



How Much Does IT Cost?

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Security



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Support

How Much Do Managed IT Services Cost

The process of hiring or changing IT providers can be a difficult one, with a lot of unknowns related to prices and services. At Capital Network Solutions (CNS), one of the first questions we invariably receive from potential customers is: How much does a managed IT services plan cost and what does it cover?

There is no simple answer to this question. As with buying a car, there are many variables and add-ons to consider when pricing IT plans. Let's shed some light on a murky situation by looking at the various costs and services that come with outsourcing your IT department.

With our 30 years of experience providing managed IT services and network security solutions to businesses throughout and across the western United States, we have a unique insight into industry-standard IT costs, as well as the services and support you typically get for your money.

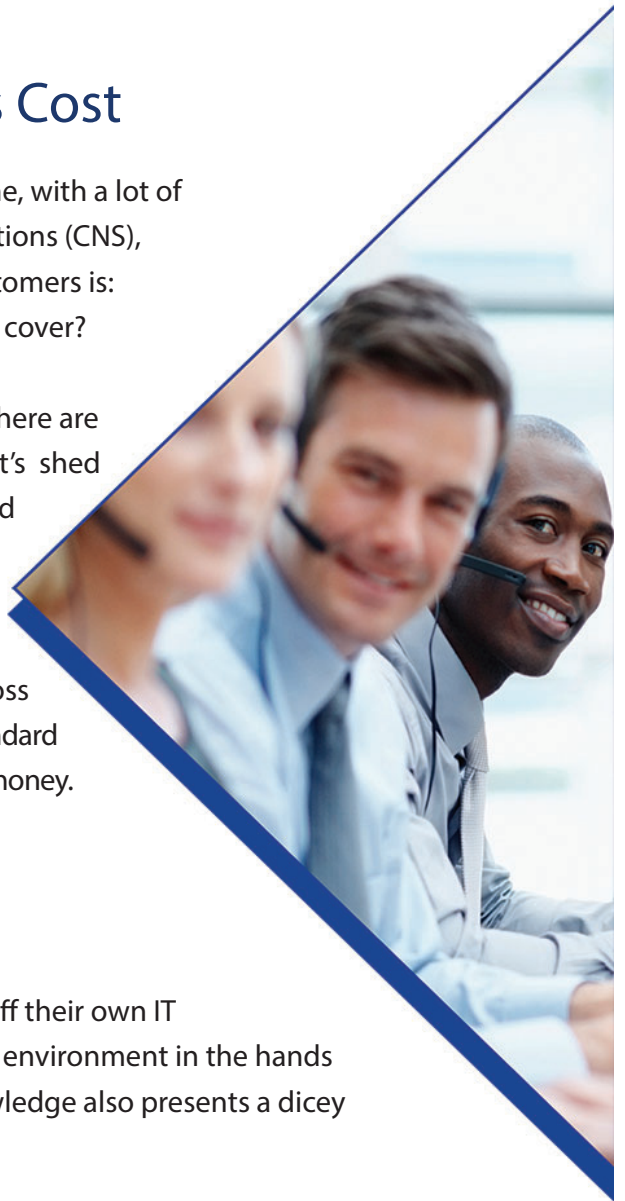
What are "Managed IT Services"?

Most small and medium-sized businesses lack the resources to staff their own IT departments fully. At the same time, putting your entire business environment in the hands of a single employee with limited skills and extensive legacy knowledge also presents a dicey situation.

Essentially an outsourced IT department, a managed service provider takes responsibility for the environment. Instead of paying out-of-pocket for a break/fix service every time something goes wrong, a managed IT services provider monitors your system comprehensively and deals with problems proactively.

Different tiers of services, support and software get supplied for a monthly fee, maximizing uptime and productivity while allowing you to focus on your core business goals. Not only does a managed IT services plan provide a comprehensive IT solution that mitigates risks of internal and external threats, but the flat monthly fees also make it easier to budget for IT-related costs.

However, every business has slightly different needs, which is why there are different types of managed IT subscription plans on the market, usually with customization options to ensure an ideal fit for your organization.





What questions should you ask before hiring a managed service provider?

When it comes to managed IT support, one size does not fit all. The goal should not be to cram your organization into a glass slipper, but rather to find a managed services plan that makes the most sense for your business needs.

Here are some questions that every business should ask itself before signing up for a managed IT services plan:

- 1.) How many people do you employ?
- 2.) Do you have dedicated IT personnel on staff?
- 3.) Does the business have an on-premises server and how much data is in use?
- 4.) Do you handle sensitive data or need to meet any regulatory compliance requirements (e.g., PCI, HIPAA or SOC)?
- 5.) Would you prefer to pay a flat monthly amount for an all-you-can-eat plan, or would you prefer a lower monthly fee with unpredictable charges?

The answers to these questions will help determine which type of managed IT subscription plans, if any, works best for your business.

You should also insist on transparency from any managed service provider that you consider. For example, here are some questions you should ask your potential managed service provider:

- 1.) Do they have a local office?
- 2.) Will they provide on-site and off-site support?
- 3.) Do they offer multiple types of plans with customization options, or is it one-size-fits-all?
- 4.) Did they outline your prices and services in full in a service level agreement?
- 5.) Do they provide 24/7 help desk support?



