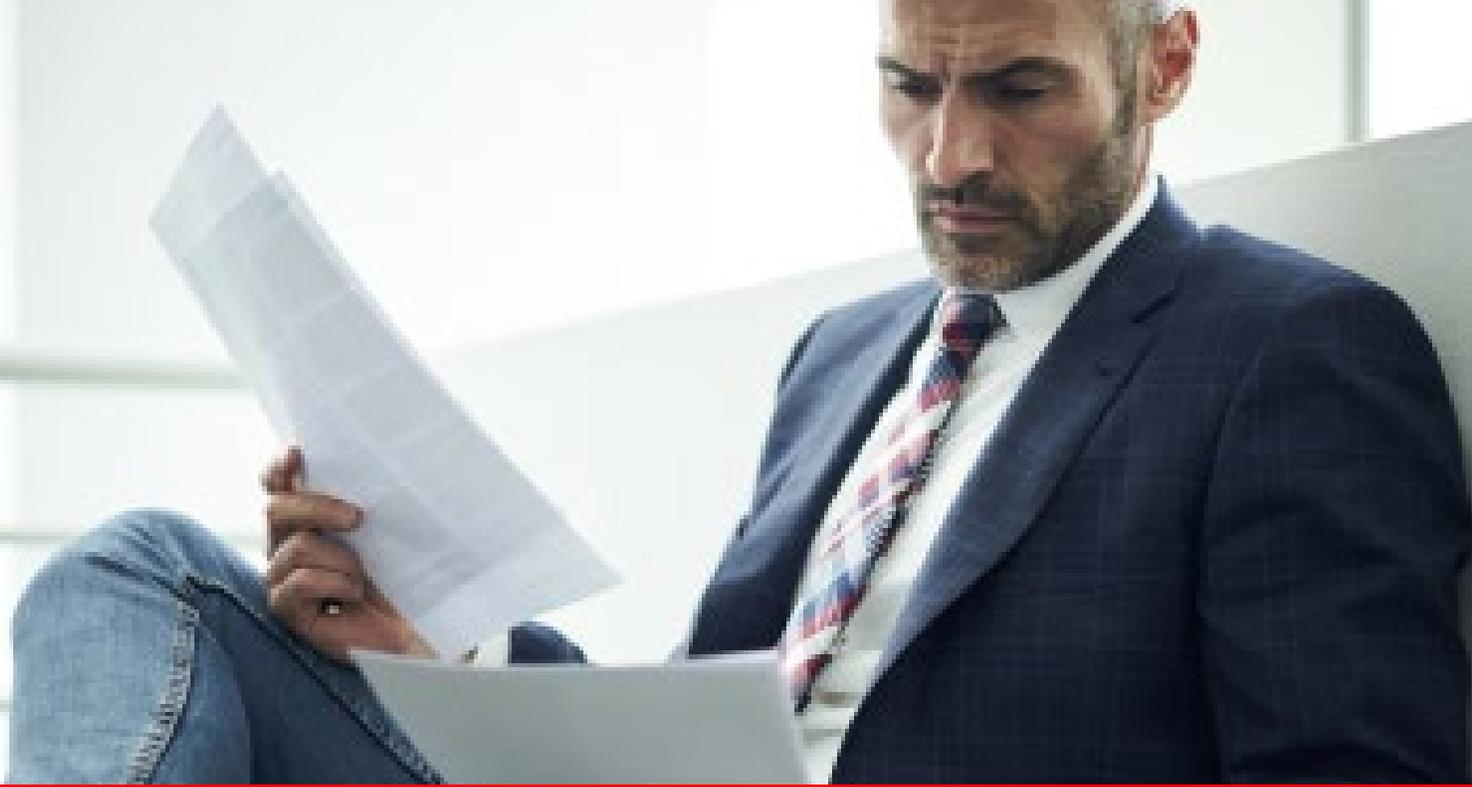




Choosing an Outsourced IT Service Provider for SMBs





Managing and supporting the IT needs of a business is becoming more complex every day. Technology is changing rapidly, and the rate of change makes it difficult for busy professionals to stay up to date on both the latest threats and opportunities in their space.

