



THE COMPLETE GUIDE TO
**MANAGED IT
SERVICES**

A Message From Framework IT



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Welcome to the Comprehensive Guide to Managed IT Services. As President of Framework IT, a Managed IT Services company headquartered in Chicago, I am proud to have contributed to this detailed guide to provide a comprehensive look into the world of Managed IT Services. The world of technology is constantly changing and evolving. Managed IT Services can help businesses keep up with these changes and stay ahead of the curve. However, understanding Managed IT Services, and vetting vendors can be challenging for organizations. Several factors complicate this process, such as service diversity, execution capabilities, client needs, technology, and pricing models.

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With this guide, you'll better understand the different types of IT service delivery models, including the various types of Managed IT Services available and how they can be used to improve your business's technology infrastructure and outcomes. You'll learn how Managed IT Services can help you reduce costs, increase efficiency, and enhance the security of your business's data. You'll also get an in-depth look at the components that make up a Managed IT Services solution and how you can best meet your business's needs. This guide was written to make it easier for companies to understand the world of IT service delivery, notably Managed IT Services, and to assist your assessment of which direction is right for your organization to address its IT management needs. I hope you find it helpful and informative.

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Choosing the Right MSP

Navigating the IT Decision-Making Process

If you are considering Managed IT Services, you already know that managing your own IT environment can be a challenging and sometimes overwhelming experience. The value of partnering with the right Managed Service Provider is the peace of mind that comes with knowing you and your staff can focus on mission-critical, strategic business initiatives instead of managing IT support, strategy, and security.

Framework's Three Pillars of Managed IT

Support

- *Issues resolved by live engineers via phone, email computer agent and portal*
- *Moves, additions and changes*
- *Documentation management*
- *Ongoing monitoring and maintenance*

Strategy

- *Ongoing vCIO consulting*
- *Quarterly meetings for IT planning, budget clarity, needs & best practice alignment, etc.*
- *Monthly reporting*

Security

- *Next-Generation Endpoint Security*
- *24x7 monitoring*
- *Email, cybersecurity & phishing training*

IT is an organization's central nervous system and aligning it with organizational strategy is critical to success. You know your organization best, so identifying and evaluating strengths and weaknesses can help determine if a new IT services delivery model, like Managed IT Services, suits your organization.

There is no one-size-fits-all solution, and many factors need careful consideration when deciding if you wish to engage a Managed Services Provider (MSP). Whether you need assistance managing a portion of your IT needs or complete management, you must ask the right questions and determine what additional value that partnership will bring to your organization.

The decision-making process can be challenging and confusing. This guide helps you better understand this nuanced journey and ensure you feel confident in making the best decision for your organization.

CONSIDERING MANAGED IT?

This guide will help you make a well-informed decision about what type of IT Service Model is best for your organization.



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CHAPTER ONE

What are Managed IT Services?

What are Managed IT Services?

Managed IT Services is the practice of outsourcing technology management responsibilities to an expert, third-party organization that specializes in handling these responsibilities. These third-party organizations, known as Managed Service Providers (MSPs), are responsible for the entirety or portions of a business's IT systems as agreed upon in a Statement of Work (SOW).

The SOW is a critical component of any outsourcing and technology vendor contract. It clearly defines responsibilities, what services will be provided by the MSP, the scope of services, metrics for measuring the success of these services (SLAs), and potential penalties for violating the agreement.

Depending on the SOW, Managed Service Providers may provide 24/7 monitoring, issue resolution, reporting, strategic consulting, cybersecurity, disaster recovery, cloud services, and more.

The adoption of Software as a Service (SaaS) technologies, Infrastructure as a Service (IaaS), and Platform as a Service (PaaS) via cloud computing has allowed Managed IT Services to scale at a more extensive and faster rate than In-House IT or Break-Fix Support. The Managed Services Model, following the SOW and SLA, allows MSPs to deliver these IT management services for a monthly fee. SOWs and SLAs can also vary significantly from MSP to MSP.



