THE ULTIMATE GUIDE TO IT OUTSOURCING

FOR GOVERNMENT CONTRACTORS

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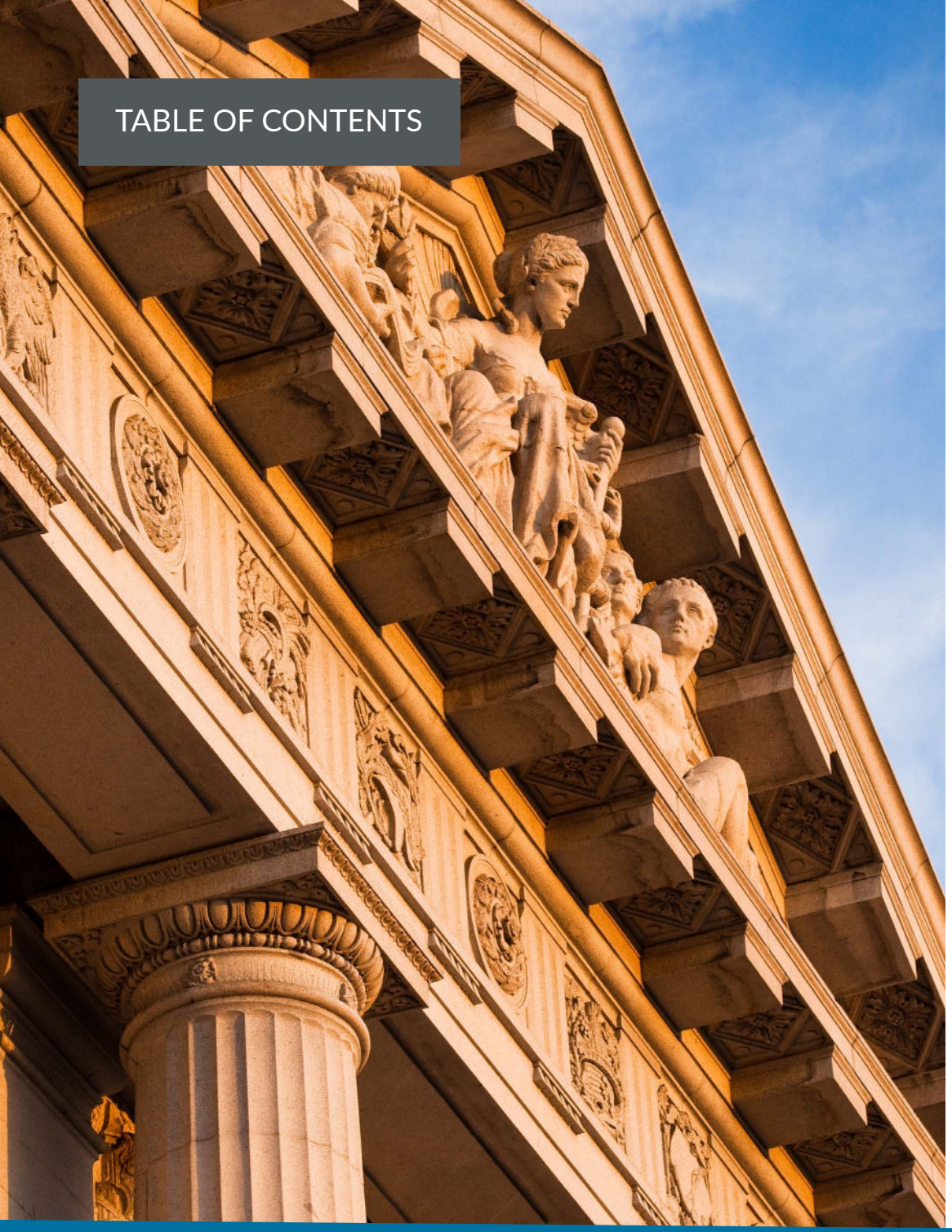

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PART I:

Getting to Know the IT Landscape

INTRODUCTION

Every government contractor is faced with a complex question that can change the course of not only its IT infrastructure but also its business – which IT support model is best for our organization, in-house, outsourced or a mix of both?

