The background of the slide is a composite image. On the left, a woman in a call center is shown in profile, wearing a headset with a microphone. On the right, a man in a white shirt and tie is looking at a tablet device. The background is slightly blurred, suggesting a professional office or data center environment.

PROS AND CONS OF
Internal IT **vs.**
Outsourcing

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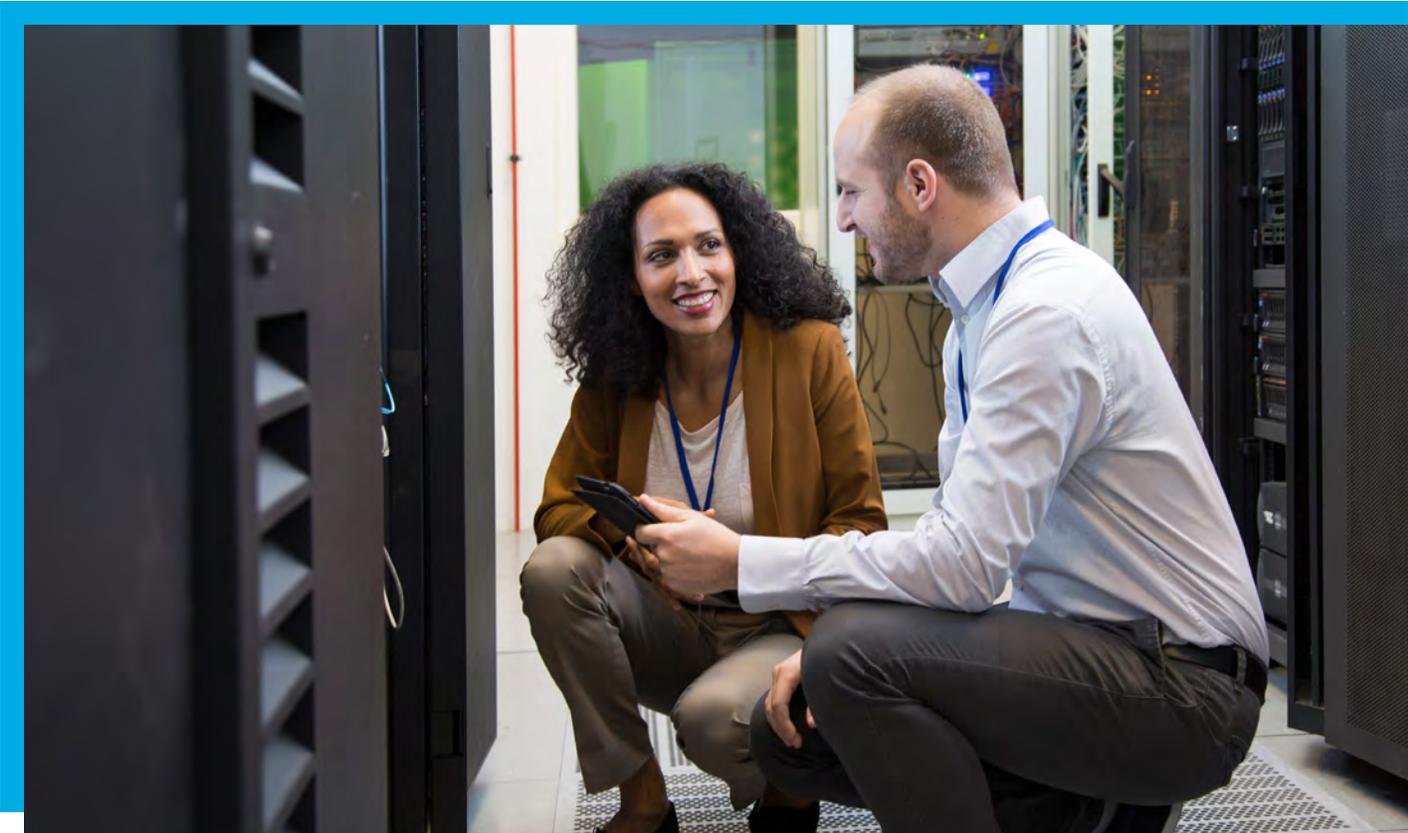
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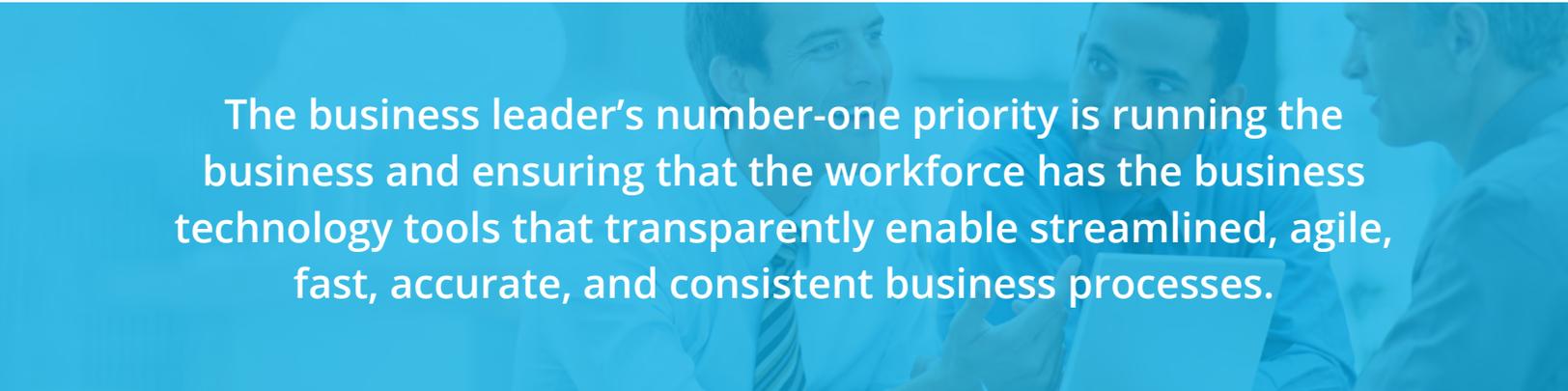
Introduction

