Managed Services Whitepaper

In today's world, organizations of all sizes rely on Information Technology for the successful operation of their business. It's that simple. Whether you are a multinational Fortune 1000 company or a small, single-site law firm, you rely on information technology pretty heavily in order to conduct business. When things don't work, there's both direct and indirect costs that impact the well-being of your business.

The direct effects are pretty obvious. There are the costs from your IT services provider to fix whatever is broken and maybe the cost of employees' time who couldn't perform their job due to the IT interruption. However, the soft costs, or indirect costs can have an even higher level of impact on the business. These are a little more difficult to see and sometimes hard to quantify, but make no mistake they are real and they can impact the business in a negative way. Some examples of this might be: reduction in the quality of your customer's experience, negative perception of the level of information security, reduced employee satisfaction and lost business opportunities. If the interruption involves a complete loss of data, the impact is even more significant. Industry experts estimate that an organization that sustains a complete loss of data usually ends up closing its doors within three years. It doesn't get more significant than that.

If it's a given that IT is central to a business' ability to deliver a product or service to its customers, then IT has to be treated with the same degree of importance as any other business asset. Businesses can chose from a number of methods to maintain their information systems' viability.

First is *do it yourself*, or "DIY". In this method, no one really "owns" the responsibility for IT, so it is shared among one or more employees who jump in if / when things go awry. Generally, the employee who stands in as the IT "expert" has no formal training and is usually not well experienced in all facets of the IT environment. The second method is *reactive*, or "break / fix" services. In this method, an outside IT services vendor is utilized to respond, hopefully quickly, to any IT anomalies. This method is better than the first, but not by much. If there's downtime then the business stops or at least slows down. The third method is *proactive*. In this scenario, an outside IT services vendor might be using software tools to monitor the health of your IT systems and take action proactively when needed. This method is better than the prior two methods, but still has some problems such as unpredictable costs, the amount of time required to fix issues and business interruptions. The fourth method is *in-house IT staff*. In this

method there is one or more dedicated employees whose sole job is to manage and maintain the business' IT systems. While this is the best option discussed thus far, it's a long way from being perfect. Recruiting and hiring dedicated IT staff can be very daunting. Generally, the leadership in the business, who are primarily responsible for hiring IT staff, are not IT experts themselves and, many times, end up hiring people who are less skilled than they appear to be. On top of that, IT staff, just like any other employees, take vacations, get sick and take personal leave. Who fills the void while the "IT expert" is not available? Many businesses revert back to one of the prior three methods discussed which potentially exposes the business. Worse yet, what happens when the IT staffer decides to leave the business for another career opportunity? Then the whole process starts all over again.

As you can see, the challenge of ensuring the on-going viability of the IT environment is fraught with potential pot holes. At the center of consideration is the critical nature of dependable IT systems in the overall success of the business. It's enough for many business leaders to throw their hands up in frustration. Luckily, there is a better way.

Enter **Managed Services** to save the day. This is the final and best method for most small to medium sized organizations to handle the IT needs of their business. In this method, a Managed Services Provider (MSP), such as **CPI**, owns the responsibility of the day-to day IT operations. This service is performed on a fixed monthly fee so there are no financial "surprises" to contend with. Managed Services is an "all you can eat" type of offering meaning that there is no limit as to the number of incidents handled during the course of a month. However, unlike any of the other methods discussed previously that involve an outside vendor, a Managed Services arrangement puts the provider in the same mindset as the customer. The provider's profitability is directly related to the number of incidents it handles. The fewer number of incidents the greater the profit. Therefore, the MSP (Managed Services Provider) wants the same thing as the customer….fewer IT interruptions and a robust "care and feeding" mechanism that delivers viable and dependable IT systems at the lowest possible cost. On top of that, a good MSP will be producing monthly reports detailing the current health of the IT systems, the list of proactive services applied to keep the environment viable and quarterly account reviews to highlight trends the provider is seeing within the customer's user population. Annually, a capable MSP should be making recommendations to the business' stakeholders to keep the IT environment current. In this method, there are no fingers to point as the MSP is solely responsible for everything in the IT environment. Furthermore, the MSP employs a team of people that work to keep their customers' IT systems up and running. The business no longer needs to deal with vacation time, sick time, personal leave or employee terminations. All of these services are provided at a cost that is typically much lower than having a full-time resource dedicated to IT.

Clearly, this is the absolute best way for a small / medium business to ensure the on-going availability of their IT systems. Again, if the organization heavily relies on their IT systems to successfully conduct its business, as most organizations do, then doing everything necessary to ensure the availability and security of those systems is of the utmost importance. Successful business run on dependable IT systems and Managed Service Providers can keep them running smoothly.