



# Local Outsourcing of Technology Services

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Mention the word outsourcing in polite company and most listeners immediately think of U.S. manufacturing or customer service jobs being transferred overseas at the expense of the U.S. workforce. But the concept has a local variation that is beginning to take hold in the small- and medium-sized business market that may revolutionize how businesses deal with information technology.

Local outsourcing of technology services creates business benefits across the board, without any associated social issues and impacts. Known as "managed services", this local service allows small- and medium-sized businesses to outsource their day-to-day IT responsibilities to local technology consultants—called solution providers—right in their own backyards.

## **What Are Managed Services?**

Managed services are provided by an outside firm. They remotely monitor and maintain your network and your computers for the purpose of anticipating, detecting and remedying problems before your computing infrastructure is brought to its knees, so to speak.

This relatively new field is growing quickly because many business owners see the benefits of having external technology experts constantly available to maintain their computer systems. In a managed services environment, you can usually afford to have a larger IT team working for your company, with broader and deeper skills in a variety of IT disciplines. Since they support multiple customers, you'll share the cost of this expertise with others. And as technology becomes more complex, your managed services technical team will allow you to keep pace by investing in the staff training required to stay on top of the latest trends, requirements and issues.

By letting a local solution provider handle day-to-day IT operations, businesses can stay focused on their core operations—the things they do best—instead of spending time and critical resources on technology issues, likely to be unfamiliar territory. Whether you actually save money in moving to managed services depends mostly on the current state of your network and computing infrastructure.

I've found that almost all businesses end up getting more for their money, but if you haven't kept current with security patches, or performing normal maintenance routines on your equipment, you may find yourself spending more in a managed services environment than you do on technology. You'll be getting more and likely avoiding a coming catastrophe with downtime, security breaches and the like, but managed services providers aren't going to be cutting corners on training their people, building disaster recovery plans and backing up data—all tasks that you may not be investing in if you are managing your own technology.

## **Benefits of Managed Services**

### **Technical Expertise: Now and in the Future**

There are several reasons why a managed services solution makes sense for many small- and medium-sized businesses. First and foremost, there is an increasing level of technical sophistication needed by an internal IT staff person to manage a network that incorporates the security and mobility required by most businesses today. Unless you can hire highly experienced technology staff and afford to keep them current with the latest training, you run the risk of making your data network—a critical business asset—vulnerable to security threats.

For example, I've found in many instances that internal IT personnel can't even keep up with the operating system patches and updates recommended by vendors to close known security gaps in the software being used. With the rampant increase in computer viruses and software bugs discovered as programs are used more broadly, software companies are providing software updates more frequently to combat these threats. In 2005, more than 6,000 of these vulnerabilities and associated "fixes" were identified, making it almost a full time job just to stay current with what patches are required, and this does not include the actual time it might take to implement the fix or patch for the problem.

You'll also be getting access to resources that can help smooth technology transitions as you are faced with the inevitable issues of new regulations on your use of technology, new operating systems (I can't begin to tell you the number of questions that I've fielded regarding Microsoft Vista), and new software products that may help your business grow.

### **More Time for Business**

Many small business owners report that one of the best aspects of outsourcing their IT requirements is the freedom it creates in business operations. First, outsourcing allows the owners to focus attention away from IT maintenance or problems and on to core business practices. Second, it allows them to explore new uses for technology in their core business that they couldn't afford in their old environments or didn't have time to investigate. For example, greater capacity in

the managed services data center might allow a company to participate in high volume events—such as your Web site being able to withstand hundreds or thousands of hits when you offer a discount coupon or host an online event—that in the past may have overwhelmed the IT infrastructure. Buying capacity, such as offsite storage for large amounts of data while you're working on an important project, for a limited period of time is another core business advantage that comes with a managed services solution.

### **Do you need Managed Services?**

Take this simple test to find out if you need managed services.

- Does your network shut down from time to time without warning, rendering workers unable to use e-mail or access network data?
- Are your employees reliant on the ability to enter data or retrieve information from a centralized server or database in order to serve customers?
- Is yours an e-commerce-driven business relying on real time financial transactions or estimates?
- Do you and your employees rely primarily on e-mail communication with important clients, vendors and partners?

If you answer yes to one or more of these questions, your business is a good candidate for managed services.

### **Tips to Implement Managed Services**

These few simple steps can help you select the assistance you need.

- 1) Get to know your managed services solution provider. Don't sign on with the first company you talk to. Like any other business, managed services solution providers offer a variety of skills and services and approach situations differently. Interview several different companies, talk to their current customers, and select the right one for your company and industry.
- 2) Proactive support is essential. You never know when an IT crisis is headed your way, but your solution provider should. It's essential to see a problem before it develops and keep your network protected against the latest security threats. Make sure you select a company with proactive steps to keep your network up and running. They should be able to demonstrate that they have the certification and skills necessary to always keep you in operation. One way to justify your move to managed services is to calculate the cost of lost productivity in your firm if you lose the ability to operate for an hour or a day because of a network failure.

3) Avoid unnecessary costs. Solution providers should be able to resolve most problems without ever paying a visit to your business. New tools from computer manufacturers and chip companies are designed to remotely monitor, diagnose and fix even basic hardware issues, with the ultimate goal of physically touching computers only twice – once to install and once to pick up at the end of their useful life. Remote management and maintenance of your computers and your IT network will ultimately save valuable time and money.

4) Communication is key. Your local managed services solution provider has a wealth of information that can be leveraged to make smart and cost-efficient upgrades and adjustments to your IT operations. Before you sign with any solution provider be sure they will provide you with regular network updates, performance reports and technology recommendations for you to get the most from your computing environment.

5) Know the cost upfront. Certainly no one can predict the exact expenses associated with your IT solutions, but you should select a provider that can offer a variety of services and show you exactly what they will cost.

#### *About ITSPA*

*The Information Technology Solution Providers Alliance (ITSPA) is a national, nonprofit organization of technology experts headquartered in Portland, Ore. ITSPA was founded by Russell Morgan in 2003 and has a membership of more than 300 technology consultants around the country. Members work together to provide a neutral resource dedicated to educating small and medium-sized businesses on the benefits of technology and ways to stay safe and productive.*

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