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The Business Owner's Guide to
IT Support Services and Fees

What you should expect to pay for IT support for your business

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Read this eBook and you'll discover:

✔ The 3 most common ways IT services companies charge for their services, and the pros and cons of each approach.

✔ A common billing model that puts all the risk on you, the customer, when buying IT services; you'll learn what it is and why you need to avoid agreeing to it.

✔ Exclusions, hidden fees and other "gotcha" clauses IT companies put in their contracts that you don't want to agree to.

✔ How to make sure you know exactly what you're getting to avoid disappointment, frustration and added costs later on that you didn't anticipate.

✔ 21 revealing questions to ask your IT support firm BEFORE giving them access to your computer network, e-mail and data.

BONUS: Included in this eBook is an 8-question quiz that will aid you in determining which IT Support Model may best suit your needs and goals.

Dear Colleague,

One of the most commons questions we get from new prospective clients calling our office is "What do you guys charge for your services?" Since this is such a common question — and a very important one to address — I decided to write this report for 3 reasons:

1. I wanted an easy way to answer this question and educate all prospective clients who come to us on the most common ways IT services companies' package and price their services, and the pros and cons of each approach.

2. I wanted to bring to light a few "industry secrets" about IT service contracts and SLAs (service level agreements) that almost no business owner thinks about, understands or knows to ask about when evaluating IT service providers that can end up burning you with hidden fees and locking you into a long-term contract when they are unwilling or unable to deliver the quality of service you need.

3. I wanted to educate business owners on how to pick the right IT services company for their specific situation, budget and needs based on the value the company can deliver, not just the price, high or low.

In the end, my purpose is to help you make the most informed decision possible so you end up working with someone who helps you solve your problems and accomplish what you want in a time frame, manner and budget that is right for you.

Dedicated to serving you.

A Brief History Of Computer Support For Businesses

For us to understand what Managed Services is and why it's so commonly used today, I want to take you back in time just a little bit.

Just a few decades ago, computers were very large and cumbersome and used only by large organizations like universities and banks. But by the end of the 1980s, many schools had purchased their first computers and word processors were becoming common in offices everywhere. And by the mid-1990s, computers had become an indispensable part of everyday life. Now as you can imagine, with the increase of such technology in our daily workforce, the need for PC repair naturally...was on the rise.

It all started with "break-fix".

If something broke, the client called and hopefully the IT company went running to fix it. This was the Integris way in the beginning, too. We used to go help anyone and everyone, basically waiting for the phone to ring. You must be thinking like we were at that point in time...there's got to be a more responsive, predictable way to solve computer problems so that businesses are constantly waiting for help.

So IT companies developed procedures to go on-site to repeat clients, doing system reviews to look for hints of problems before they became too big. BUT the problem with that– as you can guess –was that they could only see what was happening on that particular day.

The practice of managed services for computer support came soon after. After all, the concept of outsourcing specific tasks to a specialist in one field had been around in other areas. In fact, you've probably had some managed services for your business for quite some time; RG&E for your heat and electric is one example...Time Warner Cable for your phone or internet is another...I'd make a big bet that your waste management is handled by an MSP, or managed service provider, too!

Businesses like yours realized that their network needs could be effectively outsourced to specialists in the IT field. New tools were being developed so that the day-to-day management of a company's network could be done by specialists outside of the company walls. This STRATEGIC "managed services for business IT" method would improve a business' operation by providing a higher quality of support, faster response times to users

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Comparing Apples To Apples:
The Predominant IT Service Models Explained

Before you can accurately compare the fees, services and deliverables of one IT services company to another, you need to understand the 3 predominant service models most of these companies fit within. Some companies offer a blend of all 3, while others are strict about offering only one service plan. The 3 predominant service models are:

- **Time and Materials.** In the industry, we call this "break-fix" services. Essentially you pay an agreed-upon hourly rate for a technician to "fix" your problem when something "breaks." Under this model, you might be able to negotiate a discount based on buying a block of hours. The scope of work may be simply to resolve a specific problem (like removing a virus), or it may encompass a large project like a computer network upgrade or move that has a specific result and end date clarified.
Some companies will offer staff augmentation and placement under this model as well.

