

## How to Determine If a Managed Services Partner is Right for Your Business

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### Guest Columnist Special Feature

Contracting with a Managed Services firm to support your technology infrastructure can be a very effective way to reduce overall support costs while providing the level of technology support necessary to drive forward your business objectives.

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### Compare Managed Services and the Traditional Hourly Rate

Under a managed services agreement a business pays a predetermined amount for support of their technology infrastructure. This approach is in contrast to a typical hourly support arrangement under which customers pay by the hour for support. Traditional hourly support does not align the goals of both the customer and the support firm. Under an hourly arrangement the less money spent on IT support improves the customers' profit, but decreases the IT support firms' revenue. In a managed services agreement, the IT firm agrees to support the IT needs of the customer for a set fee per month, so the goals of both the customer and support firm are aligned. Under a managed services agreement, the more efficient and reliable the technology infrastructure, the more both parties are satisfied.



### Decide If Managed Services Is Right for You

To determine if a managed services agreement is right for your company, start by determining your current IT expenditures over the past year. Be sure to include money spent internally and to outside consulting firms. Normally in a small business there is a "defacto" network administrator who acts as the first level of IT support. When determining the current IT expenditures, do not forget to include the percentage of time that your internal network administrator spends on IT support for your organization. Once you have a good idea of your current IT support expenditures you can compare managed services proposals against each other as well as against your current support method. If the managed services agreement has numerous exclusions, be careful to evaluate how often that particular occurrence might happen to our company.

### Review Managed Services Agreements Annually

It is important to review your managed services agreement annually to ensure that it still meets your business needs. It is also important to ask your internal users for their feedback on the performance of the consulting company with respect to availability, responsiveness, and their ability to thoroughly resolve IT issues. You then compare the quantitative data from the consulting company and qualitative data from the internal staff and decide if the managed services agreement is still meeting the business needs.

### Common Mistakes

Often businesses overlook MSA exclusions. Be sure to look at the exclusions and think about how often the exclusion might happen to your business. Also, businesses often forget about the MSA after it is executed and assume that everything is going well. Remember to ensure that you are maximizing the benefits of the MSA. Keep your IT consultant informed of any changes in your business. Continuing to maintain a break-fix attitude after moving to a Managed Services Agreement is another mistake companies often make. Be sure that you review progress toward overall IT goals as well as daily projects.