For the business leader, each day brings a mountain of decisions that invariably include those surrounding IT infrastructure performance that is hampering business progress in real ways. Although the answer lies in having IT support, the challenge is in filtering through the options of whether to add internal IT staff or look to an outsourced managed IT services provider. To help these leaders come to a logical and best conclusion, this eBook provides the common pros and cons of hiring internal IT versus outsourcing to a managed services provider (MSP).

The business leader's number-one priority is running the business and ensuring that the workforce has the business technology tools that transparently enable streamlined, agile, fast, accurate, and consistent business processes. Every business absolutely relies on technology to help it run efficiently, but IT is definitely not one of the core competencies.

Just keeping IT systems running can be a major undertaking that distracts leaders and the workforce from business-building activities. That doesn't even include the need to modernize IT systems in ways that can save time and money while increasing security, access, and ultimately profits and business growth. While some businesses rely on an in-house IT staff for technical support, many question whether or not this is bringing the best ROI to the organization.

According to CompTIA's Fourth Annual Trends in Managed Services [study](#), 60 percent of respondents are looking for ways to effectively improve IT management. The study is based on an online survey of 350 business and IT professionals in the U.S. involved in IT decision-making for their organizations. Small, medium, and large companies from a range of industries were included in the survey.



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Pros of Outsourcing Your IT



1. Greater monitoring support than an internal IT team can provide:

The benefits of having a dedicated team of IT specialists using the latest technology to remotely monitor your network and IT infrastructure 24/7/365 cannot be overstated. Internal IT teams are already spread too thin, and adding one more IT staffer won't make the difference. In fact, the costs of having access to an entire team of IT experts that constantly monitor your network to intervene proactively with the latest technology comes at a fraction of the cost of a single IT staff generalist.

