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The Ultimate Buyers Guide to Managed IT Services

Technology is seen as a key driver of innovation and efficiency. Today's CIOs are no longer solely responsible for the management of IT, but now for supporting business growth by reducing costs, increasing efficiencies and driving innovation, all in effort to build a strategic advantage.

Keeping an IT environment running smoothly requires constant attention and the availability of a highly skilled staff. Yet, many organizations are overwhelmed by rapidly changing business demands and the ability to retain proper IT talent.

That's what makes managed IT services an attractive alternative to traditional in-house IT service delivery. Managed services can help free you from necessary, but time-consuming IT tasks like monitoring and managing your IT infrastructure.

In an effort to help, we offer this eGuide to you to provide an in-depth overview of managed services and what you should consider...

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Defining Managed Services

Many business executives and IT managers are faced with the challenge of keeping up with technology changes to meet the increasing demand for IT services, all while IT budgets are shrinking. Every IT activity needs to be justified to find funding and support.

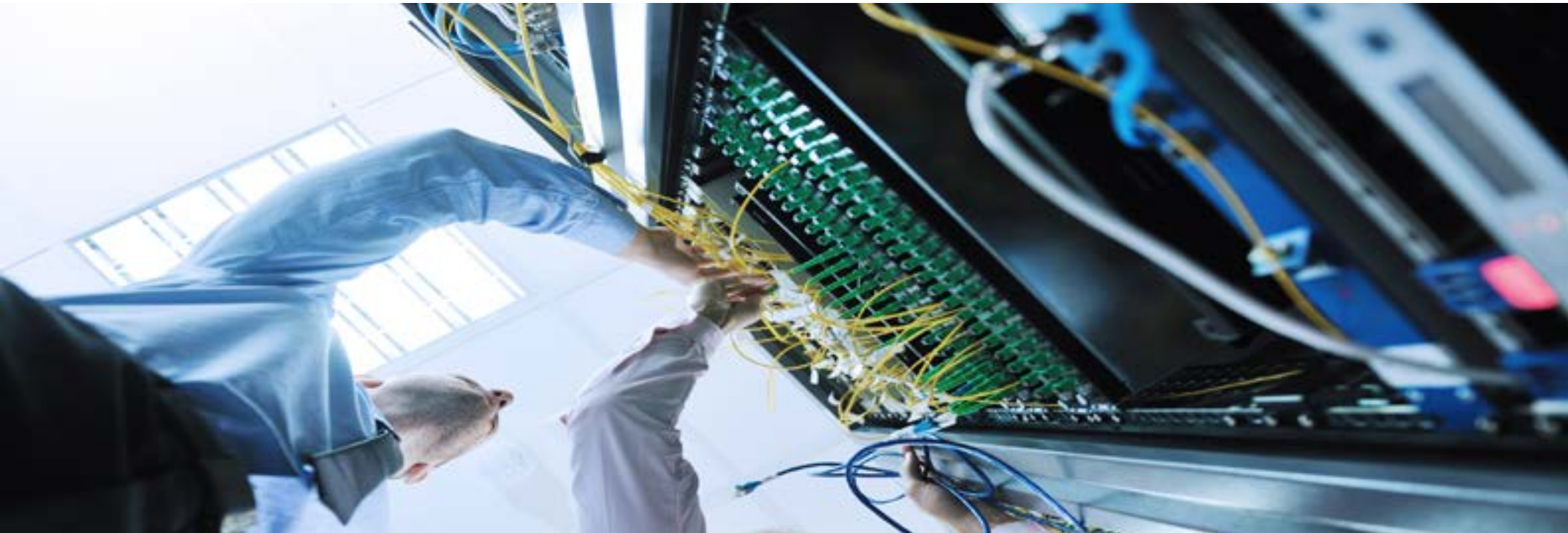
Managed services allow a business to offload IT operations to a service provider, known as a Managed Services Provider (MSP).

The MSP assumes an ongoing responsibility for 24-hour monitoring, managing and/or problem resolution for the IT systems within a business.

Managed Services are designed to meet the needs of a wide variety of businesses. Nevertheless, these services have a fixed scope and feature set. Managed services providers create a consistent service catalog that is used by all the provider's customers.

Managed services allow a business to:

- Free internal resources to focus on more strategic business initiatives
- Be proactive versus constantly living in a break-fix mentality
- Leverage a team experts across a variety of platforms, technologies and applications



How are Managed Services Purchased?

Managed services are contracted IT services, with definitive contract durations and terms. The managed services terms are described in a Master Services Agreement (MSA) and a Service Level Agreement (SLA). These two documents define the relationship between the services delivered by the provider and the business requirements of the customer.