68% of SMB and mid-market business executives believe working with an MSP helps them stay ahead of the competition



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CHAPTER TWO

The Evolution of Managed IT Services

The Evolution of Managed IT Services

Tech issues were very different 20+ years ago and often remedied by the skill sets of a local "tech geek." Businesses rarely employ specialized, in-house IT support because of the expense and lack of perceived importance. Many relied on an internal resource that knew enough to be dangerous and help as needed.

The unfortunate cause and effect of innocently missing or ignoring a straightforward issue triaged instead of diagnosed led to growing complications. Undocumented workarounds compounded matters and often resulted in a system failure with a difficult-to-trace root cause.

THE EVOLUTION OF MSPs

Changes began in the 1990s with the emergence of application service providers (ASPs), which offered remote application hosting services. ASPs paved the way for companies providing remote support for clients' IT infrastructure. MSPs were primarily focused on the Remote Monitoring & Management (RMM) of servers, computers, and networks.

At this point, the only viable solution for smaller companies was to call a professional who could fix the problem. Outsourcing IT services was not a common practice and was reserved for the deep pockets of Fortune 1000 companies. This era marks the dawn of the Break/Fix IT Service Model. The moniker is literal. If the equipment broke, management called in an expert to fix it. The company paid for services and materials rendered each time.

Usually, SMBs had someone on the payroll who understood the existing technology enough to tend to more minor issues until they became too complex. In a short period, the cracks in the foundation of this support model become evident.

Over time, MSPs expanded the scope of their services to differentiate themselves. MSPs often remotely support a client's endpoint devices, provide proactive consulting, and offer additional cybersecurity and cloud services.

THE BREAK-FIX ERA

At first, MSPs faced hurdles with remote IT management due to bandwidth limitations. Organizations called in experts for device servicing and upgrades, using the Break/Fix Model to fix issues as they arose.

Break/Fix wasn't ideal, but by its very nature, it didn't exist to provide proactive support. It was born of necessity and became the standard of IT management for small and mid-sized businesses. The complexity inherent in modern technology systems didn't exist. Proactive support was considered an unnecessary insurance policy for less sophisticated systems.

The rapid ascent of technology, sophisticated systems, and large-scale adoption of IT services meant that the smaller "fix-it-guys" could not keep up with the demand for the expert skill sets employed by those who understood complex technology systems.

Similarly, many businesses couldn't adapt or scale operations with existing technology. The "If it's not broke, don't fix it" impeded progress. However, the business impact of lost data and productivity was substantial enough to eliminate the budget, which was a sobering reality.

This reactive approach to managing IT became a brutal cycle of wasted time and resources that put businesses in jeopardy. Suddenly, the once prosperous "fix-it-guy" was in peril of becoming obsolete as he could not afford the massive investment in labor, specialization, and infrastructure. The gamble left many businesses vulnerable, and a once prominent player played.



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CHAPTER THREE

Managed IT Service Model

The Managed IT Service Model



The managed services model is a form of outsourcing that involves contracting with a third-party Managed Services Provider, or MSP, to handle one or more of your company's IT services, such as IT support, strategy, and security.

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MSPs remotely monitor, update, and manage your IT services as part of a contractual arrangement that typically spans one to five years.



MSPs operate under a Statement of Work (SOW) with a Service Level Agreement (SLA)

- SOWs & SLAs establish scope of services, performance, & quality KPIs
- MSPs' pricing formula typically corresponds to SOWs & SLAs
- MSPs offer a range of SLAs with tiered pricing structure
- Clients have direct oversight of managed systems
- MSP is bound to deliver a specific level of service as per SLA



Expertise & Experience

MSPs have a full team of experts to resolve issues proactively and efficiently



Governance & Risk

MSPs accept risk and manage the complete delivery of IT, from governance to process and tools



Productivity & Goals

MSPs are highly motivated to establish productivity controls and goals because they assume risk



KPIs & Outcomes

Clients dictate goals, service levels and KPIs and pricing is tied to service delivery



Reliability

Outsourced management, ops, delivery process, IT service levels & monthly billing are guaranteed

When done right, MSPs deliver great value to an organization by providing a holistic and predictable IT experience that optimizes operations, mitigates risk, and aligns with your business objectives to drive reliable growth and innovation.

