

Managed services: Are you reaping the benefits?

October 10, 2007 - Spotlights

When it comes to leveraging the benefits of IT, businesses today continue to face a tough challenge: Control overall costs and operating expenses and at the same time ensure a high level of customer service and satisfaction. But it doesn't stop there. While the effective management of an organization's IT infrastructure is critical, it's a non-core activity for most businesses, and requires specific expertise and know-how.

So what do you do when you don't have sufficient in-house technical skills or general system-level savvy to gain the solid level of control of your business IT? What do you do when you don't have the dedicated IT resources you must have to keep your operations running smoothly and your customers happy?

A growing number of companies in this situation today are looking to managed service providers for answers. They're turning to outside providers to deliver a flexible, comprehensive managed services portfolio that will help oversee their critical business and IT functions and facilitate the ongoing alignment of IT with business strategy. And more and more, they're finding that migrating to a managed services environment just makes good business sense.

IT providers are moving customers across to managed services in several key sectors. Here's a snapshot of four of these areas:

- * **Security.** Customers tend to be very receptive to managed services in this arena. This is rapidly being seen as the tip of the arrow for many customers, because so many of them are concerned about it and feel that they can't keep up with security threats. And it's also one of the fastest-growing. According to Gartner, managed security services will be the fastest-growing area of managed services, with a compound annual growth rate of almost 20% over the next several years.

- * **Network Management:** Managed service providers can staff remote operations centers with highly skilled service delivery technicians who provide 24x7 monitoring and management of customer systems. These value-added services give off-site personnel the ability to monitor the digital pulse of a customer's enterprise businesses.

- * **Data Vaulting:** Like other managed services areas, the benefits of offering fully managed data backup and storage services are recurring revenue; reliable, around the clock online data backup and retrieval; and disaster recovery and business continuity.

- * **Systems:** There's a growing demand for managed desktop/server services. In general, these services range from patch management to security on the desktop. Often, managed services for systems is paired with help desk and network managed services.

By contracting outside your organization for managed services, you can reduce or reallocate your current IT resources, relieving highly skilled, expensive staff of routine tasks such as monitoring routers, responding to help-desk inquiries, backing up and restoring data, monitoring network and server performance, and resolving user problems.

One of the big advantages that managed services delivers for business like yours is increased IT staff productivity. Your existing staff can turn its attention to strategic projects, improving service quality, enabling employee mobility, and integrating new technology - all proven productivity - enhancing activities. And you can focus on your core business - doing what you do best.

And there's more payoff to going the managed services route. Managed services deliver comprehensive, higher-quality IT services because service providers in this arena have larger, more experienced IT staffs with specialists. Managed networks are larger and more robust, providing greater reliability and availability, with service-level agreements (SLAs) promising up to 99.999% availability. Also, because service provider-managed networks are monitored 24 hours a day, your business benefits from higher monitoring levels and faster responses to network events. Think about it. For you to achieve that same level of service in house, your IT administrators managing an IP solution 40 hours a week would have to increase their staff by orders of magnitude!

Is it any wonder the market trend is strongly in the direction of managed services? The traditional, break-fix service providers know how expensive it is to become managed service providers. The infrastructure of hardware and software required to manage and monitor the customer's hardware environment is large and expensive. Smaller IT departments within the industry will not be able to respond and adopt to the unique demands of this new model of service. At some point in time all companies will use the services of a managed service provider - whether it be for data vaulting, disaster recovery, help desk, or network management. And this is because of one main business reality: Dedicated, managed service providers can deliver these services better and cheaper, allowing companies to focus on their core business without having to invest in additional IT resources.

Need another reason to consider managed services? How about this: By migrating to a managed service provider, business enterprises like yours can choose what and how much of their IT they want to allow a third party to manage, as compared to a total outsourcing option, which involves the transfer of an entire IT function to a third party.

Your key takeaway message from all this: Managed services simplify IT operations and reduce investment by delivering systems and applications as an externally administered service. They provide organizations with predictable monthly costs, access to best-of-breed IT and the latest applications - all without the costly need to overhaul IT systems regularly. Managed services also provide 24x7 IT administration services, allowing IT personnel to focus on strategic issues.

The Managed IT Services Market Outlook: Significant growth and market opportunities for managed services providers, equipment vendors, systems integrators, and network operators in delivering managed and hosted IT services through 2008.

Isn't it time you started reaping the benefits of managed services in your organization?

Steve Wojcik is senior partner at Prosper-IT, Boston, Mass.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540