

MANAGED IT SERVICES **BUYERS GUIDE**

MANAGED IT SERVICES EXPLAINED!

Achieve Peace of Mind
for Your Business



Learn the Benefits of Managed IT

How Much Should Managed IT Cost?

We Cover the 6 IT
Managed Service
Pricing Models

Keep Your Business Healthy
with Maximize Productivity,
Predictable Budgeting and more!

centerpoint
making IT simple for you

If you've decided to take a serious look at working with a Managed Services Provider – more typically referred to as a Managed IT Provider – you've already completed step one of the process. Managed IT is the direction you're wanting to take your business in, which means you've got a pretty good idea of what you want out of your IT support.

Because you're a savvy business professional, step two is learning exactly what Managed IT has to offer and figuring out how to match your expectations with reality. And Centerpoint IT is going to help you do just that.

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What Are Managed IT Services?

One of the most common questions we are asked is, “*What are Managed IT Services?*” The simple answer is Managed IT Services are peace of mind for your business. The peace of mind that your business technology (data network devices, workstations, servers, software, security, endpoints and more...) is being actively managed to keep your business running smoothly and keep your information safe.

The technical answer is that “Managed IT Services” are a business model where companies hire professional IT people to monitor, manage and maintain their entire IT infrastructure.

Instead of calling a break/fix IT company when something goes wrong, you have a full team of IT specialists working for you around the clock. This benefits your business because your technology will receive regular proactive maintenance. Managed services work best when the provider keeps all your networking and computer equipment functioning optimally all the time. And this is definitely the best solution for your business.

Servers, routers, computers, etc. actually last longer and perform better when they receive regular maintenance. If you wait till something breaks, then you're basically shortening the life of your equipment. And this type of equipment is often pretty expensive. In the long run, you will save money and experience fewer technology headaches.

What is a Managed Service Provider?

A managed services provider (MSP) is an information technology (IT) company. They hire engineers and IT specialists. They are often certified partners with industry leaders like:

- Microsoft
- Dell
- Lenovo
- VMWare
- Netgear
- Sonicwall
- Allworx
- Many others

With a wide range of experienced people, a managed IT company can address just about any type of problem you might be having. They don't just fix broken computers. They can help you develop a new design for your Wi-Fi or install new cabling to accommodate video surveillance cameras.

They also offer a wide range of other services that can benefit your business including:

- IT Consulting
- Cloud Services
- Cybersecurity Services
- Virtualization
- Email/Spam Protection
- Business Phone Systems
- Video Surveillance
- IT Security
- Backup & Disaster Recovery Services
- Cabling Services
- Audio-Visual Systems and Services
- IT Audits
- Virtual CIO Services





Managed service providers usually offer various service packages that can be customized so that you get only what you need at a price that fits into your budget. Your service level agreement (SLA) will outline your services and the prices. Many companies like this type of agreement because it will cover anything and everything that could go wrong with their IT equipment for the same price each month. This alleviates your worries about your IT infrastructure plus it typically provides worry-free maintenance that will keep your network in best working condition.

5 Managed Service Provider Tips That Protect Your IT Investment

1. Outsource Your Internal IT Department

Those with an in-house computer technician may think they're saving money but with today's hefty salaries in this industry, it's often not a bargain.

Even when businesses have talented IT people or staff there are always areas that need attention and support. With hundreds of customers, Centerpoint IT has the experience to guide your business to use technology as an effective business tool and help proactively avoid issues.

2. Early Issue Detection Reduces End-User Delays

Often, day-to-day computer issues do not get immediately noticed. Managed IT providers run monitoring and reporting tools that identify the unknown items. They will report their findings when a potential problem gets discovered. That way, the problem gets fixed before it causes frustration and downtime for your employees.

3. Remote Technical IT Support Shortens Response Times

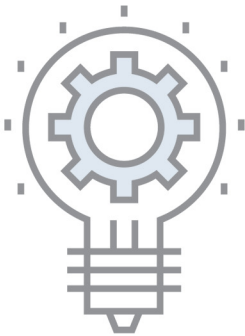
Often workstation issues can get solved remotely, eliminating the expense of a technician doing an on-site visit and assessment. This is a fast, easy way to resolve common computing issues so your employees can get back to work.

4. The Break/Fix Model Forces Companies to Pay High Incident Fees

Undetected IT issues become expensive break/fix fee incidents. That happens when a system isn't monitored correctly. When the server and network outages keep happening, this is a sign there may be deeper problems that could be expensive to repair.

5. Managed IT Helps Avoid Unanticipated Costs

When mission-critical technology fails, this can cost your company in several ways. First of all, your workflow is disrupted. Your employees can't work. During any downtime, employees still get paid (often overtime), which includes paying the in-house technical support personnel, possibly paying outside consultants and most likely a loss of business.



Technology Can Drive Revenue and Innovation

When your IT infrastructure works, it can significantly increase the productivity of your users, but what about goals specific to your company? Your Managed IT provider serves the role of a consultant for your business development regarding how technology can drive your business forward. From new solutions to better internal practices, your goals can be reached through the professional management of your technology.

When you partner with Centerpoint I.T. you'll have a dedicated technology team working to help you succeed in business. We'll keep your IT infrastructure running in peak condition. This allows you to focus on building your business. So stop stressing out over your technology issues and team up with a dependable managed services provider who understands how important your business is to you.



What Are Separate Components of Managed IT Services?

In the area of Managed IT services, there are three primary components that requires some form of mandatory and ongoing monitoring and management. These three elements are your Infrastructure, your Platform, and your Software. Regardless of your industry, these basic building blocks are what forms your IT system foundation and the starting point which falls under Managed IT Services.

Are There Additional Managed IT Services Components?

Yes, there are. As we continue, we branch out to observe the other subsets of functions and features that seamlessly work hand-in-hand with your main components. These additional Managed IT service components are as equally important.

Do note: All parts and elements require policies, processes, and procedures. Once instituted, mandatory and continuous enforcement, reporting, and updating are used to monitor, detect, quarantine, and manage your entire network.

As you review the short list of the additional units below, most of the items listed, you may not be aware of or know of their existence. The reason for this is, these are the unseen elements behind the scenes, which give you, your staff, or your clients a tremendous uninterrupted experience when using your devices or web browsers.

Bear in mind though, each item listed can and will affect your system positively or negatively.