Managed IT services become an essential operating expense to maintain core functionality and operational efficiency rather than incurring additional expenses when resolving issues with break/fix models. MSPs enable stable and efficient business operations through the power of well-managed technology.

How are Managed Services Delivered?

MSPs use their own data centers for remote monitoring, contract with a hosting provider, or take advantage of major cloud infrastructure providers such as Amazon and Microsoft. They manage their client's on-premises infrastructure, workloads, and applications in the cloud.

According to [CompTIA](#), 25% of companies using managed services providers reduce headcount internally, but only 6% of companies eliminated their in-house IT staff due to adopting managed IT services.



Hybrid IT Service Delivery Via In-House IT Staff Plus a Managed Services Provider

MSPs work together with in-house IT staff. In-house tech teams have a nuanced understanding of the organization's mission, products, and processes but may only possess broad technical knowledge. Generalized technological know-how may be acceptable for day-to-day support but could prove problematic when a more specialized skill set is required.

You know your organization best, so identifying and evaluating strengths and weaknesses can help determine if a new IT services delivery model, like Managed IT Services, suits your organization.

When there is in-house IT, MSPs assume management of the more routine processes, such as monitoring and maintenance, and serve as an escalation point. They can manage more complex systems and provide invaluable reporting and performance metrics to enable internal IT staff to achieve greater efficiency and free time to focus on strategic initiatives and larger projects they couldn't accomplish.

Managed IT Services Delivery Methods

1. Remote Monitoring

MSPs typically install electronic "agents" that collect performance data, monitor for problems, and report to the MSP's monitoring systems. Many use specialized professional services automation (PSA) and remote monitoring & management (RMM) platforms to manage services and delivery.

2. Cloud-based Infrastructure and App Hosting

This type of hosting can include a turnkey IT solution or services from their data center or by reselling the services of a cloud services provider. Typical services include 24/7 support, infrastructure management, operating system administration, and disaster recovery.

3. Mix of on-Premises Monitoring and Cloud Service



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CHAPTER FOUR

IT Support Models

IT Support Models |

Managed IT Services

An MSP offers businesses a wide range of services, including asset management, cloud services, proactive IT management, cybersecurity, staff support, strategic consulting, and more. These services include round-the-clock monitoring, business continuity planning, and technology vendor management.



MSPs handle IT management functions. Outsourcing your IT with an MSP helps eliminate the complications and challenges of IT management so that the organization can stay focused on the business's core purpose.

Pros of Managed IT Services:

Proactive Monitoring & Maintenance:

MSPs leverage monitoring tools and automation to gain insight into the environment, proactively circumvent issues, consistently maintain the technology according to best practices, and troubleshoot and resolve problems.

Coverage:

Established MSPs typically have a deep bench of engineers meaning no one's absence will throw a wrench in IT support.

Capacity:

MSPs provide the right technical resources regardless of the scope/expertise needed. They support internal IT staff with added expertise and capacity to handle complex issues.

Continuity:

MSPs use procedures, systems & best practices to maintain operations & let you focus on your business. They organize documentation, provide IT continuity during staff transitions, & make it easily accessible.

Talent & Subject Matter Expertise:

MSPs leverage expertise for knowledge and capabilities, hiring subject matter experts to tackle complex issues efficiently. They offer more training, development, and growth.

Agility & Scalability

MSPs scale with your org to suit changing needs. Scaling service is easy, immediate, and no learning curve to adapt.

Strategy, Planning & Best Practices:

MSPs offer IT governance, strategy, risk management & planning using processes, systems & best practices. They provide CIO-level strategic resources to align technology with org. plans.

Accountability & Transparency

MSPs provide portals, monitoring tools, and reports to overview tech management, identify risks, and assess IT support. These mechanisms lack in internal IT departments and can hinder accountability and transparency.

Free Up Internal Resources

MSPs free up IT staff to work on high-value initiatives and critical tech tools, without a gatekeeper or vendor liaison. Internal IT faces time challenges due to interruptions.

IT Support Models |

Managed IT Services, continued

Cons of Managed IT Services:

Costs:

In some cases, managed services providers may entail a higher direct cost than retaining a full-time IT person or department. However, this is often not the case. Other indirect costs should be considered, such as soft costs and the opportunity costs of interruptions, downtime, and productivity loss.

