



SMALL AND MEDIUM BUSINESS TECHNOLOGY STRATEGIES

10 Benefits of Managed IT Services

Presented By: IronEdge | Revised: March 2015

This ebook will evaluate the differences between traditional technical support practices and modern managed IT practices, and the pros and cons of both in regards to small and medium-sized businesses.

This ebook is an introduction to Managed IT Services and is geared towards business owners and executives for businesses that either have no internal IT department or a small on-staff IT team.

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About IronEdge

IronEdge provides IT consulting and support services for small and medium-sized businesses covering all aspects of your company's business needs.

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Managed IT Services

Monitoring, Maintenance, and Technical Support for your entire network, vastly reducing downtime and support costs.



Security Solutions

Antivirus, Antimalware, Threat Prevention, Firewall, and Content Filtering Solutions to protect your infrastructure from internal and external threats.



Email Hosting and Protection

Hosted and onsite email implementation, management, spam protection and email scrubbing.



Backup and Disaster Recovery

Complete data backup solutions and business continuity planning.



Hardware, Software, and Overall Technology Support

Implementation, configuration, management and support for custom technology solutions for your business.

Traditional IT Methods

Organizations rely on computers and other technology in order to maintain effective day-to-day business. Unfortunately, most small businesses cannot afford to have an on-site technician to take care of immediate issues that arise, answer support questions for employees, and perform general maintenance on the hardware and software that keeps operations running smoothly. When a problem arises, businesses typically reach out to a technical support company, local guru, or IT firm.

The Problem with Traditional IT Methods

The traditional IT practice is often coined the “break-fix” method. When something, such as a computer, network, or server, is broken, tech support arrives on-site to fix it. They track their time and materials during the repair process. Often, a close business relationship between the two parties is never established – the technician may not be familiar with all of the intricacies and scope of the business’s IT needs, resulting in misguided support and even more billable time to resolve it. All the while the business is suffering a loss in productivity as the staff members affected by the outage experience downtime, and cannot perform their jobs as effectively without their working equipment.

Traditional IT technical support methods are mocked and scrutinized constantly, yet some businesses continue to invest in their IT only when it breaks.

This last issue is even a side-effect of the most proficient technician under the traditional IT model – the business pays the technician for fixing the issue while experiencing costly downtime. Depending on the employee’s role in the company, this could lead to missed opportunities, lower productivity, and necessary overtime in order to meet deadlines – all of which cost the business money.

A seemingly simple IT outage can add up to be a large, unexpected expense very quickly. Let’s look at two formulas for estimating the cost of downtime.

Productivity Loss Formula

$$P = (\text{Number of users affected}) \times (\% \text{ of Productivity Loss}) \times (\text{Average salary per hour}) \times (\text{Duration of downtime})$$

Revenue Loss Formula

$$R = (\text{Number of users affected}) \times (\% \text{ of Revenue Loss}) \times (\text{Average profit per employee per hour}) \times (\text{Duration})$$

Overall Loss Due to Downtime

$$P + R = \$\$\$$$

For some businesses, wide-spread downtime can begin to rack up substantial costs in just minutes