The thing to always remember; continuous monitoring and management is the critical differentiator and what keeps your system healthy.

- ✓ APIs
- ✓ Applications
- ✓ Business Processes
- ✓ Communication
- ✓ Content
- ✓ Data Analysis
- ✓ Data Processing
- ✓ Data Storage
- ✓ Data Virtualization
- ✓ End-User Devices
- ✓ Information Security
- ✓ Internet of Things (IoT)
- ✓ Knowledge Management
- ✓ Media
- ✓ Systems

Also, be aware; technology is always evolving with sweeping advances. What was new, eventually became commonplace. What was commonplace, became outdated; what became outdated, could not transition. So, the obsolete saw a new transition.

For example, Infrastructure, Platform, and Software are also witnessing the transformation within themselves. From horizontal deployment to vertical. i.e., from infrastructure on a physical device to infrastructure in the cloud, or software across a physical platform to software as a service.



So, on the short list above, we could also add Infrastructure, but it would then be known as Infrastructure-As-A-Service (IaaS). The same “As-A-Service” would also apply to Platform (PaaS), and Software (SaaS).

The Three Primary Physical Components Defined

Infrastructure – In the fields of IT service management and IT management, each industry relies heavily on the IT infrastructure. The way an IT infrastructure (ITI) is defined comes down to the computer, network hardware, and facilities, all physical elements forming the ITI. That is a stripped down and basic description of an IT infrastructure.

Platform – A computing platform is an environment on which computer programs run, in which a piece of software gets carried out. The platform might be an operating system or the hardware. Computing platforms have different abstraction levels with varying amounts of detail, including runtime libraries, an OS, or computer architecture.

Software – Or computer software is, at its base level, computer instructions that tell the computer how to work or a collection of data. That is opposite to physical hardware, from which the system performed the work and got built. Computer software includes computer programs, libraries and related non-executable data, such as online documentation or digital media.

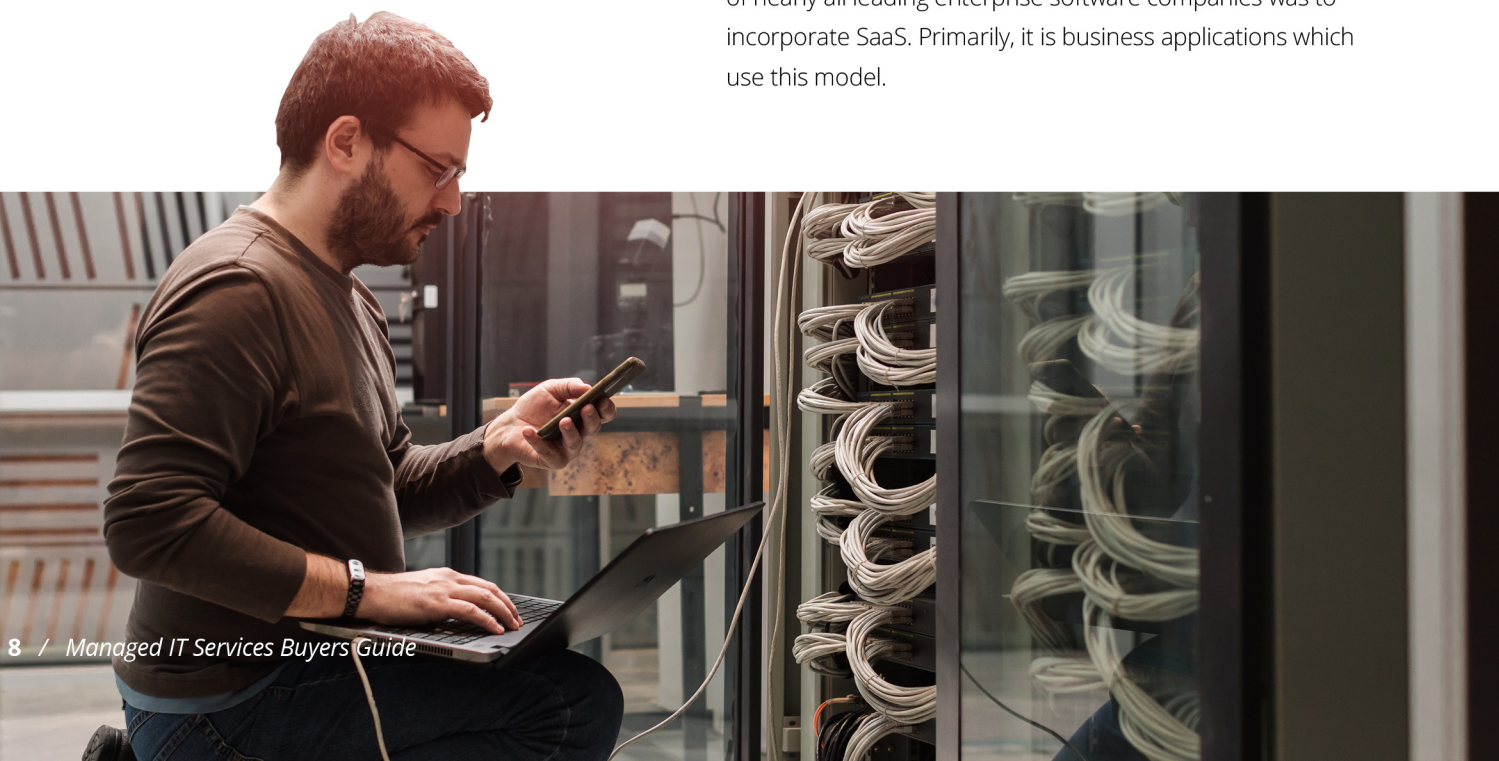
The Evolution of Each Component to the Cloud

Now let's look at how our three components have evolved and transitioned to the cloud. As a reference point, IaaS, PaaS, and SaaS have become the three main categories of cloud computing services, that are also a component of Managed IT services.

Infrastructure as a Service (IaaS) – is a form of cloud computing. Over the internet, IaaS provides virtualized computing resources. IaaS is a Virtual Machine (VM) that does not need to access a network infrastructure on a physical computing device. Within the cloud operating system, there is room and support for large numbers of VMs. That allows for adding or discontinuing services at any time.

