Co-Managed IT Services: The IT Executive's Best Friend

As companies grow, it is important for IT Managers/Executives to understand that it is not the goal of Co-Managed IT Service Providers to replace them, but to provide support in the form of enhanced services their employers need in today's world of ever-advancing technology.

Today, every business is a technology business. Medical practices, attorneys' offices, construction companies, manufacturing plants, schools, government offices. It doesn't matter what business you are in, you rely on technology. Technology makes your business more effective and more efficient, and, if handled properly, more profitable. As great as technology can be for your company, however, the dependency it creates also comes with the reality that if your technology goes down, your business could come to a grinding, if only temporary, halt, and in that time you could lose business, even long term customers, not to mention significant amounts of money.

If you are the owner of, or a top executive in, a small to mid-sized business that is dependent on technology, you have to make important decisions as to how you are going to handle the support and maintenance of your IT infrastructure and all the hardware and software that makes this up.

Essentially, you have three choices: first, you can develop your own in-house IT team; second, you can outsource these functions to a third party Managed IT Service provider;

third, you can use a combination of outsourced and in-house professionals, what is currently being called "co-managed" or "co-sourced" IT.

As with most decisions you have to make in life, there is no clear-cut, best-worst, right or wrong answer, so lets take a look at some of the considerations for each:

In-house IT Team: There are distinct benefits to having your own in-house team of IT engineers. You determine the projects that are going to be prioritized, what the goals are, and when the work will be done. Your support is handled in-house, on the spot, and when things are going well and their support/repair/training skills aren't required, they can be assigned other duties.

On the downside, with technology becoming more complex almost by the day, and particularly as your own IT infrastructure begins to age (in IT terms, becoming out-of-date) it becomes close to impossible to have the necessary expertise on hand from a small IT staff, especially if that "staff" is a single person. New hardware and software become available, and new solutions that can power your business require network reconfiguring. Security concerns grow and the preventive measures needed are in a constant state of flux. The reality is, few SMBs have the diverse technology platforms needed to handle modern IT infrastructure. You also face the problem of handling potentially catastrophic situations during off-hours while your IT person is not available…or on vacation.

With a small staff, you are at constant risk of losing a key employee(s). Demand for top performing IT people is high and SMBs are often hard-pressed to offer the compensation, advancement opportunities, and educational benefits of a larger business. In fact, 25% of IT people change jobs each year, taking with them a tremendous amount of business knowledge that can take their replacements months or even years to acquire.

Outsourced IT Services: On the opposite spectrum, of course, is managed IT. This can take the form of a "break and fix" model, a euphemism for what is essentially a repair service: something breaks, you call your IT service provider to fix it. A more sophisticated model, and one that tends to be used as companies grow, is the engagement of a managed IT service provider or MSP, where the provider effectively becomes your IT department. Because you are sharing the monitoring and management tools and teams with other companies, this is often a cost-effective way to achieve a high level of service that would be essentially impossible to achieve on your own.

For many companies, this is an ideal solution. They have at their beck and call a highly skilled team that can cover virtually any aspect of technology that needs to be addressed. Managed IT service companies with 50 or more employees often have 30 or more technology engineers who will have a wide range of certifications across multiple platforms, software applications, and third party vendor equipment.

For other companies, because their internal technology needs are so great, they may find themselves paying enough for external resources that it might seem more cost-effective to hire internally. Of course, this begs the question: can your internal hires possibly have the expertise or availability as the out-sourced team?

Co-Managed IT Services: Not long ago, the choices for IT support came to selecting one of two methods: in-house or out-sourced, but today, more and more companies, as they grow, find that the most effective and efficient way to deal with today's ever more complex technology is to combine the in-house and outsourced models into a Co-Managed IT solution in which the company still employs a small in-house team of one or more technicians, but also engages a third party provider to handle a number of functions. Follow this scenario:

Bob and Mary start a marketing company. They buy two laptops.

As they grow to eight employees, they buy more equipment including a server, and find a local three-person computer services company to install cyber security technology.

When they reach 16 people, they hire a Jim, a full-time IT manager who can (sometimes) fix broken computers, teach new employees their software, and generally handle day-to-day problems.

At 25 employees, the infrastructure is getting more complex plus Mary is becoming concerned about cyber security. After meeting with IT Jim, she realizes that his security knowledge is somewhat outdated and the company that installed their security protection hasn't updated it in three years. She also finds that Jim is unfamiliar with the growing telephony needs of the company, much less how to handle it, and that he is now asking for permission to hire a second IT person.