WHICH IT SUPPORT MODEL IS BEST FOR OUR ORGANIZATION, IN-HOUSE, OUTSOURCED, OR HYBRID?

If you have researched this question, you may have found confusing and often contradictory information scattered across the Internet. To help you save time and make a more informed decision, we have compiled "The Ultimate Guide to IT Outsourcing" to help you make an informed decision regarding the future of your technology.

In this guide, we provide:

- Insight into the role of IT in business success
- Questions to ask yourself to understand your IT environment and needs
- The pros and cons of in-house and outsourced IT support
- Questions to ask a potential Managed Service Provider (MSP)
- Common types of IT support

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WHAT IS THE ROLE OF INFORMATION TECHNOLOGY IN GOVERNMENT CONTRACTOR SUCCESS?

We live in an age where technology is critical to every organization, especially government contractors. While some businesses thrive on their efficient, secure IT systems, shared data, and analytics, others struggle to adapt to the evolving technology landscape, costing them valuable time, money, and potentially critical contracts.

Now more than ever, it is crucial for your business to determine how to optimize technology to best suit your needs and keep your data protected. When used strategically, the right IT solutions can serve as a competitive advantage. How?

We'll use the example of Ben, a Proposal Manager at a defense contractor. Ben leaves the office the Wednesday before Thanksgiving knowing that he'll need to put the finishing touches on an upcoming RFP response. On Friday morning, Ben opens his laptop at home and looks for the file that he saved to his team's shared drive. He can't find it anywhere. Worried he'll have to start over, Ben calls the help desk. The engineer that picks up Ben's call on Black Friday has the file restored from the remote managed backup. Ben finalizes the response and is prepared to present to his team on Monday.

In this example, we see multiple aspects of IT at work. Ben's laptop is connected to his cloud-based shared drive, which allows him to access documents from his home. He called his vendor's 24x7 support line, so the holiday did not prolong the incident until Monday, and they quickly retrieved the file from managed backups. He was able to complete his prep and hit his deadlines before his presentation. Harnessing so many technologies to align with your organization's goals can feel overwhelming; the landscape changes constantly, and the words "digital transformation" are thrown around as though it's as easy as flipping a switch. Add in the increasing complexity of the cybersecurity threat landscape and it becomes even more challenging. With a team of highly-specialized IT engineers, it is possible to build the ideal IT environment for your business that supports and secures you 24x7.

Many organizations that recognize the importance of having a carefully curated suite of IT services face the decision to either maintain an internal IT department or outsource some or all of those needs. While these options have unique benefits and pain points, your business must ensure the outcome serves as an asset for employees, government entities, board, and stakeholders.

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QUESTIONS TO ASK YOURSELF TO UNDERSTAND YOUR IT SUPPORT NEEDS

Prior to deciding which IT solution is a better fit for your organization, you must first understand your IT needs, so we provide these questions to ask yourself:

How many employees do I have?

Government contractors with 1,000 or fewer employees gain the most value from outsourcing some or all of their IT to an MSP. Much of the value behind outsourcing IT comes with scale of economy – the cost of the MSP's expertise is shared amongst its client-base.

How large is my IT budget?

Access to an in-house IT staff can be phenomenal, but it comes with a price that reflects the luxury. Hiring a respected, reliable, and experienced full-time IT professional is expensive, and there are more costs to consider than salary alone. You also need to consider IT training and certifications, which are expensive and take away time from your IT staff. Multiply that by the amount of expertise you need to fully maintain your IT environment and the tools to manage it and you may find your IT budget will not cover it all.

Do I use any proprietary software?