Familiarity:

Everyone at the managed services provider may not have the same level of intimate, personal familiarity with your environment. Best-in-class managed services providers seek to compensate for this by having stellar documentation management processes, monitoring tools & systems, best practices, and standard operating procedures.

Accessibility:

Your staff may have to acclimate to not being able to walk up and ‘poke’ the IT person. The upside is that most MSPs view themselves as customer-service organizations as much as technology companies. So they go out of their way to make themselves accessible over a range of mediums such as live phone support, live chat portals, desktop agents, email, ticketing systems, and portals.

Comfort:

Your staff may take longer to build comfort and camaraderie with the staff at your managed services provider. Again, many managed services providers, viewing themselves as customer-service organizations first, tech companies second, go out of their way to ensure their staff is personable and understanding and can build friendly relationships with their clients.



IT Support Models | In-House

In-house IT is cost-effective for large organizations with significant IT infrastructure that needs constant maintenance. They provide on-premises support for tech infrastructure, maintain servers, software, and hardware updates, and ensure network security. They also troubleshoot tech issues and provide staff training.



In an in-house IT support model, the entire IT Department is in-house and is seen as a solution to the problems of IT management.

Pros of In-House IT

Cost

In-house IT people may be lower cost, in some cases, especially for entry-level support personnel.

Familiarity:

They can develop an intimate familiarity with your environment, people, and processes.

Accessibility:

Other staff can walk up and 'poke' in-house IT staff.

Comfort:

Your staff, including the IT team, is immersed in company culture and may develop greater camaraderie with internal colleagues with whom they have frequent contact.

Marginal Cost:

You can add headcount, at least to a certain extent, without always necessitating a direct increase in IT staff or support cost. However, eventually, your business may require additional IT resources, which may result in hiring a full-time IT person who may be underutilized until headcount grows more.

Cons of In-House IT

Coverage:

Even with a dedicated IT team, there are risks beyond their control or when they're off-duty. It's essential to have the right resources to address unexpected outages that may occur during holidays, vacations, illnesses, or other personal time off.

Capacity:

Internal IT may struggle with multiple issues, hindering response times, despite being quick with single problems.

Continuity:

IT staff handling chronic tech challenges lack time to develop skills, leading to turnover & risking continuity.

Recruiting:

Recruiting competent IT staff at fair wages is challenging in a tight labor market. Non-technical staff may struggle to recruit, and internal IT staff may lack experience, leading to frustration and cost. Complex projects may require outside consultants.

Maintaining Expertise:

Internal IT staff may lack the expertise needed for technology upgrades, migrations, and new deployments. As a result, many companies outsource such projects. Full internal IT departments with experts in every aspect of technology are rare due to budget constraints.

IT Support Models |

Break-Fix

Break-fix IT provides on-demand support for businesses for one-time projects and troubleshooting needs. It is suitable for network upgrades, software installation, and hardware repairs. Although break-fix IT is cost-effective, it does not offer the same ongoing support as other IT service models. Overreliance on break-fix IT can lead to unexpected costs and extended downtime.



The Break / Fix IT Support Model is the practice of providing IT support when repairs and upgrades are needed and operates on a time-and-materials (T&M) basis to resolve issues reactively.

Pros of Break-Fix IT:

Lack of Monthly Service Fees and Contracts:

Some organizations don't need robust IT support and avoid monthly IT costs or Managed Service Provider contracts. However, the Break-Fix model can threaten productivity and continuity for tech-reliant businesses.

Control:

The Break-Fix model is preferred by some as they can decide when to explore their IT needs or how to address them. Yet, they have limited control over issue resolution, services provided, and costs.

Cons of Break-Fix IT:

Capacity:

Response and resolution times may become very poor when confronted with multiple, simultaneous, or complex issues.

Lack of Strategy:

Without a formal consulting process, there's no expert guidance to align technology with the organization's needs, leading to a lack of clarity in planning and budgeting.

No Incentivized Alignment Between Client & Vendor:

MSPs provide proactive IT for a fixed fee, while Break/Fix is reactive and pay-as-you-go, resulting in unpredictable outcomes. T&M/Ad-Hoc lacks incentives for providers to prevent issues, leading to more billable hours..

