



Criteria for selecting the right IT Managed Service Provider for your business

White Paper

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Introduction

With 24 x 7 access to devices, information and choices, users have become increasingly empowered in today's digital world.

Businesses in turn are initiating their own digital transformations to create new business models that align with growing consumer expectations. To accelerate digital transformation, many companies are adopting new technology trends like cloud computing, mobility and analytics.

Adopting these technologies is resulting in a complex IT environment unlike anything we have ever seen, spanning multiple delivery models, vendors, processes and data. Managing such a complex environment can be challenging, particularly as companies continue to face flat or shrinking IT budgets.

Combined with inflexible IT systems and rising management costs, many businesses are simply unable to deliver on the digital transformation agendas that their organisations require.

As a direct result of this, businesses of all sizes are examining their IT strategies. They are evaluating whether the IT services they design and deliver in-house can be more valuable, efficient and effective when provided by an IT managed services provider.

IT managed services span a range of capabilities, creating options for IT and business teams looking to benefit from externally provided services. By taking external IT services it will allow them to focus on more business critical issues and strategic activities.

Taking the right steps now to use IT managed services can enable companies to gain significant business and IT agility and add greater value.

This white paper examines the range of IT managed services available in the market today. It helps establish the most important qualifications IT and business leaders should consider in choosing a managed services provider, before outlining a strategic approach to making IT service sourcing decisions.

Why does your business need IT managed services?

By definition, IT managed services comprise the remote monitoring and management of a customer's selected hardware, software or networks, which can be located on premises or hosted in a third-party data centre.

The services typically include alerts, patch management, problem resolution and proactive problem prevention.

The IT managed services provider assumes responsibility for helping prevent downtime and improve IT performance, as measured by service level agreements, or SLAs

At Wanstor we have a broader view of what IT Managed Services should be offered apart from the basics. We believe true IT managed service offerings should include cloud, networking, storage, desktop, communications, security, data backup and recovery, disaster recovery, mobility, help desk and technical support.

We believe these are the true core components of IT operations. All are essential IT services and each of these technology service areas consume significant resources.

Indeed, over 70% of budgets in many businesses are allocated to simply 'keeping the lights on' for IT. Additionally, the underlying technology for delivering and managing each service area continues to evolve.

At Wanstor we understand that making the best use of technology innovation to provide continuous improvement and cost reduction over time requires constant development and / or the recruitment of advanced IT skills.

Staying up to date on technology and gaining ready access to necessary or scarce skills by using managed services from an experienced provider can help your business meet its IT needs.

Why should businesses use IT Managed Services?

Businesses use IT managed service providers (MSPs) for a range of reasons. In the main, businesses use MSPs to address a range of issues around cost, complexity, service quality and risk.

Meeting user demands, reducing risk and controlling costs whilst taking advantage of technology innovations requires extensive skill and understanding. Change must happen while keeping current IT operations live and running as efficiently as possible.

Additionally, the rapid pace of innovation across all technology areas makes it increasingly difficult for internal business IT teams to evaluate new technologies and determine whether they will bring competitive advantages, or simply add complexity to an already overcrowded IT environment.

Understanding how IT service providers deliver value around these priorities offers a platform for building a business case for outsourced IT managed services vs in-house IT.

WHY SHOULD BUSINESSES USE IT MANAGED SERVICES?



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Cost reduction

Economies of scale and industrializing service delivery help managed services providers meet a lower cost point than most businesses can achieve with in-house IT teams.

Additionally, many provider's costs, from infrastructure to technical staff, are shared across multiple customers.

Capital expense reduction

Businesses are continually challenged with forced capital expenses. Decisions on where to invest capital are difficult, and typically focus capital investment on revenue generating activities.

Similar to the way many companies lease real estate rather than purchase, delivery models like cloud and managed services can help businesses free up capital by shifting IT costs to operating expenses.

Increased efficiency

An IT managed services provider can deliver new value in hybrid environments through brokerage, best practices, standardization, analytics and automation capabilities, delivering more efficient, tighter IT controls. A managed services provider can deliver new value in complex IT environments by helping you plan, procure, govern and manage IT services across multiple suppliers.

