MSP/IT Vendor Evaluation & Selection Guide

eBook, 2021

Table of Contents

To survive and thrive in uncertain economic times, businesses need more transparency, collaboration, and a higher level of responsiveness from their Managed IT Services Provider or IT vendor.

Dealing with the New Reality

Over the last 12 months, organizations across the world have been impacted by the global pandemic. *As executives begin to move beyond the pandemic, look to re-enter the market and grow their businesses, leaders are **seeking ways to contain or reduce cost, and direct the money into securing and serving customers, engaging, and retaining employees and removing barriers to growth**.*

Business growth or changes often outpace internal IT systems and software application capabilities, creating significant cost and complexity to expand, manage and evolve core IT systems, corporate communications, and business applications.

Market Dynamics & Realities

In today's highly regulated world, filled with cyber-attacks and threats, <u>businesses are often faced with investing even more money in IT </u> to achieve or maintain some type of regulatory compliance or address the unique needs of their customers. *Below are a few other market dynamics and realities that are impacting businesses today:*

SPENDING GROWTH:

Regardless of the pandemic, the total global spending on IT has grown to over $3.9 Trillion. Over $120 Billion is expected to be spent on cybersecurity in 2021.

VALUE & ROI IN QUESTION:

IT and Security spending continues to grow globally, yet organizations often struggle with realizing the business value or return from these investments.

TECH/VENDOR SPRAWL:

There are too many IT and Security strategies and approaches, too many technologies and solutions to review, and too many vendors that want to sell you IT and Security solutions to compare.

MSP/IT Vendor Evaluation & Selection Journey

The journey to find the "right" Managed IT Services Provider and IT partner can be long, complex, confusing, and filled with risk. The wrong partner and provider can literally cost you your customers, employees, or could destroy your business or reputation. <u>The journey typically begins with some level of internal discovery, evaluation</u>, or assessment that helps you to define your unique requirements and your needs.

<u>The second step in the process includes documenting the business case or creating a justification for the investment</u> or expense and comparing that against current projects, initiatives, and other items the business is investing in.

The longest part of the journey can be working with vendors and attempting to gather quotes, proposals, and estimates, and going through the selection process.

Due to the complex nature of technology, the jargon and industry terminology used by most vendors, <u>executives find it difficult to understand what services and technologies the vendors are providing and how they differentiate</u>. To assist you on the journey we have provided Requirements, Screening, Evaluation, and Selection Best Practices.

Investigating MSPs & IT Vendors

As executives begin to move beyond the pandemic, look to re-enter the market and grow their businesses, they are seeking ways to contain or reduce cost, and direct the money into engaging and serving customers, and retaining employees to accelerate growth.

For a growing number of organizations, Managed IT Services is the answer. By partnering with a Managed IT Services Provider (MSP), organizations can maximize the return on IT investments, and get IT systems, communications, and back-office applications aligned with the needs of their business, employees, and customers.

The right Managed IT Services Provider partner can enable executives and employees to focus on securing and servicing customers, and more important operational activities versus trying to get IT systems to function as expected.

That said, not all Managed IT Services Providers are created equal. Market research and surveys over the last 3 years report several customer concerns and issues with MSPs and IT solution providers.

With the glut of IT solutions and vendors in the market today, how can leaders make sure they are selecting the "right" partner that will support their organization?

xceptional.com

Vendors vs Value Focused Partners

There is a significant difference between a transactional vendor who will be there for you – as long as a sales is pending, as compared to a true value focused partner who is committed to supporting your business and helping you to achieve your business goals and objectives.

Below is a list of common vendor tactics to watch out for as reported by disgruntled customers:

- ✓ Pitching a solution too early or driving a client to a demo before understanding the client's needs and requirements
- ✓ Solutioning or selling more than the client needs, can afford, or can justify just to "be safe" if the client cannot provide the appropriate scoping answers
- ✓ Providing a demo of the platform / MSPs full capabilities but then cutting those services or functionality back then attempting to upsell additional features after the initial agreement is executed
- ✓ Having the client answer the same questions multiple times, across multiple meetings with the MSP team members due to a lack of internal planning, communication, preparation by the MSP
- ✓ Providing deep discounts in order to close a sale at quarter end or "throwing in" additional services and solutions to gain a purchase commitment when you told them the issue was budget or timing and not price related

Top MSP Issues, Complaints

While there are many advantages and benefits to utilizing a Managed IT Services Provider, the market is filled with stories about failed deployments and customers not receiving the service or support they were contracted and promised to receive.