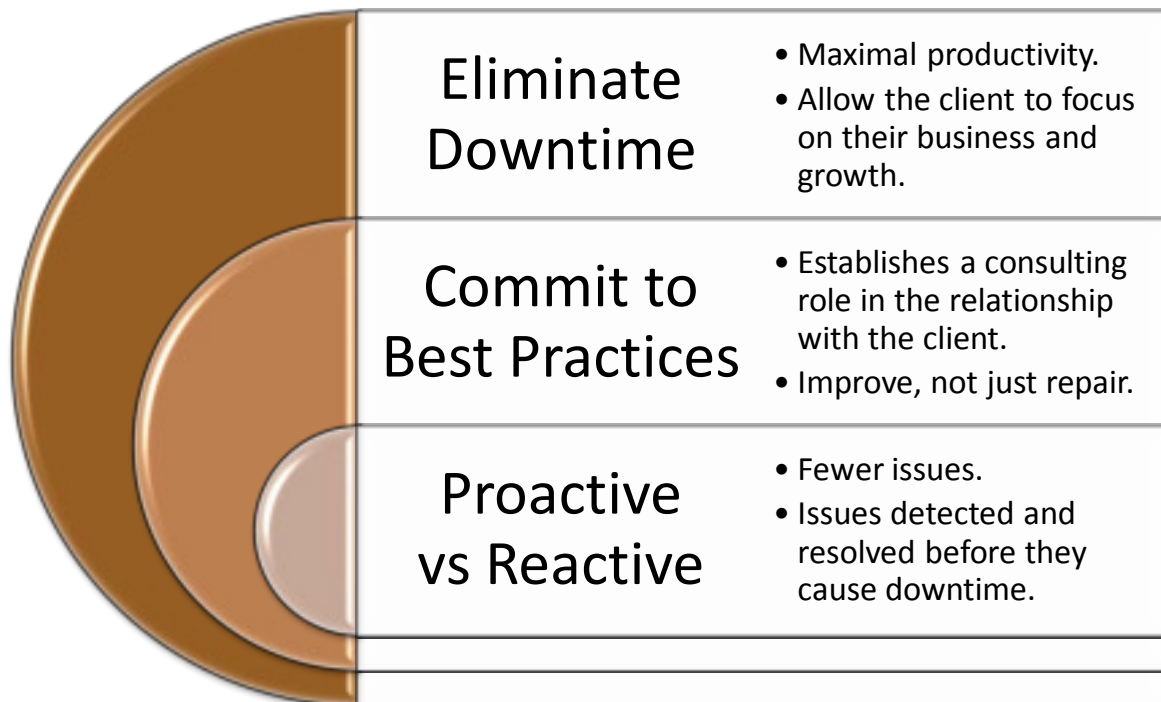
The Modern IT Method – Defining Managed Services

The philosophy behind modern-day IT services is wrapped around some very simple tried and true best practices:

- Regular maintenance prolongs the usability and performance of computer systems
- Security patches and software updates protect the network from many threats and issues.
- Remote technical support can reduce support costs by eliminating transportation for most issues.
- Proactive monitoring and early detection can pinpoint issues for resolution before they cause downtime.
- Thorough documentation and network maps give technicians a precise overview of a business's IT needs even the event of special cases and intricacies and streamline support visits.
- Reporting and tracking can segregate troublesome devices for replacement.

IT firms adopt managed IT service methods in order to provide much higher quality service for their customers. The relationship is much more of a partnership and although it creates a higher expectation for the IT firm to provide stellar service, the methods also enable them to do so.

There are three core elements that a Managed IT provider swears by:



1. Think of Managed IT Services as Outsourcing your internal IT department

It's not uncommon for businesses to treat their network and computers much like a household appliance; when it breaks, you pay someone to fix it. Some companies hire internal computer technicians just to keep up with problems. Managed IT is the sensible middle ground; your trusted IT provider isn't on payroll, but they are dedicated to making sure everyone is up and running. There are plenty of benefits to this alone that can greatly benefit your company's productivity and expenses.

Many small and medium-sized businesses can't afford to staff an internal IT department to keep up with the day-to-day maintenance, issues, and technical support, let alone with managing new implementations, upgrades, and expansion. Organizations take advantage of Managed IT providers as their consultants, on top of managing and maintaining the day-to-day IT issues and preventing downtime.

Your Managed IT provider takes time to get to know and document your entire IT infrastructure, your specific needs, requirements, and overall goals that your technology is driving you towards. Instead of just fixing case-by-case issues, Managed IT providers such as IronEdge partner with businesses in order to take over all aspects of technology, from infrastructure to vendor management, maintenance to upgrades, and consulting for solutions to continue to increase productivity so your business can focus on generating revenue and growing.

In other words, you get all of the benefits of having an in-house IT department without the costs of staffing one or more dedicated employees. You get full access to professional support, goal-oriented solutions, and downtime-preventing maintenance.

2. Early issue detection leads to fewer problems that actually affect the end-user.

Often, day-to-day computer issues start out barely noticeable. Much like that tiny rattle in your car, overtime they can go from being a no-big-deal status to an overnight-in-the-shop ordeal. Managed IT providers run reporting and monitoring tools that detect issues and report back whenever a potential problem is discovered. That way, it can be fixed before it causes frustration and downtime for your employee.

Many issues can be detected early and prevented before they escalate and start to lower the utilization of your staff and cause a loss of time and money. Some of these issues include:

- Hard drive Failure Warnings
- Hard Drive Fragmentation and Disk Space Warnings
- Malware, Spyware, and Rootkit Detection
- Antivirus Updates and Issues
- Outdated Windows Updates and Service Packs
- Windows Update Failures
- Windows Licensing issues
- Duplicate Network Addresses
- Unexpected Changes in System Hardware
- CPU and Memory Issues
- Event and Error Logging
- And Much More

3. Remote Technical Support reduces overall IT expenses with shorter response times.

Many workstation issues can be solved remotely without the need for an on-site visit. When that's the case, utilizing remote access reduces the expenses of the IT provider which are then passed on to you. This also grants faster response times since the technician doesn't need to physically drive to your business.

