



The Business Case for Managed I.T. Services

Offloading the responsibility of I.T.



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"The best way to predict the future is to create it."

Peter Drucker

Executive summary

The modern digital marketplace has become overwhelmingly complex, and still, technology drives both efficiency and productivity.

While complicated tech stacks create obstacles for organizations of any size, small-to-medium-sized businesses often lack the expertise they need to maneuver through the maze of legacy and newer systems.

As a result, many mid-sized businesses have found valuable technology resources by partnering with Managed Service Providers (MSPs).

To be clear, MSPs are third-party IT vendors who have the expertise to manage crucial IT infrastructure in various ways. Billing is distributed under a pay-for-what-you-use subscription model.

A recent **Business Solutions Magazine** survey found that 50% of responding companies already used managed IT services. This trend isn't going away as **MarketsandMarkets™** predicts the managed IT market will climb to \$242 billion by 2021.

Invariably, there are many time and cost savings associated with the transition to managed IT services. This article will examine the business benefits of partnering with a third-party managed IT vendor.

Decrease IT spend



There isn't any question that managed IT services can offer significant savings over upfront capital investments in hardware, server warehousing, personnel costs, and software licensing.

In fact, a CompTIA survey discovered that 46% of their respondents were able to slash their IT spend by 25% or more while 13% of respondents had reduced their IT budget by over 50%. However, there are many more benefits that make a case for managed IT in addition to cost savings.

Mitigate costs associated with downtime

According to the IDC, every system failure costs an organization between \$82k and \$256k. You also have to think about the reputational and potential compliance costs. On the other hand, **CompTIA** found that consistent system monitoring can reduce downtime expenses by 50%.



Every system failure costs an organization

**\$82k to
\$256k**

Many businesses experience some downtime, and most of these outages are due to system modifications, whether it be hardware upgrades, security patches, or something else. When the IT department is too overwhelmed to follow best practices, issues can start to pop up. Let's say the probability of an outage is 77%, and the cost of downtime would run around \$169k. So then, the average expense of an outage might reach \$130k. If you were to hire a Managed IT vendor to monitor your system, you would save \$65k.



Issues pop up

when IT departments become overwhelmed

Allocate resources more strategically

While directing more cash to the bottom line is always a great thing for any business, additional economic and strategic benefits emerge when we dig deeper into the value of managed services. Managed IT services enable organizations to allocate their IT resources more effectively, unlocking more significant value. How resources can be allocated better will depend on whether you employ a full-time IT manager or IT responsibilities are only part of a full-time employee's job description.

When you can shift your resources to produce more of their intended results, then both strategic and economic benefits are realized. With Managed IT services working on your company's behalf, you can optimize your resources. For instance, consider the costs associated with hiring a full-time IT manager. Besides, think about the current going rate to hire full-time desktop technicians who can maintain hardware and software and troubleshoot IT issues. On average, IT managers command between \$80 - \$150k annually. Desktop technicians earn up to \$50k annually. So then, how would you best utilize your employees? You wouldn't want your IT manager to work on software patching or loading - that wouldn't be the best use of their time, skills, or expertise.

However, using an MSP to give your IT manager more time to work on strategic tasks that help your entire organization become more productive and align with your objectives would make much more sense and offer greater rewards. When IT managers are no longer burdened with putting out fires, they can use their expertise to drive higher profits using technology. Moreover, if the work is redundant and not challenging, you risk decreasing employee engagement. To illustrate, if you pay your IT manager \$100k annually and they are doing the work of a desktop technician, then you are paying them double the market rate for that type of work.

In another example, non-technical employees who are then tasked with IT management due to a lack of human resources means they will no longer have the time to focus on what they were hired to do.



Optimize your resources

with Managed IT services working on your company's behalf



drive higher profits

when IT managers are no longer putting out fires

Enhance operational efficiency

As mentioned above, there are verifiable statistics supporting cost reduction as a benefit of transitioning to managed IT services. However, many organizations are primarily concerned with improving operations' efficiency and relieving IT of an overwhelming, time-consuming, and burdensome workload. Not only does the IT department have to maintain all systems and ensure cyber security, but they also have to field support requests from coworkers and customers while doing so.

Many IT staff members soon become amateurs in every field, with each new request requiring a large amount of time spent on research to get the job done correctly. On the other hand, organizations that utilize managed IT can expect a 50% improvement in IT operational efficiencies. Why? Well, managed IT vendors already have expert staff on hand who is already experienced in various IT tasks such as data backup and recovery, system monitoring, cyber security, software patching, and more. They have the background of working on these types of tasks consistently for a wide variety of clients. Further, MSPs are always available. Your IT guy might be on holiday, but your MSP will always have staff on hand to manage your infrastructure efficiently.



50%

improvement in
IT operational
efficiencies

Rely on a predictable billing structure

In terms of strategic growth planning, it helps to know what your monthly costs are. Unfortunately, issues often arise at the most inopportune times, and having to switch course in an instant is also expensive. The break/fix model is unreliable and can hamstring real growth. However, a managed IT provider offers a predictable billing structure where you often only pay for what you use.



**Pay for
what
you use**

with a managed
IT provider

Bolster opportunity costs

To attract the best employees, businesses must remain on the cutting edge of technology usage. There are also lost opportunity costs associated with distracted and burdened employees. If there are any connectivity issues, this prevents employees from getting their work completed on a timely basis. Most significantly, if a small business can focus on its core competencies, then strategic growth is more easily achievable. Managed IT can help to eliminate the IT distractions.



**Down
time**

costs companies
money and employee
happiness

Let SSI show you the power of Managed I.T. Services

The bottom line business case for Managed I.T. is this:

- Lower costs and lower risk
- Improved operational efficiencies
- Reduced downtime
- Engaged and happier employees
- Enhanced strategic growth
- Unlock business growth, potential, and profitability

About SSI

Systems Solution, Inc. (SSI) is a top-ranked managed services provider (MSP) located in Greater Philadelphia. We deploy a best in class and always-available support team, supplemented by complementary services and full-service capabilities to ensure our clients' IT systems contribute to their competitive advantage instead of depleting valuable time, money, and resources. SSI's cyber security services are designed for every data repository in your organization. Our highly-trained engineers employ security best practices vital to protecting your company and our innovative approach takes the heavy lifting out of your hands so that you can experience peace of mind.

You can find more information at www.ssi-net.com