

WHITE PAPER

HOW MANAGED I.T. AND NETWORK SERVICES INCREASE BUSINESS EFFICIENCY AND LOWER COSTS

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HOW MANAGED I.T. AND NETWORK SERVICES INCREASE BUSINESS EFFICIENCY AND LOWER COSTS

Managed IT services can help businesses realize a new level of productivity, while also relieving technology-related headaches and trimming budgets.



EXECUTIVE SUMMARY

In pursuit of greater efficiency, stability, and security small-and-medium-sized companies often look toward the latest IT services and applications. But successfully navigating the complex IT landscape has never been harder. To derive lasting benefits, companies must grapple with increasingly complex technologies, successfully integrate them into their existing infrastructure, and ensure these systems function optimally over the long-term.

In this white paper we'll explore how businesses can get the skills they need to benefit from the latest technologies. We'll also look at how the managed IT service model provides the most cost-effective and reliable path to this improved IT capability, by allowing businesses to focus their energies and resources on delivering improved products and services to their clients.

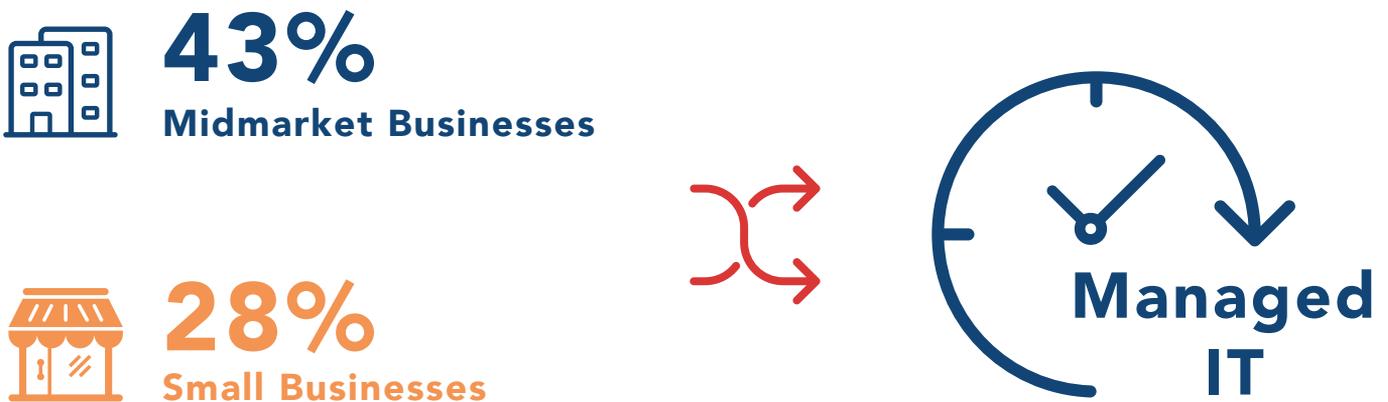
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SMBS ARE ADOPTING BETTER I.T. FOR A COMPETITIVE EDGE

In New York State alone, small-and medium-sized businesses (SMBs) produce around \$950 billion dollars in annual economic activity. These businesses are also becoming increasingly reliant on technology to differentiate themselves and prosper in a competitive marketplace. According to research firm Techaisle, 28% of small businesses and 43% of midmarket businesses are now more dependent on technology than they were just 12 months ago. Gartner, a national leader in market research, has found that 45% of the country's annual information technology spend comes from small and medium-sized business, a number they expect to grow to almost \$1 trillion dollars this year.

What's driving this increased adoption? The proliferation of new technologies and applications that can have an enormous positive impact on the operations and efficiency of small-and medium-businesses. Because of their great potential benefit, staying current with these developments, which includes cloud computing, mobile technology, and cybersecurity, should have top priority in your operational strategy.

To take full advantage of next-generation IT, businesses should develop a strong awareness of emerging technologies, a clear sense on how they can help your business run better, and a roadmap for how to integrate them with current applications and systems. For many SMBs, acquiring this deep understanding of current and emerging technologies, or finding the talent to do so, can be a major challenge.



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HIRING INTERNAL I.T. STAFF – ON-DEMAND, ON-PREMISES EXPERTISE

There are many benefits to having a fully-staffed IT department. They have deep knowledge of your network and operations, and their sole job is to keep your IT systems and services running smoothly. They also fully understand your company and its needs, and getting creative input is as easy as a quick chat around the water cooler. But the disadvantages can be significant as well. Is your company looking for networking generalists? Perhaps it wants someone who has experience with a specific application or system? IT engineers with specialist skillsets can be difficult to find, even in a major city like New York, where competition for experienced IT professionals has left many positions vacant.