While remote technical support isn't new, a part of the Managed IT provider's toolset includes easy remote access to all workstations on your network. This means issues can be looked at quickly without needing to dispatch a technician to your location.

Not all issues can be solved remotely, such as hardware issues where the PC needs a component replaced or isn't booting, but the majority of day-to-day issues that take up your employees valuable time, such as errors, application issues, and support questions don't require an on-site visit and can be resolved quickly if remote access is readily available.

Remote access is secure, and usually included in the Managed IT provider's monitoring and maintenance toolset, making it a simple, cost effective, no-brainer addition to any small business's IT package.

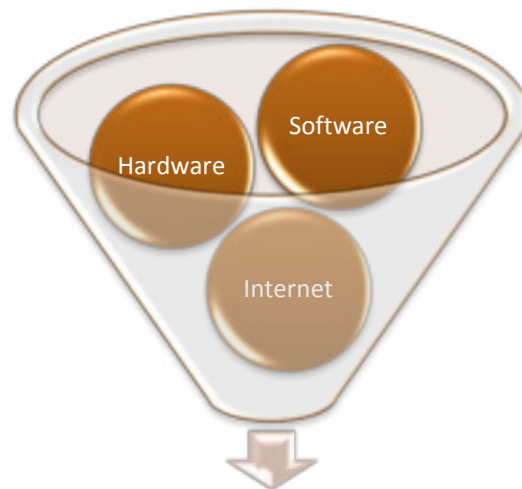
4. With a trusted Managed IT consultant, your business won't need to rely on vendor support.

When technology fails, your first inclination is to contact the vendor to try to get as much free support as possible (or at least agreed to in your warranty). This usually includes long, pointless phone calls where you or your employees get cycled around a call center. More often than not the issue doesn't get fixed on the first call and you are back to square one. Managed IT providers can not only handle specific hardware and software support, but handle managing your IT vendors for you.

When compared to the standard break-fix computer company, Managed IT firms deal with business-class vendors very often and often build relationships with vendors. This means things like warranty and support agreements can all be handled by your outsourced IT firm instead of by your employees, and support for specific hardware and software can be done right through your IT consultant instead of by multiple vendors. This gives you and your staff a single point of contact for all of your technical support needs.

On top of that, often Managed IT firms like IronEdge deal with specific vendors and have access to special solutions and services that aren't always offered to small businesses, such as bulk licensing and better support options.

Being able to funnel all of your IT support and have one support number for all issues alleviates a lot of time and hassle for your employees when they need support, and a good IT firm that practices Managed IT should be able to cover that for your business.



Managed IT POC

5. The Break/Fix Practice forces you to pay when you are down and already losing money.

IT issues can become expensive very quickly, especially when they aren't taken care of promptly. Network and server outages can leave some or all of your employees stranded unable to do their jobs. You continue to pay them despite a huge hit to productivity and then you need to pay for the problem to get resolved.

The key element of a Managed IT Service is that you aren't paying to have issues fixed; you are paying to have them prevented. With Managed IT, you pay to prevent downtime and maintain your expensive IT infrastructure. Regular maintenance plays a huge impact on stability, performance, security, and longevity of your network and the devices on it.

Think of it this way; when you are experiencing downtime, it is an emergency, and Managed IT providers like IronEdge see it as such. Due to the nature of the relationship, when your network is down, it's the IT provider that is losing money. Fortunately, this drives the IT firm to utilize the very best practices and run top-notch maintenance and always-on reporting tools to prevent any downtime at all.

"With Managed IT, you pay to prevent downtime and maintain your expensive IT infrastructure."

When there is the inevitable downtime, however, it is fixed as quickly as possible. Depending on your contract with your IT provider, some or all emergency fees can be covered under your agreement.

6. Flat-rate IT management is easy to budget and reduces hidden costs and promotes IT expense planning.

One major downfall of traditional IT is the unexpected surprise costs that come when mission critical technology fails and needs to be fixed. During downtime, you are already paying your employees despite a major loss of productivity, while also paying hourly fees for technical support to resolve the problem. Managed IT is based on a flat-rate payment model where you pay to prevent downtime, both greatly reducing downtime and minimizing unexpected costs.