Access to skills

The need to find, retain and build skills you need to support an IT environment is relentless. MSPs can reduce skills-related risks, because the responsibility for attracting and retaining skilled individuals falls on the managed services provider.

Most often, MSPs are in the best position to pool and use their resources among multiple customers, offering access to a greater set of skills than might be available to them at a lower cost point.

WHY SHOULD BUSINESSES USE IT MANAGED SERVICES?

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Better service levels and reduced risk

Service quality is the value that an MSP can offer. Promises of service quality should be backed by contractual SLAs. MSPs therefore have an incentive to cost-effectively develop the tools, processes and governance required to deliver reliable services.

Additionally as they will be providing IT services for a range of customers they will have access to experience and knowledge that you will not have in an in-house IT team.

As it is likely that the MSP has seen these problems before, and highly likely they will know what to do to fix the problem as well, so reducing time to resolution measures for IT issues.

The result is a more stable, dependable and protected IT environment that can meet users' service availability and performance needs.

Often service providers with knowledge of different IT infrastructures across a wide range of customers will detect issues faster than in-house IT teams

Improved security & compliance management

Reducing risks related to security, business continuity and compliance are critical IT areas that can be addressed effectively by managed services. Security in particular comprises a growing area for IT service providers and customers.

Escalating threats and a complex technology landscape make it difficult for in-house IT teams to keep up with changing security requirements.

IT Managed services are often seen as most fitting for small and midsize businesses that have small IT departments and limited resources.

An MSP can also bring time-tested processes, procedures and infrastructure resources to help customers recover critical systems and data within time frames specified by regulatory requirements.

A provider that can address all of these areas also helps organisations integrate these functions for a more comprehensive approach to IT risk management.

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Service Area	Typical potential cost savings with Wanstor
Integrated managed infrastructure services (servers, storage, devices, middleware)	20% (or greater) payback within 12 to 18 months
Managed Network Services	10% to 40% payback in the first 12 months
Managed Security Services	Up to 55% payback in the first 12 months
Managed Backup & Restore Services	Up to 40% payback in the first 1 to 12 months
Managed Resiliency Services	Up to 25% reduction in recovery time & recovery point objectives
Managed Virtualized Desktop Services	30% to 40% payback in 8 to 18 months
Managed Help Desk Services	15% to 25% payback within 18 to 24 months
Managed Hosting Services	25% to 50% payback in the first 12 months
Managed Technical Support Services	Up to 40% reduction in support costs with payback in 6 to 12 months

Access to technology innovation

MSPs have the skills and resources to implement new technologies quicker, enabling customers to exploit IT innovations such as cloud, analytics and mobility that can provide new business value.

Furthermore, demand for innovation fosters healthy competition among services providers, helping drive down costs and create a market environment focused on what businesses and their users actually need. Additionally an MSP assumes most of the risk of new technology innovation by taking on the investment in costs, training and implementation.

Flexibility and scalability

MSPs can scale the scope, size and range of managed services based on a business's needs. This allows companies to align IT with business operations and improve speed time to market with the faster provisioning of new resources.

What should you consider when selecting an IT managed services provider?

The potential benefits of IT managed services can be achieved by selecting the right provider.

At Wanstor we believe customers should choose an MSP who can demonstrate the ability to provide skills, processes and resources that exceed your in-house IT capabilities.

When you evaluate IT managed service providers, we believe the following areas should be considered carefully before making an informed IT outsourcing decision.

Skills and experience

Any MSP should have skills that go beyond basic operating system maintenance and availability management.

You should ask your MSP about skill levels related to managing change, virtualization, high availability, middleware and databases, network technologies, cross-platform integration, mobility, security and cloud.

Business leaders and IT Directors should look to ask questions about certifications and headcount, scalability and availability of staff with specialized skill sets, how specialists are organised, how do they share knowledge, and how IT best practices are communicated.

Additionally MSPs should have expertise across all delivery models, including not only managed services but also traditional IT and strategic outsourcing.

A proactive approach to IT management

Take the time to discover if the MSP has a '*break & fix*' mentality or a proactive approach that emphasises problem prevention and continuous improvement.

We suggest you interact with providers that go beyond simple monitoring and device management; ask if they use analytics for incident prevention for example. At a basic level, the MSP should employ sophisticated back end technology like automation across all offered managed services.