2. 24/7 access to multiple experts for fast ramp-up:

Skilled managed IT services providers work with a wide variety of technology platforms, hardware, software, and systems on a regular basis as certified experts (a list that grows longer and deeper by the day). This enables them to hit the ground running with detailed knowledge of your IT infrastructure.

Consequently, they can troubleshoot more complex issues and resolve issues faster. In addition, they can advise and consult about future technologies such as cloud services that bring immediate business-process improvements that further the business immediately within established capital-expenditure and operating-expenditure boundaries.

3. A team made up of IT expert specialists as well as generalists:

You get access to all levels of expertise for one monthly cost. From basic help-desk functionality through Level 3 system engineers when required and usually at no extra expense.

4. Constantly updated system documentation:

When MSPs start with a thorough IT assessment and analysis, they produce and gather detailed IT system and network documentation that is then constantly updated monthly with any on-site visits and new implementations as well as maintenance and monitoring.

5. Prompt regular and emergency on-site visitation:

With scheduled, regular on-site visits that are convenient to the business and fast emergency response when needed, MSPs can deliver levels of service even after regular working hours that are faster, more dependable, and more cost-effective than any internal IT staff can be expected to provide.

6. Holistic view of IT infrastructure:

By developing a detailed present-state map of all IT systems from platforms and systems to hardware, software, cabling, and the cloud, experienced MSPs can develop an integrated view of your IT infrastructure. This macro and micro view gives them the ability to ensure that all systems are integrated everywhere and interoperable where needed. If and when challenges arise or updates are needed, they can be resolved quickly without negatively impacting the business.



7. Proactive approach to IT:

Managed IT services from the best providers are proactive rather than reactive. From the standpoint of business processes, that helps prevent problems and improve systems.

When you partner with an MSP, you get access to a world-class ticketing and information system. This enables you to see what tickets have been raised and which remain open or have been resolved. Importantly, your business will get clear information on which parts of its infrastructure (desktops, servers, operating systems, applications, peripherals, etc.) cause the most problems.

Proactive maintenance can then solve the root causes of issues. This is something you don't get with reactive maintenance where your system administrator or IT manager spends time putting out fires.

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8. A consultative approach from experts who speak the language of business:

Because the best and most experienced MSPs are skilled in a variety of industry verticals from accumulated years of experience, they bring an understanding of how IT infrastructure translates into business processes. This enables them to have a holistic view of IT infrastructure from the standpoint of people and processes as well as technology. The result of this approach is fast and clear help-desk resolution, effective technology integration and interoperability, and transparency of technology that enables the workforce to concentrate on business processes rather than technology.

9. Best practices and better governance procedures:

The ticketing system and standardized documentation go hand in hand with better governance processes around your company's standard operating environment, new deployments, software additions, internal moves, and departed employees.

10. Fundamentally different value drivers mean that an MSP resolves the causes of issues:

The fundamental goal of a new IT resource is to add value by resolving the apparent issues and freeing up senior IT management. The IT staffer only has a position because your company wants to address and resolve problems in a speedier fashion. The goal of an MSP, however, is to progressively eliminate the root causes of issues in the first place. An MSP is incentivized to create a situation where fewer tickets are raised. An on-site staff member is not incentivized to do the same because of the fear of redundancy.

11. Your intellectual property (IP) stays with your company:

Not only do contracts with the MSP ensure that your IP stays with the company, but the nature of longer relationships with the MSP has proven that they are with your company for twice as long on average as a new hire and conceivably for a decade or more.

12. Dedicated IT/account manager:

Just because we're not on site doesn't mean that we don't have a personal relationship. While you will see and work with a regular group of techs and specialists, you always have a dedicated account manager who is also an IT person to be the point person and go-to person for all of your IT. The team and the IT manager will each learn your network features in detail and be able to provide immediate assistance when required.

13. Free up important internal resources:

This is the single biggest reason to engage an MSP. When you outsource your IT, you free key engineers and managers from dealing with problems that inhibit their ability to deliver value equal to their pay grade. Suddenly, your company can make real progress in gaining a competitive edge, because your key development resources can focus their time and energy on delivering new value.