Many companies are struggling with maintaining the right mix of technology expertise on staff. The increasing complexity level of technology and its rate of change make it very difficult for an IT “Jack of all trades” to be successful. In fact, lower-paid IT generalists can cost more in productivity and time – having to revise their mistakes and allow them time to get up to speed. They may also have a challenging time planning out how long a specialized project or task should take when encountering it for the first time, making project management more difficult.

Specialists have an advantage in IT support. They handle many of the same issues repeatedly and will often understand where the land mines are buried; therefore allowing them to instinctively avoid. **While they appear to cost more, the efficiency and accuracy of their work is well worth it.**

Yet, most small- to medium-sized businesses (SMBs) do not have enough IT work, nor can they afford full-time specialists in niche disciplines. **One common mistake organizations make is hiring mid-level engineers who handle the majority of their most difficult needs, but then spend 60-80 percent of their time on lower-level work such as resetting passwords or updating software, instead of patching systems and preventing security breaches.** Over the long term, they end up paying more for the work and assume much more risk.

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A more affordable alternative to hiring in-house specialists is to outsource all or a portion of IT support. For SMBs, this solution has never been more attractive. Outsourcing lowers costs, reduces risk and offers long-term strategic advantages. IT support companies come with several distinct advantages over in-house IT teams, including specializations, advanced certifications, expertise in the latest tools and software, and an ability to provide smart hands for projects on demand.

Companies with fewer than 250 seats will very rarely be able to make a compelling case for hiring all of the skill sets they need in order to appropriately support their technology in-house; thereby requiring them to partner with an IT support company in some capacity.

MAKING AN INFORMED CHOICE

Once it's determined that you will need to outsource all or a portion of your IT support, the next step is choosing from the myriad of providers. To help in narrowing the field, SMBs consider a step-by-step approach.

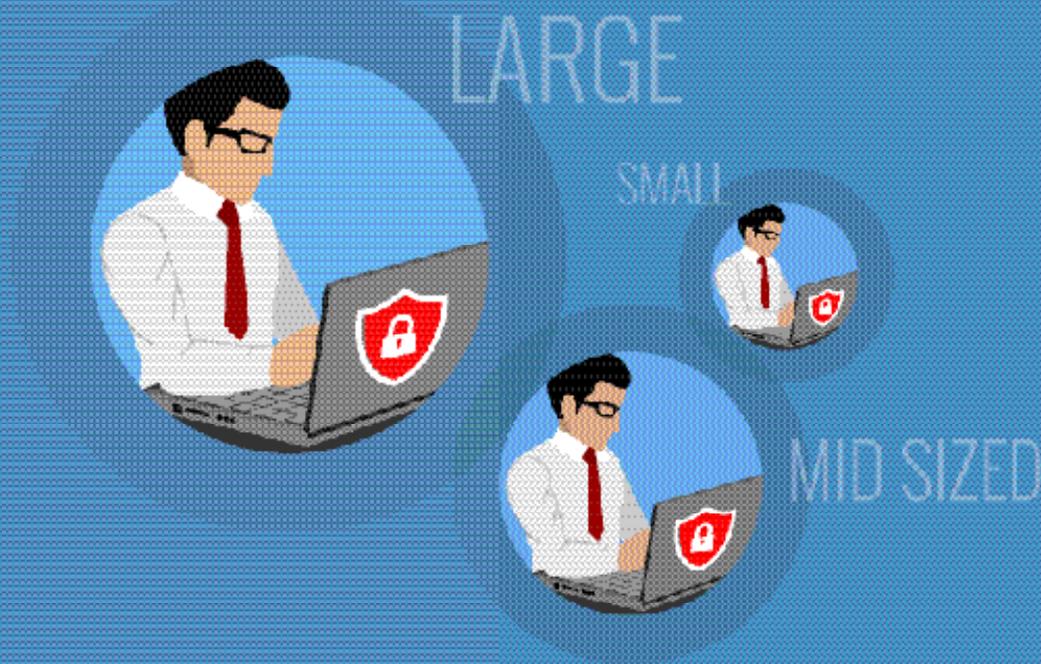
The first step is to define what your support model looks like now and where the gaps exist. Most companies tend to be weaker in network support and security, as these are mostly invisible to managers. Alternatively, companies are strongest in help desk support because it is immediately visible whether or not employees are receiving good IT support on a daily basis.