Based on research conducted over the last 36 months, below is a list of the top issues and complaints with other MSP providers.

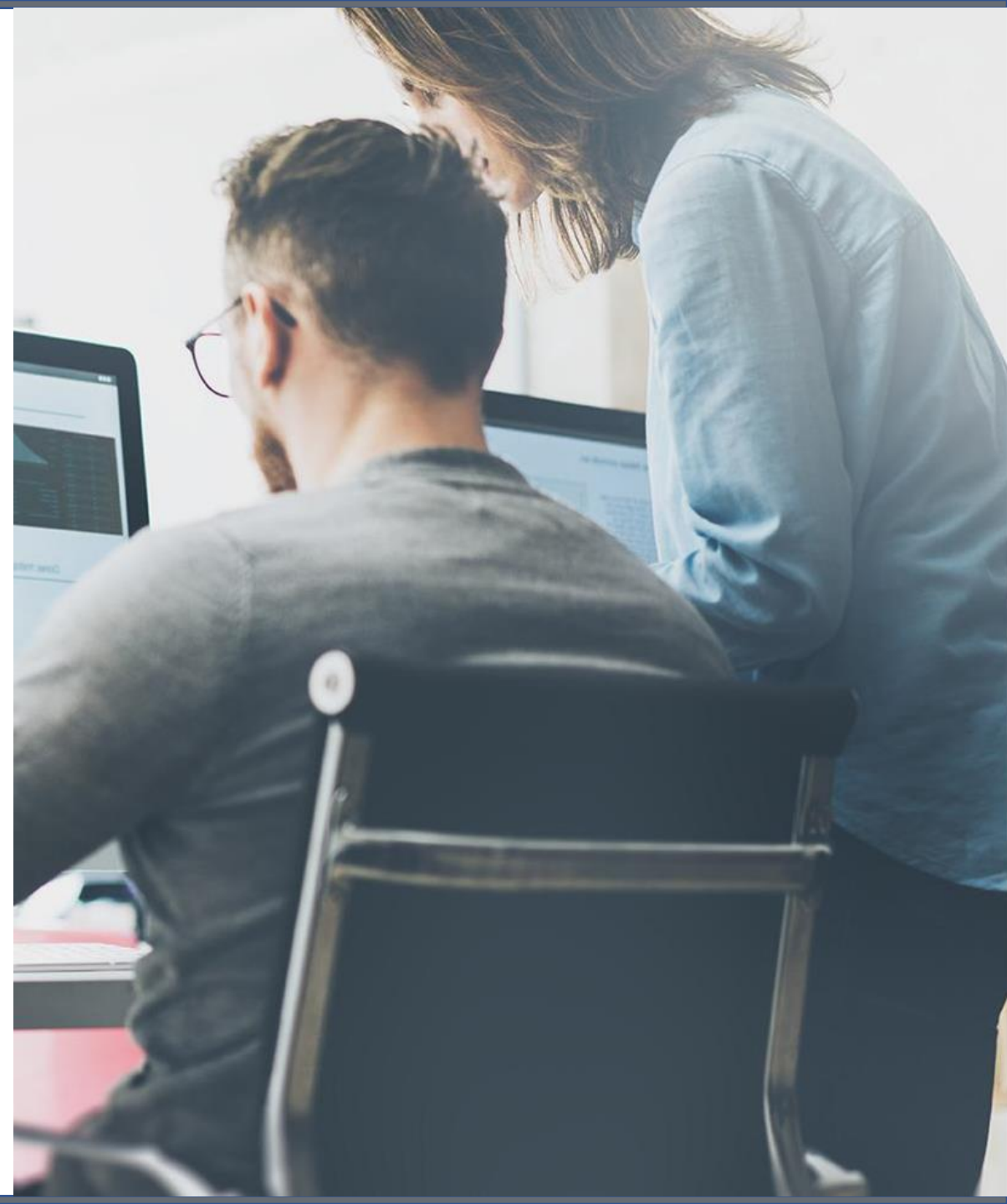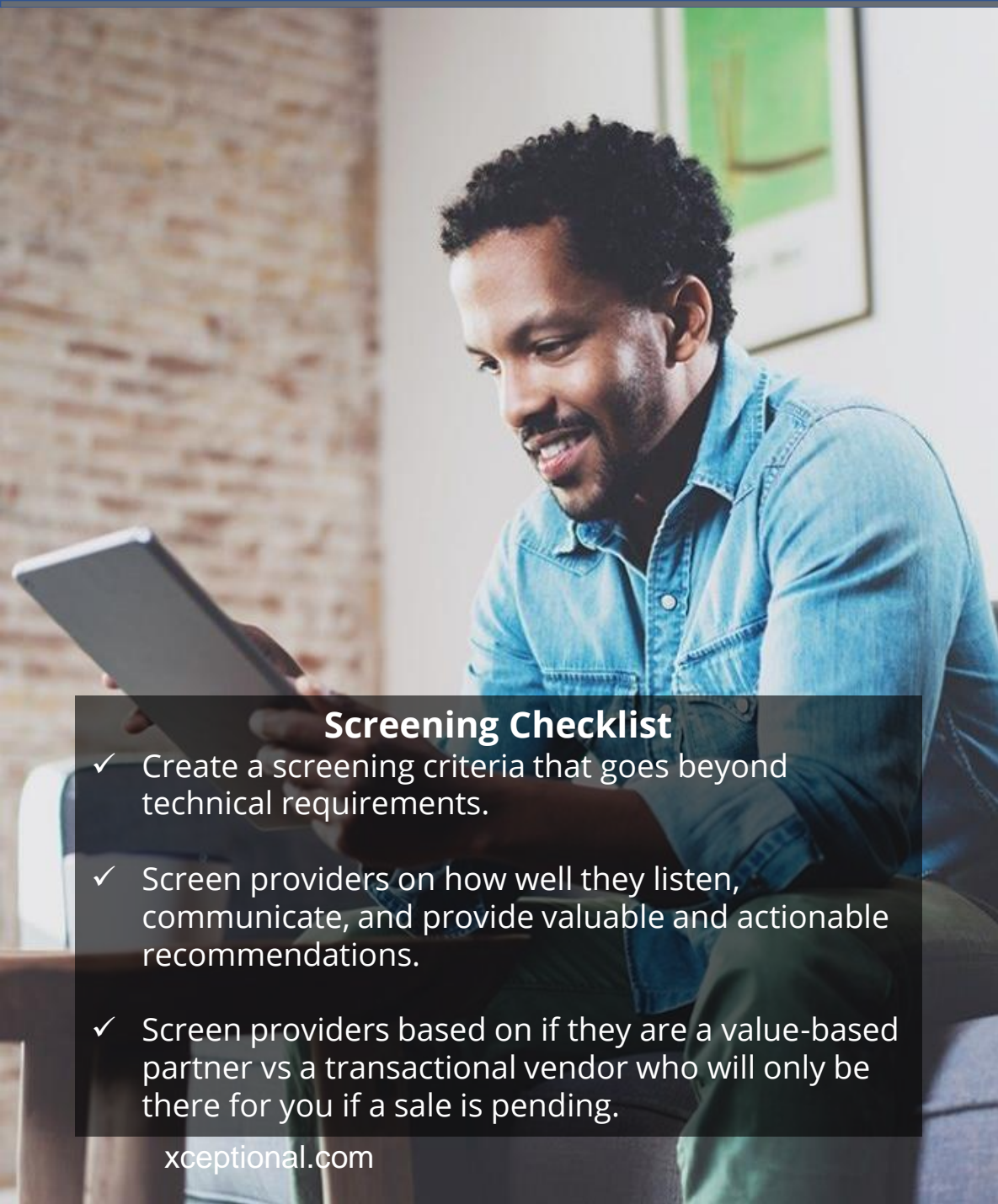|		
Inability to resolve ongoing support, service, or technical issues, requests.	**Lack of visibility into support ticket status, overall service delivery performance, metrics.**	**Poor or inconsistent customer service, service delivery response times.**
Tuning monitoring or service down to reduce MSP costs, failing to detect, alert, respond to threats or tickets.	**Only offering to resolve service issues or enhance services after multiple failures to detect, alert, respond.**	**Locking in by not providing access to systems, data, dashboards, performance analytics.**