Unpredictable Cost:

Unpredictable fees can destroy your budget. Hourly IT contractors focus on immediate fixes, without offering preventative measures. There is no predictability for billable hours or case complexity. Short-term savings may result in long-term loss of business revenue.

Not Scalable:

Insufficient strategic planning causes issues when scaling operations and tech. Ad-hoc vendors struggle with service expectations as organizations grow.

Continuity:

Lack of continuity in system documentation creates gaps that increase operational challenges, frustrations, and costs in a break/fix model.

Total Cost:

Although Managed IT Services may have higher upfront costs than break/fix, soft costs, like wasted investments, lost productivity, and revenue, may result in an MSP being a more cost-effective option.



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CHAPTER FIVE

Managed IT Services in Practice

Benefits of Managed IT Services

Mutually Incentivized Alignment:

MSPs typically charge a fixed monthly fee for proactive IT management, tied to some variable like headcount or equipment. This approach makes sense to a business owner who wants a stable, high-performance IT experience that aligns with the MSP business model's goal of preventing issues by providing holistic, proactive, efficient support and client outcomes.

Capacity:

A managed services provider can ensure you have the right technical resources no matter the issue, project, or skillset required.

Continuity:

Managed services providers have the processes, systems, and best practices to ensure documentation is formally organized and updated. This approach ensures that information is accessible to those who need it to manage the IT environment. If you employ internal IT staff also, it provides for service continuity when you're transitioning between IT personnel.

Proactive Monitoring & Maintenance:

MSPs employ various monitoring tools and automation to gain deep insight into the environment, proactively head-off issues, consistently maintain the technology according to best practices, and to proficiently troubleshoot and resolve issues.



MSPs offer turnkey solutions tailored to your unique needs, mitigate significant business challenges and risks across the organization, and scale with your business as you grow.

Benefits of Managed IT

continued

Coverage:

An established MSP typically has a deep bench of engineers meaning that no individual's absence must throw a wrench in your technology support.

Agility & Scalability:

Managed services providers and their service plans can scale up and down with your organization and its changing needs. Doubling the support from an MSP is simple, immediate, and with no learning curve. Additionally, MSPs can scale up marginally as your team grows.

Accountability & Transparency:

Managed services providers typically provide client portals, ticketing systems, monitoring tools, service reports, and other information that makes it easier to quickly overview the performance of your technology, potential risks, and the performance of your IT management.

Strategy, Planning and Best Practices:

MSPs are driven by processes, systems, and best practices that provide better IT governance, accountability, strategy, risk management, and planning. Many even provide CIO-level strategic resources to provide a holistic view of your technology and ensure that your technology is evolving and adapting to the changing technology landscape and your business needs.

Comfort:

Your staff may take longer to build comfort and camaraderie with the team at your MSP. Again, many managed services providers, viewing themselves as customer-service organizations first, tech companies second, go out of their way to ensure their staff is personable and understanding and can build friendly relationships with their clients.

Talent Acquisition and Subject Matter Expertise:

Managed services providers have vital advantages in recruiting and retaining quality IT talent vs. other IT support models.

- MSPs have a broad spectrum of specialized expertise and experience to assess candidates proficiently for their actual level of knowledge and capabilities.
- The ability to invest in expert human capital makes it easier to hire the right people for the right roles and leverage that talent across many client environments.
- MSPs offer more training, development, and exposure to state-of-the-art technologies. This factor is attractive when recruiting subject matter experts rather than IT generalists who may not be as experienced in efficiently diagnosing and resolving critical, complex issues at the root cause.



Challenges of Managed IT Services

Control & Trust:

When a company outsources its information technology management, it places trust in a third party, relying on its expertise, resources, and services. This level of trust can be a difficult hurdle for both parties since MSPs need an all-access pass to understand the technology better and adequately manage the environment.