The MSA provides the complete scope of services a business is contracting from the service provider. The document spells out the service methods and processes, data privacy requirements, and financial penalties for failing to meet the terms of the service contract.

The SLA describes the performance guarantees the service provider is making related to the contracted services. These performance guarantees may include infrastructure uptime and availability, service incident response time, and data recovery time objectives. Typically, companies will set allowable thresholds for the performance guarantees and require the service provider to pay financial penalties if thresholds are breached.

The subscription term can vary and the provider may bill using either a flat-monthly or pay-per-use billing model – depending on the nature of the service. The subscription price typically is determined by one or more of the following variables:

- Number or types of services managed
- Number of users or devices
- Types of services/ features that are delivered



What IT Functions are Delivered as Managed Services?

Below is a list of the most common types of managed services your business can benefit from. It's important to note that this list is not all inclusive and services will vary from provider to provider.

Managed Applications - Services can include: monitoring, reporting, patching/ updating, as well as security, configuration and incident management of applications.

Managed Backup & Disaster Recovery - Services can include: customized disaster recovery or backup plan based on a business unique needs

Managed Communication & Collaboration - Service can provide support and management capabilities for voice, video, contact center, and collaboration.

Managed Database - Services can include: deployment, configuration and monitoring of database application, database management documentation, monitoring, administration, and security management.

End User Support - Services can include: patch/hot fix management and/or centralized virus control for desktops associated with a managed IT environment.

Managed Network - Services can include autonomously managed Wireless Access Points, load balancer appliance management, router & WAN management, switch and cloud management.

Managed Security & Compliance - Services can include: web content filtering, firewall management, email archive, continuity and data protection services.

Managed Servers - Services includes monitoring, reporting, patching & updating, incident management, configuration management and security management.

Managed Storage - Service can include remote monitoring and management, deployment, updates, and troubleshooting.



Why Businesses Are Demanding Managed Services

As cited in *CompTIA's 5th Annual Trends in Managed Services* report, "Research firm MarketsandMarkets predicts that the global managed-services market will grow from \$107B in 2014 to \$193B by 2019, at a Compound Annual Growth Rate (CAGR) of 12.5%. North America is expected to be the largest managed services market in terms of revenue generated." What's driving the rapid adoption?

As data center technology changes and increases in complexity, the difficulty of finding, hiring and training specialized IT staff is increasing. Similarly, as companies grow and new divisions or remote offices are added across disparate time zones, it is becoming more challenging to provide around-the-clock IT support.

Managed services help IT combat their challenges while also delivering maximum value to the organization by:

- Freeing in-house IT talent to focus on core business objectives by offloading the day-to-day focus of managing IT operations to a third-party expert with 24/7 support
- Increasing operational efficiency, reducing risk and increasing agility/scalability
- Achieving better economies of scale
- Gaining access to world-class expertise and capabilities



Main Factors Driving End User Managed Services Decision



CompTIA

Source: CompTIA 4th Annual Managed Services Trends Study | Base: n=224 end user businesses using managed services

ROI of Managed Services

With managed services, businesses can shift their spending strategy, freeing up resources and potentially cutting costs. But how can you make sure your business will reap these benefits? How do you begin to figure out the ROI of managed services? Here are a few areas of consideration for calculating ROI:

Opening up cash flow

Traditionally, IT expenses have fallen under the umbrella of capital expenses or CapEx. With managed services you can move from from a CapEx model to an OpEx model. You only pay for the services you need, when you need it, reducing in-house IT costs.

Benefits include:

- Easily consumable, per line item type of service offering more granularity
- No upfront investment in most cases (or minimal to get things on-boarded to managed services)
- Predictable cost model/growth model

Expertise without hiring a full-time employee

Keeping an IT environment running smoothly requires constant attention and the availability of a highly-skilled staff. By taking advantage of managed services, companies can eliminate the burden of finding and retaining talent with all the necessary skills.

Benefits include:

- Access to service provider expertise and capabilities across multiple technologies
- 24/7 support without having to staff internally for it

Downtime

Today's businesses are heavily dependent on IT. This increased reliance on 24/7 access to data and mission-critical applications to get business done, makes high availability a top priority for IT. Managed service providers can help ensure uptime, security, power and redundancy requirements are met.

Benefits include:

- Transference of responsibility and SLA to a service provider
- Leverage of a much larger team to ensure a timely resolution
- Guaranteed/contracted SLAs for the services provided
- Recommendation and second set of eyes to provide architecture recommendations to help avoid unplanned downtime



Cost savings

CIOs are not only tasked with the management of IT, but also with supporting business growth by reducing costs. Organizations are also being asked to do more with less resources. Managed service providers are a key component to ease the burden and free up IT staff to focus on strategic, mission-critical projects.