When high-quality talent can be found, it comes with a steep price tag. According to Robert Half's Salary Guide for Technology Professionals, which tracks the salaries of IT staff at employers across the country, the average network engineer's salary is between \$99,000 and \$146,250, while the cost of retaining a Director of Technology is even greater, between \$108,000 and \$193,000 annually. This base salary, along with the other added costs associated with carrying an employee (retirement and healthcare contributions, vacation pay, etc.), means a minimum of \$110 to \$150 thousand-dollars per employee.

The price tag associated with staffing an IT department is especially high for organizations that want to pursue an aggressive technology strategy. After all, your in-house IT department may not be familiar with the latest services or platforms, or have the time to roll these systems out while maintaining your existing infrastructure. Saddling a small, in-house IT staff with excessive responsibility is a bad option that can result in burnout or increased turnover, which further drives up costs and may even result in IT service irregularities.

Robert Half's Salary Guide



\$99,000
-
\$146,250

Avg. salary of a Network Engineer



\$108,000
-
\$193,000

Cost of retaining a Director of Technology



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OUTSOURCING THE OLD WAY – PROJECT BASED I.T. SERVICES

Because of the difficulty and costs associated with hiring IT staff, companies have long sought out technology partners to shoulder some of this responsibility. The most basic model for contracting outside IT support is the “break-fix” model, in which a business contacts an IT services provider when something in their network or applications malfunctions. When this happens the service provider sends a technician to fix the problem, charging either by the project or by the hour. The length of the engagement under this model is limited to solving that single issue.

For larger infrastructure projects, businesses have often approached what’s known as a “value- added reseller” or a “solutions provider.” Although details may vary, both these businesses share a fundamental proposition — to resell third-party hardware or software with customization or configuration services included as a single package or “solution.” This model of acquiring IT expertise has been popular for many years, enabling businesses to quickly build out IT infrastructure or add new services.

But both these models of delivering IT expertise have major shortcomings. Because most solutions providers don’t provide daily maintenance as part of their service offering, after purchasing a new system you’ll still need to manage and maintain the equipment with in-house staff. That means encountering even minor viruses or security breaches can leave your in house IT staff to troubleshoot a new and unfamiliar system unassisted, while also supporting daily business operations. Because of this limitation, the solution provider model tends to best suit large companies that want to augment in-house expertise for a specific IT initiative.

The break-fix model has its problems as well, in that the interests of the business and the service provider are chronically misaligned. In an ideal world, your business would like to maintain 100% uptime and never have to call for IT support. Conversely, the service provider would — at least theoretically — prefer that your company exist in a state of constant technology turmoil, thus requiring the highest number of billable hours possible. The tension between these two forces places an unhealthy pressure on what should be an equitable partnership between the business and its technology provider.

Another major downside to the break-fix model is that it’s entirely reactive. If you’re only calling your IT partner when you’re in the throes of a crisis — after you’ve started losing productivity and money — then you’re already approaching your IT systems on the wrong footing. The goal should be greater productivity and efficiency through proactivity, good strategy, and cooperation. Because these old models of IT service have such glaring downsides, a new and improved model of acquiring IT expertise has emerged.

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MANAGED I.T. SERVICES PROVIDERS – THE EVOLUTION OF I.T. SUPPORT

Hiring a managed service provider eliminates the billable hour and replaces it with a flat, monthly fee that covers the maintenance of all the IT services or systems a company wishes to outsource. In exchange for this flat fee, the managed service provider or “MSP” monitors and maintains a client’s system remotely with a set of specialized tools, ensuring a level of IT service quality that’s outlined in detail.



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FLAT RATE SERVICE

The MSP provides predictable, flat-rate pricing that helps business plan their IT budget in advance and prevent cost over-runs. As opposed to the aforementioned models, the MSP has a vested interest in keeping infrastructure and applications running smoothly, as it also reduces their own workload. By aligning the interests of the business and IT service provider, both parties achieve smoother operations and greater productivity.



LOWER I.T. COSTS

Many firms that hire an MSP to handle their IT find an immediate cost savings. According to CompTIA's Annual Trends in Managed Services, 46% of businesses can cut their yearly IT budget by 25% or more by utilizing the services of a managed services provider. In addition to these immediate savings, leveraging areas of MSP expertise can improve critical areas of service, such as cybersecurity protection and business continuity processes, preventing costly disasters that could seriously harm or critically damage your business.



