

Managing your business

Utilizing managed services, rather than outsourcing, can benefit business. **Interviewed by Troy Sympson**

Running a business takes a lot of time, effort and energy. And no matter how large your staff is, a business owner is always looking for more help. This is never more true than in the information technology sector.

For years, companies have outsourced various jobs and projects to specialized providers. However, while outsourcing was — and still is — a useful service, utilizing managed services is becoming very popular in the IT world.

“The term ‘managed services’ seems to be the latest buzz-phrase in the IT business,” says Rory Sanchez, CEO and president of SLPowers. “It’s like everyone woke up one day and said, ‘We need to be in the managed services business,’ and their first step was to say they provide managed services. However, not all managed services providers are alike.”

Smart Business spoke with Sanchez about managed services and outsourcing and what they mean in today’s marketplace.

What is managed services and how does it compare to outsourcing?

Outsourcing basically means that you’ve taken a function that often happens internally and you’ve contracted an outside source to perform that work. I usually equate outsourcing to a dry cleaner. You don’t want to own dry cleaning equipment, you don’t want to know what happens behind that counter, so you give the cleaner your clothes and they come back dry-cleaned — you’ve outsourced that. The key is that if you don’t bring the cleaner any clothes, it doesn’t do anything for you. You are still managing things yourself.

Managed services is a completely different concept. As a provider of managed services, for example, our company assumes responsibility for our customer’s IT, and we manage what services are provided and when. Our customers pay us a flat monthly fee, and we commit to provid-



Rory Sanchez
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ing them with maximum uptime. When problems arise, we usually know about them before our clients, and we react quickly but most problems are eliminated in advance by monitoring our customers networks and proactively managing the IT environment. In the dry cleaner example, it would be as if your dry cleaner monitored your closet and proactively met your needs so that your clothes were always there and ready for you to use.

What benefits do managed services offer?

A big benefit of managed services is that they are usually offered at a flat monthly fee. It doesn’t matter if you have 10 incidents in a given month or 100 incidents. It doesn’t matter if one thing breaks or if everything breaks; your fee remains the same. In other words, you are paying for your IT systems to work, not each time they break. This puts the customer’s goals in-line with the service provider’s goals. If the service provider does its job properly, the customer will be happier and the service provider will be more profitable. So now, troubles cost the service provider, not

the customer. Again, the customer is paying for things to work.

What should a company look for when considering a managed services provider?

No. 1 is reputation; since this company will essentially become your IT department, you need to make sure it is actually capable of managing your system, find out how long the company has been doing this and get a list of references. It is true that some customers do not like their names to be given out as references for security reasons, but it would be rare for managed services providers to have all of their customers requesting that level of confidentiality. Next is systems and communication. No matter how well-monitored your systems are, you will often detect problems and want to report it before the monitoring software has alerted your managed services provider. So how do you communicate with your provider? Does it have a customer portal for you to log in to? Can it accept trouble tickets via e-mail or phone? Find out what they will do for you after hours.

If a company explores managed services what can it expect? What would the outcome be?

The goal of any managed services provider should be to permit you to focus on your business and not on IT. You should be able to stop worrying about which brand of computers the provider is selling you, who makes your backup software, and whether or not your machines have been patched lately. Your goal should be to write one check for a flat monthly fee each month and IT just happens.

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