

WHITEPAPER

AN INSIGHT INTO IT SERVICE DELIVERY: TRADITIONAL BREAK-FIX vs A MANAGED SERVICE.

A comparison report between traditional break-fix IT service delivery and managed services delivering automation and operational efficiency.



INDUSTRY EXPERT PREDICTIONS

A recent study by Forrester Research¹, a global research and advisory firm, notes the current growth globally for enterprise managed services as between 18% and 21%. This comprehensive study predicted an annual growth rate of 18% to 21% from 2012 to 2016.

Other studies also note growing demand for managed services despite an uncertain global economy. In July, 2011 Visiongain, an independent London based business information provider, reported that the managed services market was around \$55 billion in 2010, and projected to reach \$86 billion by 2016².

THE TRADITIONAL BREAK-FIX MODEL

Most organisations' investments are driven and determined by budget. Budget maximisation is often the imperative, at any size, but even more so when a particular investment is a dependent driver for business success.

All businesses rely on IT to deliver core business functions. The question is how much your business' survival depends on your IT system and how much an IT disaster will cost your business in downtime. It's completely understandable that small or medium business owners try to minimize expenses and keep tight reins on budget.

The most common way of achieving this is by adopting a "break-fix" philosophy and calling on a professional only when an IT crisis/problem arises

As the name implies, with break fix, the help of a professional is only enlisted after something has "broken." When adopting a break-fix solution to IT, all management of hardware and software is done by the business itself, and there is a charged hourly when an IT technician is dispatched to determine, and hopefully fix the IT issue.

On a daily basis, a tech-savvy employee may be called upon to solve minor IT issues, but when their time is taken up being the IT guru and focus is taken off their day job, it can be detrimental to the business. Similarly it's nearly impossible for the internal 'sometime' technician to keep up with all the developments in the advancing world of technology. **But is the break-fix approach really budget friendly in the long run?**

THE COST

With the break-fix delivery model, budgeting is nearly impossible. Between costs for repairs, consultations and hourly labour, there is no way to budget accurately. Systems are also likely to be down for longer than with the managed approach because technician won't have history of working with your system and it could take him or her much longer to identify and fix the problem.

¹ The Forrester Wave™: Emerging Managed Security Service Providers, Q1 2013

² Visiongain, Managed-Services-in-LTE-Era-Report-2011-2016

A MANAGED SERVICES MODEL

Managed IT Services refer to services delivered in a defined manner with a predictable expense. Using a managed approach to IT, responsibility for a business' IT needs is turned over to a Managed Service Provider (MSP) who takes a proactive approach to monitoring and managing the IT infrastructure.

Outsourcing the daily management of systems to an MSP gives the immediate advantage of preventative care. Identifying and solving potential challenges and threats to IT systems before they disrupt operations is central to managed services. MSPs offer peace of mind, something that cannot be guaranteed with unreliable Break-Fix. When an IT disaster occurs, an IT professional is on hand with a back history and in-depth knowledge of systems. MSPs provide standardised rates of response and uptime is certain to be guaranteed.

A recent study conducted by CompTIA³, the non-profit association for the IT industry, finds that companies using managed IT services are seeing significant cost savings. The question to ask is: Are managed services really about cost savings – or is the real benefit predictable business operations for both the customer and the MSP?

According to the CompTIA study:

- 46% of managed IT service users have cut their annual IT costs by 25% or more.
- 50% of managed IT service users have cut their annual IT costs between 1-24%.

Cost savings appears to be a bonus in both cases. Over half of the companies surveyed said they use managed IT services so that they can free up their own internal staff to work on revenue-generating projects.

So generally speaking, **companies using managed IT services are saving money and making money on the back end with more dedicated staff to work on business-related jobs.** No wonder 62% of those surveyed said they plan to increase their commitment to managed services

7 CORE SERVICE FEATURES OF A FORWARD THINKING MSP

1. Managed & responsive SLA encompassing unlimited IT support
2. Unlimited network administration & housekeeping
3. 24x7 network infrastructure monitoring, management & reporting
4. Continuous infrastructure auditing & asset management
5. Onsite engineering attendance (daily, weekly, monthly)
6. Proactive & dedicated account management
7. 3rd party vendor management

THE COST

With the managed services model, budgeting for your IT service and support expense is predictable and based on a set monthly payment. Where the provider solves 5 support tickets per month or 50 support tickets per month, your monthly investment remains the same.

³ <http://mspmmentor.net/managed-services/managed-services-tech-cost-savings-vs-productivity-gains>



THE AUTOMATION BREAKTHROUGH IN THE MSP MODEL

The opportunities to automate daily system support and administration tasks increase at every stage of managed IT service adoption - organisations increasingly understand the relationship between efficient, managed and proactive IT services and their bottom line.

Similarly, MSPs can deliver more services at the same or lower costs – enabling their customers to maximise the return on their IT investment. Put another way, automation is clearly a key success factor in an MSPs ability to attract and service the most desirable types of customers: managed, proactive, and utility customers. These are the types of customers who see their MSP as an integral part of their business and success as the managed services market continues to mature and become increasingly competitive.

In order to automate service delivery, MSPs must have a solid technology foundation on which to carry out the five core functions that are critical to success: **monitoring, management, notification, reporting and interoperability.**

By deploying RMM applications designed specifically with IT services automation in mind, an MSP can monitor and manage the complete portfolio of IT devices, automate routine services, automate patch management, configure self-healing scripts as well as resolve infrastructure issues from within a single application.

SO, WHERE DOES YOUR BUSINESS FIT?

Businesses that operate in the break-fix and responsive stage of the model see IT as a cost. Businesses who operate in the managed services stage see IT as an investment.

Unlike traditional “break-fix” IT support model, managed services align the interest of the service provider with those of the client. Both parties desire for the client’s network to be absolutely stable because they both lose money when anything goes wrong.

In the event of downtime, you lose productivity, while MSPs lose their most precious resource – technical support time. As a result of this alignment, MSPs are incentivised to work harder and smarter to ensure that their clients’ network remains 100% stable.

ABOUT ORYXALIGN

OryxAlign is a thriving and vibrant managed technology services provider, with client happiness at the heart of our business. With decades of combined experience, we remove the stress and strains of IT by delivering efficient, practical and affordable managed technology services. **We work as your IT partner, not as an outsourced provider.**

Our world class tools, techniques and standards help us deliver a responsive, personal and caring support service tailored to the individual needs of our clients. From 24x7 remote monitoring & management, network administration and onsite engineering consultancy, to cloud services, data management, virtualisation, and enterprise mobility. We provide the full technology portfolio across all industries from financial, legal and media to FMCG, education & manufacturing.

We have a forward thinking culture always looking to embrace new technologies and methods which add operational efficiency and economic value to our clients. Trust, loyalty & commitment are central to our ethos and the pursuit of excellence sets us apart from our competitors.

For further information on what we do and how we can help your business, call us on +44 207 605 7890, email hello@oryxalign.com or visit www.oryxalign.com