14. Reduce and control operating costs:

The leading MSPs bring 24/7 proactive monitoring that catches potential problems before they impact business functionality. In addition, they bring the ability to source and implement technologies that increase productivity and efficiency immediately rather than down the road.

These are highly cost-effective solutions that fit within your current IT budget due to the many relationships with leading manufacturing partners that ensure the best price via their economy of scale. Because MSPs can bring the technology and expert teams to accomplish all IT goals at a fraction of the cost of an internal IT team, they invariably reduce and control operating costs.

15. Having a go-to source for all IT needs so that the company can focus solely on the business:

For most businesses that have an internal IT team, they are mostly made up of IT generalists. The leading MSPs have a team of highly experienced IT specialists across all technologies and platforms, as well as generalists, so they can bring the right people to every need and situation of the business.

16. The ability to make a larger percentage of capital funds available for business-process improvements via outsourcing cost reductions:

By outsourcing non-core business functions, you can spend your capital funds on items that are directly related to growing the business. The ability to scale up or down in terms of IT needs for special projects ensures a lower general operating expense as part of the IT budget. The proactive resolution of potential IT problems before they impact the business ensures less costly downtime and maximized IT equipment life cycles for more strategic investments at the right time.

17. Reduce business risk through a constantly updated and advanced knowledge base:

Unlike an individual internal IT staffer who may leave at any time, highly respected MSPs are in partnership with their business clients for the long haul. With strong reputations and steady, long-term clients, the MSP will always be there. Equally important is the fact that they are constantly increasing their knowledge base about IT through new certifications and new projects across their client base.

This adds to their increasing knowledge base about your specific IT infrastructure and business. This knowledge base is constantly growing and available to your business, unlike with an internal IT team that has limited experiences and will be looking for the next better job.

18. Flexibility in terms of IT staffing needs to handle projects, as well as maintenance, when needed with unlimited resources and capabilities:

MSPs bring a team of seasoned IT technicians to bear for your business so that when the need arises, they can devote more or less manpower as needed. This expertise is particularly cost-effective and efficient when special projects arise such as when new system or enterprise applications are needed, as well as cloud migrations or software development projects. Conversely, because the IT infrastructure is kept at peak efficiency, it requires less maintenance, which means that you don't pay for internal IT staff that is being underutilized.

19. Job security and burnout reduction for regular employees acting as IT troubleshooters:

Using an MSP removes the burden from staff members who have taken on more than they were hired for because "someone needs to do it." You will establish a better relationship with your employees when you let them do what they do best and what they were hired to do.

MSPs bring a team of seasoned IT technicians to bear for your business so that when the need arises, they can devote more or less manpower as needed.

