

IT BEST PRACTICES: TOP TEN BENEFITS OF A MANAGED SERVICES PROVIDER

Why Managed Services? To deliver business value. Simple enough statement, but ensuring that systems are 24x7 accessible, secure, and that employees have the tools and knowledge needed is a constant battle. Escalating the challenge is cost reduction pressures and budget concerns, competition, and increasing employee and customer demands on information technology such as mobility, security, collaboration to name a few. Essentially, IT must “partner” with the business to deliver reporting, innovation, and process improvement; while building agility and scale into the business.

Since manufacturing and distribution companies rely heavily on their systems; maintaining an internal IT department is cost-prohibitive and inefficient for any growing firm. Additionally, an outsourced provider brings the following benefits:

TOP TEN OUTSOURCING BENEFITS

1) Maximize Your Investments

Small businesses are plagued by complex systems, integrations, high cost of technology ownership, and untrained employees on systems that cost thousands of dollars per employee. Many companies have turned to outsourced managed services providers to ensure employees utilize technology. Without due diligence paying for IT waste and wasting employee time implementing and operating systems can run rampant. Relying on experts to implement best practices, policies, and procedures ensures your return on IT investments.

2) Access to Expertise

The complicated and ever evolving technology ecosystem requires constant learning and attention to best practices to remain competitive. The resources required to maintain knowledge across ERP systems, security practices, hardware, software, infrastructure, and networks is too expensive to develop and maintain in-house.

3) Cost Predictability

Predictable IT costs, plus not having the wasted time and money managing internal employees (recruiting, sick days, time-off) is a major attraction to outsourcing IT. When utilizing professional managed services provider costs are budgeted and controlled. Managed services providers also have access to economies of scale and greater purchasing power than small businesses can ever afford on their own. This equals bottom-line savings.

4) Consistent Service Levels

Businesses can ill afford internet connectivity, email communications, corrupt data or system downtime as the loss of employee productivity and business continuity risk is too high. When

enterprises properly plan and enable remote systems monitoring with 24x7 response capabilities downtime is eliminated. The fast pace of technological change (mobile demands, Facebook, Wikis, blogs, to name a few) requires access to experts to maintain and run your business.

5) Employee Utilization

Technology can be a hindrance and resources drain or improve communication, collaboration, knowledge sharing of your employees. Consider these factors:

- ▶ 1 in 4 small business employees have a virus or personal computer downtime every 6 months.
- ▶ 44% of small businesses professionals have at least one hour of downtime during peak work hours in the last six months.
- ▶ Average downtime is 50% shorter with remote monitoring services.

6) Time Saving

Managed services provides executives and managers with visibility and insight via visual charts and dashboards to make real-time decisions. Also, employees perform best when there are no distractions. The wasted time and effort of downtime, inefficient systems, or untrained employees spent figuring out information technology has a very large opportunity cost. Whether implementing new software or fixing legacy IT issues is extremely inefficient for non-certified IT professionals. By using an external service provider employees can focus on core revenue producing activities.

7) Growth & Infrastructure Development

Building for the future requires planning and change management. The ability for growing companies to outsource and gain best practices, access to on-demand service models, and implement repeatable and scalable processes, while reducing operational costs during growth years where working capital is at a premium is the difference between laggard and top performing enterprises.

8) Cost Reduction

The average IT salaried employee cost \$74,570 in 2007. In today's highly competitive market companies are seeking ways to reduce their information technology spend without compromising service levels. Managed services providers typically save a firm 20% to 60% while ensuring that the company develops capabilities to scale up and down more efficiently than through the use of internal operations by shifting the risk of scale to outsourcers (document procedures, M&A experience, incentive pay for productivity and quality).

9) Increased Profitability

IT strategy is a key component to any operational excellence, process improvement, or superior customer service initiatives. To improve performance managed services providers bring industry standard service levels, automate manual processes and activities, and improve

competitive positioning (offer more efficient processes, higher quality, better technology, and produce lower costs).

