

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
Managed IT Services
Pricing Models

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



Kraft Technology
Group_{LLC}

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 Kraft Technology Group is going to help you do just that.

CONTENTS:

What Are Managed IT Services?	3
What Are Separate Components of Managed IT Services?	6
Which IT Functions Get Delivered Through Managed IT Services?	9
Managed IT + Hardware as a Service	12
What Are The Benefits Of Managed IT Services?	14
What Are The Primary Challenges Of Managed Services?	17
Secrets Revealed: Purchasing Managed IT Services In Atlanta	19
How Much Should Managed IT Services Cost?	22
Are These 10 Items Covered In Your Managed Service Agreement?	24
53 Questions To Ask When Considering Managed IT Services	27
Developing A Business Case For Managed IT Services	30
Final Thoughts	32



Kraft Technology Group

Phone: (615) 241-9233 • Email: info@kraftgrp.com
555 Great Circle Road • Nashville, TN 37228

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 in which companies hire professional IT people to monitor, manage and maintain their entire IT infrastructure.

Instead of calling an hourly IT repair 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 until 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
- Proofpoint
- SonicWall
- Fortinet
- 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
- 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 optimal 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, Kraft Technology Group 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 are not 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

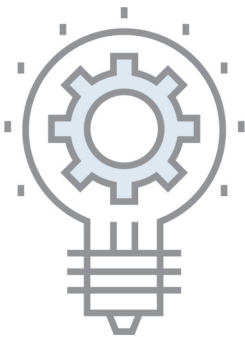
Often workstation issues can get solved remotely, eliminating the expense of a technician doing an on-site visit and assessment. This is a fast, easy way to resolve common computing issues so your employees can get back to work.

4. The Hourly IT Support Model Forces Companies to Pay High Incident Fees

Undetected IT issues become expensive when you're paying by the hour for repairs. 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 Kraft Technology Group 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 The 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 will branch out to examine the other subsets of functions and features that seamlessly work hand-in-hand with your main components. These additional Managed IT service components are just as important.

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.

It's important to remember that 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.

For example, Infrastructure, Platform, and Software are also undergoing this transition. 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.



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.

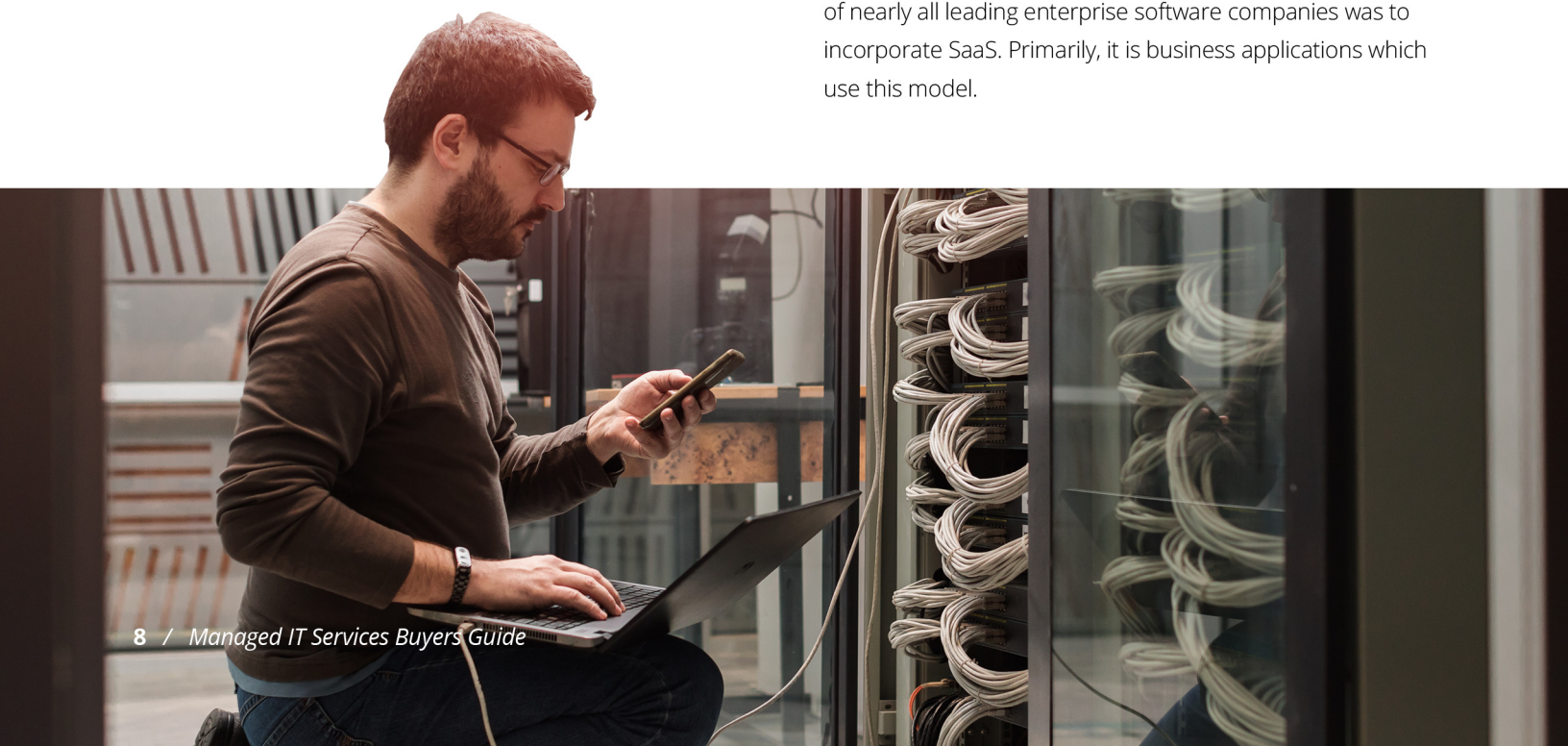
The Evolution of Each Component to the Cloud