Platform as a Service (PaaS) – is a category of cloud computing services. PaaS provides a platform allowing users to develop, run, and manage applications. It eliminates the complexity of building and maintaining the infrastructure for the applications. PaaS gets delivered in three ways: 1) public cloud service, 2) private service behind a firewall, 3) software installed on public infrastructure as a service.

Software as a Service (SaaS) – is a software licensing and delivery model. The software is centrally hosted, licensed, and offered on a monthly or annual basis. SaaS is the standard delivery model for most applications. The strategy of nearly all leading enterprise software companies was to incorporate SaaS. Primarily, it is business applications which use this model.





Which IT Functions Get Delivered Through Managed Services?

These days, it's almost like ordering from an IT managed service provider's menu. Just about every type of IT function gets outsourced to an MSP. When your company needs several individual offerings; the MSP has a solution for those specific IT function needs. What about comprehensive end-to-end service? Once again that provider has just the right answer for those situations too!

What Are The Nine IT Functions Delivered Through Managed Services?

The different varieties of managed IT functions will vary. However, should you only want to outsource a single service, i.e., managed communications, a third party MSP would assist you. On the other hand, let's say your business IT needs is now at the point where an integrated suite of services is the right choice.

Where would you turn? And once again, that same managed service provider, would have a plan and possibly an integrated suite of service packages, that get tailored to your company's IT needs. To get you started, we've gone ahead and listed nine standard IT functions that get delivered through managed services.

1. BUSINESS INTELLIGENCE & DATA ANALYTICS

Managed Business Intelligence (BI) is a comprehensive term encompassing data analytics and other reporting tools that help in decision making using historical data. Managed Data Analytics focuses on algorithms to determine the relationship between data offering insights.

2. CLOUD INFRASTRUCTURE

Managed Cloud Infrastructure enables MSPs to manage cloud infrastructure by standardizing interactions between cloud environments. It also allows greater control over specific services to outsource while achieving interoperable cloud infrastructure management between consumers and service providers.

3. COMMUNICATIONS

Managed Communications is a merging of data, voice, and video on the same IP Network. Along with that comes a managed contact center. The center will combine two sections into one. On one side there are the traditional call center features. On the opposite side, is the intelligent IP call routing, integrating email, phone, web, IM, and fax.

4. NETWORKS & INFRASTRUCTURE

Managed Networks and Infrastructure includes IP Virtual Private Networks widely used for secure, high performance, cost-effective networking. When handled it eliminates the cost of maintaining a data center via a Service Level Agreement (SLA), as Wide Area Network (WAN) and Local Area Network (LAN) services do.

5. PRINT SERVICES

Managed Print Services (MPS) performs a requirements assessment before proceeding. Based on the results, then a partial or complete replacement of existing hardware is reviewed. The equipment may include faxes, photocopiers,

printers, scanners, and any multi-function product/printer/peripheral (MFP) devices. The managed service provider will oversee and service equipment, and provides parts and supplies.

6. SECURITY SERVICES

Managed Security Services (MSS) are network security services that get outsourced to a service provider. The “defense-in-depth” functions include 24/7 monitoring and management of firewalls and intrusion detection systems. The MSS also responds to emergencies, performs security assessments and security audits, oversees patch management and upgrades.

7. SOFTWARE AS A SERVICE

Managed Software as a Service (MSaaS) is a managed service: providers will deliver, host, improve and update applications for clients. MSPs do resell this service and assist with the integration of cloud and on-premises apps. The MSaaS helps organizations with analytics, implementation issues which include hardware, hosting services and software, for a predetermined and contractual time frame.

8. SUPPORT SERVICES

Managed Support Services takes care of traditional Help Desk features, i.e., the Help Desk functions might be Ticketing for IT Support. Support services get offered in tiered models. Typically provided in blocks of hours or unlimited time frames. Layered models regularly get offered in bundled, On-Demand or On-Site, support packages.

9. WIRELESS & MOBILE COMPUTING

Managed Wireless and Mobile Computing enable wireless capabilities without incurring the capital expense (CapEx), the time and financial expenditure associated with implementation. With managed WMC there is an increase in productivity and collaboration and a decrease in deployment effort and complexity.

What Are Other IT Functions Getting Delivered by an MSP?

The list above is your nine essential IT functions delivered by managed service providers. Below is another list of, a bit more specific IT functions you could outsource as well:

Managed IP VPNs – Virtual Private Networks is the most widely used technologies for cost-effective, high-performance, and secure networking. A VPN permits users to connect over a public internet connection to access their main company network remotely. That allows each employee to work from home or when traveling, while connecting to the company's intranet, giving them access to all their shared network files.

Managed Hosting and Storage – These managed IT functions eliminate costs that will skyrocket when purchasing and maintaining onsite equipment. On top of that, there is the floor space, then hiring personnel, and finally ongoing IT training. Tapping into the service provider's expertise, hardened facilities, and guaranteed SLAs reduces any company or organization's expenses.



Tired Of Faulty Hardware?

Old, ineffective and problem-prone hardware isn't just frustrating. It's expensive - either to repair or replace, with the most expensive cost being lost productivity. Did you know you can totally offload your hardware management and capital expenses by switching to Hardware as a Service?

How many of your workstations or other pieces of equipment are out of date and due to be refreshed? If we're being honest, it's likely you have a couple of clunkers that could be replaced. But you haven't replaced them, and you may not be planning to, right?

Because to do so means paying upfront in capital. It's a lot to spend at once, and is often too much for some, depending on your budget.

What if you could eliminate the cycle altogether?

Instead of having to invest in new hardware by paying all at once, and seeing the ROI over the course of its life, what if you could budget for hardware in a "pay-as-you-go" fashion?

I've got good news for you – you can. It's called Hardware as a Service (HaaS)

What is Hardware as a Service?

HaaS is a service provision model for equipment. In simple terms, it's similar to licensing or leasing. Instead of having to purchase your equipment outright, you get your Managed IT Services company to install the equipment for you, and

you rent it from them on an ongoing basis. Each party will enter into a service level agreement (SLA) which defines each party's responsibilities.

Depending upon the terms of the SLA contract, there are usually two payment options:

1. You will pay a monthly fee for using the hardware.
2. The payment gets incorporated into the fee structure for installation, monitoring and maintaining the equipment.

The best part?

If the hardware becomes outdated or breaks down, the responsibility for repairs or replacement then falls to your Managed IT Services company. When the device gets replaced, the decommissioning process begins.

