Guide to Switching IT Managed Services

How to transition when your MSP has been acquired

GCS TECHNOLOGIES, INC

Many of Austin's largest managed service providers have been acquired....

Over the past several years, GCS competitors have been acquired at a brisk pace. The race to roll up IT managed service providers has left few independent operators left in Austin as private equity firms seek to raise their profits by increasing prices and lowering costs.

Client satisfaction and continuity are rarely a consideration in these liquidation events.

Tech churn, changing executive leadership, national market centralization, and differing accounting and billing centers are merely considered side effects of expansion to the acquiring organization.

Meanwhile, the clients of these MSPs have much to lose as security gaps, delays in support response, and larger projects miss deadlines. Noticing these things early and switching to a more stable MSP can save thousands of dollars and months of headaches for the clients of an acquired MSP.

Protecting yourself from mistakes

One of the biggest traps that businesses fall into when they are moved to a new IT managed service provider (MSP) is not having a clear understanding of what the MSP is actually providing. Many companies assume that, because they are paying for a service, the MSP will automatically take care of everything for them; but this is often not the case.

It is important to remember that an MSP is only responsible for managing certain aspects of your IT infrastructure and while they may be helping with applications and services that span multiple areas of your business, they cannot be expected to know or understand everything about your business. If you have specific processes or procedures that need to be followed in order to keep your business running smoothly, you will need to make sure that the new MSP is aware of these and has the ability to accommodate them.

Similarly, if your company relies on certain software or applications that are not commonly used or supported by the new MSP, you may need to find a way to work around this in the short term and find additional support long term. In some cases, this may mean hiring additional staff or consultants who are familiar with the necessary applications; in other cases, it may mean finding alternate solutions that can be used until the applications can be made compatible with the new MSP's infrastructure.

Whatever your specific needs may be, it is important to discuss them openly with your new provider immediately. This will help to ensure that there are no gaps or surprises down the road and that everyone involved is clear on what is expected from both sides.

Additionally, it is your responsibility to ensure your new managed service partner thoroughly understands your business model and network infrastructure.

Make sure your managed services provider is ready to commit resources into understanding exactly how things run in your company. Introducing new account and support managers who are unwilling or unable to spend time learning your org structure, processes, and history are probably not going to go out of their way to ensure a smooth transition.

If they can't provide proof and document this ability it is probably time to look elsewhere.

Steps to take when stuck in a contract

Some MSPs still operate under a model of long-term contracts. If you are stuck in a contract with a managed service provider and are not getting the level of service you need, your first step should be to reach out to them and explain the situation. Be clear and concise in your explanation, and make it clear you are not happy with the current situation.

Here is an outline of the steps you can take:

1 Talk to your provider and see if they can help you get out of the contract.

2 See if there is another provider who can better meet your needs.

3 Try to renegotiate your current provider contract citing the challenges or service gaps you are experiencing.

4 If all else fails, ask to terminate the contract and find another provider.

If they are unresponsive or unable to provide the level of service you need, it is time to reach out to other providers and get quotes for what it would cost to switch. You may also want to consider hiring an outside consultant to help manage the transition.

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Switching providers is the time to decide -

To Cloud or Not To Cloud

Depending on your current provider, they may or may not have a cloud strategy.

Clients that have a traditional infrastructure with servers, backups, datacenters, etc. may benefit from choosing a new provider who can reduce the complexity and capital expenditures of a hardware-based infrastructure.

Cloud allows for much more flexibility as it does not require:

- Complex Architectures
- Hardware/Software Updates
- Expensive Backups
- Physical Proximity (works from anywhere)

When transitioning to a new provider it is important to understand their strategy and philosophy regarding a move from traditional server environments to a cloud solution.

Another advantage of cloud is that it should greatly reduce the support needs and associated cost of support. By eliminating hardware, companies can rely on the cloud provider to maintain their cloud environment as part of the monthly op-ex cloud licenses and subscriptions.

Cloud Can Be Confusing

Understanding your cloud options can pave the way to success

Data Center

A hardware environment that is hosted by an MSP so clients are basically renting space on someone else's network.

An advantage of a hosted data center is that most data centers have multiple power sources tied to the grid and in many cases generators for power redundancy. Additionally, they also work with a number of telecom providers so it is relatively easy to procure multiple internet connections, thus if one fails another will automagically take over.

Hosted data centers can be more expensive than public cloud. They also can be quite "sticky" when it comes to migrating away from the hosted MSP as you generally will not have access to the data center and will rely on the MSP you are leaving to assist with the migration to your new MSP.

Most MSP's will help with your transition, but obviously migrating a client to another provider is not their highest priority and in some cases, their storage requirements will not migrate to another solution easily requiring a costly and expensive data reorganization.

Public Cloud

This is a growing trend. Organizations such as Microsoft and AWS lead the field with their cloud offerings.

A big benefit of public cloud is that it is generally agnostic to a specific MSP provider. In other words if a company determines they want to move to another MSP or in-house IT, there is no migration to deal with. Just a change of passwords and who owns/manages the tenant.

This has allowed GCS clients the confidence of knowing that once they make the move to public cloud, their data is set in perpetuity and not dependent on any single provider or what you determine to be in the best interest of your organization.

AWS is a viable option if your organization is in software or application development as it allows you to spin resources both up and down based on how much computing power you need. This flexibility prevents companies from needing to commit to large server environments with resources they will not always need. Think of it as a thermostat… you can turn it up or down based on your needs and charged accordingly.

Microsoft is another popular cloud provider. Most businesses already rely on Microsoft to provide their email and operating systems so the variety of cloud services available in the Microsoft ecosystem provide simplicity and eliminates the needs for many disparate third-party integrations which create complexity, points of failure, and generally require higher support costs.