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 IT Services?

These days, it's almost like ordering from a managed IT 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 IT 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 are 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 take 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 are 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.



Managed WAN Services – Service providers offer a broader range of managed Wide Area Network connectivity services. A short list would include ATM, frame relay, metro ethernet, multiprotocol label switching, and private lines.

Managed LAN Services – Service providers can control a company's Local Area Network over their system, helping to reduce total cost of ownership. Without managed services, the cost to maintain and update a network increases proportionally with increased network usage.

Managed IT + Hardware as a Service

In the world of Managed IT services, where the provider monitors and manages your company owned equipment, there is another option where businesses rent all or part of their equipment/computing power as part of their IT support services. That option is known as Hardware-as-a-Service (HaaS). Managed IT service companies are seeing more businesses moving to this model. What makes it appealing to small and medium-sized companies, especially startups, is that there are no upfront expensive equipment purchases.

What is Hardware as a Service (HaaS)?

HaaS is a service provision model for equipment that is defined differently in managed services and grid computing contexts. In managed services, HaaS is similar to licensing or leasing. In grid computing, HaaS is a pay-as-you-go model.

Instead of a client purchasing their equipment, they have the managed service provider (MSP) install equipment the MSP company owns, then rent it back to the client. 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. The client 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.

Should a machine become outdated or break down, the responsibility for repairs or replacement then falls to the MSP. 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

When a company chooses the Managed IT services HaaS model, their employees will only use the most current hardware.

How Does Hardware-as-a-Service Work?

There are six technologies tied in with HaaS that have benefited organizations of all sizes.

File 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.

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

Dedicated Computers – When needing a physical machine to run a specific operating system, the provider installs their 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 and increases productivity.

Storage Devices – 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 service provider, your business needs are analyzed and storage space is scalable and optimized for storage speed needs.

Switches and Routers – Computers use these devices 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. The days of using unmanaged switches that blast to all of your network are gone. Your provider can help you select and configure the right switch to help remove any barriers to performance.

Virtualization Technologies – For a monthly fee, you can virtualize your desktops and servers to run on hosted or hardware provided by your managed service provider. You won't need to purchase or install new computers for your network but can utilize less expensive local clients or simply connect remotely to your desktop. 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 portable to new hardware or cloud environments.

How Can HaaS Improve Your Business?

Now that HaaS is mainstream, it has made it possible for the SMB market to reduce IT hardware costs and ease their budgets dramatically. It has also given these same groups immediate access to use the best technology in the industry, instead of getting by with old, outdated, or legacy equipment.

Below we've listed four significant benefits when switching over to Hardware-as-a-Service:

1. Ease of Use and Flexibility – When the provider implements, maintains, updates, and manages their hardware, your IT person gains back a significant amount of time. That collected time gets directed to other activities that could benefit your business. When it's time to have the equipment removed, the provider takes it out.

2. More Physical Space in the Office – When a company has sizeable and 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, the company gets back valuable office space while getting the most recent technologies.

