4 tips for working with managed services

MANAGED SERVICES

From the unpredictable or escalating costs of maintaining and updating systems to increased risks associated with introducing new hardware and software, IT challenges can place a strain on organizational resources. Many companies consider working with a managed services provider (MSP) in order to free in-house staff to do what they do best: run their business, leaving the day-to-day management of IT departments to the experts. And while there are many qualified MSPs in this competitive landscape, it's crucial that organizations be strategic in their search for the right MSP that will not only meet their technology needs, but also provide services that continue to propel the business forward.

Here are four tips to make selecting a managed services provider successful.

1. Understand organizational needs

Prior to contacting a vendor or building a budget, ensure all parties have a clear understanding of needs that will be required from managed services. Often the needs identified will emanate from outside the IT department, say for instance, from the operations staff. Therefore, it is crucial that the MSP directly align itself with the organization's respective business department that will require services. For example, if managed services are required for payroll, engage the payroll department to clearly understand and document its specific needs. Work with the IT organization to determine the level of support it can provide internally versus how much and what types of services a provider will provide.

Identify interoperability requirements. Most organizations probably have several key systems with which an enterprise resource planning (ERP) system must interact. Ensure there's a clear understanding of those interactions and what role a provider will play in maintaining them. For all the requirements that can be collected, document them clearly and review this documentation with key stakeholders for accuracy. These notes will be invaluable as your designated points of contact work with the new managed services provider.

2. Engage senior leaders and decision-makers early

Senior leadership support is best gained by involving those executives early in the discovery process, so they have a clear and complete understanding of all needs and associated costs.

Begin by identifying the problem that managed services solves for the organization. The objective could be one or a combination of any of the following:

- Free up overburdened IT staff
- Add a greater depth of product expertise, or an expanded skill set, beyond what internal staff can deliver
- Reduce staffing costs

Be prepared to articulate these benefits and capture their financial benefit so that the return on an investment in managed services can be clearly quantified.

3. Choose the right provider and understand its services

Regardless of the selection approach, be sure to look for at least two critical characteristics of a good managed services provider. **A provider should have a wealth of experience in your areas of critical need**. For example, if your firm's greatest need is with front-line "how do I" guidance, ensure the provider has readily available functional experts with enough depth to handle these needs.

One of the advantages of managed services is that it mitigates the risk associated with in-house employee turnover, but this only holds true if the provider offers a deep bench of talent. Consider interviewing several of the prospective provider's consultants, asking the tough questions to see how they respond.

Look for a provider that will listen to your needs, then create a proposal unique to your organization. Ensure that you have a full understanding of the entire suite of services provided by the MSP so you can make informed decisions about what options are most relevant to your business needs. A provider that delivers a standard pre-written contract, outlining what it will and will not cover, may not be flexible when situations arise that require support that falls outside their standard offerings. Insist that the scope of services be customized to your expected requirements and can be expanded or reduced over time as your needs evolve.

4. Prioritize needs and plan to a budget

Managed services can range from full service to specific, targeted offerings. Prices vary widely based on the level of services a firm chooses. While a solid provider will ensure that every range of these services more than pays for itself, you may have to prioritize needs and select the services most vital to your success.

Start by understanding the in-house IT staff's capabilities. If your system is on an on-premises environment, can your staff install and promote patches? Do they have the background to provide security administration or to build and maintain non-standard workflows? Consider also the level of experience of your own user base and in-house help desk. People who are very inexperienced or who do not have time to devote to learning the system will require a greater level of functional support.

The bottom line is: any organization's resources have limits. Yours will be limited too. Understand which needs are most important for the MSP to deliver, and ensure those details are all included in the services agreement.

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