- ✓ Proprietary data gets wiped
- ✓ Hard drives get physically destroyed
- ✓ Old or broken equipment get recycled legally, and it is certified

The key budgetary benefit of this service model is that you no longer have to invest capital in hardware. That funding gets freed up to be used in other areas of your business.

Instead, your hardware, along with any other services provided by your Managed IT Services company, fall under operating expenses, meaning you get an immediate, month by month return on the small flat rate you're paying.

What Does Hardware as a Service Include?

There are six technologies, tied in with HaaS, that can be provided:

Servers

File transfer equipment allows for instant file communication between two or more parties in a company. It's quick and scalable. When leasing a server, either physical on-premises or virtual in the cloud, the file-sharing is at faster speeds with HaaS.

Security Hardware

Security threats will never end, and an outdated firewall leads to security compliance issues. With cybersecurity, firewalls for HaaS have grown in demand and popularity, especially when preventing unwanted malware from entering a computer's system.

Workstations

When it comes to the actual desktop computers you and your staff use every day, your Chicago IT company will install the equipment into your environment. Rather than spending thousands of dollars for dedicated computers, you would use the monthly HaaS equipment option that reduces upfront costs with no change to the end-user.

Data Storage Storage

There are shared and saved files, storage, and backups that must be secured. When your storage appliance runs out of data storing space, that's when networks or computers grind to a screeching halt. When deploying a storage appliance with your Managed IT Services company, your needs are analyzed and storage space is scalable and optimized for storage speed needs.

Switches and Routers

These devices allow workstations to efficiently communicate and route data within your business and internet-connected devices. To run at the best speeds, smart switches and routers are used to route traffic quickly to the correct device, user or private groups on your network.

Virtualization Hardware

Virtualizing your desktops and servers (so that they run on hosted tech or hardware provided by your Managed IT

Services company) means you don't need to purchase or install new computers for your network. With virtualization, now you can operate multiple virtual machines or operating systems on the equipment you already own with software that allows your desktops and servers to be easily connected to new hardware or cloud environments.

What Does HaaS Actually Do?

Beyond the actual hardware and associated services that HaaS offers, you likely want to know – what can you expect as actual benefits of this type of service? In addition to everything explored above, HaaS offers other advantages as well:

1. Ease of Use and Flexibility

When your Managed IT Services company implements, maintains, updates, and manages their hardware, any internal IT personnel you have gain back a significant amount of time.

2. Free Physical Space

If you have some outdated hardware on-premises that need upgrading, that old equipment can easily take up vast amounts of physical office space. Instead of sinking money into new devices, you'll reclaim valuable office space while getting the most recent technologies.

3. Security

As a part of HaaS, your Managed IT Services company will deploy powerful firewalls, virus scanning technology, updating patches and continuous maintenance, keeping you safe from cyber threats. When utilizing HaaS, concern about the security of your hardware is eliminated.



What Difference Will Managed IT Services Actually Make?

Deciding to branch out and work with an IT company can be a big step – but a worthwhile one as well, especially considering the following reasons below.

Making any big change can be a difficult step, especially when it comes to IT. If you've been handling it on your own, or with an internal IT staff, you may wonder why you would bother changing things now.

We're not talking about vague promises like "boosted productivity" or "optimal efficiency" or other marketing fluff. You want to know what Managed IT Services will actually do for you.

Here are 7 key benefits:

1. Save Your Money

Reducing IT costs is one of the most appealing reasons businesses work with an IT company. Businesses that choose to outsource can convert unplanned IT expenses to fixed, predictable ones. This frees up capital for other aspects of their business. Plus, it saves on hiring (and firing) in-house staff, paying benefits such as sick leave, health insurance, and social security. In addition, your IT company will be available 24/7, where in-house staff may take off due to personal issues or illness.

2. Improve Your Customer Service

Working with an IT company, your operation will rarely face issues such as unresponsive systems and downed contact lines. That's because your IT company is working behind the scenes, making sure everything stays operational.





3. Protect Your Business

Security is one of the most important aspects of technology. While technology evolves and data expands, the number of ways your IT network can be compromised increases.

But to make sure your offsite server is secure, it must be continuously monitored and assessed. Your IT company can provide security services, advise you on the credentials of vendors, and conduct ongoing risk assessments to identify network vulnerabilities.

4. Reduce Your Risks

Technical issues can affect more than just your systems – as soon as downtime affects your patients, your reputation is at risk. Patients don't want to worry that their medical

information has been breached, or that a faulty backup means you lost it altogether. With an IT company on your side, you can reduce and mitigate risks associated with IT.

5. Harness New Technology

Many businesses find it difficult to keep up with the latest advances in technology. Outsourcing your IT to a local IT company provides easy access to the latest technology so you can be more competitive in this technology-driven world.

Furthermore, with an IT company, these solutions are less expensive than you if you purchased them yourself. Most IT companies have partnerships with vendors and can provide new technologies at a reduced cost.

6. Simplify Your Compliance

Many businesses require secure technology so they can meet compliance and regulatory standards. Your IT company will know how to address the potential for data breaches, secure your confidential data, and use cost-effective technologies to do this so you comply with regulations. Security risks and compliance issues can cost you dearly in legal liabilities, regulatory penalties, and your good reputation.

7. Grow Your IT With Your Business

As your business grows, your IT needs to grow as well. Keep in mind that new service offerings often come with significant upgrades or new software. Your IT company can provide the flexibility you need to change your products/services or add new ones when required.

Should You Invest In Managed Services?

Maybe – it all depends on what you want from your IT services.

If you're content with your IT staff, or with paying hourly fees to have fires put out when they happen, then you may not need to opt for a different level of support right now. But, if you think you could benefit from a more consistent form of IT support, then maybe it's time to learn more about local IT companies so you can make an informed decision.



What Are The 10 Primary Challenges Of Managed Services?

Believe it or not, there are challenges when using managed IT services. It might be the client's in-house IT department resistance to change, bad experience with a service provider or sticker shock from a price that's more than you expected. However, most often, it comes down to these ten specific challenges which some businesses, facilities, organizations, and government agencies can face with managed services.

Over the years when providing IT Managed Services and working with hundreds of financial firms, legal clients, new start-ups, and multi-location companies, there are specific patterns or events we've witnessed. But guaranteed, in many of those instances, it always seems to lead to some challenge with managed services.