If your company uses a proprietary software program essential to your organization, we recommend having someone in the office who knows the nuances of that program. An MSP usually has ways to deal with these situations but does not have the same expertise as an in-house IT person.

How important is 24x7 support access?

When a critical IT failure or incident occurs, you want to ensure your organization is covered. Hiring an in-house department that is available overnight, on holidays, and during weekends is both hard to organize and costly. A good MSP already has a U.S.-based service desk open 24x7 to handle these situations.

Does my company handle or store any sensitive data?

If your organization stores sensitive personal data (e.g., social security numbers, health records) we recommend taking proactive and preventative measures to protect those assets. These can include training employees, maintaining anti-virus, and conducting regular security assessments. An MSP with a dedicated security department has the expertise required to provide your organization with the steps you can take to ensure your data is safe.

What compliance requirements or regulations is my company held to?

As a government contractor, there are a wide array of compliance requirements in regards to IT and security, including CMMC and components of FAR. Finding an MSP that can implement solutions to meet these requirements can take the burden off your internal teams.

What is your business' growth trajectory?

Many government contractors face similar technical challenges as they grow and win contracts, including:

- A lack of easily scalable technology (e.g., servers, storage, communication and collaboration tools)
- Limited budget to hire and retain technical talent
- Dependence on arduous and manual technical processes
- Lack of access to data analytics

A good MSP can alleviate these challenges by implementing best practices and managing your technology so you can focus on maintaining a positive growth trajectory.

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TECHNOLOGY IS TRANSFORMING, BUT IS YOUR ORGANIZATION?

It's important to keep in mind the future of your organization, both in terms of infrastructure and internal resources, when choosing how to manage your internal IT support. Many industries, including government contracting, are going through a "digital transformation" – improving procedures that were once manual to include new online or cloud-based applications for common business practices. Is your organization adapting and automating successfully, or is it lacking the resources needed to stay ahead of the competition?

If your organization is already using technology to its maximum potential, your in-house staff is effectively working for you. However, if you know your organization needs to start taking advantage of new technologies and your IT staff is too busy helping employees, it might be time to outsource some of the foundational elements of IT so that your staff can focus on more strategic initiatives.

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PART 2:

Choosing Your IT Support Strategy

IN-HOUSE vs. OUTSOURCED IT SUPPORT

It is often easier to have someone provide nearly instantaneous desk-side support, and keeping IT support in-house has its benefits, but it also has its downsides.

42% of IT professionals leave their job within two years.

Recruiting and hiring these same IT professionals cost an organization **10%** of that position's annual salary.

Source: Bloomberg Business, www.careerbuilder.com

Pros

Convenience:
In-house engineers are available when you need them, which is extremely convenient. They work closely with employees across the entire company and can provide quick and personalized support.

Response time:
Having a team in-house can guarantee a quick response time to physical problems (e.g., jammed printer, faulty monitor, cabling).

Intimate knowledge:
In-house engineers only work on your environment, so they have an in-depth understanding of your infrastructure and know how to resolve common issues quickly.

Cons

Luxury:
Having a reliable and experienced IT professional onsite can be expensive to maintain. Costs to consider include:

- Recruitment fees to find the right skillsets
- Salary and benefits
- Ongoing training (e.g., exams and certifications)
- Capital expenses to provide them the necessary equipment and tools

Working time:
IT is a 24x7 responsibility. Having staff work after hours, weekends, holidays can cause burnouts and a work/life imbalance for employees. And, what happens when they get sick or go on vacation?

Limited knowledge:
Even after certifications and classes, one engineer will not know everything there is to know about technology; in-house technical staff often lack the expertise that comes with having access to a deep pool of experts and maintaining a bench of specialized experts in-house can be costly and inefficient.

