



## Understanding Managed Services

One of the latest IT buzzwords is Managed Services, and every day more and more businesses are jumping on the bandwagon.

But what does Managed Services actually mean and how can you tell if an IT Support company is just using the word as a marketing tool, and is in-fact only offering “flat rate” services packaged as “managed services”?

As a definition, Managed Services allows a business to offload IT operations to a service provider, known as a Managed Services Provider. The managed service provider assumes an ongoing responsibility for 24-hour monitoring, managing and/or problem resolution for the IT systems within a business.

## A Brief History of Managed Services

The following is a summarized history of managed services to give you some background relating to how these services have developed. This history pertains specifically to companies who service small network systems.

It all started with break-fix services

### The Break Fix Mentality

The companies who have helped service small networks in the past have been hamstrung by the lack of tools to help with the problem. The networks they service developed as simple systems, usually built by a self taught network amateur-turned-pro. Maintenance was break-fix only, meaning when something broke, the company called and they came running to fix it... hopefully.



As time went on, the best of the support people developed procedures and programs to periodically come on-site to do a system review of logs and user information looking for hints of

issues before they became big problems. In some cases, an elaborate checklist was used to record disk usage, processor usage, etc.

The problem of course, was that the support people could only see what was happening on that particular day. If something happened later, they would never know about it ... unless the customer called.

## **Backup problems and other errors continued to occur**

Additionally, the only professional test of the backup system was on the visit, which frequently resulted in days or more of missed backups. The system was prone to other human errors when the on-site technician, trying to be accommodating, would take care of the “end user” symptoms and would not have time to address the “real issues”. This created a constant battle for the tech as they tried to convince customers that they were only causing themselves more dangerous problems down the road by not being proactive.



## **Managed Services began with**

## **Fortune 500 companies and their huge networks**

At the same time, the hardware and software vendors were adding new and better ways for the systems to signal problems as early as possible. Simple Network Management Protocol had been developing since the early 90's and was being applied to PC's. The first systems that could watch these tools and turn all the data into usable information were complex to manage, were geared only to large networks, and were prohibitively expensive for small business.

In 2005, systems started to mature that allowed smaller companies to take advantage of the same features and benefits as the large companies. This technology started the Managed Services movement.

Finally, Managed Services was available for small to medium sized businesses

The Managed Services software that is in place today allows providers to work towards two major goals:

1. Everything on your network that will result in a user symptom or risk will send an alert before or when it happens, and the Managed Service Provider will know about it.
2. Every alert they get is something important and needs to be addressed.

The more closely a Managed Service provider can get to these two goals, the more perfectly they can achieve a truly managed service and the more they can get away from “everything being an emergency” situation.

## Why the hype with Managed Services?

Just like larger companies, small businesses need technology to operate efficiently and to compete effectively. But as reliance on IT grows, the resources needed to support this increasingly complex IT environment may not. In many small businesses, IT resources are limited and can be quickly overwhelmed.

If you fall behind in keeping up with things such as backups, patches and security, the odds greatly increase that you'll face an IT outage or another problem down the road that will negatively impact your business. For instance, if your Email server, customer relationship management system, financial application or network goes down, you will likely face substantial productivity and revenue losses as a result.

## Managed Services vs. The Break-Fix Mentality

Managed services are also a philosophical change in the way that a business deals with its technology. Instead of following the old-school tradition of break-fix (literally meaning wait until the server, desktops or other critical networking devices fail, then scramble to fix them), a business operating with a managed service focuses on the prevention of these issues before they disrupt employees, management and/or clients.



## Why Break-fix is no longer good enough for your business

A Break-fix maintenance service fixes problems as they crop up. This means that something needs to go wrong before you receive any service, resulting in an inevitable reduction in IT system performance while you wait for the problem to be fixed.

Today, no business can really afford the risk and uncertainty of relying on a “Break-fix maintenance service” because your business is too dependent on having a reliable IT system. Furthermore, having separate suppliers responsible for different parts of the system puts you in the difficult position of trying to decide who should be delivering the service you require. You simply do not have time for this.



## **Do Managed Services Cost More Than Traditional Break-Fix Services?**

Actually no! Surprisingly most managed services cost less than traditional break-fix services, especially when including the true cost of downtime. Remote monitoring, remote maintenance and the prevention of major issues allow a managed services provider to be more efficient than a similar

break-fix company who is constantly rolling a truck to visit customer sites. Therefore, the managed service company can offer a “better” service without charging more.