3. Security – With the provider using powerful firewalls, virus scanning technology, updating patches and continuous maintenance, your organization and the hardware devices in use are safe from cyber threats. When utilizing HaaS, concern about the security of your hardware is eliminated.

4. Reduced Capital Expense – HaaS bundled packages allow business owners to conserve capital. With additional cash flow, the business can turn around and invest in other areas. HaaS services may qualify as Operating Costs reducing those high tax rates for purchasing on-premises equipment. Do check with your accountant for any tax advice.



What Are The Benefits Of Managed Services?

The benefits of managed services allow hospitals to use technology to track patients and remain compliant, or financial firms to balance the books and avoid margins of error, or law firms to secure and maintain client records. When you look across all industries, it is the dedicated monitoring and maintaining the health of IT systems, which lets business owners reach their goals. But, if it were not for the ongoing commitment of managed service providers, none of this would be possible.

5 Benefits of Managed Services That Keep Your Business Healthy

Reduce Risk

Technical issues leading to a damaged reputation and further setbacks with clients is a significant concern for business owner. They don't want to accidentally discover their customer's credit card information got stolen from a cyber attack, or their website is down, and no one can make a purchase online, or they are out of compliance. But, when outsourcing their IT to a managed service provider, all these issues get eliminated and reduces their risk.

Immediate Implementation

A managed service provider can implement a program immediately. Along with implementation, network-wide compatibility is instant. But when you keep such tasks in-house, you would need to put your regular operations on hold, until the process finished. Then, determining if network adaptability were possible leaves a business in a state of forced limbo, potentially for several weeks. However, the outsourced IT provider doesn't have these obstacles standing in their way.





Active IT Experience

One of the areas of keeping IT systems healthy is the service providers constant need to stay actively current with the new technologies coming out on the market. Getting live updates on any technical issues reported in the news is ongoing. Moreover, most in-house IT employee's specialized knowledge typically covers just the limited problems found only at their company. But when you compare the IT staff's experience, who is employed by an MSP, their range of computing issue knowledge is vast.

Reliable Technicians

To provide clients with reliable technicians, a service provider, will train their personnel, and in most cases, these technicians must get certified, and keep all certifications up-to-date and renewed on time. Failing to do so would jeopardize their ability to perform their duties and being

terminated is a real possibility. Thus, their education is ongoing and never ends. When that technician walks through your doors, or you're speaking with them over the phone, that individual wants you to know they are reliable.

All-Encompassing Expertise

Despite their wide-ranging skills, most managed service providers do run into a challenge, every once in a while, that stumps the technician. Should this happen, that technician will reach out to his company describing the symptoms. Being that MSPs work with clients in every industry and sector, the company builds up a reservoir of hands-on experience and knowledge, that will quickly get sent to the technician. Those issues that pop-up out of the blue, get resolved fast and keep your system healthy.

5 Benefits of Managed Services That Catapult Your Business Forward

Improves Customer Service

With managed services, your operation will rarely face issues such as unresponsive online sales portals and downed customer-support lines. That's due to the MSP working behind the scenes, typically from an external location. From the results of this continuous procedure, your business would begin to see improved customer satisfaction with less and less frustration. That would start to take place, due to the IT system being correctly monitored to detect and prevent any interruptions and downtimes.

Levels the Playing Field

Most small businesses can't afford to match the in-house support services that larger companies maintain. Outsourcing to managed services can help small companies act "big" by giving them access to similar technology, and expertise that large companies require. An independent third-party managed cost structure and economy of scale will provide your company with a competitive advantage.

Increase Efficiency and Competitiveness

Businesses and organizations that moved away from in-house IT departments, to managed services reduced their

operational costs by removing researching and development tasks and having to implement IT updates and patches. That savings alone allows them to no longer pass the increased IT costs; they once did onto their customers.

Predictable Budgeting

If you decide to outsource your company's IT department, the managed service provider uses a month-to-month payment package, that you'll find detailed in your service agreement. You will know ahead of time what gets spent on IT monitoring and maintenance. If your IT system is small and straightforward, you then will pay for only the minimal IT needs. Then as your business expands, you start to consider scaling your system upward. But it also works in reverse, because you can also scale back at any time.

Maximize Productivity

With IT responsibilities outsourced to an MSP, the in-house IT team will turn their focus to any pressing day-to-day operational concerns. The in-house staff gets directed to focus on more immediate concerns and not maintenance issues. You reclaim your in-house team's attention so they can focus on their core strengths, and the MSP focuses on the full range of IT-related problems you may encounter.