What managed IT plan works best for your business?

Most managed IT services plans fall into one of two buckets: partially managed and fully managed. Think of it as the difference between an a la carte menu and an all-you-can-eat buffet.

Partially Managed = A La Carte Support

- Generally intended for mid to larger businesses with some dedicated IT personnel on staff.
- This type of plan usually gets priced per device.
- There is a lower monthly minimum charge, but under this type of plan, you pay an additional hourly rate for help desk and on-site support.
- Because support is a billable charge, help desk calls usually need to be approved by an authorized gatekeeper. Every call to the help desk becomes a mini “business decision,” which prevents problems from getting fixed and elongates downtime.

Fully Managed = All-You-Can-Eat Support

- Generally intended for small to medium-sized businesses with no dedicated IT personnel on staff.
- This type of plan usually gets priced per end user.
- There is typically a higher monthly minimum charge, but under this type of plan, you get.
- Because support is free, any of your employees can call the help desk at any time to have their issue resolved, which severely minimizes downtime.

What maintenance services get included in managed IT plans?

Of course, not every managed service provider perfectly fits this two-tier mold. For example, some providers may include unlimited help desk support while charging an hourly rate for on-site support.

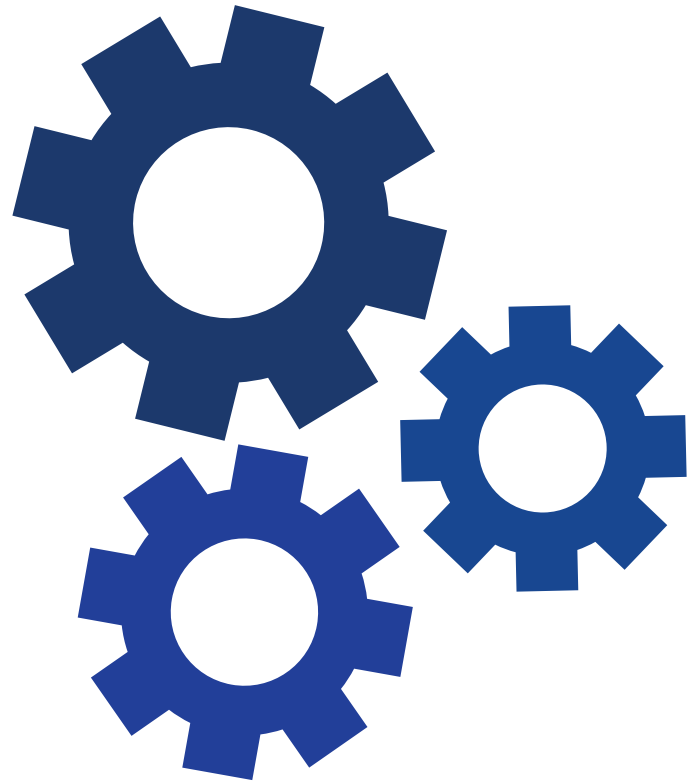
In general, though, there is one main difference between the a la carte costs of most partially managed plans and the all-you-can-eat fees of most fully managed plans. That difference is the price of help desk support.

Both types of plans tend to include these services:

- Managed workstations and servers
- System Administration
- User and device administration
- Windows security patching
- Antivirus subscription and monitoring
- Around-the-clock server and network monitoring
- Data protection, including on-site and off-site backup

While businesses on partially managed plans pay by the hour for support, an all-you-can-eat plan includes free help desk support for the following issues:

- Workstation hardware issues
- Workstation slowness
- Application issues
- Network or internet service issues
- Software upgrades and patching
- Installation of desktop printers and scanners, monitors, external drives and other USB devices
- On-site support
- Unlimited 24/7 help desk support calls



What other IT factors affect pricing?

In addition to everything listed above, some services may require an additional charge, even for businesses on a fully managed IT-services plan. These include such services as:

- New hardware and software installations
- Work on a personal computing system
- Moving employees' computers,
- Reassigning computers to new or other employees
- Installation of network-enabled printers
- Upgrade or installation of major line-of-business applications
- Installation of new servers, networking devices and wireless access points
- Advanced End Point and Network Security
- Annual Security Audits

How does the cost of outsourcing IT services compare to the cost of hiring an in-house "IT guy"?

Most small and medium-sized businesses cannot justify the cost of hiring an IT professional to maintain their network security, data protection and help desk support. Full-time IT professionals usually make \$40,000 to \$60,000 per year, with an additional 10 percent going toward payroll taxes and benefits.

By contrast, the average all-you-can-eat managed IT services plan costs less than \$30,000 a year.

For that money, you get a fully staffed and trained IT department.

Additionally, when your business goes through a significant upgrade or inevitably stumbles upon an unsolvable problem, you will incur additional costs by contracting with an outside IT services provider.

In other words, subscribing to a managed IT services plan ultimately reduces out-of-pocket expenses, expands security and support and cuts out the middlemen.



What is involved in the initial setup process?

At Capital Network Solutions, these are the first things we do when a new client signs up for one of our managed IT services plans:

- Install CNS management software
- Install anti-virus software
- Set up and configure data backup hardware
- Perform basic site assessment and needs analysis
- Perform information gathering and documentation