

# How Managed IT Services Can Cut IT Costs and Increase Productivity.

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Turning Knowledge into Reality

## Introduction

If you are reading this white paper, we probably don't need to tell you that managing IT can be a real headache for small business owners. It takes you away from what earns you money as a company, and can take a considerable amount of time. Whether it is uploading images from your server to user machines, backing up your data, or clearing up a virus on a PC, your time can surely be better spent serving your clients or customers.

Yet small business owners often find themselves on the horns of a dilemma when it comes to IT. Employing someone full time is difficult to justify. A good IT Manager commands a salary of at least `1,50,000 per annum, and it is difficult to provide them with a challenging work environment. IT Managers are "techies" at heart and prefer to get their hands on leading edge technology in large companies. Faced with a lack of a challenge and limited promotion prospects, they are also likely to leave, which in itself costs time and money to recruit a replacement, not to mention leaving you in the lurch while you try to pick up the loose ends using contract support staff.

This document explains how a Managed IT Service Contract will enable you to minimise the number of IT related problems for your company, fix them more quickly, and reduce the cost of supporting IT.

### IT Support Challenges For Small Businesses

What can be guaranteed is that your IT systems will crash from time to time. It isn't a question of if, but when. Studies have shown that the average computer system crashes between one and three times a year. The worst part however is that it can between four and eight hours for an IT technician to repair a computer, and around half the time an engineer won't arrive on site until the next day.

When you sit back and take into account not just the cost of paying for the repair, but also the loss of staff productivity the costs of IT system failure really starts to mount up. When you add together the cost of a staff member not being able to do their job to the cost of onsite callout charges, the cost of a single system failure can easily exceed `5,000 - `10,000.

Given the mounting cost of onsite support, many companies attempt a Do It Yourself (DIY) approach to computer repair, but in practice many if not most Do It Yourself (DIY) repairs can take twice as long and often make things worse that they were in the first place. As a result, not only do your staff waste their time, but you then end up having to call out an IT support company on non-contract rates with the end result that you incur a double hit on repair costs.



## Outsourcing Your IT

In reality, unless you have the ability to support your IT systems within your company, you will need to outsource IT to a computer support company.

You essentially have two choices:

- Call an IT support company every time that you have a problem
- Take out an IT Managed service contract with an outsourced IT company who will monitor and maintain your IT systems.

Whilst you will pay a higher subscription per month for a managed services contract, a managed service contract will cost your company less in the long run because:

- Systems that are proactively maintained last longer and experience fewer problems than those that are only maintained when there is a problem.
- A Managed service contract includes regular backups of data on workstations and servers that can save thousands of Rupees in data recovery and lost productivity when a problem occurs.
- A properly managed system will contain an audit of every system that is installed on your network, which makes it far simpler, quicker, and less expensive to fix problems on your systems.

The information collected on your systems on a daily basis can also act as an early warning system for problems that may be about to occur in failing systems, allowing corrective action to be taken before a failure causes system downtime.

### What Is Monitored As Part Of A Managed Service Contract?

There is little that can be done to maintain hardware components of your PC's, laptops and servers. The preventative part of Managed IT Support relates to:

- Making sure that the latest updates are installed for all software installed on the PC's and servers.
- Monitoring how the system is being used (e.g. Disk and Memory usage)
- Ensuring that backup procedures are followed as well as data recovery procedures to ensure that you data can be restored successfully in the event of a system fault.

It is especially important to ensure that the latest virus pattern updates and scan engines are installed on all IT systems and that the latest Windows patches are applied since the latest internet threats actively seek out un-patched systems onto which they will install malware that will not only steal your employees' online identities but which will also make your PC's run more slowly, and eventually require a rebuild.



### **Hardware Breakdown and Repair**

PC hardware rarely breaks, although power supplies and hard drives can fail. You should however consider whether computer cleaning needs to be undertaken on a regular basis if your working environment is particularly dusty. Generally, computers can go for 6 months without needing attention providing they are properly maintained. If a PC is not properly maintained, faults will occur more frequently.

### **How Long Does It Take To Repair A Computer Problem?**

Depending on the nature of the computer system and the nature of the repair, computer re-pairs can take from minutes to multiple days. Newer operating systems are more resilient and can usually be repaired more quickly than older versions. It is also very difficult to maintain operating systems that are no longer supported by Microsoft, so we would always recommend that you keep your IT systems up-to-date.

### **Regular System Checks Are Vital**

It is of more importance that your systems are regularly checked for possible conflicts or problems. As part of a managed service contract your service provider should recommend and implement an optimal schedule to keep your system running smoothly, taking into account the complexity of the system, the extent of data management usage, customization of software and how critical individual computer systems are to your business.

### **Six Reasons Why a Computer Maintenance Contract Can Cut Repair Time in Half!**

1. Fewer problems tend to occur in the first place.
2. The computer service provider is already familiar with your system and software.
3. Common problems, such as software and peripheral conflicts have already been resolved.
4. Any changes to the system (which are frequently the source of the problem) are known.
5. A system log lets the technician rapidly check usage, error messages, and other diagnostics.
6. The technician knows the history of your system -- what's been done, what's working, and what's not.



Managed IT Services will save you money because the largest component cost of supporting IT is having the engineer on site. The “going rate” for engineering time is fairly standardised across support companies. Consider the following:

- Approximately 33 percent of all computer repairs take 4-8 hours
- Approximately 16 percent take more than a day.