Benefits include:

- Cost savings, dependent on the managed services level provided and services transitioned
- Ability to refocus of IT staff to core business initiatives

Enhanced levels of service

Many managed service providers offer a comprehensive suite of services such as cloud infrastructure, application, database, network and security management solutions and often, employ best practices, especially the ITIL (Information Technology Infrastructure Library) approach. Many internal IT departments just can't match this level of service.

Benefits include:

- Enhanced security
- ITIL framework
- Change management provided by service provider
- Comprehensive reporting and visibility
- Access to enterprise monitoring tools and software



Selling the Idea of Managed IT Services to Your CFO

Does your CFO play an integral role in your IT outsourcing decision? If so, are you struggling to speak the same language to get their buy in? Here are a few ways to help sell the idea of outsourced IT support to your CFO.

Source: [Stephanie Overby](#) , CIO.com.

Calculate the costs. Prepare to give detailed comparisons of in-house IT costs vs. outsourced IT costs. The comparison should include the CFO's objections, and consider the impact of potential inflation, deflation, demand management and anticipated growth or contraction. This discussion may give your CFO pause. So prepare to make your case.

Think like a CFO. Try to understand your CFO's objectives so you can compile data from financial statements that proves your point. You might also consider adding financial staff to your IT department so they can help develop the statistics to support your argument

Consider the what-ifs. CFOs worry about risk management; how will the outsourcing plan work if the business doubles in size; or if it sells one of its units? Be ready to explain how your IT plan will work under a variety of situations.

Explain the non-financial values. List the cost-savings that would result from outsourcing IT, including how your company could meet compliance and security risks, and avoid potential penalties.

Look at IT outsourcing from a different perspective. Outsourcing might save your IT department money, but it could also add costs in other areas, such as the cost of audits, travel, security or communications. Your CFO will look closely at these issues. Be ready to defend **your** case.

Consider portfolio-management principles. CFOs consider business decisions as portfolio management. They'll want to ensure outsourcing is a cost-saving methodology. Back this argument with statistics.

Get the CFO to sign off on the terms. If you outsource IT, this may mean that you have to take on costs for updated infrastructure and remediation. Be sure to analyze the pricing schedules, necessary asset sales, and buyback provisions, as well as other aspects. Put your plan on paper before presenting this to your CFO.

Why you want to keep some things in-house. Your plan may mean that some services remain in-house; explain why doing this is a good idea.

Measuring success or failure. You'll need to evaluate the success of outsourcing IT. Metrics are important for evaluating the impact on your business in the future, and your CFO will demand a method for evaluating the success of outsourcing IT. Do your homework!



Considerations when Selecting a Managed Services Provider

As you've learned, a managed service provider can be a true partner by developing a relationship that ensures that they understand your business and will choose the right applications for the right platforms to maximize your value.

Many MSPs do not offer a full service offering that extends beyond managing network infrastructure and basic software infrastructure.

The decision of which service provider to partner with will shape the future of your business, so it's important to know what to look for...



The managed services market size is estimated to grow from **145.33 Billion in 2016** to **242.45 Billion by 2021**.

Research and Markets, Sept 2016



A **DEEP** Bench of
People & Services
a **MUST**

Consideration 1: Depth

A growing infrastructure and evolving technologies place an overwhelming strain on an IT department that may possess limited or specialized knowledge. Collaborating with an MSP is an easy and cost-effective way to add professional skill sets to your team.

An effective managed service provider has a deep bench of personnel with experience in deploying a wide range of delivery models, including traditional IT, managed services and a choice of cloud models: public, private and hybrid.

Even if you're currently using one model right now, that may change in the future as your business needs evolve. You need a partner that can make the transition along side you, without having to vet yet another partner or service.

Consideration 2: Proactive

“If it ain’t broke, don’t fix it,” isn’t always the best approach, and certainly the wrong approach for managed IT services.

Managed service providers need to be proactive and constantly working to improve operations to prevent problems such as unplanned network downtime or a data breach. Threshold based predictive analytics are implemented throughout, ensuring the MSP knows before something breaks.

Proactiveness is key in securing your managed assets against threat. An experienced managed services provider is diligent in patching and addressing exploits before they become security compromises.

A **PROACTIVE** Stance
NOT Optional





A Combination of **KNOWLEDGE & PROCESS**

Consideration 3: Knowledge & Processes

Managing your systems and infrastructure is your managed service provider's primary business, and therefore, they need to be up to date on the latest technology and employ best practices.

When choosing an MSP, you should also consider the knowledge and experience of the company and its team. A reputable MSP will have staff who have earned industry certifications and have established partnerships with major vendors, demonstrating their proven ability to understand and manage various components of technology.

