

Choosing the right managed service provider

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Key characteristics of the best managed service providers

A good managed service provider (MSP) will meet all the SLAs of a specific contract and deliver a certain level of performance expected by the end user. But what separates a good MSP from a great one? One that has a tangible impact on transforming your business operations and helps you drive your digital strategies? A great MSP will offer the following:

Proactive management

A great MSP will not just comply with contract terms. Where possible, it will try to exceed expectations and play an active role in guiding end users on their digital transformation (DX) journey. In a recent IDC survey, when asked what they would like their service providers to do more or do better when helping with DX, a third of respondents said "helping us to optimise the business case for transformation" and "helping us to adapt our business processes to maximise transformation benefits". At the same time, when asked about the main reason for being dissatisfied with their MSP, the majority of end users said the MSPs didn't understand their needs (source: *IDC European IT Services Survey, 2019*). The key message is that customers increasingly see their service provider as an actual partner rather than as a purely commercial relationship, with advice, communication and involvement as important as the provider's technical expertise.

Superior skills and capacity

Having skills that go beyond the usual break-fix or solving troubleshooting operating system errors is imperative for MSPs in 2020. A great provider will have a broader and better set of skills in terms of technology implementation, industry knowledge and expertise, and monitoring/support skills available 24 x 7 x 365 onsite and remotely. Technology that enables scalability and automation of tasks and processes is particularly valuable to end users — a great MSP will not only implement technology but also work with end users to determine the best solution for their needs. A great provider will demonstrate superior skills in managed cloud and security services, for example. The former provides contract flexibility, strong scalability and cost optimisation benefits that add end-user value; the latter are a priority due to the damage that cyberthreats and malware can do to your business. Around-the-clock service and continuous monitoring significantly reduce the chance of system failure — IT failures can take place at any time of the day or night, and a great MSP will be able to identify any issues and fix them quickly, at any time.

Preventative support

The ability to predict problems before they occur is a crucial differentiator for an MSP, as costs for IT downtime are particularly high. According to an IDC report on downtime costs for Fortune 1000 companies, the average hourly cost of infrastructure and critical application failures is

\$100,000 and \$500,000–\$1 million respectively. A great MSP will adopt a preventative rather than a reactive approach; running planned maintenance and having in place modern threat detection and alert mechanisms are evidence of an MSP that aims for "zero failure", as they help to flag or prevent an IT issue in advance rather than solving it once it has already occurred.

Best practice guidance in MSP selection

Being able to distinguish great MSPs from the rest will help you to shortlist the best candidates. But selecting the right MSP for your business can be challenging. What should you look for? Go for an MSP that:

- 1. Knows your company.** Each customer will have different demands from their MSPs, depending on company size, industry, products and services, for example. The better they know your company, the better they'll be able to serve your needs. It's vital that the MSP demonstrates knowledge of your business — not only will they help out with the technology side of things, but also with the consulting and strategic side. A great MSP will not just limit itself to listening to your requirements — it will ask the right questions about your objectives, showing an interest in how your business works. As an end user, try to ask questions that go beyond technology, such as the provider's approach to problems, best practices and reactive versus proactive support methods. If a provider can answer these clearly, then it's likely to be a strong candidate.
- 2. Links technology with your business outcomes.** Each business will have a set of KPIs that it wants its MSP to focus on and drive improvements that go beyond technical aspects. The right MSP is the one that understands your KPIs and has a detailed plan for how to meet these business outcomes. Such outcomes usually relate to financial objectives, but they can also relate to customer impact measures such as NPS scores.
- 3. Has a proven track record.** Great MSPs will be able to back up their words with customer success stories and testimonials. They will also highlight client satisfaction metrics and data whenever possible. When IDC asked end users to rate the importance of several factors when engaging with IT service providers, 56% said track record with the provider was either very important or extremely important — the highest score for the 10 factors that we asked about, which also included cloud-native skills, vendors' local presence and value-based contracts (source: *IDC European IT Services Survey, 2019*). Great MSPs retain their clients because they have high levels of customer satisfaction, and this is built on reliability and quality of service.

There are many good MSPs out there that can help you with your IT issues and technology implementations. A great one, however, will help your business to thrive — more of a business partner, it will link technology with your KPIs and business goals, making you part of the DX journey, and play an integral role in your digital business strategy. Whether your company is small or large, low-tech or high-tech, whatever the industry, there are many MSPs that share your business goals and can help you in your transformation journey.

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