20. Broad base of manufacturer and technology solution relationships/partnerships:

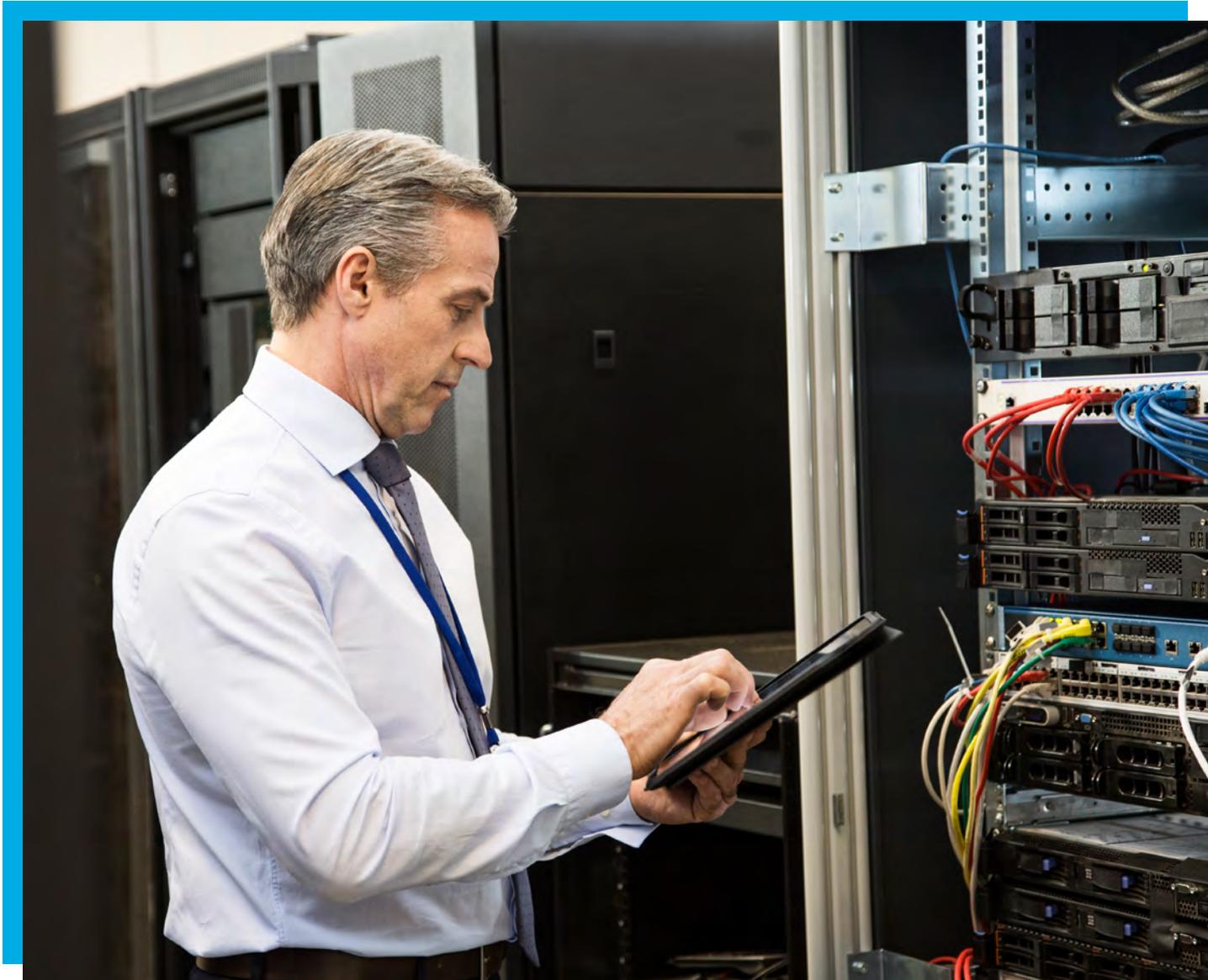
The best MSPs have longstanding relationships with the best technology manufacturers, vendors, and providers in the industry. These relationships are based on years of experience with the technology that has been vetted in the most demanding usage scenarios. Only then will the MSP form a long-term partnership with the vendor. This relationship is founded on constant training and certification for the MSP's IT technicians in all of the vendor's technology.

This enables the MSP to provide real-world and immediate business-process solutions that save money, increase efficiency, and help grow the business while being scalable. Because internal IT teams are made up of individuals with limited time and vendor relationships, they cannot hope to match that breadth of resources. That being said, the MSP becomes the perfect adjunct to your internal IT team.

21. Increased security and support:

Because the best MSPs have IT security experts on staff, they can bring the latest approaches to internal IT security, as well as endpoint security, to your business. As an IT management consultant, they can help your business develop the necessary business continuity and disaster recovery (BCDR) plan and system to ensure that your business can quickly recover from a man-made or natural disaster.

This means that in addition to guarding against cyber threats to the network and systems via the latest next-generation firewalls, as well as identity access management solutions to keep data safe, MSPs can develop backup and recovery services for your data and systems so that the business can keep operating in the event of an emergency or breach. They also bring the expertise and time to test, as well as create, that comprehensive BCDR plan and system through colocation and cloud services.