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IF YOU'RE CONSIDERING KEEPING IT SUPPORT IN-HOUSE, HERE ARE SOME ESTIMATED SALARIES TO PROVIDE YOU A BASELINE:

Labor Category	Base Salary	Plus Taxes, Benefits & Other Overhead
Help Desk Engineer	41,500 - $67,000	$51,875 - $83,750
Network Administrator	$70,000-$118,500	$87,500 - $148,125
Data Security Analyst	$112,500 - $190,000	$140,625 - $237,500

Based on Robert Half's 2021 Technology Salary Guide

Mature organizations that have a good idea of the frequency and types of IT problems that arise daily can forecast the problems an in-house technician may face. For this reason, in-house IT support is sometimes a better option for mature businesses with over 1,000 employees and a larger IT budget. However, if your organization is growing, outsourcing is often a better solution.

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OUTSOURCED IT SUPPORT PROS AND CONS

When deciding to outsource IT support, you will have to engage with an MSP. These are companies that specialize in taking care of all or parts of other companies' IT support. MSPs can range from small mom-and-pop shops to large corporations with hundreds or thousands of employees.

At first, IT support needs were basic, but as technology evolved, so did support requirements. MSPs came about to offer companies a way to outsource their technology needs by providing them "break/fix" support, meaning support was entirely reactive. Although it was a start, this method often resulted in significant downtime and productivity loss, as well as negative user and customer experiences.

Supplemental technologies soon started appearing that allowed for more proactive IT management, and thus, MSPs were able to provide more proactive services (e.g., monitoring, scripting, patch management), which allowed businesses to be more productive because their IT was more reliable.

Today, mature MSPs offer truly outsourced IT solutions customized for individual company needs. A virtual CIO (vCIO) will look for inefficiencies in your organization's systems and create a roadmap for digital transformation. A Security Operations Center (SOC) team will monitor your network 24x7 from malicious attackers. An automation team will push updates and complete patching on all employee computers overnight so that productivity is not lost during the workday. A help desk center will have engineers waiting to take your call at any time, helping ensure your proposal gets finished before the midnight deadline. Maintaining the infrastructure is a lot of work, but a Managed Service Provider can shoulder much of the responsibility while you internal IT teams focus on driving your organization forward.

Pros

Here are some things to consider if you choose to outsource some or all of your IT needs:

Cost-effective:
Generally, outsourcing is cheaper than maintaining a staff in-house. Employee expenses are spread across the MSP's client-base and MSPs have access to industry leading tools and technologies that are expensive to purchase and difficult to maintain in-house.

Availability:
Many MSPs provide 24x7 IT support, so you don't have to wait until the next business day to get the help you need. They also provide defined Service Level Agreements (SLAs) to demonstrate and define key support metrics.

Expertise:
MSPs provide customers access to a deep pool of experts with expertise in the government contracting sector, and often have multiple years' experience supporting many technologies in a variety of industries. A solid MSP will have a variety of solutions to support, secure, and optimize your infrastructure, users, and everything in-between.

Cons

Offshore:
Many large providers outsource some of their operations offshore. If domestic support is important to your organization, ask potential providers if their business functions are delivered domestically.

Personability:
Although they may provide great customer service, IT providers typically don't have a constant physical presence in your office, which naturally may cause a different dynamic in the partnership.

Indirect Control:
The point of outsourcing is to let the provider worry about your IT, but some organizations have difficulty abdicating that responsibility.