What Are The 10 Primary Challenges Of Managed IT Services?

Believe it or not, there are challenges when using managed IT services. It might be the client's in-house IT department's 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 Managed IT 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 IT 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 Managed IT Services?

The simple answer is, you purchase managed services on a monthly subscription plan. What's in that plan will determine what types of managed IT 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. Managed IT services are tailored to fit your specific needs.

What Should You Know Before You Purchase Managed IT Services?

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

Reactive service is required in an emergency, e.g., when 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.

What's the Cost of Managed IT Services?

Most businesses today tend to prefer the “managed IT services” approach to managing their information technology rather than the traditional “break/fix” approach. What’s the difference? In the first scenario, a third-party (usually a Managed Service Provider, otherwise known as an MSP) takes responsibility for the ongoing monitoring, management, and maintenance of your systems. In the second, more outdated scenario, you pay for support whenever something breaks. There is nothing proactive in place to prevent issues from occurring OR help the company use technology & security strategically to alleviate challenges and meet organizational goals.

Naturally, managed IT services are on the rise as businesses around the world aim to embrace digitization without overspending. Most companies are putting more money than ever before towards technology, so what better way to manage that investment than paying a flat-rate monthly fee for everything you need?

What's the cost of managed IT services?

If you're considering making an investment in an MSP to take care of your technology for you, whether you're looking

to augment your internal person and/or team or you're looking to outsource all your technology and cybersecurity functions, you're likely concerned about cost. Sure, you know you'll be paying a flat-rate monthly fee, and that's fantastic, but what will that flat-rate monthly fee work out to?

Before we go into detail on costs, it's important to note that prices will vary depending on various factors such as size, regulatory and compliance needs, infrastructure requirements, etc. Every business has a unique technology environment with a specific set of hardware, software, and other elements. If you have a fairly complex environment, your cost may be higher. If you have a fairly simple environment, your cost may be lower. And naturally the smaller your organization, the higher your per user cost.

The MSP you choose may also offer various plans for different levels of management. As a general rule, you can estimate anywhere between \$125 per user to \$350 per user. Although this seems broad, keep reading to get a more accurate idea of what you'll be spending based on how managed IT services are priced.

What are the pricing models behind managed IT services?

There are typically two pricing models behind managed IT services: *per-user* and *per-device*. Although per-user pricing is more common, some MSPs opt to charge per-device. Let's take a closer look:

1. Per-User: This is based on the number of users (employees within the company using technology). Typically, every employee uses technology, whether it's a desktop, laptop, mobile device or something else. Every end-user device requiring monitoring, maintenance, and support will be included.

2. Per-Device: This is more rare to find, but if you're not big on using a ton of technology within the workplace, this can be handy. Each device within the company that will be managed will be included in the overall cost. This can include laptops, desktops, mobile devices, tablets, and more.

What's included in the cost of managed IT services?

As we mentioned above, the cost varies with an estimated \$125 per user - \$350 per user. This is because it's entirely dependent on the level of management & security you require. This means what's included in the cost will vary depending on your unique needs. We often see managed IT services plans outlined similar to this:

1. The Most Basic Plan:

An entry-level plan will cost approximately \$125 - \$250 per user, per month, depending on your size. You will receive monitoring, maintenance, and security for all devices within the environment - giving you all the basics. This is especially helpful for new startups or small 2-person shops. Typically, they may include a set amount of remote or onsite support hours OR you can purchase a block of hours at a discounted rate.

2. The Mid-Level Plan:

Although this is more expensive, it's also more comprehensive as you're getting more than monitoring, maintenance, and security. They will likely include remote and onsite support, as well as strategic consulting, data backup and business continuity, and more. Think of this level as a partnership. This typically runs around \$175 - \$300 per user, per month.

3. The High-End Plan:

On the higher end of the spectrum, you may find a managed IT services plan for hosted or cloud systems wherein you pay for each month, but you're able to move parts of all of your infrastructure to the cloud for greater accessibility and scalability. In this higher end solution, you should be receiving all of the security measures necessary for highly regulated industries such as healthcare and financial services. This plan typically runs \$250 - \$350 per user, per month.





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
- ✓ Security awareness training

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.

53 Questions To Ask When Considering Managed IT Services

As you've been following along, you have gained a clearer idea of what outsourcing your IT responsibilities to a managed service provider entails. But before you meet with an MSP and take the next step, we recommend asking the following fifty-three questions. Not just to the potential provider, but also ask your staff, mainly if your company employs an in-house IT team.

8 Questions To Ask When Developing The Service

What is your average network uptime performance?

