



MANAGED SERVICES:

The Small Business Solution in an Ailing Economy

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The Small Business Landscape, 2008-2009

Small businesses have long been regarded as the employment savior driving most of the employment growth throughout the last decade while larger business numbers declined substantially. According to an ADP study of headcount change across a base of 400,000 clients (Fortune Magazine, July, 2008), firms with fewer than 50 workers added 50,000 new non-farm jobs (July, 2008) while 41,000 jobs were dropped by medium and large companies. Small businesses with 50 or more employees posted net job losses for the prior six months meaning businesses, across all SMB categories, are not immune from the current economic climate.

Small businesses, regardless of employee size, have always been innovators using their knowledge and skills to take unproven ideas, develop them, and add to the mix of new products and services that help to grow America's wealth. No one can deny, however, that the credit crunch and the lack of funds available to grow and expand their businesses have not taken its toll.

Managed Services - A Small Business Solution in an Ailing Economy

One area of small business investment that has facilitated their growth is the effective utilization of information technology. But the skills to manage and keep up with the changes in technology are a struggle for most small businesses. Even in the best of times, most can't afford to grow an internal IT staff and continue to invest its precious capital in the latest information technology innovations even though they are aware of how technology could help leverage their core business.

Many small businesses across the world are awakening to the value of a collaborative partnership with a technology expert to help them plan their IT growth through investment in outsourced services versus internally sourced capital and personnel. Managed services is defined by many of the leading vendors and IT consultants as a comprehensive range of business and technical services provided in collaboration with a trusted IT partner.

An analysis by AMI-Partners, a leader in small/mid-size business intelligence, indicated that SMB-based managed services is estimated to represent \$30 billion in expenditures in 2007 and will grow at a CAGR of 15.6% through 2010. The managed services approach does not require capital investment or new personnel. It simply switches to a model of outsourcing some or all IT services from internal support to a sophisticated, client services support center environment. It immediately provides cost predictability and, most often, significant cost savings while dramatically improving level of service. Managed services is becoming widely recognized as the new paradigm in IT service delivery within the SMB market.

The managed services model changes the dynamics of IT service delivery from a tactical mode into a strategic model if there is close collaboration between the small business and a proven and trusted technology expert. Managed Service Providers (MSPs) have built the technical framework and have retained highly skilled technicians to provide 24x7 support across a range of mission critical services including infrastructure management, information protection, and security threat reduction. Because the small business market now, more than ever, demands that information technology investments be more closely linked to their client's strategic growth plans, they seek ways to utilize these services to cut costs and improve services to their customer base.

SBT Partners provides a proven partner engagement model that can help a small business reach its strategic potential through managed services. SBT Partners provides a roadmap that first allows a small business to understand the gaps in its IT strategy that may be keeping them from reaching the most effective return on their IT investment. It then can design a customized IT Annual Plan that is

optimized to meet a client's needs and budgetary constraints. It delivers the plan not through its own network infrastructure or support services, but aligns itself with proven MSPs that often have a global presence and can offer significant economies of scale to the end user market. The largest and most efficient MSPs do not sell directly to the small business market. SBT Partners can bring their efficiencies and economies of scale to the small businesses.

SBT Partners assumes the role of a Managed Services Integrator (MSI) to small business clients performing the planning and providing a single point of contact and support. It maintains the relationship with the MSP ensuring that the client has access to the best in class services at the lowest cost while managed within the terms of a Service Level Agreement (SLA). The SLA is the contractual relationship between SBT Partners and its client providing quality of service and response time guarantees.

SBT Partners: Sustaining Client Value

SBT Partners was created out the conviction that small businesses will move to managed services slowly and cautiously over time. They will be driven by two factors. Trust that their managed services partner will serve their best interests over the long term and that innovative services will be delivered at a fair price with a solid cost justification.

Founded through a collaboration between two partners, SBT Partners combines skills in managed services business development, technical account management, and onsite service delivery with a keen knowledge of managed services trends.

Having built and implemented the managed services model for a successful Boston based Valued Added Reseller (VAR), Dan Rahko acquired a keen insight into the massive opportunities that managed services offers to the small business and an awareness of the critical success factors that drive the small business owner toward managed services. He is also aware of how neglected the small business market has been relative to acquiring best in class managed services solutions.

Douglas Blumenthal brings over 10 years of technology experience to SBT Partners as a results-oriented leader with a proven track record of providing leadership and high quality support to clients to meet all their information technology resource needs.

Dan and Douglas developed a Managed Services Integration (MSI) partnership framework and engagement model focused on meeting client needs through solutions that have already demonstrated technical viability and economies of scale. Rather than attempting to build a managed services portfolio, thus tying us to a “product orientation” as is often the case with VARs transitioning to MSPs, SBT Partners can continually offer straightforward solutions with confidence that the solutions selected for our clients are the best in class and the most cost effective.

SBT Partners serves as a single point of contact for managed services planning, delivery, and support ensuring that all committed service levels are achieved.