10) IT Strategy

Knowing what your companies TCO (Total Cost of Ownership) and direct and indirect IT costs (downtime, loss of productivity, business continuity risk) is the difference between a laggard and a leader. Your IT strategy should include workforce and systems plan, automation, streamlining and quality improvements (Best Practices, TQM, Six Sigma, etc.), adoption and/or review of latest tools and software modules as well as a plan to simplify the reporting and/or governance process with a single point of process.

The ever changing workforce landscape is driven by increased technology change and for leaders, adoption. Today's US economy has a lack of service skilled supply talent – especially mid-skill level employees. The baby boomers are retiring and Generation X and Y are smaller in population size than previous generations. Moreover, managers face increasingly complex information issues presented by business and service delivery demands.

Frequently these pressures require rethinking the support systems behind these information processes. Before recent technological and computing advancements high capital investment limited the affordability of systems in the small and mid-market. In today's landscape small and medium enterprises have a combination of 1) strong set of existing business processes, IT architecture, and legacy point solutions and 2) a tremendous demand for process optimization, performance management, knowledge management, and integrated systems.

Companies routinely decide to outsource when one of the following scenario occurs:

- Change Event: M&A, change of c-level employees, facilities move, new location opening, or changing market conditions;
- Implement new ERP or major line of business technology system;
- Resolve downtime or security, issues;
- Secure company data and implement best practice risk mitigation (Business Continuity Planning)
- Optimize (automate or streamline) processes and integrate workflow; or
- Integration of mobility, web services, or more traditional system-to-system integration.

Top 10 Decision Drivers When Choosing an Outsourced Provider:

- 1) Proximity – location of service delivery
- 2) Total Cost of Ownership
- 3) Industry Experience
- 4) Client Satisfaction & Attrition Rates
- 5) Technology Systems Expertise and Fit
- 6) Project Communication
- 7) Scalability & Flexibility
- 8) Best Practices and Process Methodologies
- 9) Business Continuity and Risk Mitigation
- 10) Organizational Fit (Culture, Language, Policies, Methodology)

Contact us for a complimentary evaluation and we will help build a Scorecard and RFP as needed. Contact Mark Leary at 713-647-7272 or reach us at:

<http://www.serenitysystems.com/contact.htm>

Outsourcing to an IT Managed Services provider means access to:

Function	Description
Technology Implementation	Ensures systems investment is optimized and employees are trained so that tight alignment with end users occurs.
Routine Technology Operations	Close planning and estimation of requirements.
Batch Technology Operations	Planning for peak periods.
Support	Proactive and reactive. Close alignment with vendor and end user.
Help Desk	Both end user and employee support. Closely aligned with system enhancements and business changes.
Operations Support	Support of reporting including checks and distribution.
Multiproduct Support	Ability to anticipate integration of point solutions.

THE FUTURE OF OUTSOURCING

Outsourcing is a necessary function for all small businesses and growing enterprises to effectively compete with larger corporations (domestic and international). Small and mid-market businesses will continue to:

- ☑ Outsource non-revenue producing functions – i.e. accounting, information technology, human resources, and marketing until they have internalized required best practices, processes, and systems and stopped growing;
- ☑ Integrate information flows from human resources to accounting/finance to front-lines of sales and service while providing strategic overview to senior management;
- ☑ Utilize insourcing and outsourcing to improve the organization;
- ☑ Improve employee centric decision making while increasing the investment in people, keeping them fully engaged, providing right combination of resources, flexibility, opportunity, and total compensation; and
- ☑ Provide visibility, reporting, analytics, and dashboards on a real time basis to executives and managers.

The key is creating agile workforces that can respond to change so that the business is creating talent for the future – both internally and externally. Moving beyond traditional activities is uncertain ground for many by approaching outsourcing from a business value-add understanding common mistakes made it is possible to identify and correct them or avoid them altogether.

ABOUT SERENITY SYSTEMS

Serenity Systems is a Managed Service Provider that focuses on maximizing your investment in IT so that your employees do what they do best. Above all we guarantee reliability, raise the bar for service levels, and ensure maximum use of your technology hardware, software and systems. Serenity Systems provides high-impact business-centric technology solutions for more than sixty small and mid-zed manufacturing and distribution enterprises.

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