

MANAGED IT SERVICES: THE ENTERPRISE SOLUTION



Managed IT services — the outsourcing of IT responsibilities, like tech support or installing upgrades are typically thought of primarily as a solution for small and medium-sized businesses (SMBs), rather than enterprises. After all, most people would fairly reasonably presume that, while SMBs have limited resources and cannot hire a complete full-time IT staff, enterprise-level businesses have the resources to do everything that a managed service provider (MSP) can offer in-house.

However well-reasoned, this common belief is ultimately incorrect. Even with the greater resources in budget and manpower afforded to an enterprise, an IT managed service provider can still be a great boon to larger companies, especially ones experiencing a period of rapid growth.

In this ebook, we'll examine how managed IT solutions can save enterprise-level businesses time and money, and ultimately reduce stress and burnout on the company's staff.



WHAT IS AN ENTERPRISE?

For a term so commonplace in the business world, "enterprise" is quite vaguely defined. It is most commonly used as an effective synonym for "large business." However, what defines a large business can be a thorny issue. The United States government has a labyrinthine set of definitions for determining large or small businesses, relying on total annual receipt value or, in some cases, number of employees — all of which varies on industry.

For the purposes of this ebook, we will define "enterprise" as a business with at least 500 employees (typically over 1,000), which often works with clients around the world. In comparison to SMBs, where employees may have to fill different roles, enterprises have highly specialized staff. In other words, while a small business might have an "IT guy," responsible for every technological hurdle that must be met, an enterprise will often have an entire IT team: server admins, help desk, information security, and more.



HOW ENTERPRISE CONCERNS DIFFER FROM THOSE OF SMALL BUSINESSES

From a two-person startup to Amazon and General Electric, all companies, no matter their size, have the same goal: Maximize revenue, lower expenses, and grow the business, ideally in a sustainable manner. However, on a day-to-day operational level, SMBs tend to have concerns that are very different from those of large, enterprise-level businesses.

One of the biggest concerns for smaller businesses, especially early on, is a simple lack of cash flow. When you've just started, you likely have very little revenue, and may not have the money to invest in growing the business outside of taking on significant debt. It's no wonder that most businesses that go bankrupt do so in the first few years of their existence. For an SMB, the top priority is finding a stable customer base.

Enterprises are flush with cash liquidity, on the other hand. This isn't to say a large business never has to pinch pennies or is always swimming in money, but an enterprise that needs to make a purchase will typically be able to do so. Enterprises that go out of business do so after years of decline, not just one poor sales season. Enterprises already have the stable customer bases that SMBs may lack, and are looking to expand these bases and find new audiences to continue growth.

As previously mentioned, SMBs are typically environments where employees may have to wear different hats, so to speak. The obvious problem with an environment in which staff must fill multiple roles is that it becomes likely that the roles aren't being done as effectively as they could be. However, smaller team sizes mean that it's easier for staff to be on the same page. An enterprise may have larger teams of more specialized employees, but every new employee introduces complexity into the org chart and another potential point of failure. Without careful management, in large teams, communication, project management, and accountability can suffer.



When it comes to IT, SMBs are typically worried about basic security, mostly for their own internal data. Small businesses benefit from safety in obscurity — a hacker can't attack you if they don't know you exist — and can get by with fundamental IT security and basic knowledge of how to spot things like phishing schemes.

Enterprises already have that basic security, but now have more potential points of failure: The more employees you have, the more likely one of them will make a mistake and compromise your security. Enterprises are also more public targets, which means that they will face more, better-equipped hackers. Large multinational businesses may even face state-sponsored hacking attempts. Needless to say, an enterprise needs advanced IT security that a small business does not.

Enterprise-level companies also must navigate global laws, like the European GDPR, when doing international business. They must deal with different teams who may be in different locations and must offer customer service at all hours. With so many people involved, things become incredibly complex. Is the marketing department using a different project management tool than engineering because they found one that more closely suits their needs? Is the sales team tasked with international clients on yet another different page? How can you ensure that messaging is aligned between marketing, customer service, technical documentation, and more, when it's all translated to Spanish, Arabic, and Mandarin?

As you can see, while enterprise-level businesses may have more resources available to them than SMBs do, they also have significantly more concerns that must be addressed. The primary challenge for an enterprise is not having the resources, it's properly allocating them in an efficient way.

This is where managed IT can be a lifesaver, even for an enterprise.



HOW MANAGED IT CAN HELP AN ENTERPRISE SUCCEED

While Managed IT services certainly can't fix all of the problems an enterprise will face, it can certainly ameliorate the effects and make tackling these challenges in an efficient, sustainable way more feasible.

