



Hosting and Managed Services

Assessing real-world benefits

Introduction

In today's economy, every dollar saved and every dollar earned counts more than ever. As such, every IT activity needs to be justified to find new funding and support. Those with the highest ROI usually move forward. That's what makes hosted and managed services an attractive alternative to traditional in-house IT service delivery. Often a partnership with an independent hosted and managed services firm can provide the same— or better— services at a lower cost. It can also save the organization money on an ongoing basis and free up resources that can be deployed against other high-value projects.

For every IT project analysis, decision-makers should include an "in-house versus service provider" cost comparison. Although the benefits of hiring specialists are evident, enterprise managers should ask questions and evaluate all costs before undertaking any strategic IT initiative.

Key Considerations

World-class IT infrastructure can provide you with a competitive advantage, but only if you have the talent, expertise and experience on staff. Otherwise, your IT operations will most likely fall short of expectations and end up costing you more. The reasons for aligning with an IT services firm are not always just financial:

- Are you looking to solve tactical issues like projects with short-term results, immediate cost reductions or staff augmentation?
- Do you want to free up your time for strategic initiatives?
- Do you want to improve your service-level measures?
- Is your leadership frustrated with current IT capabilities?

It's important to understand the advantages to working with an IT service provider. Equally important is an assessment of your internal capabilities, including:

- Would other companies hire you to do this for them?
- Will tomorrow's leaders come from this area of the company?
- Are you receiving world-class services at a competitive cost?
- Does this create or defend your competitive advantage?
- Is this directly contributing to your growth or expansion?

Answers to these questions will help align IT projects with business priorities

Cost Considerations

IT managers must know the costs associated with their current IT operations and the state of their efficiency and effectiveness. Other expenses to consider include hardware refreshes, a disaster recovery plan and compliance requirements. Examine if these costs can be reduced or eliminated by working with a partner.

When it comes to selecting a service provider as your partner, determine what criteria matters most to your organization:

- Does the provider fit within cost objectives?
- Do you want your service provider to be onshore, offshore or both?
- Does your partner have specific experience in an application or your particular industry?

Another consideration is the type of delivery model your service provider will use. If you operate within a time and materials model, you will pay for resource time as it is incurred. Guaranteed service delivery levels are included. You have substantial flexibility in managing your projects but less control over spending.

With Service Level Agreement (SLA) models, you pay a defined fee for a defined service level. Your costs are fixed and your results are predictable. The provider manages your environment on an agreed upon service level rather than the amount of time it takes to complete tasks. Most IT partners require a contract term for such an arrangement.

Service Models

Many service models exist for companies to deploy, although they may vary slightly between providers.

Remote Managed Services

Hardware and software continue to be located on your premises and the partner monitors and controls the devices from their location. The most common services deployed in this model include 24/7 support, infrastructure management, security management and operating system administration.



Infrastructure Hosting

A turnkey IT solution on your provider's infrastructure or relocating your infrastructure to their data center. Typical services include 24/7 support, infrastructure management, security management, operating system administration and disaster recovery. You get the advantage of proven ITIL best practices, world-class technology and compliance experience.

Application Managed Services

This service can be added to remote managed services or infrastructure hosting. This involves managing projects through your application layer. Projects can range from Active Directory, Terminal Services and Microsoft Exchange to more complex applications like ERP systems, business intelligence and data warehouses.

Full Managed Services

A partner runs all your organization's IT functions while your IT leadership focuses on developing IT strategies based on the business' objectives. The IT strategy is then executed by your strategic partner. The partner also handles day-to-day aspects of IT user support.

The Benefits of IT Partnership Real Company Scenario #1

Company #1 managed most of their IT operations in-house, while application and database administration was handled by a contractor. The infrastructure was colocated at a third-party data center. This arrangement created three independent groups managing the various IT projects. In addition, the company had no guaranteed SLAs, no disaster recovery plan, no true 24/7 support, no centralized monitoring, no centralized change management and patches were incremental cost projects.

The company selected OneNeck to manage their IT environment and almost immediately noticed several improvements to performance and cost. Now they receive guaranteed SLAs, disaster recovery with 72 hours RTO and 24 hours RPO, 24/7 live support, centralized monitoring on all levels, centralized change management and issue resolution, patches included in the monthly cost, an upgrade to database 10gR2 and an infrastructure refresh during the transition. In addition, OneNeck projects a cost savings for Company #1 of 37 percent over three years.

Before OneNeck:

Three independent groups managing IT projects

- No Guaranteed SLAs
- No Disaster Recovery
- No 24/7 Support
- No Centralized Monitoring
- No Centralized Change Management
- Patches not included

With OneNeck:

Centralized hosting and management

- Guaranteed SLAs
- Disaster Recovery with 72 hours RTO and 24 hours RPO
- 24/7 Live Support
- Centralized Monitoring
- Centralized Change Management and Issue Resolution
- Patches Included in Monthly Cost

Real Company Scenario #2

Before partnering with OneNeck, Company #2 was hosted and managed by Oracle OnDemand while several integrated third-party applications were hosted and managed in-house. This model created complex dependencies during refreshes, patching and upgrade projects. In addition, Company #2 did not have guaranteed SLAs. At the same time, they had spotty disaster recovery, no centralized monitoring or centralized change management and unpredictable support costs.

When Company #2 enlisted OneNeck for managed services, all applications became centrally hosted and managed. In addition, OneNeck provided refreshes, patching and upgrade projects. Company #2 now had guaranteed SLAs, disaster recovery with four hours RTO and 30-minute RPO, centralized monitoring and reporting on all levels, centralized change management and issue resolution, and fixed and predictable support costs. OneNeck projects a cost savings for the company of 25 percent over three years.

Before OneNeck:

Three independent groups managing IT projects

- No Guaranteed SLAs
- Spotty Disaster Recovery
- No Centralized Monitoring
- No Centralized Change Management
- Unpredictable Support Costs

With OneNeck:

Centralized hosting and management

- Guaranteed SLAs
- Disaster Recovery with 4 hours RTO and 30-minute RPO
- Centralized Monitoring
- Centralized Change Management and Issue Resolution
- Fixed and Predictable Support Costs

Summary

The examples depict real cost savings from leveraging OneNeck's hosted and managed services. In both situations, the companies lowered costs with centralized operations, improved system performance, overall user experience and customer service.

There's no right way to manage your IT infrastructure. If you first identify the key issues and accurately determine the cost of those areas within your business, that will help you understand the costs and benefits of working with an IT services partner.

Next, look at the management models available and compare the strengths and weaknesses of each, paying close attention to cost impact and your strategic business needs. Once these issues are clear, making the decision becomes much easier.

About OneNeck IT Solutions

OneNeck IT Solutions LLC offers hybrid IT solutions including cloud and hosting solutions, managed services, enterprise application management, advanced IT services, IT hardware and top-tier data centers in Arizona, Colorado, Iowa, Minnesota, New Jersey, Oregon and Wisconsin. OneNeck's team of technology professionals manage secure, world-class, hybrid IT infrastructures and applications for businesses around the country.

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