- **Managed IT Services.** This is a model where the IT services company takes the role of your "IT department" and not only installs and supports all the devices and PCs that connect to your server(s), but also offers phone and on-site support, antivirus, security, backup and a host of other services to monitor and maintain the health, speed, performance and security of your computer network.

- **Software Vendor.** Supplied IT Services. Many software companies will offer IT support for their customers in the form of a help desk or remote support for an additional fee. However, these are typically scaled-back services, limited to troubleshooting their specific application and NOT your entire computer network and all the applications and devices connected to it. If your problem resides outside of their specific software or the server it's hosted on, they can't help you and will often refer you to "your IT department." While it's often a good idea to buy some basic-level support package with a critical software application you use to run your business, this is not enough to provide the full IT services and support most businesses need to stay up and running.

When looking to outsource your IT support, the two service models you are most likely to end up having to choose between are the "managed IT services" and "break-fix" models. Therefore, let's dive into the pros and cons of these two options, and then the typical fee structure for both.

Managed IT Services Vs. Break-Fix:
Which Is The Better, More Cost-Effective Option?

You've probably heard the famous Benjamin Franklin quote, "An ounce of prevention is worth a pound of cure." I couldn't agree more — and that's why it's my sincere belief that the managed IT approach is, by far, the most cost-effective, smartest option for any small business. The only time I would recommend a "time and materials" approach is when you already have a competent IT person or team proactively managing your computer network, and simply have a specific IT project to complete that your current in-house IT team doesn't have the time or expertise to implement (such as a network upgrade, installing a backup solution, etc.). Outside of that specific scenario, I do not think the break-fix approach is a good idea for general IT support for one very important, fundamental reason: you'll ultimately end up paying for a pound of "cure" for problems that could have easily been avoided with an "ounce" of prevention.

Why Regular Monitoring And Maintenance Is Critical For Today's
Computer Networks

The fact of the matter is, computer networks absolutely, positively need ongoing maintenance and monitoring to stay secure. The ever-increasing dependency we have on IT systems and the data they hold — not to mention the type of data we're now saving digitally — have given rise to very smart and sophisticated cybercrime organizations and who work around the clock to do one thing: compromise your networks for illegal activities.

In most cases their intent is to access financial information and passwords to rob you (or your clients), create fake identities for credit card fraud, etc. In other cases they may want to use your computer network to send illegal spam, host pirated software, spread viruses, etc. And some do it just for the "fun" of being able to make computer systems inoperable. These criminals work around the clock in teams, constantly finding and inventing new ways to get around your antivirus software and firewalls; that's why you have to remain ever vigilant against their attacks.

Of course, this doesn't even take into consideration other common "disasters" such as rogue employees, lost devices, hardware failures (which are the #1 reason for data loss), fire and natural disasters and a host of other issues that can interrupt or outright destroy your IT infrastructure and the data it holds. Then there's regulatory compliance for any business hosting or touching credit card or financial information, medical records and even client contact information such as e-mail addresses.

Preventing these problems and keeping your systems up and running (which is what managed IT services is all about) is a lot less expensive and damaging to your organization than waiting until one of these things happens and then paying for emergency IT services to restore your systems to working order (break-fix).

Should You Just Hire A Full-Time IT Manager?

In most cases, it is not cost-effective for companies to hire a full-time IT person, because you can outsource this function of your business far cheaper and with a lot less work; but you DO want to hire a professional to perform basic maintenance just as you would hire an attorney to handle your legal matters or an accountant to prepare your taxes. If you truly understand the cost of your time and factor in employee productivity, the managed IT services model is considerably less expensive over time than the "break-fix" model.

