onsite service

**\$100-125 per user**

or

**\$2500-3125/month**





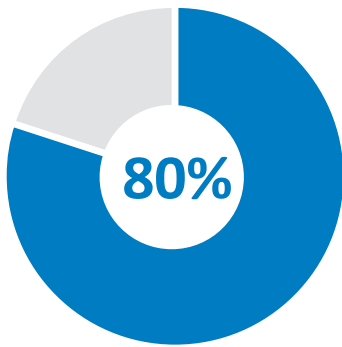
You may also be able to negotiate a monthly cost that also covers projects that come up and/or includes vendor management, or that treats projects as separate negotiations. It all depends on your needs and the MSP you choose. (We'll talk about how to choose the right provider for you in chapter 4.)

## What do you get for what you spend?

Do those monthly fees sound like a lot? If you're not currently paying a monthly charge for IT services, you may suffer a bit of "sticker shock" at the idea of going from \$0 to \$2000 or more. But consider that you're actually paying to keep problems from coming up – problems that could cost far more to resolve than what you pay to avoid them. When you pay a monthly fee that includes systems monitoring to be sure everything is working properly, your MSP is likely to identify potential problem areas and deal with them before they become actual problems that would otherwise be costly to address.

Having managed services also means a predictable monthly fee that covers just about everything you need in the way of IT, which makes it easier to budget for IT services needs than when you have no costs some months and high costs at other times because of a problem you didn't know about and couldn't plan for.

But what about just hiring someone to work as an in-house IT resource, instead of paying monthly fees to an MSP? In our experience, 80% of the time, managed IT actually costs less than the fully burdened cost of a seasoned in-house IT hire. This is especially true when you contract for remote services that don't require someone to be onsite. Consider the lowest-cost scenario from the examples above - \$1000 a month (or \$12K a year) for 25 users – and try to imagine hiring any competent in-house resource for anywhere near that amount. At a time when a systems engineer capable of handling even a relatively simple IT infrastructure can command an annual salary of \$60K-\$90K, it's hard to argue with the economic advantage of contracting with an MSP.



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## Chapter 4: Ask the right questions.

If you decide that contracting for IT services is the right solution in your situation, you still have one more decision to make: which provider? You want a company that's exactly the right match for your particular needs. And to find one, you need to ask the following questions. The answers will help you determine the best fit for your current requirements, establish whether a provider can scale to meet your future needs, and evaluate response times and other performance metrics.

### “How long have you been in business?”

It may sound like an obvious question. But while it's never a bad idea to go with an established business that's proven its value over time, it's also important to be sure that the business has evolved to adapt to changes in IT services – such as cloud computing, to name just one recent example. Ask potential providers how they stay on top of trends, how they've adapted to industry changes and how they've helped clients navigate technology shifts.

### “Do you serve many companies like mine?”

For example, if you run a professional services firm, such as an accounting firm or a law firm, ask how many clients the provider serves in your industry. Then go beyond that to look at the types of businesses, not just types of industries. For example, is your company a growing start-up? If so, does the provider have the ability to scale to meet your needs as they evolve and change?

### “How many systems engineers do you have?”

This question is important because it goes to how quickly a provider can respond when you need support. But it's not the only thing – or even the most important thing – you need to ask to determine whether you'll receive the level of service you need. Ask providers to show you records of average response times. Ask them if they have SLAs to guarantee the response times they promise. Find out if they're willing to openly share information about you about their current staffing situation and their forecasts for future demands and hiring.

### “What are your core values?”

This may or may not be important to you. But a company's values are the foundation on which employees perform and conduct themselves. If they're at odds with your company's values, the firm may not be a good fit for you. Don't hesitate to ask about the company's core values (and about their culture, which more often than not reflects those values), as the answer can tell you a lot about how well you'll mesh.





## “How flexible are your contract terms?”

Fortunately, IT services is one of those areas where you can very quickly start to see improvements resulting from the actions your provider takes. That means you’ll know in short order whether they’re performing up to expectations. And if they’re not, you want it to be easy to change or cancel your managed services plan. A good provider won’t lock you into a long, ironclad contract; they’ll want their performance to motivate you to stay with them. Ask if the provider wants you to sign a long-term contract, or requires lots of advance notice to cancel your agreement. If so, there’s likely no advantage to you of going with them.

## “Can we tour your office?”

By visiting different IT services providers’ offices, you can see how they compare with regard to everything from business style and culture to staffing and other resources. You may discover by observing the company at work in their own environment that they don’t have nearly the number of people you imagined would be needed to deliver the service levels they’re promising, or that there’s a reason their costs are unusually low – and the savings aren’t worth it. Ask for an office visit that includes meeting with potential team members you’ll be working with – and be wary if the answer is no. Turn the tables, too: Ask the provider to visit your offices, even if they’ll be working for you remotely. The answer will help you gauge their commitment to your business.

## Conclusion

For companies that have few employees and that either don’t have much equipment or don’t find technology to be essential to their core business, the traditional break/fix model coupled with occasional project-based work may be a perfectly good solution for meeting IT services needs. But for most companies today that employ more than a handful of people and rely strongly on technology, hiring an MSP is more likely to lead to a better outcome.

We hope this book has helped you determine what type of IT services provider is best for you, and – if you’re a candidate for managed services – how much you’re likely to pay, as well as how to ask the right questions to choose the best provider for your situation. Let us hear from you about your experience with the process of choosing an IT services provider by emailing us at [info@myitpros.com](mailto:info@myitpros.com).



### About MyITpros

For more than two decades, MyITpros has been helping growing businesses to effectively manage and plan for their IT needs. We deliver not only strategic solutions, but also expert consulting to help make wise technology decisions and offer first-rate support to keep things running smoothly. Whether you need expert guidance to help develop technology strategy, or just some extra help with a specific project, MyITpros is here for you. Our services include Managed Services, Cloud Computing, Network Security Services, Phone and VOIP Services and Project IT Services. Learn more at [www.myitpros.com](http://www.myitpros.com).