Pros of Internal IT



Fast response during regular hours, but may not be promptly available during off-hours when problems arise:

If you have a proven in-house IT team or staffer, they work hard to quickly respond to IT needs and emergencies to resolve them as fast as possible. Of course, as your business grows, they can quickly find that they are overwhelmed with regular maintenance, special projects, and help-desk requests. In addition, they deserve a life outside of work, so it can be both costly for you and inconvenient for them to respond to emergencies after regular hours or on holidays or weekends.

Here is where an outsourced IT team can work as a partner with your internal team to provide additional support at a fraction of the cost of an additional staffer (who cannot be immediately effective anyway). This adjunct support frees your internal IT team to concentrate on projects that bring the greatest value to the business. And when the team needs additional expertise, it can call on its outsourced IT team to work with it on those special projects in a cost-effective way that brings the best results and true ROI.



Fast response time:

The above scenario says it all, because if your internal IT team is busy dealing with another issue, it cannot very well be in two places at once. It may also not possess the specialized skills that a project or problem needs for resolution, so an MSP becomes the perfect support partner to the internal IT staff.



They'll become experts in your network and standard operating environment:

Over time, your internal IT staff members become experts in your systems and technology. Unfortunately, they may find a better opportunity and take that knowledge with them, leaving you to start again. By working with an outsourcing IT partner, it can quickly learn your IT systems and needs so that it is a support backup to your internal team. In the event that an IT staffer is not available or leaves the company, your IT expertise stays with the business, and you have uninterrupted service.

Cons of Internal IT

1. Risk of network exposure:

You're left exposed far more often than you think. Public holidays, vacations, sickness, and injuries all present an opportunity for a gap in the management of your network, and you can bet that's when an outage will strike. An MSP has multiple staff members assigned to check in on your network across all hours of the day, every day of the year, on top of an automated system continually monitoring and alerting them to outages.

2. Slower response when presented with multiple issues:

One person can only work effectively on one problem at a time. A managed services team can respond to multiple issues at once, which means that your team can return to work faster.

3. Lack of downward flexibility:

The costs of providing additional staff is equal to the first IT staffer, and the ability to downsize when necessary is complicated and brings serious negative business consequences. Although you can add new staff without paying extra, you cannot downsize without suffering a consequence.

You either continue to pay for an IT resource who is underutilized, or you have to make that resource redundant and lose access to the IP in his or her head. A managed IT services contract ensures that you have the expertise to meet any IT needs and flexes downward automatically when fewer staff IT members are part of the network.



4. Stalled learning process due to the lack of internal development program:

Internal IT teams have limited time and financial resources to constantly update and add to their certifications and skills. This is usually an expense of time away from the job, and the cost of the training that most businesses cannot afford to undertake on behalf of internal IT. That means that the individual learning process tends to stall when confronted with the endless support issues requiring attention from your users.

MSPs must stay current across a constantly updated range of network elements. Hardware and software vendors demand that MSP staff members complete new training when available as part of their license accreditations.

5. Short-term HR cycle:

This stifled learning and lack of challenge together are the key contributor to short-termism in IT staff, with one example being IT system administrative staffers tending to stay in one position for as little as 24 to 36 months on average, according to industry statistics. That means an additional recruitment, onboarding, and training process with additional costs for your business. An MSP has systems in place so that no matter which staff member addresses a help ticket, he or she is the beneficiary of all the knowledge that has been recorded prior. Because that knowledge resides with the MSP, it is always growing and available to the business.

MSPs must stay current across a constantly updated range of network elements.

6. System documentation becomes outdated:

The familiarity of the position plus the “always available” mindset of someone on site means that system documentation inevitably falls behind and becomes less helpful when new applications or IT solutions must be integrated with legacy systems. This introduces the risk of delays and increased expense, especially when “something” in your network fails and it takes longer to isolate and remediate.

