

Take Your Business to the Next Level:

THE ROI OF MANAGED SERVICES.





Running a small to medium-sized business (SMB) means every dollar counts. Every day, business leaders are taxed with tough choices to determine how they can effectively utilize resources to maximize productivity and provide their customers with the best possible service. Fortunately, there is one decision that should not keep you up at night.

Switching to a Managed Service Provider (MSP) is one of the most economically sound decisions an SMB can make. An [Aberdeen Group Report](#) on 'Contingent Labor Management' found that companies who partner with an MSP experience 20% higher worker quality than those who don't. In fact, the top performing organizations in their respective industries are 33% more likely to utilize an MSP. That is largely because these businesses recognize the value of reliable technology. Add to that the benefits of security management, friendly support, staff training, heightened productivity, and reduced costs; and you have a few reasons why MSPs consistently provide an impressive return on investment (ROI) for their clients.

Let's take a moment to explore more specifically what MSPs do so you can better understand their value.



What Do MSPs Do?

MSPs are a way for businesses to outsource their technology strategy, along with the daily management and maintenance of their information technology (IT) assets. Essentially, MSPs become responsible for all, or most, of an organization's technical operations needs. This is a great option for SMBs that don't have the budget for an entire IT department. MSPs provide a team of IT experts with diverse areas of expertise, so that any level of problem is handled quickly; often before your business realizes there was an issue. On top of that, they offer all the training necessary for your staff and are the 'go to' for any support questions that arise. The best providers are available 24/7, making sure your business doesn't fall victim to cyber security threats, system failure or user error. They also ensure you have the latest software updates, and that your hardware is up-to-date. Plus, a good MSP will easily scale up or down as your business demands so that you are never overspending on IT services.

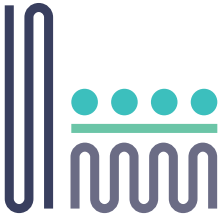


It may seem like those are services your organization should be able to handle internally and hiring your own IT staff is the more economical option for an SMB. A cost comparison, however, shows that it would be very difficult for an internal IT team to beat the ROI of an MSP.



ROI of an MSP over Staffing for IT Internally.

Some business leaders roll the dice by choosing to forego professional IT maintenance altogether. Oftentimes, a business' technology is 'managed' by one or two tech savvy employees who have some level of technical aptitude, but have another role within the organization. This may keep the business 'up and running' for a time, but that can't last indefinitely. When the inevitable system failure or security breach hits, the business is grossly unprepared. They are then forced to spend well beyond their budget for emergency IT repairs or system and data restoration, etc.; with the unfortunate result being downtime and lost client confidence.



Other SMBs try to prevent this by hiring a highly-paid IT staff member to stay on top of their system needs. This solution may SEEM cost efficient but no one person knows everything and expensive problems will arise. And so...the myth of the lone cyber superhero is exposed.

	MSP	INTERNAL IT STAFF
EXPERTISE	<p>Provides a large team of IT experts</p> <p>Multiple team members provide various areas of expertise to address any issue as quickly as possible, limiting downtime</p>	<p>Provides the number of IT staff an SMB can afford to employ, usually under four.</p> <p>Limited areas of expertise available to handle complex problems which can add to increased downtime and user frustration</p>
AVAILABILITY	<p>A team of experts are available 24/7 to scan and detect any cyber threats or potential system failures before they become an issue, and an MSP doesn't take days off.</p> <p>If a primary technician is not adept at a particular problem that arises, there are multiple technicians available to quickly assist. This streamlines productivity in every department.</p>	<p>Having up to four IT staff members working 40 hours per week creates an circumstance in which the operating systems are NOT monitored 24/7.</p> <p>IT staff need sick days, vacation time and various other paid time off that may leave systems vulnerable to failure and cyber security threats.</p>
ENGAGEMENT	<p>Because the MSP is a services business, friendly IT support with a focus on positive customer interactions is a part of the package.</p>	<p>IT staff have a lot of responsibility and often multiple team members depending on them at once, so interactions can lack time for intentional positivity.</p>
EXPENSE	<p>One predictable monthly fee calculated by the number of staff members serviced.</p>	<p>According to the Bureau of Labor:</p> <p>IT Network Administrator = \$84,000/year salary</p> <p>IT Security Specialist = \$111,000/year salary</p> <p>\$14,000 for Health Benefits</p> <p>Emergency Outside Support - \$200 per hour on average.</p>
EXAMPLE: SMB WITH 30 STAFF MEMBERS	<p>(\$100 x 30 staff) x 12 months = \$36,000/year</p>	<p>\$111,000 + \$14,000 = 125,000/year for one IT Security Specialist not including paid time off.</p>

ROI of MSP Versus Internal IT Staff Summary

Right away, the economic benefit of an MSP over internal IT staff is clear. In the above example, a business of 30 staff contracts with an MSP for \$36,000/year vs. \$125,000/yr for hiring one internal staff member. With the MSP model you receive a large team of expert technicians monitoring and maintaining your systems 24/7 for a flat fee. Managed Services can also offer a small business access to more sophisticated systems and tools that would otherwise be unavailable because a provider supplies software to thousands of users rather than a few dozen. These tools improve service delivery and efficiencies that a typical stand-alone organization can't afford on their own. Additionally, the MSP provides friendly service with staff members to fix issues and when a complex incident arises, are able to utilize the full expertise of a team to resolve quickly, vastly limiting downtime. Brand reputation is built along with increased productivity which allow for better customer service and secure systems and thus client confidence grows.