Look for technologies that provide alert mechanisms, automated workload categorisation, incident escalation and remediation.

Additionally ask to what degree the services provider uses automation to reduce human intervention and improve quality and productivity.

Are they using industry standard methodologies?

One of the key tenements to achieving a more reliable, highly available IT infrastructure is to fully optimise day to day IT management.

A good MSP should employ industry best practices in managing your IT resources

Particularly they should be aligned with the ITIL approach to IT service management. ITIL best practices encompass problem, incident, event, change, configuration, inventory, capacity and performance management as well as reporting.



To preserve future flexibility, it should be mandatory that any prospective provider offers a suite of IT managed services, from infrastructure management and managed security, resilience, mobility and other IT services to managed hosting and cloud.

Consistent processes, knowledge management and consolidated service visibility

Consistent service delivery is built on consistent processes based on a repeatable methodology. Your MSP should be willing to share examples of policy and process documentation and explain how they are replicated across multiple delivery centres.

Additionally the MSP should have a well detailed and documented knowledge management system that enables staff from any location to access historical problem and resolution information.

Also important is the means by which the services provider gives you visibility into the health of your IT infrastructure and the performance of your IT managed services.

We suggest IT and business leaders look for a security-rich, web-based portal that consolidates related services into a single dashboard with access to real-time service visibility and flexible reporting capabilities.

Experience at providing IT support for complex multi-vendor IT environments

Today's IT infrastructures are typically composed of hardware, software and network products, along with and public and private clouds from a variety of vendors.

An MSP should have at minimum proven experience working within multi-vendor, multi-cloud environments and more importantly, have relationships with leading vendors to make sure of availability today and have visibility into product roadmaps which the key vendors are producing.

A real vendor independent MSP should be able to play the role of a vendor broker, helping you plan, buy, manage and operate across multiple IT models and providers that provide the best fit for your business.

Consistent service delivery, via local resources

Choosing an MSP who has consistent delivery capabilities offers many advantages, including rapid implementation in new locations, the ability to effectively manage customer projects that span operations in multiple geographies, and in-country location of resources and data to help address regulatory and legal requirements.

ARE THEY USING INDUSTRY STANDARD METHODOLOGIES?



Performance-based SLAs

One of the main advantages of IT managed services is that responsibility for performance rests with the MSP. Focus on what the provider delivers rather than how the service is performed. This helps the provider innovate, improve service delivery and reduce costs for mutual benefit.

In turn, the services provider should be willing to commit contractually to meeting your service-level requirements, and be prepared to back up those commitments with financial penalties or other consequences if those SLAs are not met.

Portfolio of IT managed services aligned to your business

Because your business and IT needs are continually changing, you want the flexibility to add managed services without adding unnecessary cost and complexity to your sourcing strategy.

Many businesses find that services fragmentation (using multiple managed services suppliers) can become costly and complex.

Although sourcing by process may seem optimal because it allows you to hire 'best in breed' for a particular activity, it can perpetuate silos, hinder agility and make change more difficult.

Additionally it is suggested that you look for an MSP that offers flexibility in doing business with you, such as giving you the option to retain your current equipment and, where it makes sense, your current processes.

Your Finance Director, for example, might want a managed services provider that can offer a pay-per-use option, allowing the business to scale up or down to match peaks and troughs in business demand for IT services.

Managed services can also offer new financial approaches to deploying IT

A clear path for innovation

With strategic partnering becoming increasingly prevalent, it's important to consider the impact sourcing relationships can have, not only on business outcomes but also on a company's core business model and corporate culture.

- + If innovation and transformation are critical components of your business strategy, how can a prospective managed services provider contribute?
- + Does it have insights or experiences that can help to evaluate where certain technology markets are moving to?
- + What competitive advantages could you gain from access to, or even better, collaboration with, the provider's research and development function?
- + How can the provider's expertise, assets, reach and partner network help you develop new business models or expand into new markets?

Financial stability and reputation

Whether you are considering a short-term, or long-term MSP relationship, a prospective MSPs financial stability is crucial. Today, an MSPs length of time in the market is no longer enough or a reliable predictor of future longevity.