7. Mismatch between employee expertise and the work:

If you recruit a senior resource, you will pay a premium for the knowledge, whether he or she is working on complex or simple issues. An MSP contract is weighted toward the resolution of simple issues but factors in the need for Level 2 and 3 engineers to assist periodically as well, so your expense is more closely matched to actual demand on time.

8. Creating IT staffer lock-in:

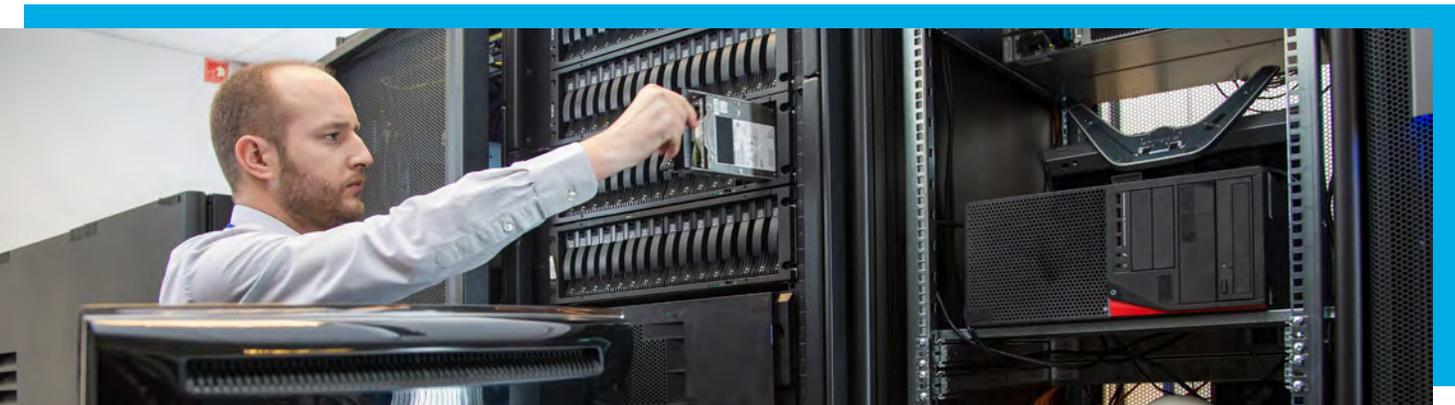
The more time an IT resource has spent on site, the higher the consequence of him or her leaving and taking critical, unwritten IP with him or her. On the other hand, an MSP is judged by your CIO or CFO on the basis of meeting agreed service-level agreements. The key to retention for an MSP is to manage efficiently and transparently. You will retain an MSP because of how transparent it is, not because you feel that it is too important to let it go.

9. You cannot afford IT specialists as well as generalists:

The breadth of expertise required in the myriad applications, systems, platforms, hardware, and software that any given business uses means that one person would struggle to be an expert across all that. Add in an expert-level knowledge of network management, infrastructure maintenance, data leakage prevention, back-ups, etc. Working with an MSP means that you get access to an expert in each of those areas.

10. Having an in-house IT staff also adds high fixed costs to your payroll:

When you outsource, you eliminate the costs associated with hiring an employee, such as management oversight, training, health insurance, employment taxes, and retirement plans. An MSP can provide all of the latest technology expertise and experience for a fraction of the cost of one skilled and experienced IT staffer.