So, in no particular order, we've listed the ten most common challenges of managed services that we've seen over the years. This information should give you some idea of the challenges your company may encounter when moving to managed services.

Overview Of Managed Services Challenges 1-5

With this first group of managed service challenges, we've seen internet concerns, integration obstacles, hidden fees, contract traps, and providers who didn't have experience or knowledge of a client's products or services. Do any of these challenges make your list?

1. Vast Knowledge Gap

Technical acumen around specific products or services means that MSPs cannot be all things to all people. Be sure to map your environment to the provider's areas of skill.

2. Contract Traps

If your provider relationship fails without strict terms of disengagement such as a break clause, the contract may have to run its course before ties with your MSP can be severed.

3. Hidden Fees

Utility-style billing for managed services may obscure upfront costs—a possible network assessment charge and infrastructure purchases are prospective transactions to consider as Capex investments.

4. Broadband Reliance

Remote management of on-premise equipment is dependent on internet uptime, reliability, and connectivity which, along with available bandwidth and redundancy, will require special attention.

5. Integration Roadblocks

Few IT systems operate in isolation — Cloud-based services will inevitably require interaction with another cloud, on-premises systems or applications, the integration of which can prove challenging.



Overview Of Managed Services Challenges 6-10

With this second group of managed service challenges, we've seen issues with flexibility or stringent controls, mandatory compliance and regulations, measuring the provider's levels of performance, enforcing contract terms, and resistance to security measures. It wouldn't surprise us if one or more of these managed services challenges struck a technology nerve with you.

6. Security Resistance

While some view managed services as insurance against security woes, others balk at handing over data to third parties. Look for credentials, certification and customer references demonstrating security expertise.

7. Indecisive Readiness

Do you favor stringent controls and flexibility, or a standard set of practices provided by an MSP? Addressing this question will help determine your organization's readiness for managed services.

8. Undefined Performance

Performance depends entirely on the provider — Your requirements, and any threshold on requirements, should be clearly defined and agreed on by a prospective service provider within the Service Level Agreement.

9. Service Level Agreements

A Service Level Agreement is the core of your managed services contract. Ensure that it covers response time, data security, privacy guarantees and performance targets.

10. Mandatory Compliance

Are you beholden to compliance or regulatory requirements? With laws surrounding privacy, data breach notification and such continually evolving, any MSP must help to achieve and maintain compliance.

To Recap

As you have read, there will be challenges, concerns, refusal to change, pricing issues, even contracts you can't terminate. But before it reaches that phase, meet with an IT Managed Service Provider. Talk with their consultant — IT consultants have witnessed many challenges over the years and know what their IT clients face. In most instances, they were able to resolve the problem.

Maybe you have on-premise issues with your hardware or giving up full control of your data feels wrong, or there's resistance and push back from your in-house IT team who's concerned that you'll end their employment by outsourcing your IT department. That's okay. These are real concerns that we've faced and solved. The right managed service solutions can overcome these challenges.

Optimizing your technology doesn't happen by accident and shouldn't challenge you. But it does require time, expertise, structure and a proven strategy tailored to your needs to create a genuinely efficient IT environment. If you didn't see any of your managed service challenges listed above, reach out and let us know what they are and maybe we've got a solution that no one has ever shown you.

How Do You Buy IT Managed Services?

The simple answer is, you purchase managed services on a monthly subscription plan. What's in that plan will determine what types of IT Managed services and support is needed. Meaning, your business or organization's IT setup is unique. It will never match another company's configuration, even if both firms are in the same industry. IT Managed services are tailored to fit your specific needs.

What Should You Know Before You Purchase IT Managed Services?

When you first contact an IT Managed Services Provider, explaining your need to buy their services, there is basically, two types of IT services you need to be aware of: 1) Reactive Service and 2) Managed Service.

Reactive service is an emergency and your system has crashed. Managed service avoids the crisis because the system is continuously monitored and detects potential issues. Here's how each service function breaks down and looks like:

Reactive Service Stage – Data loss, device failure, network failure, viruses, and malware

- *Break/Fix* – you pay an hourly rate as each issue occurs
- *Responsive* – you're required to pre-purchase a block of hours

Managed Service Stage – Data availability, data uptime, network uptime, malware free devices

- *Proactive* – your contract follows a checklist of preventative maintenance tasks
- *Managed* – you outsource the IT at a fixed monthly investment
- *Utility* – you pay based on usage





There are some managed service providers who prefer to promote the Reactive Service over the Managed Service. Under that model, there are no guarantees the fix will last but could reoccur because it doesn't get monitored, as it would under Managed Services. But we must point out though: Reactive provides no benefit to your company, where Managed always does.

Will IT Managed Services Use Contracts?

Yes, Managed services fall under contracted IT services. The Master Services Agreement (MSA) and a Service Level Agreement (SLA), spells out in great detail, the definitive contract durations and managed services terms. These two documents define the relationship between the business requirements of the customer and the services that get delivered by the provider.

The Master Services Agreement provides the complete scope of services the stated 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.

What the Service Level Agreement 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 limits get breached.

The contracted subscription terms can vary. 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 of users and devices
- ✓ Number and Type of managed services
- ✓ Types of functions and features that get delivered



What is the ROI of IT Managed Services?

With managed services, businesses can shift their spending strategy, freeing up resources and potentially cutting costs. When calculating ROI consider the list below:

Opening Up Cash Flow

Traditionally, IT expenses get categorized as capital expenses or CapEx. With managed services, you can move away from a CapEx model to operational expenses or OpEx model. So, now you only pay for the services you need, when you need it, reducing in-house IT costs.

Expertise Without Hiring a Full-Time Employee

Keeping an IT environment running smoothly, does require 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.

Downtime

Businesses have become heavily dependent on IT. That increased reliance on mission-critical applications and 24/7 access to data, make high availability a top priority for IT. Managed service providers will help ensure uptime, security, power, and redundancy requirements get met.

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 fewer resources. Managed service providers are a vital component to ease the burden and free up IT staff to focus on strategic, mission-critical projects.

Enhanced Levels of Service

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

- give Chris over
at Centerpoint
a call ...

How Much Should You Pay For Managed IT Services?