Why "Break-Fix" Works Entirely In The Consultant's Favor, Not Yours

Under a "break-fix" model, there is a fundamental conflict of interests between you and your IT firm. The IT services company has no incentive to stabilize your computer network or to resolve problems quickly because they are getting paid by the hour; therefore, the risk of unforeseen circumstances, scope creep, learning curve inefficiencies and out-right incompetence are all shifted to YOU, the customer. Essentially, the more problems you have, the more they profit, which is precisely what you don't want.

Under this model, the IT consultant can take the liberty of assigning a junior (lowerpaid) technician to work on your problem who may take two to three times as long to resolve an issue that a more senior (and more expensive) technician may have resolved in a fraction of the time. There is no incentive to properly manage the time of that technician or their efficiency, and there is every reason for them to prolong the project and to find more problems than solutions. Of course, if they're ethical and want to keep you as a client, they should be doing everything possible to resolve your problems quickly and efficiently; however, that's akin to putting a German shepherd in charge of watching over the ham sandwiches. Not a good idea.

Second, it creates a management problem for you, the customer, who now has to keep track of the hours they've worked to make sure you aren't getting overbilled; and since you often have no way of really knowing if they've worked the hours they say they have, it creates a situation where you really, truly need to be able to trust they are being 100% ethical and honest and tracking their hours properly (not all do).

And finally, it makes budgeting for IT projects and expenses a nightmare since they may be zero one month and thousands the next.

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What To Look For In A Managed IT Services Agreement And What You Should Expect To Pay

Important! Please note that the following price quotes are industry averages based on a recent IT industry survey conducted of over 750 different IT services firms. We are providing this information to give you a general idea of what most IT services firms charge and to help you understand the vast differences in service contracts that you must be aware of before signing on the dotted line. Please understand that this does not reflect our pricing model or approach, which is simply to understand exactly what you want to accomplish first and then customize a solution based on your specific needs, budget and situation.

Hourly Break-Fix Fees

Most IT services companies selling break-fix services charge between $150 and $250 per hour with a one-hour minimum. In most cases, they will give you a discount of 5% to as much as 20% on their hourly rates if you   purchase and pay for a block of hours in advance.

If they are quoting a project, the fees range widely based on the scope of work outlined. If you are hiring an IT consulting firm for a project, I would suggest you demand the following:

- **A very detailed scope of work** that specifies what "success" is. Make sure you detail what your expectations are in performance, work flow, costs, security, access, etc. The more detailed you can be, the better. Detailing your expectations up front will go a long way in avoiding miscommunications and additional fees later on to give you what you really wanted.

- **A fixed budget and time frame** for completion. Agreeing to this up front aligns both your agenda and the consultant's. Be very wary of loose estimates that allow the consulting firm to bill you for "unforeseen" circumstances. The bottom line is this: it is your IT consulting firm's responsibility to be able to accurately assess your situation and quote a project based on their experience. You should not have to pick up the tab for a consultant underestimating a job or for their inefficiencies. A true professional knows how to take into consideration those contingencies and bill accordingly.

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Managed IT Services

Most managed IT services firms will quote you a monthly fee based on the number of devices they need to maintain, back up and support. In Rochester, that fee is somewhere in the range of $100 to $400 per server, $20 to $150 per desktop and approximately $50 per smartphone or mobile device.

If you hire an IT consultant and sign up for a managed IT services contract, here are some things that should be included

- Security patches applied weekly, if not daily, for urgent and emerging threats
- Antivirus updates and monitoring
- Firewall updates and monitoring
- Backup monitoring and test restores
- Spam-filter installation and updates
- Spyware detection and removal
- Monitoring disk space on workstations and servers
- Monitoring hardware for signs of failure
- Optimizing systems for maximum speed

The following services may not be included and will often be billed separately. This is not necessarily a "scam" or unethical unless the managed IT services company tries to hide these fees when selling you a service agreement. Make sure you review your contract carefully to know what is and is not included!