Based on the above, you have almost a 50 percent chance that when your computer breaks, you will be paying for at least 4 hours of technician time. Managed IT services reduce on-site time required to support your company’s IT operations, thereby saving you cost over the long term.

*You require fewer on-site visits*

*You pay less in call-out charges*

*Your staff spend more of their time earning money for your company*

#### **88 Percent of Businesses Have No Idea What Their Computer Downtime is Costing... Are You One of Them?**

Maintenance is always an expense until disaster strikes – that’s when it becomes a bargain. Unfortunately, over 88 percent of businesses recently surveyed had no idea what their computer downtime was actually costing them. But given that a third of computer repairs take 4-8 hours and an additional 16 percent take more than a day, for a small business with about `10 lakhs in revenue per year, a day of down time could cost up to `2,500 or more in lost revenue. In addition, there are costs that are difficult to quantify but no less real for you as a business owner such as time spent by your staff trying to fix the problem themselves in the first place, time waiting for an engineer, and the salaries of your staff waiting to be able to get on with their job while the system is repaired.



## How Does A Managed Services Contract Reduce IT Support Costs?

A managed services company will:

- Operate your IT systems in line with best IT management practices.
- Implement and support those best practices by the use of best of breed IT Management tools which allow their support staff to work more efficiently.

From a day-to-day management perspective, automating the process of implementing best practices enables you to minimise the likelihood of experiencing systems problems:

- All workstations and servers will be kept up-to-date with the latest security patches.
- Virus definitions will be regularly updated
- Regular backups will be taken of data and configuration files on your workstations and servers
- Monthly server backup restoral tests will be run to check that you can recover with minimal disruption in the event of a system failure.

By implementing best practices alone you will minimise both the likelihood of a system failing and the engineering cost of recovery. The use of automated Management tools also however allows the management company to monitor the performance of every PC and server on your network so that they constantly have up-to-date information on:

- System messages, error messages and similar diagnostic information
- Disk and Memory Usage
- Potential software and peripheral conflicts

By using Enterprise Management tools to monitor and manage your company systems, faults can be diagnosed more quickly and accurately so that repairs take less time. Perhaps most importantly, your company experiences fewer IT problems, allowing you to concentrate on the business processes that make money for you as a company.

### **Better Security Brings Greater Reliability**

One of the most effective ways in which a managed service provider can help you to reduce costs is by helping you to enforce appropriate levels of security for your network. We would recommend that the network is set up so that the average user can't install software onto their PC. This helps to avoid conflicts with system software. It is also good practice to limit who can make changes to your system settings, which will prevent well-meaning users trying to "fix" something without your knowledge.

It is also strongly recommended that internet security should be incorporated as part of the managed services contract. One of the major causes of computer crashes is that a malicious program (malware) has been accidentally downloaded from the internet, and it is important to ensure that you are properly protected against internet-borne threats. Your IT management company should guide you through the decisions that you need to make about how you want to allow the internet to be used in your company. Your policy can then be implemented using security products from reliable companies, and you should receive monthly reports that will show you how your internet connection is being used so that you can decide whether any adjustments need to be made. These decisions will not only relate to security. Based on the information in your internet usage report, you may for example take a decision to limit the internet bandwidth that video can take up to ensure that it doesn't consume all of your internet connection and prevent your mobile workers from accessing their files successfully.

### **Good Housekeeping**

Good housekeeping is essential as part of a managed service contract, you should agree how often your computer network will be checked for possible conflicts and problems. The frequency with which these checks should be made will depend on a number of variables including system complexity, the customisation of software and how reliant your company is on IT to function.

Regular maintenance visits sends a message to employees that you will get to know about any potentially inappropriate computer use so they may think twice about installing non-business software such as iTunes or Spotify. Maintenance visits can also solve minor issues or problems that arise so that engineer call-outs are avoided.



## Summary

At a time when small businesses are increasingly reliant on technology, the management of IT can be a substantial headache for small business owners. Simply contracting to an IT Support company however condemns business owners to ever increasing support costs because of the absence of good housekeeping practices. Managed IT Services however allow you to drive down the cost of supporting IT for your company by employing enterprise IT Management software to proactively monitor the health of all IT systems in your company:

- Best IT Management practices are followed thereby minimising the scope for problems to occur.
- Many potential problems are identified before they cause system failure and can therefore be resolved with the minimum of system downtime.
- When systems do fail, the engineer is equipped with all of the pertinent system information and error logs to minimise the engineering time required to repair the fault.
- Proper backups are taken from all IT systems on your network to ensure that systems can be quickly restored.
- A test restore of your server backup is performed on a monthly basis to ensure that backups are not corrupted (i.e. they will restore properly) in the event of a failure of your critical systems.

Managed IT Services are not just about computer support. The objectives are threefold:

- To maximise the availability of the IT Services that you require to support your company operations.
- To deliver the service with the greatest efficiency through the use of Enterprise IT Management tools.
- To minimise the cost of IT to your company by minimising the amount of time that our engineers need to spend on site.

By delegating the running of your IT to a company that has the tools and expertise to run your systems in accordance with best practices, you will be free to concentrate on your business. You will never eliminate IT problems, but you can reduce the frequency with which they happen. Furthermore, when they do, you can be assured that you will be able to recover from them as swiftly and efficiently as possible and at minimum cost to you.