Familiarity & Accessibility:

A Managed Service Provider doesn't know as much about your business as you and your employees do. However, an MSP can compensate for this by bringing industry knowledge and expertise, detailed documentation and management processes, monitoring tools and systems, and best practices learned by working with many organizations like yours. It can be difficult for your staff to acclimate to not having quick and familiar access when engaging IT support. Still, most MSPs view themselves as customer-service organizations as much as technology companies and ensure rapid accessibility via multiple communication channels like live phone support, live chat portals, desktop agents, email, and ticketing systems.

Costs:

MSPs sometimes entail a higher direct cost than a full-time IT person or department. However, this is often not the case. Other costs should be considered, such as the soft and opportunity costs of interruptions in continuity, downtime, productivity loss, etc. Every time you increase the size of your environment or staff, the cost of your managed services provider's services will also likely increase. An in-house team has the potential to absorb some marginal additions without needing to hire more full-time IT staff.

Compatibility & Culture:

Compatibility of IT services may be a concern, especially if a company is retaining some IT in-house and outsourcing part of the IT management responsibilities. Your staff may take longer to build personal comfort with the support staff at your managed services provider. Still, it's essential to remember that a managed service provider is service-driven and ensures that its staff is personable and capable of building solid partnerships.





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CHAPTER SIX

Managed IT Services | Pricing Models

Pricing Models

As many SMBs shift from break/fix to managed IT services, pricing models have increasingly varied. There is no standard for pricing managed IT services, pricing can vary dramatically, and each MSP has a unique combination of services and pricing models to compare; there is no one-size-fits-all solution for every business. Choosing the right Managed Service Provider takes time; the best candidate will understand your challenges and mission and help align technology with your business objectives now and in the future. Here are standard pricing models and considerations when searching for Managed IT Services.

Per-Device Pricing Model

Clients pay a flat fee per device supported by a Managed Service Provider. Prices vary based on the type of devices managed.

(e.g., router, firewall, switch, server, PC/Laptop/desktop, mobile device, etc.)

PROS

- Easy to understand, simple, and transparent model.
- The most straightforward model to quote/price.
- Easily adaptable for device changes during agreement.

CONS

- Challenging to get pricing right up front, which can require unanticipated adjustments after onboarding.
- Difficult to predict future needs and budget.
- Network or server changes may suddenly increase the fees associated with managed devices.
- Multiple user devices can mean the costs for the client can become excessive.
- Rolling out mobile devices company-wide raises pricing.
- Commodity-driven style of pricing often adopted by low-touch MSPs.
 - For example, existing servers and workstations may be configured differently and require more support than others; adjusting is more complex.
- Does not address users with multiple devices, so the per-user support costs could be much higher.
- Fragmented, non-holistic view of network performance and management.



Pricing Models

continued

Per-User Pricing Model

Per-user pricing is popular for MSPs, charging based on number of computer users. It can be based on max. concurrent or total users, good for high device utilization or growing SMBs. Ideal for SMBs with employees on multiple devices for flexible, continuous service and simple pricing/SLA.

PROS

- Clear and easy to plan and budget for in the future, as organizations typically have a clear hiring plan.
- Easy to understand pricing and Service Level Agreement (SLA).
- Easy to predict the impact of growth in headcount and thus easier to predict MSP pricing.
- Often includes vCIO strategic consulting.
- When standardized, the MSP fully controls the IT environment, which drives efficiency, productivity, and client satisfaction.
- Pricing can flexibly scale up and down commensurate with client headcount and changing business conditions.

CONS

- Clarify special considerations/accommodations for part-time or low-tech-use staff.
- Pricing fluctuations in seasonal businesses.
- Lack of clarity on how the MSP counts "users" when determining price.
- Ability to scale pricing for quickly growing organizations is more ambiguous.
- Lack of clarity within the business on additional charges for location, devices, and the like or whether it's strictly by user.
- Improvement in technology doesn't always change the per-user pricing at many MSPs.
- Per-user pricing may include only some services; some are itemized and billed differently.
- Clients need more visibility into this process to plan long-term.

Tiered Pricing Model

Some MSPs offer different bundled packages or tiered services that increase in price and level of services based on the resources needed.

For example, a "Bronze" package may include essential remote support, virus removal, and patch management for a lower standardized fee.

