Top 10 criteria for selecting a managed services provider

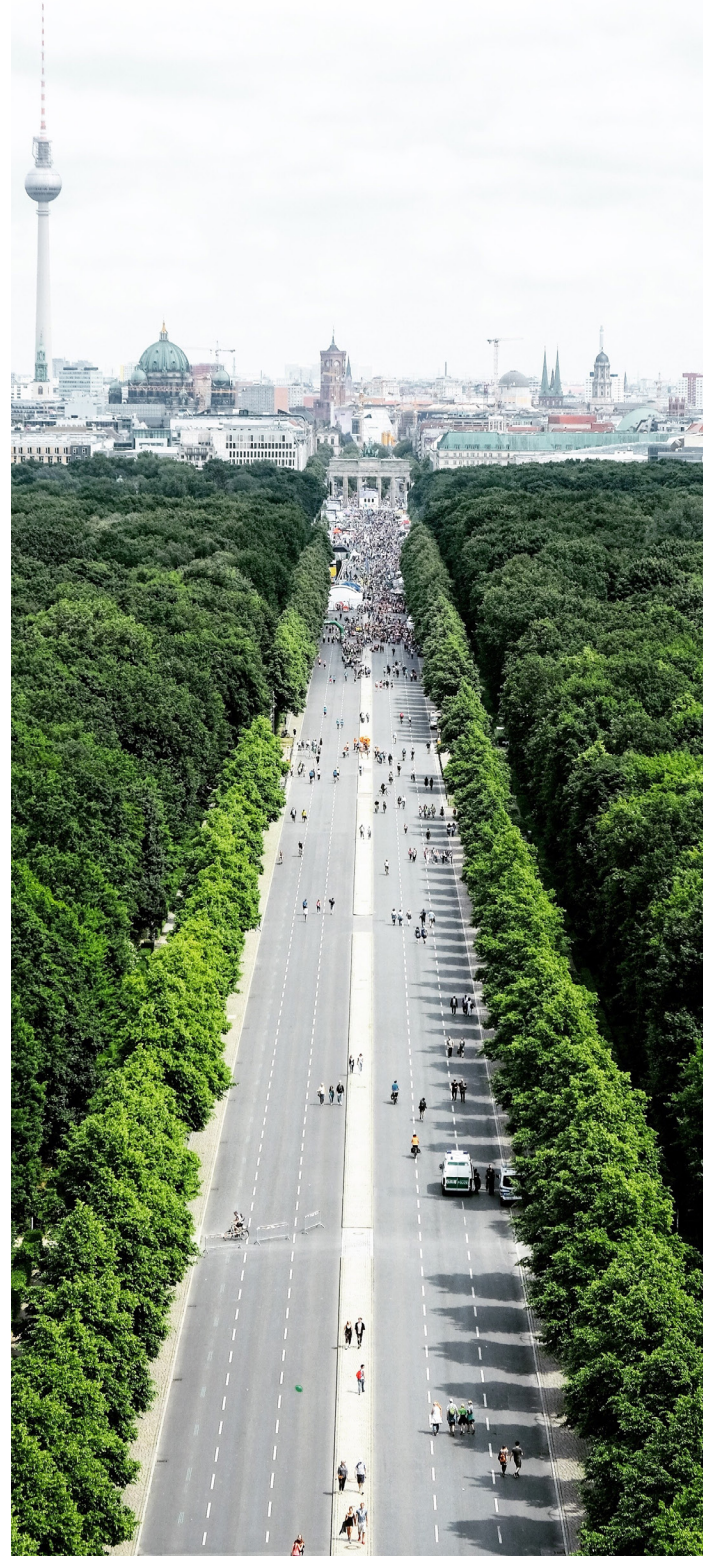How cloud and managed services help IT deliver business value services

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Overview

To accelerate their digital transformation, many organizations are adopting new technologies like cloud, mobile and analytics. Adopting these technologies is resulting in a diverse and complex hybrid IT environment unlike anything we have seen, spanning multiple delivery models, vendors, processes and data. Things get even more complicated when you factor in flat or shrinking IT budgets, inflexible IT systems and rising management costs. Many organizations attempting to manage such complex hybrid environments are simply unable to deliver on the digital transformation agendas that their businesses require.

As a result, organizations of all sizes are examining their strategies to see whether the IT services they design and deliver in-house can be more valuable, efficient and effective when provided by a managed services vendor.