Knowing what it will cost to work with a Managed IT Services company is an important part of figuring out which one you'll do business with. So why is it so hard to get that information? Take a look at our guide below to know exactly what you should expect to pay for Managed IT Services.

How can you know whether you're getting a good deal unless you know the price you're paying?

Despite this reality, the price is often the hardest fact to nail down. You'll hear all about features, service level guarantees, case studies, and other promotional selling points. But at the end of the day, you need to know the price so you can see if it will fit in your budget

Unfortunately, there is no online catalog to pick and choose from or one-price-fits-all formula. However, there are six popular IT Managed services pricing models you can review as your starting point.

The 6 Models of Managed IT Services

When it comes to price, there isn't a single model of support you can compare directly. Like in other industries, plans are tiered and varied, so we have to look at 6 main types:

1. The Monitoring Only Model

The monitoring only model provides network monitoring and alerting services. The managed service provider offers this model to companies of all sizes.

With the midsize or enterprise companies that don't have a Managed IT Services company, and instead, have in-house, IT technicians they too can also be alerted. With this model, there are several service levels offered.

2. The "Per Device" Model

The per-device model is a flat fee for each type of device that gets supported in your company's IT environment. For instance, a basic per-device pricing model might designate a flat price:

- per desktop
- per server
- per network printer
- per managed network

The pricing is straightforward to quote, and the monthly service fee gets adjusted when you add more devices into this model.

3. The "Per User" Model

The per-user model closely resembles the per-device model. Instead of being billed per device, you're invoiced per user, per month; which covers support for all methods used by each user.

4. The Tiered Model

The tiered model is designed to provide bundled packages. With each package, "X" amount of services are included. And being that this is a tiered model, it also means there are three or more bundled package levels, with three or more pricing levels.

They usually get labeled as "Gold, Silver, and Bronze" or "Basic, Standard, and Premium." The premise with this model is simple - when you pay more, additional services become available, not offered with any lower-level bundled package.

5. The All You Can Eat Model

The all-you-can-eat model gives you flexibility. With this model, it's easier to budget your IT support expenses. You're able to gauge what's taken place over the past year, and then make calculated IT cost forecasts for the coming year.

Typically you'll have access to:

- ✓ Remote support / on-site support
- ✓ Lab or bench time / 24/7 year-round support
- ✓ Services available during specific hours of the day / particular days of the month

The all-you-can-eat model gives the client the ability to genuinely budget their IT support costs over a year's time and experience no hidden or surprise fees.

6. The A La Carte Model

The a la carte model is unique. With this model, you're getting individual services. Maybe there's a specific problem that has come up and needs addressing. That's when you pay for the services you need.

You can also create a customized Managed IT Services company bundled package for yourself, tailored to your company's specific needs or requirements.

What Will Managed IT Services Actually Cost You?

Actual pricing ranges vary from one market to another – whether you're in a major metropolitan area, or a smaller community will affect the price. But to give you a brief overview of what pricing ranges look like; here's the breakdown:

- 1. Flat Based range:** Monthly, quarterly, or annual fee depending on needs
- 2. Per-User range:** \$125–\$300 per month
- 3. Per-Device range:** \$5–\$100 per month

With the Monitoring Only, Per Device, Per User, Tiered, All You Can Eat, and A La Carte pricing models and the pricing ranges, it gives you a clear picture of how much you should be paying a Managed IT Services company.

But What About Hourly IT Support?

Maybe you think that you don't need any form of IT services listed above. Maybe you only have an occasional or even just a rare IT problem, and you'd prefer to fix it on an as-needed basis. You can think of this as “hourly” IT support – it may only cost you specifically for the time needed to fix your problems, but is it worth it? Not really – there are a number of downsides to this kind of IT support...

• You are at a disadvantage.

Given that a technician charges by the hour for this work, they are encouraged to focus on billable hours. It doesn't benefit him if your IT is working the way it should. You could find yourself repeatedly calling them to help with a problem that never quite gets resolved.

• You won't be monitored.

Without anyone keeping an eye on your systems around the clock, a minor computer problem can quickly turn into a disaster. This is especially true today with the increase in cybercrime like ransomware. What starts out with just one malicious email can spread throughout your entire network, locking down your data, and your operations.

• You have to put up with delays.

It could take days to fix your problem - in the meantime, your employees won't have access to the data they need to continue working. You're simply “bleeding money” by the minute.

• You can't know the exact cost.

It's impossible to predict how much to budget for IT services that happen hour by hour, issue by issue. You can't know what will happen or how expensive it might be.

If you really want to avoid one of the six main models, be sure you're ready to shell out for one of the following estimated price ranges of hourly IT support:

- 1. One tech:** \$100 - \$125/hour plus travel time
- 2. Two techs:** \$225 - \$250/hour plus travel time
- 3. IT Specialist:** \$250/hour plus travel time

Which IT Services Model Should You Choose?

Only you can know for sure. If you have a perfect IT infrastructure, that rarely, if ever, has problems? Then sure, hourly IT support may be the more cost-effective choice. But that's a lot of ifs. “Perfect” doesn't really exist when it comes to IT. That's why working with a Managed IT Services company so much smarter – it takes risk off the table.



Are These 10 Items Covered In Your Managed Service Agreement?

What happens after signing your Managed Service Agreement? The implementation of a contract marks the starting point, for both you and the service provider. Regardless if these services get provided during the establishment of a new MSP relationship or updated with an existing provider, you are relying heavily upon the service provider for your managed service needs and honoring the agreement.

Before You Sign, What 10 Items Should You Expect in a Managed Service Agreement?

Even though you may have a contract that states and governs the managed services, your contract may still lack significant details. Details that address what you might expect to encounter once services and operations begin. Therefore, it is best to fully understand critical expectations, for all service components upfront, before you start to negotiate.

If the time has come and you've been planning to outsource your IT services, then these ten items need addressing before signing any managed IT services contract. Most importantly, do the documents cover all your business IT needs? Review and evaluate each MSP's offering and their contractual agreement.

1. Security

Right now, security is on everyone's mind. Your managed IT services provider should have a comprehensive plan detailing how cybersecurity gets addressed. Their procedure must include:

- ✓ Firewall settings
- ✓ Intrusion detection
- ✓ Intrusion prevention
- ✓ Encryption at the file level
- ✓ How those services are carried out

2. Infrastructure Administration

All managed IT services need to include basic server maintenance, network administration, storage maintenance, and typical network issues. Preferably the managed services contract should cover what you want accomplished on your network. Before meeting with the provider, create your requirements list. That list is your current IT services needs, and it must match the provider's contract agreement.