At Wanstor we suggest business leaders undertake due diligence of any MSP before signing a contract. Research annual reports, financial statements and opinions offered by business and IT industry press and analysts. Ask for references and quantified success metrics.

Making choices about delivery models

As the world of IT Managed Services expands, so does the choice of delivery models. Wanstor has developed a framework designed to help customers choose the services and delivery models that are right for individual organisations. This framework is built around three critical decision points: business design, service levels and deployment characteristics (see figure 1 below).

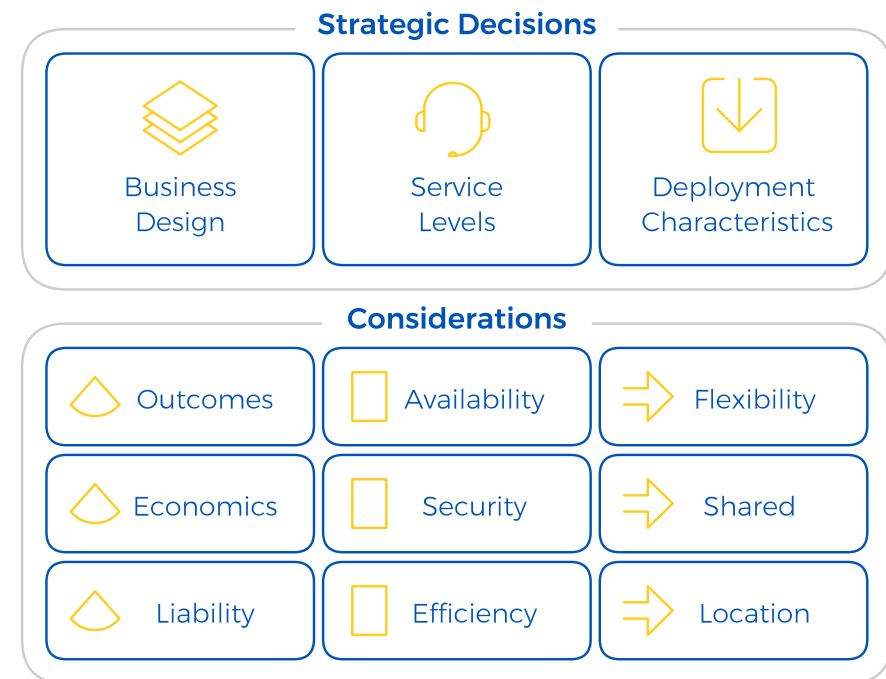


figure 1: Wanstor Framework for Delivery Models

ARE THEY USING INDUSTRY STANDARD METHODOLOGIES?

How does delivery model choice work?

Wanstor business and technology specialists work with you to understand your business requirements, service-level objectives and deployment choices, and match the right mix of delivery models to your business needs.

Business design

When analysing the business design, your focus needs to be on outcomes, accountability and economics.

What level of control do you want, and who is responsible for what after the transition to managed services?

Which pricing arrangement makes the most sense?

Is your company moving away from fixed-cost expenses, and can you capitalize on a variable-expense model based on usage?

Can you reduce capital expenses by taking advantage of the operating-expense model that managed services offers?

Service levels

To maintain service levels in an IT managed services environment, it is critical for both you and your services provider to have a clear picture about the performance metrics, security tools and policies and resiliency level your business requires.

Balancing your performance and service-level requirements with costs is an important exercise.

Determining the right level of availability, security and resiliency of a particular service helps make sure that you are not paying a premium for a service level not required by your business or allowing a crucial business process to be under protected.

Deployment characteristics

Today your IT infrastructure can be dedicated, whether it resides in-house or is hosted by a services provider, or it can be part of a shared environment (which is often the usual choice). This evaluation starts with the following questions:

Do you need a customised environment or can you take advantage of the agility and scalability within a standardised environment?

Where should your IT assets live?

Who should own them?

Our IT service delivery framework as outlined above is designed to guide clients step-by-step through the considerations involved in transforming IT infrastructures. It should help IT and business leaders determine the sourcing solution that best fits their needs.

Most likely, answers will differ depending on infrastructure components and applications, services and business processes they support.