- Hardware, such as new servers, PCs, laptops, etc
- Software licenses
- On-site support

Warning! Gray areas of "all-inclusive" service contracts. In order to truly compare the "cost" of one managed IT services contract to another, you need to make sure you fully understand what is and isn't included and the "SLA" or "service level agreement" you are signing up for. **It's very easy for one IT services provider to appear far less expensive than another until you look closely at what you are getting.**

QUIZ: How to Choose Your IT Model

You may be the type of executive that knows right away which IT support is right for you. But for some, it's a challenge to weigh the cost against the support you're going to receive.

To help you, here is an 8-question quiz to help you determine which model is best for you. Give yourself a 1 if the question isn't important for your business, a 5 if you feel it's essential, or a 2, 3 or 4 if you're somewhere in the middle.

With the help of my IT team, Do I want to...

1. _____ find out immediately if my data back-up fails to run?

2. _____ know which equipment on my network is aging and might need replacing in the next 6-12 months?

3. _____ know if my server and all of my desktops have the latest anti-virus updates installed and are functioning correctly?

4. _____ know if the latest security patches have been installed on my network?

5. _____ know who the heaviest Internet users are, and whether they are downloading large files that can slow down the network, or accessing inappropriate web sites?

6. _____ know which PCs are running out of memory, affecting user performance?

7. _____ know if the latest security patches have been installed on my network?

8. _____ have one number to call for all of my technology service requirements?

If you give each question a 3 or higher, then you're seeing how important a dedicated managed IT Provider is to your business and why it's worth the investment. The fact of the matter is, computer networks absolutely, positively need ongoing maintenance and monitoring to stay secure.

Keeping your systems up and running, which is what managed IT services is all about, is a lot less expensive and damaging to your organization than waiting until one of these things happens and then paying for emergency IT services to restore your systems to working order.

Never Ask An IT Services Company, "What Do You Charge For Your Services?" Instead You Should Ask, "What Will I Get For My Money?"

The following are 21 questions to ask your IT services provider that will clarify exactly what you're getting for the money. Some of these items may not be that important to you, while others (like response time, adequate insurance and uptime guarantees) may be critical. Make sure you fully understand each of these items before making a decision about who the right provider is for you; then make sure you get this in writing.

21 Service Clarification Questions You Should Ask Your IT Services Firm Before Signing A Contract

Customer Service

Question 1
Do they answer their phones live or do you always have to leave a voicemail and wait for someone to call you back?

Our Answer
We answer our phones live from 8:00 a.m. to 5:00 p.m. and give all clients an emergency after-hours number they may call if a problem arises, even on weekends. Why? Because many of the CEOs and executives we support work outside normal hours and find it the most productive time they have. If they cannot access their computer network and can't get hold of anyone to help them, it's incredibly frustrating.

Question 2
Do they offer a written, guaranteed response time to your calls?

Our Answer
We guarantee to have a technician working on a problem within 60 minutes or less of your call. This is written into every service agreement we give to our clients because it's standard procedure.

Question 3
Do they take the time to explain what they are doing and answer your questions in terms that you can understand (not geek-speak), or do they come across as arrogant and make you feel stupid for asking simple questions?

Our Answer
Our technicians are trained to have the "heart of a teacher" and will take time to answer your questions and explain everything in simple terms. Just look at what this one client had to say:

"Integris Never Uses Geek-Speak!" - Larry S.
Integris doesn't just take care of problems that come about, they anticipate problems before they happen. Our tech is polite to our employees and communicates well.

Question 4
Do they consistently (and proactively) offer new ways to improve your network's performance, or do they wait until you have a problem to make recommendations?

Our Answer
We conduct quarterly review meetings with our clients to look for new ways to help improve their operations, lower costs, increase efficiencies and resolve any problems that may be arising. Our goal with these meetings is to help our clients be more profitable, efficient and competitive.