3. Helpdesk Support – On-Premises or Remote

Helpdesk managed support is standard in many contracts. However, you'll need to know if the managed services provider is local or will they only provide remote support? If your current IT services are cloud-based, then remote support should be acceptable. However, pay close attention to the hours of Helpdesk Support stated in the agreement. If it is not 24/7 support, then you need to confirm their support covers your business hours and weekend support if required.

4. Network Monitoring

Every part of your IT system, including network monitoring, needs to get covered under the service agreement. Control plays a critical role, especially with any network vulnerabilities that can disrupt your network. Most solutions have the provider monitoring every area of your system. However, you'll want to ask them if they cover mobile devices, virtual machines, and remote users. Network monitoring must also include intrusion detection and prevention, along with firewall control and configuration.



5. Data Backup

When reviewing managed IT services agreements, always ask how your data gets backed up and stored. Why? Because you may have an on-premise physical backup and storage assets, but the service provider only uses the cloud for that IT function. These are areas you'll want to ask plenty of questions. If the provider does use the cloud, you'll want to know:

- How secure is their cloud backup solution?
- Is their backup hosted on a public or private cloud server?
- If the public cloud, will they consider using a private cloud for your backups?
- If your data won't get backed up in the cloud, where are the backups getting stored?

6. Disaster Recovery Plan

Check the service agreement to make sure a disaster recovery plan comes standard. If not mentioned in the agreement, ask to have it added. A complete per location-dependent disaster recovery plan must get included with exact details listed within the IT service contract. When disaster strikes your business, you want immediate access to your backups and a recovery plan that will get you back online quickly.

7. Policy Creation and Updates

Along the way, your IT infrastructure will change. As it does, those old policies will need re-written and updated, or new ones created, especially if your industry has mandatory compliance regulations. Do request any, and all new or updated documentation covers security, data monitoring, and BYOD. Policy creation and updates to current literature need stating in the managed service agreement also.

8. Questions to Ask

When discussing what gets covered in a managed IT services contracts with the service provider it would help to create a list of questions to ask beforehand. Below are just a few you can add to your record:

- ✓ How often is maintenance performed?
- ✓ What is the expected level of performance?

- ✓ What type of damage gets and doesn't get covered?
- ✓ Who performs the maintenance, and how do they do it?
- ✓ Who is responsible if the equipment gets damaged during maintenance?
- ✓ If you are assigned a dedicated technician, how can you stay in touch with them?

9. Termination of Service

Some companies do go back to in-house IT staff to manage their networks. When terminating your managed service agreement, it's best to check what will take place before you sign the contract. You'll want to know ahead of time, should the managed services contract terminate, does it require a monthly or annual renewal. Along with that, will you incur any penalties for ending your service before the expiration date? Also, what is considered acceptable in the contract for the managed service provider to cancel the agreement on their end?

10. Non-Solicitation Agreement

The non-solicitation agreement must cover protection for both parties, primarily, not to reach out and solicit to hire, each company's employees. It's also standard practice for an MSP to agree not to sell your information to other companies, especially when they might be seeking to establish a service agreement contract with you. But do check the documentation to see if it gets included. If not stated, do ask that it gets added.

In Conclusion

When you are in the market to hire managed services providers, remember to ask that individual to explain how each service component will get delivered to your organization and what constitutes acceptable standards for each measurable service item.

And do take all ten items presented above into consideration, especially when reviewing any managed services agreement. You want assurance that when you finally switch over to an MSP, all of your IT needs will meet and exceed your expectations.

55 Questions To Ask When Considering IT Managed Services

Finding the right Managed IT services company can be a long and tedious process – but once you think you've found the right one for you, don't rush to sign any agreements! Make sure to ask the right questions about what they are agreeing to do for you, so you know all your bases are covered.

Selecting a company to maintain your technology is one of the most important decisions you can make for your business. You must find the most competent and reliable IT support provider in your area. But how do you know if the Managed IT services company you're considering is right for your business?

Some technology companies call themselves the best, but they haven't kept up their certifications. This is important because the latest certifications validate the skills that their techs learned in their training. Don't just pick a company off the Internet because they're the closest one to you. Do your research to find out if they are truly qualified to protect your data and meet your organization's unique IT needs.

8 Questions About Service Development...

1. What is your average network uptime performance?
2. Do you have a list of tiered features and capabilities?
3. Do you offer on-site hours built into the regular contractual fee?
4. What metrics do you use to assess speed, reliability and overall performance?
5. Is there enough flexibility to add or remove service offerings based on my business needs?
6. Are you able to diagnose and remedy service issues remotely without the client's IT team intervention?
7. Do you offer customized solutions for different businesses regarding growth plans and achievable goals?
8. Which software, professional services automation (PSA) or remote monitoring management (RMM) runs your managed services operation?

10 Questions About Managed Services Contracts And Fees...

9. How is my data retrieved should my contract be terminated?
10. Can a break clause be initiated should I decide to terminate my contract?
11. Is your service level agreement consistent for all customers or is this negotiable?
12. Does contract flexibility include monthly and annual payments with capping on yearly rate hikes?
13. Can you provide a comparison detailing the cost of on-premises versus cloud solutions over time?
14. Will I need to purchase additional infrastructure when your managed services work with my business?
15. Does your fee structure cover additional cost management that notifies when new charges get applied?
16. Do you include an assessment of IT infrastructure before providing projected Service fees?
17. If so, is this a separate cost?
18. Do you have case studies or ROI assessments detailing the cost and benefits of your proposed solution, based on the data which I have provided?



- 51. Do you include channels such as telephone, email, portal access, and live chat?
- 52. What percentage of issues are confirmed as resolved at first contact by your helpdesk?
- 53. Do you offer traditional hourly-rate support for hardware, software and other infrastructure?
- 54. What type of training is provided, by your company, for my in-house IT staff to educate them?
- 55. How do I guarantee the return on my investment covering support and organizational IT knowledge?

Are you starting to get the point?

These are just some of the questions you should be asking when determining which IT company you're going to work with. You can't rush the decision – if you really want these services to make a difference in your daily work, you need to verify how they work and what they're going to do for you before you sign on the dotted line.