The "Silver" package may consist of on-site support and other functionality for a higher price point. The "Gold" package will offer services such as Rapid-Response, Backup and Disaster Recovery, and services outside business hours

PROS

- Clients can choose a tier that aligns with their unique needs and suits their budget.
- Typically provides clarity on pricing mechanics.
- Can change support offerings based on needs.

CONS

- The preset packages may not cover all needs of each specific client's situation, which can lead to more charges for out-of-scope services.
- It can be confusing and difficult to choose if there are too many options or discrepancies between the services needed vs. the package offering.
- Lowest cost package often looks attractive but isn't enough to meet most client's needs, leading to ad hoc projects and unpredictable billing. This model may attract more clients, but understanding the need and value is paramount.



Pricing Models

Value Based Pricing Model

Value-Based pricing often referred to as "all-you-can-eat" or "cake" pricing, provides coverage for all services instead of individual components (as in each separate ingredient that goes into making a cake) and simplifies the cost structure.

The Value-Based model is more complex and varied, requiring the MSP to determine an "all-in-seat price" per user. Establishing value-based pricing requires gaining visibility into an organization through a discovery process. This level of visibility is essential to calculate the total service cost & ROI.

For instance, indirect costs (soft costs), such as downtime, loss of use, productivity, and revenue, significantly impact these calculations. The sales cycle may be longer because the onus of responsibility is on client leaders to trust the MSPs' ability to deliver ongoing service and advocate in their best interest.

PROS

- Easiest model for a client to budget if the flat fee provides a clear context for how pricing may adjust as the client's technology or headcount changes.
- Flexible in consideration of specific client nuances in pricing.
- Often includes vCIO strategic consulting.
- When standardized, the MSP controls IT environment, which drives efficiency, productivity, & satisfaction.

CONS

- More challenging to price upfront.
- Requires gaining visibility into the client organization.
- Value can be "sold" but must be proved through the process.
- Lack of transparency in the pricing model since services are not itemized. How the price will adjust to changes in the technology environment or headcount is often ambiguous, making budgeting less precise.
- Longer sales cycle
- The company must clearly define the "all-in" offering to detail the value customers receive for the price.





Monitoring-Only Pricing Model

This model offers minimal coverage and is cost-effective because this type of agreement entails the MSPs remotely monitoring specific aspects of a client's IT infrastructure. Clients are alerted of issues but may incur extra fees to resolve the problems depending on the contract. This model is more common when working with in-house IT departments.

PROS

- Fairly easy to manage.
- A viable option for companies with robust internal IT departments that would instead outsource smaller tasks.
- May provide an opportunity for project work and outsourced support.

CONS

- Difficult to provide differentiation.
- Remote Monitoring and Management (RMM) is more commoditized, and this type of arrangement is more transactional and low touch. It often does not come with value-added strategic consulting.
- Remote and onsite support is charged an additional hourly rate, which can quickly add up.

A La Carte Pricing Model

This pricing model can offer perceived flexibility and customization for various client solutions, but this flexibility comes with a stern warning; a la carte pricing is the most difficult to understand and sustain. Clients can become flooded with choices they may need help understanding, resulting in poorly designed packages that don't align with their business needs. These challenges can also lead to more confusion and friction in the partnership..

CONS

- Structuring the Service Level Agreement is very complicated and time-consuming, leading to a longer and more confusing process for the client.
- Standardization across systems and applications is crucial. While many companies may only need a few minor services to supplement existing IT functionality, this creates problems with coverage gaps and doesn't align with the client's business.



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CHAPTER SEVEN

Conclusion

Choosing the Right MSP

Small and Medium-Sized organizations' leaders and IT departments quickly become overwhelmed with day-to-day IT challenges that make it impossible to focus on core responsibilities and growth strategies. Realizing the epic cost of downtime and lost productivity, organizations turn to Managed Service Providers to help mitigate these challenges and provide high-performance, expert IT-managed services.