To assess your current support model, here are the five most important questions:

- **Currently, how much overtime is our IT team working?**
- **Is the team completing all security and patching and other maintenance tasks on schedule?**
- **Is our team qualified to do the tasks we are asking or are they just figuring things out as they go along?**
- **Do we have a CTO/CIO resource that understands our business and IT strategy?**
- **Do we have access to advanced monitoring and management tools?**

Once you have the answers to these questions, you can decide what type of provider will best fit your needs. IT support companies usually refer to themselves as Managed Service Providers (MSPs) and they fall into three primary size categories with a number of advantages and disadvantages depending on your needs.

THREE PRIMARY MSP TYPES



LARGE MSPs

Large MSPs come with deep resources. They are the one stop shop for specialty IT. They are usually more expensive than mid-sized and small firms, but not always. Their greatest strength is service variety and the ability to deliver nationally, and oftentimes globally. Because of their size, they can cover varying types of complex service issues on a 24 x 7 x 365 basis without needing to engage an additional third-party provider, managing each different sub-specialty. There is a compelling value for large companies with many different needs across a large geography to use their services.

Downside: *Sometimes the nature of the service does not mesh well with small businesses. It tends to be less personal and sometimes getting one-off issues solved can be a frustrating process. If you are an SMB and want the extra piece of mind that comes with working with a large MSP, make sure to get the names and contact information of the lead support managers on your account. They will be your lifeline to cut through any issues you may encounter.*



MID-SIZED

The middle tier of the IT pyramid tends to be regional. They will cover a specific geography such as a city, county or in some areas “a driving radius” of their headquarters. This tier comes with a solid mix of services that will cover the needs of some enterprises and nearly all SMBs. Some will offer 24 x 7 x 365 service, and tend to have more partner relationships to cover technology areas that they do not carry in house. They are usually solid businesses with longevity in the market place.

***Downside:** Mid-sized firms can experience growing pains. When they have employee churn it can cascade down to their customers. It can also be a risky resource when they are attempting to add a new capability and roll it out to customers too early.*

Before working with a mid-sized MSP, make sure to ask about its growth plan to get a sense of whether the company is well-funded. A solid financial foundation is vital for the sustainability of the long-term relationship.

SMALL

Small firms come in two different sub-categories: Lifestyle businesses and growing practices. Lifestyle businesses are usually 1-3 engineers, providing basic IT support locally; while growing practices continue to add capabilities and technical support. Both are very often much lower in cost than mid-sized and large firms, and can be a good value if your needs are fairly straightforward (e.g., business hours only).

***Downside:** Lifestyle businesses come and go. Entrepreneurial life is difficult at best and many of these businesses are started by engineers who were dissatisfied with their in-house jobs, grabbed a few customers and struck out on their own. They will often underprice their services to get started and have difficulty making enough money to grow or pay themselves well.*

Growing practices are a little more stable, but can provide poor service. They are so resource constrained that when they have employee churn there is no backfill. If everyone else is fully utilized and your account manager leaves the firm, who is left to help you?



Small providers can be a great value, but you must recognize that these companies can disappear overnight. When speaking with small MSPs ask probing questions to better understand their limitations. Grandiose promises are a sure red flag. You are looking for a resource that will be upfront and frank about what it can and cannot deliver.

Once you've determined your budget, requirements and the level of risk you are willing to assume, you can find small MSPs through your local chamber of commerce or through a Google search based on your city. "Managed Services Providers" + <City Name> will get you the results you need to begin your evaluation process.

It is better to partner with an MSP before the going gets rough, as they say, and you really need to give them the opportunity to help your business. Taking on the help of an MSP before there is a dire need, such as an emergency situation, will allow them to get their feet wet and become familiar with your needs and IT environment at large.

No matter which firm you go with, there is always a learning curve and feeling out period with every new partnership. Once you've taken that first step of choosing a partner, with time, patience and ongoing communication, the partnership will flourish.

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