



MANAGED SERVICES:

SBT PARTNERS VISION:

Using a Managed Services Integration and Consulting Model to Deliver Client Value

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Dan Rahko, SBT Partners principal owner and managing partner, shares his managed services vision and the role that SBT Partners can play to assist small businesses use information technology effectively.

Overview

Having spent over ten years as a member of a Boston based Value Added Reseller (VAR) network engineering and business development team serving small to midsize businesses (SMBs), I've seen many transformations in IT service delivery. A VAR represents major vendors in the SMB market, such as Microsoft, Citrix, Hewlett-Packard, and Cisco, that concentrate their direct sales efforts on large enterprises. The VAR provides needed product and project oriented information technology services that SMBs depend on to support their business. The success of the VAR business model is dependent on a steady stream of hardware and onsite services revenue.

Small businesses, over the years, have become more aware of the profound impact that IT can have on their bottom line. They're also aware that with the acceleration in the level of new IT services becoming available to them, that it would be impossible to ramp up the skills needed to sort out how best manage their network infrastructure, protect critical information, and reduce the threats that can reduce performance user productivity.

The Managed Services Model

A change in service demand emanating from technology users, the business community itself, has caused new delivery concepts to emerge, from managed services to software as a service (SaaS) to outsourced services of all kinds.

Outsourced services have begun to transform the SMB VAR business model. Most VARs recognize the need to ease into the managed services business to meet growing customer demand and to retain their base. Many have begun to build data and support centers staffed by IT professionals to begin offering the most basic services such as helpdesk support and network performance monitoring. As their managed services adoption rate increases to cover their infrastructure cost, they confront the need to add services well beyond the basic.

The facts consistently bear out a scenario that a transition from a product and project sales model to a long term customer care, service level agreement (SLA) oriented business is very difficult for most VARs. The operations of the business must change including the engagement model. What was once a short term sale becomes a consultative, partnership oriented business process.

In addition to the major operational changes, the cost of services offered from within a newly created managed services support center must be spread out over its existing user base. If the user base is small the costs of services will be high. Such has often been the case and has led to many VARs turned MSPs to continue to be product and project focused. They are not able to achieve the economies of scale required to sustain managed services at the prices SMBs are willing to pay.

The Managed Services Integration Model

Having built and implemented the managed services model for my Boston based company, of which I still have a small ownership stake, I have acquired a keen insight into the massive opportunities that managed services offers to the small business. However, I'm also aware of the critical success factors that drive the business.

SBT Partners was created out the conviction that small businesses will move to managed services slowly and cautiously over time. They, however, 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. SBT Partners also realizes that the best managed services come from larger, established companies that seek professional, consultative partners to deliver such services to the SMB market. The ideal business model for anyone with a desire to deliver innovative managed services to the small business community is in collaboration with the best in breed providers of managed services. It is not a viable business model to build costly infrastructure or to promote hardware or project sales as anything more than an offshoot of a successful managed services engagement. If a project or hardware component is required, a client will have the option of buying that through our partner network or on their own.

Therefore, the SBT Partner model stresses the creation of a lasting partnership whereby we become the outsourced managed services integrator finding solutions that have already demonstrated technical viability and economies of scale. It is not our desire to become so closely wedded to the partner solution that we cannot move quickly to adapt to new innovations.

Our most important contribution to our clients is to be honest and straightforward in our relationship. If there are services we can broker that contribute to the success of your business, we will then be a valuable asset to your business working on your behalf to deliver and support them. If we cannot add value, there is no reason for such a relationship. This is why we stress a thorough, unbiased assessment, as part of our engagement model. This means nothing is offered for sale until we both understand the consequences of the sale.

When a solution is offered, a client's protection is its ability to opt out of within 30 days if the service provided does not meet the agreed upon service levels.

Our role is to facilitate IT planning and align the outcome with your business needs. It is to seek and deliver the best services from those partners that we believe are best suited to meet your needs. It is to ensure your success as a user of those IT services deemed critical to your business.