## **Why are so many IT Firms now promoting Managed Services?**

Because it puts the IT Support Company on the same page as the business they are serving. With traditional break-fix services, the only way for an IT Support company to make money is if something goes wrong — which to us as always was a double-edged sword. If we do our job too well, we’re out of business, which happens to about 80% of all small IT Firms — they just don’t make it. Computer NERDZ has 23 years of history and stand behind everything we have ever done!

## **How are Managed Services priced?**

Managed services providers usually price their services on a flat-rate monthly basis. Depending on the services included in the program offered, pricing is usually based on the number of devices, with different packages priced at different levels. Some providers offer on-site customer support as an extra fee.

Basic services often start with a monitoring service, which notifies the “you” of problems, which you resolve on your own. At the upper end of the spectrum, service providers offer fully managed services that cover everything from alerts through problem resolution

## **The Real Benefits of Managed Services**

Put in simple terms - one of the biggest benefits of Managed Services is discovering and fixing problems before they can negatively affect your business.

A well maintained, proactively serviced computer network will always run better than the alternative. With proactive network monitoring, patch management, and desktop optimization performed on a regular basis, you will notice a tremendous difference in operations... and you will reap the benefits of preventing fires, rather than fighting them.

**Reduced costs:** Businesses are also able to control and reduce their overall operating costs with the flat-fee billing model. Cost-effective access to enterprise-level support is a reality

**24-hour monitoring:** Because the Managed Services provider also manages all of your vendor

relationships, issues with internet slowness/outages, printers, phones, cell phones, websites are dealt with directly with the vendor by the Managed Service provider. As a result of this “always-eyes-on” network monitoring 24 hours per day, businesses experience an additional level of comfort and security.



## **6 Additional Benefits of Managed Services:**

1. Increased operational efficiency
2. Reduced operating costs
3. Cost-effective access to enterprise-level support
4. Minimized downtime
5. Allows the focus to be on running the business, and not the technology
6. Peace of mind from knowing that the network is monitored 24/7/365.25

## **Small IT companies come and go quickly – and so do the Techs**

If you've been in business for longer than 5 years, you've probably hired more than one IT support company — you've maybe hired many. You know the frustrations of having a new technician working with your network. The question becomes “Is your technician a trusted advisor” or just a guy trying to fix your computer problems? Computer NERDZ! has thousands of references on our webpage, check them out!

## **So adding monthly fee wasn't exactly what you were looking for ...?**

We can clearly understand and relate to that mode of thinking. In this day and age, it feels like every company we deal with is trying to figure out a way to squeeze more money out of us — especially on a monthly basis. IT support services is not immune to this change in business climate.

But that being said, Managed Services is not just a short lived fad, or a way for IT companies to fatten their wallets. Managed Services is a way for businesses to eliminate problems before they ever occur, manage their IT budgets better, and create a solid long-term partnership with an IT firm that is protecting one of their most important assets... their data.

Monthly Bill or Managed Services (?)

Beware of inferior imitations like “remote dial-in”

## **Managed Service Imitations**



Providing true Managed Services requires a substantial investment in both technology as well as expert staff to operate the service. Some companies offering “Managed Services” are merely “dialing-in” to fix problems on your network and are not providing any “preventative maintenance” at all. This service is merely a soup-up version of the “break-fix” mentality, by utilizing an internet connection to access your network to fix issues.

This type of “remote dial-in” service and the company offering it, doesn't actually monitor your system, is not able to tell you where the system is vulnerable and is not able to fix problems before they negatively impact you system's performance. Remotely “dialing-in” to a network is nothing more than “Break-fix” without a site visit.

## Which type of maintenance do you currently have?

If you answer “no” to any of the following questions, you are utilizing a break-fix methodology to maintain your network, and may benefit from a managed service methodology without costing you more.

1. Do you find out immediately if your data back-up fails to run?
2. Do you know which equipment on your network is aging and might need replacing in the next 6 months?
3. Do you know if your server and all of your desktops have the latest anti-virus updates installed and are functioning correctly?
4. Do you know if the latest security patches have been installed on your network?
5. Do you know who the heaviest internet users are, and whether they are downloading large files which can slow down the network, or accessing inappropriate web sites?
6. Do you know which PCs are running out of memory, affecting user performance?
7. Do you have one number to call for all of your technology service requirements?

Do you only hear from your computer guys “after” things break?

You need...



**1-800-493-NERD**