For that reason, your business will need an MSP that can offer solutions that integrate multiple delivery models, including managing a traditional IT environment, shared private cloud services and shared public cloud services.



Taking the right path for IT Managed Services adoption

A strong and business relevant IT managed services strategy means you can expect your new or existing IT managed services arrangements to grow with your business and IT usage needs.

You can start with a flexible staffing arrangement, which takes advantage of the managed services provider's skilled resources. This model brings the skills you need into your business for special projects or to just provide the resources you need for day-to-day IT services.

The next level of commitment to an MSP strategy can be to adopt selected managed services for your IT infrastructure. This approach allows certain IT infrastructure functions, such as backup and recovery, server and storage management or security, to be managed by a provider while you retain other infrastructure responsibilities and manage your applications.

As you move through your strategic IT services outsourcing journey, you can advance from having some services, to all services provided by an IT managed services provider. You can use your infrastructure and configure it as a traditional IT environment or as a private cloud, which provides more virtualization and standardization.

You can also ask the services provider to manage everything, up to and including the facility itself, or you could move your infrastructure to a hosted or shared environment that is owned and managed by the services provider.

Wherever you start, your provider should offer a range of services that includes cloud as well as basic and advanced managed services.

Providers should work with you in defining a strategy showing where you are on a continuum and how innovations in technology fit into your plans

Your ability to act on technology innovation with confidence is stronger when you have a services provider you trust to embrace breakthrough productivity and accelerate value creation.

Wanstor Managed Services: A Brief Overview

Custom Managed Services

Wanstor Integrated Managed Infrastructure Services	Helps clients improve application availability and infrastructure use while reducing costs using best practices and analytics-based monitoring and management tools for hybrid infrastructures consisting of traditional IT and Cloud environments
Wanstor Managed Security Services	Provides around the clock monitoring and management of client in-house security technologies, with a single management console and view of the entire security infrastructure
Wanstor Managed Resiliency Services	Maintains near continuous business operations and helps manage regulatory compliance, improve systems availability and better protect data
Wanstor Managed Mobility Services	Provides lifecycle services and advanced mobile device management to help reduce the complexity, risk and higher costs that come with a proliferation of mobile platforms
Wanstor Remote Network Managed Services	Offers subscription based services that provide remote monitoring and management of single or multivendor network communications solutions; managed environments include core and edge data center networks, customer on-premises network equipment and campus and LANs
Wanstor Managed Support Services	Provides predictive and preventive maintenance services to help optimize IT availability and achieve measurable business continuity results; supports a variety of hardware and software products, and virtualized and infrastructures
Wanstor Managed Mobile Virtualization Services	Provides users with faster, security-rich access to corporate data and applications from nearly any device through a private cloud solution that transforms a traditional desktop infrastructure into a virtualized environment
Wanstor IT Outsourcing	Delivers a thorough stack of sourcing services from infrastructure to applications to business processes; implementation approaches include managed services and cloud - selected, tailored and intergrated to meet client needs
Wanstor Cloud Automation Service	Integrates automated capabilities into existing cloud and traditional IT environments for service requests and unreported problem-driven incidents to help reduce severity tickets and downtime
Wanstor Cloud Brokerage Solutions	Helps you to plan, buy and manage (or broker) IT resources across multiple cloud models and suppliers while reducing risk and overall IT costs

Why Wanstor?

Along with meeting criteria in each area of consideration when selecting a managed IT services provider, Wanstor brings industry-leading expertise and capabilities to help customers manage diverse and often complex IT environments.

We have the technology and business knowledge to help you understand and identify your IT and business requirements at every stage in your IT Managed Service journey.

We also specialise in each type of delivery model, not only managed services and cloud, but also traditional IT and strategic outsourcing. In other words, we help you realise an integrated multi-sourcing IT strategy.

We offer customers flexibility to select the degree of support they want for each layer of infrastructure-from basic monitoring and management, to long-term arrangements based on an innovation path designed to replace an ageing or inflexible infrastructure with new technology.

For more information on how Wanstor can help your business and IT department achieve its objectives please contact us on **020 7592 7860**, visit us at **www.wanstor.com**, or email us at **info@wanstor.com**.

We hope you have enjoyed reading this white paper, and look forward to working with you.

Find Out More