Best practices, such as the ITIL (Information Technology Infrastructure Library) framework, aligns business goals with IT requirements, such as utilizing a service catalog, standardized operational procedures, and customer operations handbooks and run books. Ask your managed service provider for a list of their best practices and ensure their processes are validated with a commitment to annual audits.

Consideration 4: Coverage

Service Level Agreements (SLAs) are critical for you to review and understand. An MSP should include provisions such as:

- Guaranteed uptime
- Security
- Power
- Redundancy

The SLA should spell out procedures for backup and disaster recovery, as well as physical and cybersecurity.

In addition to defining the challenges and proposed solutions with response times and metrics, SLAs should include qualifying details for service credit when performance metrics are not met.

Be diligent in your SLA review to make sure that you have a strong contract in place that covers all your critical requirements.



Ensure You're

COVERED

No Matter What.



A **VERSATILE** Provider Grows with You

Consideration 5: Flexibility & Versatility

As your business grows and changes, your managed service provider needs to assure you that they are your true partner and accommodate your changes - with flexibility. Require that your SLA spells out exactly how your managed service provider will address issues such as spikes in traffic, overall growth, migration to other operating models and even downsizing.

As more and more organizations are moving towards a hybrid IT approach, remember that hybrid IT is not total outsourcing. It's maximizing your investments and supplementing with just the right level of third-party support. This means you need a MSP that is diverse and can offer services where you require them.

Providers should be able to offer services in multiple IT environments, regardless of the deployment model. Ask any potential partner about their experience in managing services in a diverse range of environments.

Consideration 6: The Right Tools

Since MSPs have already invested in the advanced technology and training necessary to build an expert team and systems, by leveraging a shared model, you gain access to the best tools and talent available to manage your IT environment — without having to invest in costly software solutions or stay on top of upgrades.

Advanced managed services require the ability to deploy a proactive service level toolset that monitors all aspects of an environment, including the core internal network infrastructure, virtualized servers, storage and both internal and cloud-based applications and resources. The right tools enable predictive monitoring services that help ensure uptime and higher service levels via proactive and reliable notification of potential issues.

Your MSP should be utilize a service ticketing system that allows you to submit a ticket and automates workflow for triage, prioritization, scheduling and escalation. Ask for a demonstration of their tools and validate they have the right solutions in place to keep you up and running.



The **RIGHT TOOLS**
for the job means
the **Right Solutions**



Breathe Easy with
a **STABLE** Partner
by Your Side

Consideration 7: Stability

Make sure that the provider you select is a well established, stable business that will be around for years to come. Check customer retention numbers and their financial history, as well as growth in a variety of vertical markets.

Although many MSPs offer monthly plans, it is better to approach an MSP relationship as a long-term partnership. Managed services aren't a quick fix situation. It takes time, often months, to develop a mutually-beneficial relationship with an MSP. It's key that a thorough understanding of your business goals, challenges, current environment and expectations is established from the onset. Shy away from providers that promise instant results.

By taking the time necessary to develop a long-term relationship with a well-established provider, you will save money in the long run and benefit from an IT environment that is more scalable, resilient and in alignment with your goals.

Consideration 8: Availability

Your IT needs aren't limited to 9-5 business hours. One of the major advantages of managed services is being covered 24 hours a day, 365 days a year. Ask potential providers about their availability, and ensure that they will be monitoring and managing your systems around the clock, year-round.

Make sure that your MSP has designated and provisioned support personnel readily available to help. Ideally your service provider has a Network Operations Center (NOC) who is monitoring your infrastructure health and can work with you immediately, regardless of the time of night. Try calling the number they provide at night and see who answers.



AVAILABLE

Morning, Noon or Night
& Anywhere in Between

The OneNeck Difference

Whether you are looking to outsource all or part of your IT needs, OneNeck IT Solutions is a turnkey, full-service managed service provider with 20+ years of experience. Our certified experts are experienced in deploying services in a variety of IT environments, and our goal is to improve your efficiency so your internal IT staff can focus on your strategic initiatives.

Our US-based [managed services portfolio](#) includes:

- [Servers](#)
- [Applications](#)
- [Communication and collaboration](#)
- [Database](#)
- [Enterprise Applications \(ERP\)](#)
- [Network](#)
- [Security](#)
- [Storage](#)
- [Cloud](#)

Our goal is to offer best in class services using our tools, our technology and our tried-and-true best practices. We're here to give you relief from the mundane so you can focus on the strategic.



This list includes the world's top 501 MSPs. OneNeck is #8.



OneNeck appeared on the 2016 Hosting 100 list, which identifies top technology providers positioning managed services to help customers gain a competitive advantage.



Listed at #81, this list ranks the top revenue-generating technology integrators, MPSs and IT consultants.



This list recognizes solution providers for investing in certifications & employee technical skills. OneNeck earned place on lists in 2015 & 2016.

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