BETTER STRATEGIC SUPPORT

Having easy access to a strategic technology partner is a major incentive for enlisting an MSP. A high-quality MSP will go well beyond offering vanilla IT services, they'll work with you to develop a progressive IT strategy that keeps your infrastructure and systems ahead of the most important trends, while also helping you achieve your overall business objectives.



OPERATIONAL EFFICIENCY

By having an external team of IT experts optimize their network infrastructure and perform routine maintenance, businesses can better focus on offering the best products or services. Many MSPs bring a deep familiarity with time-saving IT tools and applications to enhance the quality of their clients' workflows, thus providing an extra, unanticipated level of value and efficiency.

The MSP doesn't just provide the advantages listed above. The benefits of working with an MSP has a number of other important dimensions that can help your business tackle some of the most challenging IT problems.

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CLOUD COMPUTING

Cloud computing means storing business data and running business applications on specialized, off-premise servers (“the cloud”), where they can be securely accessed from anywhere using devices like tablets, mobile phones, and laptops. This ability to easily access and share data can have transformative effect on the operations of small and medium-sized businesses that produces a direct positive impact on their bottom line. According to a report by research group Forrester, SMBs that adopt Microsoft Office 365, the latest cloud-based version of the popular productivity suite, can reap upwards of 160% in risk-adjusted ROI over three-years; and that’s the just the benefit from one cloud platform.

Because of its benefits, SMB leaders are enthusiastic about adopting cloud computing technology. In a survey conducted by the McKinsey group, 60% of respondents said they’d purchased at least one cloud service in the last year, while 30% had purchased more than five. A separate survey conducted by IBM found that among 2,000 mid-size companies, 66% had plans to implement new cloud computing projects.

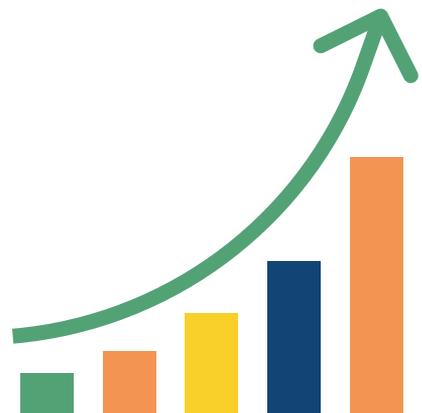
Despite these benefits, finding an approach to cloud computing that integrates properly into existing services, applications, and workflows is an enormous challenge for most businesses. According to RightScale’s annual State of the Cloud Report, a lack of expertise is the most pressing challenge to SMB cloud adoption. A trust-worthy MSP, acting as a close technical partner, has a vested commitment to ensuring that your adoption of cloud computing technologies remains smooth from start to finish.