Developing A Business Case For IT Management Services

Any managed services provider can promise potential benefits will exist for businesses who adopt an IT Managed Service Structure (MSS). But just as companies are all different, it does become challenging to predict the benefits each company will get without gaining a deep understanding of the individual organization first.

Looking back on the years of providing IT managed services, Centerpoint IT's managed services experts have put together three typical examples where managed services do prove beneficial, after the initial examination and a good fit for a business.

Example 1: Reducing IT Complications

No one likes complications of any kind. When it comes to IT complications, every company gets their fair share. There are numerous reasons why this happens. It could be lack of in-house IT staff, outdated equipment, or issues with the internet connection. But let's say you lack sufficient IT staff.

Here's the setup. You employ less than 100 people. Based on your calculations you only need and can afford one, maybe two in-house IT staff members. But you also checked with your other employees to see if any were "Tech Savvy." For those that are, you let them take on ad-hoc IT roles, but only when it's vital.

However, as your organization starts to grow, and more IT problems begin to appear, the initial IT staffing approach now proves to be a whole new set of complications.

- **The first complication** – you've discovered your staff only has access to specific skills. Their current knowledge did not keep up with technology changes and updates.
- **The second complication** – since the staff didn't have ongoing training, they are making critical mistakes, leading to additional IT issues and downtimes.
- **The third complication** – employing contractors in an emergency to solve errors, concerns or problems, who are unfamiliar with your system, just got expensive and more complicated.

At this point, you now have a split decision complication. You know hiring a large set of IT staff is cost prohibitive. Meaning capital tied up in new salaries gets frowned upon, plus the risk of individuals failing to handle the next IT issue. Or looking outside the company to an MSP, who will take on the task of managing your IT infrastructure on a contract.

Now depending on the scope of your IT needs, having an added IT personnel would make good sense. Provided they get used often and earn the wages they're paid. But if your IT needs are mostly low-grade with few major initiatives, then forego the salaries. An MSP becomes cost-effective and the way to go.

Example 2: Daily IT Management

Another primary driver for adopting managed services is offloading routine daily IT management tasks.

Here's the setup. These activities such as patches, user help desk, adds, moves and changes do not require a high level of skill but are daily IT management for IT teams no matter the business. As a result, you've discovered your growth projects have halted. All due in part, because IT stays continuously preoccupied with keeping devices, the network and your security updated.

Here's the rub: Your staff is managing two separate, coherent modes of IT delivery - one focused on stability, the other on agility.

Delivery 1 – is traditional and sequential, emphasizing safety and accuracy.

Delivery 2 – is exploratory and nonlinear, emphasizing agility and speed.

Do you see the difference? Rather than bring in the high salaried IT personnel to address Delivery 1, you pass that daily task over to your MSP. That leaves the in-house IT staff to tackle Delivery 2, which focuses primarily on business-enabling, revenue-driving digital transformation projects.

Example 3: Inviting the secure private cloud and new applications

Quite often businesses migrate to public clouds for convenience rather than investing in secure private cloud infrastructure.

Here's the setup. Your business has over 100 employees, and it keeps getting brought up, numerous times, that you could transition to secure private cloud infrastructure to protect sensitive data. Instead, upper management only wants to outsource to public clouds because it's working, and it's convenient. The reason, "If it's not broke, why fix it?"

We've seen 'cloud value' added when a business or organization has finally taken advantage of both public cloud economies and the security of the private cloud. It's important to mention; managed cloud infrastructure does not stop with servers and storage – it also includes OS, databases and any other platform required in support of your computing environment.

Cloud applications are also becoming a more significant option providing more flexible, unlimited scalability, IT environments where employees can access information, communicate and collaborate from anywhere on any device privately.

We must also mention, customers should test cloud purchases with a small user group first, before moving ahead with full licensing. We bring this up because some clients buy more licenses that aren't needed, and then never get used. By outsourcing cloud functions to an MSP, you can set budgetary limits while providing user access to an experienced IT Help Desk as part of a managed subscription service.

Furthermore, cloud software is currently in an evolutionary cycle; applications are continuously updated via patching and additional features, meaning that access to appropriate software versioning is paramount.



Final Thoughts

Many businesses are familiar with the outsourcing IT process to managed service providers. Wherever you begin your IT managed services journey, your provider's range of services must cover your needs. When those needs don't get met, some companies will change MSPs.

Furthermore, it's not uncommon for companies to move from one provider to another, before finding that one partner that best fits their business goals. In any case, the new supplier should be willing to put in extra effort to ensure that all goes smoothly and to become your strategic partner.

An efficient IT operation is open and transparent. The provider is working with you in defining a strategy so that your business is moving towards IT maturity. They also assist with identifying your existing and future requirements. We believe business is stronger with providers they trust, embracing breakthrough productivity and accelerating the creation of value.



Why Centerpoint IT?

Since 2006, Centerpoint's mission has been singular and straightforward: *"To deliver on the promise of new technology for the small and mid-sized business by making IT simple."*

Centerpoint IT takes a holistic and proactive approach to serve our clients as their end-to-end technology partner. To be more than a full-service business IT partner and phone system provider, we focus on taking the uncertainty and hassle out of what is a complicated and dynamic area of business.





Technology is a complex and ever-changing area which can be overwhelming for business owners and managers to navigate on their own. Cutting through the noise of changing technology is where Centerpoint IT adds value to your business.

We bring practical, affordable and straightforward services such as managed IT, cloud, hardware, network security, disaster recovery, connectivity solutions, and business phone systems to form the essential foundation of any successful business so that owners and managers can get back to focusing on what makes them successful.

Centerpoint IT offers industry-leading expertise and capabilities to organizations of all sizes in managing diverse and often complex IT environments. Our experience can help you to identify and understand your IT service requirements now and into the future, helping you deliver efficiencies across IT infrastructure with a broad range of capabilities.

Additionally, we offer customers flexibility in selecting the support required for each layer of infrastructure – from necessary monitoring and management to long-term partnership covering innovation paths designed to replace aging or inflexible infrastructure with new technology.

For more information on how Centerpoint IT can provide your business with the right, IT managed service model, contact us at (404) 781-0200, email us at info@centerpointit.com, or visit us online at www.centerpointit.com