Managed services span a range of capabilities, creating options for IT organizations looking to benefit from externally provided services that allow them to focus on more business-critical issues and strategic functions and activities. Cloud solutions increase this range of choices, providing more potential than ever for IT organizations to transform.

The potential benefits of managed services can be achieved by selecting the right provider—one that can demonstrate the ability to provide skills, processes and resources that exceed your in-house capabilities. When you evaluate managed services providers, consider the following 10 criteria to help you make an informed decision.

1 Deep skills and experience

41% of companies indicate they are lacking the platform expertise required to fully adopt hosting and cloud services within their organization.[1]

Any managed services provider should, as a baseline, have certified skills that go beyond basic operating system maintenance and availability management. Ask about skill levels related to managing change, virtualization, high availability, middleware and databases, multiple network technologies, cross-platform integration, mobility, security and, of course, cloud technologies—both public and private. Also, inquire about scalability and availability of staff with specialized skill sets, how specialists are organized and share knowledge, and how best practices are communicated. A managed services provider should have deep expertise across all delivery models and vendors, including not only managed services and cloud but also traditional IT and strategic outsourcing. In this way, the provider can help you achieve an integrated multisourcing strategy— in-house, managed services, outsourcing and cloud—structured to meet your needs.

How is your organization addressing the need for the right skills to manage hybrid cloud environment?

☐ Redeploying resources with right skills from other IT functions

☐ Training existing resources with new skills to manage cloud environment

☐ Hiring new resources with right skills

☐ Lacking plans to address resources or skills need

☐ Other

2 Proactive, technology-based approach

Find out whether the services provider has a "break/fix" mentality or a proactive approach that emphasizes problem prevention and continuous improvement. Does the potential provider go beyond simple monitoring and device management? For example, employing sophisticated technologies like advanced analytics can drive incident prevention by analyzing failure patterns across platforms and processes, affording visibility into areas for customer and service provider improvement. Look for technologies that provide such capabilities as sophisticated alert mechanisms, automated workload categorization and prioritization, automated incident escalation and remediation.

Watch the video below to learn how Sysco used cloud automation to increase server uptime by over 50 percent.

According to IDC, U.S. buyers indicate an average of about

20%

cost savings when an outsourced service is automated.[2]

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3 Alignment with industry best practices and ITIL standards

A key to achieving a more reliable, highly available IT infrastructure is to optimize IT management. New solutions and services that previously took months to roll out must now be delivered in days. These expectations—and the resulting continuous demand for service—put tremendous pressure on IT operations. A services provider should employ industry best practices in managing your IT resources—in particular, aligning with the ITIL approach to IT service management. IT Infrastructure Library (ITIL) best practices encompass problem, incident, event, change, configuration, inventory, capacity and performance management as well as reporting. Best practices for transitioning from in-house to the provider's management system are also a critical area to explore.

4

Consistent processes, knowledge management and consolidated service visibility

Consistent service delivery is built on consistent processes that are clearly scripted and employ a repeatable methodology. Your services provider should be willing to share examples of policy and process documentation and explain how they are replicated across multiple delivery centers and locations. Similarly, a services provider should have a knowledge management system that enables staff from practically any location to access historical problem and resolution information.

Also important is the means by which the services provider gives you visibility into the health of your infrastructure and the performance of your managed services. Look for a security-rich, web-based portal that consolidates related services into a single dashboard with access to real-time service visibility, online tools for managing services and flexible reporting capabilities.

Watch the video below to see how it could transform your business.

5 Support for multivendor, multicloud environments and strong relationship

Today's IT infrastructures are typically heterogeneous, hybrid environments of traditional IT—composed of hardware, software and network products—and public and private clouds from a variety of vendors. A services provider should have at minimum proven experience working with multivendor, multicloud hybrid environments—and more important, have relationships with leading vendors to help ensure availability today and visibility into product evolution paths and emerging technologies. A truly vendor-neutral services provider should be able to play the role of broker—helping you plan, buy, manage and operate across multiple cloud models and providers that can facilitate the best fit for your business.

Watch the webinar to learn more on managed services for public cloud.

6 Consistent global service delivery, with options for local resources

Choosing a managed services provider with global capabilities can position companies of all sizes for growth and expansion in today's economy. Global delivery capabilities offer many advantages, including rapid implementation in new locations, the ability to effectively manage customer projects that span operations in multiple countries, local-language support for branches or subsidiaries, and in-country location of resources and data to help address regulatory and legal requirements. Ask whether a services provider employs standard delivery processes across all locations and how multilocation teams are organized and communicate.