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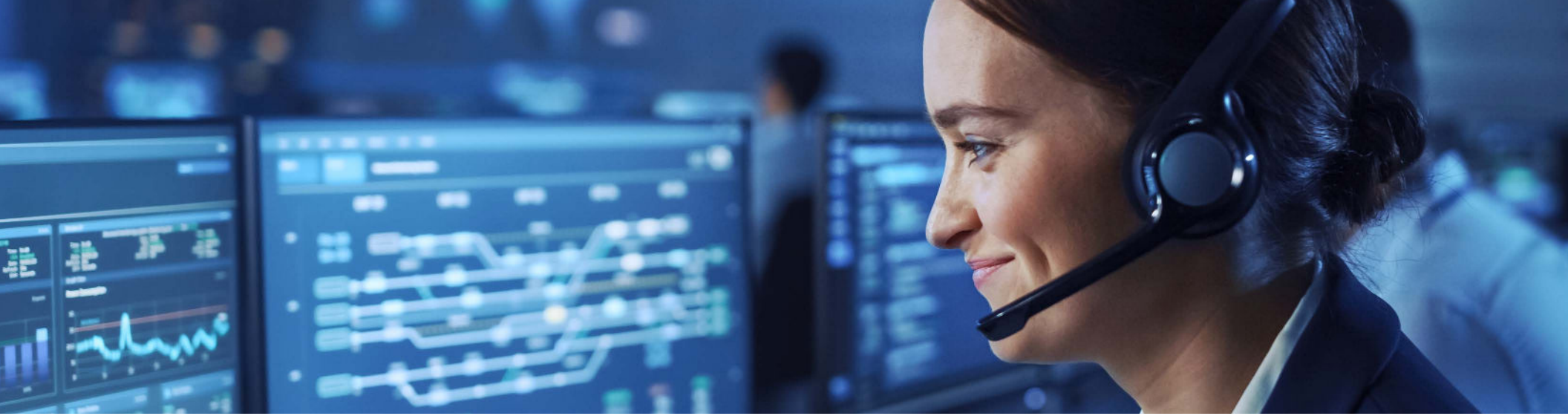

DETERMINING WHAT TO OUTSOURCE

If you are looking at keeping certain IT functions in-house and outsourcing others, determining when to outsource, what to outsource, and how to outsource is key. Non-strategic outsourcing can lead to inefficient use of IT budget, misalignment with business growth goals, and organizational friction. When determining what to outsource, when, and how, we recommend asking the following questions:

- What is the business growth strategy?
  - How quickly is the business looking to scale up?
  - Are there acquisitions to account for that need to be integrated into your environment?
  - What does your outsourcing strategy look like today and where does that fit into your organization's 5-year growth plan?
- What are the gaps in your current IT environment?
  - Break out your IT into logical areas of your infrastructure
  - Understand what the true cost for each of these areas are for handling in-house – employee resources, tools, worker's compensation, real estate, insurance, etc.
  - Identify your gaps between what you currently have for those areas and what you need
- Are there strategic initiatives upcoming that will require specialized experience or will take time away from your internal IT staff?
- Are there any risks involved with outsourcing certain functions?
- Do you need to multi-source any of these functions?
  - If so, do you have to have the overhead to manage those resources?

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ADDITIONAL VALUES TO OUTSOURCING IT

If you're still not convinced, many MSPs are a "one-stop-shop" for your IT needs. They offer an array of services – not just IT management – to cover all IT needs, including project management, telephony, and security. Here is additional information regarding the value of outsourcing to a Managed Service Provider.

If you decide your organization would benefit from proactive IT services, MSPs offer a wide array of services. Every organization's needs are different, but we suggest that your plan includes at least some level of support of the following four areas:

- Cybersecurity
- Infrastructure Management
- End-User Support
- Strategic Consulting and Cloud Services

If you have decided that in-house IT support is the best approach for your business, great! We are happy that our guide helped you come to that conclusion, and we wish you all the best in your business endeavors. However, if you think that outsourcing some or all of your organization's IT support is the best approach, continue reading to discover more advice that will help you choose the right long-term MSP.

Cybersecurity

Infrastructure Management

End-User Support Response

Strategic Consulting and Cloud Services

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PART 3:

Selecting Your MSP and IT Support Plan

QUESTIONS TO ASK YOUR POTENTIAL MSP

Some MSPs' business models are streamlined, easy to use, and provide users tremendous value, while others seem to cause more problems than they resolve. So, it's important to understand your IT and business goals and ask potential MSPs the right questions to make sure your goals align.

What kind of availability do you offer?