Question 5
Do they provide detailed invoices that clearly explain what you are paying for?

Our Answer
We provide detailed invoices that show what work was done, why and when, so you never have to guess what you are paying for. We also double-check our invoices for accuracy before they are sent to you.

Question 6
Do they have adequate errors and omissions insurance as well as workers' compensation insurance to protect YOU?

Our Answer
Here's something to consider: if they cause a problem with your network that causes you to be down for hours or days or to lose data, who's responsible? Here's another question to consider: if one of their technicians gets hurt at your office, who's paying? In this litigious society we live in, you better make darn sure whomever you hire is adequately insured with both errors and omissions insurance and workers' compensation— and don't be shy about asking to see their latest insurance policies!

True Story
A few years ago Geek Squad was slapped with multimillion-dollar lawsuits from customers for bad behavior by their technicians. In some cases, their techs where accessing, copying and distributing personal information they gained access to on customers' PCs and laptops brought in for repairs. In other cases, they lost a client's laptop (and subsequently all the data on it) and tried to cover it up. Bottom line: make sure the company you are hiring has proper insurance to protect you.

Question 7
Do they guarantee to complete projects on time and on budget?

Our Answer
All projects are fixed-priced and guaranteed to be completed on time, in writing. This is important because many unethical or incompetent computer guys will only quote "time and materials," which gives them free rein to nickel-and-dime you as well as take as much time as they want completing a project.

Maintenance Of Your Network

Question 8

Do they insist on remotely monitoring your network 24/7/365 to keep critical security settings, virus definitions and security patches up-to-date and prevent problems from turning into downtime, viruses, lost data and other issues?

Our Answer

Yes; our remote network monitoring system watches over your network to constantly look for developing problems, security issues and other problems so we can address them before they turn into bigger problems.

Question 9

Do they provide you with a weekly report that shows all the updates, security patches, and status of every machine on your network so you know for sure your systems have been secured and updated?

Our Answer

Every week our clients get a detailed report that shows an overall health score of their network and the updates to their antivirus, security settings, patches and other important network checks (like hard-drive space, backups, speed and performance, etc.).

Question 10

Is it standard procedure for them to provide you with written network documentation detailing what software licenses you own, critical passwords, user information, hardware inventory, etc., or are they the only person with the "keys to the kingdom"?

Our Answer

All clients receive this in written and electronic form at no additional cost. We also perform a quarterly update on this material and make sure certain key people from your organization have this information and know how to use it, giving you complete control over your network.

Sidenote

You should never allow an IT person to have that much control over you and your company. If you get the sneaking suspicion that your current IT person is keeping this under their control as a means of job security, get rid of them (and we can help to make sure you don't suffer any ill effects). This is downright unethical and dangerous to your organization, so don't tolerate it!

Question 11

Do they have other technicians on staff who are familiar with your network in case your regular technician goes on vacation or gets sick?

Our Answer

Yes; and since we keep detailed network documentation (basically a blueprint of your computer network) and updates on every client's account, any of our technicians can pick up where another one has left off.

Question 12
When they offer an "all-inclusive" support plan, is it truly all-inclusive, or are their "gotchas" hidden in the fine print?

Our Answer
Our "all-inclusive" support plan is just that — all-inclusive. One of the more popular service plans offered by consulting firms today is an "all-inclusive" or "all-you-caneat" managed services plan. These are actually a good thing because they'll save you a lot of money in the long run. however, make sure you really understand what is and isn't included. Some things to consider are:

- Is phone/e-mail help desk included or extra?
- What about network upgrades, moves or adding/removing users?
- Is hardware and/or software included?
- What about 3rd-party software support? (We recommend that this is included.)
- What are the costs/consequences of early cancellation?
- What if you aren't happy with their services? Do they offer a money-back guarantee?
- If the hardware and software is included, what happens if you cancel the contract?
- Are off-site backups included? To what degree?
- If you have a major disaster, is restoring your network included or extra?
- What about on-site support calls? Or support to remote offices?
- Are home PCs used to access the company's network after hours included or extra?