Cloud Computing



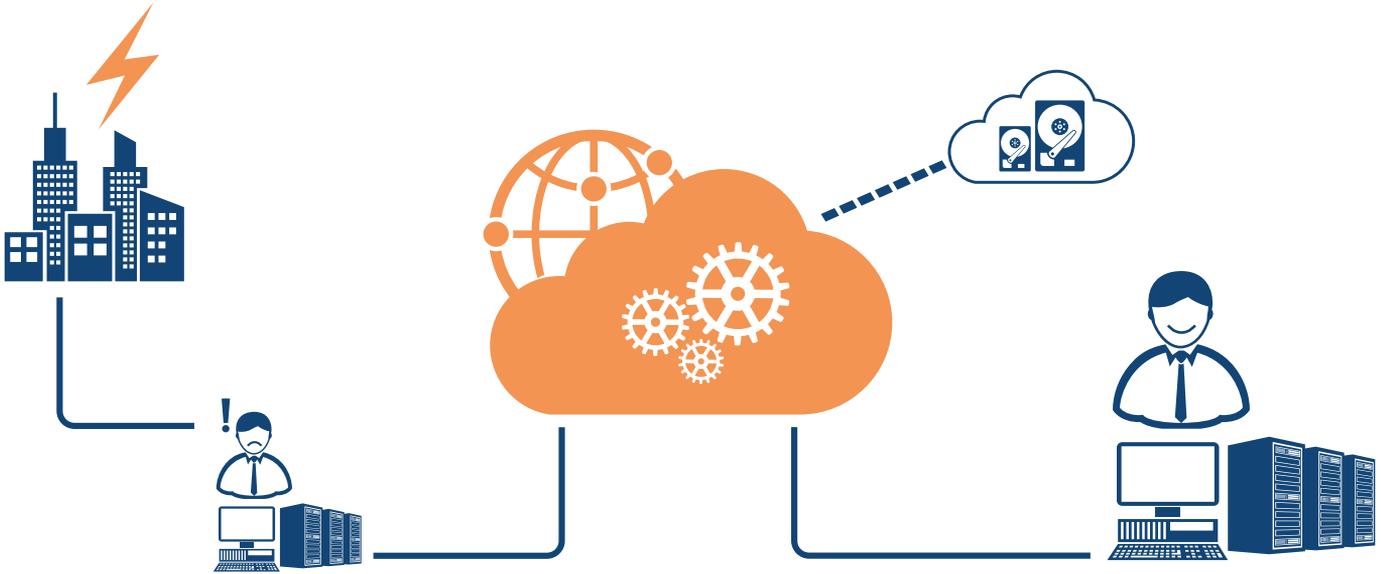
160%

Risk Adjusted ROI



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RELIABLE BUSINESS CONTINUITY AND DISASTER RECOVERY



Business continuity means having a comprehensive strategy to deal with IT service disruptions, ranging from losing access to a hard-drive or server, to contingencies for natural disasters and other critical failures that can disable your IT systems. According to the U.S. Department of Labor, 40% of businesses close within 24 months after dealing with such a catastrophe, which means that avoiding downtime is a mission critical objective that must be handled with great care.

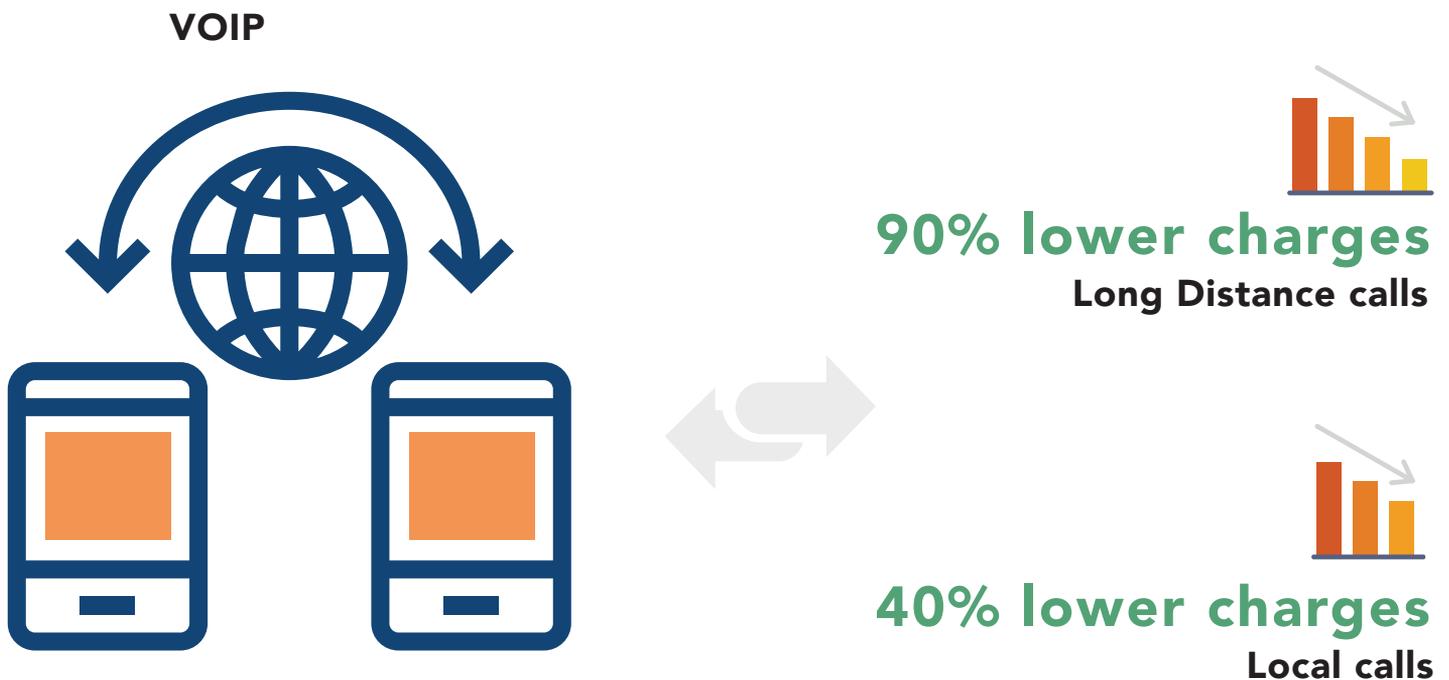
For nearly a decade the American Bar Association (ABA) has been advising organizations to back up their data daily to an off-site location and that's just one small part of building a comprehensive business continuity plan. Effective disaster recovery also means mitigating risk, performing business assessments, developing a thorough backup and recovery plan, and then testing and maintaining that plan on a regular basis to ensure its effectiveness.