Bob and Mary are at a crossroads in the life of their company. They can either allow Jim to hire a second IT person, or bring on-board a third party, managed IT service provider to replace him. Neither solution is very satisfying. Jim is a good employee with a lot of both technology and company knowledge, but they realize that with the

growing company's needs, Jim alone cannot handle both the day-to-day tasks along with the short and long term strategic planning they realize is necessary if their company is going to continue its growth trend. They realize that their company has become fully entrenched in technology, which they welcome, and unless they stay at the tech forefront of their industry, they risk becoming an "old" company before too long.

On the other hand, they don't want to spend the money for a second "Jim" and face the same problems a year or two down the road when Jim and his new counterpart are again overwhelmed. Plus, they realize that even with a second employee, today's IT knowledge base is so great, that their company will still not have all the IT management tools and knowledge they need.

Bob has been reading recent articles on co-managed IT and has learned that more and more companies have been selectively outsourcing certain IT functions rather than trying to hire individuals with all of these skills. He also learns that if, in fact, he wanted to hire people with all the skills his company needed, he would need not one additional employee, but several and he soon comes to the realization that co-managed IT may be the solution he been looking for.

Bob and Mary meet with Jim and let him know that:

- He is a valued employee and they expect he will be with the company for a long time.
- They do not believe that their growing company's needs can be handled by a team of two, as Jim has suggested.
- Working with Jim, they want to find a managed IT service provider to handle the day-to-day tasks of monitoring and managing their IT infrastructure, as well as help desk duties, and perhaps other tasks that may arise over time.
- There is no intention to replace Jim. The third party provider would be hired instead of the new employee, and report to Jim.
- The third party provider will assist Jim in strategic technology planning for the short and long-term.
- They expect this will free enough of Jim's time to allow him continue his own IT education, and participate in management decisions, making him ever more valuable to the company.

Bob and Mary also realize that going forward, regardless of how important Jim becomes to the company, should Jim ever leave for any reason, they will be fully protected with a highly competent team ready to step in until Jim's replacement can be found.

After meeting with several service providers, Bob and Mary also realize that the cost of their new managed IT service will actually be less than they would have paid the new employee Jim wanted to hire.

If you find yourself in Bob and Mary's situation, your next question should be: how do I choose the right co-managed IT service provider for my company. Here are some qualities you should be looking for:

Competence & Expertise: What are the breath and depth of the provider's expertise, especially in areas in which your in-house team does not excel? Ask about certifications and on-going training.

Availability: Ask about bandwidth…is the team already over-extended or do they have the time capacity to handle your needs. How do they deal with after-hours requests?

Collaboration: It is important that both you and the provider understand that for this service to be of full value to your company, they must be willing and able to work with you on your terms, particularly when it comes to the assignment of new projects or tasks. Find out if they have the resources to collaborate on major projects, now or in the future.

Notification & Accessibility: You will be hiring this firm to maintain your IT infrastructure, prevent breakdowns, and mitigate risk, but some problems do eventually happen, even if on a small scale. Will the provider's team be aware of problems that arise in the middle of the night? If **you** become aware of problems in the middle of the night, will the provider's team be available to take your call and deal with it?

Communications: Can each of your employees report problems quickly and easily? Is your management team notified? And, again, **how** do you notify them about problems that may occur at 3 AM on a Sunday morning?

Experience Working as a Co-Managed IT Service Provider: This must be viewed as a team effort. While your in-house IT executive must understand that he/she will be giving up some responsibility and authority to the service provider in exchange for the benefit of having a broad range of expertise always available, the provider must understand that the IT executive is ultimately in charge and the provider's people must be able to deal with individual personalities and temperaments, sometimes requiring extreme levels of diplomacy.

Flexibility – Willingness to Provide Services on a "Pick & Choose" Basis: The provider must understand that the final decision on which services you choose to out-source will be yours and be willing to accept your decision. That said, there may be situations in

which the provider may require certain services be provided to insure that a high level of availability, security and mobility are met.

Picking the right co-managed IT service provider is an important process but once you have done so, you will have taken a giant step forward in growing and protecting your company.

DynaSis has been providing Managed and Co-Managed IT Services for small to mid-sized business in the Atlanta Metro area since 1992. The company has offices in Alpharetta and Fayettvile, with 55 employees including 30 highly skilled IT engineers. They can be reached at www.DynaSis.com or 678.373.0716.

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