When an expense varies greatly from month to month it can be difficult to plan and budget accurately. With the flat-rate payment model you practically eliminate recovery costs since it is all covered under your agreement. Knowing that most issues are covered means you pay the same amount each month, and allows you to budget for new projects and expansion much easier. Your Managed IT provider can even give you the precise costs associated with adding a new user to the agreement in the event you do hire additional employees.

The regular maintenance and monitoring that allows your IT provider to manage your network, servers, and workstations reduces these issues greatly as well, and can also give insight and early warnings to issues so you can plan ahead. Depending on your agreement with your IT provider, nearly all issues are completely covered under the flat-rate with the exception of new hardware and software – costs that typically pale in comparison to costs of supporting IT hourly.

Costs are also reduced because most maintenance tasks are standardized, proceduralized, and easily repeatable through automation.



7. You get a powerful alignment of your IT and business goals.

(Your technology works for you!)

When your IT infrastructure works, it can greatly 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 achieved through professional management of your technology.

For your managed IT provider, it's not enough that your computers and server are working – they need to be working for your business. Managed IT providers understand day-to-day business processes and best practices and focus solutions strictly on the small and medium business landscape.



IT providers like IronEdge can work with you, taking on the role of a CIO to help you establish long term implementations for your business through new solutions, security, training, and best practices that can improve your bottom line.

Your IT service provider should offer quarterly or bi-yearly reviews to provide consulting to ensure your IT solutions match your visions for your business.

8. Businesses that manage and outsource their IT properly greatly reduce overall IT expenses.

Simply put, when you take care of your IT, it breaks less. All of the benefits of managed IT naturally leads to lower costs. Network and hardware integrity is constantly being monitored and proper maintenance is ensuring the health of your IT infrastructure, which eliminates surprise costs and faster-than-normal depreciation. Early detection contributes to fewer emergencies which result in fewer tech support calls.



Besides better performance, less downtime, and fewer issues, properly managed IT services are generally cheaper than the alternatives because it takes less time and effort to maintain technology than it does to fix it when things were left to go wrong.

You get access to knowledgeable, professional support without being nicked and dimed for each call or issue. There aren't hourly onsite charges either. Since your outsourced IT department is accountable for your uptime, issues and emergencies are typically covered under your clearly-defined agreement.

9. Your business can take advantage of enterprise-level solutions for small-business costs.

Running a small business doesn't mean you need to suffer from the lowest-end solutions. Enterprise-level support and solutions can be made available to your organization to give you the cutting edge in communications or to help you sleep at night with bullet-proof backup and security. When partnering with a Managed IT provider, you can get access to technology solutions that are normally reserved for big corporate enterprises at costs geared towards your budget.

Looking to implement a secondary office to function over the same network or controlling the web content your users can access? Taking advantage of Managed IT providers like IronEdge can help bring cutting-edge solutions to improve your day-to-day. Here are just a few of the solutions IronEdge can offer you:

- Voice over IP phone systems
- Data Backup, Disaster Recovery, and Business Continuity
- Firewall and Security Solutions and Web Content Filtering
- Server Virtualization
- Virtual Private Networks
- Telecommunication Solutions
- Smartphone and Mobile Solutions
- Security Policy Management and Administration
- Email hosting and Spam Protection
- Software Solutions, Productivity Suites, CRM packages
- And much more.

10. Managed IT Services allow businesses to free up resources and focus on core business objectives.

Standard IT operations consist of many critical, yet repetitive technical tasks that take time and experience to perform. The traditional method had no place for many of these time-consuming critical tasks due to the hourly billing that most traditional IT providers charge. This means that these standard, day-to-day tasks, such as updating and running antivirus, applying and testing Windows security patches, and monitoring the health of data backup solutions, are the responsibility of the employee or not attended to at all.

Employees should perform the tasks they were paid to do, not general IT maintenance. Just as concerning, most of these critical tasks aren't performed properly or at all, leading to additional issues, security breaches, and costly downtime.

A Managed IT provider can easily perform these repetitive maintenance tasks through automated tools and monitoring applications that report back any issues or missing updates. Through best practices and documented procedures, these routine tasks can be performed quickly and cost-effectively without needing to take an employee offline and tasks that require the workstation to be rebooted or need resources to run scans can be scheduled for after-hours.

With Managed IT services, your staff no longer needs to focus on keeping their workstation up-to-date with Windows updates, run disk defrags or virus scans, or waste time on PC maintenance, effectively returning precious time to your organization and allowing employees to get more done during the course of the business day.

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