Because of the consistent effort they require, business continuity and disaster recovery services are often very difficult for in-house IT departments to implement reliably. This is why, according to the Computer Economics IT Outsourcing Statistics 2017/2018, they're among the services that companies most confidently outsource to a managed IT service provider. MSPs are not only able to offer specialized expertise in the field of disaster recovery, they often have access to tools and applications that wouldn't make sense for a law firm to purchase for itself. This combination of specialized skills and resources often leads to a significant savings, especially when the costs of potential downtime are factored in. **According to the report mentioned above, 92% of organizations that outsource disaster recovery to an external provider have equal or lower costs when compared to running these services internally.**

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VOICE OVER INTERNET PROTOCOL (VOIP)

Voice over Internet Protocol (VoIP) allows businesses to make voice calls with the same network and technology they use to send email and surf the web. By running telephony services on top an existing network infrastructure and Internet connection, VoIP saves these businesses the cost of servicing a traditional phone network. According to a report by technology news source Tech.Co, VOIP can also lower long-distance charges by up the 90%, and local call charges by up to 40%.



But in the hands of a skilled technical MSP who's familiar with your business, VoIP can be even more than that. A fully integrated VoIP system can connect to your email, web browsers, instant messaging, CRM software, and other productivity applications. This close network integration, which increases flexibility, mobility, productivity, and collaboration, leads to faster sales and support response times, and less time wasted tracking down missed calls. These efficiency gains add up. According to Digium, they save a one-hundred-person company up to 191 hours in productivity a day — or 49,660 hours a year.

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CYBERSECURITY EXPERTISE

The threat of a cyberattack has been growing rapidly over the last decade and has affected organizations both big and small. Based on their collected data of nearly 50 billion cybersecurity events, IT security firm TruShield has identified the legal industry as the third most targeted sector for cybercrime, after retail and finance.

Comprehensive cybersecurity must be based on a holistic view of all company IT hardware and software assets, as well as company data. The resulting security posture should include multi-layered information access controls, file encryption, incident response, enterprise-grade firewalls, and anti-virus protection. In order for a cyber security plan to be effective, it's vital that it not just cover the internal company network, but also includes the proper management and security of all mobile and remote access devices as well. Achieving optimal cybersecurity is an area that is difficult to achieve in-house. Across the country, there's an industry-wide lack of cybersecurity talent. By 2021, there'll be an estimated 3.5 million unfilled jobs in the cyber security field. This highly-competitive job market has made it difficult to attract and keep qualified employees.



Outsourcing your cybersecurity needs to a managed services provider, or strategically augmenting the efforts of in-house staff with one, gives you immediate access to the latest tools, and up-to-date knowledge of cybersecurity best practices. Having this expertise at hand will keep your organization safer from cyber threats, reduce overall costs, and help save management and internal IT staff from sleepless nights.

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IMPROVED ENTERPRISE MOBILITY

Businesses are embracing mobile technology and more flexible work arrangements. About 61% of workers report having worked outside the office at least part time this year, according to Citrix, with the total number of devices being managed in an average enterprise increasing 72% in just the period from 2014 to 2015. It has become apparent that greater enterprise mobility is an inevitable trend, but unfortunately many businesses are not fully prepared to mitigate the technical and security challenges inherent in enterprise mobility management (EMM).

This is another area where outsourcing to an MSP has demonstrable value. Based on information from enterprise mobility expert Runzheimer's report, Total Employee Mobility, outsourcing the management of your mobile devices will have a positive effect on your operations, and can save your firm up to 47% per device. An MSP will ensure that your staff is positioned for success by implementing a strategy that's based on a deep familiarity with your business and the latest EMM best practices, ensuring that all your smartphones, tablets, and laptops are synchronized and secure. This efficiency translates into better and happier employees. According to a study by research group IDG, organizations that implement technologies like EMM to support mobility report a 50% increase in productivity and a 39% boost in employee morale.



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ABOUT MANHATTANTECHSUPPORT.COM



ManhattanTechSupport.com is a managed IT service provider with decades of experience helping law firms throughout the five boroughs of New York City plan and deploy technology solutions. We combine our expertise in computer and network technology with our intimate knowledge to deliver outstanding IT services to our clients, empowering them to achieve higher levels of efficiency and success.

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