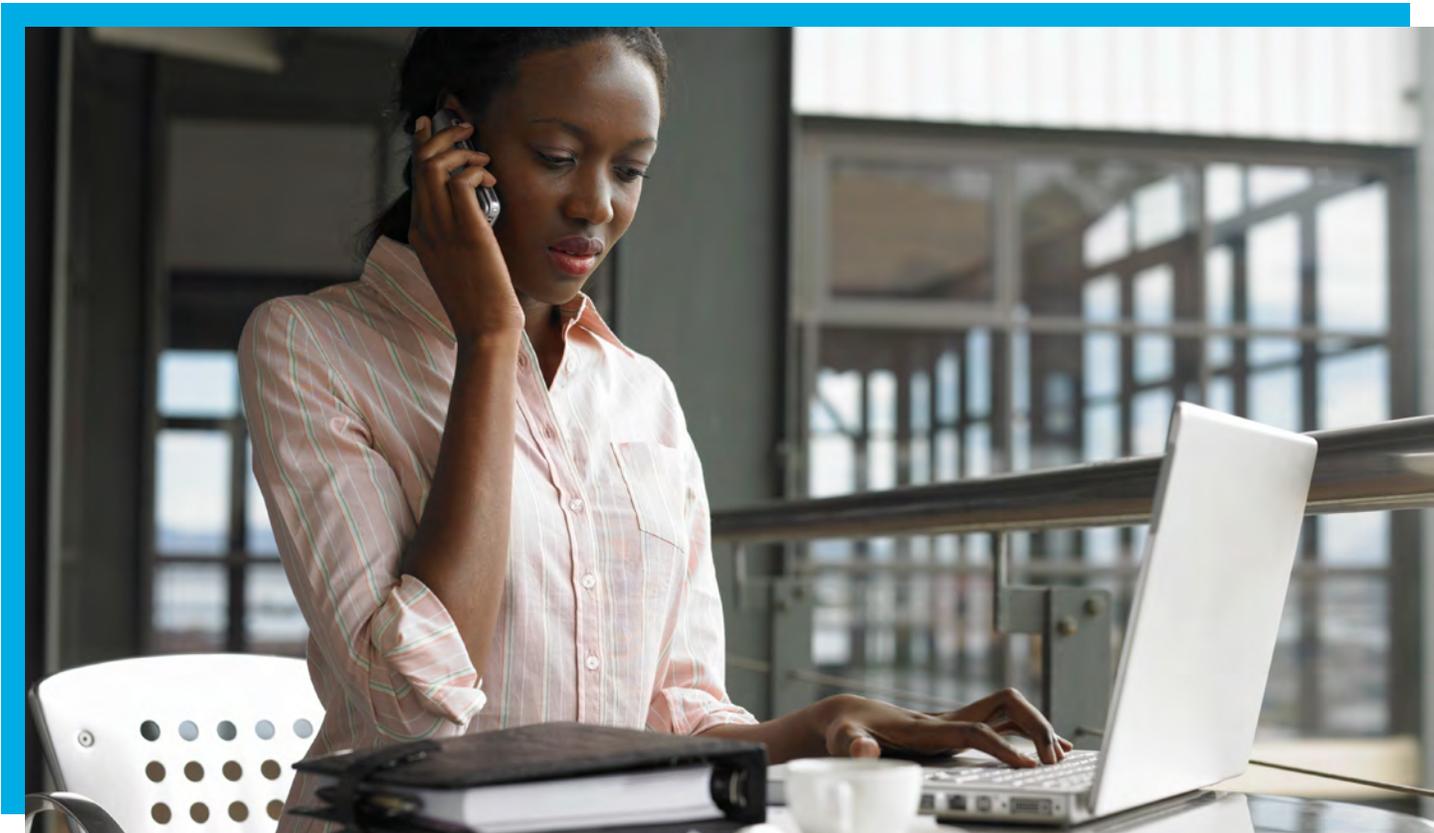


Conclusion

Today's small businesses operate in a constantly changing and volatile business climate where technology is a necessity rather than a luxury in order to be competitive. The ability to operate globally, have the agility to respond to changes, and ultimately keep the workforce happy and productive hinges on the right application, implementation, monitoring, and maintenance of those IT systems.

The goal is to ensure that the right IT hardware, software, and other business processes and communication systems are in place today and tomorrow. Of equal importance is ensuring that the business has the right IT support to facilitate the right IT infrastructure choices and that everything is always operating at peak efficiency.

Most important, small businesses need a partner that not only provides IT support, but also consultative support from someone who speaks and understands the language of business. Business leaders and their workforce must be able to concentrate on running the business and not running technology in order to compete.



Request a demo in order to learn how Willow Bend Systems can be the managed IT services provider that you need.

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