Do you have a list of tiered features and capabilities?

Do you offer on-site hours built into the regular contractual fee?

What metrics do you use to assess speed, reliability and overall performance?

Is there enough flexibility to add or remove service offerings based on my business needs?

Are you able to diagnose and remedy service issues remotely without the client's IT team intervention?

Do you offer customized solutions for different businesses regarding growth plans and achievable goals?

Which software, professional services automation (PSA) or remote monitoring management (RMM) runs your managed services operation?

8 Questions To Ask Regarding Your Contract And Fees

How is my data retrieved should my contract be terminated?

Can a break clause be initiated should I decide to terminate my contract?

Is your service level agreement consistent for all customers or is this negotiable?

Does contract flexibility include monthly and annual payments with capping on yearly rate hikes?

Can you provide a comparison detailing the cost of on-premises versus cloud solutions over time?

Will I need to purchase additional infrastructure when your managed services work with my business?

Does your fee structure cover additional cost management that notifies when new charges get applied?

Do you include an assessment of IT infrastructure before providing projected Service fees? If so, is this a separate cost?

11 Questions To Ask Regarding Your Data Management

Who will have access to my data?
What methods do you use to protect data?
Will my competitors be able to see my data?
What redundancy gets built into the solution?
Who owns my data if it gets hosted at your facility?
How are data backups and disaster recovery handled?
What happens to my data if you go out of business, are sold to or merge with another firm?
What measures and processes are in place to protect my data against security breaches or data leaks?
Ultimately, who is responsible for my data? You as the MSP, a third party, or me as the business owner?
Do you host multiple clients on the same systems, in a multi-tenant environment or exclusivity in-area?
Do you run your service operations through a 3rd party hosting providers or data centers? If so, can you provide or validate these?

12 Questions To Ask Regarding The MSP's Credibility And Capabilities

How do you train ad-hoc support?
Do you employ a dedicated staff, or ad-hoc?
Can I meet the team members providing my support?
How many years have you been providing managed IT services?
Would you classify yourselves as experts in managed IT services?
What is your level of expertise in my industry regarding regulatory compliance requirements?
What industry credentials or certifications, does your company, and your technical staff carry?
How does your IT service desk team stay current with new technology developments and trends?
Are your managed IT services primarily what you do or are they an add-on service to your business?
Will you provide references and phones numbers to customers that are still doing business with you?
What percentage of your business gets dedicated to managed services versus other business models?
When I'm required to provide an audit trail showing compliance, how does your company handled that?

14 Questions To Ask Regarding The MSP's Support Model

How is support provided?
How are complex issues escalated?
What are the hours of emergency support?
What are the satisfaction levels with your customer help desk?
Will you provide references to call from any existing customers?
Do you offer on-site support hours as part of the contractual fee?
What are the first, second and third line parameters for escalation?
May we discuss your managed service support levels with existing clients?
Is emergency support available twenty-four hours a day, seven days a week?
Do you include channels such as telephone, email, portal access, and live chat?



What percentage of issues are confirmed as resolved at first contact by your helpdesk?
Do you offer traditional break or fix support for hardware, software and other infrastructure?
What type of training is provided, by your company, for my in-house IT staff to educate them?
How do I guarantee the return on my investment covering support and organizational IT knowledge?

Summary

Now that you have reviewed the fifty-three questions to ask when considering managed IT services, the answers you receive, from the managed service provider and your staff, will give you a clear picture of the direction to go in and what to expect as you move forward.

Developing A Business Case For Management IT Services

Any managed services provider can promise potential benefits will exist for businesses who adopt an Managed IT 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 managed IT services, Kraft Technology Group'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 process of outsourcing IT to managed service providers. Wherever you begin your managed IT 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 your business is stronger with providers you trust, embracing breakthrough productivity and accelerating the creation of value.



Why Kraft Technology Group?

Since 1992, Kraft Technology Group's mission has been singular and straightforward: *"To empower small and midsize businesses to efficiently & securely utilize best of breed technology, so they can focus on reaching and exceeding their strategic goals."*

Kraft Technology Group 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, 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 Kraft Technology Group adds value to your business.

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

Kraft Technology Group 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 Kraft Technology Group can provide your business with the right managed IT service model, contact us at (615) 241-9233, email us at info@kraftgrp.com, or visit us online at www.kraftgrp.com



Kraft Technology Group

Phone: (615) 241-9233 • Email: info@kraftgrp.com

555 Great Circle Road • Nashville, TN 37228