When determining what kind of availability your organization needs, think about your office locations (e.g., multiple time zones), working hours, and the cost of potential downtime. If your MSP doesn't staff a 24x7 help desk, issues may only be resolved during their business hours.

Are you backed by credentials that demonstrate your capabilities?

There are third parties that audit MSPs to validate their service offerings, and they look deeply into policies and procedures, security, data integrity, confidentiality, and financial stability. Your MSP should provide details regarding their certifications.

Do you integrate with in-house resources?

If you are only outsourcing part of your IT needs, you'll want to make sure that the MSP you partner with can easily work with your internal IT staff and environment and that there is adequate knowledge transfer and reporting.

What are your on-site and remote capabilities?

Finding an MSP that can serve all your office locations, remote employees, and data centers is crucial. Find an MSP that has the capability to manage all your IT needs and the ability to scale with your organization as it grows.

What are your resolution metrics and service level agreements?

What is the average time to ticket resolution? What does the escalation process look like? User downtime costs your organization money, so determining a realistic and ideal service level agreement (SLA) can help you pick a provider that has the right processes in place to meet your business needs.

Do you offer domestic services and is your help desk located in the US?

Many MSPs are not entirely domestic – many outsource a portion of their services offshore to lower costs. Selecting a U.S.-based provider avoids the potential for language barriers that could lead to longer resolution times.

What kind of services do you offer?

MSPs vary in both size and service offerings. Selecting a smaller, local company can be a good idea if quick onsite support is important and your organization's IT needs are simple. If you're looking for an MSP that can serve all your needs, you might need to look for a larger company. We recommend finding a company with years' of experience and a solid track record of success helping government contractors. You want a company that is large enough to possess the individual departments that specialize in different technologies and services (e.g., security, automation, cloud, project delivery) and has a vast network of partners across the country, but is still small enough to give your organization the personalized attention it deserves.

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WHAT HAPPENS NEXT?

Prior to developing a solution, your MSP will want to understand the current state of your organization's IT. That insight comes from a combination of investigative question, including: what does your infrastructure look like? How many endpoints do you have in your network?

Sometimes, the MSP will run non-intrusive software in your environment that collects data and performs a high-level risk assessment of systems, servers, networking infrastructure, endpoint security, and databases to help develop a greater understanding of your systems. The final report can be used as a mutual document that helps the MSP determine which services are ideal for your specific environment.

Types of Business Support

Outsourced business-grade IT support can be characterized primarily in two ways: proactive and reactive. The reactive model is intuitive – you wait for something to break before it gets fixed – and has been around since the beginning of the managed technology era. Since you only pay when you call tech support, it seems like the most affordable option. This option is fantastic if your organization's IT runs smoothly. However, if an issue arises, it can be very expensive to fix, not to mention the cost of lost productivity and downtime. Conversely, proactive support is designed to stop problems before they occur. MSPs deliver regular maintenance on your network, ensure hardware is under warranty, and optimize applications for maximum efficiency. However, this solution is often costlier but significantly reduces the risk of downtime.

Think about the two differing models this way: car owners have the option to bring their car in every 5,000 miles to get the oil and filter changed and perform a scheduled service or push the car to its limits and hope for the best. The first option is proactive and prevents engine issues down the road, while the latter is reactive and relies heavily on "break/fix." While more affordable in the short term, the "break/fix" model is risky and could ultimately render the entire car useless.