Benefits of Framework IT

- 24/7/365 network monitoring and emergency support ensure 99.99% uptime.
- Single point of contact for supplies, management, and problem resolution simplifies ordering and pinpoints responsibility.
- Ongoing performance monitoring and maintenance ensure that every part of your infrastructure is working and up to date.
- Frequent performance reports keep you in control of your infrastructure.
- Ironclad SLAs and award-winning client service.
- Predictable contracts that scale up and down with your organization and provide predictable OPEX and the lowest Total Cost of Ownership across your systems.
- Certified engineers and subject matter experts provide consistent expertise.
- Partnership with a Security Operations Center to ensure your systems are protected.
- Dedicated strategic consultant resource to ensure your technology drives the business forward, aligns with best practices, and enables your organization's objectives.
- An industry-unique pricing model that offers reduced pricing as you adopt data-driven best practices we know improve results!

Even though Managed IT services have been around for a while, organizations are increasingly engaging MSPs to support network monitoring and security, cloud services, email hosting, storage, backup and recovery, and more. According to CompTIA's 2016 Buying Guide for Managed Services, 64% of organizations use some managed services. That figure has only grown since then. Traditionally, streamlining services for cost savings was the primary motivation. Now clients seek additional benefits such as increased productivity, greater security, and risk reduction.

The choice you make should be a well-informed one. You are the expert in knowing what your organization requires. When it comes to the right fit for IT management, many options are available to help you determine the perfect alignment. You should feel confident in the current management of your technology. Asking the right questions to establish trust in your partnership is vital. If you are considering Managed IT Services, reach out to Framework IT to discover how we help transform businesses like yours through the power of well-managed technology and an industry-unique pricing model that offers reduced pricing as you adopt data-driven best practices we know improve results!



CHAPTER SEVEN

QUESTIONS TO ASK MANAGED IT SERVICE PROVIDERS

The *Right* Conversation

Sure, managed service providers are often measured by their ability to streamline business technology and reduce costs proactively, but what's the real value proposition that differentiates one MSP from another? Can your MSP deliver *tangible* evidence that you have made the right choice?

Having the proper conversation with the right Managed Service Provider means digging in and asking the right questions. Only then can you fully decide how valuable their service will be and how well it aligns with your needs and goals.

GENERAL

- How many full-time technical employees do you have, and what is your organizational structure?
- What processes and systems are in place to minimize the impact of staff turnover?
- How long have you been providing Managed IT Services, and how many Managed Services clients do you have?
- What certifications does the organization possess, and what is your pricing model for Managed IT Services?
- What are the initial and renewal terms of your agreement?

CAPABILITIES

- How do you measure performance, and how is it reported?
- Are you capable of diagnosing and fixing problems remotely with limited intervention?
- What PSA software or RMM tool do you use, and what cybersecurity services does the provider offer?
- How does the organization deliver cybersecurity services, and how do they support mobile devices?
- Do you detail all service offerings, solutions, and price scaling mechanisms?
- How do you stay current with technology trends and industry-specific compliance?
- How will you proactively consult my organization, and can you provide references to clients who have worked with you?

Determining whether you need a Managed IT Service Provider is more accessible than finding the right partner.

Framework IT is an award-winning, best-in-class Managed Service Provider who can help you understand everything.

We can help you understand if an MSP can bring value and how we can impact your IT and organization.

We continue to earn respect and trust of our clients, who appreciate the creative tech solutions we provide and our friendly, accessible customer service.

DATA PROTECTION & ACCOUNTABILITY

- How is client data protected?
- Who owns and can access client data?
- What happens to my data if you go out of business, are sold, or merge with another firm?
- What recourses are available if expectations are not met?
- How are data backup and disaster recovery handled, and what redundancy do service delivery systems have?
- Do you use a third-party hosting provider/data center to run your operations, and can you share data to support your success?

SUPPORT

- Is emergency support available 24/7, and how is support provided?
- What can I expect from your help desk, and how are complex issues escalated?
- What is your average response time?
- Is there a knowledge base of self-help content or FAQs?
- What is your process for strategic consulting, planning, and budgeting?
- What is your onboarding process? What are the key steps, client obligations, staff training opportunities, common challenges, and typical timelines for a transition?

Get Your

Strategic IT Roadmap

Our award-winning approach to IT support, strategy, and security helps CEOs who want to uphold their company's mission, vision, and values. We do this by providing a data-proven strategy to strengthen your company culture and alleviate roadblocks to employee productivity.

[LEARN MORE](#)