To summarize, when evaluating a new MSP, it is important to find a partner that can evaluate the viability of cloud for your organization as well as considering a public cloud that does not paint you into the corner of a sticky and propriety solution.

Security

Cybersecurity threats are not only on the rise but protecting against them is now the new normal.

Protection of your business data is obviously important but with the increase of cyber compliance requirements, as well as the ever-rising cost of cyber insurance, security is often not an option – it is the cost of doing business.

Historically, cybersecurity has been a burden for small to mid-size businesses. Many MSP's fall short of providing the security and associated tool kits to truly protect a client. They often use outdated and complicated integrations of a host of third-party products. These third-party products do not necessarily play nice with each other and require considerable cost and support.

All too often GCS is called in to remediate a cyber event for a new client that was paying their provider a significant amount for security only to find out that they were not protected and, in many cases, not as compliant as they thought they were leading to HIPAA, or other costly and/or embarrassing compliance violations. As part of your MSP evaluation process, we highly encourage adding security, particularly cloud-based security, to the top of your consideration list.

Here is the good news – for the first time small to midsized companies can access the same security tool kit as the Fortune 50.

Using the Microsoft Security Suite, companies of all sizes can leverage the cloud to protect their systems, data and users. These tools are the same ones that large enterprises use to protect their organization, clients and compliance/insurance requirements. The Suite is based on per employee pricing and can be deployed without any new servers or dedicated hardware equipment.

The cost of a single license for a small to mid-size organization is the same per employee as a 50,000-employee company. And, these solutions fit hand in glove with the Microsoft public cloud offering mentioned above – all of your compute, email, collaboration, and security in a single Microsoft silo!

Consider these steps as you plan your transition.

1 The first step in planning for your IT hardware needs is to understand the business's current and future needs. **What are the company's plans for growth? What type of systems or applications do they need to support their operations?**

2 **Create a hardware inventory.** Once you know what you need, you'll need to inventory all of your current hardware assets. This will help you determine what needs to be replaced or upgraded, as well as identify any gaps in your coverage.

3 Once you have a good understanding of the company's needs, you can **begin to plan for the specific hardware that will be required.** This includes servers, workstations, routers, switches, and other networking equipment.

4 **Consider your team's software requirements.** You'll need to consider the specific software that will be needed to run on the new hardware. This can include operating systems, applications, and databases.

5 Create a software license inventory to **understand what is needed versus what is already in place.** This may also uncover some licenses you are paying for but are not currently using.

6 Work with your future MSP to **select your equipment and order it.** Because lead times have been extended due to supply chain issues, make sure to allow plenty of time for delivery, so that there is no interruption in service when the new hardware arrives.

7 **Will any of your hardware leave with the current provider?** Some hardware that you believe you own, will actually belong to your current service provider and need to be replaced. Be sure to review your hardware inventory with your service provider to ensure you are covered.

8 **What contracts do you have? Telecom, internet, phone? Etc.** It's also important to work with your future MSP to budget for ongoing maintenance and support of your new hardware. This includes regular software updates and security patches, as well as budgeting for repairs and replacements when necessary.

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Planning for hardware needs

One of the things that many businesses forget about when moving to a new provider is the timelines for new equipment. When planning for your IT hardware needs, it is important to understand what hardware needs you have coming up and give the proper lead times to order them. If you are waiting on a contract to expire, you may want to begin working with your new MSP to order the hardware and plan your projects even if you are not formally beginning a new agreement with them yet.

As part of this planning, you will need to understand the role that your future managed services provider will be playing.

If they will be responsible for managing and supporting your network infrastructure, then you will need to provide them with a detailed diagram of your network and all of its components. This will allow them to plan for and provision the necessary resources, such as switches and networking equipment.

If your managed services provider is providing service in specific areas, such as desktop support or server management, then you will need to provide them with a list of your specific hardware needs and replacement schedules. This could include items like the make and model of your servers, the type of hard drives being used, or the specific software applications that are required.

Most every client comes to GCS with little documentation. If they do have it, it is stale. New providers should provide detailed onboarding and documenation process including Visio drawings. In either case, it is important to work closely with your future managed services provider to ensure that all your hardware needs are met. This all starts with documentation. Ask your current provider for documentation of your hardware, software, and architecture. If no documentation is available, your future MSP should start the collaboration by properly documenting everything. By collaborating closely, you can avoid any surprises down the road and ensure that your network is running smoothly and efficiently.

Search criteria for new IT providers

When searching for a new IT managed services provider, it's important to do your research first. A little time spent in diligence can save massive amounts of hours down the road.

Here are some tips on how to select the right one for your business:

Make a list of your requirements
- ❑ Disaster recovery?
- ❑ Downtime guarantees?
- ❑ Do you have big projects coming up?

Ask for referrals from other businesses

Talk to other companies in your industry or even your friends and family members about their IT managed services providers. Chances are, they've had a good (or bad) experience with one and can recommend someone or tell you who to avoid.

Compare pricing and reviews

Once you've narrowed your list of providers, take the time to compare pricing, terms, and read review from other customers. This will give you a better idea of what to expect from each provider.

Meet with potential providers

Don't just sign on with the first provider that seems like a good fit. Make sure to meet with them in person and ask questions about their service offerings, how they would manage your network, and how the team manages accounts. This is your chance to get a feel for whether they're a good partner for your business and your team.

Get started!

Once you've selected a provider, they'll help you transition over to their services. Be prepared for a little downtime as you make the switch, but with proper planning it should be relatively painless overall.

Having your MSP provider be acquired can be a destabilizing event for your business, but it doesn't have to be. Being properly informed, aware, and ready to act can ensure that you continue to get the service you require without having to worry about external forces impacting your staff and customers.