xceptional.com

Requirements Gathering

The first step in the evaluation and selection journey begins internally within your organization. Research shows that a large percentage of IT projects fail due to incomplete requirements and a lack of clear goals, objectives and expectations around the initiative.

To ensure your IT initiatives and evaluation and selection process is a success we recommend the following:

- Document your needs, business and technical requirements, preferences, goals, objectives, expectations.

- Define a business case and estimate the projected value and impact that the solution and the provider will deliver.

- Work with a partner that will help you to build a business case and document/prioritize your requirements, expectations.

xceptional.com

MSP & IT Vendor Screening

As you begin the Managed IT Services Provider evaluation and selection journey, <u>we suggest you look for a Managed IT Services Provider and partner that checks the following 12 boxes:</u>

Is collaborative, consultative & wants to propose the right solution to address your unique requirements.	Is knowledgeable about IT, security, business, compliance.	Is highly responsive and provides a superior level of support.	Is committed to providing consistent quality, performance.
Provides custom, innovative solutions that will keep up with your business changes.	Delivers IT design, installation, and support services reducing time, and cost.	Provides proactive IT planning, monitoring, and services that give you control of IT systems.	Provides solutions and services are resilient and adaptable to market changes.
Delivers services based upon Service Level Agreements to ensure service consistency and quality.	Provides 24x7 monitoring, alerting, proactive patches and critical updates.	Provides modern, proven IT systems, and uses best practices.	Incorporates multiple services being provided under a single monthly invoice to simplify billing and reconciliation.

Screening Checklist

✓ Create a screening criteria that goes beyond technical requirements.

✓ Screen providers on how well they listen, communicate, and provide valuable and actionable recommendations.

✓ Screen providers based on if they are a value-based partner vs a transactional vendor who will only be there for you if a sale is pending.

xceptional.com

10

Evaluation Criteria

As we mentioned earlier, the longest part of the process can be the Evaluation stage of the journey that includes working with vendors and attempting to gather quotes, proposals, and estimates, so you can complete the selection process.

Due to the complex nature of technology, the jargon and industry terminology used by most vendors, <u>executives find it difficult to understand what services and technologies the vendors are providing and how they differentiate.</u>

This creates a layer of complexity in terms of MSP and IT Vendor Evaluation and can slow down the process or cause the buyer to make a poor selection. <u>Below are key Evaluation Best Practices to help ensure success</u>:

Evaluate providers on how well they can address needs, business and technical requirements, preferences and expectations.	**Gather info about the provider's operational maturity, procedures, engineering, response capabilities, delivery and reporting practices.**	**Look for potential value-added services around program development, strategy, advisory, IT roadmap creation, etc.**

xceptional.com

Requirements - Selection Best Practices

Below is a condensed set of the Requirements, Screening, Evaluation and Selection Best Practice recommendations that can be utilized as a checklist during your evaluation and selection journey:

REQUIREMENTS

✓ Document your needs, business and technical requirements, preferences, goals, objectives, expectations.

✓ Define a business case and estimate the projected value and impact that the solution will deliver.

✓ Work with a partner that will help you to build a business case and document/prioritize your requirements, expectations.

SCREENING

✓ Create a screening criteria that goes beyond technical requirements.

✓ Screen providers on how well they listen, communicate, and provide valuable and actionable recommendations.

✓ Screen providers based on if they are a value-based partner vs a transactional vendor who will only be there for you if a sale is pending.

EVALUATION

✓ Evaluate providers on how they will address your needs, business and technical requirements, preferences and expectations.

✓ Gather info about the provider's operational maturity, procedures, engineering and IR capabilities, delivery and reporting practices.

✓ Look for potential value-added services around program development, strategy, advisory, IT roadmap creation, etc.

SELECTION

✓ Develop a selection criteria beyond price that prioritizes your top requirements, including preferences and expectations.

✓ Demand greater levels of transparency around service level agreement attainment, service delivery performance and efficiency gains.

✓ Include consolidated billing, communications, ongoing relationship management into the criteria.

Wrap Up

Before the pandemic, leadership teams were trying to contain or reduce costs while looking to grow revenue and expand their business.

<u>Post pandemic, there is an even greater need to reduce and contain cost while invest in areas of the business that create the largest return on investment.</u> IT systems and applications that are aligned to business goals and objectives can be used to drive greater employee engagement and productivity, improve customer engagement and satisfaction, and accelerate the realization of financial goals and objectives.

The "right" MSP and IT partner can help align your IT systems and applications with your current business, employee and customer goals and requirements.

We hope this ebook assists you to find the "right" partner for your business and reduces your risk and time as you move forward with the MSP and IT Vendor evaluation and selection journey.

xceptional

Contact Us Today!

Visit our **resources page** to access more insights, research, and ebooks.

xceptional.com | 858-225-6230