For over 3x the price, you receive less than a quarter of the value with fewer experts monitoring your systems and equipment by hiring internal IT staff. Less quantifiable ROI lies in the many positive side-effects of contracting with a good provider.

THESE INCLUDE:

- Increased productivity of your team resulting from more available IT services
- Better brand reputation with less downtime with fewer high impact incidents that require expensive emergency IT services
- Peace of mind through higher-quality security protocols and regular maintenance with 24/7 monitoring
- Scalable services that grow as you do
- Increased client confidence

Another core element of the ROI calculation are the massive costs of downtime for the business. Up next are some highly impactful numbers showcasing the value of keeping your organization 'up and running'.

"LightPoint's fixed cost model allows us to manage our budget, and gives us better service at a lower overall cost. LightPoint is truly a part of our team and we are looking forward to continued growth with them in the future!"

Glenn Odell
PRESIDENT, SIS NW INC.



The Value of Limiting Downtime

Downtime is a giant expense that can directly impact your organization's bottom line. Most of the focus often falls on the costs to big businesses but SMBs can lose upwards of \$400 per minute. That means tens of thousands of dollars lost in an extended outage. A [Gartner study](#) showed a mid-sized organization can spend in excess of \$1 million per year on unexpected IT incidents. Not many business leaders who fail to protect against downtime can absorb a sudden financial impact of that size. This is a big part of why an MSP can generate a substantial ROI very quickly. How do downtime costs add up?

BUSINESS DISRUPTION

is the biggest problem with IT incidents because it includes the long-term reputational damage and the reduction in customer churn that an organization can suffer, which is hard to quantify, but can have a lasting impact.

REVENUE LOSS

from missed sales opportunities as a result of the inability to service customers is a significant cost. Anytime clients are denied service for any reason, they are likely to try a competitor.

EXPENSE

of tech repairs is a major cost cost when an IT incident occurs. There is no precise way to budget for these circumstances because it is impossible to plan how much time and effort it will take to fix the problem and investigate the origin.

END-USER PRODUCTIVITY

is an expense that many businesses overlook during an outage. What generally happens when systems fail is a halt on all productivity from staff members who still must be paid while unable to do their jobs.

INTERNAL PRODUCTIVITY

comes into play when a company employs IT staff who must use their valuable time to repair system failures. Additionally, employees from other departments such as those in customer service teams often have a lot of work to do smoothing over the incident with customers.

POST MORTEM EVALUATIONS

consist of a complex step-by-step process to perform a thorough root-cause analysis and is essential to prevent future incidents. Unfortunately, there is no way to predict how long it will take to find the core issue, so the cost can be substantial.



An MSP offers the baseline solution to preventable downtime by running multiple preventative measures. For example, regular system maintenance, data backup and fast communication during an incident helps limit its impact. This is a part of an MSP's ROI that is difficult to quantify but is quite substantial nonetheless.

Choosing the Best MSP for You

Searching for and selecting the right MSP can be easier than one might expect. The most important thing to keep in mind is that you are looking for a partner who will be there for your business even when you can't be. The best MSPs feel like an extension of your organization, offering peace of mind, friendly IT service and seamless onboarding. Managed Service Providers should be able to help you create a roadmap for your organization's next steps and match your IT services with your needs and business plans. Your ROI should be your chosen provider's first priority because your success is their job well-done.

More specifically, every business leader should choose an MSP with the client testimonials to prove a reputation for top notch service that has been forged over many years. That comes, for example, with the capability to monitor for regulatory requirements like HIPAA or SEC compliance. Further, It's important to look for an MSP that offers cloud-based services so that if your organization has or may choose this option in the future, you are covered. Along those same lines, dependable security measures are imperative to protect against the increasingly common SMB targeting for ransomware attacks. Finally, it is also critical to ensure your business will receive efficient responses to any level of system incidents. Make sure to require that a provider offers strong service level agreements with timely resolution goals in writing so that you can hold them accountable to respond quickly. Adhering to these principles ensures you will select the best MSP to bring the greatest ROI.

LightPoint has been providing such partnerships with their customers for nearly 20 years. We are known for our personal touch. Support calls are answered by a live person who help resolve your issue right away. Serving thousands of users across 300+ locations means that our support model is proven, and is easily scalable to meet the needs of your business. The most important thing to our team at LightPoint is to provide stellar service all day, everyday, so you can focus on what matters to your organization's future.



CALL TO ACTION

We aren't your typical IT team. We are highly motivated to be proactive, and to quickly resolve problems and leave you with a smile. We hire talented individuals with great communication skills and a desire to learn and grow, but most importantly, provide a stellar customer experience. We stand behind our service with a Money Back Guarantee and no annual contracts.