- 1. Managed IT brings specialization. It may not be feasible for an enterprise to bring on a full-time employee just because they're an expert in one particular piece of software or infrastructure. It is a far more efficient use of resources to contract someone who knows the ins and outs of these various tools —the enterprise benefits from their expertise, but does not need to pay them for full-time work.
- **2.** Managed IT offers easier 24/7 customer service. An enterprise-level company, with clients around the world, must maintain some level of customer service around the clock, because there's no telling when a client in Dubai or Tokyo might need assistance. Companies that specialize in round-the-clock help-desk work can often deliver this at a more affordable, efficient rate. MSPs that specialize in service support are typically also well-versed in the use of special tools for analytics, reporting, monitoring, and so on, whereas an in-house team might take time to learn the intricacies of these tools if they are aware of them at all.
- **3.** Managed IT can focus on day-to-day maintenance. If you're an employee at a large company who has been there for over five years, there's a strong likelihood that you're not working on the same hardware or software you started on. Between patches, OS upgrades, and hardware upgrades, planning and executing technology changes for companies of hundreds or thousands of employees is often a full-time job in its own right. Managed IT providers can handle this everyday maintenance to keep the lights on, letting your full-time IT staff focus on addressing future-looking, big-picture tasks.



- 4. Managed IT providers manage talent more easily, helping you grow in a sustainable manner. This is especially pertinent to companies that are seeing rapid growth, either company-wide or in an individual sector or team. A period of rapid growth can be challenging for an enterprise, as hiring too few workers can result in being short-staffed (contributing to employee stress and hurting morale) or, alternatively, being overstaffed and having to lay workers off (also contributing to employee stress and hurting morale). Partnering with an MSP lets you be conservative with your extra hiring, bringing on new full-time hires only when you're certain that you need them, and managing excess need with expert, well-trained contract workers.
- **5.** Managed IT services providers can be an objective second opinion. Sometimes, you need an outsider's viewpoint to decide what the correct course of action is, and a veteran MSP can be a great source of advice. Since MSPs often have worked with multiple companies, there is a high likelihood that your partner will have encountered a given issue before, and so may have particular insight on how to address it.
- **6.** Managed IT providers can provide a comprehensive tech assessment. Similar to the previous example, it can be invaluable to have a new, fresh perspective on things, particularly in the case of addressing legacy tech systems that may be outdated or no longer make much sense. Inertia can be a very powerful force when it comes to a company's IT infrastructure, and having an objective third-party analysis can help overcome the "well, we've always done it this way" mentality.

The nature of managed IT makes it feasible for MSPs to employ specialized experts who can do work for multiple clients, when it would be inefficient for any of these client businesses to hire a specialist full-time. Consequently, perhaps the biggest thing an MSP can bring to an enterprise is dedicated experience and expertise. Your enterprise may have excellent in-house generalist lawyers, but when you face a question about a specific area of law, it makes more sense to contact a specialist, doesn't it? Consider a managed IT services provider the same way.

CONSIDERATIONS WHEN CHOOSING AN MSP

We've discussed the problems enterprises face that smaller businesses don't, as well as the ways managed IT services providers can help address those issues. If your business is ready to partner with an MSP, it's important to partner with the right one. After all, just because managed IT solutions can benefit a business, that doesn't mean they always will, especially if the MSP isn't up to par. An enterprise should evaluate potential managed partners on select criteria:

- Does the MSP have the bandwidth you need? An MSP can have some of the best experts in a field, but if it doesn't have the work capacity to do what your business needs it to do, that's not a good match. MSPs, like all businesses, range in size, and a service provider without the staff capacity you need may struggle to fit your requirements. A smaller MSP will need to hire new staff rapidly, which undermines one of the primary reasons for partnering with an MSP: Quick access to experienced talent.
- Does the MSP have experience in dealing with your specific IT needs? Some MSPs have a speciality, like cybersecurity or providing help-desk support, whereas others tend to be more generally well-rounded. Correctly analyzing your business' needs is critical in this stage, because it's important to find a match between you and your MSP partner. If your business is struggling to properly transition into Microsoft Azure, for instance, what experience does a potential MSP partner have with that? Being specific with your needs and challenges is paramount at this step
- Which prior clients has the MSP had? This question serves two purposes. First, it helps you gauge the experience a potential MSP partner has with companies that resemble yours, both in size and in industry. If you're a multinational medical technology manufacturer, for instance, and a prospective MSP partner has worked with large companies, but never anything in medtech, then they may not have the expertise you're looking for. Alternatively, they may be a perfect partner with time, it just might take them a little longer to get up to speed. The second purpose of this question is essentially to compile a list of references —previous customers with whom you can speak in order to get an honest assessment of the MSP's offerings.

From helping smooth out the pain and awkwardness of rapid company growth and performing day-to-day IT maintenance to providing excellent objective advice and talent management, a managed service provider can help an enterprise as well as it can a smaller business. If you think that an MSP could be a potent partner in addressing your large business' concerns, we want to talk to you, because we think Red River could be the perfect fit. Contact Red River today to learn how we can put our expertise to work for you.



ABOUT RED RIVER

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