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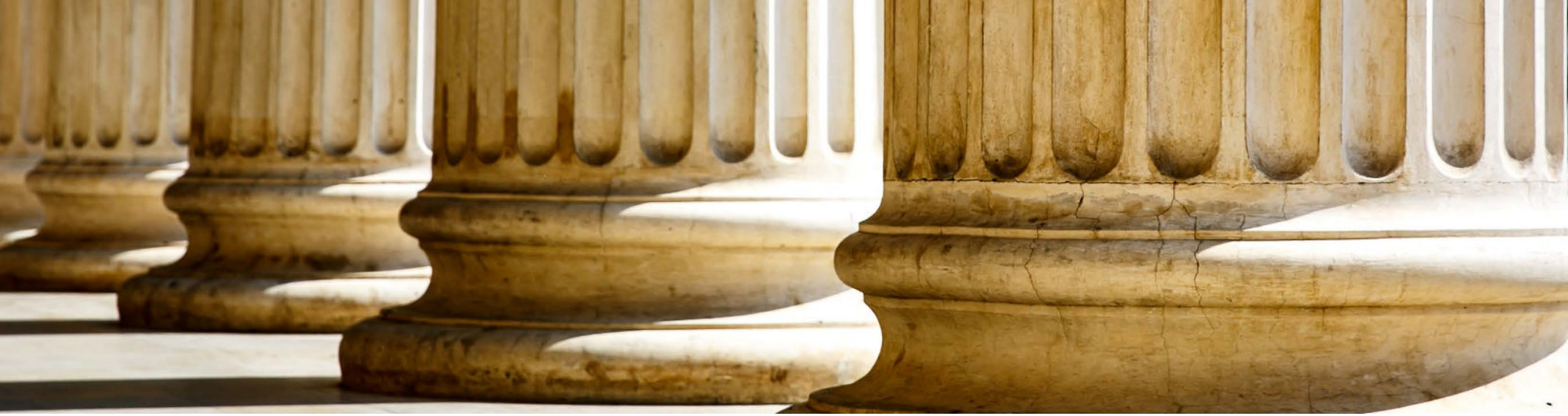

Finding Your Fit

As you can tell, we are confident that proactive support is the better solution for most organizations. But does it ever pay to be reactive? Smaller companies that use technology as a supplemental tool can benefit from reactive support – for example, a plumbing company with a small back office whose operations are primarily in customers' houses. A "pay-as-you-go" solution might make more sense in situations when the technology is simple, budget is small, and environment rarely changes.

However, technology-savvy government contractors will feel the impact of an email or server outage soon after it occurs, and a long-lasting outage can have a seriously devastating impact. What would be the impact of a three-day long email outage in your organization?

All MSPs and IT support companies offer parts of these services. Having all these features ensures your organization is set up for success while you gain peace of mind knowing you are protected from service outages and cyber threats.

If your goal is to have a stable environment running at optimal speeds, then these all-inclusive plans are ideal. Uptime SLAs are often defined in contracts, which incentives the MSP to regularly "change the oil" so that you experience maximum business up time. In a "break/fix" model, an MSP is not accountable if something repeatedly breaks. It is often hard for a non-technical person to judge if an IT professional is treating them fairly, so an all-inclusive plan naturally removes these risks because support is paid for monthly and not by the number of hours spent resolving issues.

A good MSP is also interested in your business practices, so they can develop a solution that aligns with those practices. Your employees expect to access the documents they need and be able to work when they need to, calling in when they are having issues. You need an IT provider with experience and expertise to guide your organization through the changing technological landscape, not just keep the lights on.

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MAKING YOUR DECISION

To summarize, remember the following prior to deciding the future of your IT support:

1 Know your business' IT needs, budget, expectations and future goals so you can determine what service model is best: in-house or outsourced.

2 Know what questions to ask a potential MSP and what characteristics/capabilities you require.

3 Understand the differences among the service plans the MSP provides, and choose one that provides the best value based on your business goals.

Outsourcing to an MSP ensures that your IT infrastructure helps your employees to be as efficient as possible, your data to be secured, and your IT budget kept in check.

Whether you have a pre-existing team and are only looking for after-hours support or your only IT engineer just submitted their resignation, an MSP can provide the support the support your business needs to allow you to focus on your primary business objectives. Choosing the right IT partner can feel daunting, but by using the information we provided throughout this document, we hope you can come to a clear conclusion as to the right solution for our organization.

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