



## **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 established to provide managed services integration services and IT Annual Plan consulting to small businesses. SBT Partners' brings over 20 years of experience in managed services, information technology infrastructure support, and partnership management. The founder and managing partner, Dan Rahko, brings over 10 years of experience serving small and mid-sized businesses in New England, progressing through performance to a leadership and ownership position in a successful Value Added Reseller (VAR) and innovator in early market delivery of managed services. Dan created and implemented the managed services model leading to an account base of over 100 businesses. That model used in New England has been updated, improved, and redefined to provide managed services through a network of proven partners that have extensive expertise in data center operations, infrastructure support, and onsite IT service delivery and troubleshooting.

Dan's partner at SBT Partners, Douglas Blumenthal, is the founder of the National IT Force, a network of IT technical support providers that have organized to support many companies, large and small, as independent contractors for IT services including technical account management and emergency on-site services.

The SBT Partners' engagement model focuses on the client and not on the build-out of managed services solutions that are costly to develop internally and even more costly to manage without a large base of clients to spread costs across. Tactical managed services are contracted through prominent leaders in outsourced services, such as Zenith InfoTech, that have spread their costs across thousands of clients worldwide. With their economies of scale, SBT Partners can offer affordable solutions that no small VAR would be able to come close replicating. However, Zenith, Cisco, Ingram Micro, and other IT infrastructure product and support leaders, don't sell directly to small businesses. We combine their data center services with our implementation expertise providing single point of management.

The IT Roadmap, the forward-looking planning component of the model, provides a valuable assessment of the client strategies and defines the impacts that will affect performance. It is a strategic planning function that is updated yearly to ensure that changes can be made to the Annual IT Plan to meet the client business strategy. There is no cost for the IT Roadmap or TAM functions. They are included in the base monthly price of the solutions offered. These services, if contracted for independent of the managed services solutions, would be very costly and difficult to find within the small business market.

In summary, SBT Partners' mission is to provide unbiased and unvarnished advice to its clients. It makes no difference to us if we do not invent the individual managed services included in our solutions. We did not invent managed services. What is important is that choices can be offered to our clients in a variety of new IT areas that will, over the long haul, provide exceptional opportunities to improve productivity and business growth. SBT Partners' is in the partnering business with a keen knowledge of how IT components fit together to add client value. We are dedicated to the small business market and willing to go the extra yard to ensure that we have a lasting relationship with the client. Our costs are low, our value is based on our expertise.