Learn more about gaining business efficiency with an integrated, managed hybrid infrastructure.

7 Performance-based SLAs

A significant advantage of managed services is that responsibility for performance rests with the services provider. Focus on what the provider delivers rather than how the service is performed. This helps the provider innovate, improve service delivery and reduce costs for mutual benefit. In turn, the services provider should be willing to commit contractually to meeting your service-level requirements—and back up those commitments with financial penalties or other consequences if those service level agreements (SLAs) are not met.

Watch the video below to learn how cloud automation can improve IT availability, service levels and delivery efficiency.

According to IDC, enterprises place top value on providers that leverage automation to reduce response time to requests from users and/or buyers by over

20%[4]

Accelerate Your Digital Transformation Journey with IBM Cloud Automation Service

8 Broad portfolio of managed services aligned to your business model

You need the flexibility to add managed services without adding unnecessary cost and complexity to your sourcing strategy. Many organizations find that services fragmentation—using multiple managed services vendors—perpetuates silos and hinders agility. To preserve future flexibility, require that any prospective provider offer a thorough suite of managed services, from infrastructure management and managed security, resilience, mobility and other IT services to managed hosting and cloud.

Also, look for a provider that offers flexibility in doing business with you, such as giving you the option to retain your current equipment and, where it makes sense, your current processes.

Integrate and run your hybrid cloud and traditional infrastructure more effectively with cloud managed and hosting services.

9 Technology foresight and a path to innovation

With strategic partnering becoming increasingly prevalent, it's important to consider the impact sourcing relationships can have—not only on business outcomes but also on a company's core business model and corporate culture. If innovation and transformation are critical components of your business strategy, how can a prospective managed services provider contribute? Does it have proprietary insights or experiences that can shed light on future technological or market shifts?

What competitive advantages could you gain from access to—or even better, collaboration with—the provider's research and development function? How can the provider's expertise, assets, reach and partner network help you develop new business models or expand into new markets?

Speed app development and modernization with a transformative platform for building cloud-native applications.

10 Financial stability and reputation

Whether you are considering a relatively short-term, introductory foray into managed services or looking for a long-term, strategic relationship, a prospective vendor's financial stability is crucial. Today, a services provider's length of time in the market is no longer a reliable predictor of future longevity. Research annual reports, financial statements and opinions offered by business and IT industry press and analysts. And ask potential providers to back up their claims with customer references and quantified success metrics.
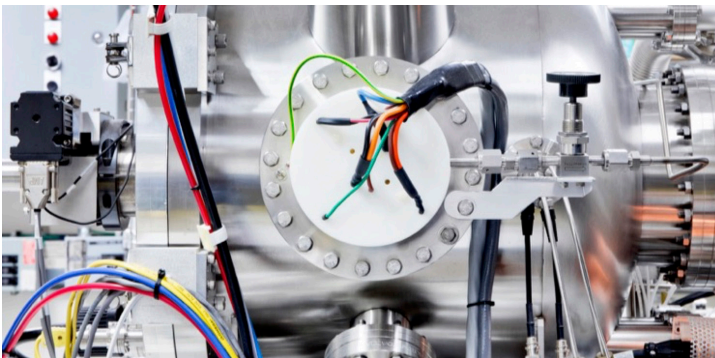
Managed services

How will you manage a growing cloud services portfolio? Check out these 10 tips.

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Hybrid IT

Today, 59% of enterprises have a hybrid cloud strategy. Do you?

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Automation

Pressed for time? IT automation can help you trim response time by nearly 25%

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Artifical intelligence

Artificial intelligence + automation = top value from managed services. Learn how.

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Learn how IBM can help you simplify hybrid infrastructure management.

[Get started]

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1 451 Research. Voice of the Enterprise: Hosting & Cloud Managed Services, Organizational Dynamics - Q2 Quarterly Advisory Report. 2017
2 Spiceworks. 2018 State of IT Report. 2017. https://www.spiceworks.com/marketing/state-of-it/report/ 3 IDC. Making the Leap from Labor-Centric to Cognitive Platform–Centric Service Delivery: The Productivity Challenge. 2017. 4 Spiceworks. 2018 State of IT Report. 2017. https://www.spiceworks.com/marketing/state-of-it/report/

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