Backups And Disaster Recovery

Question 13
Do they insist on monitoring an off-site as well as an on-site backup, or are they letting you rely on outdated tape back-ups?

Our Answer
We do not allow our clients to use tape backups because tape backups are incredibly unreliable. We make recommend that all of our clients not only backup onsite, but have secure, encrypted off site backup as well. A Data Recovery and Disaster Recovery Plan, as well as regular test restores, are two other best practices we share with our clients.

Question 14
Do they insist on doing periodic test restores of your backups to make sure the data is not corrupt and could be restored in the event of a disaster?

Our Answer
We perform a monthly "fire drill" and perform a test restore from backup for our clients to make sure their data can be recovered in the event of an emergency. After all, the worst time to "test" a backup is when you desperately need it.

Question 15

Do they insist on backing up your network before performing any type of project or upgrade?

Our Answer

We do, and that's simply as a precaution in case a hardware failure or software glitch causes a major problem.

Question 16

If you were to experience a major disaster, do they have a written plan for how your data could be restored fast and/or enable you to work from a remote location?

Our Answer

All clients receive a simple disaster recovery plan for their data and network. We encourage them to do a full disaster recovery plan for their office, but at a minimum, their network will be covered should something happen.

Technical Expertise And Support

Question 17

Is their help-desk U.S.-based or outsourced to an overseas company or third party?

Our Answer

We provide our own in-house help desk and make sure the folks helping you are friendly and helpful. We consider this one of the most important aspects of customer service, plus we feel it's important to keeping your data secure.

Question 18

Do their technicians maintain current vendor certifications and participate in ongoing training — or are they learning on your dime?

Our Answer

Our technicians are required to keep the most up-to-date vendor certifications in all the software we support. Plus, our hiring process is so stringent, 99% of the technicians who apply don't make it through. (Guess who's hiring them?)

Question 19

Do their technicians arrive on time and dress professionally?

Our Answer

Our technicians are true professionals that you would be proud to have in your office. They dress professionally and show up on time, and if they cannot (for some odd, unforeseen reason), we always notify the client immediately. We believe these are minimum requirements for delivering a professional service.

Question 20

Are they familiar with (and can they support) your unique line of business applications?

Our Answer

We own the problems with all lines of business applications for our clients. That doesn't mean we can fix faulty software — but we will be the liaison between you and your vendor to resolve problems you are having and make sure these applications work smoothly for you.

Question 21

When something goes wrong with your Internet service, phone systems, printers or other IT services, do they own the problem or do they say, "That's not our problem to fix"?

Our Answer

We feel WE should own the problem for our clients so they don't have to try and resolve any of these issues on their own — that's just plain old good service and something many computer guys won't do.

A Final Word And Free Consultation Offer To Show You How To Eliminate System Slowness, Crashes And Viruses And Drastically Lower Your IT Maintenance Costs

I hope you have found this eBook helpful in shedding some light on what to look for when hiring a professional firm to outsource your IT support to. My purpose in providing this information was to help you make an informed decision and avoid getting burned by incompetent or unethical firms luring you in with cheap prices.

The fastest and easiest way for us to demonstrate the value we can deliver without any risk to you is to create a free, customized IT optimization plan that will reveal what's really going on in your computer network and show you the most efficient way to get your systems working the way they're supposed to, saving you a great deal of time, aggravation and money. There's no charge for this, and it only requires a 30-60 minute Complimentary Technology Consultation. After doing this type of thing for years, we've truly perfected a process for helping companies like yours to get their IT systems working the way they are supposed to.

The best that can happen is we work together to finally take all IT complaints off your plate.